



# RISE

ABOVE ADVERSITY

2021  
Sustainability  
Report



PPB GROUP BERHAD

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# ABOUT THE REPORT

(GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-50, GRI 102-52, GRI 102-53)

## Sustainability Overview

2021 marks our sixth year of dedicated sustainability reporting as part of PPB Group Berhad ("PPB") and its subsidiaries' ("the Group") annual reporting. PPB is a diversified conglomerate operating across five major segments; *Grains and Agribusiness*, *Consumer Products*, *Film Exhibition and Distribution*, *Environmental Engineering and Utilities*, and *Property*. The Group is continuously striving to improve its environmental, social and governance ("ESG") performance across all its business segments, and has made good progress since our first sustainability statement in 2016. This year's report showcases our achievements and challenges in our expanding efforts to boost our sustainability practices for a more effective and meaningful change to our surrounding community.

## Report Scope and Boundary

The FY2021 Sustainability Report encompasses our ESG efforts across the five main business segments in Malaysia; *Grains and Agribusiness*, *Consumer Products*, *Film Exhibition and Distribution*, *Environmental Engineering and Utilities*, and *Property*, as well as PPB's headquarters in Kuala Lumpur, for the reporting period from 1 January 2021 to 31 December 2021 ("FY2021"). FFM Further Processing Sdn Bhd ("FFP"), which became a wholly-owned subsidiary of FFM Berhad ("FFM") in June 2020, has been included in this sustainability reporting, while Products Manufacturing Sdn Bhd ("PM"), which ceased operations in November 2020 has been excluded. CWM Group Sdn Bhd which is part of our *Environmental Engineering and Utilities* segment, entered into an agreement in 2021 to dispose of its wholly-owned subsidiary, Sitamas Environmental Systems Sdn Bhd ("Sitamas"). With the completion of the divestment in early 2022, the Group has exited the solid waste management business, and going forward, Sitamas will not be included in our reporting. For the abbreviations used in this report for the *Grains and Agribusiness* segment, please refer to Page 80.

## Reporting Framework

This report was prepared in accordance with the Bursa Malaysia Securities Main Market Listing Requirements, with reference to the 2nd Edition Sustainability Reporting Guide. The reporting is also written with reference to the Global Reporting Initiative ("GRI") Standards. As part of our efforts to elevate our sustainability disclosures, we have also incorporated the United Nations Sustainable Development Goals ("UN SDGs" or "SDGs") into our reporting framework this year.

## Feedback

In line with our efforts to expand and substantiate our sustainability reporting and strategies, we welcome feedback from our stakeholders.

Contact details:

Email	corporateaffairs@ppb.com.my
Telephone no.	603-2726 0088
Office address	PPB Group Berhad (Sustainability, Corporate Affairs Dept) Letter Box No. 115, 12 <sup>th</sup> Floor UBN Tower, No. 10 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.



## A MESSAGE FROM THE CHAIRMAN OF THE SUSTAINABILITY STEERING COMMITTEE

### Dear Valued Stakeholders,

As the on-going COVID-19 pandemic continues to bring about challenges to our daily lives and day-to-day business operations, at PPB we have recognised that the importance of embedding a culture of sustainability throughout the business cannot be understated. As such, we are pleased to present our Sustainability Report that presents our efforts and progress in our sustainability approach for the financial year 2021.

As a proudly Malaysian-based diversified conglomerate with a foundation in food manufacturing, we are cognizant of the role our operations and Group decisions can have on the environment and on our various stakeholders. The Group has made focused efforts to deliver meaningful progress under our four sustainability pillars; *Environmental Impact, Working Environment, Community Investment and Marketplace Engagement.*

This year, in order to move towards our sustainability goals in a more focused and effective manner, we have developed a 5-year roadmap and action plan which translates PPB's vision and strategies into targets and initiatives to be achieved within a set timeline. These targets and initiatives were built from a gap analysis exercise of the Group's Environment, Social and Governance ("ESG") practices against the GRI standards and the FTSE4Good indicators. The roadmap currently comprises of 12 distinct action plans linked to topics under our four sustainability pillars.



