



TRANSCENDING WITH
STRENGTH
AND
COURAGE

Table of Contents

<p>01.</p> <hr/> <p>ABOUT THIS REPORT 2</p> <p>Scope and Boundary 2</p> <p>Reporting Framework 2</p> <p>Assurance 2</p> <p>Feedback 2</p> <p>Forward-Looking Statements 2</p>	<p>05.</p> <hr/> <p>SUSTAINABILITY GOVERNANCE STRUCTURE 18</p> <p>Corporate Governance and Ethical Business Practices 19</p> <p>Risk Management and Business Continuity 21</p>	<p>09.</p> <hr/> <p>HUMAN CAPITAL 39</p> <p>Health and Safety 39</p> <p> Occupational Health and Safety (“OHS”) Systems 39</p> <p> COVID-19 response 40</p> <p> Health and Safety Performance Indicators 41</p> <p>Employee Engagement and Satisfaction 45</p> <p>Talent Attraction and Retention 46</p> <p>Diversity and Inclusion 47</p>	<p>13.</p> <hr/> <p>INTELLECTUAL CAPITAL 60</p> <p>Nutrition, Health and Wellness 60</p> <p>Data Protection 61</p>
<p>02.</p> <hr/> <p>A MESSAGE FROM THE CHAIRMAN OF THE SUSTAINABILITY STEERING COMMITTEE 3</p>	<p>06.</p> <hr/> <p>STAKEHOLDER ENGAGEMENT 22</p>	<p>10.</p> <hr/> <p>MANUFACTURED CAPITAL 49</p> <p>Quality and Safety 49</p>	<p>14.</p> <hr/> <p>CONCLUSION 62</p>
<p>03.</p> <hr/> <p>ABOUT PPB 4</p> <p>Corporate Vision, Mission and Values 4</p> <p>Our Businesses at a Glance 5</p> <p>Our Sustainability Journey 8</p> <p>FY2022 at a Glance 10</p>	<p>07.</p> <hr/> <p>PPB’S MATERIAL SUSTAINABILITY MATTERS 24</p> <p>Materiality Assessment Process 24</p> <p> Materiality Matrix 24</p> <p>Mapping our Material Sustainability Matters 26</p>	<p>11.</p> <hr/> <p>FINANCIAL CAPITAL 51</p> <p>Economic Performance 51</p>	<p>15.</p> <hr/> <p>ABBREVIATIONS 62</p>
<p>04.</p> <hr/> <p>PPB’S SUSTAINABILITY APPROACH 11</p> <p>Our Sustainability Policy 11</p> <p>United Nations Sustainable Development Goals (“UN SDGs”) 12</p> <p>Sustainability Targets 14</p> <p>Value Creation Model 16</p>	<p>08.</p> <hr/> <p>NATURAL CAPITAL 28</p> <p>Climate Change 28</p> <p>Energy Efficiency and Adoption of Renewable Energy 30</p> <p>Waste Management 33</p> <p>Water Management 34</p> <p>Sustainable Packaging 37</p>	<p>12.</p> <hr/> <p>SOCIAL & RELATIONSHIP CAPITAL 52</p> <p>Brand Image and Reputation 52</p> <p>Customer Satisfaction 52</p> <p>Human Rights 53</p> <p>Supply Chain Management 54</p> <p>Community Engagement and Development 54</p>	<p>16.</p> <hr/> <p>GRI CONTENT INDEX 63</p>
<p>ONLINE REPORT</p>			
			
<p>Scan this QR code for a direct link to our Sustainability Report online.</p> <p>Or log on to https://www.ppbgroup.com/images/pages/sustainability/sustainability-report/2022/ppb-sustainability-report-2022.pdf</p>			

ABOUT THIS REPORT

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5)



PPB Group Berhad (“PPB”) and its subsidiaries (“the Group”) are pleased to present our 2022 Sustainability Report (“Report”). This Report employs the International Integrated Reporting Framework (“<IR> Framework”) which holistically incorporates the six essential capitals relevant to the Group’s business strategy, governance, and value creation. It also includes the Value Creation Model which entails our commitments and pillars that strengthen our overall position. This year, we updated our Sustainability and Human Rights policies, as well as developed new policies on Climate Change, Waste Management and Nutrition – all of which were approved by the PPB Board in February 2023. In striving to make a positive impact, our Environmental, Social and Governance (“ESG”) initiatives reinforce our commitment to make a difference within our business and externally.

SCOPE AND BOUNDARY

The scope of this Report takes into consideration the ESG initiatives and performance across our five main business segments in Malaysia: Grains and Agribusiness, Consumer Products, Film Exhibition and Distribution, Property, and Environmental Engineering and Utilities as well as PPB’s headquarters in Kuala Lumpur. Focusing on the period between 1 January 2022 and 31 December 2022, this Report covers the financial year 2022 (“FY2022”).

The Group entered into an agreement in 2022 to dispose of its interest in CWM Group Sdn Bhd (“CWM”) under the Environmental Engineering and Utilities segment. With the completion of the divestment in November 2022, the Group has exited the sewage treatment, flood mitigation and water engineering business. Moving forward, the Environmental Engineering and Utilities segment will be removed from our reporting. For disclosure purposes in this Report, ESG data from CWM will cover the period from 1 January to 30 September 2022.

For the abbreviations used in this report for the Grains and Agribusiness segment, please refer to Page 62.

REPORTING FRAMEWORK

This Report was prepared with reference to Bursa Malaysia’s Main Market Listing Requirements and the Sustainability Reporting Guide (3rd edition). We also referred to the Global Reporting Initiative (“GRI”) Standards when preparing the Report and have further aligned our ESG efforts with the United Nations Sustainable Development Goals (“UN SDGs”).

ASSURANCE

The data in this Report has not been independently verified by a third party. The Group is currently working on implementing an internal review process, with the goal of incorporating third-party assurance into future reporting.

FEEDBACK

We welcome feedback from our stakeholders to improve our reporting and sustainability practices. All comments or enquiries about this Report can be directed to:

Email: corporateaffairs@ppb.com.my

Telephone no.: 603-2726 0088

Office address: PPB Group Berhad (Sustainability Department), Letter Box No. 115, 12th Floor UBN Tower, No. 10 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements, which may be identified by words or phrases such as ‘should,’ ‘would,’ ‘target,’ and ‘will’. Such statements should not be interpreted as a guarantee of future operational practices or initiatives, as actual results may differ significantly from these forward-looking statements due to challenges that may arise in an ever-changing business and operating environment.

A MESSAGE FROM THE CHAIRMAN OF THE SUSTAINABILITY STEERING COMMITTEE



DEAR VALUED STAKEHOLDERS

2022 remained a challenging year for most businesses, mainly as a consequence of the war in Ukraine whereby we witnessed intense volatility in commodity prices, high inflation and rising interest rates. These macro developments have tested the resilience of our company and we wrapped up 2022 on a positive note despite the presence of unprecedented challenges. We continue to stay focused on our strategic efforts to drive the long-term sustainability of our core businesses.

We are pleased to present our Sustainability Report which reflects our achievements and progress in all our business segments for the financial year 2022. This year, we have incorporated the International Integrated Reporting Framework (“<IR> Framework”) citing the six essential capitals namely Natural Capital, Human Capital, Manufactured Capital, Financial Capital, Social and Relationship Capital and Intellectual Capital relevant to our business model and value creation.

Sustainability is an integral part of achieving our vision to be a market leader in our core businesses reputed for our sustainable quality products and services. Our 5-year Sustainability Roadmap (2022 to 2026) has shaped the direction of the Group in achieving our ESG targets and initiatives. In 2022, we developed three new standalone policies on Climate Change, Waste Management and Nutrition, which outline our commitments in these respective areas. The three new policies, together with our updated Sustainability Policy and Human Rights Policy were approved by the PPB Board in February 2023.

Our ESG contributions are strategically aligned with nine UN SDGs where we believe we can make the greatest impact. We have also invested in the community, particularly in supporting vulnerable groups to address challenges during the transition from pandemic to endemic.

Our key senior management team is driving our sustainability commitments by adopting sustainability targets in all our business segments. We engage our employees through CSR activities and awareness training on subjects related to the Task Force on Climate-Related Financial Disclosures (“TCFD”) and zero waste.

Additional highlights of the Group’s sustainability efforts in FY2022 include:

- PPB has been listed in the FTSE4Good Index Series since 2018 and has improved overall score rating in environment, social and governance areas.
- Invested more than RM3.0 million into CSR initiatives benefiting more than 16,000 community members.
- Zero fatalities were recorded across the Group.
- 88% of non-hazardous waste was diverted from landfills.
- 46% increase in employee training hours.
- Additional commitments made for FY2023 to expedite the adoption of renewable energy.

As we look ahead to the future, the Group will continue capitalising on the fundamentals built in 2022 in the areas of people, technology and sustainability, as well as investing in building non-financial capitals that drive long-term value for all stakeholders.

Lim Soon Huat
Managing Director
Chairman of the Sustainability Steering Committee

23 March 2023

ABOUT PPB

(GRI 2-6)

PPB Group Berhad (“PPB”) is an investment holding and property investment company listed on the Main Market of Bursa Malaysia Securities Berhad, the Malaysian stock exchange. Incorporated in Malaysia in 1968, the PPB Group today is a conglomerate with total assets and market capitalisation of RM28.93 billion and RM24.81 billion respectively as at 31 December 2022.

CORPORATE VISION, MISSION AND VALUES

VISION STATEMENT

To be a market leader in our core businesses reputed for our sustainable quality products and services.

MISSION STATEMENT

To strengthen our leadership position in our core businesses in Malaysia, expand regionally for further growth, invest in related activities for greater synergy and increase shareholder value, in a socially and environmentally responsible manner through management excellence.

CORPORATE OBJECTIVES

- **Create Value for Shareholders**
Optimise sustainable returns on investment for shareholders.
- **Strengthen Market Position**
Enhance and strengthen leadership position in our core operations and related businesses to capitalise on scale and integration for optimum cost-efficiency.
- **Capitalise on Synergies**
To seek synergy and leverage on the Group’s operations to optimise growth and strength.
- **Improve Efficiency and Productivity**
Leverage on technology and embrace innovation to further drive operational efficiency to ensure best-of-class operating standards.
- **Secure Future Growth**
Expand our core operations and create new business opportunities through prudent and forward-looking investment strategies in new and emerging trends as well as market segments both locally and regionally.
- **Uphold Corporate Social Responsibility**
Embrace responsible corporate citizenship focused on generating economic returns with positive contributions to the community.

- **Care for the Environment**
Practise sensible and proper environment-friendly standards in our business operations in accordance to legal and regulatory requirements.
- **Uphold Good Corporate Governance**
Observe optimum standards of transparency, accountability and integrity in our business practices and corporate performance.
- **Build Organisational Agility**
Enhance agility in business and operational practices to meet ever-changing business demands.
- **Develop Human Capital**
Build leadership and people capabilities that drive organisation success.
- **Drive Customer Centricity**
Be customer-focused in our product and service offerings to build customer loyalty.

ABOUT PPB

(GRI 2-6)

OUR BUSINESSES AT A GLANCE



GRAINS & AGRIBUSINESS

FLOUR MILLING

FFM Group operates five flour mills in Malaysia with a total milling capacity of 2,820 mt/day. Overseas, FFM Group operates two flour mills in Vietnam, and one in Indonesia. In Thailand, the Group operates a 670 mt/day flour mill through its 43.4% associate, Kerry Flour Mills Limited. FFM Group also has 20% interest in eight associates in China engaged in flour milling.

ANIMAL FEED MILLING

FFM Group is one of the key feed millers in Malaysia and operates five feed mills in Peninsular and East Malaysia with a total production capacity of 66,000 mt/month.

LIVESTOCK FARMING

FFM Farms Sdn Bhd operates 2 broiler breeder farms with a combined estimated production capacity of 3.05 million broiler chicks per month, and a layer farm with an estimated monthly production capacity of 20.5 million eggs to complement the Group’s animal feed milling operations.

GRAINS AND AGRIBUSINESS



CONSUMER PRODUCTS

CONSUMER PRODUCTS DISTRIBUTION

FFM Marketing Sdn Bhd (FMSB) has established a strong distribution network and currently distributes a wide range of fast-moving consumer goods under its own brands as well as other international and local brands. FMSB has 13 warehouses with a total warehousing capacity of 450,000 sq ft.

BAKERY

The Italian Baker Sdn Bhd operates a state-of-the-art baking plant in Pulau Indah with five fully automated production lines using the latest American and European technology. The production lines comprise 10,000 loaves-per-hour and 6,000 loaves-per-hour bread lines; a 24,000 rolls-per-hour line; a 15,000 cake-per-hour line; and a 6,000 buns-per-hour line.

FOOD PROCESSING

FFM Further Processing Sdn Bhd (FFP) operates two production lines at its HACCP-certified plant located in Pulau Indah, Klang. FFP specialises in producing a wide range of frozen food under the “Marina” brand. The “Marina” brand offers a premium selection of ready-to-eat sausages, chicken nuggets and burgers.

CONSUMER PRODUCTS

ABOUT PPB

(GRI 2-6)



FILM EXHIBITION & DISTRIBUTION

FILM EXHIBITION

Golden Screen Cinemas Sdn Bhd is the leading cinema exhibitor in Malaysia and operates the largest cinema chain in the country with 491 screens at 52 locations in major cities nationwide. In Vietnam, the Group operates at 19 locations with a total of 111 screens.

FILM DISTRIBUTION

GSC Movies Sdn Bhd acquires and distributes films to cinemas and sub-licences movie content to television (pay TV & free TV), over-the-top (OTT) platform and hotel operators. It is the largest local distributor of Chinese, independent English and foreign language films, and distributes films to cinemas throughout Malaysia, Brunei, Vietnam and Cambodia. GSC Movies distributed a total of 74 films in 2022.



PROPERTY

PPB Properties, which encompasses the property-based activities of PPB Group Berhad, is committed to giving homeowners, business operators, and investors a range of value-crafted residential, retail, and commercial spaces designed to meet the community's needs.

INVESTMENT PROPERTIES

PPB owns and manages five retail/commercial properties namely:

- Cheras LeisureMall in Taman Segar, Kuala Lumpur
- Cheras Plaza in Taman Segar, Kuala Lumpur
- Megah Rise Mall in Taman Megah, Petaling Jaya
- New World Park in Lorong Swatow, Georgetown, Penang
- The Whiteaways Arcade, Beach Street, Penang

PROPERTY DEVELOPMENT

The Group's most recent property development project is Megah Rise, a mixed development in Taman Megah, Petaling Jaya which consists of 228 condominium units and a retail podium.

PROJECT MANAGEMENT

The Group also provides project management services for property development projects under various PPB Group companies and affiliates. The major projects include:

- Southern Marina Residences in Iskandar Puteri, Johor
- The LINC, Jalan Tun Razak, Kuala Lumpur



ABOUT PPB

(GRI 2-6)

BUSINESS SEGMENTS COVERED UNDER THE SCOPE OF THE SUSTAINABILITY REPORT

- Legend:
- Grains and Agribusiness
 - Consumer Products
 - Film Exhibition and Distribution
 - Property

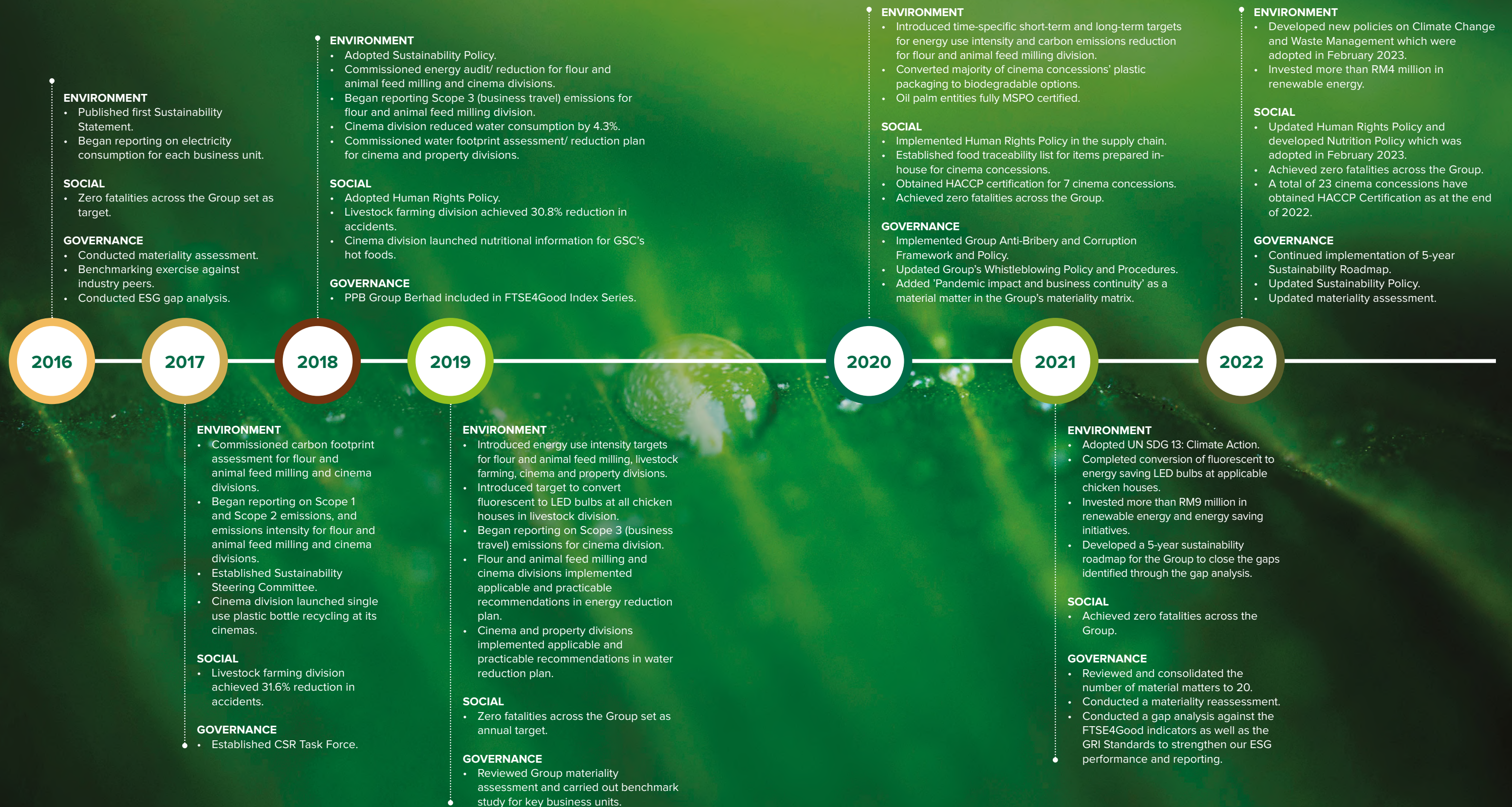


Business Segment	Business Division	Location
Grains and Agribusiness	FFM Berhad (HQ)	Sungai Buloh, Selangor
	Flour and Feed Milling FFM Berhad (Pulau Indah) Johor Bahru Flour Mill Sdn Bhd FFM Grains & Mills Sdn Bhd	Pulau Indah, Selangor Prai, Penang Pasir Gudang, Johor
	Flour Milling Johor Bahru Flour Mill Sdn Bhd FFM Grains & Mills Sdn Bhd	Kota Kinabalu, Sabah Kuching, Sarawak
	Animal Feed Milling FFM (Sabah) Sdn Bhd FFM Feedmills (Sarawak) Sdn Bhd	Kota Kinabalu, Sabah Kuching, Sarawak
	Livestock Farming FFM Farms Sdn Bhd	Gurun, Kedah Trong, Perak Sua Betong, Negeri Sembilan
Consumer Products	Consumer Products Distribution FFM Marketing Sdn Bhd 12 branches across Malaysia	Sungai Buloh, Selangor
	Bakery The Italian Baker Sdn Bhd 8 branches across Malaysia	Pulau Indah, Selangor
	Food Processing FFM Further Processing Sdn Bhd	Pulau Indah, Selangor
Film Exhibition and Distribution	Cinema Operations PPB Leisure Holdings Sdn Bhd Golden Screen Cinemas Sdn Bhd (HQ) GSC Movies Sdn Bhd Cinead Sdn Bhd	Petaling Jaya, Selangor
Property	Property PPB Property Development Sdn Bhd PPB Hartabina Sdn Bhd South Island Mining Company Sdn Bhd (Plantation) Seletar Sdn Bhd (Plantation) Cathay Screen Cinemas Sdn Bhd Cathay Theatres Sdn Bhd	Kuala Lumpur, Wilayah Persekutuan Bedong, Kedah Petaling Jaya, Selangor

ABOUT PPB

(GRI 2-6)

OUR SUSTAINABILITY JOURNEY



ABOUT PPB


(GRI 2-6)

ABOUT PPB


(GRI 2-6)

FY2022 AT A GLANCE


Key Highlights




FTSE4Good
Listed on **FTSE4Good Index Series since 2018** and has **improved overall score rating** in all three areas (i.e. environment, social and governance)



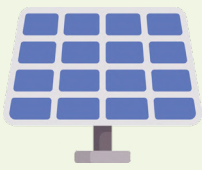
> RM4 million
invested in **renewable energy**




Zero
fatalities recorded across the Group




100%
of PPB Group's operations **assessed for Anti-Bribery and Corruption risks**



Completed the installation of **solar panels** at two operation sites



Invested **> RM3 million** into the community



- GSC received the **Platinum award in the Entertainment Category, Putra Brand Awards 2022**.
- FFM Grains & Mills (Pasir Gudang) was presented with the **SIFIRI (See It, Fix It & Report It) award** by ARYZTA AG.
- Megah Rise Residensi awarded the **GreenRE Gold Certification**.

PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)



PPB is a diversified conglomerate, and we aspire to achieve sustainable excellence in all our business activities by integrating sustainable practices into everyday business and aligning them with the company's vision and core values.

OUR SUSTAINABILITY POLICY

In FY2022, we updated our Sustainability Policy to better articulate how we embed ESG practices in our operational activities. The policy, which is founded on three core aspects - Environment, Human Rights and Labour Practices, and Ethics and Marketplace - guide our efforts in addressing ESG issues that are important to the Group. The policy has been approved by the Board of Directors in February 2023 and is available on our corporate website at www.ppbgroup.com. To further elaborate on our sustainability commitments, the revised policy on Human Rights and new policies on Climate Change, Waste Management and Nutrition were adopted at the same time and these policies can also be viewed on our website.

