



Sustainability Report 2020



KEJURUTERAAN ASASTERA BERHAD

[199701005009 (420505-H)]

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About This Sustainability Statement

KAB has embraced the values of sustainability management since the beginning of operations. These values are reflected in the work practices across all operations. The sustainability principles embedded in KAB's business strategy, guide operations and interactions with stakeholders.

This Sustainability Statement provides an overview of KAB's sustainability performance for the financial year ended 31 December 2020. Emphasis is placed on KAB's integrated sustainability practices and initiatives and this Statement prioritises the economic, environmental and social (EES) impacts of the business.

Report coverage	KAB and its subsidiaries
Reporting period	1 January – 31 December 2020
Reporting cycle	Annually
Reporting scope	<p>This Sustainability Statement summarises KAB's key sustainability issues, its management approach and related performance across the Group's operations.</p> <p>The material topics have been identified based on their impact on both internal and external stakeholders and their strategic relevance to KAB. Additional information and the materiality methodology can be found in the 'Building Enduring Partnerships With Stakeholders' and 'Refining Our Priorities' sections of this statement.</p> <p>This Sustainability Statement has been verified by the Sustainability Team and endorsed by the Board of Directors. The Group will consider the need for external assurance for future reports.</p> <p>Unless otherwise stated, references to "we", "us" and "our" in this statement refer to the Group as a whole.</p>
Reporting principles and framework	<p>Principal framework</p> <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) Standards • Bursa Malaysia Sustainability Reporting Guide (2nd edition) <p>Other guidelines</p> <ul style="list-style-type: none"> • FTSE4Good Sustainability Index Series and other local and international sustainability ratings • ISO 26000:2010 Guidance on social responsibility • United Nations Sustainable Development Goals (UNSDGs) • Benchmarking against other industry players • Stakeholder interests
Feedback	<p>To submit your feedback and enquiries, please contact:</p> <p>Kejuruteraan Asastera Berhad, 18, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia.</p> <p>kabinvestor@asastera.com</p> <p>+603-9055 3812</p>

Our Sustainability Statement Profile

KAB is strongly committed to shaping a sustainable society and works to create value and have a long-lasting positive impact on its employees, customers and investors. Bringing about social and environmental change that attracts stakeholders to work with us is only possible by focussing efforts on delivering sustainable operations.



Sustainability Governance

KAB's Sustainability Team, which is represented by every central division, is responsible for:

- Realising the Group's sustainability strategy;
- Ensuring that plans and actions are aligned with KAB's business needs and corporate strategy;
- Initiating and coordinating sustainability policies, strategies, plans, actions, budgets and resources while taking corrective action when required; and
- Supporting and providing adequate resources to functional units so they can perform established sustainability processes and practices.

The Board of Directors, assisted by the Sustainability Team, is responsible for the overall stewardship, which includes overseeing sustainability and corporate responsibility. The Board determines material economic, environmental and social aspects of the Group and sets quantitative and qualitative targets for the forthcoming year.

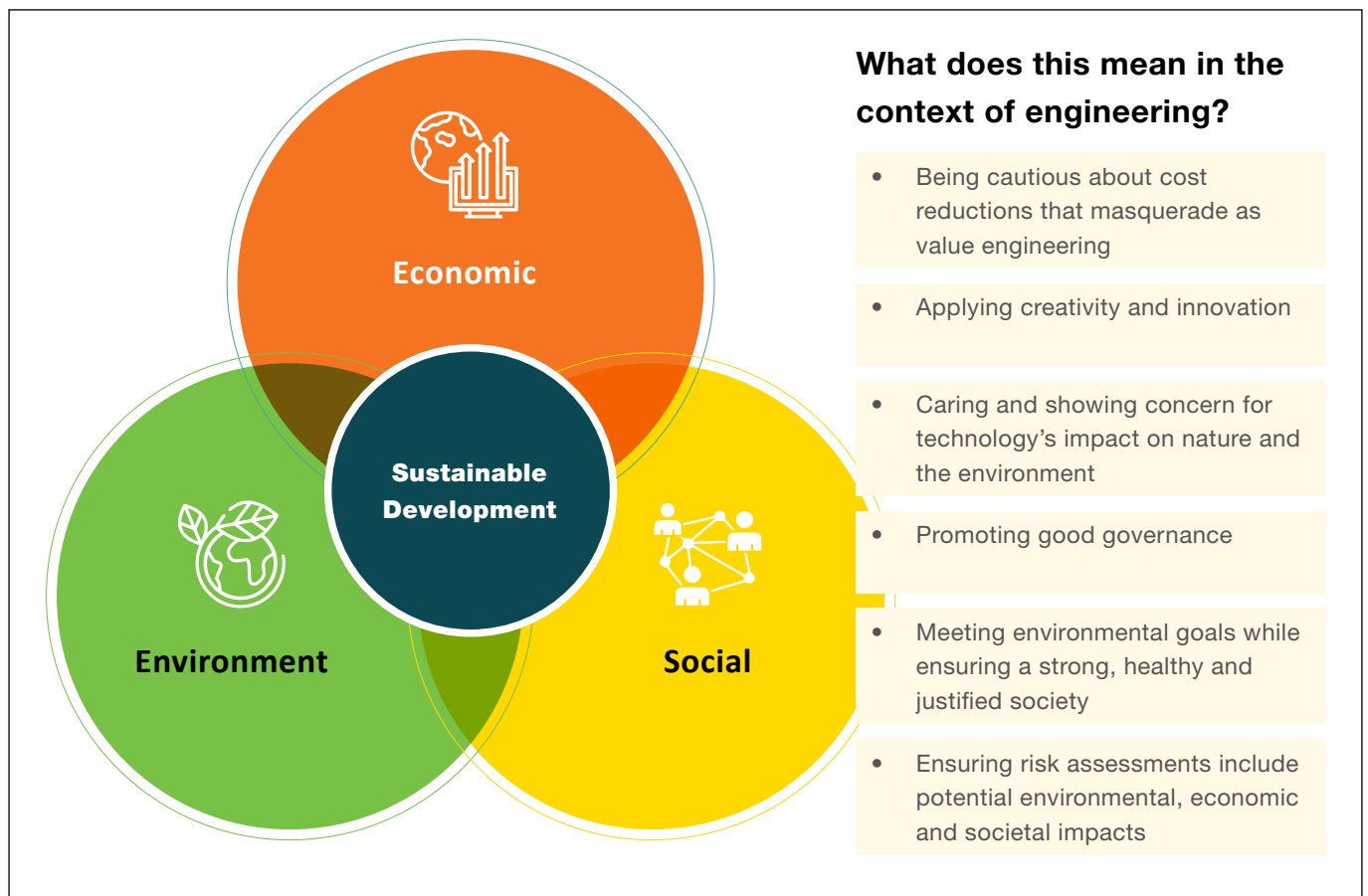
Our Sustainability Statement Profile

BALANCED SUSTAINABLE ENGINEERING

Engineering is the application of scientific and mathematical principles for practical purposes such as the design, manufacture and operation of processes while accounting for economic, environmental and sociological factors. Engineering is a significant contributor to economic development and can affect living standards, social well-being and the environment.

Sustainability is the ability to make development sustainable by ensuring the needs of the present demands without compromising any power or ability of future generations to meet their own needs. Recognising the need for living within constraints while providing greater fairness in accessing inadequate resources are key considerations of KAB's sustainable development.

The life-cycle analysis below shows that sustainable design and development make good economic sense with regard to environmental impact. This diagram graphically shows the interrelationships of a vigorous social order, financial system and environment. A sustainable state is environmentally healthy, economically efficient, socially moral and ethically sensible.



Our Sustainability Statement Profile

KAB's activities are guided by the following three key sustainability strategies:

- Strong leadership, organisational culture, sound strategies and system to achieve standing as a comprehensive and one-stop solution in electrical and engineering services
- High standards of corporate governance and effective enterprise risk management framework to enhance business resilience and agility
- An integrated approach of ethical practice, corporate governance, financial discipline and management which drives accountability, improves decision-making and creates long-term value
- Innovative solutions through R&D
- Efforts focused on performance, safety, security, energy efficiency and system manageability
- Innovative solutions, continuous product improvement, cost reduction engineering initiatives and "lean" operations to drive productivity improvements
- Collaboration, regular engagements and assessments of our supply chain partners



- Environmental Management System (EMS)
- Compliance with Environmental Protection and Management regulations
- Ensuring suppliers meet our EMS requirements for materials and services supplied
- Multiple energy-saving initiatives on a continuous basis

- Safe working environment by implementing programmes and initiatives to prevent work-related accidents and injuries
- An environment of safety, respect, inclusion and equity
- Technical and non-technical training and learning initiatives for employees
- Developing, retaining and rewarding employees through opportunities, fair employee benefits and policies
- Structured social and welfare programmes

Building Enduring Partnerships with Stakeholders

Businesses are core components of society. KAB closely monitors its activities to ensure they abide by relevant laws and regulations, meet the expectations of stakeholders and achieve the high standards the Group sets for itself.

KAB engages with an extensive range of business partners across its entire value chain to serve its customers and create sustainable, profitable growth for its shareholders. The Group seeks to forge long-term relationships with all of its stakeholders.

KAB's growth strategy places its focus on the needs and expectations of stakeholders. Accurate knowledge of these needs and expectations is a key prerequisite for KAB's corporate success as they shape the Group's markets while determining regulatory framework conditions and KAB's reputation as a Group.

We engage in meaningful dialogue and collaboration with stakeholders to clarify our position and policies as well as understanding different viewpoints.

Stakeholder Group	Method of Engagement	Frequency of Engagement	Areas of Concern	KAB's Commitment
Employee	Team building	Annually	<ul style="list-style-type: none"> Employee communication Knowledge and skills enhancement Succession planning Work-life balance Safety in the workplace 	Providing employees with a safe work environment and ongoing learning opportunities where they can grow professionally, enjoy their work and balance their personal and professional needs.
	Annual dinners	Annually		
	Festive celebrations such as Chinese New Year, Hari Raya, Christmas and Deepavali	Annually		
	Company trips	Annually		
	Departmental meetings	Weekly/ Fortnightly/ Monthly	<ul style="list-style-type: none"> Employee communication Work efficiency Problem solving 	
Suppliers and Contractors	Discussions/ meetings	Case basis	<ul style="list-style-type: none"> Supplier communication Understanding contract scope and services 	Maintaining transparent and fair business relationships in areas such as safety, the environment, ethical behaviour and respect that comply with internationally-recognised standards.

