Think Ahead **ACCA**

ACCA Malaysia Sustainability Reporting Awards (MaSRA)

Judges'
Report 2016

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Sustainability and Corporate Performance: Quick Facts

90%

of the studies on the cost of capital show that sound sustainability standards lower the cost of capital of companies.

88%

of the research shows that solid ESG practices result in operational outperformance of firms.

80%

of the studies show that stock price performance of companies is positively influenced by good sustainability performance.

75%

of investors agree that company's good sustainability performance is materially important when making investment decisions.

Consistent finding of added value of Corporate Sustainability over time, indicated by the positive relationship between financial outperformance and sustainability quality before, during and after the 2009 crisis period.

Introduction

Organisations are now acknowledging that sustainable business practices are an essential part of corporate risk management and key to business investability. Investors are increasingly seeking and using non-financial data to support their investment decisions.

2016 was a watershed year in Malaysia for sustainability reporting. The introduction of the Bursa Malaysia Sustainability Framework provided the motivation for more organisations to report on their sustainability practices to both improve their business performance and meet the reporting requirements.

Organisations are realising that failure to meet sustainable business practices and to live up to what they are reporting may lead to a decline in business performance and a loss of reputation. This was clearly evident with BP who as result of the Gulf of Mexico incident in 2010, had their share value drop by 50% in a two-month period. Since the disaster, BP's share price has underperformed its peer group by 37%. Volkswagen suffered a similar fate when inaccuracies in their emission testing data became public.

Organisations are now acknowledging that sustainable business practices are an essential part of corporate risk management and key to business investability. Investors are increasingly seeking and using non-financial data to support their investment decision. The July 2016 report from Swiss Sustainable Finance, Performance of Sustainable Investments, Evidence and Case Studies stated that 75% of investors agree that a company's good sustainability performance is materially important when making investment decisions. This change has led organisations not only to get involved in major activities related to sustainability, but to also integrate sustainability as part of their core strategies.

The evolution of responsible investments

Institutional Investors are driving the current market

Asset Managers lose business due to lack of RI product offering

Product Innovation & Increased Transparency

Ongoing challenges for the RI market

- Retail market remains untapped
- RI reporting and transparency are strong examples for the rest of the market, but still need harmonisation
- Still no common definition of what RI is
- Challenges to credibility of certain RI strategies and their implementation - greenwashing

What worries Institutional Investors today?

- Embedding and monitoring RI performance in manager mandates
- Ensuring effective risk management
- Fiduciary responsibilities and short-termism versus long-term focus

The Institutional Investor of the future:

What will he want?
- Tailored RI products designed just for him
- Open and simple investment platform/portal
- Flexible and adaptable products which accompany him and his clients through their life
- Asset manager with strong brand
- Product simplicity, transparency, flexibility will become as important as financial performance
- Social media may influence many decisions

The RI market is already ahead of the game:

- Existing sector focus on simplicity, transparency, honesty and integrity
- Innovative and "niche" nature of the RI product will appeal to investors of the future
- ESG focus will help address the fiduciary duty question
- Tomorrow's investors are already more environmentally and socially conscious
- Arguably, brands can be better built on firm "responsible" foundations

All that remains is to see and seize the opportunities

Extracted from KPMG European Responsible Fund Investing (RI) Survey 2015

The above diagram shows the link between the current niche market for sustainability and how it will be mainstream by 2030.

Increasingly, businesses are making strategic decisions around the type and extent of their corporate sustainability policies. This comes as stakeholders including individuals, community organisations and governments are all prioritising sustainability as an essential aspect. Organisations that have been proactive are already reaping significant benefits from developing forward looking practices.

Businesses are finding that embracing sustainable practices leads to better corporate culture, more reliable products and greater long term profitability.

Sustainability practices include ensuring that everyone in the supply chain engage in ethical practices, sourcing renewable materials and do not engage in simply business with countries or organisations that are unprincipled. This will ensure that organisations will be able to continue producing their products and services into the future sustainably..

The launch of the UN Sustainable Development Goals (SDGs) in September 2015 provided a broad set of goals that could be used by organisations to demonstrate their commitment to sustainability through their business activities. The UN is encouraging partnerships for sustainable development which involve multi-stakeholder initiatives voluntarily undertaken by governments, intergovernmental organisations, major groups and others stakeholders, whose efforts are contributing to the implementation of agreed development goals and commitments. In response,

Malaysia has launched the Jeffrey Sachs Center on Sustainable Development in Sunway University in December 2016. The pioneering Center will be a hub for research and policy practice, creating world-class programmes to train a new generation of students, practitioners and policy leaders, as well as developing linkages with universities, industries, government bodies, NGOs and social enterprises around the world in sustainable development.

On the reporting front, since the introduction of the Bursa Malaysia's Corporate Social Responsibility (CSR) reporting requirements in 2007, the number of organisations in Malaysia publishing sustainability report has grown significantly. This is not only through Bursa's efforts but is also a result of competition and peer pressure as once one organisation in a sector has published a report, others in the same sector quickly follow suite. In addition, the disclosure of non-financial information is increasing world-wide, influenced by legislation such as the recent Paris Agreement; EU Directive; sustainability-related listing requirements introduced by stock exchanges (e.g. Bursa Malaysia, Singapore Stock Exchange and Hong Kong Stock Exchange) the role of multinationals in the supply chain; investors influence and recognised reporting frameworks. With all these, Malaysian organisations are seeing the benefits of sustainability reporting as a means to enhance their reputation and attract investment.

Meanwhile, Integrated Reporting (<IR>) is still at its infancy in Malaysia. A survey conducted by the Malaysian Institute of Accountants (MIA) and ACCA in 2015, however revealed that there is strong interest among Malaysian businesses, investors and others to learn more about <IR>, as a new tool for better corporate reporting. <IR> has been hailed as a game changer for corporate reporting as it requires organisations to look beyond financial performance and compliance-driven reporting to communicate how they draw on a broader range of resources, including human, societal and natural, to create value over the short, medium and long term. It is not just about better reporting; the process of <IR> brings about integrated thinking, a greater appreciation of the different resources used and affected by the organisations in their value-creation process, and should lead to improved performance as a result. This year, we see some integrated reports being submitted for consideration for the Awards and this is definitely a welcome evolution from sustainability reporting.

49 Participants
Running for the Awards

Stand-alone Sustainability Report

|	
Allianz Malaysia Berhad	Sustainability Report 2015 : Encouraging Tomorrow
Axiata Group Berhad	Sustainability & National Contribution Report 2015 : Commitment to Development Towards A Digital Future
CCM Duopharma Biotech Berhad	Sustainability Report 2015: Better Living Through Experience & Technology
Cahya Mata Sarawak Berhad	Sustainability Report 2015: Building a Sustainable Future
Cenviro Sdn Bhd	Sustainability Report 2015: Mapping Future Sustainability
Chemical Company of Malaysia Berhad	Sustainability Report 2015: Innovative Solutions Through Experience & Technology
CIMB Group Holdings Berhad	Sustainability Report 2015: Asean Catalyst
DiGi.Com Berhad	Sustainability Report 2015: Your Favourite Digital Partner
Fuji Xerox Asia Pacific Pte Ltd (Malaysia Operations)	Sustainability Report 2015: Towards Greater Innovation
Heineken Malaysia Berhad (f.k.a. Guinness Anchor Berhad)	Corporate Responsibility Report 2015: A Commitment to Sustainability
Kumpulan FIMA Berhad	Sustainability Report 2016
Malayan Banking Berhad	Sustainability Report 2015: Leading Asia - Delivering Our ASEAN Vision Together
Malaysia Airports Holdings Berhad	Sustainability Report 2015: Our Foundation For the Future
Media Prima Berhad	Sustainability Report 2015: Everyone Counts
MISC Berhad	Sustainability Report 2015: Rediscover. Rebuild. Sustain.
Nestlé (Malaysia) Berhad	Nestlé In Society 2015: Creating Shared Value and Meeting Our Commitments
Nets Printwork Sdn Bhd	Sustainability Report 2015: Creating Opportunity for Growth
Petroliam Nasional Berhad (Petronas)	Sustainability Report 2015: Thriving in Tough Times
PwC Malaysia	Corporate Responsibility 2015-2016: A journey in building trust
RHB Capital Berhad	Sustainability Report 2015: Together We Progress
SME Development Bank Malaysia Berhad	Sustainability Report 2015: Empowering Businesses, Driving Nation Building
Sunway Berhad	Sustainability Report 2015: A Part of You
Telekom Malaysia Berhad	Sustainability Report 2015: Championing Sustainability
YTL Corporation Berhad	Sustainability Report 2015

Reporting within Annual Report / Integrated Report

Astro Malaysia Holdings Berhad	Annual Report 2016: 20 Years Celebrating You
British American Tobacco	Annual Report 2015
Carlsberg Brewery Malaysia Berhad	Annual Report 2015: Our Commitment to Sustainability
Felda Global Ventures Holdings Berhad	Annual Integrated Report 2015: Empowering Sustainable Value
Fraser & Neave Holdings Bhd	Annual Report 2015: The Year of Building Brands
Genting Malaysia Berhad	Annual Report 2015
Hap Seng Plantations Holdings Berhad	Annual Report 2015
IJM Corporation Berhad	Annual Report 2016: Catalysing Growth
IJM Plantations Berhad	Annual Report 2016: Nurturing Sustainability
KLCC Property Holdings Berhad	Annual Report 2015
Kulim (Malaysia) Berhad	Integrated Annual Report 2015: Resources Reciprocal
Mah Sing Group Berhad	Annual Report 2015: Journey of Excellence
Malaysian Resources Corporation Berhad	Annual Report 2015: Setting the Standard in Transport Oriented Developments
Malaysia Marine and Heavy Engineering Holdings Berhad	Annual Report 2015: Adapting to a New Normal
Matrix Concepts Holdings Berhad	Annual Report 2016: Achieving Growth And Developing Landmarks
Petronas Chemicals Group Berhad	Annual Report 2015: Rise Above Challenges
Petronas Dagangan Berhad	Annual Report 2015: Inspiring Change
Petronas Gas Berhad	Annual Report 2015: Transform to Perform
Prestariang Berhad	Annual Report 2015: Transforming Lives
Puncak Niaga Holdings Berhad	Annual Report: Towards Sustainable Value
Salcon Berhad	Annual Report 2015: Inspiring Synergies
Sime Darby Berhad	Annual Report 2015: Connecting Opportunities
Sunway Construction Group Berhad	Annual Report 2015: Building a Legacy of Excellence
Sunway Real Estate Investment Trust	Annual Report 2016: Formed by Values
TDM Berhad	Annual Report 2015: Sustainable, Profitable Growth

24 Shortlisted

Axiata Group Berhad
Sustainability & National
Contribution Report 2015 :
Commitment to Development
Towards A Digital Future

CCM Duopharma Biotech Berhad
Sustainability Report 2015:
Better Living Through Experience & Technology
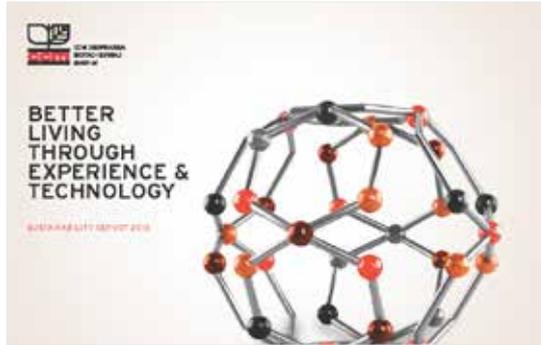
Cenviro Sdn Bhd
Sustainability Report 2015:
Mapping Future Sustainability
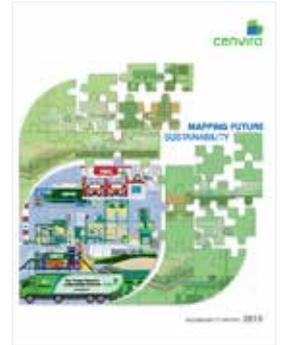
CIMB Group Holdings Berhad
Sustainability Report 2015:
Asean Catalyst

DiGi.Com Berhad
Sustainability Report 2015: Your Favourite Digital Partner

**Felda Global Ventures
Holdings Berhad**
Annual Integrated Report 2015:
Empowering Sustainable Value

**Fuji Xerox Asia Pacific Pte Ltd
(Malaysia Operations)**
Sustainability Report 2015:
Towards Greater Innovation

**Heineken Malaysia Berhad
(f.k.a. Guinness Anchor Berhad)**
Corporate Responsibility Report
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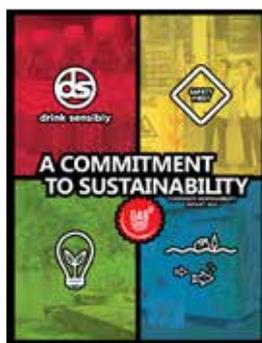
IJM Plantations Berhad
Annual Report 2016:
Nurturing Sustainability

Kulim (Malaysia) Berhad
Integrated Annual Report 2015:
Resources Reciprocal
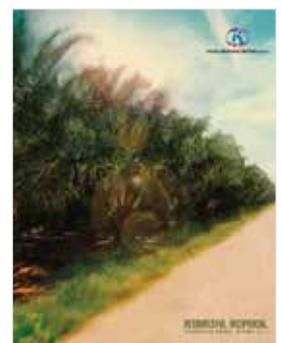
Malayan Banking Berhad
Sustainability Report 2015:
Leading Asia - Delivering Our
ASEAN Vision Together

Malaysia Airports Holdings Berhad
Sustainability Report 2015:
Our Foundation For the Future
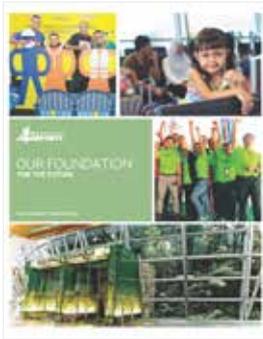
Malaysia Marine and Heavy Engineering Holdings Berhad
Annual Report 2015:
Adapting to a New Normal

Media Prima Berhad
Sustainability Report 2015:
Everyone Counts
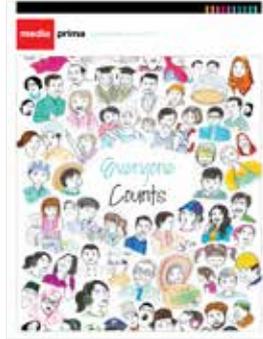
MISC Berhad
Sustainability Report 2015:
Rediscover. Rebuild. Sustain.

Nestlé (Malaysia) Berhad
Nestlé In Society 2015:
Creating Shared Value and Meeting
Our Commitments
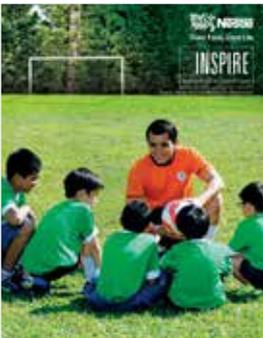
Nets Printwork Sdn Bhd
Sustainability Report 2015: Creating Opportunity for Growth

Petroliam Nasional Berhad (Petronas)
Sustainability Report 2015:
Thriving in Tough Times

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Annual Report 2015:
Transform to Perform
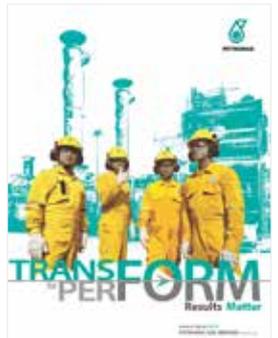
Sime Darby Berhad
Annual Report 2015:
Connecting Opportunities

Sunway Berhad
Sustainability Report 2015:
A Part of You
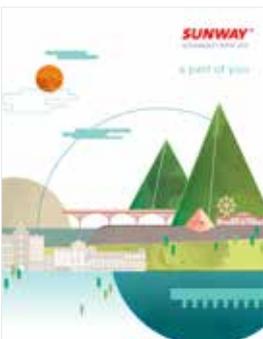
Sunway Construction Group Berhad
Annual Report 2015:
Building a Legacy of Excellence

Sunway Real Estate Investment Trust
Annual Report 2016:
Formed by Values
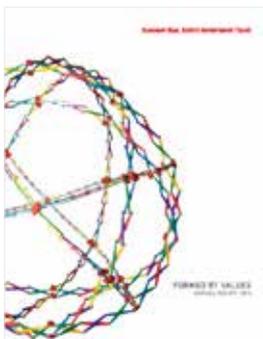
Salcon Berhad
Annual Report 2015:
Inspiring Synergies
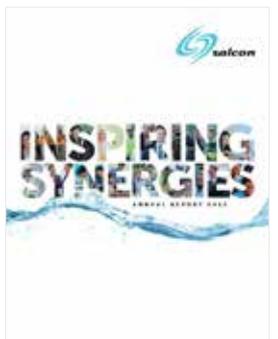
8 Winners

BEST OVERALL REPORTING

SIME DARBY BERHAD
Annual Report 2015:
Connecting Opportunities

RUNNER-UP: BEST OVERALL REPORTING

MALAYAN BANKING BERHAD
Sustainability Report 2015:
Leading Asia - Delivering Our Asean
Vision Together

BEST SUSTAINABILITY REPORTING FOR NON-PLCs

CENVIRO SDN BHD
Sustainability Report 2015:
Mapping Future Sustainability

BEST SUSTAINABILITY REPORTING FOR SMEs

NETS PRINTWORK SDN BHD
Sustainability Report 2015:
Creating Opportunity For
Growth

BEST WORKPLACE PRATICES

MALAYAN BANKING BERHAD
Sustainability Report 2015:
Leading Asia - Delivering Our Asean
Vision Together

COMMENDATION AWARD: COMMITMENT

SUNWAY BERHAD
Sustainability Report 2015:
A Part of You

COMMENDATION AWARD: INNOVATION

AXIATA GROUP BERHAD
Sustainability & National
Contribution Report 2015:
Commitment To Development
Towards A Digital Future

COMMENDATION AWARD: KNOWLEDGE MANAGEMENT

SUNWAY BERHAD
Sustainability Report 2015:
A Part of You

COMMENDATION AWARD: CIRCULAR ECONOMY

FUJI XEROX ASIA PACIFIC PTE LTD (MALAYSIA OPERATIONS)
Sustainability Report 2015:
Towards Greater Innovation

COMMENDATION AWARD: ENTERPRISE OF THE FUTURE

DIGI.COM BERHAD
Sustainability Report 2015:
Your Favourite Digital Partner

ACCA MaSRA Judging Criteria

To keep pace with the growing changes on the sustainability front, ACCA has reviewed the previous ACCA MaSRA judging criteria and met with its stakeholders to determine what can be improved on. As a result, the core criteria were retained but reorganised and amended to incorporate the elements from the Bursa Malaysia Sustainability Reporting Guide and to consider links to the UN SDGs. All the 49 participating reports were assessed based on these 10 primary criteria before the top 24 reports were shortlisted for final assessment by our panel of final judges.