Environmental

The Group recognises the importance of environmental protection, climate action and biodiversity conservation for the sustainability of our business and strives to:

- Comply with all applicable environmental and biodiversity-related regulations;
- Consider ESG practices in decision-making processes and activities;
- Improve operational efficiency to minimise environmental and climate impact;

- Conduct assessment for biodiversity or environmental impacts arising from our operations when required, as well as mitigate disturbance to the habitat and wildlife; and
- Educate and promote environmental and biodiversity awareness among stakeholders.

Human Rights & Labour Practices

The policy outlines our commitment to good workplace practices based on the following principles:

- Non-Discrimination
- Fair Employment Conditions
- Health and Safety
- Workplace Security
- Privacy/ Data Protection
- No Child or Forced Labour or Human Trafficking
- Community Rights

Ethics & Marketplace

We conduct our business with integrity, transparency and accountability to safeguard the Group's assets and enhance long-term shareholder value through:





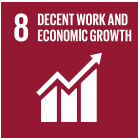

- Code of Conduct and Ethics
- Product Quality, Food Safety and Halal Compliance
- Clear and Transparent Labelling
- Supplier Engagement
- Privacy and Data Protection

PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)




UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs")

The UN SDGs are a set of 17 goals established by the UN General Assembly to promote a global agenda on sustainable development. As a conglomerate, we recognise our role in achieving these goals and have strategically aligned our ESG contributions with nine (9) goals where we can make the greatest impact by leveraging our core business operations and collaboration opportunities.

SDGs	Target Alignment	Our Contributions in FY2022
	1.4 Equal rights for all to ownership, basic services, technology and economic resources	<ul style="list-style-type: none"> 54 single parents and underserved communities were trained on baking, sewing and organic farming. Additional average monthly income generated per participant was about RM476. Contributed 5 laptops and 5 desktop computers to a welfare home to aid 26 students in their online classes and assignments. Assisted 27 families and 4 welfare homes in the payment of their outstanding utility bills.
	2.1 Ensure access by all people, in particular the poor and people in vulnerable situations to safe, nutritious and sufficient food all year long	<ul style="list-style-type: none"> RM604,000 worth of food aid distributed to 5,108 recipients within 12 welfare homes, RM1,415 worth of food aid to 1 welfare home for the elderly, distributed groceries and festive aid to 1,000 B40 families in conjunction with Deepavali. RM645,000 worth of aid to about 8,400 families and 320 affected staff during the floods. Contributed 600 packs of milk powder to 25 orang asli children in Sg. Gabai, Ulu Langat for a period of 6 months.
	3.8 Achieve health coverage, including financial risk protection and access to quality healthcare services for all	<ul style="list-style-type: none"> RM6,000 worth of medical care for underserved communities.
	6.1 Achieve universal and equitable access to safe and affordable drinking water for all 6.2 Achieve access to adequate and equitable sanitation and hygiene for all	<ul style="list-style-type: none"> 16 sets of sanitation facilities for 7 rural villages in Pahang.
	8.3 Encourage the growth of micro-, small-, and medium-sized enterprises 8.5 Achieve full and productive employment and decent work for all	<ul style="list-style-type: none"> Provided rent-free kiosk space at Cheras LeisureMall for 7 charitable organisations to sell their wares and raise awareness of their causes. Supported 49 musicians by engaging them to perform at GSC's Jin Gastrobar every Friday and Saturday from August to December 2022. 100% employees received annual performance review and RM586,858 was allocated for employee engagement activities.
	10.2 Empower and promote the social, economic and political inclusion of all	<ul style="list-style-type: none"> Donated RM30,000 to the National Autism Society of Malaysia, the Early Autism Project Malaysia and the Autism Café Project in support of autism awareness. Launched sensory-friendly movie screenings with reduced volume and dimmed lighting, with halls specially designed for children with autism.

PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)

SDGs	Target Alignment	Our Contributions in FY2022
	12.2 Achieve the sustainable management and efficient use of natural resources 12.5 Significantly reduce waste generation	<ul style="list-style-type: none"> 88% of non-hazardous waste diverted from landfill. Organised 5 virtual awareness talks on Zero Waste Living for employees of the Group.
	13.2 Integrate climate change measures into policies and planning 13.3 Improve human and institutional capacity on climate change	<ul style="list-style-type: none"> Developed new Climate Change Policy with commitment towards Net Zero which was approved by the Board in February 2023. 18 management staff from the Group trained on the Task Force on Climate-Related Financial Disclosures ("TCFD") framework. 35 staff volunteered in the stream restoration activity organised by PPB at Taman Tugu.
	16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels	<ul style="list-style-type: none"> ZERO cases recorded on bribery and corruption. 100% of the Group's operations were assessed against anti-bribery and corruption risks. Developed "Due Diligence Guideline for Procurement" to assess bribery and corruption risks of our supply chain.

PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)

SUSTAINABILITY TARGETS

The Group establishes annual targets for our business segments to monitor the Group's ESG performance throughout the reporting period. This enables us to prioritise our goals and reset and realign them to meet the expectations of our stakeholders.

Segment	Business Division	2022		2023
		Target	Performance	Additional Target
HUMAN CAPITAL				
Health & Safety				
All	All	Zero fatalities ¹ across the Group (annual target).	Achieved	-
Grains & Agribusiness, Consumer Products	All			To reduce Lost Time Accident Rate (LTAR) to 0.26 by 2025 , using 2022 as baseline year (0.44).
NATURAL CAPITAL				
Energy Use				
Grains & Agribusiness	Flour & animal feed milling	<u>Flour mills</u> Reduce energy use intensity ² (kWh/ MT) for wheat milled by 5% by 2025 from a baseline of 80.63 kWh/MT (FY2020).	In progress	-
		<u>Feed mills</u> Reduce energy use intensity ³ (kWh/ MT) for feed production by 5% by 2025 from a baseline of 27.14 kWh/ MT (FY2020).	In progress	-
		FFM Pulau Indah (FFM PI) mill to complete its solar energy project (1,283 kWp capacity) in 2022.	Achieved	-
Grains & Agribusiness	Livestock farming	<u>Breeder farms</u> Energy use intensity to achieve at least 5.90 kWh/ 100 parent stock.	Not achieved (6.06 kWh/ 100 parent stock)	Energy use intensity to achieve at least 5.90 kWh/ 100 parent stock.
		<u>Layer farm</u> Energy use intensity to achieve at least 1.12 kWh/ 100 commercial layers.	Achieved (0.97 kWh/ 100 commercial layers)	Energy use intensity to achieve at least 0.97 kWh/ 100 commercial layers.
Consumer Products	Bakery	The Italian Baker Sdn Bhd, Pulau Indah (TIB) to complete its solar energy project (1,302.48 kWp capacity) in 2022.	Achieved	
	Food Processing			FFM Further Processing Sdn Bhd (FFP), Pulau Indah to complete its solar energy project ⁴ (1,122 kWp capacity) in 2023.
Film Exhibition & Distribution	Cinema	Energy use intensity to not exceed 55 kWh/ show.	Achieved (52 kWh/ show)	Energy use intensity to not exceed 52 kWh/ show.

¹ Covers all fatalities (employees and non-employees) which occur in any of the Group's premises.

² Annual energy use intensity for flour will depend on the type of wheat used and products' specification by customers.

³ Annual energy use intensity for feed production will depend on the type of feed milled (i.e. pelletised or non-pelletised).

⁴ The site is shared with Kart Food Industries Sdn Bhd.

PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)

Segment	Business Division	2022		2023
		Target	Performance	Additional Target
Property	Property ⁵	Energy use intensity to not exceed 6.8 kWh psf for all buildings under management and office spaces.	Not achieved (7.55 kWh psf) ⁶	Energy-use intensity to not exceed 6.8 kWh psf ⁷ for all buildings under management and office spaces.
Water Use				
Grains & Agribusiness	Livestock farming	<u>Breeder farms</u> Water use intensity to achieve at least 0.15 m ³ / 100 parent stock.	Achieved (0.15 m ³ / 100 parent stock)	Water use intensity to achieve at least 0.15 m ³ / 100 parent stock.
		<u>Layer farm</u> Water use intensity to achieve at least 0.03 m ³ / 100 commercial layers.	Achieved (0.02 m ³ / commercial layers)	Water use intensity to achieve at least 0.02 m ³ / 100 commercial layers.
Property	Property	Water use intensity to not exceed 0.32 m ³ psf for all buildings under management and office spaces.	Achieved (0.14 m ³ psf) ⁶	Water-use intensity to not exceed 0.14 m ³ psf ⁷ for all buildings under management and office spaces.
Carbon Emission				
All	All	To collect data for GHG Scope 1 emissions for disclosure in SR 2022.	Achieved	
		To commence tracking data for GHG Scope 3 emissions (business travel) for disclosure in SR 2023.	In progress	
Grains & Agribusiness	Flour & animal feed milling	<u>Short term (5 years)</u> Reduce GHG emissions ⁸ by 3% by 2025 from baseline of 40,858 t.CO ₂ e (FY2020).	In progress	
		<u>Long term (10 years)</u> Reduce GHG emissions by 5% by 2031 .		
Waste Management				
Grains & Agribusiness, Consumer Products	All ⁹	To set up waste management system and disclose recycled and non-recycled waste data in SR 2022.	Achieved	
Film Exhibition & Distribution	Cinema	To collect waste data (used cooking oil) for disclosure in SR 2022.	Achieved (29,478 kg)	To expand on type of waste data collection for disclosure.
MANUFACTURED CAPITAL				
Quality & Safety				
Grains & Agribusiness	Flour milling	To obtain 100% FSSC 22000 certification for all of our flour mills. JBFM KK is the last of our mills to be certified.	In progress (Expected completion in 2023)	
INTELLECTUAL CAPITAL				
Nutrition, Health and Wellness				
Film Exhibition & Distribution	Cinema			To introduce new snacks and food that are healthier

(Note: Targets reporting on the Environmental Engineering & Utilities segment has been discontinued following the divestment of CWM in 2022.)

⁵ Excludes Cathay Screen Cinemas Sdn Bhd and Cathay Theatres Sdn Bhd.

⁶ Includes 3 months actual usage of newly launched Megah Rise Mall.

⁷ Excludes Megah Rise Mall. Updated target including Megah Rise Mall will be further determined.

⁸ Annual GHG emissions for feed production will depend on type of feed milled (i.e. pelletised or non-pelletised).

⁹ Remaining business divisions to disclose waste data.

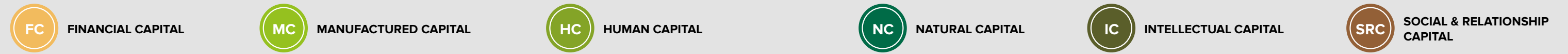
PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)

PPB'S SUSTAINABILITY APPROACH

(GRI 2-22, GRI 2-23, GRI 2-24)

VALUE CREATION MODEL



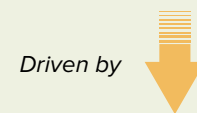
OUR INPUT

- FC**
 - Total assets: **RM28.9 billion**
 - Market capitalisation: **RM24.8 billion**
- MC**
 - Grains & Agribusiness: **5** local flour & animal feed mills
 - Consumer Products: **2** factories with 6 production lines
 - Film Exhibition & Distribution: **491** screens at **52** sites
 - Property: Development projects and property/property management services located in northern, central and southern Peninsular
- HC**
 - A diverse workforce of over **6,000** employees across the Group
 - Average **15** hours of training per employee
 - Invested more than **RM586,000** in staff engagement activities
 - Updated the Human Rights Policy
- NC**
 - 145,182,275 kWh** of energy consumed
 - 857,462 m³** of water used
 - More than **RM4 million** invested in solar energy projects
 - Two new policies on Climate Change and Waste Management which were approved by the Board in February 2023
- IC**
 - New policy on Nutrition which was approved by the Board in February 2023
 - R&D on healthier and more nutritious consumer products
 - Robust cybersecurity measures to protect sensitive corporate data
- SRC**
 - More than **RM3 million** contributed to the community

OUR BUSINESS

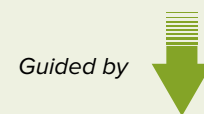
OUR VISION

To be a market leader in our core businesses reputed for our sustainable quality products and services.



OUR MISSION

To strengthen our leadership position in our core businesses in Malaysia, expand regionally for further growth, invest in related activities for greater synergy and increase shareholder value, in a socially and environmentally responsible manner through management excellence.

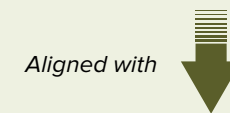


OUR COMMITMENTS

- Sustainability Policy
- Human Rights Policy
- Climate Change Policy
- Waste Management Policy
- Nutrition Policy

OUR 5-YEAR ROADMAP

Our ESG Roadmap outlines the goals and targets for the Group to improve our corporate procedures and ESG performance, based on FTSE4Good.



OUR SUSTAINABILITY PILLARS

-  Environmental Impact
-  Working Environment
-  Marketplace Engagement
-  Community Investment

* Including discontinued operations

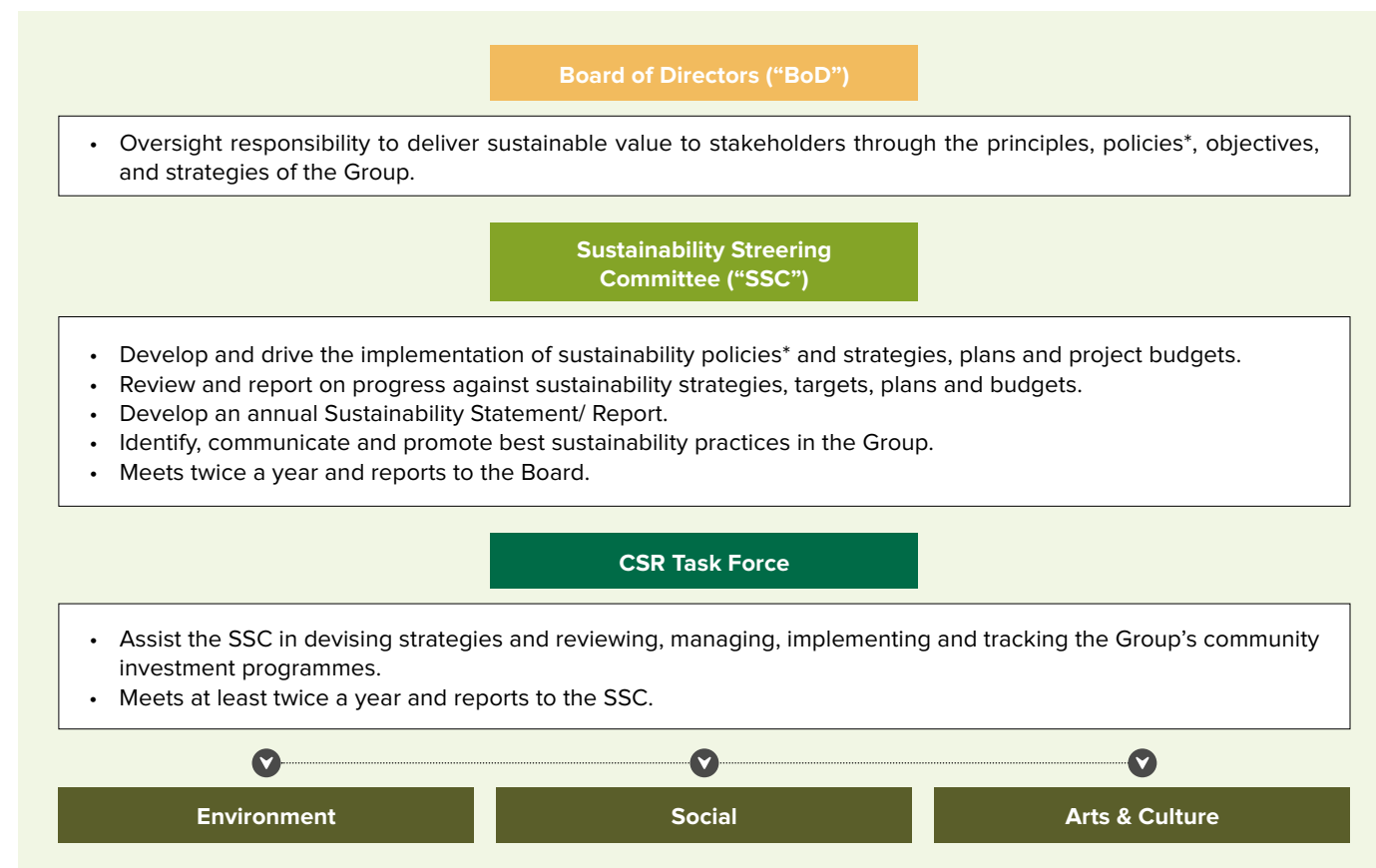
OUR OUTPUT

- Revenue: **RM6.26 billion***
- Profit before tax: **RM2.25 billion**
- 5** new consumer products launched
- Total milling capacity of **2,820 mt/day** and **66,000 mt/day** for flour and feed mills respectively
- Estimated **3.05 million** broiler chicks and **20.5 million** eggs monthly
- 825,979** shows screened at cinema circuit
- Various certifications achieved including HACCP, ISO, FSSC and Halal standards
- Launched Megah Rise Mall
- Integration of competency framework as part of performance management to strengthen people's capabilities
- 100%** employees received annual performance review
- Transparency of job opportunities across the Group to broaden career aspiration and enhance retention of talent pool
- 46%** increase in staff training hours
- Safe and conducive working environment
- Zero** fatalities recorded across the Group
- Completed solar project at two operation sites
- 88%** of non-hazardous waste diverted from landfill
- Water use intensity targets achieved for Property and Livestock Farming
- 24%** reduction in plastic used in packaging from 2020
- GSC received the Platinum award (Entertainment Category) at the Putra Brand Awards 2022, FFM Grains & Mills (Pasir Gudang) was presented with the SIFIRI (See It, Fix It, Report It) award by ARYZTA AG, Megah Rise Residensi awarded the GreenRE Gold certification
- Product innovation for consumers with special dietary restrictions
- Launched GSC Rewards for members and cinemagoers
- Engaged with more than **16,000** community members through CSR activities
- Raising autism awareness in partnership with the National Autism Society
- Rent-free kiosks at Cheras LeisureMall in partnership with seven charitable organisations
- Upskilling single mothers and vulnerable communities through job trainings
- Food aid programme for targeted communities and homes
- Suppliers engaged in Human Rights Policy

SUSTAINABILITY GOVERNANCE STRUCTURE

(GRI 2-9, GRI 2-11, GRI 2-14, GRI 2-27, GRI 205-1, GRI 205-2)

A robust governance structure provides the Group with accountability and transparency across its business operations, including sustainability practices.



Our three-tier sustainability governance structure is led by our Board of Directors (“BoD”) who are responsible for incorporating ESG into the Group’s strategy formulation as outlined within the Board Charter (“the Charter”). The Board oversees all sustainability issues and ensures that ESG principles guide PPB’s long-term business direction.

A Sustainability Steering Committee (“SSC”) assists the BoD in developing initiatives, policies and action plans. Headed by the Managing Director of PPB and consisting of the Group Head of Sustainability, PPB’s Department Heads as well as CEOs and Sustainability Officers across all business segments, the SSC meets and reports their progress to the Board bi-annually.

The SSC is in turn supported by the Corporate Social Responsibility (“CSR”) Task Force which comprises representatives from PPB’s headquarters and the main business segments. The Task Force assists the SSC in the implementation of sustainability initiatives at an operational level and supports the Group’s community investment strategy, which is built on three pillars – Environment, Social, and Arts and Culture - thereby supporting youth education and development, living skills and standards enhancement, environmental awareness, and health activities among others.

* Sustainability policies include Human Rights Policy, Sustainability Policy, Climate Change Policy, Waste Management Policy and Nutrition Policy.

SUSTAINABILITY GOVERNANCE STRUCTURE

(GRI 2-9, GRI 2-11, GRI 2-14, GRI 2-27, GRI 205-1, GRI 205-2)

CORPORATE GOVERNANCE AND ETHICAL BUSINESS PRACTICES

PPB’s corporate governance provides a structure for decision-making and accountability to uphold ethical practices and promotes sustainability across all businesses. Strong corporate governance supported by various group-wide measures, procedures and policies also play a role in effective risks management, which is crucial in the face of growing concerns around climate change and social inequality.

Leading with Integrity

Our BoD is guided by the Board Charter and the principles of the Malaysian Code of Corporate Governance (“MCCG”). The Charter outlines the roles and responsibilities of the BoD. The Group practises non-discrimination and inclusivity when considering candidates for director or management positions, and selection is made based on performance, experience and merits. In FY2022, we also adopted a Directors’ Fit and Proper Policy which sets out the selection criteria and approach for the appointment and re-election of directors.

To incorporate a culture of ethics and integrity within our workforce, our directors and employees are guided by the various policies, which include the Code of Conduct and Ethics (“the Code”). New employees are briefed on the Code and provided with relevant policies and supporting documents during the onboarding process.

1. Group Anti-Bribery and Corruption Policy and Procedures (“ABAC P&Ps”)

In line with the Malaysian Anti-Corruption Commission Act 2009 (“MACC”), the Group has developed comprehensive ABAC P&Ps that assert the Group’s zero-tolerance approach to all forms of bribery and corruption and lists the ABAC principles for managing bribery and corruption risks.

The key ABAC policies and procedures include:

- Conflict of Interest;
- No Gift Policy;
- Hospitality and Entertainment;
- Dealing with Public Officials;
- Dealing with Business Associates;
- No Facilitation Payment;
- Charitable Donations and Sponsorships; and
- Third Party Due Diligence.

Further to the above, the Group has a strict No Political Donation Policy and does not make political contributions to any political party, officials or candidates.

¹⁰ Certain employees were exempted from the ABAC refresher training, e.g. those who have resigned (serving notice) or retired in year 2022.

Periodic ABAC risk assessments are conducted to identify, assess and manage bribery and corruption risks to which the Group may be exposed to. In 2022, 100% of the Group’s operations underwent a bribery and corruption risk assessment of which the adequate procedures have been put in place to manage the Group’s risk. To further strengthen our internal controls, and to manage third party risk more effectively, we have developed a Due Diligence Guideline for Procurement to assess the bribery and corruption risks of our potential and existing Business Associates, in particular for medium and high risk third parties.