Building Enduring Partnerships with Stakeholders

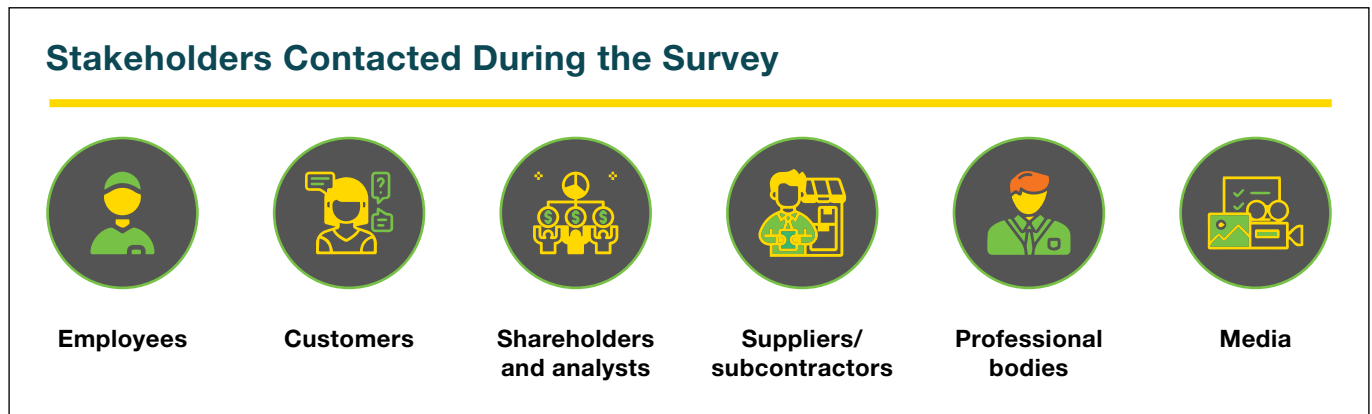
Stakeholder Group	Method of Engagement	Frequency of Engagement	Areas of Concern	KAB's Commitment
Customers	Discussions/ meetings	Case basis	<ul style="list-style-type: none"> • Customer communication • Work progress updates 	Continue innovating to improve customers' experience and committing to excellence in how we do business. Highly professional, we offer exemplary customer service.
	Customer survey forms	Biannually	<ul style="list-style-type: none"> • Customer satisfaction 	
Board of Directors	Board meetings	Quarterly/case basis	<ul style="list-style-type: none"> • Directors' communication • The Group's performance, compliance, opportunities and risk management 	Executing the principles of transparency, accountability and independence to enhance the Group's value.
Shareholders	Annual general meetings	Annually	<ul style="list-style-type: none"> • Shareholders' communication 	KAB is committed to providing updates on the Company's performance and future direction.
	Investor briefings	Case basis	<ul style="list-style-type: none"> • The Group's outlook and performance 	
	Press releases	Case basis	<ul style="list-style-type: none"> • The Group's market presence 	

Refining Our Priorities



KAB works to contribute to a more sustainable world through its business offerings and sustainable business practices. The materiality matters have been grouped into three main areas: Economic Sustainability, Environmental Sustainability and Social Sustainability. These areas all have a direct or indirect impact on KAB’s business success. KAB’s Sustainability Team and external stakeholders reaffirmed that the future measures and targets remain material to KAB’s business operations.

METHODOLOGY




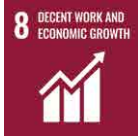



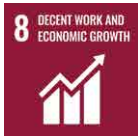



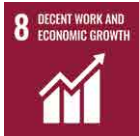




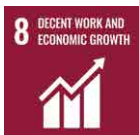

The KAB Materiality Survey 2020 was conducted in the first quarter of 2021. Representatives from six stakeholder groups were invited to take part in the survey.










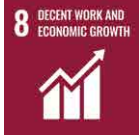




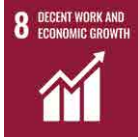


All stakeholders were asked to indicate the relative importance they placed on reporting 14 economic, environmental and social issues. These issues and descriptions along with their corresponding Global Reporting Initiative (GRI) topics and United Nations Sustainable Development Goals (UNSDGs) are presented in the table below.

Sustainability Issue	Description	GRI Topic	Related UNSDGs
Economic			
Regulatory Compliance	Preventing anti-competitive behaviour and corruption while adhering to all other economic, environmental and social legislation	<ul style="list-style-type: none"> • Anti-competitive behaviour • Environmental compliance • Socio-economic compliance • Anti-corruption 	 




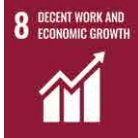


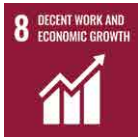


Refining Our Priorities

Sustainability Issue	Description	GRI Topic	Related UNSDGs
Economic			
Nation-Building	Developing national infrastructure that boosts economic development in Malaysia	<ul style="list-style-type: none"> Indirect economic impacts 	     
Responsible Procurement	Procuring products and services in a fair, responsible and environmentally-friendly manner	<ul style="list-style-type: none"> Procurement practices Supplier environmental assessment Supplier social assessment 	  
Environment			
Energy & Climate Change	Managing KAB's energy and greenhouse gas footprint and other harmful emissions	<ul style="list-style-type: none"> Energy Emissions 	      
Materials	Being efficient in the use of materials when providing business services	<ul style="list-style-type: none"> Materials 	 

Refining Our Priorities

Sustainability Issue	Description	GRI Topic	Related UNSDGs
Environment			
Waste	Managing the waste produced by operations in a responsible manner	<ul style="list-style-type: none"> • Effluents and waste 	    
Social			
Diversity, Equal Opportunity & Non-Discrimination	Promoting diversity and equal opportunities and eliminating discrimination in the workplace	<ul style="list-style-type: none"> • Diversity and equal opportunity • Non-discrimination 	   
Local Communities	Supporting local communities through CSR programmes and other philanthropic initiatives	<ul style="list-style-type: none"> • Local communities 	 
Human Rights	Protecting the human rights of all employees of KAB and its contractors	<ul style="list-style-type: none"> • Human rights assessment • Rights of indigenous people • Security practices • Child labour • Forced labour 	  
Employee Engagement	Upholding employees' rights to joint representation and consultative practices	<ul style="list-style-type: none"> • Labour/management relations • Freedom of association and collective bargaining 	

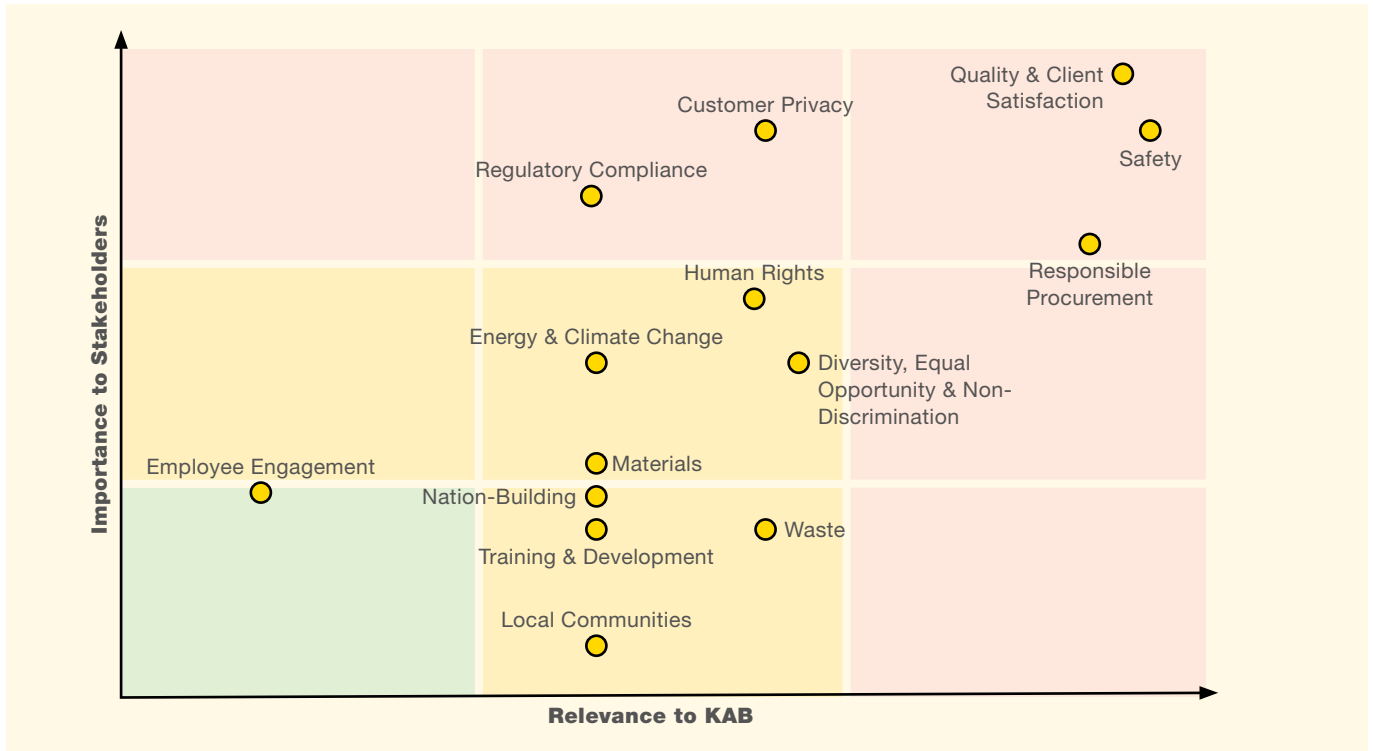
Refining Our Priorities

Sustainability Issue	Description	GRI Topic	Related UNSDGs
Social			
Training & Development	Delivering effective training programmes that develop and retain competent engineers	<ul style="list-style-type: none"> • Employment • Training and education 	    
Safety	Safeguarding the safety of all site supervisors and other stakeholders	<ul style="list-style-type: none"> • Occupational Health and Safety 	  
Quality & Client Satisfaction	Promoting quality when performing all services to ensure complete customer satisfaction	<ul style="list-style-type: none"> • Non GRI topic 	
Customer Privacy	Protecting the privacy of customers and other members of the public	<ul style="list-style-type: none"> • Customer privacy 	

The respondents were asked to indicate the level of importance they place on each criterion from ‘very unimportant’ to ‘very important’. The survey could be completed in either English or Bahasa Malaysia.

Refining Our Priorities

RESULTS



ENERGISING THE SUSTAINABLE DEVELOPMENT GOALS

KAB helps address the economic, social, environmental and governance challenges defined by the UNSDGs through its pioneering technologies and expertise. The UNSDGs and their underlying targets present new market opportunities to innovative companies such as KAB.






The Business and Sustainable Development Commission’s “Better Business, Better World” Report explores related potential business opportunities in building solutions, urban infrastructure, clean energy, energy efficiency and mobility systems. Active in many of these fields, KAB aims to improve its market leadership by identifying additional areas where its products, solutions and services can be deployed with maximum impact. The most relevant UNSDGs with the greatest impact are presented in the diagram below.