Mr Lim Soon Huat  
Managing Director and Chairman of the  
Sustainability Steering Committee

Another highlight from 2021 was the adoption of the United Nations Sustainable Development Goals ("UN SDGs"). This year marks the first that the Group has aligned our ESG efforts to these global ambitions. We have identified six core UN SDGs to which we believe the Group contributes most significantly. We also highlight our contribution to the other relevant UN SDGs where the Group can have positive impact.

The pandemic brought to light the vital importance of caring for the health and safety of our employees and other stakeholders. We have put special emphasis on safeguarding the mental health of our employees during these trying times through mental health workshops; *Mental Health First Aid Program* and awareness training.

Additional highlights of the Group's sustainability efforts in FY2021 include:

- PPB, which has been listed on the FTSE4Good Index Series since 2018, has been upgraded to a 4-star grading band in the FTSE Bursa Malaysia Emas this year.
- A review and re-assessment of the material sustainability matters and materiality matrix.
- Investment of more than RM7 million for on-going efforts towards community engagement and aid to vulnerable groups and families, especially those affected by the COVID-19 pandemic.
- An estimated 8,110 kg of plastic waste was saved through packaging efficiency initiatives.
- A total of 34.7% of management staff are women.

PPB is determined to contribute to global ESG efforts and support the 12th Malaysia Plan as a responsible corporate citizen. We believe that by operating a sustainable business, we will secure long-term business growth and development for the Group and for our stakeholders. We, with this report, reinforce our commitments to our ESG goals despite the challenges brought on by the pandemic, and we will continue delivering on our environmental and social commitments to build a more sustainable future for the generations to come.

24 March 2022

# ABOUT PPB

PPB is an investment holding and property investment company committed to leading our subsidiaries and related companies to becoming market-leaders, utilising innovative business strategies based on our core corporate objectives.

## 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.

## 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.

Incorporated in Malaysia in 1968, PPB, formerly known as Perlis Plantations Berhad, began with sugar cane cultivation and sugar processing in Chuping, Perlis and was listed on the Stock Exchange of Malaysia and Singapore (now known as Bursa Malaysia Securities Berhad) in 1972. Today, PPB is one of Malaysia's largest diversified conglomerates with operations in six business segments:

### Grains and Agribusiness



### Consumer Products



### Film Exhibition and Distribution



### Environmental Engineering and Utilities



### Property



### Investments and Other Operations

Headquartered in Kuala Lumpur, Malaysia, we have expanded our main businesses both domestically across majority of the states in Malaysia and regionally to China, Thailand, Vietnam, Indonesia and Singapore.

The *Grains & Agribusiness* segment, which is the Group's main revenue contributor, is divided into three business divisions; flour and animal feed milling; grains trading; and livestock farming operated by FFM Group, in which PPB has an 80% equity interest.

## GRAINS AND 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 each in Thailand and Indonesia. 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 67,200 MT/month.

### Livestock Farming

FFM Farms Sdn Bhd operates 2 broiler breeder farms with a combined estimated production capacity of 3 million broiler chicks per month and a layer farm with an estimated monthly production capacity of 21 million eggs to complement the Group's animal feed milling operations.



## ABOUT PPB

The *Consumer Products* segment operates downstream activities including marketing and distribution of edible oils, other consumer products, bakery and food processing.

### 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 more than 300,000 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") produces an extensive range of frozen food under the "Marina" brand with a total production capacity of over 5,000 MT/year. FFP operates two production lines comprising a 1,000-kg/hour formed line, and a 450-kg/hour sausage line.



In the *Film Exhibition & Distribution* segment, wholly-owned subsidiary, Golden Screen Cinemas Sdn Bhd, operates the largest cinema chain in Malaysia, capturing more than 50% of the domestic box office collections.

### FILM EXHIBITION AND 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 400 screens at 40 locations in major cities nationwide. In Vietnam, the Group operates at 18 locations with a total of 108 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, Myanmar and Cambodia. GSC Movies distributed a total of 48 films in 2021.



The *Environmental Engineering & Utilities* segment is led by Chemquest Group, in which PPB has 55% equity interest. This segment provides water engineering, sewage treatment, and flood mitigation services.