The ABAC P&Ps are applicable to all Group Personnel (directors and employees) and to our Business Associates, including joint venture entities, vendors, suppliers and any third parties working for or on behalf of the Group. Any non-compliance with the ABAC P&Ps may subject the employees to disciplinary action, including but not limited to the termination of employment. For Business Associates, any non-compliance may subject them to termination of contract.

As part of our effort to support transparency and good governance, the ABAC P&Ps are published on the Group’s corporate website. Additionally, to ensure continuous awareness, the ABAC training is held on a regular basis, during the onboarding of new employees, or during the annual refresher training. The same is applicable for our directors. The training materials are provided in both English and Bahasa Malaysia and the training is conducted either via classroom training or e-learning. In 2022, we achieved 100% completion of ABAC training for all employee categories¹⁰ (Management, Executive and Non-executive) in the Group. Furthermore, we have also printed, distributed, and displayed ABAC posters at PPB’s headquarters and all our subsidiaries.

Any real or suspected bribery and corruption incidents can be reported via the Group’s Whistleblowing channel. During this financial period, we recorded zero cases of bribery, including zero requests for facilitation payments.

The Risk Management and Integrity Department (“RMID”) shall oversee the design, implementation, management, and continuous improvement of the Group’s ABAC P&Ps. Internal control systems and procedures designed to prevent bribery and corrupt gratification are subject to regular audits by either PPB’s Internal Audit Department, or an appointed external third party, to ensure that they are effective in practice.

SUSTAINABILITY GOVERNANCE STRUCTURE

(GRI 2-9, GRI 2-11, GRI 2-14, GRI 2-27, GRI 205-1, GRI 205-2)

2. Whistleblowing Policy and Procedures

This policy provides a channel for individuals, including personnel in the Group, business associates and members of the public to report any incidents of negligence or malpractice. It is designed to offer protection to whistleblowers who disclose such concerns provided the disclosure is made in good faith and with the reasonable belief of the whistleblowers making the disclosure that it shows malpractice or impropriety. The identity of the whistleblower making the allegation may be kept confidential so long as it does not hinder or frustrate any investigation. Depending on the type/ nature of the reported case/ complaint, the Audit and Risk Committee holds the highest authority to form an investigating panel which may consist of the relevant business division/ personnel best placed to address the reported issue.

3. Code of Conduct and Ethics (“the Code”)

Established in 2018, the Code acts as a guideline for standards of behaviour and our core values while working for or dealing with the Group. The Code is compiled as part of the Employee Handbook which is provided to each employee.

Regulatory Compliance

The Group monitors and takes necessary action to comply with the applicable laws and regulations. This is critical to building confidence among our stakeholders and maintaining our reputation with them.

Our key applicable laws and regulations include, but are not limited to:

• Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001	• Malaysian Code on Corporate Governance (“MCCG”) 2021
• Price Control & Anti-Profitteering Act 2011	• Securities Commission Malaysia Act 1993
• Bursa Securities Main Market Listing Requirements	• Electronic Commerce Act 2006
• Malaysian Anti-Corruption Commission Act 2009	• Prevention and Control of Infectious Diseases Act 1988
• Capital Markets & Services Act 2007	• Evidence Act 1950
• Food Act 1983	• Statutory Declaration Act 1960
• Companies Act 2016	• Income Tax Act 1967
• Personal Data Protection Act 2010	• Occupational Safety & Health Act 1994
• Contracts Act 1950	• Limitation Act 1953
• Powers of Attorney Act 1949	• Specific Relief Act 1950
• Copyright Act 1987	• Entertainment Duty Act 1953
• Sales and Service Tax Act 2018	• Trademarks Act 2019
• Poisons Act 1952	• Feed Act 2009
• Competition Act 2010	• Employees’ Social Security Act 1969
• Employees’ Provident Fund Act 1991	• Employment Act 1955
• Industrial Relations Act 1967	• Whistleblower Protection Act 2010

In 2022, there were no major regulatory non-compliances at the business segments, except for one reported case¹¹ under our cinema division; and an allegation¹² by the Malaysia Competition Commission that FFM Berhad had engaged in agreements and/ or concerted practices to fix the quantum of poultry feed prices in breach of the Competition Act 2010.

¹¹ News link

¹² Announcement to Bursa

SUSTAINABILITY GOVERNANCE STRUCTURE

(GRI 2-9, GRI 2-11, GRI 2-14, GRI 2-27, GRI 205-1, GRI 205-2)

RISK MANAGEMENT AND BUSINESS CONTINUITY

The Group’s operational risks are managed and monitored by the Enterprise Risk Management (“ERM”) system in place. The scope of the Group’s risk assessment encompasses strategic, governance, legal and compliance, operations, cyber, financial, asset security, health, safety and environment. The Board has ultimate responsibility for overseeing the risk management process, which is monitored by the Audit and Risk Committee (“A&RC”). The A&RC is further assisted by the Risk Management and Integrity Department (“RMID”). A control self-assessment system is also in place for management to monitor critical risk areas using internal control checklists.

The risks are measured using risk parameters approved by the Board. Any risks identified are documented in a risk register that includes the nature of the risk, its description, the causes and consequences, the existing controls and management action plans to mitigate the said risk. The risks are identified through risk assessment workshops, emails or meetings. A key risk indicator (“KRI”) dashboard is used to monitor the risk performance and provide an early signal of increased risk exposure.

ESG related risks would include:

- Compliance with regulatory requirements;
- Supply Chain Disruption (e.g. natural disasters, adverse weather);
- Health & Safety hazards;
- Product Safety and Quality (e.g. compliance with food safety regulations); and
- Fluctuation of Commodity Prices (e.g. due to global shortage of grains as a result of adverse weather at planting area & political changes).

Additionally, the Group has been implementing the Business Continuity Management (“BCM”) programme in phases for each business segment. The BCM was established to enable us to respond to interruptions arising from both internal and external factors and continue operating our critical business operations. Elements of the BCM include:

- Emergency Response Plan;
- Disaster Recovery Plan;
- Crisis Communication Plan;
- Crisis Management Plan; and
- Business Continuity Plan.

In FY2022, we successfully rolled out the BCM programme in the Property segment in the central and northern regions.

STAKEHOLDER ENGAGEMENT

(GRI 2-29)

As a conglomerate with diverse business segments, our ability to create and sustain long-term value is dependent on our stakeholder relationships. The Group is able to make key business decisions and meet stakeholder expectations through multiple engagement channels.

For this reporting period, the Group re-evaluated its key stakeholder groups where the total number of stakeholder groups deemed most relevant came up to nine (9).

- A As and when required
- B Ad-hoc
- C Throughout the year
- D Monthly
- E Quarterly
- F Bi-annual
- G Annual
- H Once every 2 years
- I Ongoing monitoring

EMPLOYEES

Areas of Interest

- Pandemic SOPs and advisory
- Career development opportunities
- Diversity and inclusivity
- Work-life balance and employee wellbeing
- Training and development
- Remuneration, fair compensation
- Recognition
- Occupational safety and health

Channel of Engagement

- Performance appraisal ●
- Employee engagement survey ●
- Employee review and reward ●
- Virtual poster ●
- Training courses ●
- Festive celebrations ●
- Family Day ●

CUSTOMERS

Areas of Interest

- Company's reputation and brand image
- Customer relationship management
- Timely service and response
- Product safety and quality
- Innovative offerings and variety
- Halal-certification
- Nutrition, health and wellness
- Responsible labelling and marketing
- Transparency and integrity
- Affordability

Channel of Engagement

- Tenancy terms and agreement ●
- Landlord/ tenant communication and meeting ●
- Customer feedback, queries and satisfaction survey ●●
- Brand website ●
- Consumer relationship marketing ●
- Corporate/ brand campaigns, advertisements and promotions, social media ●
- Product packaging ●

SHAREHOLDERS

Areas of Interest

- Risk management
- Whistleblowing Policy
- Audit Committee report
- Group financial results
- Sustainability matters
- Business strategy
- Statutory & regulatory compliance
- Anti-Bribery and Corruption Policy

Channel of Engagement

- Annual Report ●
- Online communication (website) ●
- Other communication channels ●
- Financial reports ●●
- Board meetings ●●
- Analyst briefings ●
- Investor Updates ●
- Annual General Meeting ●

STAKEHOLDER ENGAGEMENT

(GRI 2-29)

VENDORS/ SUPPLIERS

Areas of Interest

- Integrity pact
- Sales opportunities
- Timely payment
- Company's reputation and financial standing
- ESG initiatives, Human Rights Policy, Anti-Bribery and Corruption Policy, Code of Conduct and Ethics
- Value for Money

Channel of Engagement

- Email ●
- Forum ●
- Physical, virtual and on-phone engagements ●
- Performance review ●

CERTIFICATION BODIES

Areas of Interest

- Strong corporate governance
- Statutory & regulatory compliance
- Ethics and integrity
- Accreditation status

Channel of Engagement

- Compliance audit ●
- Meetings ●
- Physical, virtual and on-phone engagements ●

FINANCIAL INSTITUTIONS

Areas of Interest

- Financial performance and reputation
- ESG commitment
- Business strategy
- Compliance
- Risk management
- Prompt loan repayment

Channel of Engagement

- Physical, virtual and on-phone engagements ●●
- Annual Report and Sustainability Report ●
- Analyst briefings ●
- Investor Updates ●
- Annual General Meeting ●
- ESG questionnaire ●

GOVERNMENT/ REGULATORY BODIES

Areas of Interest

- Legal and regulatory compliance and disclosures (national and local)
- Submissions to the Registry of Companies
- Security and safety
- Business ethics and integrity
- Food safety and quality

Channel of Engagement

- Corporate social responsibility initiatives ●
- Emails and on-phone engagements, video conferencing ●
- Regulatory filings and reporting ●●
- Ministerial visits/ engagement/ dialogues ●
- Industry and regulatory working groups ●

LOCAL COMMUNITIES

Areas of Interest

- Supporting the vulnerable and communities in need
- Environmental protection
- Clean water supply
- Community engagements
- Employee volunteerism
- Local talent development
- Health and wellness, safety

Channel of Engagement

- CSR initiatives and projects, in-kind sponsorships and cash donations ●
- Website ●
- Site visits to orang asli communities ●
- Autism and mental health awareness ●
- GSC International Screens and film festivals ●
- Plastic recycling initiatives ●

MEDIA

Areas of Interest

- Company's performance and business strategy
- New projects/ launches and future prospects
- Corporate brand events
- Environmental impacts, Human Rights
- Product safety and service quality
- Corporate social responsibility
- Nutrition, health and wellness

Channel of Engagement

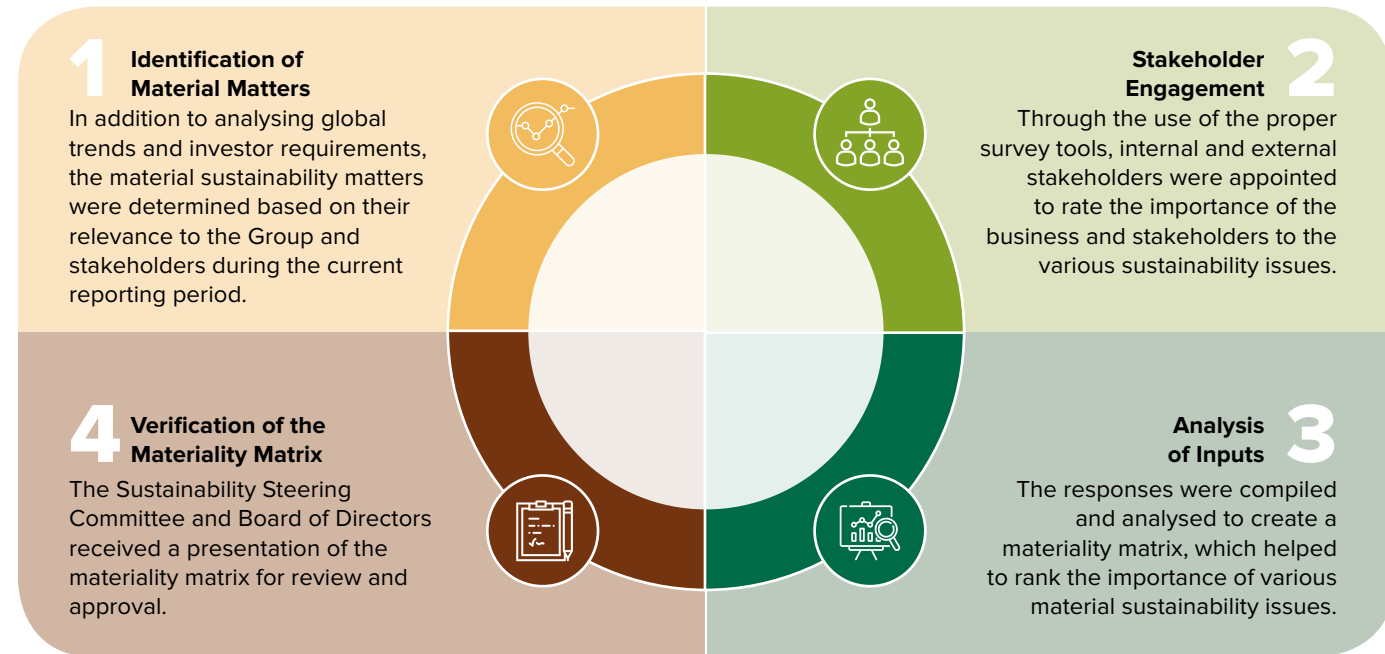
- Analyst briefings ●
- Website ●
- Press releases and briefing ●
- Physical, virtual and on-phone engagements ●
- Media engagement day ●

PPB'S MATERIAL SUSTAINABILITY MATTERS

(GRI 3-1, GRI 3-2)

MATERIALITY ASSESSMENT PROCESS

Material sustainability matters significantly impact our stakeholders and our organisation's ability to generate long-term value. Materiality assessments are performed to identify and evaluate key ESG issues that could present the biggest opportunities and risks for our business operations and to our major stakeholders. This assessment enables the Group to chart its decision-making, strategies, targets and reporting in terms of the categorisation of these important sustainability issues.



PPB's first materiality assessment was conducted in 2016. Since then, we have made it our objective to continually review the material topics to reflect changes in the priorities of the Group or our stakeholders. We understand that periodic assessments are important to ensure that our businesses and operations remain relevant to the identified issues. In 2022, a survey was carried out to re-evaluate and identify significant sustainability issues relevant to the Group and our stakeholders in comparison to the previous year. From the evaluation, it was concluded that our material sustainability matters adequately represented stakeholder interests and required no changes.

Materiality Matrix

As part of the materiality assessment, we engaged with our stakeholders to complete the surveys. We included external stakeholders for the first time this year, to obtain a more accurate view of our material matters. To collect responses and compile the data, the materiality assessment was conducted through an online form with both external and internal stakeholders, with the latter including members of the SSC and key employees of the Group. Following that, a materiality matrix was created to visualise the relative importance of the material sustainability matters to the operations of the Group and to our major stakeholders. The SSC, which includes the Managing Director

of PPB and CEOs of the business segments and ultimately the BoD, reviewed and approved the updated materiality matrix.

Based on the analysis of input from the Group, we updated the material matters according to priority. In comparison to FY2021, the top nine material matters this year were similar; Quality and Safety, Health and Safety, Corporate Governance and Ethical Business Practices, Brand Image and Reputation, Customer Satisfaction, Economic Performance, Data Protection, Employee Engagement and Satisfaction¹³, and Risk Management and Business Continuity¹⁴. These high priority material issues are typically linked to the responsibility of both customers and employees, which is crucial in fostering trust among the Group's stakeholders.

This year, Quality and Safety was ranked number one according to priority, moving up one place from FY2021 to replace Health and Safety. With the country transitioning to the endemic phase, some of the COVID-19 preventive measures have been relaxed in compliance with the country's SOP. Meanwhile, greater priority was given to delivering quality products and services to achieve excellence in both our operations and customer satisfaction. Brand Image and Reputation increased by two places from last year while Talent Attraction and Retention moved up by six places.

¹³ Reworded from "Labour Management and Satisfaction"
¹⁴ Reworded from "Business Risk Management and Continuity"

PPB'S MATERIAL SUSTAINABILITY MATTERS

(GRI 3-1, GRI 3-2)



Environmental Impact	Working Environment	Marketplace Engagement	Community Investment
12 Climate change	2 Health and safety	1 Quality and safety	14 Nutrition, health and wellness
16 Energy efficiency	8 Employee engagement and satisfaction	3 Corporate governance and ethical business practices	15 Human rights
17 Waste management	10 Talent attraction and retention	4 Brand image and reputation	20 Community engagement and development
18 Water management	13 Diversity and inclusion	5 Customer satisfaction	
19 Sustainable packaging		6 Economic performance	
		7 Data protection	
		9 Risk management and business continuity	
		11 Supply chain management	

PPB'S MATERIAL SUSTAINABILITY MATTERS

(GRI 3-1, GRI 3-2)

MAPPING OUR MATERIAL SUSTAINABILITY MATTERS

Financial Capital	Natural Capital	Employees	Certification Bodies	Vendors/Suppliers
Manufactured Capital	Intellectual Capital	Customers	Government/Regulatory Bodies	Local Communities
Human Capital	Social & Relationship Capital	Shareholders	Financial Institutions	Media

Subjects	Capital of Value Creation	GRI Indicators	Relevant Stakeholders	UN SDGs
ENVIRONMENTAL IMPACT				
Climate Change	NC	GRI 305: Emissions		
Energy Efficiency	NC	GRI 305: Energy		
Waste Management	NC	GRI 306: Waste		
Water Management	NC	GRI 303: Water and Effluents GRI 306: Waste		
Sustainable Packaging	NC	GRI 305: Materials		
WORKING ENVIRONMENT				
Health and Safety	HC	GRI 403: Occupational Health and Safety		
Employee Engagement and Satisfaction	HC	GRI 402: Labour/ Management Relations		
Diversity and Inclusion	HC	GRI 405: Diversity and Equal Opportunities GRI 406: Non Discrimination GRI 202: Market Presence		
Talent Attraction and Retention	HC	GRI 404: Training and Education		
MARKETPLACE ENGAGEMENT				
Quality and Safety	MC	GRI 416: Customer Health and Safety		

PPB'S MATERIAL SUSTAINABILITY MATTERS

(GRI 3-1, GRI 3-2)

Subjects	Capital of Value Creation	GRI Indicators	Relevant Stakeholders	UN SDGs
MARKETPLACE ENGAGEMENT				
Corporate Governance and Ethical Business Practices	HC	GRI 205: Anti-Corruption		
Customer Satisfaction	SRC	Non-GRI		
Economic Performance	FC	GRI 201: Economic Performance		
Brand Image and Reputation	SRC	Non-GRI		
Data Protection	IC	GRI 418: Customer Privacy		
Risk Management and Business Continuity	MC	Non-GRI		
Supply Chain Management	SRC	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment		
COMMUNITY INVESTMENT				
Human Rights	SRC	GRI 412: Human Rights Assessment		
Nutrition, Health & Wellness	IC	GRI 416: Customer Health and Safety GRI 417: Marketing and Labelling		
Community Engagement and Development	SRC	GRI 413: Local Communities		

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Our business relies on a wide spectrum of raw materials and natural resources such as energy, water, land, and agricultural products. It is critical for businesses to understand the value of natural capital and to invest in sustainable practices that preserve these resources for future generations.

Scientists also describe a set of nine critical thresholds relating to environmental processes that, if crossed, could result in irreversible changes to the Earth's ecosystem. These nine boundaries are:

- Climate change
- Biodiversity loss
- Land use change
- Nitrogen and phosphorus cycles
- Ocean acidification
- Freshwater use
- Chemical pollution
- Ozone depletion
- Atmospheric aerosol loading

Hence, there is an intricate balance that must be achieved in the ecosystem if we are to live in a safe and healthy environment and ensure long-term values for all stakeholders. We have reviewed and evaluated our action plans and targets for biodiversity and have found that there are no areas of high biodiversity identified in our operations in FY2022. The Group has not converted any land for agricultural use for more than five years. However, we believe that it is still important to continue monitoring the impact of our operations and to prevent any negative impacts on biodiversity or natural habitats. Thus, we remain steadfast in our efforts to protect and preserve the planet in any way we can.

CLIMATE CHANGE

The World Economic Forum ("WEF") Global Risk Report has continuously rated climate change, natural disasters and extreme weathers as the top global risks over the past five years¹⁵. PPB Group recognises that climate change has an impact on our value chain and has gradually intensified our efforts to achieve climate resilience, including conducting a carbon footprint assessment for our most energy-intensive business segments which has allowed us to set emission and energy reduction targets.

Climate resilience as a whole falls under the purview of the BoD assisted by the SSC. In February 2023, the Board

approved a separate Climate Change Policy to supplement our Sustainability Policy. This acts as a mandate for the Group to adapt to climate-related risks and to mitigate GHG emissions. The policy can be found on our website at www.ppbgroup.com.

The Group has embraced risk mitigation strategies such as:

- Aspiring to achieve Net Zero and continuously improve GHG emissions reporting.
- Adopting renewable energy, green technology and environmental practices within our operations where feasible.
- Aligning with the TCFD framework and introduction of near- and medium-term emission reduction targets and initiatives.

This year, the Group recorded a combined emission of 106,671 t.CO₂e, with Scope 2 emissions accounting for 85% of the total. We recorded a total increase of 42% from the previous year.

For Scope 1 and 2 emissions, it is further discussed under the Energy Efficiency section (page 30).

Currently, only the flour and animal feed milling, and cinema divisions are reporting on Scope 3 emissions (business travel). The remaining divisions will commence reporting on emissions from business travel in FY2023.