UNSDG	Our Commitment	Our Milestones and Achievements
 <p>1 NO POVERTY</p>	<p>By leveraging philanthropy, in-kind donations and ongoing partnerships with various organisations, KAB and its employees are committed to improving the communities we call home. The Group is also committed to addressing poverty and hunger by providing jobs for local residents where operations are based. KAB aims to develop long-term engagement, support vulnerable communities and become more involved in socially-responsible programmes.</p>	<ul style="list-style-type: none"> • Monthly charitable giving included supplying sundries to Ti-Ratana Welfare Society Desa Petaling • Non-profit engagement included serving children and youth, urban poor families and the marginalised community • Beneficiaries of KAB’s donations and contributions include Persatuan Kebajikan Hope Worldwide Kuala Lumpur, Pertubuhan Kebajikan Anak-anak Yatim dan OKU Mesra Petaling Jaya, Persatuan Kebajikan Kanak-kanak Rhema Seremban and Mah Sing Foundation. • 100% local hiring including engineers and supervisors at all projects
 <p>2 ZERO HUNGER</p>		

Refining Our Priorities

UNSDG	Our Commitment	Our Milestones and Achievements
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>KAB is committed to improving the health of its employees by providing supportive programmes that address various health and wellness areas. The Group works hard to deliver a zero-accident rate across its entire operations.</p>	<ul style="list-style-type: none"> • Regular exercise programmes promoted a healthy lifestyle to colleagues • Annual team building activities • Workplace safety, safe equipment and safe practices achieved through training • Working closely with panel clinics • Increased insurance coverage by private insurers and PERKESO
 <p>4 QUALITY EDUCATION</p>	<p>KAB believes in lifelong learning and professional development by continuously investing in the workforce.</p>	<p>Social engagement is promoted by inspiring and training all employees in sustainability. KAB conducts training on essential courses and topics to boost employee development. The number of training hours continued to increase and KAB is committed to developing a more effective way of delivering training.</p>
 <p>5 GENDER EQUALITY</p>	<p>The rights and opportunities of every person should be respected, regardless of their gender, ethnicity, religious beliefs or socio-economic background. KAB is committed to ensuring that the business is diverse, inclusive and reflects the local communities where operations are based.</p>	<ul style="list-style-type: none"> • All employees are offered equal pay, benefits and promotion opportunities • KAB's goal is to continually increase female representation at all levels of the organisation with 25% of KAB's Board of Directors currently being female • KAB is working to develop the required framework conditions that help employees balance their careers and personal lives
 <p>10 REDUCED INEQUALITIES</p>		
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>The direct environmental impact of operations is low as KAB does not manufacture products. The core businesses focus on helping clients reduce their environmental footprints through technological and engineering solutions.</p>	<ul style="list-style-type: none"> • Since 2018, KAB has coupled its skilled engineering foundation and has branched out in the pursuit of a sustainable energy path. KAB is continuing its exploration of robust energy-efficient technologies. • KAB is optimistic about its strategic move into more carbon efficient and sustainable energy generation through its subsidiaries KAB Technologies Sdn Bhd, KAB Energy Power Sdn Bhd and KAB Smart Solar Energy Sdn Bhd. KAB's customisable energy service offerings include energy efficiency solutions, clean energy generation, renewable energy and asset management solutions.
 <p>13 CLIMATE ACTION</p>		
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>KAB is committed to providing a great place to work. Proud of the supportive and innovative culture, the Group will continue to support the International Labour Organisation's declaration on the fundamental principles and rights at work. KAB is committed to digitising its workflow to improve work efficiency and minimise wastage.</p>	<ul style="list-style-type: none"> • KAB's sustainability strategy is built on the concept of creating more value for employees, customers and the organisation while reducing its environmental footprint. • KAB's positive financial progress (growth & diversification) reflects a positive force for a decent and fulfilling job and workplace environment • Employees receive a fair income, job security and an engaging work environment • KAB provides promising prospects for personal and professional development

Refining Our Priorities

UNSDG	Our Commitment	Our Milestones and Achievements
 	<p>KAB is a business that brings values and results to clients. Various innovations and advancement projects define KAB's responsive supply chain. Predominantly developing engineering services for commercial, industrial and residential buildings. KAB aims to upgrade the population's standard of living through its business operations.</p>	<ul style="list-style-type: none"> • Completed numerous projects that advance the community, nation, society and infrastructure. • Explores and develops energy efficiency solutions through its subsidiaries. • Nurtures long-term business relationships with developers and other stakeholders who advocate visions of sustainability.
	<p>All products are sourced and produced responsibly and KAB helps clients operate at more sustainable levels of consumption. KAB is committed to responsible consumption and production by reducing the materials footprint of the purchased and supplied products and services.</p>	<ul style="list-style-type: none"> • The materials for projects are sourced and purchased in bulk to achieve cost efficiency. • Customers and clients save millions of metric tonnes of carbon dioxide (CO₂) as KAB took a venturesome approach to the conventional business by introducing Customisable Energy Service Solutions with an attractive Zero CapEx Scheme. • KAB has expanded extensively as a trusted business that is committed to designing implementable energy efficiency projects for existing and prospective clients from a versatile background of industries.
	<p>Employees pride themselves on adhering to the highest code of ethics that governs all business operations and living out the mission in the community.</p>	<p>KAB's corporate governance system is founded on ethics, transparency, best international practice and sound management that creates sustainable value for all stakeholders.</p>
	<p>KAB participates in several initiatives that actively shape sustainable development through collaboration and mutual exchange with stakeholders.</p>	<ul style="list-style-type: none"> • Welcomes business opportunities that can contribute to the Group's income stream. • Participates in a large number of initiatives especially in the energy business. • Established more than 10 subsidiaries under the name of Kejuruteraan Asastera Berhad both locally and regionally in Malaysia, Thailand and Hong Kong, with Vietnam coming up next.

Economic



Principally, KAB is involved in providing electrical and mechanical engineering services to commercial, industrial and residential buildings in Malaysia. KAB has Grade 7 registration with the Construction Industry Development Board (CIDB) and Class A Energy Commission certification.

Core Businesses

Electrical Services

Extra Low Voltage Services

Mechanical Engineering Services

Operation and Maintenance (O&M) Manual

New & Green Solutions

Clean Energy Generation

Renewable Energy

Energy Efficiency Solutions

Asset Management Services

Our expertise and cross-industry perspective generate intellectual capital and deliver sustainable results through innovation. These endeavours increase financial returns and allow us to work with customers on emerging projects.

Engineering plays a key role in the growth and development of a country's economy as the nation's engineering capacity and economic development are interlinked. It also improves the quality of life of residents.

NAVIGATING THE STORM

The unprecedented global COVID-19 pandemic led to significant economic uncertainty. Currently, the Malaysian economy is experiencing a sharp decline in its economic activities across most sectors as the movement of all persons involved in non-essential industries is restricted.

The temporary suspension of project operations and supply chain disruptions also adversely affected KAB in the short term. The Movement Control Order (MCO) set a new norm for businesses and KAB is prepared for the changing and challenging market conditions.

Despite the delay caused by the MCO, KAB is committed to meeting all project timelines as agreed with the project owner and/or main contractor during the award of respective projects.

KAB will continue to focus on its plans and business strategies for future growth and business expansion by:

- Expanding beyond the Klang Valley and entering neighbouring ASEAN markets;
- Supporting the building and financing of energy-efficiency systems and sharing energy-saving costs; and
- Diversifying its service base to offer customised energy efficiency solutions that rely on various interrelated technologies.

SUSTAINABLE SUPPLY CHAIN

Optimising supply chains helps KAB achieve several goals including price optimisation, delivery quality, adherence to deadlines and avoiding the environmental burdens of transportation.

Essential Components of KAB's Added Value Chain



Sustainable thinking and action



Respect for human rights



Compliance with fundamental environmental and climate protection



Stringent occupational health and safety processes

KAB works with highly-rated suppliers to procure raw materials, components and services. All suppliers must abide by all applicable standards of quality, operational excellence, social and environmental responsibility and business ethics.

INCREASINGLY LOCAL SUPPLY CHAIN

KAB's highly-diversified supply chain is used to procure a significant volume and variety of products ranging from simple parts to high-tech electronic system components. Supplier diversity is key to the business strategy. The Group is committed to purchasing materials from local suppliers in order to support local industries whenever possible. Sustainability values have been integrated into the vendor selection process and local industries are favoured for a more self-sustainable and efficient supply chain. Currently, 100% of suppliers for the mechanical and electrical business are local. However, purchasing from overseas is sometimes necessary for our energy business if products cannot be sourced locally.

Economic

INTEGRATING SUSTAINABILITY IN SUPPLY CHAIN STANDARDS

Suppliers are an integral part of business operations. KAB performs background checks and other due diligence processes. Biannual supplier evaluations help ensure that sustainability expectations are clear and products and services comply with the Group's stringent standards.

Technical and quality expertise

Know-how and capabilities

Production planning and control

Quality improvement programme

Inspection processes and control

Customer complaint management

Environmental, social and financial business practices are also integrated into the supply chain life cycle. Suppliers' materials selection, quality, treatment of supervisors and overall sustainable practices are considered along with more formal certification including:

- √ ISO 9001:2015 Quality Management Systems including safety requirements
- √ ISO 14001:2015 Environmental Management System
- √ OHSAS 18001:2007 Occupational Health & Safety Management System
- √ Other Safety Management Standards

ENVIRONMENTAL SUPPLY CHAIN

KAB is committed to its supplier sourcing assessment processes which include social and environmental elements.

The expectations of major suppliers are communicated through our regular engagement channels such as emails and meetings.

Major suppliers may be subjected to an environmental risk assessment to ensure their complete compliance with our environmental standards. Suppliers are invited to join us on our green journey by encouraging them to monitor, record and report their environmental performance and impact reduction.

SOCIAL SUPPLY CHAIN

KAB ensures that its major supply chain partners adhere to all social standards stipulated by Malaysian Labour Law and the International Labour Organisation (ILO) including:

- Policies on the prevention of child labour: all suppliers must adhere to the Malaysian Labour Law on the minimum legal working age;
- Policies on the prevention of forced labour;
- Policies on the provision of equal opportunities and non-discrimination;
- Freedom of association where everyone is free to belong to any organisation of their choice, at least following the local law on freedom of association;
- Right to collective bargaining as well as forming and joining a union according to local law;
- Eliminating excessive working hours by limiting working hours and offering meal allowances;
- Meeting or exceeding Malaysia's minimum wage; and
- A safety policy, code and practices on the provision of a safe and healthy workplace.

Major suppliers

- Must inform employees of their social obligations in a language they can understand
- Are subjected to a social risk assessment to ensure they comply with our standards
- Are assessed both informally and formally, and if necessary, through physical inspection audits
- Must learn the expected conduct through our purchasing policy, supplier contract and training

KAB engages with its major suppliers in building capacity in areas that include social issues. We share best practices from other industry players for their development through these engagement sessions.

DOING BUSINESS, THE RIGHT WAY

KAB’s Code of Conduct and Ethics concentrates on areas of ethical risk and fosters a culture of integrity, honesty and accountability. The Code is based on the principles of duty of care, integrity, responsibility and corporate social responsibility. The Board of Directors must comply and oversee the compliance of employees, officers and other directors, with all applicable laws, rules and regulations including the Companies Act, 2016, Bursa Malaysia Securities Berhad (“Bursa Securities”), Malaysian Code of Corporate Governance (“MCCG 2017”), and any other applicable rules or regulations and the Company’s constitution.