In addition to the primary criteria, the final judges also considered a set of overarching characteristics in deciding on the final winners. Characteristics such as commitment, innovation, knowledge management, circular economy, enterprise of the future and work practices are regarded to be essential elements that better identify organisations that are demonstrating sustainability into future. Although most of the Malaysian organisations may not be ready for this yet, by including such criteria, ACCA would like to encourage Malaysian organisations to future-proof themselves and benchmark our corporate reporting standards to international level.

In our effort to educate and assist those submitting reports in understanding what will be required in future reporting, details of the judging criteria as well as additional written guidance with links to Bursa requirements and GRI can be downloaded from **www.accaglobal.com/masra**.

THE 10 PRIMARY JUDGING CRITERIA:

1. Organisational context
2. Stakeholder inclusion
3. Materiality
4. Scope
5. Governance
6. Strategy
7. Management process
8. Performance
9. Assurance
10. Communication

THE 6 ADDITIONAL CHARACTERISTICS TO DEMONSTRATE SUSTAINABILITY INTO THE FUTURE:

1. Commitment
2. Innovation
3. Knowledge management
4. Circular economy
5. Enterprise of the future
6. Workplace practices

How these criteria link to each other

Judging criteria	Commitment	Innovation	Knowledge Management	Circular Economy	Enterprise of The Future	Workplace Practices
Organisational context	•	•	•	•	•	•
Stakeholder inclusion	•	•	•	•	•	•
Materiality	•	•	•	•	•	
Scope	•					
Governance	•				•	•
Strategy	•	•	•	•	•	•
Management process	•	•	•	•	•	•
Performance	•	•	•	•	•	•
Assurance	•	•				
Communication	•	•	•		•	•

Judges' Comments and Observations

THE TEN PRIMARY REPORTING CRITERIA

1. ORGANISATIONAL CONTEXT

The context in which an organisation operates will contribute to the determination of its economic, environmental and social (EES) impacts and what is material. Organisations need to consider those environmental conditions such as climate change, extreme weather events as well as those external and internal issues that may affect their operations and their ability to achieve sustainable outcomes.

These external issues could include its operating locations, the local legislative framework, political stability, available infrastructure, language, security, workforce availability, regularity of power supply, etc. Internal issues could include time differences, internet or telephonic communications, operational culture, etc.

Organisations operating in a diverse range of locations, sizes, and sectors need to consider how to best frame their overall organisational performance in the broader context of sustainability.

The judges were evaluating whether the participating organisations had considered the context in which they operate in determining their EES impacts and materiality. Failure to consider context can jeopardise the identification of the organisation's EES impacts and what is material.

One area for improvement noted by the final judges is conglomerates should address divisional contexts in their group report. Examples of good reporting on organisational context are shown below.

SIME DARBY BERHAD | ANNUAL REPORT 2015: CONNECTING OPPORTUNITIES (PAGE 20)

GROUP-LEVEL MEGATRENDS

Increasing in Uncertainty of Market Conditions	Increasing Sustainability Awareness
Description of Trend	**Description of Trend**
• Economic growth rates have become less predictable, with increasing volatility in commodity prices and foreign exchange rates as markets become more interconnected. Businesses can no longer expect organic revenue growth to be driven primarily by the steady expansion of its existing operating markets.	• Scrutiny of sustainability commitments and business practices is increasing and attracting the interest of a wide range of stakeholders. • Extreme weather conditions have affected the environment and ecosystems and thus the way we do our business. • Businesses are facing stronger demand to meet the needs and concerns of their employees, local communities and the societies where they operate.

Volatility of Commodity Prices

Price Indexed to 1st Jan 2010

Legend: Crude Palm Oil, Brent Crude Oil, Newcastle Coal, Soybean Oil

Source: Bloomberg, September 2015

Sustainability Awareness in Emerging Markets

% of emerging market companies in Sustainability Yearbook

Number of emerging market companies in Sustainability Yearbook (RHS)

Source: RobecoSAM

Sime Darby's Key Actions	Sime Darby's Key Actions
• Embark on strategic partnerships for expansion into new growth markets to capitalise on synergies and leverage on technical expertise, skills and local relationships. • Diversify the Group's portfolio to be less reliant on commodity-based industries to mitigate the exposure of downtrends in crude palm oil and coal price cycles. • Explore new growth markets within existing geographies to diversify current business exposure. • Develop robust systems and processes for more effective execution of productivity improvement and operational excellence initiatives.	• Pursue sustainability goals in a way that creates value for the Group, e.g. developing a range of sustainable products, implementing energy efficiency programmes and green technology projects. • Create a safe and healthy workplace for our employees and ensure we respect the rights of our workers and local communities. • Instil a performance culture to drive improvement in operational efficiency through research & development initiatives, innovation & Lean Six Sigma applications. • Secure and strengthen our position as a leader in sustainability through thought leadership and effective internal and external reporting.

Malaysian companied may not be ready for this yet, by including such criteria, ACCA would like to encourage Malaysian companies to future-proof themselves and benchmark our corporate reporting standards to international level.

Sustainability context

In reflecting our sustainability efforts, we have taken into consideration the context of both Malaysia and the region. Climate change has impacted business practices and will only have an ever more important role in the future. In line with the Malaysian government's commitment and focus on sustainability, we have embraced green technology - and continue to encourage our customers to do the same.

Waste management, use of resources and electricity consumption remain at the core of our sustainability efforts. As a document management company, we are also constantly faced with the question on how to supply customers with paper that is compatible with the requirements of environmental and social sustainability. Issues like deforestation and illegal logging have prompted us to re-examine our responsibilities regarding paper.

Fuji Xerox adopted its first Environmental, Health, and Safety Requirements regarding Paper Procurement ("Paper Procurement Regulation Standards") in 2004, establishing key requirements for suppliers, including the traceability of raw materials and the environmental management of manufacturing plants and revised and updated it in 2012.

Judges' Comments and Observations

2. STAKEHOLDER INCLUSION

Stakeholder inclusion is an integral part of the identification of material issues. Depending on the nature of an organisation, some stakeholders may be more important than others. For example, a bank may view its customers and investors as significant stakeholders whereas a palm oil producer may place a greater weight on NGOs and customers. Identifying the relevant stakeholders and ensuring that their needs and expectations are relevant to the organisation, is also important. For example, the World Wildlife Fund (WWF) may be a relevant stakeholder to a plantation company but not as relevant to a bank.

Stakeholder selection and engagement is important to ensure the organisation has a full understanding of the context within which it is operating. Organisations must identify a broad range of stakeholders, including disadvantaged groups, in order to determine those that are relevant and why. The latter may be determined on the basis that they have the strongest influence over the organisation. The list of relevant stakeholders needs to be updated constantly as the stakeholders and/or their influence may change over time.

Stakeholders have at least two roles in the sustainability reporting process. Firstly they may input relevant issues which will help the organisation in determining its EES impacts. Secondly, it may help the organisation to assess what is material by indicating how they may be substantively influenced by these EES impacts. Methods of communicating with stakeholders must be credible and their responses reviewed for relevance, as well as providing feedback to address the concerns raised.

Most of the reports submitted made references to the organisations' stakeholders. However, only a few identified a consistent or effective process to determine those which were influential or clearly identified the stakeholders' role in the materiality process and how they are addressing the concerns brought up during such engagements.

Two report examples that stood out in this year as shown below.

DIGI.COM BERHAD | SUSTAINABILITY REPORT 2015: YOUR FAVOURITE DIGITAL PARTNER (PAGE 10)
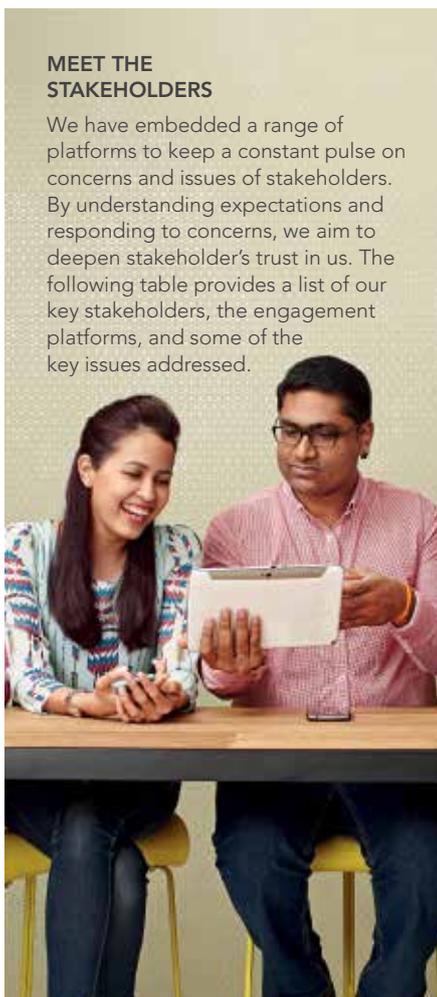
MEET THE STAKEHOLDERS

We have embedded a range of platforms to keep a constant pulse on concerns and issues of stakeholders. By understanding expectations and responding to concerns, we aim to deepen stakeholder's trust in us. The following table provides a list of our key stakeholders, the engagement platforms, and some of the key issues addressed.

A range of platforms to keep a constant pulse on concerns and issues of stakeholders

REGULATORS

Engagement Platforms	• Industry meetings • Regular reports and in formation sharing • Participation in government programmes • Public-private partnership initiatives
Issues	• Network rollout • Spectrum allocation • Affordability of internet • Quality of calls • Supporting national digital innovation agenda
How We Addressed	We rolled out the nation's widest LTE network, and partnered government agencies to drive digital innovation among social purpose organisations through Challenge for Change.

CUSTOMERS

|	
Engagement Platforms	• Digi retail outlets • Customer Service channels (online customer service, 24-hour helpline) • Social media e.g. Facebook and Twitter • Nett Promoter Score • Consumer Forum Malaysia
Issues	• Network coverage and service quality • Waiting time at store • Bill shocks from third party content providers • Barred accounts with Credit Reporting Agency CTOS
How We Addressed	We conduct a range of quarterly customer engagement activities to stress test our service quality. We reviewed and terminated third party content providers due to their failure to meet our standards.

As a responsible business, we invest our energy in understanding and responding to expectations of stakeholders.

EMPLOYEES

Engagement Platforms	• Best on People Council • Digi Telecommunications Sdn Bhd Employee Union • Annual Employee Engagement Survey • Internal communications • Quarterly Employee Townhall meetings & leadership forums • Individual development plans
Issues	• Career planning and development • Fair and transparent rewards • Active engagement process across the region by Digi management team
How We Addressed	Our ongoing robust employee engagement programme across the region have seen a 4% increase in engagement scores.

REGULATORS

Engagement Platforms	• Annual Self-Assessment Questionnaires • Site inspections and audits • Training for suppliers
Issues	• Health and safety in supply chain • Mitigating non-compliance in supply chain • Anti-corruption and business integrity
How We Addressed	We conducted information sharing and training with business partners and increased compliance audits to ensure they meet our supplier standards. Terminated six sub-contractors for failure to adhere to safety standards.

INVESTORS & ANALYSTS

Engagement Platforms	• Local and overseas non-deal roadshows • Corporate presentations • Analyst briefings
Issues	• Corporate strategy and financial performance • Fair and transparent rewards • Corporate governance and compliance
How We Addressed	We conducted quarterly briefings to analysts and investors on business performance and strategy.

MEDIA

Engagement Platforms	• Media interviews & events • Formal and informal briefings • Media familiarisation visits
Issues	• Corporate strategy • Financial performance • Products and services • Customer related issues
How We Addressed	We conducted regular media engagements to provide updates on business performance and strategy, products and services, and address issues of customers' concerns.

COMMUNITY & NGOS

Engagement Platforms	• Engagement with business and industry forums • Engagement with NGOs • Connecting unconnecting communities
Issues	• Leveraging mobile technology on meeting local social needs and issues • Concerns of safe internet use by young children
How We Addressed	Consolidated seven key programmes under Empower Societies.

Stakeholder Engagement Methods

STAKEHOLDERS	THEIR EXPECTATIONS	LEVEL OF ENGAGEMENT	HOW WE ADDRESS THEIR EXPECTATIONS
Investment community (investors, analysts) and media	• Stable and sustainable distributions • Solid operational and financial performance • Effective business strategy and outlook • Timely and transparent reporting • Strong corporate governance	Fund and REIT Manager level	• Direct contact with all unitholders during the Annual General Meeting at which all unitholders are entitled to one vote per unit • Regular financial earnings reporting, investors and analysts briefings and media conferences • Participation in industry discussions on Sunway REIT's financial performance, strategic direction and outlook • Discussions at roadshows and property tours • Statutory announcements • Sunway REIT website
Tenants	• A clean, safe and pleasant environment • Reliable and efficient buildings • Tenant engagement activities • Business ethics	Asset level	• Direct feedback from tenants at all stages of a building's life • Regular meetings and constructive discussions • Tenant surveys • Joint community programmes with tenants
Regulators and industry associations	• Compliance with rules and regulations, keeping abreast with regulatory and industry trends • Government policies on real estate sector	Fund, REIT Manager and asset level	• Meetings, consultation, dialogue session, seminar and workshop
Employees	• A friendly and safe working environment • Fair and competitive employment policies • Opportunity for employees development and career progression	Individual level	• Open-door approach • Biannual appraisal meetings • Regular team meeting • Employee engagement activites • Career development programmes • Team building
Community Members	• Being responsible citizens • Respecting the interests and quality of life of local communities • Supporting the local economy, entrepreneurs and initiatives • Creating mutually beneficial agreements that contain social and cultural elements • Continuing to forge open partnerships when undertaking community activites	Fund, REIT Manager and asset level	• Community engagement activites • Open dialogue and face-to-face meetings • Engagement with Residents Association • Communication with local authorities
Vendors	• Procurement practices, compliance, anti-corruption, occupational health and safety, materials • Energy emissions • Water and waste management • Building efficiency	Fund, REIT Manager and Asset level	• One-on-one dialogue with individual vendors • Policy setting and information sharing requests made through contracts and other mechanisms

3. MATERIALITY

Organisations must determine their EES impacts in identifying what is material to them. These EES impacts may come through a consideration of context or input from external and internal stakeholders as well as activities performed by the organisation. These activities may generate more than one impact. An environmental impact may also create social or economic impacts and vice versa. For example, an environmental odour may cause a social impact such as the displacement of families affected by the odour which in turn may cause economic loss because of the costs incurred in moving away from the odour.

We noted during our review that most organisations did not clearly list their EES impacts or some of the impacts shown did not indicate how they were determined. Organisations need to identify which of their activities create EES impacts. The impacts may be determined through an analysis of their emissions/discharges and/or the resources they use in terms of raw material, utilities such as water, energy and gas, supported by the views of their stakeholders, such as employees, the local community and NGOs. The impacts may be positive or negative. These could include air or water pollution, depletion of natural resources, reduction (or an increase) in the amount of money circulating in a community, increased cost of living, employees or community ill health. The organisation should determine which EES impacts are significant by developing criteria, such as severity, adaptation and/or mitigation costs, time scale of the impacts and other criteria as necessary.