### ENVIRONMENTAL ENGINEERING AND UTILITIES

CWM Group provides holistic solutions, advanced technologies and professional management services in water, sewage, and drainage sectors and has a track record of more than 140 water and sewage projects with a combined contract value in excess of RM3.3 billion.

Its services include the following:

#### Water Engineering

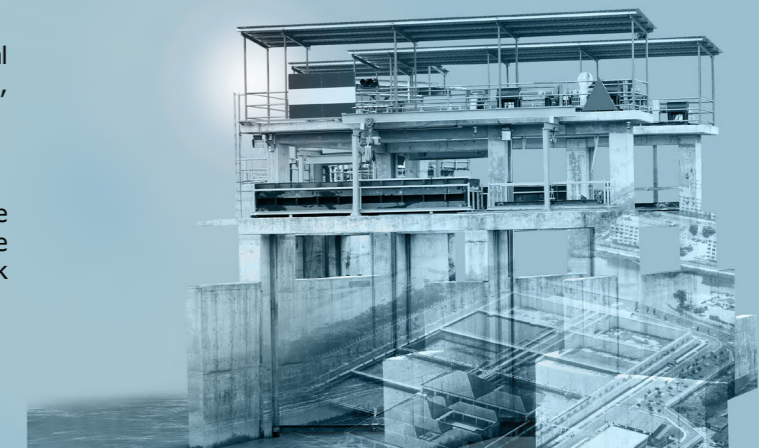
Design, construct, operate and maintain municipal water supply facilities covering intake, pumping stations, treatment, delivery and supply network.

#### Sewage Treatment

Design, construct, operate and maintain centralised sewage treatment plants and sludge treatment plants for the sewage authorities. Design and construct sewage network and network pumping stations.

#### Flood Mitigation

Provide turnkey solutions for flood mitigation schemes.



ABOUT PPB

PPB owns and manages several retail and commercial properties in Kuala Lumpur and Penang. PPB Hartabina Sdn Bhd and PPB Property Development Sdn Bhd, wholly-owned subsidiaries under the *Property* segment, carry out property development and provide project and property management services, respectively, for projects undertaken and properties owned by PPB Group companies and affiliates.

**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 four retail/commercial properties namely:

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

**Project 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.

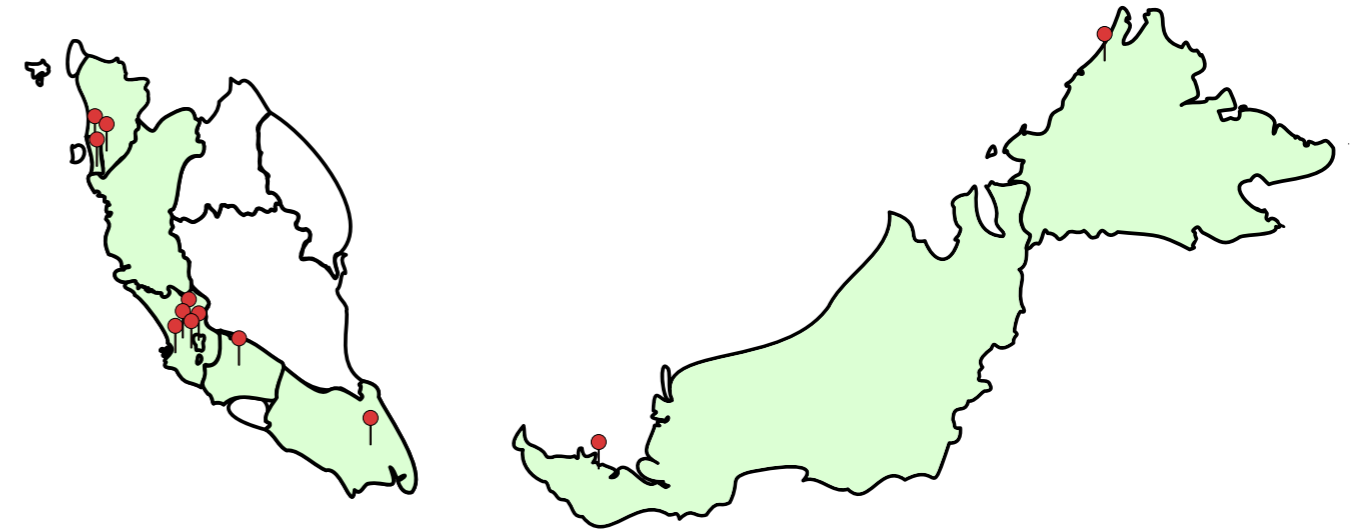
**Project Management**

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 KL, Jalan Tun Razak, Kuala Lumpur