KAB takes a strong stance against corruption and malpractice. The Board of KAB and its subsidiaries have established and adopted an Anti-Bribery and Corruption Policy. The Group is committed to conducting business ethically while adhering to all applicable laws, which include compliance with:

- The Malaysian Anti-Corruption Commission Act 2009
- The Malaysian Anti-Corruption Commission (Amendment) Act 2018
- Any amendments or re-enactments made periodically by the relevant authority

Coverage of KAB’s Anti-Bribery and Corruption Policy

Internal

- The Board
- Directors
- All levels of employees

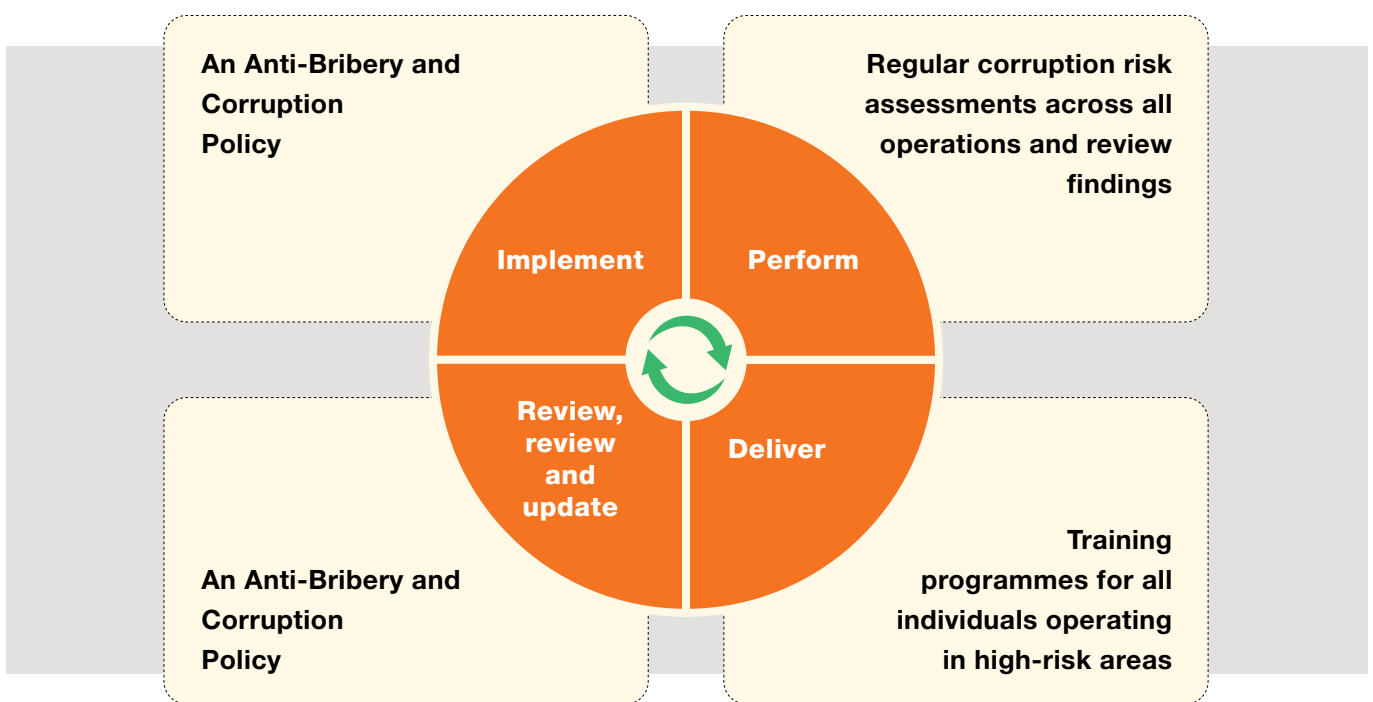
Associated Third Parties and Intermediaries

- | | |
|------------------------|-----------------|
| • Suppliers | • Distributors |
| • Contractors | • Advisers |
| • Agents | • Government |
| • Consultants | • Public bodies |
| • Outsourced personnel | |

Economic

KAB takes a zero-tolerance approach to corruption and bribery and is committed to:

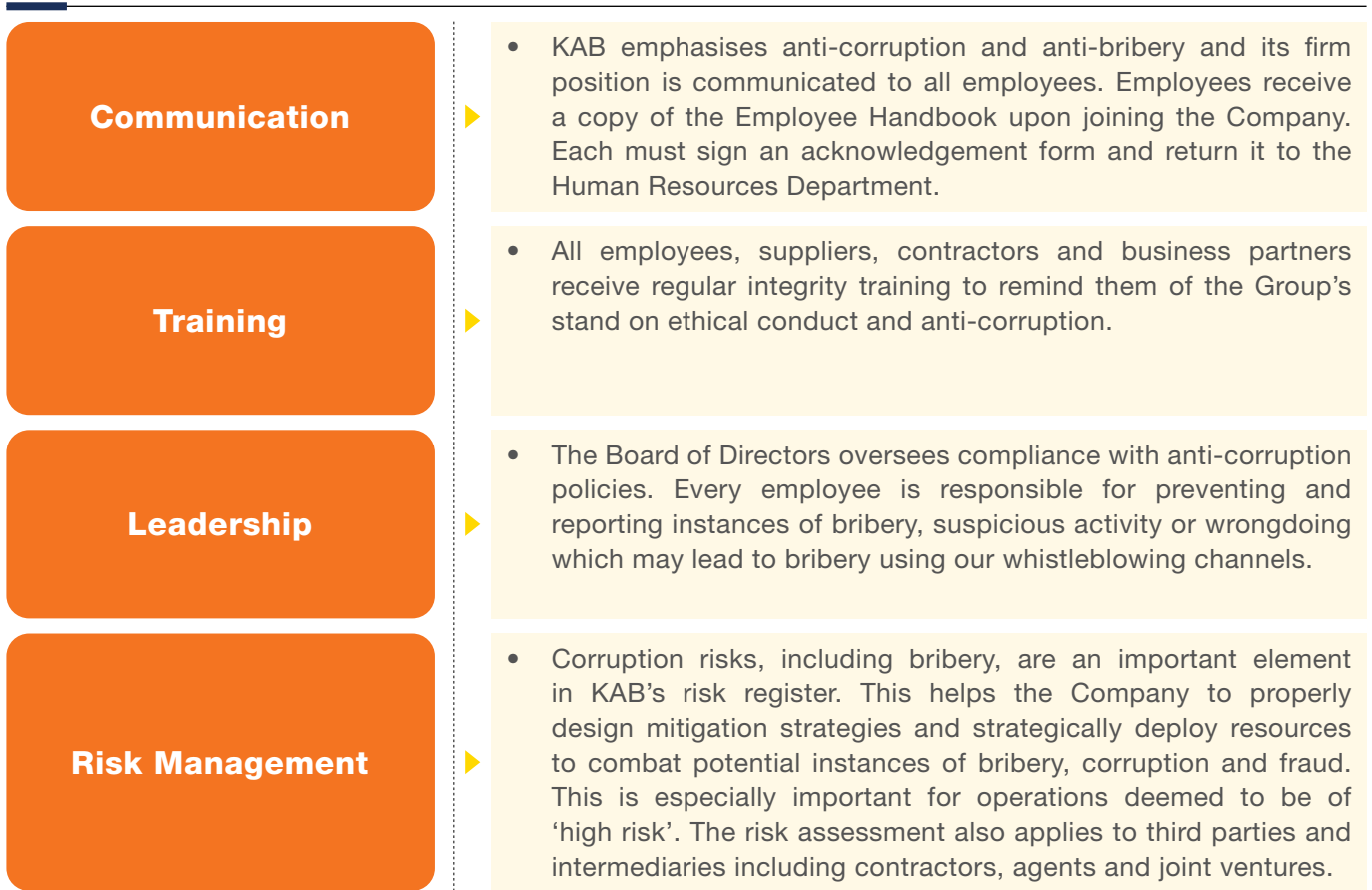
- Conducting all business in an honest and ethical manner;
- Acting professionally, fairly and with integrity in all relationships and business dealings in accordance with the Code of Business Conduct and Ethics Policy; and
- Implementing and enforcing an effective system to counter bribery and corruption including but not limited to money laundering, embezzlement and obstruction of justice.



KAB's Anti-Bribery and Corruption Policy prohibits:

- The offer or promise of a bribe or anything that can be interpreted as a bribe to secure or award an improper business advantage;
- Individuals from requesting or receiving a bribe or anything that may be construed as a bribe from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage;
- Anyone from making or accepting facilitation payments or kickbacks of any kind; and
- Associates from engaging in any activity that might lead to facilitation payments or kickbacks being made or accepted.

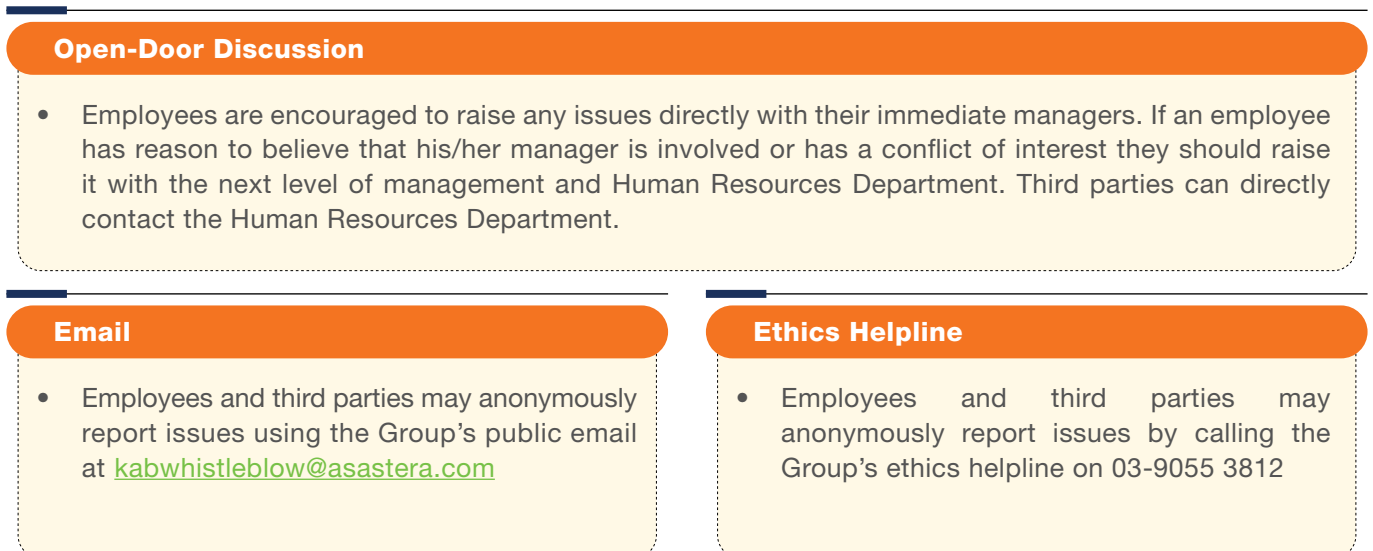
Group contributions and donations are made in good faith in compliance with the Code of Business Conduct and Ethics and other relevant policies and procedures. Other than this, KAB does not make charitable donations or contributions to political parties.



WHISTLEBLOWING

KAB also introduced an Ethics and Compliance Whistleblowing Policy and Procedures (“Whistleblowing Policy”) which comply with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

Any individual with suspicions, concerns or queries regarding a payment made on our behalf or improper business practices should raise them through the channel outlined in the Whistleblowing Policy. The Group has instituted three formal reporting channels.



Economic

WHISTLEBLOWING HANDLING PROCEDURE

KAB's Whistleblowing Committee evaluates the nature and severity of any reported conduct and determines appropriate action. KAB's whistleblowing procedures may involve investigations by the Management Team, Audit Committee and Whistleblowing Committee.

All information related to the whistle-blower, witnesses and information carriers, the reported conduct and any subsequent investigations are treated confidentially, provided it is permitted by applicable laws and regulations. Information related to the identity of the whistle-blower, the reported conduct and the investigation process or results are not disclosed or discussed with anyone other than those who have a legitimate need to know within the boundaries of Malaysian law.

KAB values honesty and integrity and does not tolerate any direct or indirect retaliation by management or any other person or entity against anyone who in good faith:

- Raises an ethics or compliance concern;
- Reports a known or potential misconduct; or
- Assists in a review or investigation.

ETHICAL COMPLIANCE

We are pleased to report that there have been no major incidences of non-compliance with regards to unethical conduct. No members of staff were disciplined or dismissed due to non-compliance with our anti-corruption policy. KAB has not received any fines, penalties or settlements in relation to corruption.

GREEN FINANCING

KAB has developed a wide range of financing solutions via building intelligent solutions with green technologies. Embedding sustainability into the business strategy while being aware of the high barrier to entry, KAB offers a zero-capex programme that helps clients reduce their carbon footprints and save on operating costs from these strategic approaches for their businesses. The various packages are categorised as follows:

- Energy Performance Contract (EPC)
- Build Own Operate Transfer (BOOT)
- Power Purchase Agreement (PPA)
- Any such solution depending on our customers' needs and the nature of the project

We provide business owners with solutions that have a positive environmental impact on the global and local environment, community, society or economy while reducing carbon footprints and promoting energy savings with zero capital outlay.