These significant impacts should be considered in terms of their importance to the organisation and how they substantively influence the assessments and decisions of their stakeholders. This analysis will enable the organisation to determine and prioritise what is material to its purpose. There is no standard method of determining materiality although the GRI offers some guidance. However, organisations should use a reliable and comparable method.

Analysis of the reports this year showed that few organisations had linked their context, stakeholders and EES impacts to determine what was material and then considered those material matters in terms of how they are managed and their associated performance outcomes. Two examples of well-developed materiality matrices are shown below.

CENVIRO SDN BHD | SUSTAINABILITY REPORT 2015: MAPPING FUTURE SUSTAINABILITY (PAGE 22)

Sustainability Areas Assessed in the Materiality Analysis

| ECONOMIC | Market presence | Corporate governance |
| | Contributions to nation building | Business ethics |

ENVIRONMENT	Energy consumption	Environmental impact from transportation
	Materials management	Compliance with environmental laws and regulations
	Water management	Managing environmental cost
	Managing emissions, effluents and waste from operations	

SOCIAL	Employment and benefits	Anti-corruption
	Occupational Safety and Health	Impact of operations on local surroundings
	Employee training, education and career development	Activities and engagement with the local community
	Diversity and equal opportunity	Anti-competitive behaviour
	Equal remuneration	Relationship with relevant authorities
	Internal engagement and communication	Provision of information on Cenviro's services
	Respecting human rights standards	Marketing and communications
	Non-discrimination	Sustainable procurement
	Prevention of the employment of children	Suppliers and supply chain partners training
	Prevention of forced labour	Quality management system
	Protection of employees' rights	Customer satisfaction
	Considering the rights of the local community throughout our operations	Customers' privacy

The Results

We considered scores over 3 as above average. Our stakeholder scores ranged from 3.94 to 4.67 and Cenviro's scores varied from 3.81 to 4.71. All issues are important to a larger or lesser degree. A scale from high to highest was adopted as even the lowest scores fell into the important category. The matrix is presented in the following diagram.

Highest

Importance to Stakeholders

High · Importance to Cenviro · Highest

Rights of local community
Provision of local community
Marketing & communications
Local community engagement
Internal engagement
Equal remuneration for women & men
Protecting employees' rights
Employee training & career development
Managing environmental cost
Non-discrimination
Diversity & equal opportunity
Materials management
Customers privacy
Business ethics
Forced labour
Quality management
Supply chain training
Water management
Corporate governance
Environmental impact from transportation
Sustainability in procurement
Child labour
Environmental compliance
Relationships with authorities
Anti-corruption
Respecting human rights standards
Emissions management
Customer satisfaction
Employment benefits
Operational impact
Health & safety
Anti-competition
Nation building
Energy consumption
Market presence

SUSTAINABILITY STATEMENT
MATERIALITY

Sustainable organisations are responsible for more than a healthy financial bottom line; they are expected to make economic, environmental and societal contributions too. Sunway REIT determines the most material aspects of sustainability by analysing factors that are critical for stakeholders, assets and the real estate industry as a whole.

This strategic approach to sustainability ensures that the most material issues are addressed. Aligned with the overall business strategy, Sunway REIT is able to meet stakeholders' expectations while supporting its long-term health and vitality. Sunway REIT's focus on owning and managing highquality properties in Malaysia is enhanced by its efforts to address its environmental, social and governance impacts.

> **OUR DEFINITION OF A MATERIAL ISSUE**
>
> Any information that is reasonably capable of making a difference to the conclusions stakeholders may draw when reviewing related information

The Methodology

In FY2016, Sunway REIT performed its maiden materiality assessment to gather the views of stakeholders and decision makers within Sunway REIT. An online survey was performed by an external consultant to guarantee objectivity and anonymity.

Identified Stakeholders for Participation in the Materiality Study

Business Associates (e.g. Trustee, bankers, valuers, auditors, lawyers)		
Investment Communities (e.g. investors, potential investors, analysts, retail investors)		
Tenants	Retail customers and hotel guests	Regulators and industry affiliations
Local community	Employees	Suppliers & contractors	Media

Respondents from nine stakeholder groups were requested to rate the importance they placed on 33 issues. Respondents indicated how important each criterion was from 'very unimportant' (1) to 'very important' (5).

The same survey was completed by Sunway REIT's Board members whose responses were used to represent the views of Sunway REIT.

Sustainability Areas Assessed in the Materiality Study

Economic	Environmental	Social: Labour Practices and Decent Workplace
• Market Presence • Nation Building • Community Investment • Corporate Governance • Business Ethics • Board Management and Oversight • Fair Competition • Ethics and Transparency	• Energy • Water • Emissions • Environmental Impact from Transportation • Environmental Cost • Ozone-depleting Substances • Green Buildings	• Employment and Benefits • Workplace Health and Safety • Training, Education and Career Development • Diversity & Fair and Equal Career Opportunities • Internal Engagement and Communication

Social: Human Rights	Social: Society	Social: Product Information
• Human Rights • Non-discrimination • Diversity • Employees' Rights	• Corruption and Bribery • Health of Public and Communities • Community Engagement	• Marketing and Communications • Procurement Sustainability • Supplier Training • Quality Management System • Customer Satisfaction • Privacy of Tenants, Retail Customers and Hotel Guests

MATERIALITY

1. Supplier Training
2. Environmental Impact from Transportation
3. Community Engagement
4. Privacy of Tenants, Retail Customers and Hotel Guests
5. Non-discrimination
6. Human Rights
7. Green Buildings
8. Fair Competition
9. Employees' Rights
10. Quality Management System
11. Nation Building
12. Community Investment
13. Diversity & Fair and Equal Career Opportunities
14. Procurement Sustainability
15. Diversity
16. Emissions
17. Health of Public and Communities
18. Workplace Health and Safety
19. Ozone-depleting Substances
20. Environmental Cost
21. Internal Engagement and Communication
22. Ethics and Transparency
23. Corruption and Bribery
24. Business Ethics
25. Corporate Governance
26. Board Management and Oversight
27. Market Presence
28. Employment and Benefits
29. Energy
30. Water
31. Training, Education and Career Development
32. Marketing and Communications
33. Customer Satisfaction

The results of the study were then used to produce a materiality matrix. Each point on this matrix represents a material aspect for Sunway REIT. The importance stakeholders place on various topics is displayed on the vertical axis; the significance to Sunway REIT on the horizontal axis. The matrix is presented in the following diagram.

This matrix depicts the relevant reporting importance of all identified sustainability issues. The most important issues are located towards the upper right-hand corner and discussed in greater depth. This analysis may be revised in the future and we welcome feedback from stakeholders.

Generally, the location of each topic dictates the Trust's approach. All topics are assessed and reported at least once a year. We will place higher emphasis on topics with higher ranking by ensuring frequent engagement and communication with stakeholders.

Stakeholder Engagement

A multitude and diversity of voices can lead to sustainable growth and we consider stakeholder engagement an essential element of our business. Stakeholder views and expectations help us to prioritise the actions and resources we invest in our business.

Throughout the year, we held regular meetings on key economic, environmental, social and governance topics with various stakeholders. We collaborated with internal and external stakeholders to tackle major industry challenges.

The list of our stakeholders with whom we regularly engage, and how we address their expectations, is presented in the following page.

MATERIALITY

We use materiality analysis to identify social and environmental changes and opportunities that are important to our stakeholders.

To ensure our Sustainability Reports disclose the most relevant and significant information to our stakeholders, our materiality analysis comprises the following steps:

01 Identify issues of concern

02 Review issues identified

03 Analyse the level of materiality

04 Focus on priority issues

We developed a material aspect and boundaries to identify the significant issues and the materiality level defines the amount of disclosure in this report.

| Material Aspect	Boundary within organisation	Boundary outside the organisation
Management Commitment	High impact as the top management will allocate the relevant resources to change from conventional to green	Impact to the supplier to offer greener product. Customer is impacted as they now has a choice for eco printing
Environmental Management and Scheduled Wastes Disposal	High impact as it differentiates us from other conventional printer	Job applicants will find us an attractive employer
Economic Performance	High impact as the initial investment to turn green is high and we need to be able to sustain as a business entity	Impact to the sponsorship or community activities in terms of printing and eco product support
Sustainable Supply Chain	Relevant in terms of green technology and raw material assurance	Customer will benefit from certified eco product and help to contribute positively toward the environment
Customer Satisfaction	High impact as it will reflect on our economic performance	Relevant for company reputation
Product Responsibility and Innovation	Relevant in terms of quality assurance for eco product	High impact as it will differentiate our product from other self-claim green product. The Eco Label provides outreach to eco conscious customer
Employee Engagement – Training & Development	Relevant as engaged employees contribute towards a highperformance/ productivity	Customer experience is positively enhanced when employees perform well

Risks To Opportunities

The competition in the printing marketplace is tense.

Risks	Opportunities
• Lower demand for paper based printing due to paperless campaign • Lower budget for advertisement • Long term health risk for the operators in the press room • More competitors offering lower printing price	• Eco printing concept: print only when you need it, print for a good purpose • Choose vegetable based ink (lower VOCs), lower usage of chemicals, employees can work in a healthier and safer environment • Eco printing with SIRIM Eco Label and CFP label is our differentiation factor with other printer

We developed a materiality matrix to identify the significant issues and the materiality level defines the amount of disclosure in this report.

Materiality Matrix
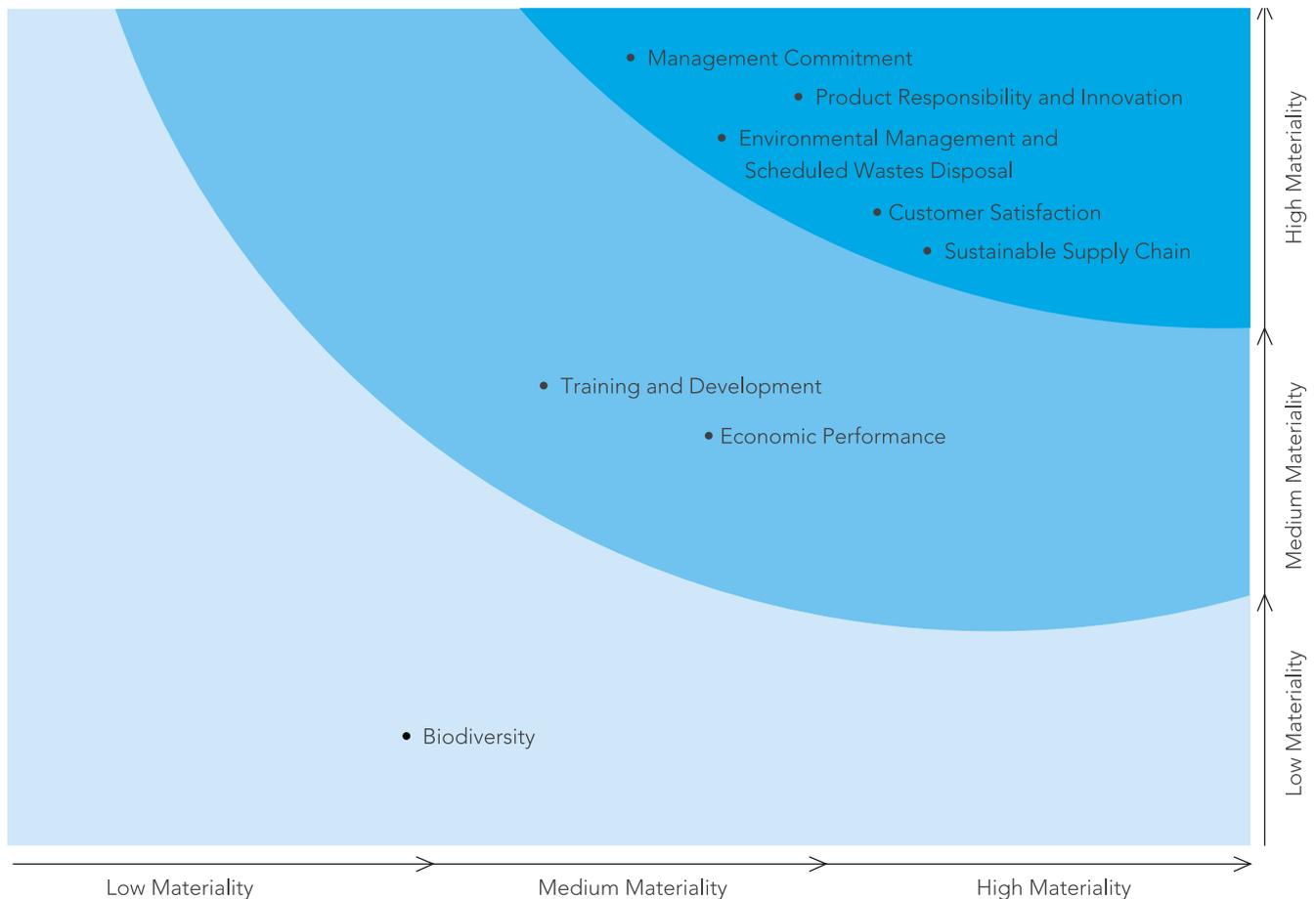
4. SCOPE

An organisation can set the scope of its report based on physical locations (geographical boundary); entities within the organisation (organisational boundary) and operations within the entire value chain. Where an organisation has diverse operations or joint ventures these should be included, except where they may be new or insufficient information is available in this reporting period. The scope must be inclusive and not be set in such a way as to avoid significant EES impacts, including those occurring in subsidiaries.

In our review, a number of reports did not clearly state the scope of the report in terms of functional, physical boundaries or ownership for the reporting period. Some reports reported group boundaries but excluded performance or other information on all the divisions, functions, or ownership within the boundary. Without a clear scope statement, it is hard to determine who are the relevant stakeholders, the organisation's EES impacts and materiality.

Both Sunway and Cenviro had clearly defined the scope of their reports, as shown on the following pages, the latter using guidance from the GRI.

SUNWAY BERHAD | SUSTAINABILITY REPORT 2015: A PART OF YOU (PAGE 4)

This is our second sustainability report since Sunway Berhad was listed on 23 August 2011. Sunway Berhad was formed following a merger between Sunway City Berhad and Sunway Holdings Berhad. Since then, we have been adapting to the new legal structure of our company and refining our sustainability framework and processes.

This sustainability report covers our responsibilities to our stakeholders and our ongoing commitment to transparency and accountability. We report the economic, environmental and social aspects of our sustainability. The social dimension is subcategorised into Labour Practices and Decent Work; Human Rights; Society; and Product Responsibility.

Reporting Period	1 January 2015 to 31 December 2015
Reporting Cycle	Annually
Coverage	This report covers Sunway Berhad, a public listed entity, and its subsidiaries. We have reported on 12 divisions of Sunway: Property, Construction, Hospitality, Retail, Leisure, Commercial, Trading And Manufacturing, Building Materials, Quarrying, Healthcare, Education and Real Estate Investment Trust (REIT). More detailed information on Sunway's divisions and subsidiaries can be found in the group corporate structure section of this report. References to 'Sunway', 'Sunway Group', 'The Company', 'The Organisation', 'The Group' and 'we' refer to sunway berhad and/or its divisions and subsidiaries. We also report the activities of Jeffrey Cheah Foundation (JCF). established in March 1997 as the Sunway Education Trust Fund, it was converted to JCF in March 2010. Ownership and equity rights of Sunway Education Group's 12 learning institutions, valued at more than RM720 million (now in excess of RM1 billion), were transferred to JCF. Undoubtedly, JCF would not be in existence today without the selfless contributions made by Sunway and its Founder and Chairman, Tan Sri Dr Jeffrey Cheah, AO. Sunway runs many of its educational initiatives through JCF. We have also included some initiatives from Sunway REIT. Sunway REIT is sponsored by Sunway Berhad and managed by Sunway REIT Management Sdn Bhd, a subsidiary of Sunway Berhad. Group data and information are presented whenever possible. However, initiatives and/or data by particular divisions or subsidiaries have been highlighted as indicated in the text.