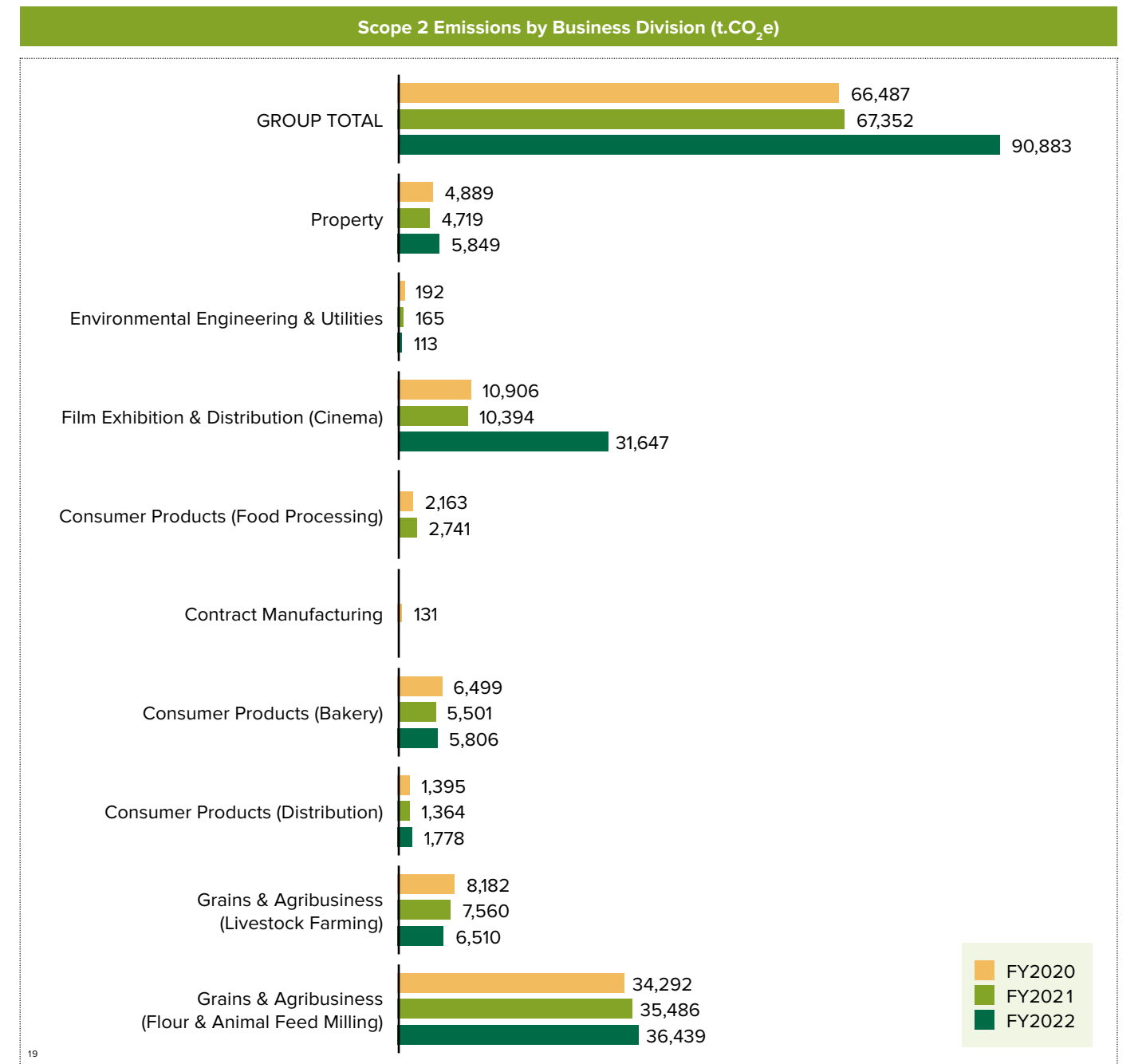
	Scope 1 (t.CO ₂ e)	Scope 2 (t.CO ₂ e)	Scope 3 (t.CO ₂ e)	Total Emissions (t.CO ₂ e)
FY2020	7,379	66,487	60	74,222
FY2021	7,634	67,352	182	75,169
FY2022	15,611	90,883	177	106,671

Scope 1 emissions¹⁶ are those caused directly by the Group's vehicles' fuel consumption and stationary combustion. Overall, Scope 1 emissions have increased over the last financial year from 7,634 t.CO₂e to 15,611 t.CO₂e. This is due to the inclusion of two additional reporting segments (Property and Environmental Engineering and Utilities) in this year's report, as well as the adoption of a more comprehensive data compilation system at both the Grains and Agribusiness and Consumer Products segments.

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Scope 2 emissions¹⁷ represent indirect GHG emissions associated with electricity generation from the grid and steam/chilled water¹⁸ purchased. The increase of 35% in Scope 2 emissions from the previous year is mainly due to the cinema division resuming full operations in the transition to the endemic phase and the opening of cinema sites comprising six new GSC cinemas and six MBO cinemas acquired by GSC in 2021 which were re-opened during this reporting year.



¹⁷ Scope 2: Emissions data from grid electricity has been calculated using the emission factor from the 2017 CDM Electricity Baseline for Malaysia by the Malaysia Green Technology Corporation (<https://www.mgtc.gov.my/wp-content/uploads/2019/12/2017-CDM-Electricity-Baseline-Final-Report-Publication-Version.pdf>). For the avoidance of doubt, Combined Margin (CM) of 0.585 tCO₂e/MWh; 0.330 tCO₂e/MWh and 0.525 tCO₂e/MWh are applied in Peninsular Malaysia, Sarawak and Sabah respectively.

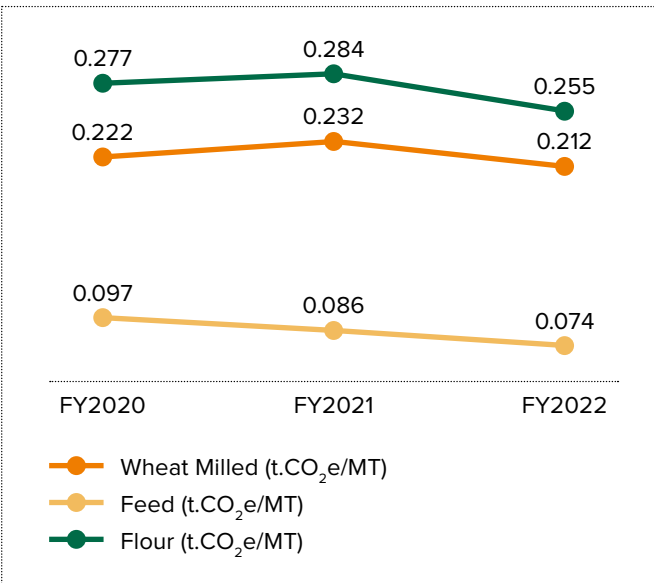
¹⁸ Emission factor of 0.608 kgCO₂e per kWh is applied for chilled water purchased based on 2019 average carbon intensity of electricity in Malaysia, source: International Energy Agency (IEA).

¹⁹ Products Manufacturing Sdn Bhd, our contract manufacturing entity, ceased operations in November 2020.

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Emission Intensity for Flour, Feed and Wheat (t.CO₂e/ MT)



Sulfur oxides (“SOx”) and nitrogen oxides (“NOx”) are two main air pollutants that impact the Group’s environmental footprint. Four of our flour and animal feed mills, as well as FFM Further Processing have annual stack monitoring to ensure the air emissions are below the allowable standards set by regulators.

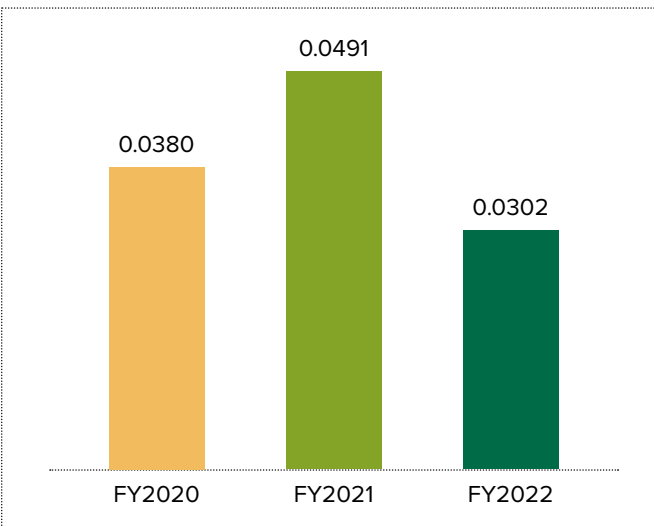
Scope 3 emissions²⁰ include all emissions from operations or assets that are not owned or controlled by the Group but are part of our value chain. Based on the GHG Protocol, there are 15 categories of Scope 3 emissions. This reporting period only covers our initial efforts in tracking business travel (employee land and air travel) recorded under the flour and animal feed milling and cinema divisions. For this reporting period, Scope 3 makes up only 0.17% of the total Group emissions due to limited data.

ENERGY EFFICIENCY AND ADOPTION OF RENEWABLE ENERGY

The Group has continued to implement projects to improve energy efficiency and promote the use of renewable energy. These include solar power generation improvements to increase the proportion of renewable energy consumption to replace fossil fuels. Three additional installations of solar panels have been planned under the Grains and Agribusiness and Consumer Products segments, while FFM Sabah is currently using solar panel streetlighting in its operations. Each business operation that has been completed, or is in the midst of planning, has cited the initial cost and feasibility assessment as major challenges in undertaking these projects.



Cinema Emission Intensity (t.CO₂e/ show)



²⁰ Scope 3: Emission factor for passenger vehicles and business air travel were obtained from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Additionally, FFM Sabah has replaced the side metal cladding of its granaries with a transparent material that allows in natural lighting, which in turn reduces electricity consumption. The flour and animal feed milling divisions plan to convert all fluorescent tube lights and bulbs to LED lighting. Certain mills have also installed motion sensors and infrared sensors to control lighting and ventilation fans.

Meanwhile, the cinema division uses a building management system to manage the efficiency of air conditioning units to reduce electricity consumption. Individually dedicated projector rooms for each hall will be introduced in new cinemas, with each projector room to be cooled by air conditioning supplied from the halls. In addition, some processes at the cinema operations have also been automated, such as lights and projectors that automatically turn-off once a cinema hall becomes empty, and air-conditioning that switches off half an hour before the end of

the last show. The division also plans to use laser projectors, which are expected to reduce electricity consumption by about 70%. The cinemas carry out regular cleaning and maintenance of their air handling units (“AHU”) to ensure they run at optimum capacity.

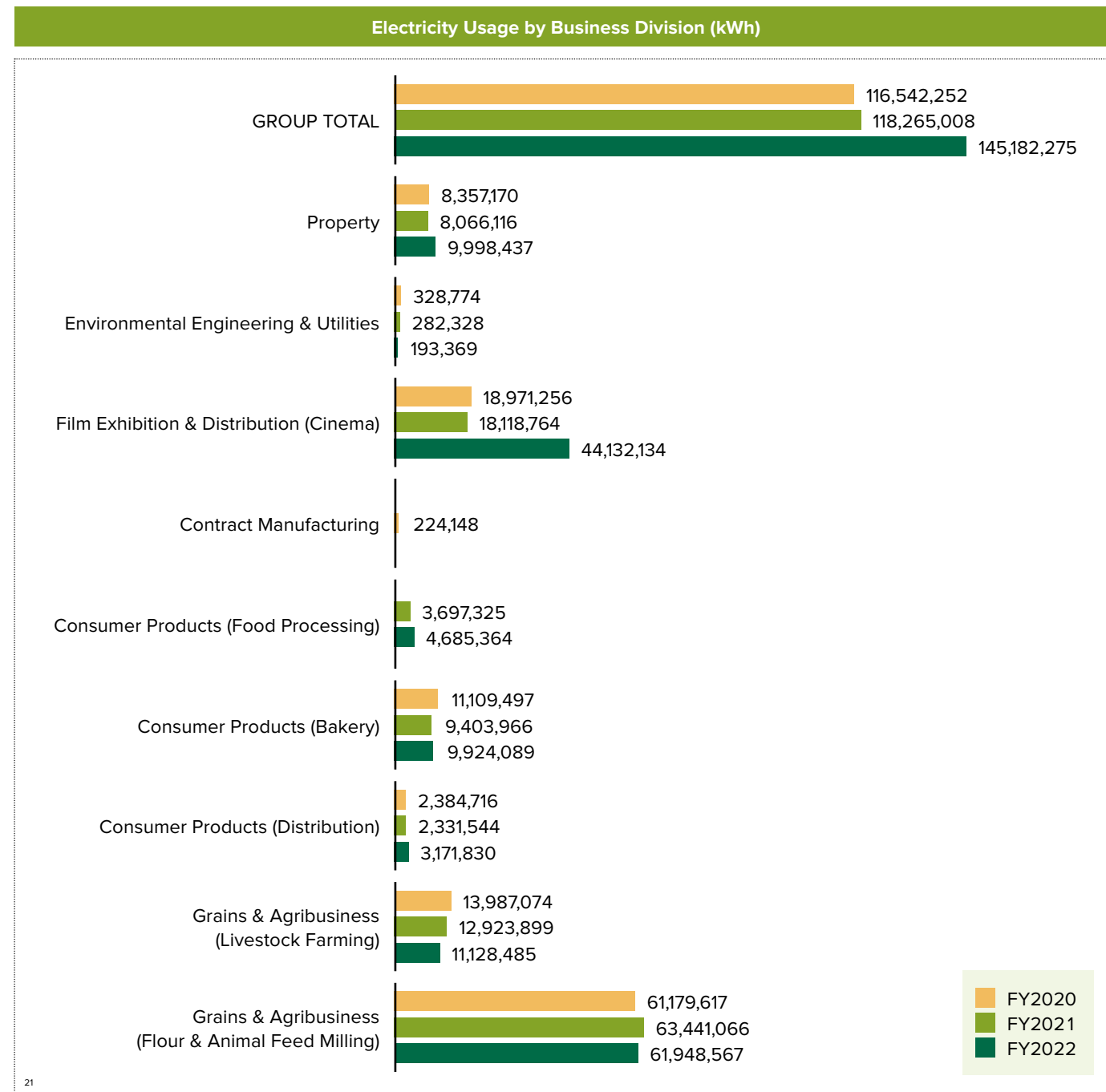
The Property segment has replaced conventional lighting with LEDs and optimised the chiller temperature to a set level for improved energy savings in some of its assets. At Cheras LeisureMall, we have installed EV charging bays to encourage the use of electric or electric-hybrid vehicles. We are also looking to install EV charging bays at our sites in the northern region.

For FY2022, the Group recorded 145,182,275 kWh of electricity consumed which is a 22.8% increase from the previous year.



NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

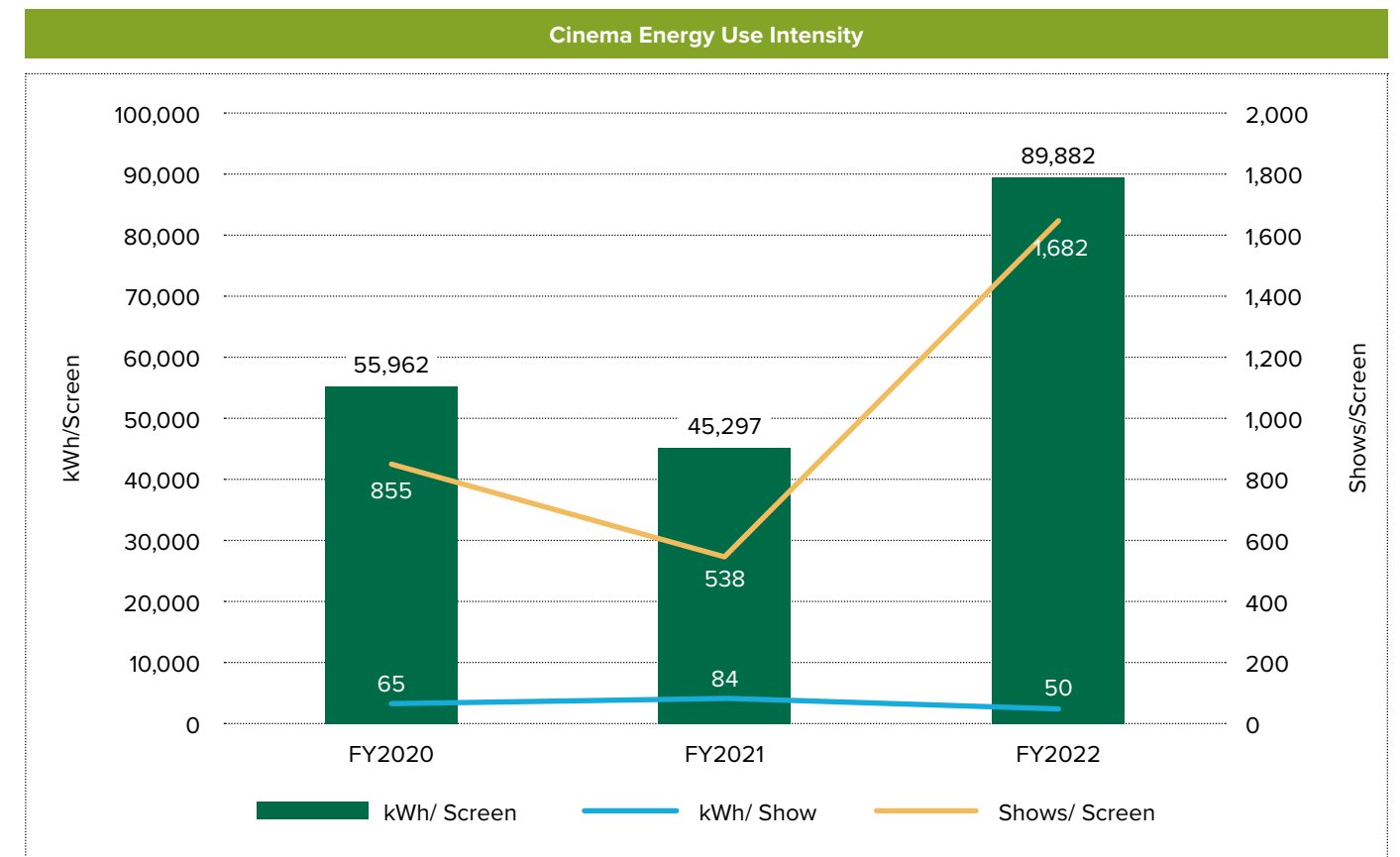
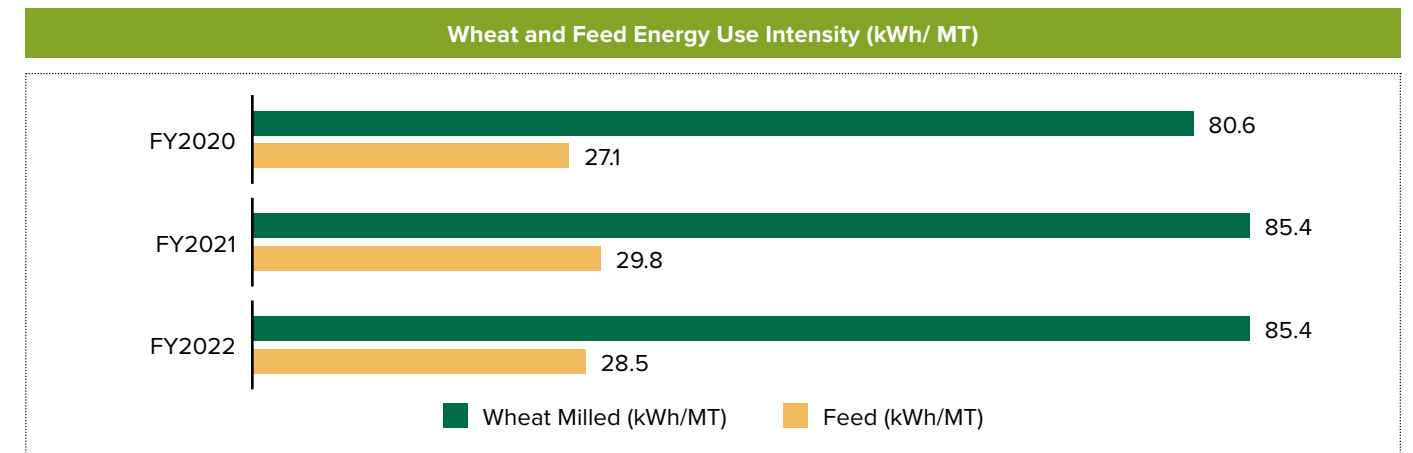


²¹

²¹ Products Manufacturing Sdn Bhd, our contract manufacturing entity, ceased operations in November 2020.

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)



WASTE MANAGEMENT

We apply the concept of a circular economy in our waste management, improving the Group's ability to achieve resource efficiency while reducing our rate of natural resource depletion. The Group understands the importance of reducing our waste generation, and our commitments are outlined in our Waste Management Policy which we adopted in February 2023 and is available on our website at www.ppbgroup.com.

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

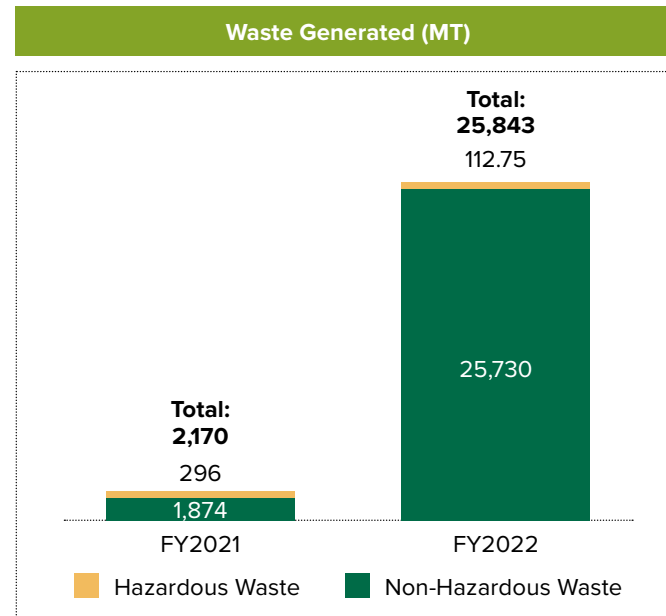
We continue to improve our solid waste management by identifying key waste categories and waste streams, as well as enhancing data collection and scope, which allow us to recycle waste and reduce waste generation. Our hazardous waste including Industrial Effluent Treatment System ("IETS") sludge, used oil rags, used lubricant oil and used hydraulic oils is handled by registered agencies, with more than 90% of the hazardous waste being either recovered or recycled. We strive to reduce the environmental impact of our operations and ensure full compliance with relevant laws and regulations such as the Environmental Quality Act 1974. We have recorded zero non-compliance with any environmental laws and regulations for this reporting year.