Working with trusted delivery partners, KAB looks forward to expanding these new energy solutions indefinitely to assist and support more businesses in the long-term.

Environmental



Environmental conservation is the essence of our business strategy. KAB minimises its environmental impact and focuses on cutting carbon dioxide emissions, raising renewables in the energy mix and discovering innovative ways of using natural resources more efficiently and effectively.

PROVIDING CUSTOMISABLE ENERGY SOLUTIONS

Sustainability has become a top global priority and KAB is determined to help customers conserve resources and reduce their carbon footprints. Countries are also committed to ambitious targets for reducing greenhouse gas emissions with some aiming to achieve carbon neutrality.

KAB leads the industry in its principal role as an M&E engineering firm. KAB has taken a distinctive approach to the conventional business by introducing Customisable Energy Service Solutions with a Zero CapEx Scheme. These solutions help businesses achieve a significant reduction in energy consumption and carbon dioxide emissions.

COGENERATION AND WASTE HEAT RECOVERY

KAB's strategic move into more carbon efficient and sustainable energy generation solves the national and global need for cleaner energy sources. Our clean energy generation is a customised energy generation solution that meets the different requirements of our clients' businesses. Cogeneration (Cogen) and the Waste Heat Recovery (WHR) system are an evolution of energy-efficient machinery through power supply chain fuel diversification.

Cogen is an extremely efficient technology as wasted heat dissipated while electricity is generated is converted to useful energy. It is also known as Combined Heat and Power (CHP) as Cogen produces heat and electricity simultaneously. Run by natural gas or biogas, the Cogen Engine provides multiple outputs in the forms of electricity and useful heat

(in the form of hot water, steam or hot exhaust gas). KAB's Cogen system reduces the energy cost by at least 36%. KAB has designed and constructed Cogen systems for various industries. Cogen provides a wide range of technologies for application in various domains of economic activities.

Through an SPV named Kiev CRG Sdn Bhd, KAB was awarded a BOT contract for a captive Cogen plant. This Cogen plant will have the capacity to generate 1.5 MW of electricity and useful heat in the form of hot water for production. The Cogen plant is scheduled to commence operations in 2021.

Environmental

WHR uses a low boiling point, carbon-based, working fluid to capture low-grade heat and convert it into electricity. WHR is the process of “heat integration”, which uses heat energy that would otherwise be disposed of or simply released into the atmosphere. By recovering waste heat, plants can reduce energy costs and CO₂ emissions while simultaneously increasing energy efficiency. WHR plants are particularly environmentally-friendly as energy that is typically wasted and radiated into the atmosphere is captured and converted into useful energy such as electricity, thermal power and heat.

On 5 March 2021, KAB entered into two Share Purchase Agreements (SPA) to acquire two captive power plants under a BOT contract:

- 1) A Cogen plant with the capacity to generate 2.0 MW of electricity and the ability to recover wasted heat to be converted to hot water and steam for the production line; and
- 2) An Organic Rankine Cycle based system with the capacity to generate 2.2 MW of electricity from waste gas emitted from the customers’ internal production process. The amount of natural gas required to treat the waste gas before being released into the atmosphere is also reduced by 18,000 MMBtu annually.

KAB will have a total generating capacity of 5.7 MW upon completion of these acquisitions and the construction of the Cogen plant.

RENEWABLE ENERGY

Renewable energy is sustainable as it originates from sources that are inexhaustible. The sun is our greatest source of energy while solar absorbs and preserves this very important energy source in the move towards clean energy production. Unlike fossil fuels, it is clean and non-polluting.

A Solar Photovoltaics (PV) System is a truly clean energy technology that converts sunlight directly into electricity using panels made of semiconductor cells. This solution is developed to provide businesses with sustainability goals as it is easy to find a balance between the cost and benefits due to the low barrier to entry.

In February 2021, KAB strengthened its position in the solar PV energy market by entering into a binding term sheet through its subsidiary, KAB Smart Solar Energy Sdn Bhd to subscribe to 800,000 shares in Mayang Hijau Sdn Bhd (MHSB).

MHSB entered into a solar supply agreement to finance, design, construct, own and operate a 1.58 MW peak solar PV energy generating system under the BOT concept. Commercial operations are scheduled to begin by the third quarter of 2021. MHSB is also in the final stage of negotiations in securing combined contracts of up to 10 MW peak. Under these contracts, MHSB is predominantly responsible for operating and maintaining the PV system for a 25-year concession period at an agreed discount against the prevailing tariffs. After the expiry of the contract period, the ownership of the installed solar system will be handed over to the customers.

Sustainable Impact of Capturing Solar Energy



The environmental impact is reduced



Buildings experience less solar gain



Energy bills are lowered



Energy is produced during peak hours



Significantly less electricity is lost through transmission



Improves the security of the national grid

IMPROVING ENERGY EFFICIENCY THROUGH CHILLER OPTIMISATION

According to the International Energy Conservation Code, chiller plant optimisation refers to controlling the associated equipment, whether new or existing, to operate as efficiently as possible and ultimately consume the least amount of energy while meeting the business needs. This strategic solution is customised specifically for all individual sites to meet the energy needs of the business and achieve the best savings.

BUILDING MANAGEMENT SYSTEMS

Energy can represent up to or more than 40% of all operating costs in a building. Building Management Systems (BMS) are centralised energy management software solutions. A BMS identifies energy wastage in a building and helps businesses understand their own building electricity flow with comprehensive energy data insights. All electricity used to cool and light a building is controlled and monitored which allows a business to respond quickly to changes in energy demand and report energy use over time.

KAB provides this service by partnering with Resource Data Management Asia (RDMA) which has over 20 years of experience, more than 400 project sites nationwide with more than 22,000 buildings under its direct control and up to 220,000 buildings under indirect control around the world.

REDUCING ENVIRONMENTAL FOOTPRINT

KAB reduces its environmental impact by optimising the use of resources, minimising operational waste, increasing the percentage of waste that is reused or recycled and ensuring that materials used comply with the Group’s and stakeholders’ standards.

MATERIALS

Manufacturing products and operating as an engineering specialist consume raw materials such as steel, copper, aluminium and plastic. KAB has adopted the reduce, reuse and recycle (3R) concept to address the environmental challenges posed by materials use and improve the sustainability of its processes.

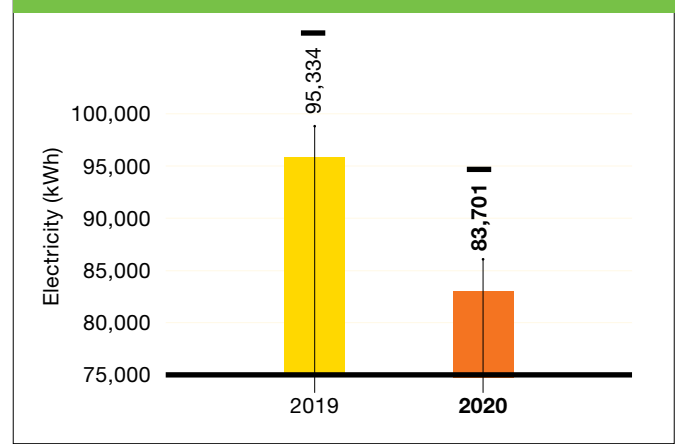
ENERGY AND EMISSIONS

KAB also adopts cleaner initiatives at its offices and sites in addition to implementing green solutions for its customers. The energy use at all operations is recorded and monitored. Offices and sites focus on reducing energy consumption and implementing energy-efficiency programmes. Various energy conservation

initiatives and behavioural changes continued to be promoted throughout the organisation including:

- Switching off non-essential lights that are not in use such as during lunch breaks;
- Using LED lights whenever possible; and
- Using timers on air-conditioning units to reduce wastage.

KAB Group Energy Consumption

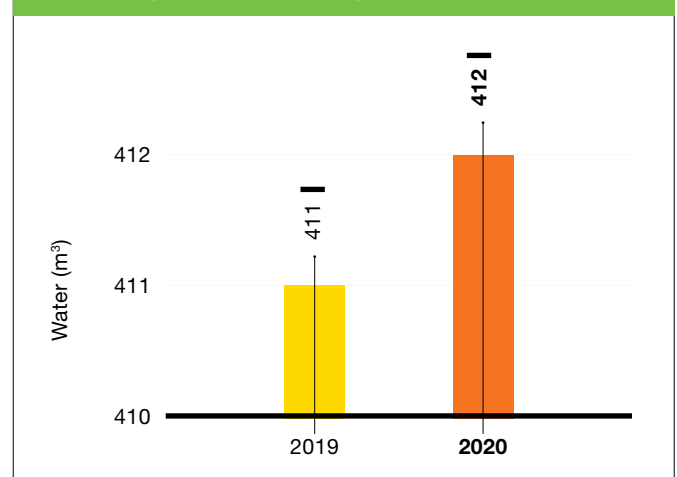


WATER

KAB’s operations do not consume a significant volume of water and the Group does not operate in water-stressed regions. Nevertheless, a responsible approach to water stewardship helps maximise efficiency and minimise waste.

Most of KAB’s wastewater is produced by the workforce’s sanitary use. This wastewater is discharged to the municipal sewer system in line with general practice and standards.

KAB Group Water Consumption



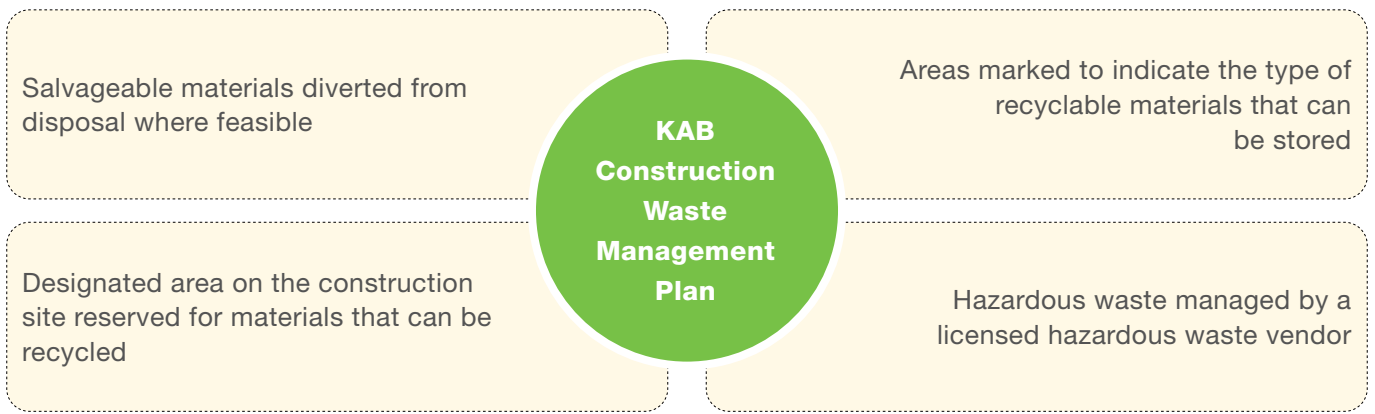
Environmental

WASTE MANAGEMENT

KAB works with its customers and contractors to ensure waste is managed properly throughout operations and address the issue of waste and pollution. Contractors must comply with all applicable federal, state and local waste disposal requirements.

Waste is salvaged for reuse and recycling where practical. Job site waste is carefully recycled to divert waste from landfills or incinerators.

All contractors and subcontractors must abide by KAB’s waste management plan and a copy is included in all subcontractor agreements.