CENVIRO SDN BHD | SUSTAINABILITY REPORT 2015: MAPPING FUTURE SUSTAINABILITY (PAGE 3)

Reporting Period	1 January to 31 December 2015, unless specified
Reporting Cycle	Annually
Coverage	• Cenviro and its subsidiaries Kualiti Alam Sdn Bhd (Kualiti Alam), Kualiti Khidmat Alam Sdn Bhd (Kualiti Khidmat Alam), Kualiti Kitar Alam Sdn Bhd (Kualiti Kitar Alam), Cenviro Special Builders Sdn Bhd (CSB) and Kualiti Alam (Lahat) Sdn Bhd (KAL). • E-Idaman Sdn Bhd (E-Idaman) is a Joint-Venture Company (JVC). Environment Idaman Sdn Bhd (ENVI), Environment Idaman (Kedah and Perlis), Green Resource Recovery Sdn Bhd (GRRSB) and Environment Idaman (Perak) Sdn Bhd are subsidiaries of E-Idaman. • Subsidiaries are all companies in which Cenviro holds a majority stake or has direct management control. A JVC refers to a contractual agreement between Cenviro and a third party company for executing a particular business undertaking. References to 'Cenviro', 'the Cenviro Group', 'the Company', 'the Organisation' and 'we' refer to Cenviro and/or its affiliates and subsidiaries.
Guidelines	Principal Guideline • Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines Additional Guidelines • Bursa Malaysia's Corporate Social Responsibility (CSR) Framework • Silver Book: The Putrajaya Committee Government-Linked Companies (GLC) Transformation Manual
Reliability and Relevance of Information Disclosed	The GRI Content Index Service "In Accordance" Option Core
Assurance and Verification	Independently verified by Bureau Veritas Certification (M) Sdn Bhd (Bureau Veritas) and the assurance statement can be found on page 108-111

5. GOVERNANCE

Governance structure refers to the structures an organisation has in place to ensure accountability, oversight and review in the identification and management of sustainability matters i.e. who is responsible for the organisation's sustainability performance and disclosures. This may be seen in a board charter or in defined roles and responsibilities.

Governance structures will vary with each organisation. In a larger organisation this may take the form of a sustainability committee at board level or the inclusion of sustainability under the risk management committee or in a small organisation it may be the responsibility of the CEO or a director. This may be supported by a middle management committee in large or a sustainability manager in small organisations.

The judges also looked for the commitment the organisation displays to implementing and managing sustainability at all levels.

Corporate governance guidelines are contained in both the Malaysian Code on Corporate Governance and the Bursa Malaysia Sustainability Reporting Guide and toolkit.

From our review, most reports contained information on governance either directly or through reference to an annual report. However, a number did not indicate how sustainability was managed either at board level or senior management level. For effective implementation of a sustainability strategy, it is essential that roles and responsibilities be assigned to board level or as a minimum, senior management. This could include the establishment of a sustainability committee per Sime Darby's example; or including the responsibility under the Boards Risk Management Committee per Axiata's example; or giving clear illustrations of good governance per Maybank's example.

SIME DARBY BERHAD | ANNUAL REPORT 2015: CONNECTING OPPORTUNITIES (PAGE 125)

TWO-TIER BOARD STRUCTURE
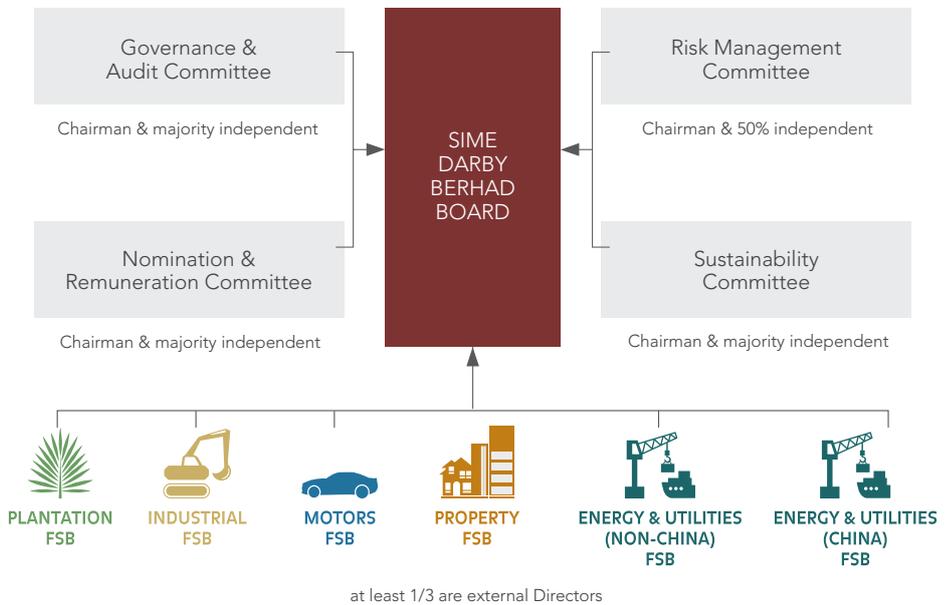
AXIATA GROUP BERHAD | AXIATA SUSTAINABILITY & NATIONAL CONTRIBUTION REPORT 2015: COMMITMENT TO DEVELOPMENT TOWARDS A DIGITAL FUTURE (PAGE 20)

The Axiata Board is responsible and accountable for maintaining and ensuring a sound system of risk management and internal control practices to safeguard shareholders' investments, stakeholders' interest as well as the Group's assets. Such systems cover not only financial control but also operational and compliance controls.

The Board has an ongoing process in place for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of the Group's business objectives. The Board is assisted by the Group Risk Management Committee (GRMC), consisting of all members of Axiata's Group Senior Leadership Team (SLT), in ensuring that the implementation of the approved policies, manuals and procedures on risks and controls are in place to mitigate key risk areas which have been identified and assessed by the risk owners.

The Axiata Enterprise Risk Management (ERM) Framework, benchmarked against ISO31000:2009, is used as a standardised approach in identifying, assessing, reporting and monitoring risks. To ensure consistency, the framework is adopted by all risk management teams across all OpCos. Risk assessment involves the identification and analysis of the key risks based on certain criteria which take into account their effect and likelihood. Appropriate mitigation strategies are then developed, taking into consideration the effectiveness of existing controls.

Good Business Conduct

Key Governance Matters	Regulations, Supporting Policies, and Codes	Action taken
Board Diversity & Inclusiveness	In accordance with the Recommendation 2.2 of the Malaysian Code on Corporate Governance 2012, Maybank has established a Board Gender Diversity Policy (Gender Diversity Policy) to demonstrate its commitment to increasing representation of women on its Board	Under the Maybank's Group Board Gender Diversity Policy (Gender Diversity Policy), the Board adopts measurable objectives from time to time i.e. maintaining at least one woman Director on the Board and having minimum 20% women representation by 2016.

The selection process for appointment of Directors involves the shortlisting of potential candidates which includes at least one (1) woman representation whenever reasonably possible, and that priority is placed on the appointment of a woman Director to fill a membership vacated by a retiring or resigning woman Director.

Further details on our inclusive workplace practices which are tracked through Group's Inclusiveness and Diversity Agenda (GIDA) are detailed in Our People Chapter. |
| Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) | Group Policy, Procedural Guidelines and Standard Practices, on AML/CFT | The policies and guidelines are intended to provide all employees with a standard toolkit in managing AML/CFT risks. In 2015, enhancements were made to policies, procedures and guidelines to comply with applicable AML/CFT laws and regulations as well as to be on par with global best practices.

We will continue to perform more in-depth AML/CFT thematic reviews to assess the effectiveness of our current measures in meeting regulatory requirements, expectations and alignment with global leading practices. A campaign themed Compliance is Everyone's Responsibility, Own It, Live It was successfully undertaken in 2015. |
| Personal Data Protection | Compliance with Personal Data Protection Act 2010 (PDPA) | In 2015, we continued to comply with the requirements of publication of Maybank's Privacy Notice on our website and notification to customers through the message portal on ATM machines and customers' account statements that the Privacy Notice is available on our website. |
| Whistleblowing Policy | Group Anti-Fraud Policy; Signatory to the Malaysian Anti-Corruption Commission (MACC)'s Corporate Integrity Pledge | The Integrity Hotline (formerly Fraud Reporting Hotline) has been in place since 2004. All employees can raise their concerns regarding any misconduct or wrongdoing including, but not limited to, unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with the Group. Concerns can be raised using the following channels without any fear of retribution:

Protected email address at integrity@maybank.com.my;

Toll-Free Message Recording Line at 1800 38 8833 or for Overseas at 603-2026 8112;

Secured P.O. Box Mail Address at P.O. Box 11635, 50752 Kuala Lumpur, Malaysia. |
| Human Rights | Compliance with all applicable laws and regulations on forced and child labour, as well as on the rights of employees | We note that we operate in fragile countries in emerging markets of the ASEAN region, and will monitor human rights situation in our operational environment closely.

With regard to labour rights, during the year, negotiations on four Collective Agreements (CA) were concluded with the National Union of Bank Employees, Sabah Banking Employees' Union, Sarawak Banking Employees' Union and Serikat Pekerja Bank Maybank Syariah Indonesia (SP-MSI). A total of 35.33% of Maybank employees in Malaysia are union members.

A clause against any form of child labour will be included in the revised Group Procurement Manual by the first quarter of 2016. This is the first step towards a more holistic approach to human rights in our procurement practices. |

6. STRATEGY

An organisation's mission, vision and values will drive its sustainability strategy. The organisation's strategy will also take into account its context and materiality assessment and is a living document, updated at regular intervals as parts of the strategy are achieved or new parts added. The strategy will be supported by policies and objectives that are intended to achieve sustainable outcomes.

Each organisation would be expected to develop and communicate its sustainability strategy and outcomes in an annual sustainability statement.

The judges looked for a sustainability statement that is balanced, comparable and meaningful. The statement should indicate both the organisation's positive and negative outcomes with respect to sustainability and action taken to mitigate the risks and take advantage of opportunities. It should contain a reference to achievements (strengths) as well to areas where goals were set but not achieved (weaknesses).

Most statements reviewed were all positive and made limited, if any, mention of negative news or targets that were not achieved. We noted that in some organisations, a well publicised negative event had occured during the reporting period, but was not mentioned in their sustainability statements. We would recommend that where such negative events occur, there is follow up in the organisation's website to manage the expectations of their stakeholders. The response should also be included in the following year's report.

The Sustainability Statement must also include or make reference to other parts of the report that address the governance structure in place to manage its sustainability matters; the scope of the Sustainability Statement and basis for the scope; what are the material sustainability matters and how they are identified, its importance to the organisation and how they are managed.

The statements below, although not always balanced and comparable show how the organisations address sustainability. The Sime Darby extract is the closest to a balanced statement.

NESTLÉ (MALAYSIA) BERHAD | NESTLÉ IN SOCIETY 2015: CREATING SHARED VALUE AND MEETING OUR COMMITMENTS (PAGE 3)

Meeting Our Commitments Through Creating Shared Value

Creating Shared Value ("CSV") is a fundamental part of the Nestlé way of doing business. This is best reflected in three core areas that are vital to our business strategy and for quality of life for the community: Nutrition, Water & Environment and Rural Development. These areas have the greatest potential for joint value creation, and are an integral part of our sustainability commitments, which we strive to uphold and cultivate for generations to come.

Based on our CSV philosophy as well as our Nestlé Corporate Business Principles, we have successfully conducted business and created value in the local community for over a hundred years now. As a responsible Company, we believe that this goes hand-in-hand with compliance

to national laws and international standards. As a result, we have earned the trust of local consumers and nourished generations of Malaysians, proving that it is possible for the Company to do well, by doing good for the society.

This edition of the Nestlé in Society Report, which is our tenth stand-alone report for the year ended 31 December 2015 demonstrates our dedication to continue nourishing Malaysians and deliver on our promise of 'Good Food, Good Life', focusing on key CSV activities and initiatives embedded in the operations of the Nestlé (Malaysia) Berhad (the Company) and its subsidiaries.

The Report illustrates in detail our efforts in creating value in areas that are most relevant to the Company as well as its value chain (please refer to Nestlé in Society: Creating Shared Value and

Meeting Our Commitments on pages 10 & 11 for more information). We have embarked on new and existing initiatives in order to address some of the growing environmental and societal concerns that the country faces, including health issues, environmental concerns and rural poverty.

As a business, our journey includes facing new and ongoing challenges on both the local and global scale. We endeavour to meet the ever-evolving nutrition needs of our consumers; promote sustainable water resource management; improve and optimise our product packaging; as well as ensure the use of sustainable palm oil throughout our supply chain. We will continue to address these issues and strive to improve our efforts in these areas over the mid-term to long-term. Our specific goals and targets in relation to these areas are outlined in the respective sections of this Report.

Creating Shared Value at Each Stage of The Value Chain

Agriculture and Rural Development	Environment, Manufacturing and People	Product and Consumers

Expertise and support for farmers	Providing R&D and expertise for suppliers	Investing in local manufacturing plants	Building brands through responsible marketing	Increasing value and volume sales

Value for Nestlé	Securing supplies of high-quality raw materials	Improving community relationships and product quality	Lowering manufacturing and distribution costs	Entering new and emerging markets	Achieving competitive shareholder returns
Value for Society	Improved yields and increased incomes	Reducing consumption of natural resources	Creating jobs in local communities	Widening access to nutritional products that consumers prefer	Generating local investments and economic growth

"We believe we can make an important contribution to society, by going a step beyond corporate social responsibility to create value through our core business, both for our shareholders and society. We prioritise the areas of Nutrition, Water and Rural Development to create shared value; this requires long-term thinking…"

Peter Brabeck-Letmathe
Chairman, Nestlé S.A.

Welcome to our report on sustainability. We hope the information here provides insights and inspiration on what it means for us to conduct business in a responsible manner.

Principles in sustainability are core to the way we operate. We've over the years continued to maintain the highest ethical standards in our business conduct, transparent and fair in our customer offerings, and prioritise safety and lives of workers across our value chain. We've also continued to invest in programmes that empower societies by enabling positive use of the internet to nurture digital communities' that will help shape Malaysia's transformation into a high income nation.

One of our main focus areas during the year was to ensure adherence to international standards of safety across our supply chain. We've increased unannounced inspections and taken stern actions on contractors who neglect our safety policy. We've also initiated an industry wide collaboration and look forward to implement a common safety standard for the industry in 2016.

Within our organisation, we continue to nurture a strong culture around inclusiveness, customer centricity,

innovation 360, and performance. We are focused on creating a workplace that promotes equal opportunity for all, and to have a workforce that is as diverse as our customers. It is our passionate talent who are empowered to contribute ideas and opinions to inspire the next big 'anything' every day that will differentiate us and drive our digital transformation.

Our ambition to enable access to all Malaysians has encouraged us to expand our community outreach programmes to advance the unserved and underserved communities by empowering them with the power of the internet. Through our Empower Societies initiatives, we continue to discover inspiring digital innovators, empower social purpose organisations, connect the unconnected, and promote safe use of internet among children. In early 2016 we launched Wanita Era Digital to help women enhance their digital fluency and capitalize on the opportunities from bringing their businesses online. We've also made a commitment to the global GSMA Connected Women initiative to increase our women internet subscribers by 5% to 47% by 2020.

In expanding our business to serve our growing customer base of 12.3 million, we've placed equal emphasis on

balancing consumption to moderate our operational impact on the ecosystem and climate. During the year we accelerated rollout of our LTE network, doubling our footprint to serve growing demand for quality high-speed internet on our widest 4G LTE network. While this brought about higher energy intensity, the higher cost per kilowatt is temporary and we expect sequential improvements in our energy intensity over the years as we gain better leverage from having more Malaysians benefiting from being connected to our high speed LTE network on the go.

As our business evolves, so will our priorities in delivering on a sustainable operation to ensure relevance. Moving forward we will build on the foundation of our core principles through continuous engagements with our people, customers, shareholders, analyst and regulators in enhancing our accountability and helping nurture a robust ecosystem towards delivering on our long-term ambition of empowering more Malaysians through use of the internet, to be our customer's favourite partner in digital life.

Albern Murty
Chief Executive Officer

Realise the Full Potential of the Core Business

The Group has achieved operational excellence by capitalising on synergies through several initiatives. At the Divisional level, the Plantation team has implemented improved agro-management practices and enhanced mechanisation in 94% of potential implementation areas. The Plantation Division's replanting programme across its operations remained at the rate of 4% of total planted area for the period under review. To improve and achieve the desired age profile for our oil palm plantations, the Division will implement an accelerated replanting programme across our Malaysian and Indonesian operations which would increase the replanting rate to an average of 5% of total planted area. In the Industrial Division, the implementation of the Business Transformation Project (BTP) is currently on track and is targeted to be completed by January 2016.

We are saddened by the seven fatalities in our Group during this financial year and have worked to strengthen controls to eliminate these safety risks. We recognise that an uncompromising safety & health culture is imperative for us to achieve our ultimate goal of zero harm. This year, we rolled-out a FELT Leadership Programme for the Sime Darby Group's Management Team, to ensure that this culture is modelled and driven from the very top.

7. MANAGEMENT PROCESSES

Management processes are the means through which organisations can demonstrate their commitment to implementing its sustainability strategy. This may include the setting of objectives (including measureable targets), development of plans, processes, procedures or other documents.

A number of organisations we reviewed had recognised management processes in place such as ISO 14001 (Environmental Management Systems), ISO 9001 (Quality Management Systems) or follow standards such as ISO 26000 Social Responsibility or subscribe to the UN Global Compact or the Roundtable Sustainable Palm Oil.