PPB also owns an 18.6% equity interest in Wilmar International Limited ("Wilmar") which is one of Asia's largest integrated agribusiness groups. Wilmar's business encompasses the entire value chain of the agricultural commodity business, from the cultivation and milling of palm oil and sugar cane to the processing, branding and distribution of a wide range of food products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries.



1

**Grains and Agribusiness**

FFM Berhad (HQ) Sungai Buloh, Selangor

*Flour and Feed Mills*

FFM Pulau Indah Sdn Bhd Pulau Indah, Selangor

Johor Bahru Flour Mill Sdn Bhd Prai, Penang

FFM Grains & Mills Sdn Bhd Pasir Gudang, Johor

*Flour Mills*

Johor Bahru Flour Mill Sdn Bhd Kota Kinabalu, Sabah

FFM Grains & Mills Sdn Bhd Kuching, Sarawak

*Animal Feed Mills*

FFM (Sabah) Sdn Bhd Kota Kinabalu, Sabah

FFM Feedmills (Sarawak) Sdn Bhd Kuching, Sarawak

*Livestock Farming*

FFM Farms Sdn Bhd Gurun, Kedah

FFM Farms Sdn Bhd Trong, Perak

FFM Farms Sdn Bhd Sua Betong, Negeri Sembilan

**Property**

PPB Property Development Sdn Bhd Kuala Lumpur, Wilayah Persekutuan

PPB Hartabina Sdn Bhd Kuala Lumpur, Wilayah Persekutuan

South Island Mining Company Sdn Bhd (Plantation) Bedong, Kedah

Seletar Sdn Bhd (Plantation) Bedong, Kedah

Cathay Screen Cinemas Sdn Bhd (HQ) Petaling Jaya, Selangor

Cathay Theatres Sdn Bhd (HQ) Petaling Jaya, Selangor

**Consumer Products**

*Consumer Products Distribution*

FFM Marketing Sdn Bhd Sungai Buloh, Selangor

12 branches across Malaysia

*Bakery*

The Italian Baker Sdn Bhd Pulau Indah, Selangor

8 branches across Malaysia

*Food Processing*

FFM Further Processing Sdn Bhd Pulau Indah, Selangor

**Film Exhibition and Distribution**

PPB Leisure Holdings Sdn Bhd Petaling Jaya, Selangor

Golden Screen Cinemas Sdn Bhd (HQ) Petaling Jaya, Selangor

GSC Movies Sdn Bhd Petaling Jaya, Selangor

Cinead Sdn Bhd Petaling Jaya, Selangor

**Environmental Engineering and Utilities**

CWM Group Sdn Bhd Shah Alam, Selangor

Cipta Wawasan Maju Engineering Sdn Bhd Shah Alam, Selangor

<sup>1</sup> Subsidiaries illustrated above represent those covered under the scope of the Sustainability Report. Full breakdown of the Corporate Structure can be found in the Annual Report.

## SUSTAINABILITY JOURNEY

### 2016

- Published first Sustainability Statement.
- Benchmarking exercise against industry peers.
- Conducted ESG gap analysis.
- Materiality Assessment.

### 2017

- Established Sustainability Steering Committee.
- Established CSR Task Force.
- Commissioned carbon footprint assessment for flour and animal feed milling and cinema divisions.
- Cinema division launched single use plastic bottle recycling at its cinemas.
- Livestock farming division achieved 31.6% reduction in accidents.

### 2018

- Adopted Group Sustainability Policy and Human Rights Policy.
- Commissioned energy audit/reduction for flour and animal feed milling and cinema divisions.
- Commissioned water footprint assessment/reduction plan for cinema and property divisions.
- Livestock farming division achieved 30.8% reduction in accidents.
- Cinema division reduced water consumption by 4.3%.
- PPB Group Berhad included in FTSE4Good Index Series.
- Cinema division launched nutritional information for GSC's hot foods.