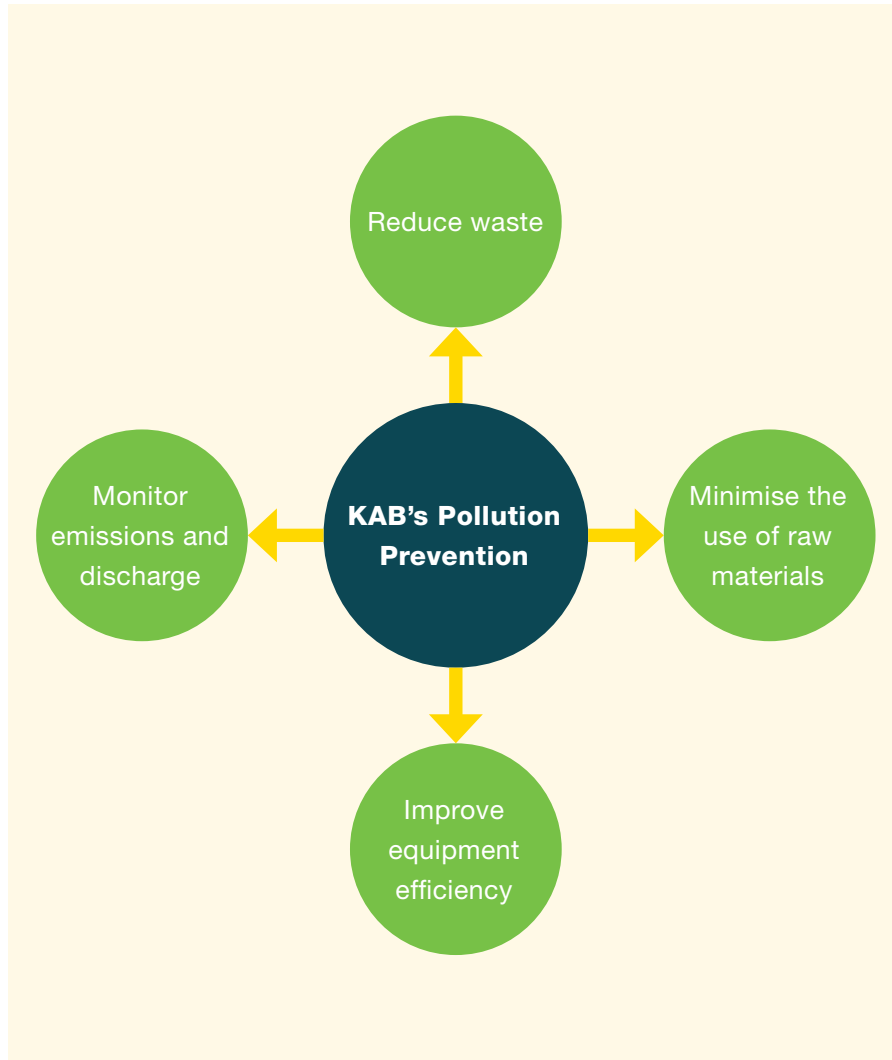


Each subcontractor is familiarised with KAB’s waste reduction and recycling plan. Recycling containers and areas are clearly marked at every site.

Material	Handling Procedure	Disposal Method
Plastic		
<ul style="list-style-type: none"> • PVC Conduit • Packaging materials 	Separate and store in designated areas	Reuse for on-site construction or by site employees
Timber		
<ul style="list-style-type: none"> • Cable drums 	Separate and store in designated areas	Recycle with waste management
Scrap metal		
<ul style="list-style-type: none"> • Tray • Trunking 	Separate and store in designated areas	Reuse for on-site construction or by site employees
Scrap cable	Separate and store in designated areas	Reuse for on-site construction or by site employees

As an estimated 70% of office waste is paper, KAB recently implemented an online document submission system to centralise documents in cloud-based folders. This system minimises paper waste and boosts efficiency as files are store digitally and printing is significantly reduced.

POLLUTION AND CLIMATE CHANGE



The rising sea level and global temperature led to the inexorable rise of climate movement. Malaysia is a signatory of the Paris Agreement and has pledged allegiance to the global collective commitment to cutting climate-altering pollution. Through this Agreement, Malaysia has committed to a 45% reduction of greenhouse gases by 2030. This consists of 35% on an unconditional basis and 10% on the condition of receiving climate finance, technology transfer and capacity building from developed countries.

Climate change is a long-term shift in weather patterns identified by changes in temperature, precipitation, winds and other factors. Climate change can also be caused by human activities such as the burning of fossil fuels. The build-up of greenhouse gases in the atmosphere has led to a natural greenhouse effect.

KAB recognises climate change as a significant issue and is material to its business. Our climate change strategy and engagement with employees and contractors help reduce greenhouse impacts. Examples include research into renewable energy and a complete climate change risk assessment.

Efficiency gains are realised and costs reduced through the adoption of new technology, favouring cleaner fuels and implementing fuel efficiency measures. The Group's new and green solutions adopt technologies to address climate change by offering energy efficiency solutions, clean energy generation and renewable energy.

KAB continues to work with the regulators including the Energy Commission and Construction Industry Development Board (CIDB) to collectively mitigate the impact of climate change. Senior management personnel and engineers use their expertise during discussions to shape public policy and regulations.

KAB is working towards managing and measuring its carbon emissions as part of its Carbon Management Plan. The Company uses the internationally-recognised Greenhouse Gas ("GHG") Protocol established by the World Business Council for Sustainable Development (WBCSD) and World Research Institute (WRI). Emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

Environmental

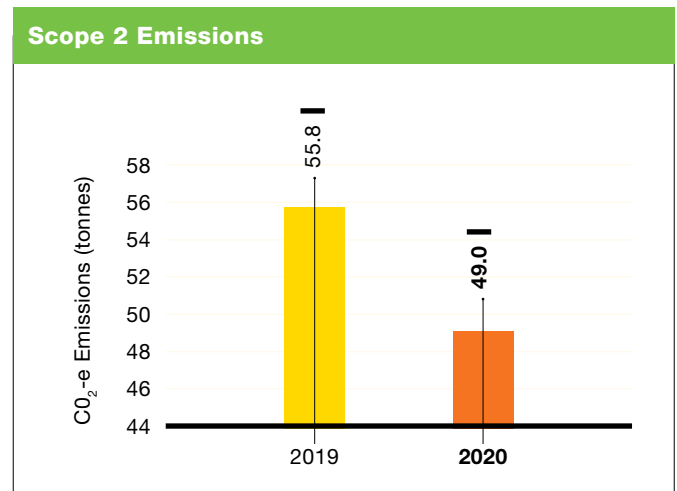
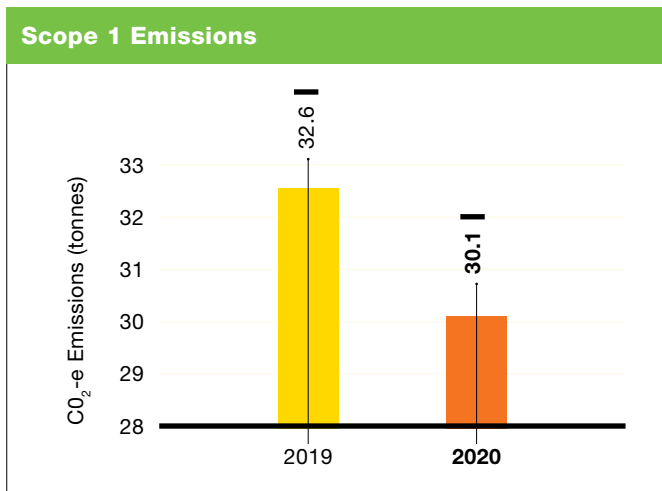
Scope	Category	Indicators Measured
Scope 1	Direct GHG emissions	Diesel gensets
Scope 2	Indirect GHG emissions	Electricity
Scope 3	Other indirect GHG emissions	Air Travel

SCOPE 1

KAB's direct GHG emissions are produced by company-owned vehicles. Fuel purchases are monitored and recorded to calculate GHG emissions from petrol purchased for these vehicles. CO₂ emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

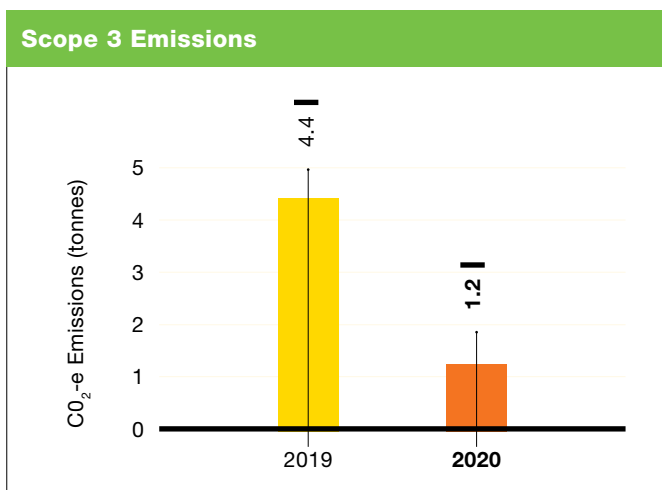
SCOPE 2

KAB calculated emissions resulting from electricity consumption at various buildings and sites owned by the Group. The volume of CO₂ emissions from the use of electricity was derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.



SCOPE 3

GHG emissions resulting from air travel were measured from point-to-point including the number of employees on board, distance and flight class. All short and long-haul flights were included in the GHG calculations.



KAB's GHG carbon footprint from air travel is light. This was reduced further in 2020 due to global aviation restrictions as a result of the global COVID-19 pandemic.

Social:

Human Rights



KAB respects internationally-recognised human rights and supports their defence. The Group is committed to implementing the UN Guiding Principles on Business and Human Rights. Everyone who works for the Group – either as a direct KAB employee or indirectly through its supply chain, is expected to behave with respect for the dignity of the individual and for the importance of each individual's human rights.

This commitment is stated in our Code of Conduct as well as Employee Handbook which is available in Bahasa Malaysia and English. These documents are handed to every employee upon joining the Company.

All forms of forced or child labour are vehemently rejected. KAB recognises the right of all employees to form unions and employee representative bodies on a democratic basis within the context of national regulations. KAB works to create an environment that is free of harassment whether face-to-face, written, electronic or verbal.

The right to commensurate remuneration is recognised for all employees. Pay and other benefits meet at least the respective national and local statutory standards and/or the level of national business sectors, industries and regions. All employees are made to feel welcome and comfortable.

KAB's risk assessment for existing and potential projects includes elements of ethical labour practices. Contractors and even external stakeholders must also comply with all applicable labour and employment laws, ordinance, by-laws, rules, regulations or orders.

We are pleased to report that there has been no instances of non-compliance with regards to labour issues including child labour, forced labour or any forms of discrimination.