However, very few organisations explained how they've developed an effective system to implement and monitor its strategy and performance.

The judges noted that for some organisations such as the financial institutions, there was little mention about their responsible lending policies and practices which is a material matter. Additionally, responsible financing is a matter that is increasingly being examined by interest groups such as investors and NGOs. Financial institutions should consider further disclosing how their policies are implemented within the organisation to add further credibility to their management.

The examples outlined show how three organisations outlined the role of these standards in implementing sustainability.

FUJI XEROX ASIA PTE LTD, MALAYSIA OPERATIONS | SUSTAINABILITY REPORT 2015: TOWARDS GREATER INNOVATION (PAGE 14)

As part of the 360° sustainable value chain, we have embraced fundamental standards for quality, environment, and safety at manufacturing sites in Japan, China, Korea and Thailand. Since 2003, all manufacturing sites have been ISO certified for 9001, 14001 and OHSAS, and all share a goal of zero waste to landfill.

Fuji Xerox has closely worked with approximately 300 suppliers for production materials to address sustainability in the supply chain. This has involved developing a robust set of standards based on the ten principles of the United Nations Global Compact (UNGC) and other international standards. Not only for production materials field, Fuji Xerox works together with its suppliers to improve their CSR management.

Our Commitments

In all activities and initiatives that Nestlé engages in, we are committed to embracing "Environmentally-Sustainable Business Practices". At each stage of the product lifecycle, we strive to use natural resources efficiently and encourage the use of sustainablymanaged renewable resources, as well as targeting zero waste.

Our commitments in the area of environmental sustainability are to:
- Improve resource efficiency;
- Assess and optimise the environmental impact of our products;
- Provide climate change leadership;
- Preserve natural capital, including forests; and
- Provide meaningful and accurate environmental information and dialogue.

As part of our drive towards environmental sustainability, Nestlé made the commitment to purchase 100% renewable electricity energy within the shortest practical time frame. This is in line with the 21st Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change held in December 2015.

Nestlé Environmental Policy

The Nestlé Policy on Environmental Sustainability incorporates the United Nations Global Compact ("UNGC") environmental principles, which states that businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of technologies with better environmental performance.

The policy is complemented by more detailed commitments on key environmental issues:
- The Nestlé Commitment on Climate Change;
- The Nestlé Commitment on Biofuels;
- The Nestlé Commitment on Water Stewardship;
- The Nestlé Commitment on Natural Capital;
- The Nestlé Commitment Towards Zero Food Wastage; and
- The Nestlé Commitment on Deforestation and Forest Stewardship.

Our Journey In Nestlé Malaysia

Here in Malaysia, we ensure that our operations comply with local regulations as well as Nestlé's global guidelines. We are also accredited by the International Inspection Authorities for ISO 14001 implementation.

In 2015, the Company aimed to achieve the following objectives:
1. Reduce specific Water Usage (m^3/tonne product) by 4%
2. Reduce specific Energy Usage (GJ/ tonne product) by 4%
3. Reduce absolute amount of Solid Waste by 10%

Note: All reductions are in comparison to 2014.

In order to achieve these goals, all our factories in Malaysia committed to a number of reduction programmes for each area of the environmental objectives. These programmes were tracked globally via a central-based software reporting structure known as SHE–PM (Safety, Health and Environment Performance Monitoring). In tandem with this, the Company has undertaken proactive initiatives in all Business Units and throughout our Supply Chain, with a view to actively reduce our carbon footprint through initiatives such as a recycling campaign for packaging materials, a market trial for Natural Gas Refrigerant Freezers, economising travel distance for our goods and personnel, and the Zero Landfill initiative.

As a responsible company, we protect public safety by implementing prudent safety measures.

We emphasise continuous system improvement through a structured safety, health and environmental management system Sunway subsidiaries have been certified by SIRIM QAS International Sdn Bhd and IQ Net for OHSAS 18001 and ISO 14001.

Quality, Environmental, Safety and Health Management System ("QESH")

Safety is a shared responsibility. At Sunway Construction, we empower all levels of leadership to achieve ESH excellence. We embrace a sustainable Environmental, Safety and Health (ESH) culture across the board. Ultimately, we envisage achieving worldclass ESH standards.

The ESH Department at our headquarters drives various safety and health initiatives. It defines the framework by which the Company can continually improve its safety and health performance. Each ESH department is responsible for creating a culture in which employees understand their contribution to ESH excellence. The framework has been designed through astute strategies and standardised implementations to ensure occupational risks are reduced to practicable levels. All project team members are responsible for implementing this framework to safeguard the wellbeing of our employees, business partners and public members.

The Group had introduced an integrated QESH Management System known as QESH Policy for the Construction division in 2009. This integrated management system optimises resources and standardises processes for domestic and overseas projects. The QESH Policy conforms to international standards to ensure products and

services are well defined in terms of quality, safety, environment and health at every stage of construction. ESH training such as ESH Management system internal auditor training is compulsory for all site employees including ESH awareness, hazard identification, Risk Assessment and Risk Control (HIRARC), slinging and rigging and basic forklift training. Competency training programmes are attended by appointed relevant employees. Training covers:

- Competent Scaffolder
- Authorised Gas Tester (AGT)
- Authorised Entrant & Standby Person for Confined Space (AESP)
- Safety and Health Officer (SHO)
- Site Safety Supervisor (SSS)
- Certified Erosion, Sediment and Storm Water (CeSWI)
- Certified Environmental Professional for Scheduled Waste Management (CePSWAM)

This approach ensures the respective works are conducted by competent staff with the minimum qualifications.

Sunway Construction also introduced various other initiatives to minimise accident rates and improve safety awareness of its partners, employees and workers. These include the Sunway Safety Merit System (SSMS), ESH Leadership Transformation Programme, ESH Kaizen, and partnerships with clients and contractors.

8. PERFORMANCE

This section of the report should provide performance data, where possible, in relation to material sustainability matters. This includes indicators relevant to those sustainability matters the organisation has identified and for which objectives have been set to demonstrate how it has performed in managing these matters.

Performance should be monitored and measured at an appropriate frequency. For example, waste water treatment discharges may need to be monitored and measured daily whereas social indicators may require longer time periods to determine the effectiveness of the actions taken.

The data collected must be accurate and may require the setting of baselines, the development of effective and consistent collection methods and the regular calibration of equipment. Such data may need to be assured.

The performance data provided should enable a comparison over time as well as across sectors and identify the results of key initiatives such as GHG emissions or water reductions, improving gender diversity, product innovation, community involvement, etc.

The judges noted that performance was generally well reported. Regrettably, it did not always align with what had been defined as material. In addition, some reports placed greater emphasis on environmental performance to the detriment of social performance. Economic performance was generally reported in annual reports but not always well reported in standalone sustainability reports.

The examples on the following pages show effective reporting using information contained in the GRI standards. This information is comparable and presented in tabular or pictographic form.
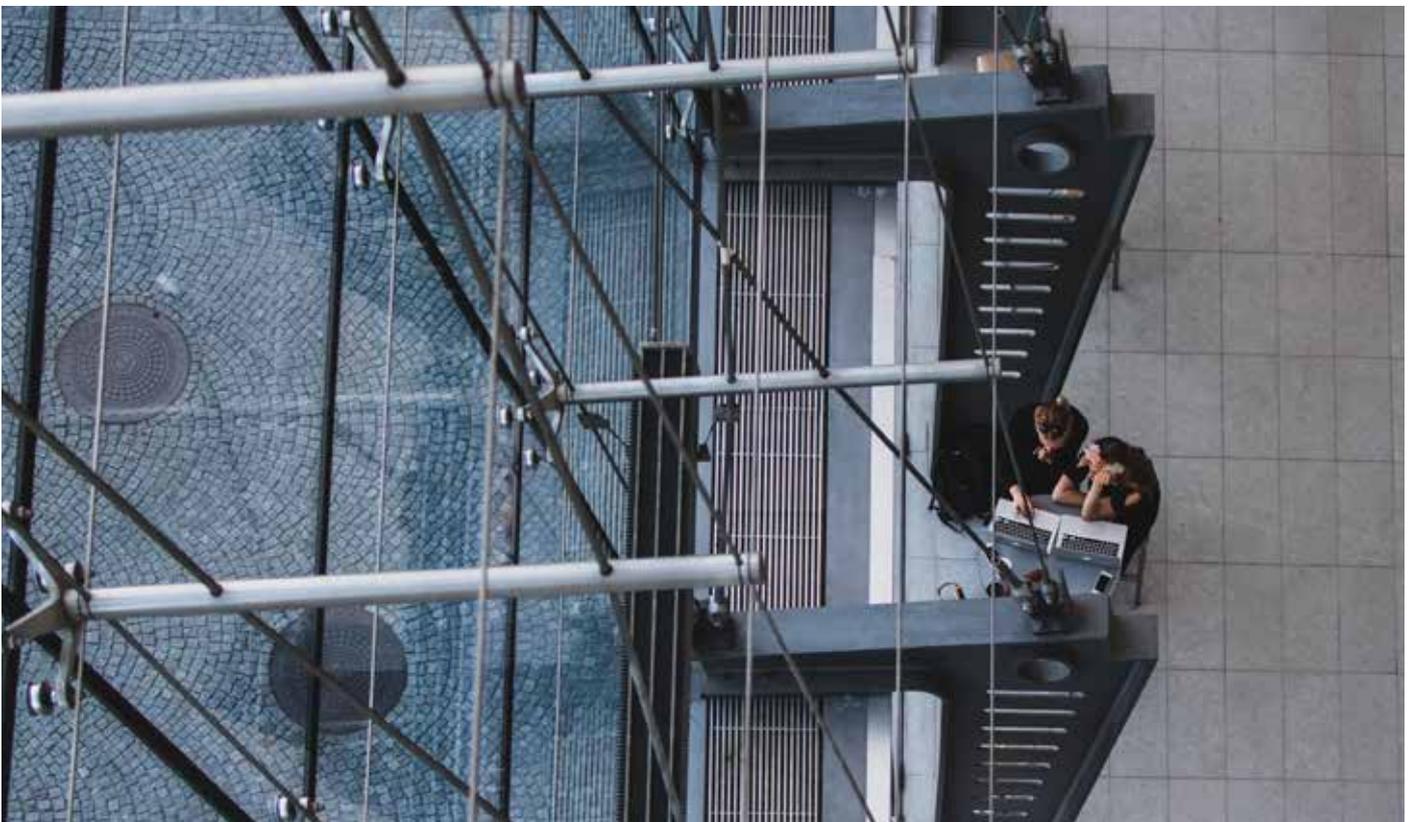
SUMMARY OF KEY PERFORMANCE DATA

KEY PERFORMANCE DATA
In line with the Global Reporting Initiative (GRI), we have included a set of economic indicators in this year's report:

	GRI Reference	2013	2014	2015
The Marketplace				
NUTRITION				
Products meeting or exceeding Nutritional Foundation profiling criteria (as % of sales)	#	78%	77%	**74%**
Products meeting or exceeding consumer taste preference (as % of sales)	#	89%	88%	**89%**
Products with nutritional plus over competitors (as % of sales)	#	53%	51%	**55%**
Products with a Nutritional Claim on Front of Pack (FOP) (as % of sales)*	PR3	62%	59%	**65%**
Products covered with Nestlé Nutritional Compass (NNC) (as % of sales)	PR3	100%	100%	**100%**
Products with Guideline Daily Amount (GDA) labelling (as % of sales)	PR3	98%	98%	**98%**
Our Environmental Footprint				
Total energy (GJ)[1]	G4-EN3	1,526,031	1,346,213	**1,298,270**
Total amount of energy per tonne (GJ/tonne)[1]	G4-EN5	3.82	3.53	**3.36**
Total water withdrawal (m^3/year)	G4-EN8	1,863,027	1,710,038	**1,664,338**
Volume of water recycled per reused (m^3/year)	G4-EN10	80,710	80,710	**121,232**
Total direct and indirect greenhouse gas emissions (tonne CO_2)	G4-EN16	171,747	159,538	**157,276**
Landfill waste (tonne)[2]	G4-EN23	1,990	160	**181**
Recycled waste (tonne)[2*]	G4-EN23	13,303	11,895	**11,550**
Our People				
Workforce size		5,847	5,702	**5,578**
Lost Time Injury Frequency Rate[3]	G4-LA6	1.4	1.5	**2.2**
Leadership positions held by women[4]	G4-LA12	37%	43%	**45%**
Our Community				
Number of students involved in Nestlé Healthy Kids intervention programme:[5]				
Primary School Module		136	4,835	**4,573**
Secondary School Module		4,954	4,954	**-**
Project RILEAF:[6]				
Number of trees planted	G4-EN13	56,706	114,524	**201,413**
Total purchase of seedlings from KAPOK (RM)		85,059.00	175,960.50	**369,048.00**
Total amount of contracted work for tree planting (RM)		102,077.60	188,847.00	**291,639.00**

	GRI Reference	2013	2014	2015
Nestlé Paddy Club:[7]				
Number of farmers impacted/benefited from the project (Jan/Feb)		289	310	**300**
Number of farmers impacted/benefited from the project (Aug/Sept)		312	298	**294**
Total number of hectares (Jan/Feb)		765	814	**789**
Total number of hectares (Aug/Sept)		807	788	**794**
Setiu Wetlands Project with WWF-Malaysia:[8]				
Mangrove replanting activity (number of seedlings planted)	G4-EN13	1,065	388	**1,095**
Number of PEWANIS members (active & non-active)		20	45	**43**
Nestlé Employee Volunteer Programme (ROCKs):[9]				
Total number of volunteers (employees & non-employees)	#	209	152	**174**
Total number of volunteer hours	#	952	835.5	**1,111.75**
Economic				
OPERATIONAL FOOTPRINT				
Number of total factories	#	7	7	**8**
VALUE GENERATION (RM)				
Total sales for Malaysia	G4-EC1	4,787,925	4,808,933	**4,837,957**
VALUE DISTRIBUTION (RM)				
Turnover	G4-EC1	4,787,925	4,808,933	**4,837,957**
Operating costs	G4-EC1	963,375	975,005	**1,105,280**
Taxes	G4-EC1	157,353	150,803	**136,978**
Net profit	G4-EC1	561,701	550,384	**590,733**
Earnings per share (sen)[10]	G4-EC1	239.53	234.71	**251.91**
Net dividends per share (sen)	G4-EC1	235.00	235.00	**260.00**
Dividend yield	G4-EC1	3.5%	3.4%	**3.5%**

*   The data has been independently audited. Please refer to the Independent Assurance Report on pages 110 - 111.
\#   Nestlé-specific indicators.
1.   Total energy in manufacturing.
2.   All landfill and recycled waste are managed by an appointed and authorised Waste Management Company.
3.   Source: Data from SHE-PM reporting system.
4.   Source: Records from Human Resources, 2015.
5.   Source: Google Analytics Search Engine Optimisation Report, from January to December 2015 and Nutrition Society of Malaysia Yearly Report 2015.
6.   Source: Records from Agricultural Department, 2015.
7.   Source: Yield Report by the rice millers in Kedah (Ban Eng Hin and Chuan Huat Bee Kah).
8.   Source: 2014 Report by WWF Malaysia.
9.   Source: Attendance Report by Nestlé Group Human Resource Department.
10. Earnings per share are based on profit after tax.