One-third of the food produced globally for human consumption is lost or wasted. Our Group prioritises improving yield within our food production plants to reduce the volume of unsold products, and we have also initiated programmes to minimise food loss and waste. For example, in our Consumer Products segment, a programme has been established to repurpose expired bakery products as animal feed. For FY2022, a total of 4,753.92 MT of food waste was diverted from landfills. For the same reporting period, our cinema division, which sells its used cooking oil ("UCO") to local biodiesel collectors, recorded 29,478 kg of sold UCO.

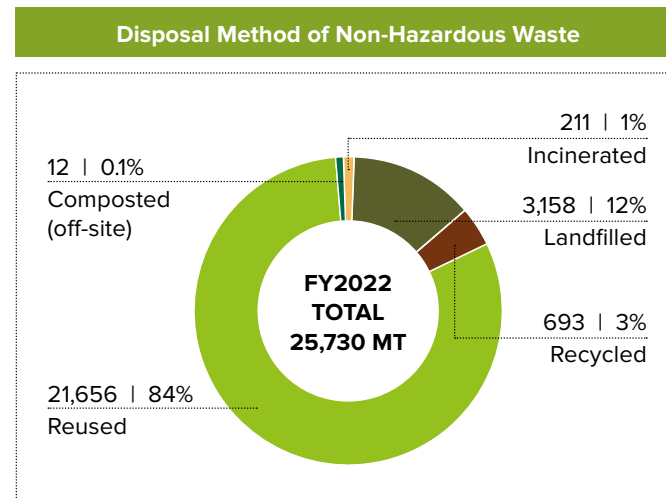
In 2022, FFM headquarters at Sungai Buloh initiated a recycling programme at the office by setting up recycling bins and posters with information on recycling to create awareness. In addition, FFM Waste Management Guidelines applicable to our FFM offices and warehouses were established.

SCAN TO FIND OUT:
 - WASTE THAT CAN BE RECYCLED
 - WAYS TO RECYCLE
 - GREEN ALTERNATIVES

Our livestock division plays a significant role in the Group's waste management efforts. FFM Farms produces composted chicken manure-based organic fertiliser under the brand name "Origanic". Composting helps to divert organic waste from landfills, where it would emit methane and contribute to climate change. Manure from FFM Farms is transformed into a valuable resource that serves as an alternative to synthetic fertilisers, closing the loop in the circular economy.



The increase in waste generated for this reporting year is mainly due to improvements in reporting and scope. The Grains and Agribusiness, Consumer Products and Film Exhibition and Distribution segments have reported their waste data for FY2022. Due to the relaxation of COVID-19 SOPs, cinemas resuming full operations and the opening of cinema sites, waste generated for the cinema division has shown a significant increase.



WATER MANAGEMENT

PPB recognises the importance of managing one of our most important natural resources, water. This is true even though the Group has not identified that any of its operations are located within water-stressed areas. Our efforts include monitoring our water consumption and ensuring the quality of effluents and

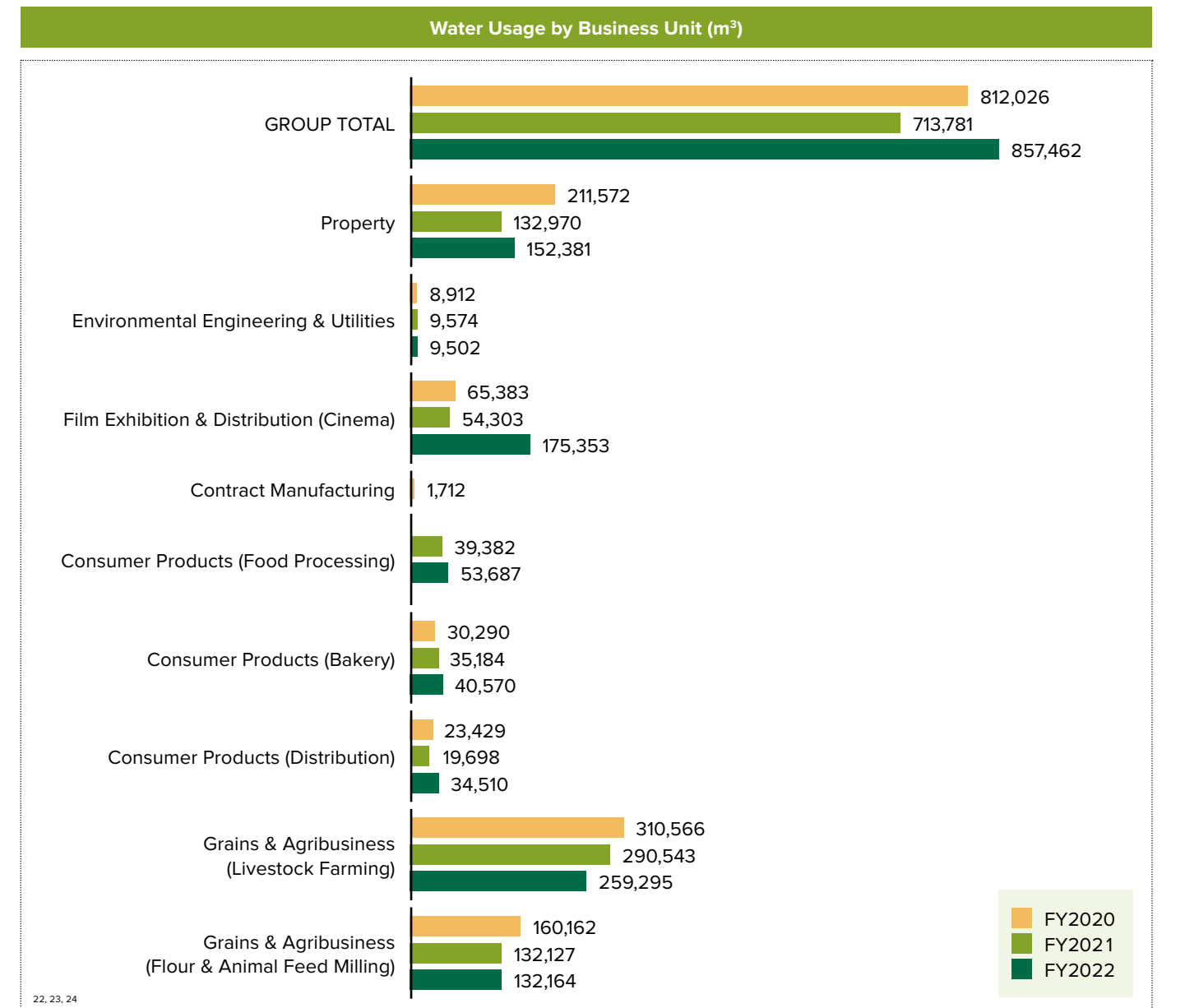
NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

treated wastewater discharged are well within the limits set by the Department of Environment ("DOE") under the Environmental Quality (Industrial Effluent) Regulations 2009.

Our water efficiency efforts are guided by annual targets and rely on continuous improvement and innovation, for example, through rainwater harvesting, reducing water flow intensity and conducting routine maintenance to check for water leakages.

Additionally, the Group conducts water-saving awareness campaigns for our employees using posters, signage, and banners. A time-specific reduction target will be set for the Grains & Agribusiness and Consumer Products segments for water-use intensity in 2023 upon evaluating the respective sites' feasibility to improve on water-use intensity.



²² Products Manufacturing Sdn Bhd, our contract manufacturing entity, ceased operations in November 2020.

²³ 2020 and 2021 water consumption data of the Group total and Property segment have been restated due to calculation error.

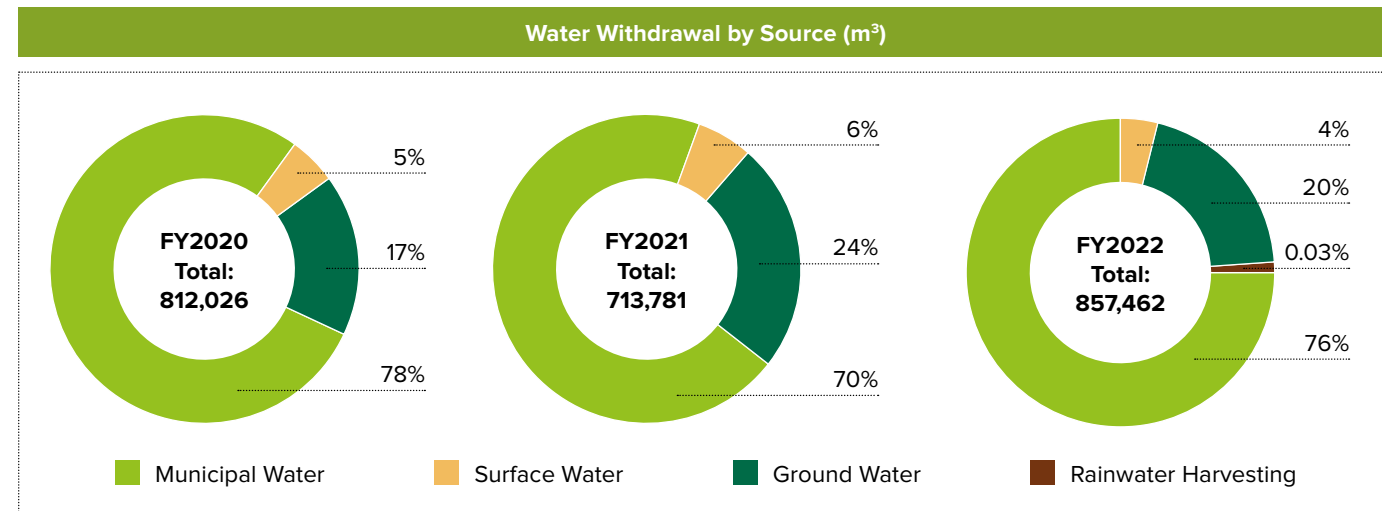
²⁴ Water consumption for Property includes usage by the tenants.

NATURAL CAPITAL

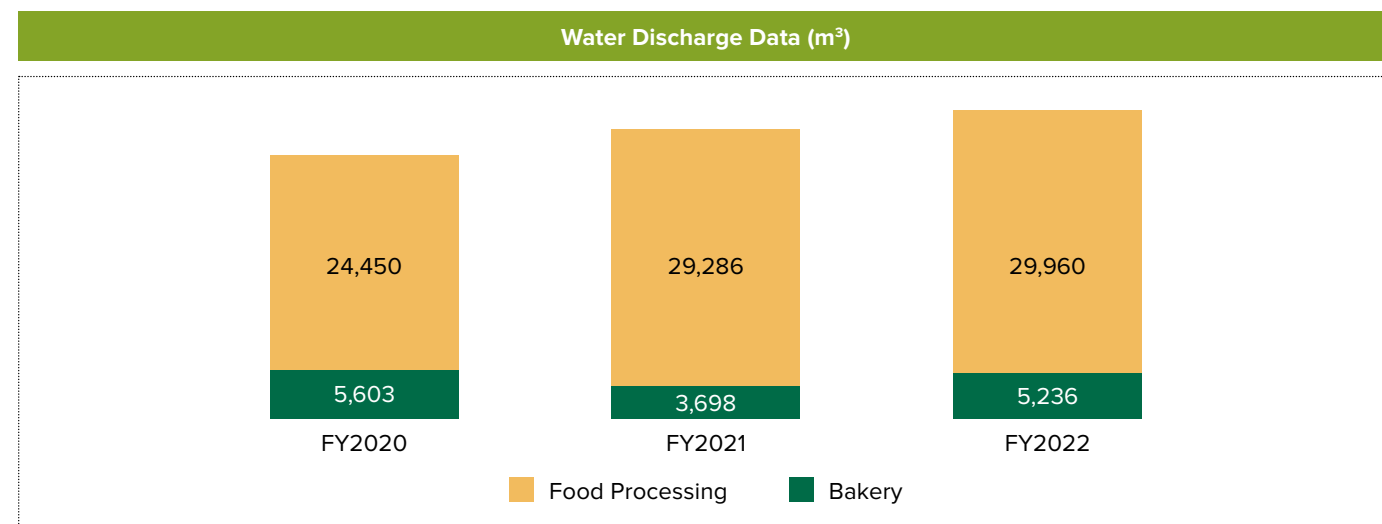
(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

The Group consumed a total of 857,462 m³ of water in FY2022, which is an increase of 20.1% from the previous year. This is mainly due to cinemas resuming full operations and the opening of cinema sites under the Film Exhibition and Distribution segment.

Besides municipal water, our livestock farming division also uses surface and ground water for washing the chicken houses and as drinking water (treated) for the birds. Meanwhile, our operations at FFM Sabah and FGM Kuching harvest rainwater in water tanks equipped with meters, for landscape watering and washing purposes. The Group's water usage by source in 2022 is presented below:



Our bakery and food processing divisions under the Consumer Products segment, track their levels of water discharge where periodic performance and compliance monitoring are conducted to ensure the effluents discharged are within the prescribed legal requirements.



NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

Prior to discharge, effluents are properly treated. They include chemical, physical and biological treatments.

Chemical Treatment	
pH adjustment	pH adjustment uses chemicals to alter the pH levels of the effluents. Adjusters used depend on whether the effluents are acidic or alkaline.
Coagulation and Flocculation	Coagulation and flocculation are processes used in succession during the water treatment process. Coagulation neutralises the effluents while flocculation allows the solids to bind together so that they can be easily separated from the final discharge.
Physical Treatment	
Clarifier (Separation)	Separation occurs after the flocculation process and this process involves the continuous removal of solids while filtering the wastewater.
Biological Treatment	
Conventional Activated Sludge	This process is used to reduce the concentration of organic matter, i.e. BOD and COD in wastewater.

Parameters	Units	Limits ²⁵ (Standard B)	Bakery	Food Processing
pH		5.5 - 9.0	7.3	7
Chemical Oxygen Demand ("COD")	mg/L	200	19.92	91.61
Biological Oxygen Demand ("BOD")	mg/L	50	6.04	30.16
Suspended solids	mg/L	100	7	29
Oil and grease	mg/L	10	-	1

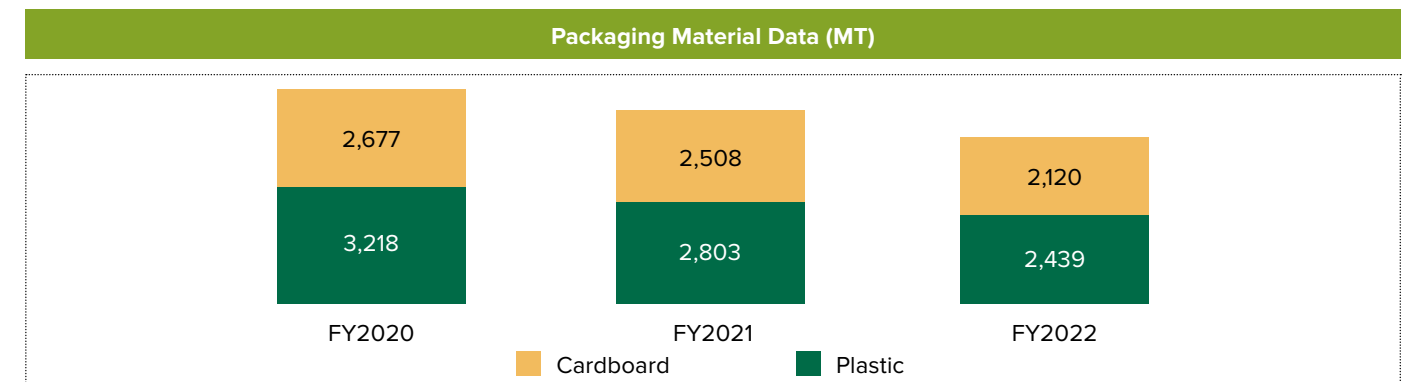
(Note: COD and BOD data were taken from an average value of monthly wastewater monitoring analysis)

SUSTAINABLE PACKAGING

Packaging plays a crucial role in reducing our negative impact on the environment. To remain current with customer trends, expectations, and concerns, we aim to minimise the environmental impacts of our product packaging through packaging efficiency programmes. Our sustainable packaging efforts have mostly focused on the Grains and Agribusiness and Consumer Products segments, which are under the FFM Group.

Hence in 2022, FFM funded a feasibility study for the collection of films and flexible plastic packaging, led by Resource Recycling Systems Inc. (RRS) and the Penang Green Council (PGC). The purpose of this study is to expand Malaysia's plastic circular economy and the results from the study will be presented in early 2023.

Our sustainable packaging approach includes reducing the amount of plastic, cardboard and paper used. A total reduction of 779.1 MT (24.2%) of plastic and 556.5 MT (20.8%) of cardboard in packaging use has been recorded since 2020.



²⁵ Department of Environment – Environmental Act 1974

NATURAL CAPITAL

(GRI 302-1, GRI 302-3, GRI 302-4, GRI 303-1, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

In line with the Malaysia Plastics Sustainability Roadmap 2021–2030 and Malaysia moving into an Extended Producer Responsibility (“EPR”) scheme in 2026, the Grains and Agribusiness and Consumer Products segments have been collecting primary and secondary packaging data in 2022 via a Packaging Data Questionnaire. The collected data will be used to identify opportunities to further reduce our packaging footprint by downgauging our packaging which also presents cost savings opportunities. For this reporting year, total primary paper packaging recorded was 38.50 MT, while secondary paper cardboard was 2,120 MT.

Our Consumer Products Distribution division distributes the following products which utilise sustainable materials:

- Pro-Dental B has a new line of toothbrushes with handles made from bio-based rice husk materials called “Green Spark”.
- Goodmaid’s plastic bottles are composed of virgin and recycled plastic.

In our cinema division, we have converted the majority of our cinema concessions’ conventional plastic wares and packaging to biodegradable options. The division has also rolled-out a single-use plastic bottle recycling programme in 10 cinemas in the Klang Valley. The division plans to further expand this initiative, as well as launch reward-based reverse vending machines which was deferred due to the pandemic.



HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

Every employee is an important asset to the Group. We care for the physical and mental well-being of our employees, and it is our responsibility to provide a safe and healthy workplace where rights are respected. Additionally, we aspire to further enable our employees to align their career journey with their personal purpose and value.

In FY2021, we launched our Employee Engagement Survey to gather input from employees at all levels in terms of their experiences in the aspects of leadership, talent focus, agility and other factors that contribute to a conducive workplace. Based on the feedback, we focused on various initiatives to set a solid foundation and build the right culture for the Group during the past year.

We launched the Group-wide competency framework in FY2022, which aims to align the desired behavioural expectations with the harmonised job structure, and to build a cohesive culture that will enable our businesses to thrive.

As part of this transformational journey, we continue to invest in system digitalisation. An end-to-end HR business process system was introduced across the Group and we continue to roll-out the system in phases. The system aims to enhance employees’ experiences in people-related processes including onboarding, performance management, talent development and reward planning. In the long term, workforce data from the system will enable management to obtain strategic insights and make data-driven decisions to better engage the workforce.

The Group has made progress in two material areas, viz safe and healthy workplace, and diversity and inclusion.

HEALTH AND SAFETY

Achieving zero workplace fatalities has always been the collective objective across all our business units. We are pleased to report that we have achieved this objective in 2022 and attribute it to the health and safety risk management practises that are tailored to our diverse business operations. Our goal is to promote a risk-free workplace.

The Group periodically assesses the health and safety risks associated with all current operations as outlined in the Group’s ERM Framework and overseen by the Risk Advisory Committee (“RAC”), which is chaired by the Managing Director of PPB and submits reports to the A&RC and the BoD. To emphasise the importance of health and safety in the Group, the BoD has in March 2023 appointed PPB’s Managing Director to have oversight of the management of the Group’s health and safety risks.

Across all its divisions, the Group offers relevant staff members specialised training in health and safety. In 2022, a total of 1,781 employees received health and safety related training, while 315 acquired the Health and Safety Certificate.

Our livestock farming and property (construction and plantations) divisions both held dengue awareness sessions for their workers during the year.







Occupational Health and Safety (“OHS”) Systems

To maintain the safety and well-being of employees, contractors and subcontractors at the sites across the Group, robust OHS systems are needed. In accordance with the Occupational Safety and Health (Amendment) Act 2022, the relevant Group subsidiaries have worked towards updating current OHS systems to comply with the new requirements.

Weekly and twice-weekly toolbox meetings are held respectively at construction sites of the property division and operations of the Grains & Agribusiness segment, on OHS-related issues and highlights the importance of maintaining a secure working environment.

Grains and Agribusiness and Consumer Products

From our baseline in 2022, we are setting a target to achieve a 40% Lost Time Accident Rate (“LTAR”) reduction by 2025 and maintain zero fatalities in the Grains & Agribusiness and Consumer Products segments. To ensure health and safety at the workplace, we also took measures such as:

-  Safety and Health Committee empowerment course
-  Monthly OSH workplace inspections
-  Competency training for workers involved in high-risk work
-  Implemented BBS (Behavioral Based Safety) measures

HUMAN CAPITAL







(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

In 2022, we developed and implemented the FFM Group Environmental, Health & Safety (“EHS”) Policy, as well as conducted site audits at all of our 27 operating sites in Malaysia. Our EHS policy specifically mentions protecting our employees by establishing and maintaining a safe, healthy workplace and working procedures through ongoing hazard aspect identification, risk assessment and the application of risk controls to prevent illness and injury.

At our operations, we use a Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) system to recognise, evaluate, reduce and manage any workplace risks. In 2022, a few of our business operations such as FFP, FFM Sabah, TIB Pulau Indah and FFM PI, updated their HIRARC.

Film Exhibition and Distribution

We are in the process of implementing the OSH measures set out below, which are targeted for completion in 2023:

-  Conduct training
-  Appoint OSH Coordinators
-  Review existing OSH policies, employee handbook
-  Conduct HIRARC for cinema operations and HQ
-  Develop OSH SOPs to implement control measures
-  Conduct awareness talks and training on safety & health at the work place



Emergency Response Teams (“ERT”) have been set up at 33 of our cinemas, while implementation is ongoing at the remaining sites. In addition, OSH committee meetings will be held at all cinemas on a quarterly basis. We plan to organise training and awareness talks on workplace safety and health for our employees in 2023.