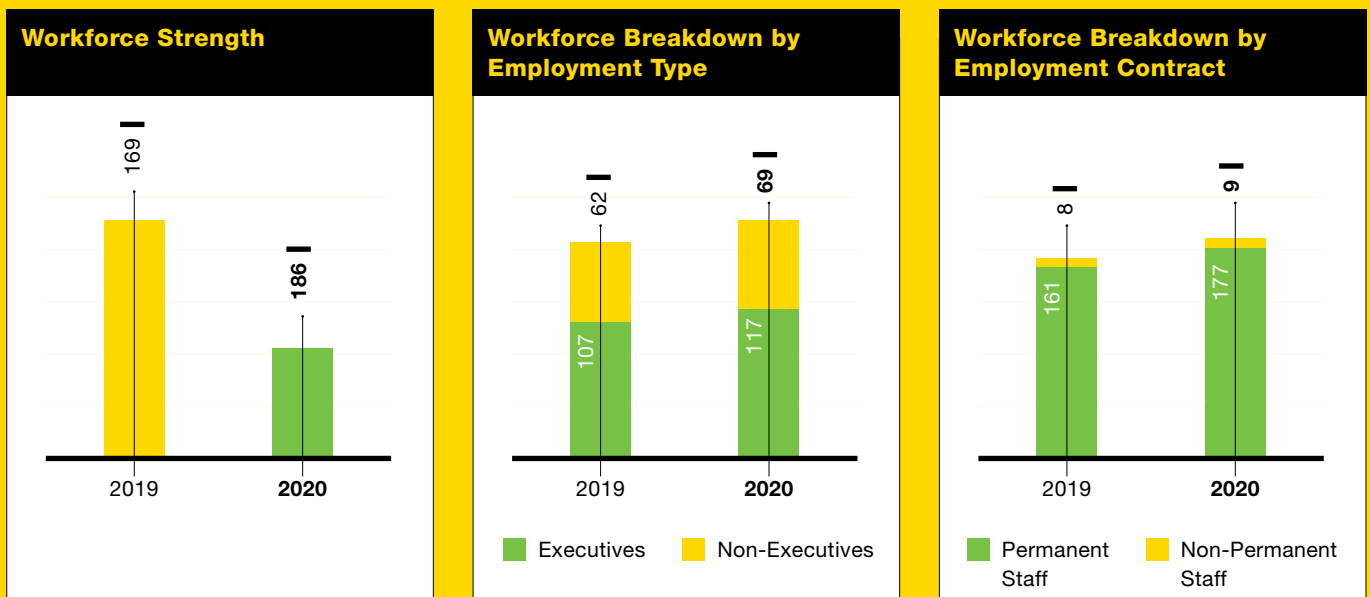
Social:

Labour Practices and Decent Work

Great people make us a great company. When we refer to sustainability and energy management, we are not just talking about preserving energy as a resource. Equal importance is also placed on sustaining the energy of the workforce. We are committed to creating and upholding a respectful, harmonious, inclusive and equitable environment.

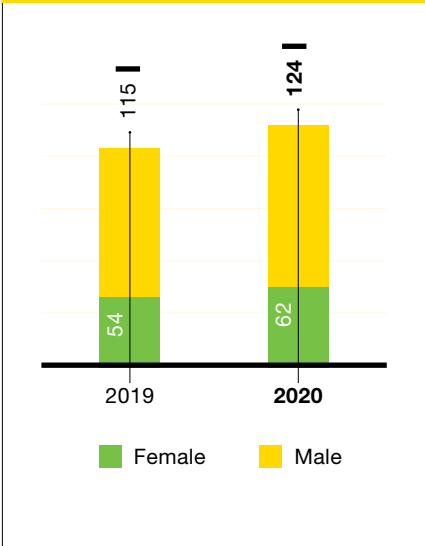
ENGINEERING A CULTURE OF INCLUSION

KAB's innovation and aspirations are dependent on its ability to recruit and inspire a diverse workforce. Creating an inclusive, high-performing culture in which all employees can be themselves within a vibrant community is vital. Initiatives and policies that attract talent from all walks of life ensure a fair working environment in which opportunities are available for all.

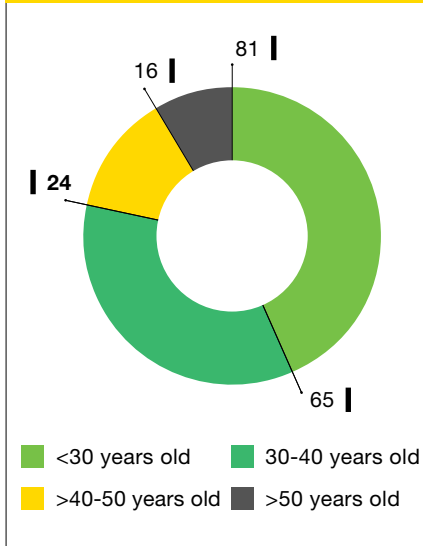


Social: Labour Practices and Decent Work

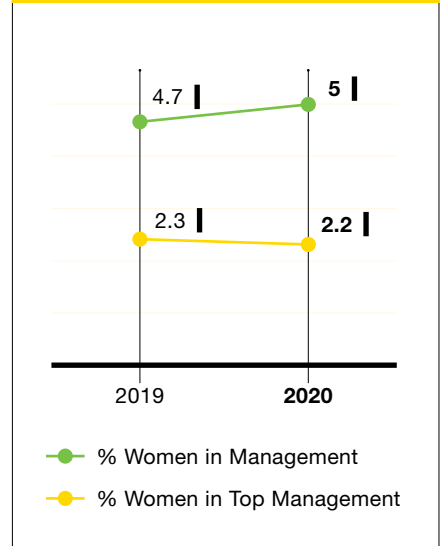
Workforce Breakdown by Gender



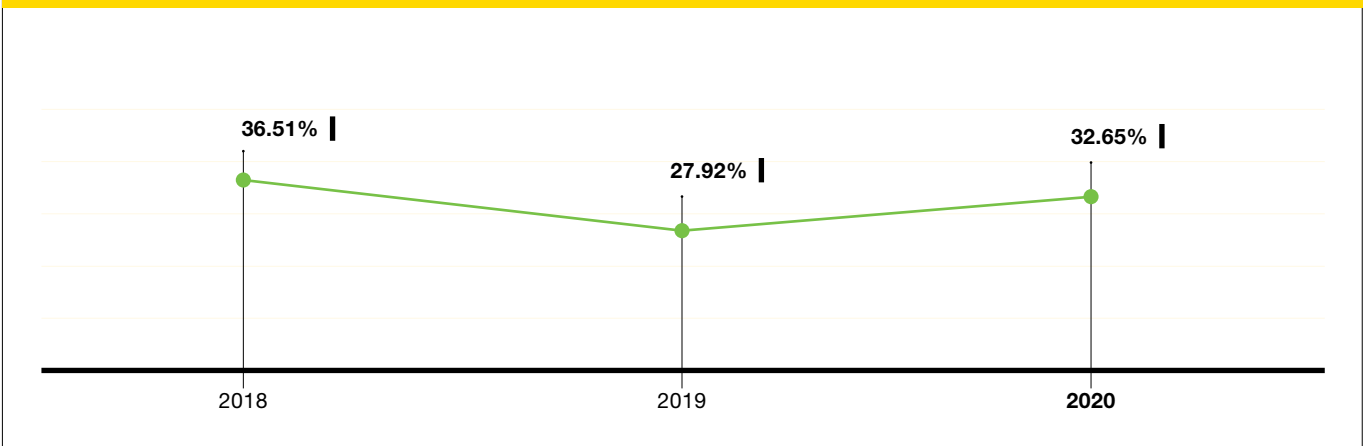
Workforce Breakdown by Age Group



Women in Management



Workforce Turnover Rates (%)



EQUAL OPPORTUNITY AND DIVERSITY

KAB does not permit discrimination or harassment of any form. All employees must be accorded the same opportunities for development regardless of gender, age, ethnic origin, religion, political views, sexual orientation, disability or other distinguishing features.

Historically, the technology and engineering industry has been male-dominated and this is still true today. KAB is working to continually increase the number of women in the workplace. The ratio of men to women in KAB at least reflects the general gender distribution in the industry and engineering graduates.

Social: Labour Practices and Decent Work

CONNECTING THE DOTS FROM SKILLS TO CAREERS

KAB provides a comprehensive and solid training platform for employees to support the long-term development of the business. Training resources follow several different approaches according to their strategies and goals. KAB invests in leadership development, individual enrichment and skills enhancement. The Group commits to skills and professional development and personal development training for employees.

Employees are encouraged to take charge of their careers and receive the best available tools, programmes and opportunities. Staff are empowered to build rewarding careers, enjoy their personal lives and improve their overall health, resilience and sense of well-being. Employees manage their careers through annual goal setting, periodic checkpoint discussions and performance appraisals. When people achieve these aims, they take greater ownership of their careers. Disruption can also spark innovation; businesses cannot afford to suspend their capability enhancements. KAB began exploring digital learning strategies at the beginning of the pandemic in early 2020 to continue enabling and delivering value-creating efforts. KAB converted face-to-face training courses into virtual programmes once the number of remote employees peaked due to COVID-19.

Examples of Employee Training Programmes Held or Attended in 2020

Safety and health seminar

Pre and post contract
administration and project
risk management

Annual Construction Industry
Seminar

Anti-bribery

Impact of COVID-19
pandemic on the construction
industry

The value of digital leadership
skills in a changing business
environment

WELLNESS, HEALTH AND SAFETY

Safeguarding the safety and security of its people is KAB's paramount concern. Health and safety is at the centre of everything we do.

We have a vision of zero work-related accidents, illnesses and incidents and an ambition to improve the health and well-being of employees. Nobody should suffer physical or mental ill-health from their work. We aggressively protect the health and safety of our colleagues, contractors and customers by identifying risks, developing solutions and encouraging participation.

Many sites practice ISO 45001:2018. A sustainability metrics system helps track, monitor and report our health and safety performance on a regular basis.

KAB safety and health policies, procedures and codes of practice comply with the:

- Factories and Machinery (Building Operation and Works of Engineering Construction) (Safety) Regulations 1986; and
- Occupational Safety and Health Act 1994 (Act 514) and Regulations.

KAB's Health and Safety Policy applies to all parties involved including management, employees, subcontractors, supervisors' unions, utility companies, consultants and clients.

The Group commits to reducing its health and safety impact through continuous improvements, incidents investigation and setting incident reduction targets.

Social: Labour Practices and Decent Work

Safety Objectives



To prevent or reduce the risk of incidents



To pre-identify danger and accident-prone areas



To raise supervisors' awareness of safety and health in the workplace

Safety Goals for Every Contract

Zero fatal accidents

Zero dangerous occurrences

Accident Frequency Rate (AFR) of less than 60 serious accidents per 1,000 workers per year

Minimum Personal Protection Equipment (PPE) Provided to Every Site Employee



Safety helmet



Safety shoes



Safety goggles (when necessary)



Safety harness (when necessary)



Safety vest (when necessary)

SAFETY GOVERNANCE

KAB's Safety Committee is a forum for employees and management to work together on:

- Preventing injury and illness on site;
- Raising awareness of health and safety issues; and
- Developing strategies to make the work environment safe and healthy.

The Safety Committee reports to Dato Lai Keng Onn, Managing Director of KAB, who also sits on the Board of Directors panel. The responsibilities of each Safety Committee member are stipulated in our Safety Manual.

Social: Labour Practices and Decent Work

Responsibilities of Safety Committee

Designation	Responsibilities
Project Director	<ul style="list-style-type: none"> • Ensures compliance with legislated requirements prior to subcontractors commencing work on site • Ensures all adequate safety requirements are incorporated into the engineering drawing and documents to perform the work on site prior to the commencement of work
Health and Safety Manager	<ul style="list-style-type: none"> • Coordinates internal and external training courses • Monitors all safety records • Initiates safety improvements
Safety Supervisor	<ul style="list-style-type: none"> • Conducts site safety briefings • Prepares monthly safety reports for submission to the main contractor • Prepares a daily site diary • Oversees workmanship and ensures the availability of PPE for all employees and supervisors • Prepares Hazard Identification, Risk Assessment and Risk Control (HIRARC) and Safety Risk Control for the project site • Plans accident prevention and safety management training for site staff and employees
Safety Officer	<ul style="list-style-type: none"> • Conducts routine audits and site inspections • Prepares audit findings and reports for submission to the Health and Safety Manager and Project Manager • Conducts accident/incident investigations and reports to the Project Engineer
Project Engineer	<ul style="list-style-type: none"> • Conducts weekly safety talks • Ensures each supervisor and worker understands safety matters • Reviews accident and incident reports and presents proposals for prevention measures to the Project Manager

SAFETY TRAINING AND INITIATIVES

A Project Safety Assessment must be conducted to identify all project safety aspects before any projects commence. This assessment is used to produce a project safety plan for each project. KAB assesses the health and safety risks of all existing and potential projects and operations.