### 2019

- Reviewed Group materiality assessment and carried out benchmark study for key business units.
- Flour and animal feed milling and cinema divisions implemented applicable and practicable recommendations made in energy reduction plan.
- Cinema and property divisions implemented applicable and practicable recommendations made in water reduction plan.
- Zero fatalities across the Group set as target.

### 2020

- Implemented Group Human Rights Policy in the supply chain.
- Implemented Group Anti-Bribery and Corruption Framework and Policy.
- Updated Group's Whistleblowing Policy and Procedure.
- Added 'Pandemic impact and business continuity' as a material matter in the Group's materiality matrix.
- Established food traceability list for items prepared in-house for cinema concessions.
- Converted majority of cinema concessions' plastic packaging to biodegradable options.
- Oil palm entities certified MS2530-3:2013 by the MSPO.
- Obtained HACCP certification for 7 cinema concessions.
- Achieved zero fatalities across the Group.

### 2021

- Reviewed and consolidated the number of material matters to 20.
- Conducted a materiality reassessment for FY2021.
- Conducted a gap analysis against the FTSE4Good indicators as well as the GRI Standards to strengthen our ESG performance and reporting.
- Developed a 5-year sustainability roadmap for the Group to close the gaps identified through the gap analysis.
- Achieved zero fatalities across the Group.



## KEY HIGHLIGHTS OF FY2021

Listed on FTSE4Good Index Series since 2018.



Established a 5-year sustainability roadmap.



**100%** of subsidiaries assessed for Anti-Bribery and Corruption risk.



More Than **RM 9 million** invested in renewable energy and energy saving initiatives.



More than **RM 7 million** invested into the community.



**ZERO** fatalities across the Group.

0

**8,110 kg** plastic saved from plastic packaging efficiency projects.



Upgraded to a 4-star ESG grading band in the FTSE Bursa Malaysia Emas.



Conducted an ESG gap analysis.



GSC awarded the Platinum Putra Brand award (Entertainment Category) for the 5<sup>th</sup> consecutive year.



## THE GROUP'S COMMITMENT TO SUSTAINABILITY

(GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-13, GRI 102-46, GRI 102-52, GRI 102-53)

The Group has taken a holistic approach to sustainability to harmonise our economic performance with our impact on the environment and on society. With this in mind, we have reviewed our material sustainability matters from the previous financial year to ensure their relevance to the Group for FY2021. The material matters chosen upon review were classified into our four sustainability pillars; *Environmental Impact*, *Working Environment*, *Marketplace Engagement*, and *Community Investment*.

### SUSTAINABILITY POLICY

The Group aspires to achieve excellence through the integration of sustainable practices into everyday business operations, and alignment with our vision and core values. The Group's Sustainability Policy, which was developed and reviewed by the Sustainability Steering Committee ("SSC"), was approved by PPB's Board of Directors ("the Board") in early 2018. The Policy is based on three core aspects: *People/Human Rights*, *Environment*, and *Ethics and Marketplace*. The Policy will be continually improved upon and reviewed by the Board.

### People/Human Rights

- The Group's Human Rights Policy is guided by the Universal Declaration of Human Rights and outlines the basic principles of non-discrimination, fair employment conditions, health and safety, workplace security, privacy/data protection, no child or forced labour or human trafficking, and community rights.
- Whistleblowing and sexual harassment policies and grievance handling procedures support the human rights policy are in place.
- The Group is also committed to delivering high standards of service, product quality and customer engagement.

### Environment

- The Group recognises the importance of environmental protection for business sustainability:
  - (a) Sustains a program of continual improvement in environmental performance by incorporating suitable monitoring mechanisms and improvement targets on aspects which are material to our operations.
  - (b) Integrates the consideration of environmental and biodiversity concerns and impacts into its decision-making and activities.
  - (c) Promotes environmental awareness among its employees and customers.