OUR PEOPLE -
OUR PERFORMANCE

	GRI Reference	2013	2014	2015
Workforce - Full Time Equivalent Employees[1]				
Total number of employees		5,847	5,702	**5,578**
Total number of employees - Nestlé Products Sdn Bhd (NPS Head Office, NPS NDC & Sales)		1,524	1,585	**1,573**
Total number of employees - Nestlé Manufacturing Malaysia (Factory, NHM HOU & NMM NDC)		4,156	4,117	**4,005**
NMM Shah Alam		1,116	1,126	**937**
NMM Petaling Jaya		670	610	**590**
NMM Batu Tiga		904	901	**893**
NMM Kuching		229	234	**228**
NMM Chembong & Chembong Ice Cream		1,957	951	**924**
NMM Sri Muda		-	-	**144**
NMM HOU		80	75	**71**
NMM NDC		200	220	**218**
Permanent employees (%)		99%	99%	**99%**
Temporary & Contract employees (%)		1%	1%	**1%**
Total number of new employees by gender - Male	G4-LA2	-	131	**175**
Total number of new employees by gender - Female	G4-LA2	-	116	**148**
Total number of employees leaving employment by gender - Male		188	181	**255**
Rate of employees leaving employment by gender (%) - Male		3.32%	3.17%	**4.57%**
Total number of employees leaving employment by gender - Female		143	174	**129**
Rate of employees leaving employment by gender (%) - Female		2.52%	3.05%	**2.31%**
Total number of employees leaving employment by region - Nestlé Products Sdn. Bhd.		206	184	**201**
Total number of employees leaving employment by region (%) - Nestlé Products Sdn. Bhd.		3.63%	3.23%	**3.60%**
Total number of employees leaving employment by region - Nestlé Manufacturing Malaysia		125	171	**183**
Total number of employees leaving employment by region (%) (%) - Nestlé Manufacturing Malaysia		2.2%	3.00%	**3.29%**

	GRI Reference	2013	2014	2015
Labour/Management Relations[2]				
Percentage of employees covered by collective bargaining agreement	G4-11	73%	72%	**71%**
Occupational Health and Safety[3]				
Lost Time Injury Frequency Rate	G4-LA6	1.4	1.5	**2.2**
Injury Rate for Total Workforce by Region[4]				
Nestlé HOU	G4-LA6	0.0	0.9	**0.7**
NMM Shah Alam*	G4-LA6	3.5	0.6	**2.7**
NMM Petaling Jaya	G4-LA6	3.0	0.5	**2.0**
NMM Batu Tiga*	G4-LA6	1.5	2.0	**2.6**
NMM Kuching	G4-LA6	3.5	1.8	**0.0**
NMM Chembong*	G4-LA6	3.9	3.2	**1.5**
NMM Ice Cream	G4-LA6	0.0	16.8	**3.8**
Nestlé NDC	G4-LA6	2.1	0.5	**1.5**
Sales & Marketing	G4-LA6	0.0	2.1	**2.1**
Lost Day Rate for Total Workforce by Region[5]				
Nestlé HOU	G4-LA6	0.0	17.4	**0.0**
NMM Shah Alam*	G4-LA6	4.3	8.2	**74.3**
NMM Petaling Jaya	G4-LA6	14.5	1.5	**40.2**
NMM Batu Tiga*	G4-LA6	3.9	4.3	**36.7**
NMM Kuching	G4-LA6	0.0	0.0	**0.0**
NMM Chembong*	G4-LA6	10.3	7.6	**85.6**
NMM Ice Cream	G4-LA6	0.0	77.3	**108.5**
Nestlé NDC	G4-LA6	0.0	3.1	**9.9**
Sales & Marketing	G4-LA6	0.0	2.8	**89.3**

* The data has been independently audited. Please refer to the Independent Assurance Report on pages 110 - 111.
1. Source: Records from Human Resources, 2015.
2. Source: Records from Human Resources, 2015.
3. Source: Data from SHE-PM reporting system.
4. Source: Data from SHE-PM reporting system.
5. Source: Data from SHE-PM reporting system.

MALAYAN BANKING BERHAD | SUSTAINABILITY REPORT 2015: LEADING ASIA - DELIVERING OUR ASEAN VISION TOGETHER (PAGE 71)

DESCRIPTION	2015	2014	2013	2012	2011	2010	2009	2008
Employees								
Total number	45,958	47,041	47,771	47,233	42,693	26,548	24,910	24,773
Inside Malaysia	25,377	26,727	26,728	26,473	25,841	23,925	22,535	22,370
Outside Malaysia	20,581	20,769	21,041	20,760	16,852	2,623	2,375	2,403
Executive	30,988	31,096	31,702	26,746	28,578	16,675	14,564	14,021
Non-executive	14,970	15,945	16,069	16,456	14,115	9,873	10,346	10,752
Full-time	45,948	47,041	47,771	47,233	42,693	26,548	24,910	24,773
Part-time		-	0	-	-	-	-	-
Permanent employees	42,421	42,986	43,904	40,660	39,487	25,344	24,126	24,244
Non-permanent employees	3,537	4,055	3,867	2,542	3,206	1,204	784	529
Female	24,976	25,285	25,498	23,415	22,845	15,691	14,554	14,488
Male	20,982	21,756	22,273	19,787	19,848	10,857	10,356	10,285
Union members (For Maybank only)	8,966	9,054	12,563	10,328	10,015	9,907	11,676	11,822
Non-union members (For Maybank only)	12,714	13,237	14,165	16,145	13,052	11,457	13,234	12,951
Age group								
< 30	12,371	13,355	14,262	13,108	13,481	7,116	6,400	7,083
30 - 40	17,168	17,686	18,121	16,962	17,177	11,178	11,208	10,924
40 - 50	12,414	12,054	11,913	10,311	9,491	6,221	5,655	5,336
> 50	4,005	3,946	3,475	2,821	2,544	2,033	1,647	1,430
Total new hires by age								
Below 30 years	2,327	2,540	2,469	-	-	-	-	-
30 - 39 years	865	869	746	-	-	-	-	-
40 - 49 years	223	225	262	-	-	-	-	-
Above 50 years	70	52	103	-	-	-	-	-
Total new hires by gender								
Male	1,615	1,688	1,746	-	-	-	-	-
Female	1,870	1,998	1,834	-	-	-	-	-
Total and percentage of new hires by region								
Global	3,485 (100%)	3,686 (100%)	3,580 (100%)	-	-	-	-	-
In Malaysia	1,976 (57%)	2,235 (61%)	2,455 (68%)	-	-	-	-	-
Outside Malaysia	1,509 (43%)	1,451 (39%)	1,135 (32%)	-	-	-	-	-
Diversity (Malaysia Ops. only)								
Malay	17,651	18,342	18,578	19,560	18,201	17,735	16,499	16,654
Chinese	5,173	5,351	5,536	5,394	5,189	6,021	5,466	5,257
Indian	1,415	1,417	1,499	1,381	1,355	1,298	1,221	1,203
Others	1,138	1,163	1,214	1,138	1,096	1,494	1,724	1,659

MALAYAN BANKING BERHAD | SUSTAINABILITY REPORT 2015: LEADING ASIA - DELIVERING OUR ASEAN VISION TOGETHER (PAGE 72)

DESCRIPTION	2015	2014	2013	2012	2011	2010	2009	2008
Employee turnover rates								
Global	3,800	6,606	6,045	4,978	5,274	2,354	2,099	2,039
Inside Malaysia	2,504	2,101	1,921	1,950	1,742	1,866	1,800	1,559
Outside Malaysia	1,296	4,505	4,124	3,028	3,532	488	299	480
Global	8.27%	14%	13%	11.52%	12.35%	8.87%	8.43%	8.23%
Inside Malaysia	9.87%	8%	7%	7.37%	6.74%	7.80%	7.99%	6.97%
Outside Malaysia	6.30%	22%	20%	18.10%	20.96%	18.60%	12.59%	19.98%
Female	1,920	3,103	2,786	2,291	2,267	1,275	1,122	1,148
Male	1,880	3,503	3,259	2,687	3,007	1,079	977	891
Age group								
< 30	1,849	3,035	3,272	2,803	3,095	1,340	1,191	1,178
30 - 40	1,000	2,243	1,735	1,428	1,529	540	487	523
40 - 50	451	973	608	382	368	194	153	150
> 50	500	355	430	365	282	280	268	188
Women in management								
% Women in management (Band G & above)	47%	46%	42%	43%	40.87%	43.26%	38.23%	37.11%
% Women in top management (Band D & above)	35%	31%	31%	31%	22.70%	18.99%	15.68%	16.66%
Training								
Employee participation in training	38,946	26,591	26,723	26,041	24,909	21,985	20,660	22,078
Average attendance per training programme	42	24.4	22.17	25.6	20.9	25.8	24	18.2
Average and total hours of training per employee	35	33.68	45.31	41.44	47.97	38.34 /	34.5 /	50.9 /
(average / total hours)		974,059.28	1,210,858.33	1,104,166.48	1,379,602.18	1,016,270.52	797,635.75	1,152,784.14
% Statutory requirement (by Bank Negara Malaysia)	2.74%	2.76%	2.78%	3.17%	3.34%	2.79%	2.51%	3.25%
Total spent (RM)	114,002,967	120 mil	118.87 mil	100 mil	74.4 mil	54.68 mil	n/a	n/a
Performance review towards career enhancement								
% Employees who are formally appraised (at least annually)	100%*^	100%*^	100%	100%	100%	100%	100%	100%
% Employees who are formally appraised (during Mid-Year Review)	83.5%*^	87.5%*^		n/a	n/a	89%	86%	68%
One-on-one performance review for year-end evaluation	100%*^	100%*^		Ongoing	Ongoing	59%	61%	63%
Occupational Safety and Health (OSH)								
Total recordable injury frequency rate	0.002	0.005	0.006	0.041	0.032	0.07	NIL	NIL
Absenteeism rate	n/a	n/a		n/a	n/a	n/a	n/a	n/a
Lost time injury severity rate	0.006	0.012	0.038	0.888	0.704	3	0	0
Fatal accident rate	0	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Employee Engagement Survey Results	n/a	82%		85%	86%	87%	83%	77%
Security personnel trained on human rights issues	100%	n/a		n/a	n/a	n/a	n/a	n/a
Number of disabled employees	12	9		4	4	4	8	n/a

Employee Benefits
Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

Labour/Management Relations
Percentage of employees covered by collective bargaining agreements
* Based on Online Declaration of the one to one Conversation and Performance Management made by employees and Line Managers in myHR2u system
^ Based on employees who are eligible to participate in the year-end appraisal

Employee Engagement Survey Results
Employee Engagement Survey was not administered in 2015

FSC® Certified Paper

The paper material is sourced from well managed forest and other controlled sources in accordance with the requirement of the Forest Stewardship Council (FSC) – an international, non-profit association founded in 1993 with the intent "to shift the market to eliminate habitat destruction, water pollution, displacement of indigenous people and violence against people and wildlife that often accompanies logging."

We are committed to sell printed material that is made from FSC certified paper. The number of FSC certified supplier has increased from one for year 2010 to eight for year 2015. The number of printed material with FSC labelled has increased from 9 items in 2011 to 77 items in 2015.

Number of FSC Supplier

Utility Usage

Water

Electricity
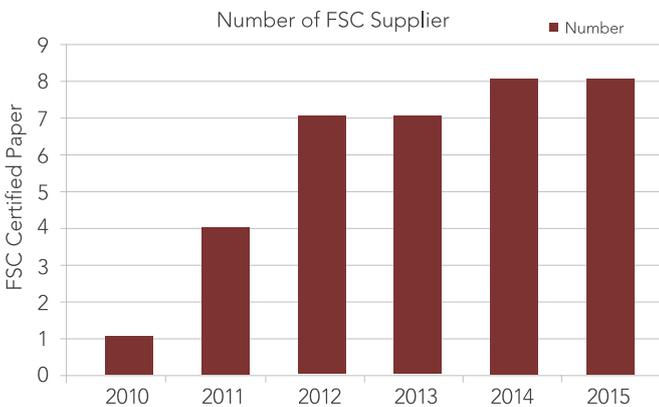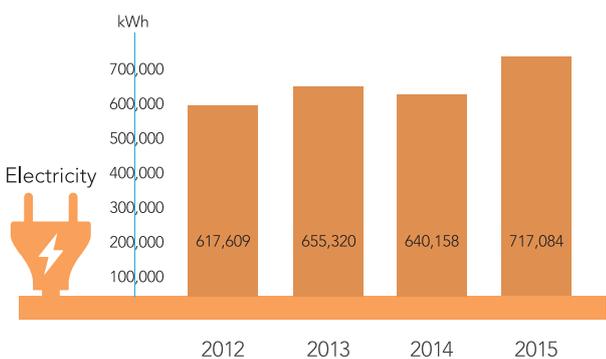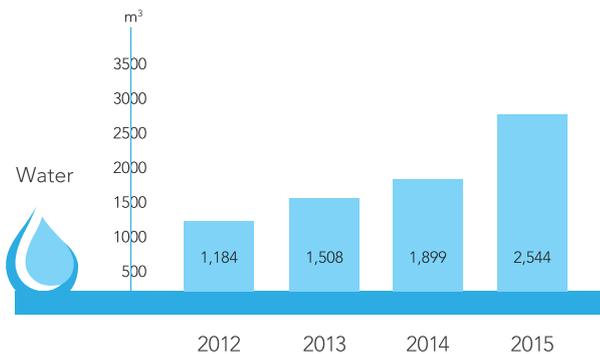
Waste Management

The scheduled waste management is controlled under the Local Government Act 1976 and Refuse Collection, Removal and Disposal By-Laws under the Act.

The scheduled waste collected by Tex Cycle Sdn Bhd:

Scheduled Waste

Used Water (SW417)

Used Rags (SW410)

Used Tin (SW409)
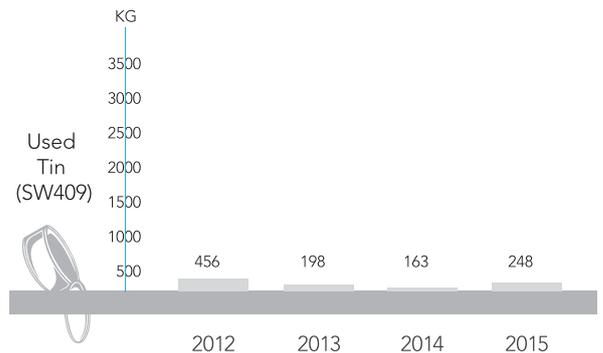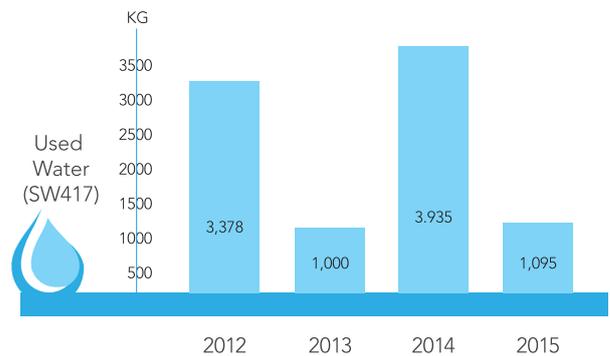
The scheduled waste are recycled in the license contractor's promise. We had visited them to learn about their recycling process.

9. ASSURANCE

Assurance is about verifying the report content. Although a number of reports that we reviewed were assured, very few of these stated the standard that was used as the basis for assurance, such as the accounting standard ISAE3000, sustainability standard AA1000 or Australian Standard 5911. There was also no mention made of the competence of those providing the assurance statement. Assurance can be provided internally through internal audit review or externally assured by an accounting, consulting or certified organisation.

The key issue for assurance was to determine the accuracy of the EES impacts and the credibility of the materiality determination process. If this was not credible, the remainder of the report and the information in it had the potential to be flawed. Assurance of the data in the report whilst important when being used for trading purposes is less so when being used merely to set performance objectives.

Some assurance providers made identical statements in reports from different organisations. Other assurance providers offered limited or reasonable assurance with multiple exceptions which tended to negate the benefits of assurance. In some cases, there was a potential conflict of interest as the same assurance provider certified the organisation to selected ISO standards, and then assured the report. Of the many reports, only one assurance provider offered suggestions for improvement.

AXIATA GROUP BERHAD | AXIATA SUSTAINABILITY & NATIONAL CONTRIBUTION REPORT 2015: COMMITMENT TO DEVELOPMENT TOWARDS A DIGITAL FUTURE (PAGE 91)

Our Approach

Our assurance procedures included, but were not limited to:
- Gaining an understanding of Axiata's business and approach to sustainability.
- Conducting interviews with key personnel and collating evidence to understand:
  - The process for stakeholder engagement across the organisation
  - The process for determining material issues and reporting against them
  - The activities relating to the sustainability priorities during the reporting period.
- Performing a gap analysis between Axiata's implementation of the principles of materiality, inclusivity and responsiveness based on the evidence gathered, and the guidance outlined in the AccountAbility AA1000 Principles standard 2008.
- Conducting limited assurance procedures for the five sustainability performance indicators:
  - Checking that methodologies have been correctly applied
  - Undertaking analytical review procedures to support the reasonableness of the data
  - Identifying and testing assumptions supporting calculations
  - Testing on a limited sample basis underlying source information to check accuracy of the data
  - Assessing the reliability of specific sustainability performance information.
- Checking the Report to determine whether material risks and opportunities and performance issues identified during our procedures on the ten material issues had been adequately disclosed.
- Checking the Report against the GRI G4 "In accordance with Core" Guidelines.

Use of this Report

Our responsibility in performing our assurance activities is to the directors of Axiata alone and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Independence, Competence and Experience
In conducting our assurance engagement we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

Limitations

There are inherent limitations in performing assurance. For example, assurance engagements are based on selective testing of the information being examined, and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over nonfinancial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to GRI principles is subjective and will be interpreted differently by different stakeholder groups. Our assurance was limited to the 2015 Sustainability Report and did not include statutory financial statements or forward looking statements. We provide no assurance over changes to the online content after the date of this assurance report.

Positive Observations and Opportunities for Improvement

Axiata has requested that we provide selected positive observations and opportunities for improvement, as identified through the assurance procedures and in alignment with the AA1000 principles. The observations and opportunities for improvement do not affect our conclusions expressed in the Limited Assurance Conclusion section above.