A site supervisor chairs a fortnightly toolbox meeting to reinforce site safety and update supervisors on the site progress. Work or areas requiring extra precautions are also highlighted.

Social: Labour Practices and Decent Work

Additional Safety Measures



Labels & signage



Scaffolding tagging guideline



Fall protection equipment & system



5s system to improve quality



Advanced training on the use of tools & machinery

KAB has also introduced a detailed hazard identification, risk assessment and determining control (“HIRADC”) procedure. HIRADC is reviewed and updated annually by implementing essential control measures to address all potential and underlying conditions at the site.

Safety education is delivered to new hires by KAB or the respective subcontractors. KAB delivers all types of safety education and training to subcontractors for mutual benefit. KAB also initiates training programmes to improve the safety skills of subcontractors working on the project. All site workers are expected to follow the safety team’s instructions and guidelines.

In-house training for employees and contractors comprises safety briefings and training on the company safety handbook (100% of employees and contractors). KAB also sends its supervisors and engineers to external training and short courses to upskill their knowledge according to the latest industry expectations. In 2020, site supervisors and engineers attended a safety course organised by the Organisation on the Occupational Safety & Health (NIOSH) and the Department of Occupational Safety and Health (DOSH) on Occupational Safety & Health Management and the Occupational Safety & Health Act 1994. Safety supervisors also attended a seminar on Safety and Health in the Construction Industry on 3 July 2020.

KAB also invites manufacturers and suppliers to brief site supervisors and engineers on safety so all supervisors understand the potential risks that are unique to each type of work.

Fire drills and internal safety reminders are examples of other safety-related training and initiatives that have been conducted.

Social: Labour Practices and Decent Work

SAFETY PERFORMANCE

KAB records, reports and monitors its incidents and accidents statistics according to the guidelines published by the Department of Occupational Safety and Health. Safety performance and targets are monitored and benchmarked against industry standards. We are pleased to report that no major incidents or accidents have occurred during the year involving employees, contractors or the public on our premises.

Safety and Health Performance

Description	FY2018	FY2019	FY2020
Fatality Cases	0	0	0
Lost Workday Cases (LWC)	0	0	0
Restricted Workday Cases (RWC)	0	0	0
First Aid Cases (FAC)	0	0	0
Near Miss Cases	0	0	0
Dangerous Occurrence Cases	0	0	0
Fire Cases	0	0	0
Property Damage Cases	0	0	0
Vehicle Accident Cases	0	0	0
No. of Days Lost	0	0	0

NOTICE PERIOD FOR OPERATIONAL CHANGE

Any operational change is communicated to the relevant personnel for action. KAB's policy is to provide a notice period of at least two weeks to one month for any operational changes that potentially affect employees.

Social:

Society

KAB also creates societal value through job creation and advancing the development of competitiveness in value-adding technology trading.

KAB has a long tradition of supporting the communities in which its people live and work. Local recruitment and offering jobs to young talent help strengthen the local community where operations are based. Optimal conditions for local growth can be achieved through active and constructive dialogue with the local community.

On an annual basis, KAB also provides monetary and in-kind donations directly to various charitable beneficiaries such as orphanages and disabled homes, thalassaemia patients as well as other charitable institutions.

Social:

Product Responsibility

KAB's operations give due consideration to legal, strategic, customer, environmental, health and safety requirements.

The Group's practice of engaging regularly with customers, suppliers, partners, regulators and other relevant parties enables it to adjust rapidly to changing markets, hone its innovative edge and create value for its customers and for society at large. KAB's deliverables satisfy the requirements of key stakeholders.

Customers

A high level of service, constant availability and low maintenance costs

Contractual partners

Strict compliance with set standards with constant monitoring and precisely-defined audits

Regulators

Compliance with extensive regulations and standards with which our services must always comply

Social: Product Responsibility

PRODUCT SAFETY

All equipment, tools and components are inspected regularly for damage or excessive wear. Substandard equipment is replaced immediately. Procedures governing the installation of electrical components procedures must comply with safe practices, the law and other governmental regulations.

All testing and measurement devices used by KAB are controlled, calibrated and maintained. Devices are calibrated at predetermined intervals against national and international standards. Defective and uncalibrated equipment is removed from use.

QUALITY

As an Electrical and Mechanical Contractor, KAB's business scope involves the installation of High and Low Voltage Electrical Systems, Fibre-to-The-Home Systems and Extra Low Voltage Systems consisting of SMATV, Intercom, CCTV, PA and Audio Video Systems. KAB's project sites include residential, industrial and commercial buildings such as houses, high-rise apartments, schools, factories, shop lots, shopping malls and mixed developments. These projects consist of internal building works, external infrastructure works or a combination of both.

The quality and safety of KAB's workmanship and projects are the main drivers of economic success. Naturally, guaranteeing these aspects is the subject of extensive internal regulations, which are continuously reviewed and updated. A designated internal site audit team evaluates the standard operating procedures and quality at project sites and guides the project team to ensure work efficiency and compliance with KAB's standard requirements.

KAB conducts periodic internal quality audits to determine whether planned requirements and the QMS are effectively implemented and maintained. KAB schedules biannual audits to ensure that all aspects of the QMS are followed.

KAB's Quality Management System (QMS) is established, implemented and maintained to continually improve its effectiveness in compliance with ISO 9001. This process enhances client satisfaction and ensures that relevant statutory and regulatory requirements are met.

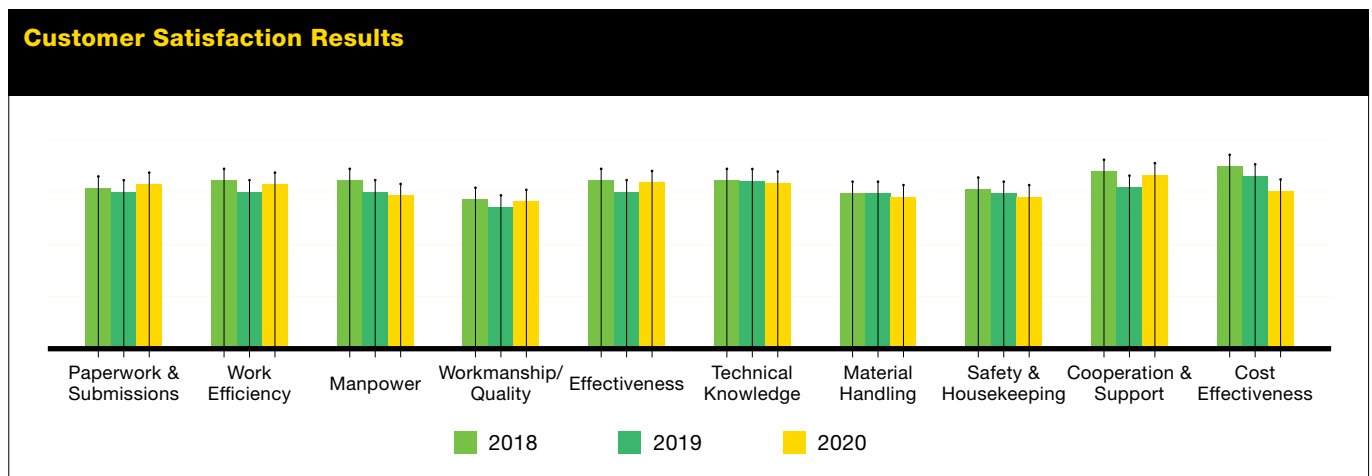
The quality of KAB's projects is reflected in the high scores achieved by the main contractors in various quality assessment system such as QCLASSIC and CONQUAS. These ratings demonstrate the Group's commitment to delivering excellent workmanship quality. KAB has also been awarded Class A by the Energy Commission; Energy Commission Certification; Grade 7 by CIDB and ISO 9001:2015.

Social: Product Responsibility

CUSTOMER SATISFACTION

KAB analyses customer satisfaction regularly to optimise the quality of customer service and customer satisfaction while adapting its offering to customer needs. This comprehensive service and complaint management system is designed to:

- Maintain, restore and improve customer satisfaction;
- Minimise any negative effects of customer dissatisfaction;
- Identify the indications of weaknesses and opportunities in the complaints; and
- Use these findings to carry out continuous improvements.

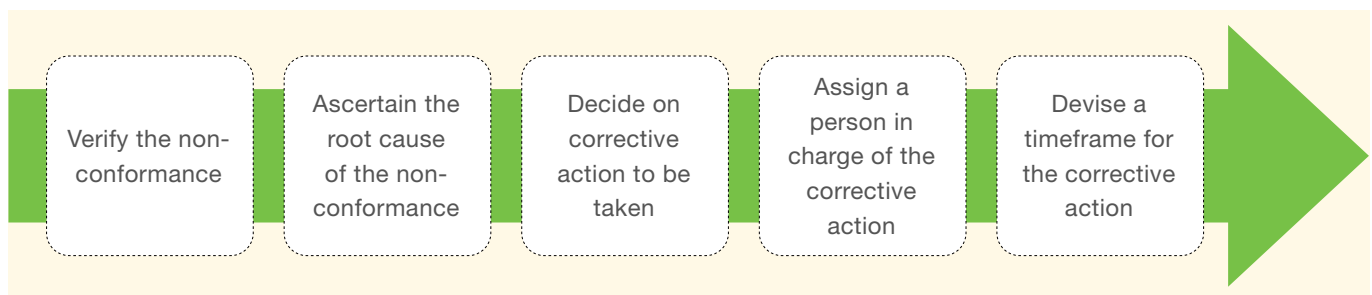


COMPLAINT HANDLING

Employees strive to complete all works according to the requirements and supervise these projects to ensure they are completed properly. However, there may be some circumstances in which defective or unsatisfactory works are performed for customers.

Customers are encouraged to file their complaints by submitting a Non-Conformance Report (NCR) or through other forms of communication.

NON-CONFORMANCE PROCEDURE



PRIVACY

KAB protects the personal information of customers and all stakeholders. The Group respects customer confidentiality and does all in its power to comply with the Personal Data Protection Act 2010 (PDPA). Several security and technical measures have been introduced to protect customers’ personal data in accordance with applicable personal data protection laws and regulations. For example, only certain employees and heads of department can access the customer’s database.

COMPLIANCE

There were no major cases of noncompliance reported during the financial year with regards to KAB’s operations, supply chain, social, environmental and ethical conduct.

KAB’s business has always been and will always be conducted on the basis of integrity, quality and transparency.



KEJURUTERAAN ASASTERA BERHAD

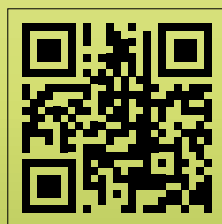
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No. 18, Jalan Radin Bagus 9,
Bandar Baru Sri Petaling,
57000 Kuala Lumpur, Malaysia.

Tel: +603-9055 3812

Fax: +603-9055 3912

Email: asastera@asastera.com



www.asastera.com