Property

The Property segment has full-time safety officers or safety representatives on duty at all pertinent operations. At construction sites, a Health, Safety and Environment (“HSE”) committee meets monthly, and produces a monthly risk report. In addition, we also conduct periodical HSE audits on our buildings to identify potential risks in the operations and put in place necessary safeguards to mitigate these risks.

The segment has safety guidelines in place and is working towards developing a policy, committee SOPs and contractors’ guidelines, to affirm our commitment to health and safety.

COVID-19 response

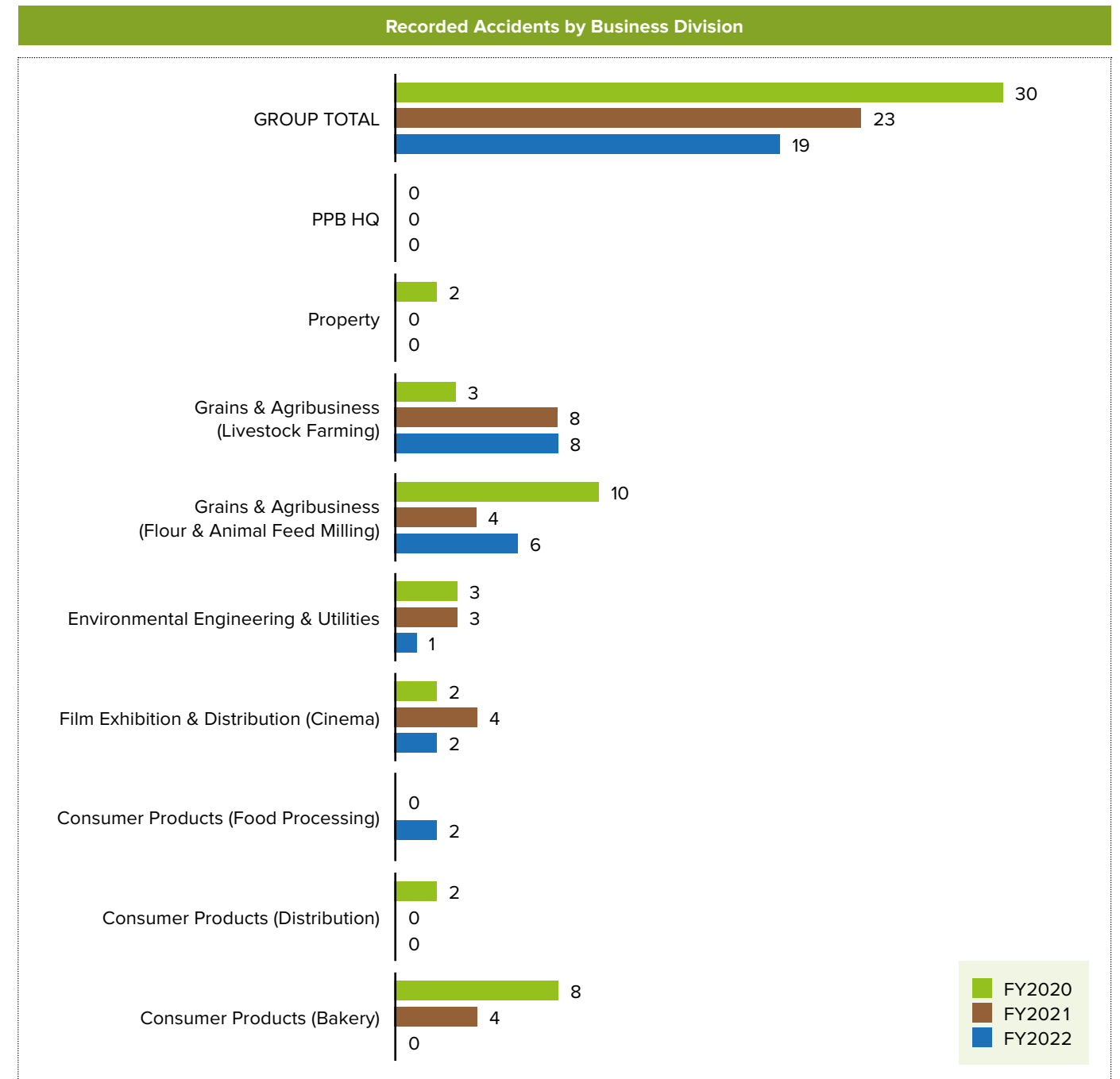
The COVID-19 pandemic disrupted lives globally, and while we entered the endemic phase in 2022, the Group continued to implement several safety measures that included routine workplace sanitisation, providing face masks, self-test kits, and sanitising gel to employees, as well as work-from-home arrangements. By the middle of the year 2022, our COVID-19 measures were relaxed per MKN/MOH’s guidelines.

The Group has in place a nationwide assistance programme that combines government SOPs, management accountability, personal accountability and aid for staff members who require support both mentally and financially.

HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

Health and Safety Performance Indicators:



HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

A total of 19 accidents were recorded in FY2022, which is a drop of 17.4% from 2021.

Two major injuries (Level 4, Permanent Disabilities) were recorded at our mills for this reporting period. Both accidents occurred due to failure to observe established work procedures. To mitigate future accidents, we have taken the following preventive actions:

- Conducted re-training for all relevant staff on adherence to SOPs and work method statements.
- Conducted training for all relevant staff on hazard identification focused on Behavioural Based Safety (BSS) method.
- Reviewed HIRARC and ERP to cover emergencies and abnormal operating conditions.

- Re-trained all managers, workers including contractors on the requirements of Job Safety & Environment Analysis (JSEA), Isolation & lockout/ tagout (“LOTO”) implementation and process.
- Implemented engineering control methods such as an additional service switch stop button.
- Reviewed and amended the work instruction/ related SOPs (including the safety element/ Stop Work Authority).

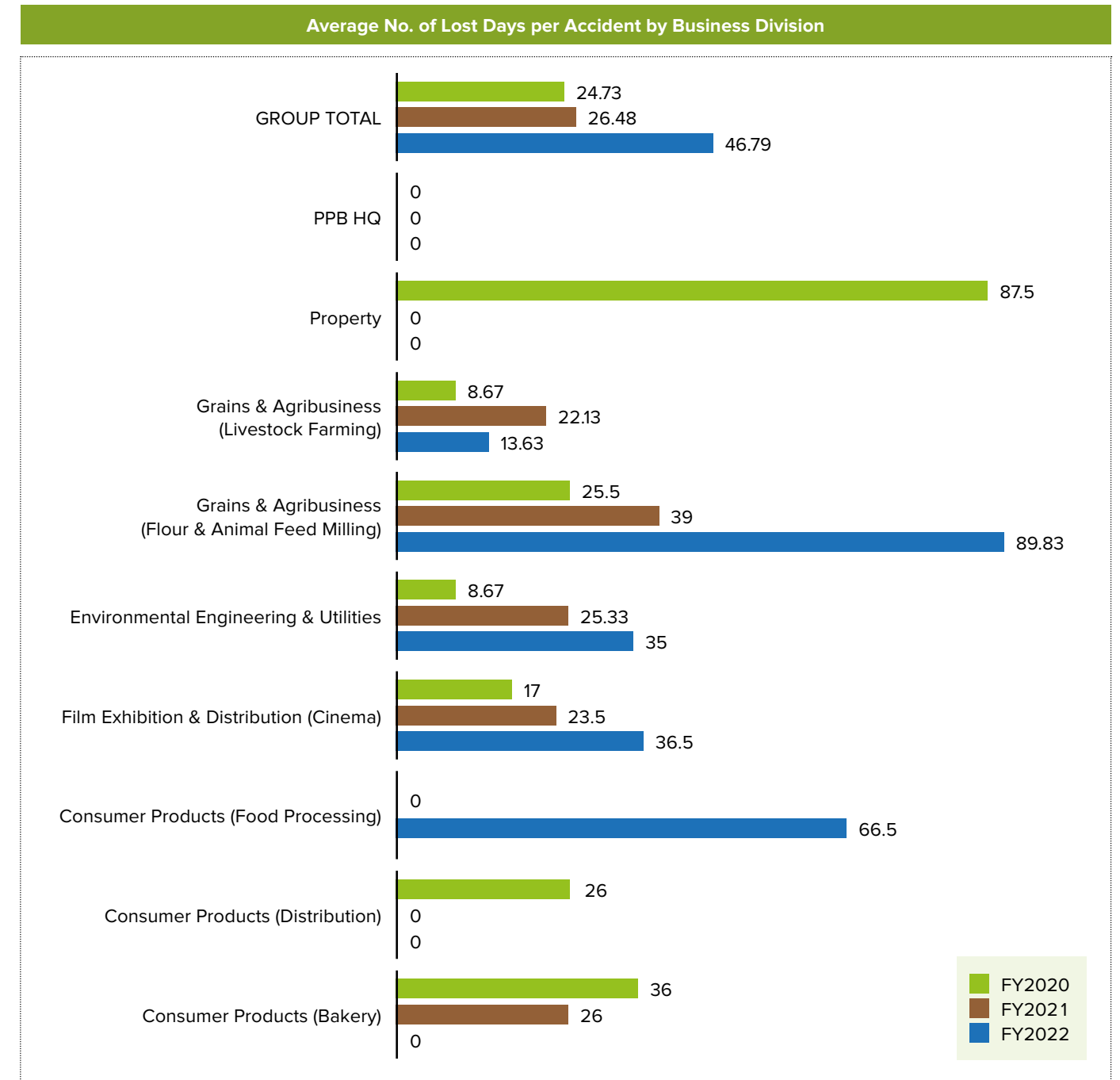
Other recorded injuries in the Group comprised sprains, fractures and other minor injuries caused by falls or stumbles. We have conducted appropriate investigations, reviewed the results, and strengthened safety measures at the relevant divisions where the injuries have occurred.

During the reporting period, no accidents were recorded at PPB headquarters, the Property segment, or the Consumer Products (Distribution) and Consumer Products (Bakery) divisions.



HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

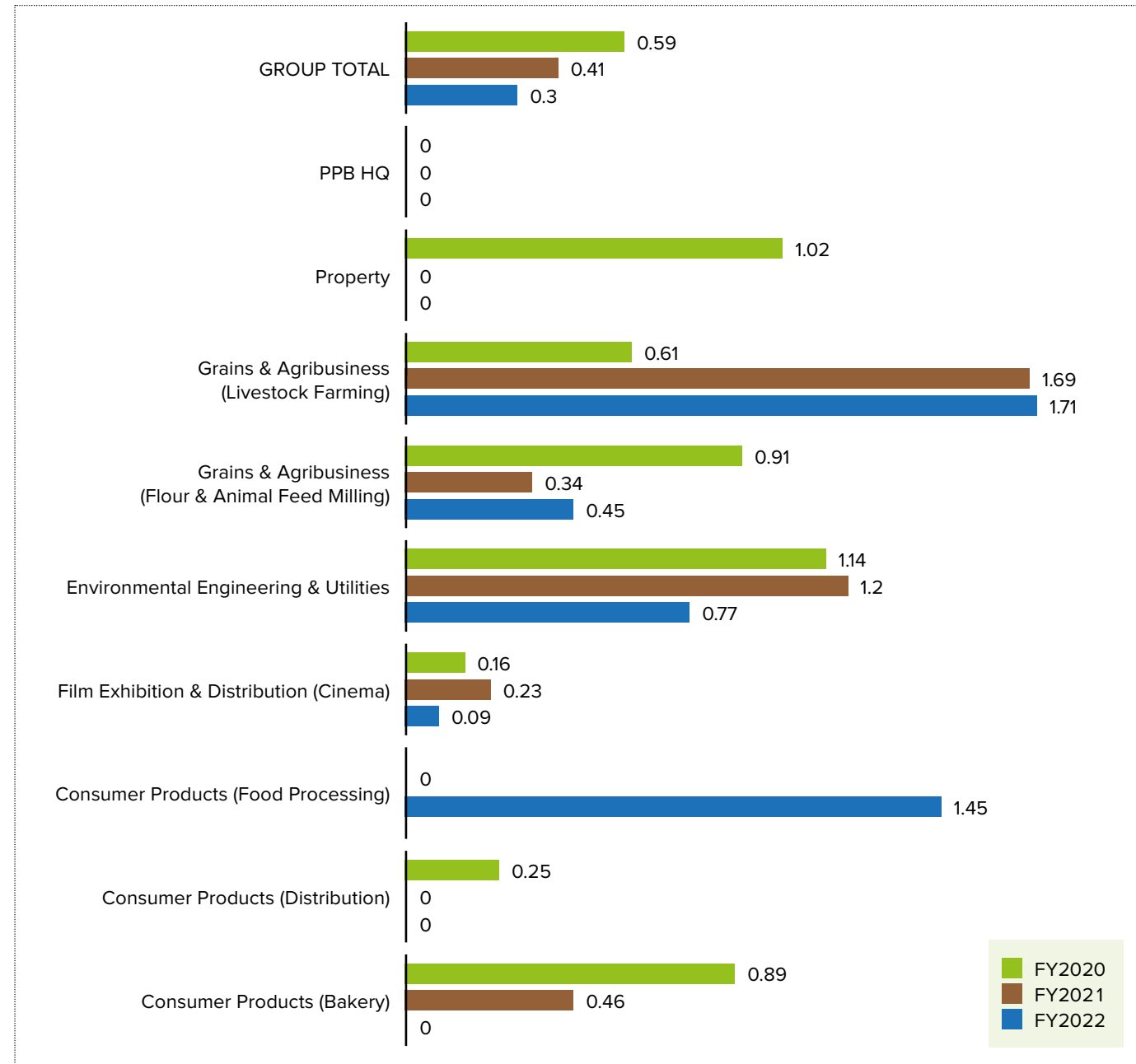


Average number of lost days per accident = Total lost workdays / number of recorded accidents

HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

Lost Time Accident Rate by Business Division
(Number of accidents per 100 employees [full-time equivalents])



Lost-time accident rate = Number of accidents * 200,000 / (average number of employees for the year * 48 working weeks * 44 working hours per week)

HUMAN CAPITAL

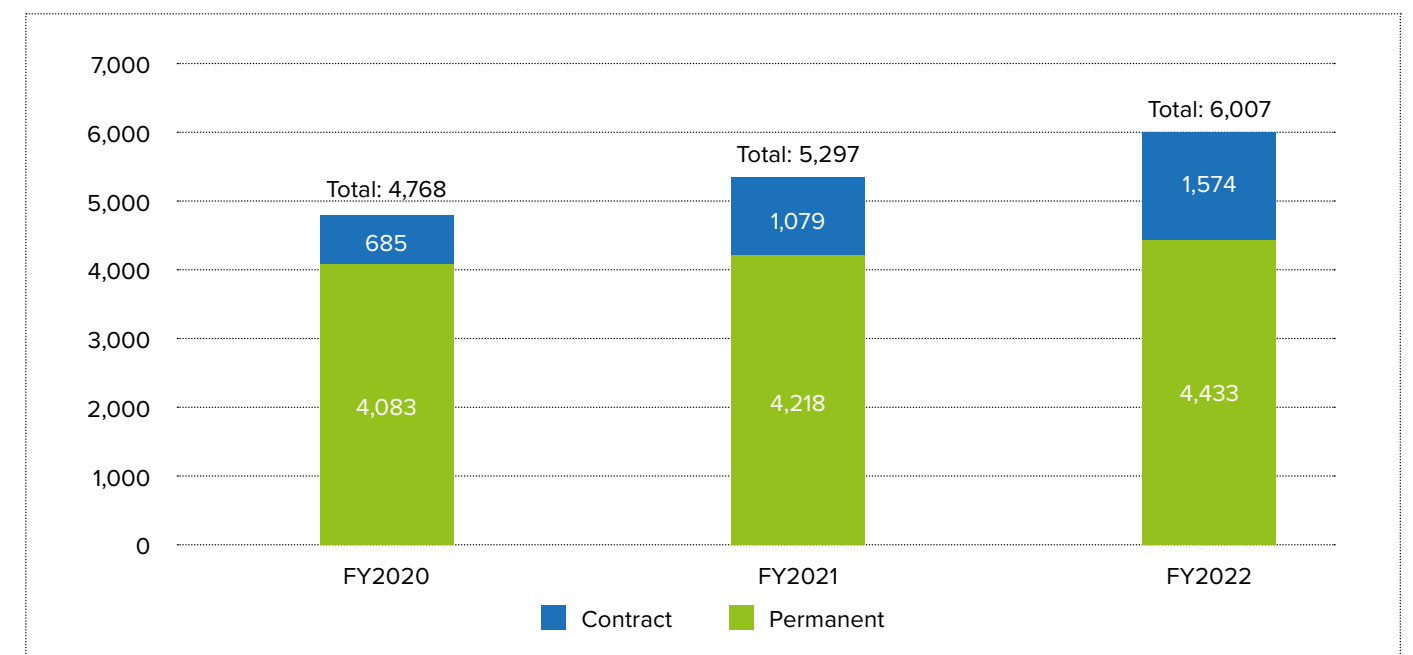
(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

EMPLOYEE ENGAGEMENT AND SATISFACTION

The Group is committed to respecting the rights of our employees as they are key to our long-term sustainability. We endeavour to ensure employee satisfaction through proactive employee engagement. This fosters a good employee-management relationship which helps us retain our workforce, as well as increase productivity and morale within the Group, thereby creating a better working environment.

This year, the Group recorded a total of 6,007 employees, including both permanent and contract staff. About 18% of our employees work on a part-time basis - mainly in the cinema operations, to cater to the cyclical nature of the business.

Employees by Employment Type



We respect the rights of our employees to take parental leave²⁶. In 2022, a total of 161 employees took parental leave. 159 employees returned to work after their leave ended, and of these, 95% remain employed with us after 12 months.

Parental Leave	FY2022		FY2021	FY2020
	Male	Female		
Number of employees who took Parental Leave	94	67	129	141
Employees who returned after Parental Leave	100%	97%	100%	100%
Employees who returned to work after Parental Leave and were still employed 12 months after their return to work	98%	91%	94%	96%

A performance-based appraisal system has been established to review our employees' performance against key position-specific indicators. Through these appraisals, we provide merit-based recognition and rewards, including welfare compensation and benefits that are strategically devised to promote the general well-being of our employees while recognising performance and seniority which will boost employee morale and motivate the team. 100% of our employees received an annual performance review in FY2022.

²⁶ Refers to maternity and paternity leave.

HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)

To further improve our management-employee relationship, we conducted multiple employee engagement activities throughout the financial year. In FY2022, we allocated RM586,858 towards our employee engagement initiatives. We also conduct an Employee Engagement Survey every other year to measure employee satisfaction, with the next survey scheduled for 2023.

As a measure to increase our employee satisfaction, the Group has made enhancements to employee benefits. This year, we revised a few employee benefits across our business units:

- Revised Group Term Life and Group Personal Accident insurance policies for all eligible employees, including non-executive employees.
- Introduced the Employees Assistance Programme in partnership with the Malaysian Mental Health Association (MMHA), an intervention programme designed to help employees cope with personal issues that may be adversely affecting their mental well-being.
- Provided CSR leave to enable employees across the PPB Group to drive societal change and contribute to CSR activities.

HEALTHCARE BENEFITS

In addition to the yearly provision of inpatient and outpatient medical benefits and insurance coverage to all levels of employees, the Employee Assistance Programme ("EAP") was introduced to the workforce across the Group effective January 2022 in partnership with the Malaysian Mental Health Association ("MMHA"). Employees needing this type of support are encouraged to connect directly with MMHA, which will assign qualified psychotherapists or counsellors (whichever applies based on the case scenario) to take the employees through the recovery journey. The Group also works with a third-party administrator to enable our employees to access medical benefits and enjoy cashless treatment via a mobile phone app.

The Group provides an array of occupational and non-occupational healthcare services and programmes to employees.

Non-occupational healthcare services include dental, optical, and health screening subsidies which are part of the standard provision to promote employees' general well-being.

At FFM, a few business units have conducted medical surveillance for their employees such as health surveillance for laboratory and premix staff (FFM Sabah), medical check-ups related to ergonomic illness (FGM Kuching, audiometric testing and chemicals exposure monitoring for the QA/ QC department (JBFM KK).

TALENT ATTRACTION AND RETENTION

Providing effective training and development opportunities for our employees is critical to the growth of our businesses and ensures that our workforce is dynamic and up-to-date on industry trends. We expanded our training programme to include e-learning platforms and online courses in response to the increased push for digitalisation caused by COVID-19 disruptions. With the advent of remote working and learning, more employees received relevant training than in previous reporting periods.

Our Human Resources department offers meaningful development programmes and opportunities based on employee discussions and established training plans. During the reporting period, the available training topics ranged from leadership skills and role-based developments to workshops on harassment and discrimination. The Group organised two virtual workshops on "Harassment and Discrimination" for 218 managerial staff from PPB headquarters and the business segments to equip them with basic knowledge on how to manage complaints on the subject matter. Another two workshops on the same topic were also held and were open to all employees of the Group. At the cinema division, seven virtual workshops on "Bullying and Harassment" were conducted for 231 of its staff from GSC HQ and its cinemas. The Group recorded a total of 92,419 training hours for all employees (full-time and part-time), with 43,542 training hours conducted virtually in FY2022.

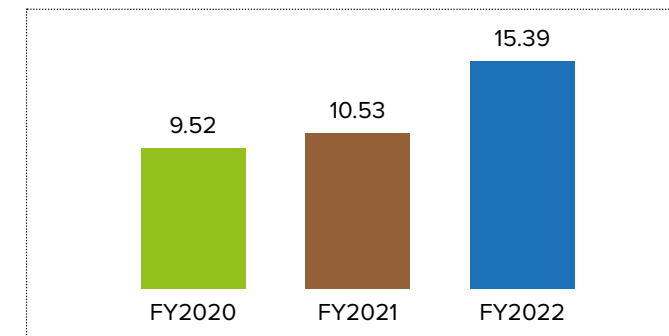


HUMAN CAPITAL

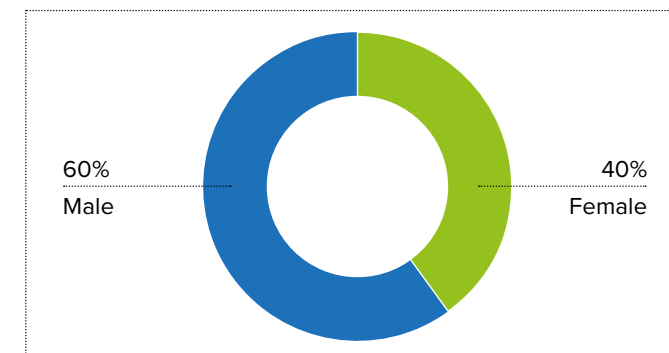
(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)



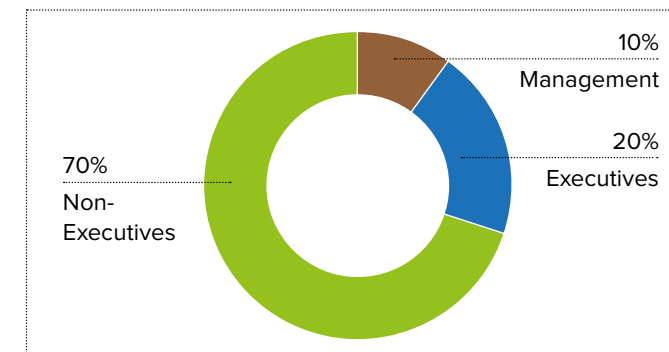
Average Training Hours per Employee



Training Hours by Gender



Training Hours by Employment Type*



(*) full-time employees

At PPB, we endeavour to create and retain a high-performing workforce with an emphasis on merits and skills in our recruitment and promotion processes.