Inclusivity

Throughout 2015 Axiata has progressively engaged its subsidiaries ('operating companies') in the development of and alignment to its sustainability strategy and reporting process. To date, four out of six majority-owned entities have implemented sustainability reporting at their operations, using the guidance provided by Axiata. Axiata has also continued to engage with key stakeholder groups including customers, employees, shareholders, regulators and suppliers. The level and scope of engagement with stakeholders on specific sustainability issues over the past year has improved, but there is still scope to undertake formal targeted and specific engagement on sustainability with each of these groups. We expect that there will be a more formalized stakeholder engagement program as part of Axiata's transition to 'Phase 2' of its sustainability framework.

Materiality

Axiata has a process in place to help the business identify its material issues for reporting. In 2015, material issues were identified using a mix of stakeholder engagement, reference to literature and internal policies as well as business KPIs and risks. These identified issues have then been prioritised by the sustainability team and representatives from senior management. As recommended in prior year, we recommend that the prioritisation of material issues is also undertaken with input from external stakeholders. Axiata's material issues have changed significantly from the prior year which has been in response to shortterm incidents and/or media attention. While it remains important for Axiata to respond to short-term trends, material issues should reflect Axiata's significant economic, environmental and social impacts; or those issues which substantively influence the decisions of stakeholders about the organisation.

We believe that Axiata has given sufficient coverage to each of the material aspects identified in the report. To continue to improve, we recommend that specific performance metrics are identified in relation to the material aspects.

Responsiveness

The responsibility for responding to key stakeholder issues is usually set at the individual operating company level. From a group perspective, individual business functions are responsible for managing stakeholders. In 2014 Axiata implemented a sustainability forum for its operating companies to share approaches, and we encourage the group to re-instate this forum to ensure that ongoing learnings are captured.

There is an opportunity to respond to particular stakeholders such as ESG investment analysts who are now requesting specific data such as customer privacy metrics. Axiata could also consider communicating to stakeholders on other emerging material issues such as cyber security.

Axiata is to be congratulated for its strong performance in reporting over the past two years and for winning the Best Sustainability Report (ACCA MasRA) and Best ESG Practices (MSWG) awards.

Increasingly, reporting organisations have adopted the trend of utilising alternative reporting formats to communicate their sustainability performance – such as webpages and interactive PDF reports. Additionally, different platforms such as social media are being used to present a snapshot of a key initiatives or piece of information, and may present information on a more frequent basis than annually. Axiata may wish consider alternative forms of reporting, and to tailor these to stakeholders depending on their needs.

As Axiata's reporting continues to evolve, there is scope for improvement to be made around the robustness of data collection systems, particularly around greenhouse gas emissions and safety. We have provided more detailed suggestions in an internal report to management.

10. COMMUNICATION

Packaging and presentation are key for those intending to publish their reports in hard copy. Some reports were published with glossy picture and printed with normal printers' ink, which is metallic based, on high grade paper. While these reports were eye catching, the organisation's commitment to sustainability became questionable. Ideally, printed reports should be printed on Forest Stewardship Council approved or chlorine-free paper and printed using soy or other less environmentally damaging inks. Where this is not possible, colour printing should be limited to where it adds value - full page pictures of tree planting or similar activities are of very limited value although tree planting in itself, is of value.

A number of sustainability reports referred to the organisation's annual report for a description of the organisation's governance structure. While this was useful and avoided duplication, these links did not always work, or were very general and required the reader to search the organisation's website for the information. In addition, it was clear in some cases that although the governance text was referenced, it was more related to meeting financial requirements than sustainability reporting requirements.

Examples of reports that addressed some of these issues are shown below.

AXIATA GROUP BERHAD | AXIATA SUSTAINABILITY & NATIONAL CONTRIBUTION REPORT 2015:
COMMITMENT TO DEVELOPMENT TOWARDS A DIGITAL FUTURE (PAGE 5)

Creating Opportunity for Growth

Durian Shell
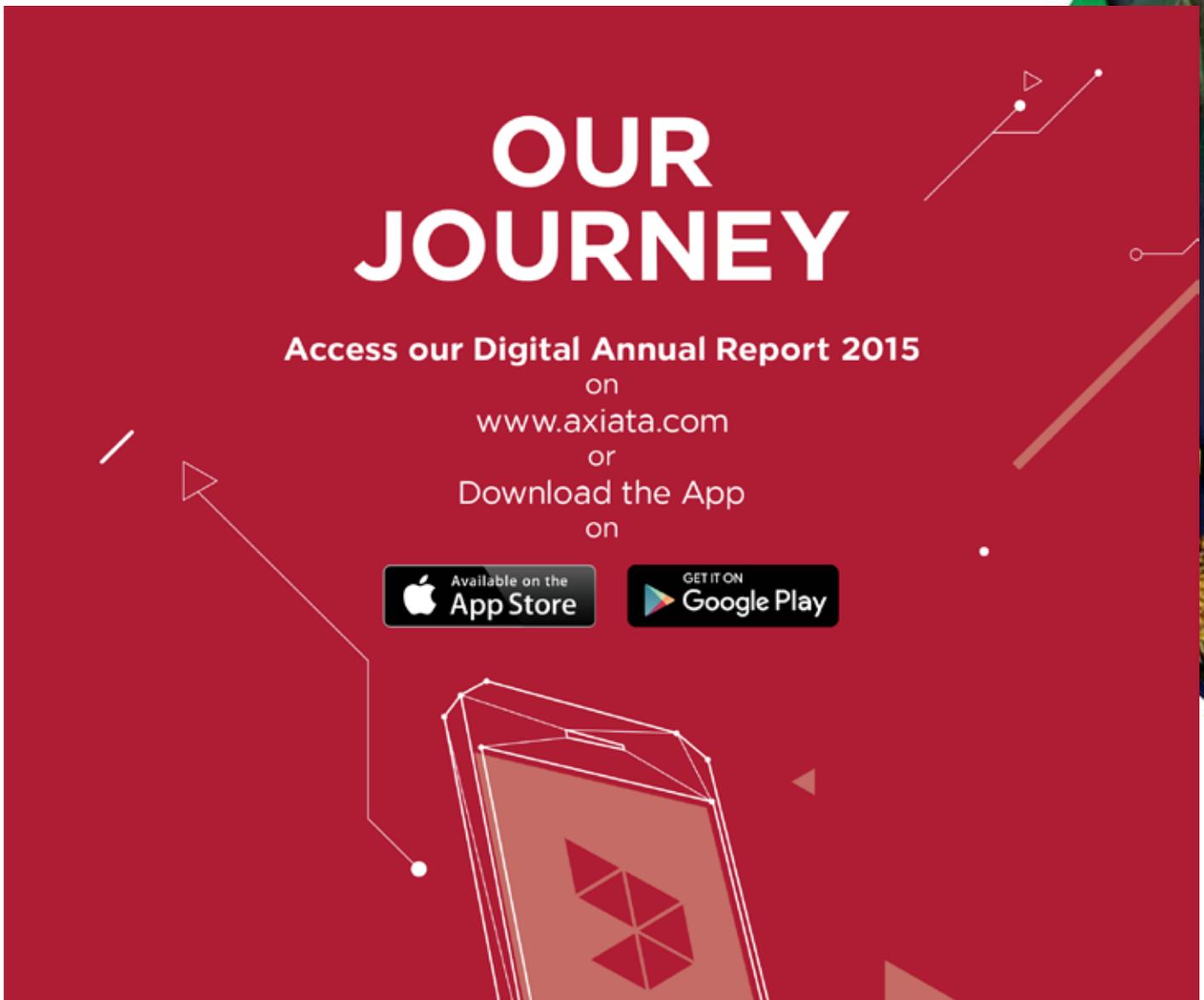
Rationale

We consciously learn about our strength and weakness and continue to create opportunity for growth in order to stay relevant in this competitive world. We are not just creating opportunity for our own growth (not just in Malaysia but internationally), also for our stakeholder including new partner.

This time we are using paper made from natural fiber extracted from local plant such as sugarcane, heliconia, banana, durian and pineapple as the divider of this hardcopy report. The papers are made by Mr. Shamsul who is passionate about using local material and turn them into commercial product, we share the same vision. We always like to identify local talent and create job opportunity with them especially in green related industry. We have tentatively named this type of paper organic paper as it is hand made without adding any wood pulp. Together we will work with him to improve the paper quality to create more eco products in near future.

Acknowledgement

The Sustainability Report would not be possible without them. We would like to thank

Content Team:
- Ms. Teh Soo Tyng for content development
- Ms. Tan Seok Kim and Mr. Hong Voon Keat for assisting in data and pictures collection

Creative Team:
- Mr. Chan Chee Choong for leading the creative team
- Mr. Ng Yong Kee for developing the print layout and printing on the organic paper

Paper sponsored by Antalis (M) Sdn Bhd. Printed on Toccata Extra White 160g Heidelberg Malaysia Sdn Bhd for the printing works.

THE CHARACTERISTICS OF FUTURE-LOOKING ORGANISATIONS

1. COMMITMENT

This is a primary requirement for any organisation planning for the future. The organisation needs to demonstrate its commitment to sustainability and this should be a consistent theme throughout its report. This commitment was expected to be seen in its mission, vision, values and all the policies, principles and strategies developed by the organisation. It should start at board level and then be cascaded down to the lowest level in the organisation. It should also be monitored or measured and evidence to indicate that where it has failed to meet its commitments, action has been taken to correct this.

The judges commented that the Sunway Berhad's statement met their expectations in exhibiting an organisation's commitment to sustainability.

The judges commented the strong message from the Founder and Chairman on sustainability and a description of their sustainability framework, various sustainability awards obtained, their success stories according to economic, social (CARE-community engagement, education, health care) and environment demonstrated their commitment to sustainability. Their vision, mission and core values integrate the spirit of Sunway Berhad.

Their comments were supported by the following extracts from the report:

PAGE 7

"The BRT - Sunway Line, Malaysia's first dedicated and elevated electric Bus Rapid Transit (BRT) system, was launched in June 2015. This is just one example of our commitment to nation building and sustainable economic development. The BRT -Sunway Line's eco and disabled-friendly electric buses now serve more than 500,000 commuters. We have also expanded the roads and upgraded infrastructure with the local authorities within Sunway and surrounding communities."

The judges commented that the organisation's vision and mission encapsulate some elements of sustainability. Over and above the corporate vision and mission, the organisation also has a specific mission for sustainability.

Their comments were supported by the following extracts from the report:

PAGE 9

Vision:
To be the leading regional property-construction group

Mission:
• Innovating to deliver value
• Building synergistic and sustainable relationships
• Achieving the highest standards of quality and excellence"

SUSTAINABILITY FRAMEWORK

SUNWAY'S VISION
To be the leading regional property-construction group

SUNWAY'S SUSTAINABILITY MISSION
To deliver sustainable value creation for our stakeholders and to the communities around us

OUR APPROACH

Build resilient businesses that lead in their respective markets through focus on our customers, innovation and operational excellence

Commitment to responsible business practices, especially in employee welfare and development

Being environmentally sensitive and proactively manage our footprint

Partnership with the communities around us and making positive impacts

+

Governance & Oversight
• Policies & processes
• Governance structures
• Monitoring & reporting
• Tracking of benefits

SUNWAY'S SUSTAINABILITY CORE FOCUS AREAS

Responsible Business Practices	Product And Service Innovation	Process And Resource Efficiency	Green Initiatives	Giving Back To Communities
• Business ethics & code of conduct • Sustainable supply chains • Health & safety • Employee engagement & development	• Product & service improvement • Green products • Innovation business solutions	• Process improvement • Materials & resource management	• Energy & water conservation • Recycling & waste/ effluent management • Environmental protection & climate change	• Education • Medical Services • Community development • Philanthropic initiatives

2. INNOVATION

Innovation in process, product and service design and delivery is seen as a key to an organisation's ability to add value to its shareholders and to a sustainable society. Although the type of innovation varied with each organisation, for example, in the palm oil sector it may mean improved yield through research into seed development or in production processes, whereas in a bank it may involve providing customers with new and improved financial products or a more simplified and effective service delivery.

The judges were impressed by Axiata's and Sime Darby's approach to innovation and highlighted the following in support of their conclusion.

AXIATA GROUP BERHAD | AXIATA SUSTAINABILITY & NATIONAL CONTRIBUTION REPORT 2015: COMMITMENT TO DEVELOPMENT TOWARDS A DIGITAL FUTURE (PAGE 8, 29 & 79)

The judges commented that innovation in technology is widely and actively promoted throughout the organisation.

Their comments were supported by the following extracts from the report:

PAGE 8

"In 2014, we introduced the '4i' aspects of each of our Sustainability Pillars. We continue to describe our sustainability initiatives in 2015 based on these four aspects, which are:

- **Improvement:** The improvements we introduced into our projects
- **Innovation:** New projects and initiatives introduced in the year under review
- **Investment:** Our investments into significant projects
- **Impact:** The socioeconomic impact of our projects and initiatives"

PAGE 29

"We are constantly innovating on our digital offerings to meet the needs and requirements of rural communities by innovating digital services offerings such as M-Money, M-Commerce and M-Insurance to ensure greater digital inclusion in our operating countries to further narrow the digital divide between rural and urban communities."

PAGE 79

"One of our key contributions to the local technology industry is the RM100 million Axiata Digital Innovation Fund (ADIF), which catalyses the growth and development of select technology companies in Malaysia."

The judges commented that both the Chairman and CEO's Statements recognised the importance of innovation and describe how the organisation was driving innovation from within their business. The organisation also recognised that technological advances have forced business to instil a dynamic, proactive and innovative culture. Toward this end, the organisation sought to diversify their portfolio from traditional supply-driven business models to a "customer-centric model" via application of technology i.e. collaboration with technology providers to increase the integration of technology to offer both products and services as a one-stop solution to meet consumer needs.

Their comments were supported by the following extracts from the report:

PAGE 18

"To drive the Innovation Agenda, the Group appointed Mr Hari Nair as the new Group Chief Strategy & Innovation Officer on 6 August 2015."

PAGE 18

"Innovation Key Performance Indicators (KPIs) were formulated to ensure that real consequences and rewards drive the right behaviours. Roles, capabilities and KPIs of employees will be defined clearly to reflect this. Cross-divisional synergies and external partnerships will be emphasised in order to drive new innovations and further business growth. "

PAGE 70

'The Division (Plantation) is also investing aggressively in Research & Development (R&D) and innovation. With over 250 scientists and researchers, as well as more than 600 supporting staff, the Division is geared towards making significant breakthroughs and innovations that will benefit the industry as a whole."

3. KNOWLEDGE MANAGEMENT

Knowledge management is the systematic management of an organisation's knowledge assets for the purpose of creating value and meeting tactical and strategic requirements. It consists of the initiatives, processes, strategies, and systems that sustain and enhance the storage, assessment, sharing, refinement, and creation of knowledge.

Employees are frequently seen as an organisation's major asset. Almost all organisations rely on their knowledge and skills to deliver their products and services. An organisation's management of its corporate history as well as the knowledge and skills held by its employees is essential for its long-term survival. This includes investing in employee development and encouraging them to reach their full potential.

The judges commented that Sunway Berhad did commendable work on creating a niche for a learning culture or knowledge management tool which is central to their work.

SUNWAY BERHAD | SUSTAINABILITY REPORT 2015: A PART OF YOU (PAGE 77 & 89)

The Judges' comments were supported by the following extracts from the report:

PAGE 77

We adopt a three-pronged approach to employees' training and development based on the following learning principles:

- Learn by Doing (on the job training)
- Learn from Others (coaching, mentoring)
- Learn from Training (formal learning interventions & structured workshops)

PAGE 89

"Our web-based HR portal allows employees to share knowledge for their easy reference."

4. CIRCULAR ECONOMY

The circular economy is a generic term for an industrial economy that promotes greater resource productivity aiming to reduce waste and avoid pollution by design or intention.

The earth's ability to support current and increasing levels of population growth has already been exceeded. In a circular economy, the value of products and materials is maintained for as long as possible. Waste and resource use are minimised, and when a product reaches the end of its life, it is used again to create further value. The contribution of each organisation to a circular economy will vary with the product and/or services they provide.

The judges made the following comments on Fuji's and Net Printworks reports in support of their view that these two organisations were clearly adopting the "circular economy".

FUJI XEROX ASIA PTE LTD, MALAYSIA OPERATIONS | SUSTAINABILITY REPORT 2015: TOWARDS GREATER INNOVATION (PAGE 5 & 19)

The judges noted that circular economy is addressed throughout all of their product and not only in waste management. A clear understanding of 'closing the loop principle' which supports circular economy reflected in their practices.

All their established environmental targets conform to circular economy principles.

The organisation sees customer as part of the circular economy and is taking active steps via its business operations/equipment to improve their performance including establishing targets to reduce carbon emission during equipment use and recycling rates for equipment.

The judges' comments are supported by the following extracts from the report:

PAGE 19

"We have effectively closed the loop of our product life cycle, and in doing so are helping fight the growing electronic waste problem."

PAGE 5

"We at Fuji Xerox aim to reduce our customers' carbon emissions by seven million tonnes per year by 2020."

NETS PRINTWORK | SUSTAINABILITY REPORT 2015: CREATING OPPORTUNITY FOR GROWTH (PAGE 20 - 24)

The judges commented that circular economy forms part the company's mission to ensure resource efficiency. Several examples were mentioned by the judges to support their view on how Nets Printwork addressed circular economy:

PAGE 20 - 24

Implementing Eco Factory, Eco Office, practicing 100% recycling, CSR leave , reuse packaging paper of raw material to pack finished goods reuse waste printing plate and transform it into clock merchandise and plans to install solar panels in 2017.

5. ENTERPRISE OF THE FUTURE

Enterprises of the future relates to the features that will characterise business in the future. Research shows that the successful Enterprise of the Future will be hungry for change; innovative beyond customer imagination; globally integrated; disruptive by nature; and genuine, not just generous.

The enterprise of the future not only has to show the characteristics outlined above but also the ability to cope with rapid changes in its operating environment and be able to apply this internally through the adoption of new business models to meet ongoing customer needs and expectations. In addition, it will need to have a vision of the future, be genuine and generous in its approach to social responsibility and apply an integrated approach to all its operations.
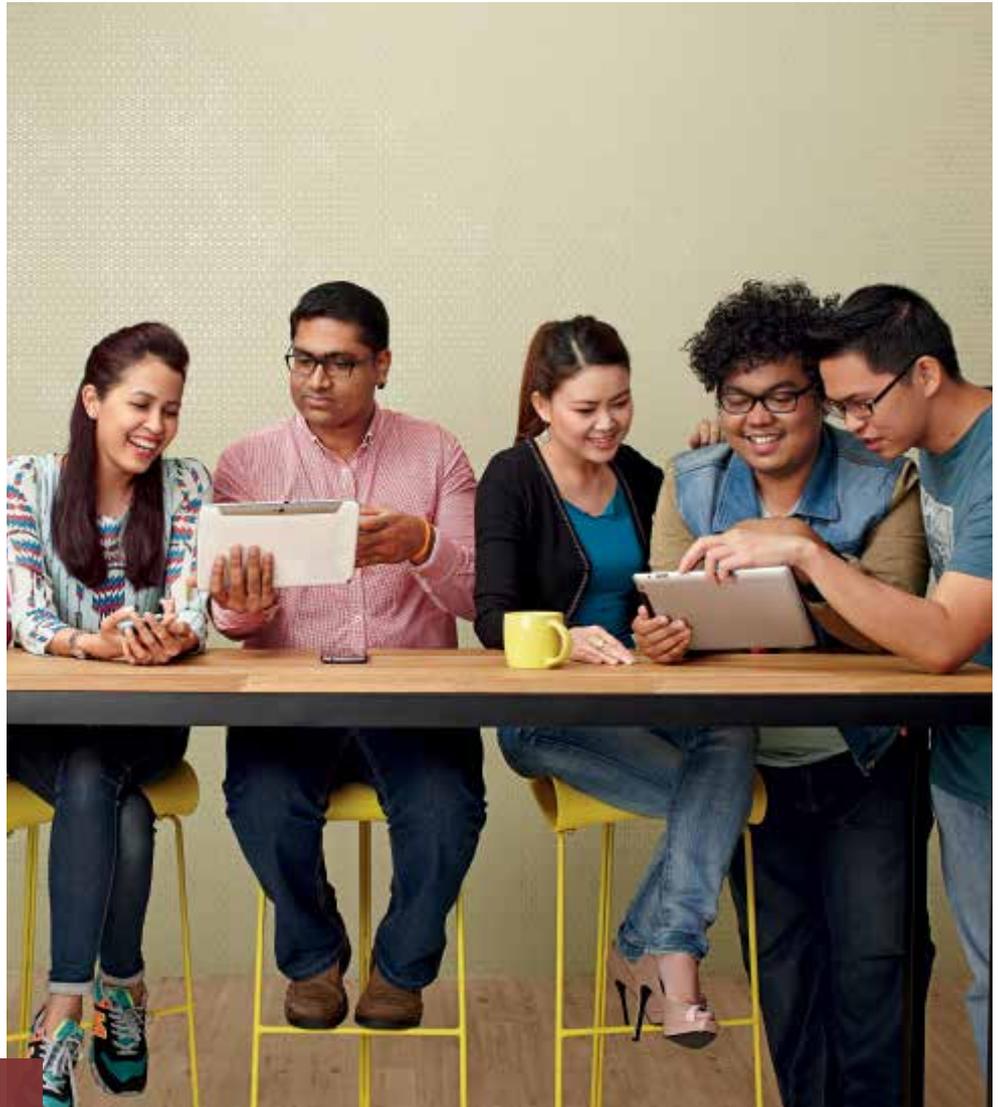
The judges were impressed with DiGi's focus on how to move their business into the future and envisaging what telcos like themselves would look like in the future.

DIGI.COM BERHAD | YOUR FAVOURITE DIGITAL PARTNER 2015 SUSTAINABILITY REPORT (PAGE 5)

Their comments were supported by the following extracts from the report:

PAGE 5

"We are future-proofing our business to transform beyond a traditional mobile connectivity."

PAGE 5

"With this pace of change expected to remain significant, we are future-proofing our business to transform beyond a traditional mobile connectivity in the daily, digital lives."

6. WORK PRACTICES

Work practices demonstrate an organisation's commitment to diversity and gender equality policy and practices, employee development and leadership programmes as well as the retention of woman in the workforce. These should be driven by the tone from the top.

All of the reports received showed positive steps in addressing these issues. Almost all reports showed commitment at board level for leadership in gender diversity. Most of the reports disclosed the total workforce breakdown, new employee hire and turnover by age and gender. However, there was a reluctance to disclose basic salary details and the remuneration of women to men by employment category.

Inclusion initiatives and facilities which support retention of women in the workforce were also stated in most reports. The judges commended the extensive reporting by Maybank and Nestlé on their workplace initiatives and practices.

MALAYAN BANKING BERHAD | SUSTAINABILITY REPORT 2015:
LEADING ASIA - DELIVERING OUR ASEAN VISION TOGETHER (PAGE 21)

Good Business Conduct

Key Governance Matters	Regulations, Supporting Policies, and Codes	Action taken
Board Diversity & Inclusiveness	In accordance with the Recommendation 2.2 of the Malaysian Code on Corporate Governance 2012, Maybank has established a Board Gender Diversity Policy (Gender Diversity Policy) to demonstrate its commitment to increasing representation of women on its Board	Under the Maybank's Group Board Gender Diversity Policy (Gender Diversity Policy), the Board adopts measurable objectives from time to time i.e. maintaining at least one woman Director on the Board and having minimum 20% women representation by 2016. The selection process for appointment of Directors involves the shortlisting of potential candidates which includes at least one (1) woman representation whenever reasonably possible, and that priority is placed on the appointment of a woman Director to fill a membership vacated by a retiring or resigning woman Director. Further details on our inclusive workplace practices which are tracked through Group's Inclusiveness and Diversity Agenda (GIDA) are detailed in Our People Chapter.

MALAYAN BANKING BERHAD | LEADING ASIA SUSTAINABILITY REPORT 2015:
DELIVERING OUR ASEAN VISION TOGETHER (PAGE 37)

Diverse and Inclusive Workplace

Embracing and nurturing all employees' needs and requirements within a single group culture, which guides how we do business, how we work together, and how we collectively deliver value across the Group.

Year	2013	2014	2015
Women in top management, Band D and above (%)	31*	31*	35
Women in management, Band G and above (%)	42*	46*	47
Women workforce below 30 years old (%)	14.5	15.3	16.2
Employee Volunteerism (number of volunteers)	23,513	26,200	23,541** 17,220*** (Started to track based on programmes and initiatives since 2015)

*   Excluding Maybank Indonesia
**   Cahaya Kasih initiatives
*** Festive celebrations and other philanthropic activities

Our gender and family-friendly initiatives include Flexible Working Arrangements (FWA), the Maybank Tiger Cub Childcare Centre (MT3C), 90 days maternity leave, paternity leave, lactation and breastfeeding rooms, gym for ladies, year-long wellness programmes on health and family issues for employees, and celebrations such as the International Women's Day (IWD). We were also recognised among the nation's leading champions that implement Flexible Work Arrangement and 'Companies Introducing Career Comeback Programme' at TalentCorp's Career Comeback Programme Grant Launch and Fair 2015.

WOMEN MENTOR WOMEN (WMW) COUNCIL

Our Women Mentor Women Council, formed in 2013, supports women's professional development across the Bank, including increasing representation of women in top management. It also has an agenda to support business in the delivery of products and services to female consumers.

The Council's Vision is "to inspire Maybank women, and empower them to draw on their own unique leadership qualities that will enable them to elevate to the highest levels of leadership."

Summary of the Judge's:
Observations and Recommendations

Criteria	Observation	Recommendation
Organisational context	The context in which an organisation operates is important as it helps to determine its economic, environmental and social (EES) impacts and what is material to the organisation.	Most reporting organisations included some reference to context in their report but did not always identify it specifically, thus making it difficult to see its application to their EES impacts and materiality. A number of reports provided a clear and in-depth disclosure of their context, which helped provide better insight into the industry in which they operate. Reporting organisations can improve their reports by clearly identifying the context in which they operate, especially where they provide a consolidated report that includes several operating divisions.
Stakeholder inclusion	Stakeholders play a crucial role in identifying EES impacts and determining materiality. Therefore, stakeholders and their expectations must be identified and disclosed. Most reporting organisations identified their stakeholders correctly but offered no methodology as to how this was achieved. Thus it was not possible to determine if any relevant stakeholders had been excluded. Further, although a number of reporting organisations listed issues relevant to their stakeholders, again, it was not clear how these were obtained.	Reporting organisations can improve their reports by adopting a more proactive approach to stakeholder engagement.
Materiality	Materiality is central to the implementation of sustainability, as the inability to correctly identify what is material could lead to the organisation wasting resources on the management of matters that are not relevant or failing to manage matters that are relevant. Again, most organisations included a materiality matrix, table or some other reference to what was material in their report but did not show how the table and its content was determined although in several cases the matters identified appeared to be material.	Organisations could improve their reporting by more clearly describing why an issue is material to them and by using a recognised method to determine what is material.

Criteria	Observation	Recommendation
Scope	To facilitate an accurate and proper understanding of an organisation's sustainability practices, they must identify the scope of the report in terms of functional or physical boundaries, as well as the reporting period. A number of reporting organisations described their scope but the information was not in a single location but could be understood by reading the report.	A clear statement of scope allows the organisation to focus on its context, EES impacts and identify what is material. This is especially true for those organisations who are first time reporters and may not have been able to gather sufficient information to fully report on all that is material
Governance	This refers to the structures an organisation has in place to ensure accountability, oversight and review in the identification and management of sustainability matters. It is essential that roles and responsibilities be assigned to board level or at a minimum to senior management. Almost all reporting organisation described their governance structure in some detail with several including diagrams and referencing roles and responsibilities. While this was commendable not all reporting organisations clearly described the structure as it applied to the management of sustainability. This is necessary to demonstrate the organisation's commitment to sustainability, to its employees and in the public domain.	The report must show how sustainability is governed within the organisation.
Strategy	An organisation's sustainability strategy should take into account its context and materiality assessment and show how it is implementing sustainability. The sustainability strategy should be embedded within the organisation's broader business strategy and be treated as a living document and updated at regular intervals. Most reports contained some reference to the organisation's sustainability strategy but only a few reports contained or referenced a clearly defined strategy.	Reporting organisations need to understand that reporting without a strategy in place could be viewed as greenwash.

Criteria	Observation	Recommendation
Management Process	A number of organisations reviewed had recognised management processes in place such as ISO certifications, or subscribed to the UN Global Compact or the Roundtable on Sustainable Palm Oil, and used these processes to deliver elements of their strategy and demonstrate their performance. As most of these processes can be subject to external verification their use was commendable.	Reporting organisations are encouraged to implement these frameworks or principles to support their strategy and demonstrate their performance.
Performance	Performance data was well reported in a significant number of submissions with some organisations reporting a range of issues that went beyond what they deemed as material. Other organisations reported using the Global Reporting Initiative framework which clearly demonstrated their performance across a broad range of aspects. However, some reports contained no data with respect to issues that had been defined as material.	Reporting organisations need to ensure that the performance they report is not only presented in a manner which makes year-on-year targets easy to refer to for meaningful comparison but is based on what they determined as material.
Assurance	Assurance should provide an organisation with an extra level of comfort that its report is credible and offer users of the report with an increased level of reliance that can be placed on its content. A number of reports reviewed were externally assured, though organisations should state the basis for assurance, such as ISAE3000 or the sustainability standard AA1000. The key issue for assurance is determining the accuracy of EES impacts and the credibility of the materiality determination process.	Organisations should carefully consider whether their assurance process should be conducted internally or by an external party and the value this may add to the report.
Communication	The packaging of printed reports should be aligned with the organisation's commitment to sustainability, e.g. less colour, FSC-approved paper, or the use of soy-based inks. Organisations should also consider printing fewer copies by making their reports available online or via mobile apps. The use of infographics, if done correctly, can communicate information at a glance, especially if data is well organised.	Most reports reviewed were available electronically which is commendable but could be improved by discouraging users not to print the whole report but only the parts they need

Conclusion

The final judges concluded that all the winning entries showed some of the overaching characteristics of future enterprises and look forward to next year's reports to show a greater emphasis on these characteristics.

Overall, the judges were satisfied that the quality of reporting has improved. However, there are opportunities to improve the depth and breadth of disclosure. The judges hope to see an improvement in the links in the primary criteria between context, the role of stakeholders, identification of its EES impacts, materiality and performance and the UN SDGs for next year's reporting. In addition, sustainability statements with clear scope, improved demonstration of sustainability governance and more detailed information on the organisation's sustainability strategy coupled with a greater balance and comparability in CEO's statements would be well received.

ACCA hopes the extensive reviews provided this year will create better awareness and gives better guidance for organisations in their future report preparation in its effort to uplift the quality of Malaysian corporate reporting.

With Bursa's new listing requirements for sustainability reporting coming in force, we certainly look forward to more submissions for ACCA MaSRA 2017.

ACCA MaSRA 2017

Key Dates

Entry Submission Deadline	30 August 2017
Awards Presentation Ceremony	December 2017

Visit our website for further details, www.accaglobal.com/masra

Panel of Judges

The Judges
for ACCA MaSRA 2016:

Selvarany Rasiah
Chief Regulatory Officer,
Bursa Malaysia Berhad
(Chief Judge)

**Shareen Shariza
Dato' Abdul Ghani**
CEO, Talent Corporation
Malaysia Berhad

Zainal Izlan Zainal Abidin
Managing Director,
Development and Islamic
Capital Markets, Securities
Commission Malaysia

Sharifatu Laila Syed Ali
CEO, ValueCap Sdn Bhd

**Dato' Wan Kamaruzaman
Bin Wan Ahmad**
CEO, Kumpulan Wang
Persaraan (Diperbadankan)
(KWAP)

Johan Mahmood Merican
Deputy Director General
(Human Capital),
Economic Planning Unit (EPU)

Salleh Hassan
Director of Examinations
& CPE and Corporate
Governance, Securities
Industry Development
Corporation (SIDC)

Thiagarajan Nadeson
Head of Market & Education,
WWF Malaysia

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

Founded in 1904, ACCA has consistently held unique core values: opportunity, diversity, innovation, integrity and accountability. We believe that accountants bring value to economies in all stages of development. We aim to develop capacity in the profession and encourage the adoption of global standards. Our values are aligned to the needs of employers in all sectors and we ensure that, through our qualifications, we prepare accountants for business. We seek to open up the profession to people of all backgrounds and remove artificial barriers, innovating our qualifications and their delivery to meet the diverse needs of trainee professionals and their employers.

ACCA works to strengthen a global profession based on the application of consistent standards, which we believe best supports international business and the desire of talented people to have successful, international careers. We champion the needs of small and medium sized business (SMEs) and emerging economies, and promote the value of sustainable business.

To achieve this we work with global bodies such as the International Federation of Accountants (IFAC) and with over 80 global partnerships. Above all, we seek to bring long-term value to economies in which we develop and support professional accountants.

We support our 188,000 members and 480,000 students in 178 countries, helping them to develop successful careers in accounting and business, with the skills required by employers. We work through a network of 100 offices and centres and more than 7,400 Approved Employers worldwide, who provide high standards of employee learning and development. Through our public interest remit, we promote appropriate regulation of accounting and conduct relevant research to ensure accountancy continues to grow in reputation and influence.

ACCA works in the public interest, assuring that its members are appropriately regulated for the work they carry out and, promoting principles-based approaches to regulation. We actively seek to enhance the public value of accounting in society through international research and we take a progressive stance on global issues to ensure accountancy as a profession continues to grow in reputation and influence.

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