We also strive to maintain a strong presence in the job market through employer branding via social media, participation in career fairs and providing internship programmes to graduates.

DIVERSITY AND INCLUSION

The Group strives to build a diverse and inclusive work culture in which each employee is respected, valued and given equal opportunities based on merit. The Group is guided by the principles as expressed in the Universal Declaration of Human Rights. We have a zero-tolerance policy against discrimination based on race, religion, nationality, gender, sexual orientation, disability or other defining factors; and this has been incorporated into our Human Rights Policy, which is available on our website at www.ppbgroup.com.

We comply with all applicable labour laws, rules and regulations in the countries the Group operates, including the Malaysian Employment Act 1955, the Industrial Relations Act 1967 on freedom of association, collective bargaining, and regulations governing key issues such as child labour and forced labour. There were no instances of child labour, forced labour or human rights violations reported during the year. All our employees have legal contracts and we do not employ any individual below the age of 16.

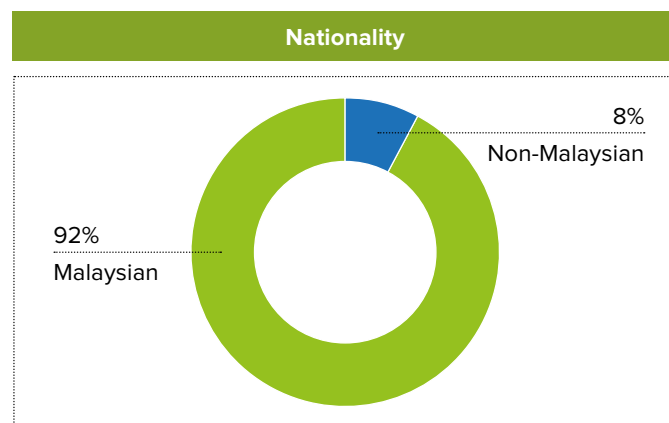
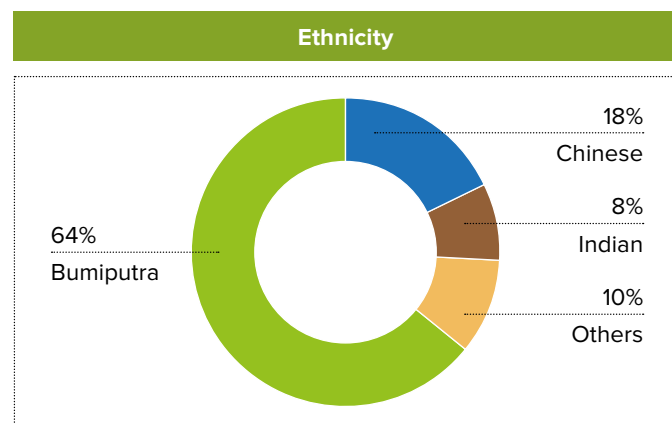
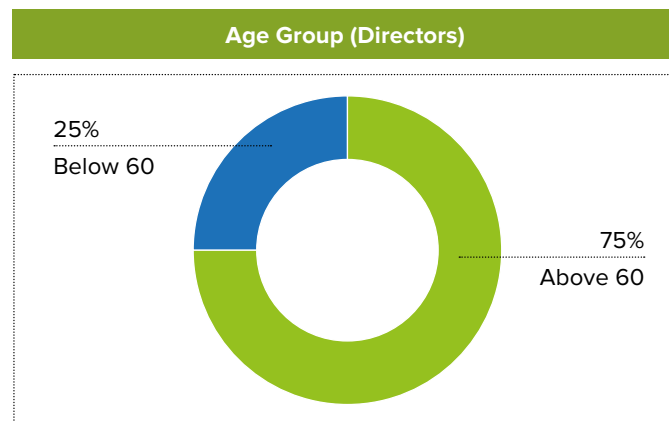
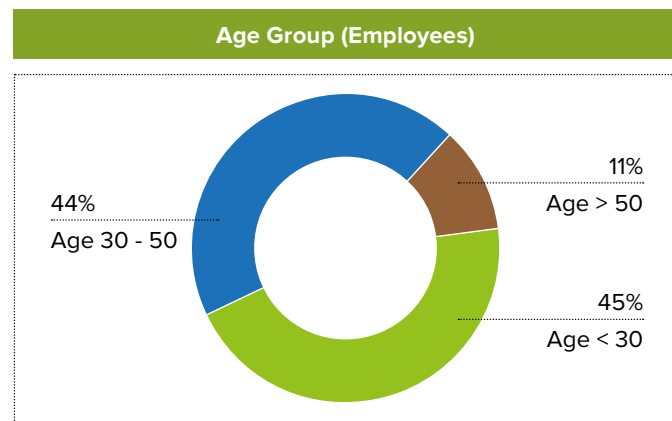
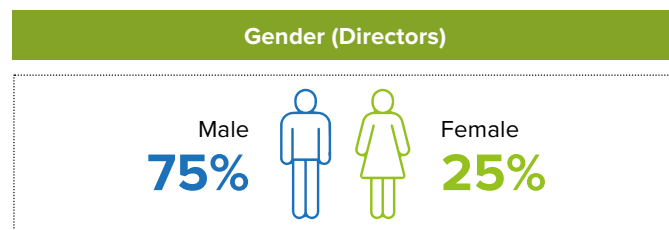
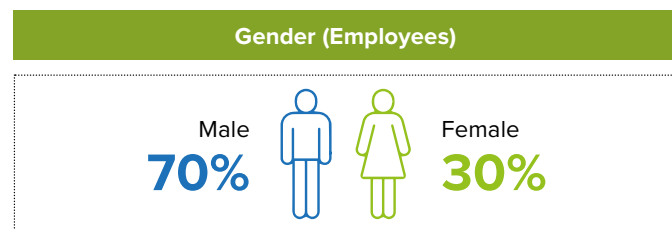
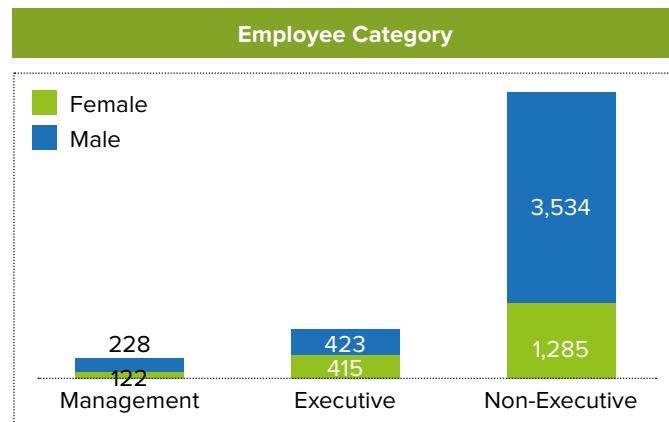
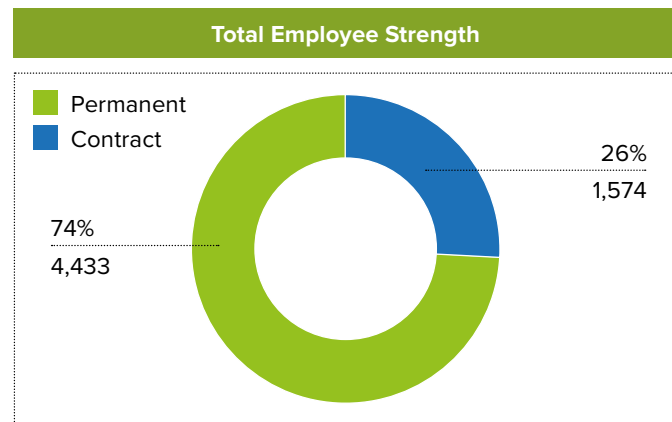
The Group focuses on creating a conducive workplace for our employees and has taken steps to cultivate an inclusive work culture. Three differently abled employees work at FFM, which makes up about 0.07% of the Group's permanent workforce. Furthermore, we also encourage fair representation of women in top managerial positions throughout the Group; in FY2022, 35% of management and 25% of the BoD of PPB Group Berhad comprised of women. Subsequently, we have increased our representation of women on the BoD to 33% in January 2023.

Fair employment opportunity is assured to all groups, and we strive to provide a safe and mutually respectful workplace environment that is free from violence, harassment, humiliation and intimidation. Any cases of harassment and discrimination will be addressed through the Grievance Channel which prevents reprisals against the reported employee.

We are also committed to local employment and creating employment opportunities for locals where practical. 92% of our workforce are Malaysians and only 8% are non-Malaysians.

HUMAN CAPITAL

(GRI 401-1, GRI 401-2, GRI 401-3, GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 406-1)



This year, we recorded a full-time voluntary turnover rate of 22.6%.

MANUFACTURED CAPITAL

(GRI 416-2)

Across all our business segments, we acknowledge the essential value of our products and services and how they may contribute to sustainable development. As such, we realise that efficient use of manufactured capital leads to flexibility, responsiveness to market demands, innovativeness and sensitivity to the overarching environment that surrounds us. Through this realisation, we strive to fulfil our purpose of delivering quality products and services while maintaining our dedication to sustainable practices.

QUALITY AND SAFETY

The Group takes responsibility for ensuring that our products and services are safe and of the highest quality. Consistency in providing excellent service and products enables us to meet our customers' expectation which in turn, significantly influence

our overall business performance. We practise strict adherence to international quality and safety standards throughout our operations. Furthermore, we take extensive measures to ensure that the products we offer meet applicable standards, especially our food products, where food safety and handling are our top priorities.

To demonstrate our commitment, we obtained relevant food regulations and standards certifications for our food-related divisions, including HACCP Certification (MS1480:2007), HACCP Codex Alimentarius Certification, GMP Certification (MS1514:2009), FSSC 22000, and ISO 22000 Food Safety Management System ("FSMS"). On top of that, we are Halal-certified by the Department of Islamic Development Malaysia (JAKIM) as well.



We are pleased to report that in FY2022, there were zero incidents of non-compliance concerning food safety or product quality across the Group.

Grains and Agribusiness & Consumer Products

Flour and Animal Feed Divisions

We introduced a few enhancements at our FFM PI mill by upgrading our bulk loading system, packaging line and bulk tanker. We have set up pallet inverters and allergen grain monitoring and testing to prevent allergen contamination, as well as installed a patent-approved check weigher for 25kg and 1kg flour bags to meet new regulations and improve weighing accuracy. Furthermore, foreign seed removal in cleaned wheat for bagging has been improved by adjusting cleaning machines.

At our FGM Pasir Gudang mill, an automated packing line has been installed for 1kg flour products.

At our feed division, we have set up a quality assurance ("QA") station to closely monitor product quality during the production process.

Our flour mills will be 100% FSSC 22000 certified when our JBFBM KK mill in Sabah, obtains the certification in 2023.

We provide refresher training on quality and safety to relevant employees, as well as introduction training on ISO 9001:2015 and FSSC 22000 for new hires. The FSSC 22000 training includes product labelling requirements, such as allergen information.

MANUFACTURED CAPITAL

(GRI 416-2)

In FY2022, FGM PG received the SIFIRI (See It, Fix It, Report It) Supplier Award from ARYZTA AG, a reputable international bakery company based in Schlieren, Switzerland with operations in Europe, Asia, Australia and New Zealand. FGM PG was the only supplier across Asia selected to receive this food safety award.

Livestock Farming

In the livestock farming division, our layer farms are ISO 9001-certified, while both our breeder and layer farms are certified under the Skim Amalan Pertanian Baik Malaysia ("myGAP"), which demonstrates our commitment to follow the best agricultural practices. We collect data on the mortality rate, body weight, uniformity and egg production rate of our parent stock and commercial layers to ensure their health.

Frozen Food Processing

At FFM Further Processing, we have increased our Adenosine Triphosphate ("ATP") test on equipment by 30% post-cleaning to ensure cleanliness is up to standard. We have also included photos at chicken inspection stations as a guide for operators on the inspection of Skinless Boneless Breast ("SBB") fresh chicken. In addition, we have doubled the number of samples tested for our sausage products during production to minimise the risk of contamination, thus ensuring the finished products meet our quality and safety standards.

Bakery

The Italian Baker, which is under the Consumer Products segment, introduced tamper-evident bread bag packaging for all Massimo bread loaves. The laser-sealed packaging, which is a first in Malaysia, is designed with product safety in mind and eliminates the possibility of tampering. The introduction of the packaging showcases our commitment to addressing growing concerns about product safety and integrity.

In case of product defects at our Grains and Agribusiness and Consumer Products segments, we established a traceability system to identify the product batch and distribution chain, following our principal recall SOPs if necessary.

Film Exhibition and Distribution

As of the end of 2022, the cinema division has obtained HACCP System (MS 1480:2019) certification for a total of 23 cinema concessions and GSC HQ, while another 11 cinema concessions are fully HACCP-compliant and preparing for certification. A further 16 cinema concessions are expected to be fully HACCP-compliant in 2023.

To ensure good popcorn quality, we provide a popping evaluation programme for all poppers, cinema managers and area managers. We improved our supplier audit with the implementation of a root cause analysis and corrective action verification procedures. A product traceability procedure has also been established to determine the root cause of product defects if any, and the procedure is continuously improved.

Property

To maintain the quality of our properties, we have established digital asset management for Cheras LeisureMall, Cheras Plaza, The Linc, Megah Rise, New World Park and The Whiteaways Arcade. We established a platform to receive feedback for improvements from our customers through our Facebook and Instagram pages. For Megah Rise Residensi in Selangor and Southern Marina Residences in Johor, we use a mobile application for facility management. In terms of sustainable development, our Megah Rise Residensi was awarded the GreenRE Gold Certification. The certification ensures energy optimisation, water efficiency during construction and building operation, environmental protection through site selection, materials used, emissions calculation, and other green building features.



FINANCIAL CAPITAL

(GRI 201-1)

In increasing our financial health, the Group is also mindful of the balance needed when aligning wealth performance with sustainable growth. In terms of our economic performance, we strive to create a business that goes beyond monetary gain and makes a positive impact on people's lives.

ECONOMIC PERFORMANCE

Generating long-term value creation for stakeholders allows us to sustain our business and uphold leadership in all markets in which we operate. The Group commits to practising financial

discipline in management across our operations to ensure business stability. Our economic performance enables us to continue delivering quality products and services to our customers and to meet their evolving expectations.

PPB's Managing Director's explanation of the Group's performance and fuller information on our economic performance can be found in the Managing Director's Review (pages 18-26) and audited financial statements (pages 68-167) of PPB's FY2022 Annual Report.



SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

Consumer products and services are our commodities but people are our business. We adopt a stakeholder-centric approach to business, accounting for the relational capital necessary for any successful operation. We shape our business to incorporate corporate citizenship to identify societal areas where we can make a positive impact and contribute to a more sustainable operating environment for all.

BRAND IMAGE AND REPUTATION

In the current technology landscape, online presence and digital marketing are crucial to maintaining brand recognition amongst tech-savvy youth, especially for consumer-based businesses. We regularly update the corporate websites of our respective business units to showcase new products and service launches. Our Grains and Agribusiness and Consumer Product segments are supported by comprehensive Point of Sales Marketing ("POS") procedures to ensure brand dynamics and relevance to consumer trends and expectations.

As a leader in the domestic cinema industry, GSC has maintained a strong social media presence across various platforms to introduce new movie experiences or initiatives. These include:



GSC Rewards

In July 2022, GSC introduced a new customer loyalty programme to reward members with exclusive invitations, giveaways and members-only events through GSCoins.



GSC BIG

In partnership with Hong Leong Bank, GSC has launched GSC BIG, a proprietary premium large format screen for enhanced viewing experience for cinema-goers.



Hydro Run

GSC collaborated with Air Selangor to organise a fun run event for families at IOI City Mall, Putrajaya.

In FY2022, the Group recorded zero cases of non-compliance issues with marketing communications and labelling requirements for our products and services across all business divisions.

In recognition of the Group's ability to differentiate ourselves from competitors, our business units have received several honours.

Golden Screen Cinemas

- Platinum award in the Entertainment Category, Putra Brand Awards 2022
- 1st Runner-up in Malaysia's 100 Leading Graduate Employers 2022 in the Media and Entertainment Category

FFM Grains & Mills, Pasir Gudang

- SIFIRI (See It, Fix It, Report It) Supplier Award 2022 by ARYZTA AG

Property

- Megah Rise Residensi was awarded the GreenRE Gold Certification

CUSTOMER SATISFACTION

We take great pride in providing our clients and customers with high-quality products and services. To further improve our customers satisfaction with the Group's services, we organise customer engagement initiatives and conduct annual surveys to collect valuable feedback for future improvements.

SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

We primarily engage with institutional customers through meetings and physical audits of our facilities in our Grains and Agribusiness and Consumer Products segments. Annual customer surveys are distributed to major clients, and we have also established customer complaint and survey procedures across all branches to gather data for review.

At our cinema division, we have been conducting customer satisfaction ("CSAT") surveys since December 2021, to obtain feedback on customers' movie-going experiences. Quick Response ("QR") codes from our CSAT surveys are prominently displayed at all cinema exit walkways and washrooms to provide easy access to our customers.

Our property division has implemented the Net Promoter Score ("NPS") at Megah Rise to gauge unit owners' experiences during the vacant possession stage. For other properties under the Group's management, we have two additional channels of communication with customers, which include QR codes via Business WhatsApp and social media pages.

Business Segment	Metrics	FY2022 Performance
Grains & Agribusiness and Consumer Products	Annual Customer Survey	326 valid customer complaints recorded across all divisions and branches.
Film Exhibition & Distribution	CSAT via QR codes	A total of 888 (per 100,000 admissions) customer feedback and 45 (per 100,000 admissions) customer complaints received.
Property	NPS	8.6 out of 10.

HUMAN RIGHTS

We believe it is our responsibility to uphold human rights within all areas of operations in the Group, and we maintain the utmost respect for the rights of the indigenous people of Malaysia, the foreign workforce, and other marginalised communities.

The Board has oversight on human rights matters within the Group's operations and is assisted by the SSC. At our flour and animal feed milling divisions, FFM PI and FGM Sarawak are members of Sedex and have pledged to apply the UN Guiding Principles on Business and Human Rights and Organisation for Economic Cooperation and Development ("OECD") Guideline for Multinational Enterprises in their operations.

Our Human Rights Policy, which was established in 2018 and is guided by the Universal Declaration of Human Rights, was updated and approved by the Board in February 2023. The policy outlines our commitment to the following and is available on our website at www.ppbgroup.com.

- Non-Discrimination
- Fair Employment Conditions
- Health and Safety
- Workplace Security
- Privacy/Data Protection
- No Child or Forced Labour and Human Trafficking
- Community Rights

The Group's Code of Conduct and Ethics ("the Code") are briefed to new employees during the induction process. The Code is contained in the Employee Handbook, which is provided to all employees and accessible on both a shared drive, as well as our corporate website at www.ppbgroup.com.

We have a grievance mechanism and a whistleblower channel in place for internal and external stakeholders to raise concerns about inappropriate behaviour or misconduct within the Group. We take all allegations of potential misconduct very seriously and take all necessary steps to resolve issues.

Due to our strict adherence to national labour laws and regulations, as well as our Human Rights Policy, we are proud to say that the Group has reported zero breaches or violations of human rights laws throughout our operations for this reporting period.

In the cinema division, all new and the majority of existing GSC cinemas are wheel-chair friendly, with ramps and elevators to facilitate moviegoing for people with disabilities. Similarly, at Cheras LeisureMall, we have dedicated restrooms, as well as mall entrances with ramps and parking bays specifically for the differently abled to have easy access to lift lobbies.

SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

SUPPLY CHAIN MANAGEMENT

The group performs vendor performance evaluations to assess suppliers based on established criteria. At our property division, the assessment is conducted on a project-by-project basis and validated by our internal procurement team prior to the retention of vendors for further engagements. We are committed to responsible procurement by working with supply chain partners who share our commitment to sustainability, whenever possible. In FY2020, the Group implemented our Human Rights Policy which includes any subsequent updates, in our supply chain.

Our support for local small and medium enterprises ("SME") extends beyond contract awards and material purchases, as we strive to promote ESG practices among our suppliers and to support a thriving local economy. In FY2022, about 92.5% of the Group's suppliers are local to our areas of operation, and we are working towards a consolidation of the total proportion of spending on local suppliers for all business segments in the next reporting year.

Our three oil palm plantations, with an average size of 291 hectares, have achieved Malaysian Sustainable Palm Oil ("MSPO") certification and recorded a total production of 8,749.30 MT of fresh fruit bunches in FY2022. The Group utilised a total of 17,435.40 MT of palm oil for our operations in the reporting period, of which 3.14% were Roundtable on Sustainable Palm Oil ("RSPO") certified. More than 90% of our palm oil purchased come from suppliers with No Deforestation, No Peat and No Exploitation ("NDPE") policy.

PPB also owns an 18.6% equity interest in Wilmar, one of Asia's largest integrated agribusiness groups. Wilmar has been a RSPO member since September 2004 and is committed to achieving 100% RSPO certification for all its own estates and mills by 2025. More information on the certification progress can be found on the Wilmar website (<https://www.wilmar-international.com/sustainability/certification/rspo-certification>).

COMMUNITY ENGAGEMENT AND DEVELOPMENT

Giving back to the community has been a top priority for the Group, particularly under the prevailing challenging circumstances. As Malaysia entered the COVID-19 endemic phase, we continued to work towards a more sustainable future for all stakeholders by making meaningful contributions to local communities.

PPB had established two funds to benefit those in need which Kuok Foundation Berhad ("KF") was appointed to manage:

PPB-KF Welfare Fund for Perlis, a RM10 million endowment fund was established in 2010 to benefit the poor and underprivileged in Perlis. In 2022, the fund disbursed RM488,990 to provide vouchers for school items to 2,770 students, and a donation to one welfare home. A cumulative total of more than RM2.8 million has thus far been spent on school uniforms and shoes for more than 12,000 primary and secondary school children in need under the PPB-KF annual Educare Project, as well as 90 study grants, 199 scholarships and cash donations to welfare homes.

PPB50 Fund, a RM20 million fund was set up in 2019 to commemorate PPB's 50th anniversary. In 2022, a total of RM345,096 was disbursed for a Food Programme in which 665 students in need from 35 secondary schools in Sungai Petani, Kedah were provided with daily RM3 meal vouchers. A total of RM255,117 was spent on the PPB50 Educare Programme and Back To School Programme where 1,982 students in need from Melaka, Sg Petani, Pahang and the Klang Valley were provided with essential school items. Financial aid was also given to 1,126 students from B40 families in Bentong, Pahang to pay for their school and book fees. Donations totalling RM190,000 were approved for Sekola Baroka activities in Johor Bahru and Pendidikan 360 workshops in Kuala Lumpur. More than RM2.3 million has been disbursed since the Fund's inception.

Our employees are encouraged to contribute to the Group's corporate social responsibility ("CSR") efforts to give back to the community. Employees who volunteer during working hours are eligible for CSR Leave of up to five days per year or Replacement Leave for outside of working hours.

In 2022, the Group has carried on with our usual range of community contributions and engagement efforts, some of which are listed in the next page.

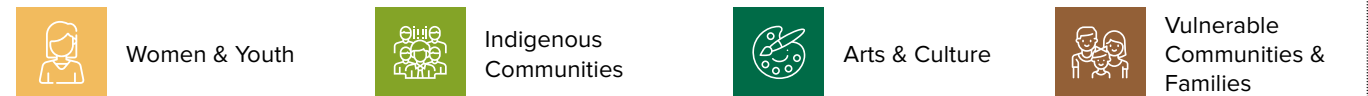
The Group **contributed more than RM3 million** in community investments during the reporting period, of which RM1.9 million (60%) was spent on COVID-19 related initiatives. Contributions to registered non-profit organisations amounted to more than RM1.2 million.



SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

The Group's CSR initiatives during the year are set out under the following pillars:



WOMEN AND YOUTH

Baking for a Better Future

PPB continued with its flagship "Baking for a Better Future" project aimed at empowering marginalised groups with baking skills for employment or entrepreneurial opportunities. Under this project, several initiatives were organised in FY2022, including:

Baking Competition

We worked with the Dignity for Children Foundation and bake X dignity to organise a year-end competition for students currently enrolled in their baking classes. The judging panel consists of experts and representatives from PPB and FFM, and the grand prize winner received an oven and baking utensils.

Supermum

For Supermum's Batches 3 and 4 participants, PPB organised a Business Training workshop. The workshop topics included basic accounting, branding and baking tips and were facilitated by staff from our subsidiaries. PPB ordered 616 jars of cookies and 86 cakes baked by Supermum graduates for our CSR initiatives to support the participants.

Persatuan STAND

Persatuan STAND is a social enterprise that trains young adults with special needs for jobs. PPB donated baking equipment and amenities as they relocated to a new pie bakery (Stand Pie Me), allowing the NGO to increase production volume and accommodate a larger number of students.

Ibupreneur Academy

We maintained our collaboration efforts with Ibupreneur to establish the Ibupreneur Academy, which empowers vulnerable women through an 8-module training course. To support their training needs, PPB renovated the Academy's baking studio and FFM sponsored the baking equipment.

EZY Bakery Workshop

PPB became the founding sponsor for a baking studio at Subang Jaya Goodyear Court 2 aimed at upskilling the B40 community through free baking classes, which started in March 2023.



PPB and PPB Property collaborated to organise bazaars in November and December 2022 to provide trainees under the "Baking for a Better Future" initiatives with an opportunity to sell their products and boost their income. The bazaars also offered the trainees a valuable learning experience and exposure.

"Hello, We Can!" x My Mind on Film

As part of GSC's ongoing efforts with "Hello, We Can!", GSC and HELP University's Centre for Mental Health and Wellness ("CMHW") held a competition for high school students and young adults to create short films to raise mental health awareness while encouraging creativity. The competition winners were given the opportunity to create a public service announcement on mental health issues in Malaysia, which was shown in GSC cinemas in November 2022.



SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

In addition to CSR projects, donations were also made to the following social events:

GRAINS & AGRIBUSINESS/ CONSUMER PRODUCTS SEGMENTS

- Donated **19,000** units of Massimo Burrosa Pound Cake and **19,000** units of Massimo Chiffon in a Cup for participants and volunteers at the Sukma XX MSN Games 2022.
- Donated **500** units of Massimo Cream Rolls for SJK (C) Jinjang Annual Sports Day.
- Supplied **18** bottles of Seri Murni Cooking Oil to Crew Skills Culinary School of Asia for the Battle of the Chefs 2022 competition.
- Sponsored **200** units of Massimo Burrosa Pound Cake, **204** units of Kart's RTE and **60** sets of V-Soy Multi-Grain Soya Bean Milk for the closing ceremony of PIXEL 2022.
- Contributed **500** units of Massimo Burrosa Pound Cake, **504** units of Kart's RTE and **120** sets of V-Soy Multi-Grain Soya Bean Milk for participants of Merbau Science and Technology Day 2022.

Creative Content Workshop & Competition

PPB continued its efforts in empowering youth by collaborating with GSC with support from TikTok, in organising a workshop on "Content Creator Day with GSC". This workshop equipped youth with a passion for filmmaking and storytelling, with technical skills to discover new and inspiring ways to create effective, impactful as well as engaging unique content. Five social media influencers were invited to share their experiences and tips on creating engaging content. Among the topics covered were:

- Introduction to Short Form Content
- How Content Makes or Breaks
- Giving Your Videos an Edge with Editing
- Finding Your Voice and Style
- Promoting Your Content Online



INDIGENOUS COMMUNITIES

Empowering The Indigenous Community

We have worked with Malaysia's indigenous communities for the past eight years to address their basic needs and improve their living conditions. PPB worked with Yayasan Kajian dan Pembangunan Masyarakat ("YKPM") to help four villagers start a fruit orchard on 4.5 acres of vacant land in Kg. Keruing, Pekan in Pahang. We also provide eco-farming and bookkeeping training to ensure sustainable long-term self-management by the communities.

In addition, by providing the necessary building materials, we aided in the construction of sanitation facilities for rural communities in Pekan and Kuala Rompin in Pahang. PPB contributed the materials to construct 16 sets of sanitation facilities, each of which includes one toilet, one bathroom and one wash basin with a mirror.



ARTS AND CULTURE

GSC International Screens & Film Festivals

GSC International Screens advocated for the promotion of world cultures through films since December 1999. In 2001, this was expanded further with film festivals hosted in collaboration with foreign embassies. In FY2022, GSC hosted a total of eight international film festivals featuring prominent films from Japan, France, the Czech Republic, Korea and Latin America. GSC also maintained its embassy-organised standalone appreciation screenings, such as Europe in Cinema and the Japanese Weekend Film Show. Under the GSC International Screens banner, four titles were screened in our cinemas viz "The French Dispatch", "The Family", "Just Remembering" and "See How They Run."

SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

Support Local Musical Talent

The COVID-19 pandemic has had a significant impact on the arts and cultural heritage sectors across Malaysia. As part of our ongoing efforts to assist struggling musicians, PPB supported GSC's launch of "JIN After Dark", a weekly live performance event at JIN Gastrobar. The event, which is free to the public and held on weekends, provides a regular venue for local musicians and bands to perform, enabling them to supplement their income and recover from the pandemic. This initiative was hosted until the end of 2022 and will be extended to FY2023.



Arts and Culture Appreciation

In conjunction with the Georgetown World Heritage Festival, our property division organised a series of workshops, a photography competition and a photo exhibition. The photography competition, which attracted 400 entries, is a platform for youth and photo enthusiasts to capture through their lenses, the beauty and culture of Georgetown and Penang.



Megah Rise Mall Mural Painting

The property division partnered with two local universities in a mural painting project. Students from the arts and design faculty were invited to submit mural designs for the Megah Rise retail space. The designs of shortlisted candidates were featured at Megah Rise mall's opening in December 2022. These candidates received RM1,000 each as a token of appreciation.



SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

VULNERABLE COMMUNITIES & FAMILIES

Autism Awareness 2022

GSC launched a campaign called “Loving Autism” in April for autism awareness, beginning with the screening of two films about the disorder, “The Specials” (re-run from 2020) and “The Reason I Jump”. GSC also deployed long-term sensory-friendly screenings in July 2022, making films accessible to neurodivergent audiences on a monthly basis.

The campaign received extensive media coverage, including articles in major newspapers, online portals, and magazines. GSC donated RM30,000 to organisations such as the National Autism Society of Malaysia, the Early Autism Project Malaysia, and the Autism Café Project to further support this cause.



Community Charity Kiosk @ Cheras LeisureMall

Although Malaysia is transitioning to the endemic phase, local NGOs remain vulnerable to economic disruptions. Our property division helped by providing free kiosk space at Cheras LeisureMall for seven charitable organisations/ NGOs to sell their wares while also raising awareness of their causes.

Zero to Hero Project

PPB sponsored 30 participants from the B40 community for a 6-day intensive sewing course facilitated by the Persatuan Seni Jahitan Kreatif Malaysia (“PSJKM”). During the pandemic, many from the B40 group were unemployed and found it difficult to earn a stable income due to limited employment opportunities. This course has helped to empower those in need with sewing skills, upskill them for entrepreneurship and provide a means to generate a side income to cover the rising cost of living.



Regenerative Satellite Farm

PPB invested in a sustainable initiative by PWD Smart FarmAbility Enterprise (“PWD”) by sponsoring five satellite farms for welfare homes or recipients in need. The satellite farm is a symbiotic regenerative soil aquaponic system whereby recipients can harvest organic vegetables and fresh tilapia fish for a more balanced diet. They can also sell any excess in their neighbourhoods, thereby providing income opportunities to the homes or recipients.

The satellite farm consists of six growing towers with at least four types of regenerative organic vegetables including red watercress, sayur manis, Brazilian spinach and a canvas pond at the centre that houses 100 tilapia fishes. The recipients of the satellite farms were Pertubuhan Warga Emas Kenang Budi KL, En Yuan Old Folks Home Sg Way, Persatuan Kebajikan Kasih OKU Selangor, Pusat Pemulihan Dalam Komuniti (“PDK”) Semenyih, and a group of single mothers residing at PPR Pinggiran Bukit Jalil.



SOCIAL & RELATIONSHIP CAPITAL

(GRI 204-1, GRI 413-1)

Mooncake Donation & Distribution

In conjunction with the Mid-Autumn Festival, FFM and the Asia Crisis Response Alliance (“ACRA”) donated 297 sets of mooncakes to underprivileged communities in the Klang Valley and Bukit Mertajam.

Christmas Toy Bank 2022

In conjunction with Christmas Day and the year-end festive season, the Group continued with its annual CSR activity by collaborating with retail malls under PPB Properties to invite shoppers to contribute gifts to underprivileged children. We collected a total of 589 gifts, which were distributed to 283 children from 11 homes within the Klang Valley and Penang.

Festival Celebrations

PPB celebrates the four main festivals with the underprivileged and marginalised communities by organising lunches, outings, activities, distributing festive goodies and fulfilling some of their wishes.



GROUP'S COVID-19 INITIATIVES

GROUP'S TOTAL COMMITMENT FOR COVID-19 INITIATIVES & DISASTER RELIEF AS AT 31 DECEMBER 2022

RM1.9 MILLION



Food Aid: **RM683K**

- 5,108 Recipients
- 12 Welfare Homes
- 1 Grocery Store (Manned by Refugees)
- 1,100 Hot Meals



Flood Aid: **RM645K**

- Cash Relief for 320 Staff
- 6,917 Packs of Food & Cleaning Products
- 300 Packs of Diapers & Sanitary Pads
- 1,230 Sets of School Uniforms & Shoes



Livelihood/ Upskilling: **RM324K**

- 46 Entertainers
- 30 Women for Creative Sewing
- 1 Home Tailor
- 5 Regenerative Satellite Farms
- 1 Baking Studio



Hello We Can Campaign: **RM81K**



Learning Aids: **RM71K**

- 1 Orang Asli Centre
- 1 Welfare Home



Disaster Preparedness and Relief: **RM38K**

- 5 Awareness Sessions on Flood Safety & Survival



Utility Assistance: **RM24K**

- 27 Families
- 4 Welfare Homes



Medical Care: **RM6K**

INTELLECTUAL CAPITAL

(GRI 417-1, GRI 418-1)

The protection of our intangible assets facilitates the improvement of the business and ultimately contributes to the bottom line. These assets result in the convergence of information and knowledge that tie sustainability and intellectual value together, where issues such as cybersecurity, data protection and others are brought to light.

NUTRITION, HEALTH AND WELLNESS

Nutritionally balanced products help consumers foster a healthier lifestyle. As obesity is becoming an increasingly prominent issue within Malaysian society, and with consumers becoming more conscious of the contents of what they consume, we aim to provide nutritious choices and transparent information for them to make informed decisions on the products they consume. We also acknowledge that some products, particularly processed foods and beverages, may have a negative impact on consumers' health and wellness.

The Group is committed to marketing our products responsibly by providing accurate and relevant information to customers. We strive to provide clear nutritional information to our customers by displaying nutrition tables on our product packaging, as well as on our website, enabling them to make informed choices. We practise responsible marketing and advertising of our products by strictly adhering to Food Act Regulations such as the Malaysian Food Act 1983 and Malaysian Code of Advertising Practice.

To this end, we have developed a Nutrition Policy that addresses our commitment to enhance accessibility to nutritious food and practise transparency through clear and transparent labelling. The policy which will be adhered to by marketing communications and implemented in products developed by or for our Grains and Agribusiness, Consumer Products and Film Exhibition and Distribution segments, has been approved by the Board in February 2023 and is available on our website at www.ppbgroup.com.

Grains and Agribusiness & Consumer Products

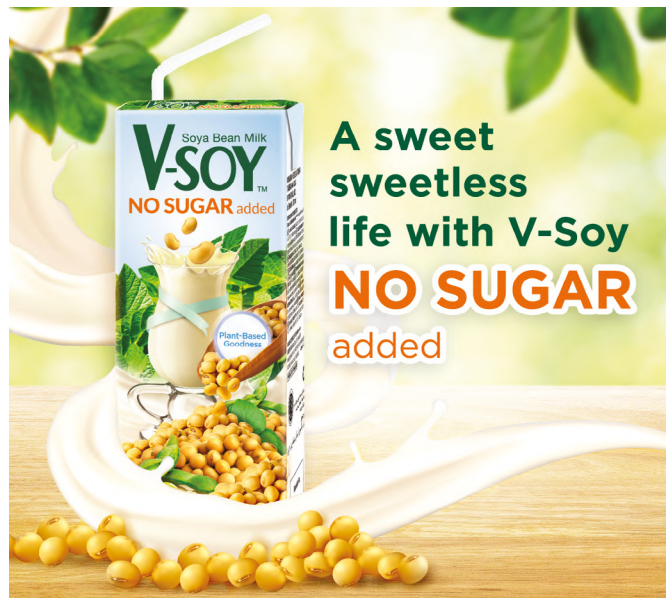
The flour milling division specialises in consumer-packed flour products such as Blue Key self-raising flour, superfine white flour, and Cap Sauh flour, which are enriched with vitamins and minerals to provide a more nutritious cooking and baking experience. We also offer alternative flours for those with dietary restrictions or certain allergies, with a range of whole wheat flour, atta flour and stabilised wheat germ.



Meanwhile, the research and development teams at our bakery and food processing divisions continuously seek to develop enhanced products. At The Italian Baker, our Massimo loaf comes in a variety of choices; wheat germ, 100% whole wheat, fine wholemeal and seeded multigrain with barley, a multigrain loaf with a nutritious blend of barley, flaxseed, chia seeds, sunflower seeds and black sesame that is packed with vitamins and minerals. Barley is rich in antioxidant tocotrienols which help protect from dangerous free radicals, as well as cholesterol-busting beta-glucans.



The Consumer Products Distribution division offers a range of selections including the V-Soy soy milk products: the original option, zero-sugar-added, low sugar option, golden-grain option and multigrain option, to provide nutrition and variety to our consumer base.



INTELLECTUAL CAPITAL

(GRI 417-1, GRI 418-1)

Film Exhibition and Distribution

An information board with nutritional facts and allergen alerts for hot foods prepared by the cinema division is displayed at GSC cinema concession counters nationwide. This is to enable customers who are health-conscious or have food intolerances to make better-informed choices. Pre-packed items, which contain nutritional information on their packaging, are not included in the list.

DATA PROTECTION

Data privacy and protection are fundamental to our efforts to digitally transform our services. We value the relationship and trust we have with our customers and take our commitment to protect their personal data very seriously. The Group strives to ensure our cybersecurity measures are dynamic and effective in responding to potential risks and threats.

We are compliant with the Personal Data Protection Act 2010 Group-wide. We implement good cybersecurity practices such as cloud migration, Active Directory ("AD") harmonisation, IT service management ("ITSM"), incident management, asset management, patch management, and standardisation of antivirus solutions and firewalls. Furthermore, we have standardised antivirus and firewalls with an advanced threat hunting system procedure to help us identify and manage any potential breach in the data systems.

Our employees receive training on cybersecurity to reduce the risk of inadvertent data breaches or leakages. We provide cybersecurity awareness training through an Annual Phishing Simulator. Our Film Exhibition and Distribution segment maintains an annual cybersecurity assessment and source code review through penetration testing on all platforms.



In FY2022, there were no substantiated complaints concerning leaks or breaches of customer privacy or loss of customer data. However, there was an incident reported without any loss of sensitive corporate data, which was verified by the external cybersecurity consultant.

CONCLUSION

PPB continues to make our mark in the industry with our contributions to social well-being, environmental health, and a just economy. Moving forward, we aspire to strengthen the fundamentals built in the areas of sustainability, people and technology, in order to achieve long-term value for all stakeholders.

ABBREVIATIONS

FLOUR MILLS	
Johor Bahru Flour Mill Sdn Bhd (Kota Kinabalu)	JBFM KK
FFM Grains & Mills Sdn Bhd (Kuching)	FGM Kuching
FFM Grains & Mills Sdn Bhd (Pasar Gudang)	FGM PG
FFM Berhad (Pulau Indah)	FFM PI
Johor Bahru Flour Mill Sdn Bhd (Prai)	JBFM Prai
ANIMAL FEED MILLS	
FFM (Sabah) Sdn Bhd	FFM Sabah
FFM Feedmills (Sarawak) Sdn Bhd	FFM Sarawak
FFM Grains & Mills Sdn Bhd (Pasar Gudang)	FGM PG
FFM Berhad (Pulau Indah)	FFM PI
Johor Bahru Flour Mill Sdn Bhd (Prai)	JBFM Prai

GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Page Number
General Disclosures		
2-1	Organisational details	2
2-2	Entities included in the organisation's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	2
2-5	External assurance	2
2-6	Activities, value chain and other business relationships	4-7
2-9	Governance structure and composition	18
2-11	Chair of the highest governance body	18
2-14	Role of the highest governance body in sustainability reporting	18
2-22	Statement on sustainable development strategy	11
2-23	Policy commitments	11
2-24	Embedding policy commitments	11
2-27	Compliance with laws and regulations	20
2-29	Approach to stakeholder engagement	22-23
Material Topics		
3-1	Process to determine material topics	24
3-2	List of material topics	25
3-3	Management of material topics	Throughout
Economic		
201-1	Direct economic value generated and distributed	51
204-1	Proportion of spending on local suppliers	54
205-1	Operations assessed for risks related to corruption	19
205-2	Communication and training about anti-corruption policies and procedures	19
Environment		
302-1	Energy consumption within the organisation	30-32
302-3	Energy intensity	33
302-4	Reduction of energy consumption	30-31
303-1	Interactions with water as a shared resource	34-36
303-4	Water discharge	36-37
303-5	Water consumption	35-36
305-1	Direct (Scope 1) GHG emissions	28
305-2	Energy indirect (Scope 2) GHG emissions	29
305-3	Other indirect (Scope 3) GHG emissions	30
305-4	GHG emissions intensity	30
305-5	Reduction of GHG emissions	28
306-1	Waste generation and significant waste-related impacts	33-34
306-2	Management of significant waste related impacts	33-34
306-3	Waste generated	34

GRI CONTENT INDEX

GRI Indicator	Content of Disclosure	Page Number
Environment (continued)		
306-4	Waste diverted from disposal	34
306-5	Waste directed to disposal	34
Social		
401-1	New employee hire and employee turnover	48
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	46
401-3	Parental leave	45
403-1	Occupational health and safety management system	39-40
403-2	Hazard identification, risk assessment, and incident investigation	40
403-5	Worker training on occupational health and safety	39
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42
403-9	Work-related injuries	42
404-1	Average hours of training per year per employee	46-47
404-2	Programmes for upgrading employee skills and transition assistance programmes	46
404-3	Percentage of employees receiving regular performance and career development reviews	45
405-1	Diversity of governance bodies and employees	47-48
406-1	Incidents of discrimination and corrective actions taken	47
413-1	Operations with local community engagement, impact assessments, and development programmes	54-59
416-2	Incidents of non-compliance concerning the health and safety impact of products and services	49
417-1	Requirements for product and service information and labelling	60
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	61

PPB GROUP BERHAD
196801000571 (8167-W)

12th Floor, UBN Tower, No. 10 Jalan P. Ramlee,
50250 Kuala Lumpur, Malaysia

www.ppbgroup.com

T | +603 2726 0088 F | +603 2726 0099