### Ethics and Marketplace

- The Group's integrity, transparency and accountability is enhanced by:
  - (a) Code of Conduct and Ethics which can be accessed on the corporate website.
  - (b) Product Quality, Food Safety commitments and Halal Compliance.
  - (c) Supplier engagements, where the Group engages with agents, suppliers and contractors to support sustainability efforts.
  - (d) Privacy/Data Protection which highlights the Group's commitment to respecting the confidentiality of personal information of our customers and employees.

# OUR UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS CONTRIBUTION HIGHLIGHTS

The United Nations Sustainable Development Goals ("UN SDG" or "SDGs"), established in 2015, act as a guideline for member countries and corporations. We recognise that our operations can impact the environment and surrounding communities adversely. Our commitment to minimise such impact is demonstrated by the six UN SDGs we have chosen this year. Our core SDGs are SDG 6 – Clean Water and Sanitation, SDG 8 – Decent Work and Economic Growth, SDG 10 – Reduced Inequalities, SDG 12 – Responsible Consumption and Production, SDG 13 – Climate Action, and SDG 16 – Peace, Justice and Strong Institutions.



## FY2021 Contribution Highlights:

### 1. No Poverty

- The Group as a whole has contributed more than **RM6 million** as part of its COVID-19 relief efforts nationwide which helps the B40 group and vulnerable communities affected by the outbreaks to obtain basic necessities, as well as to assist our frontliners in their duties.

### 2. Zero Hunger

- The Group has contributed almost **RM3 million** worth of food products to aid welfare homes and those in need during the pandemic.
- Provided farming tools and saplings to an orang asli community in Pahang to improve their farming capabilities and production, as well as increase the revenue generated.

### 3. Good Health and Well-Being

- The Group has established strict **SOPs** in dealing with the COVID-19 outbreak to minimise/eliminate its impact on our customers and employees.
- Introduced **mental health workshops and awareness programs** within the Group for all employees.
- Health and Safety training in CWM Group covers **dengue prevention and awareness**.
- The flour mills division have introduced **healthier flour options**.
- The bakery division launched a nutritious multigrain with barley loaf.
- FFM Marketing division launched a new zero-sugar-added soy milk drink.

### 6. Clear Water and Sanitation

- PPB has been engaging with Malaysia's orang asli communities since 2015 to improve their access to clean water and sanitation facilities, i.e. construction of wells, bathrooms, toilets, septic tanks, piping systems, and dams.

### 8. Decent Work and Economic Growth

- Zero fatalities** recorded across the Group.
- The Group supported small businesses and local musicians who lost their income due to the lockdowns, with **386 job creations** and contributions amounting to RM358,000.
- Similarly, the cinema division supported local talents by providing them a platform to earn an income during the lockdowns.
- The Group provided employment for a total of 5,297 people in 2021.
- The Group is committed to absorbing local talent and currently has a team that is **92.5% Malaysian**.
- A total of **48,837 training hours** on employee development to enhance knowledge and skills, averaging a total of 10.53 hours per employee.
- The flour and animal feed milling division implemented noise pollution mitigation system to reduce risk of hearing loss due to noise pollution.

### 10. Reduced Inequalities

- Sponsored and collaborated with numerous upskilling programs such as Bake X, From Zero to Hero Project, etc. which aim to provide vulnerable groups with applicable and transferrable skills to enhance their employability.
- Contributed laptops and printers totalling **RM 139,808** to welfare homes to aid students in these homes with online classes and learning.
- Involved in the Supermum Project, which empowers single mothers to bake and sell their products to earn a living.

### 12. Responsible Consumption and Production

- The *Grains and Agribusiness* segment has taken climate-related risks into consideration and sourced for alternative raw material in the event of a drought.
- Biological waste from livestock farming division are repurposed into organic and semi-compost fertilizer for use in vegetable farms.
- 412 MT waste recycled** in 2021.
- The cinema division has converted the majority of its cinema concessions' plastic packaging to bio-degradable options.

### 13. Climate Action





- The Group is committed to reducing and managing its energy use with set targets for relevant business segments.
- The livestock division replaced fluorescent lights to energy-saving LED bulbs at all applicable chicken houses.
- FFM Pulau Indah mill commenced a **solar energy project** (1,283 kWp capacity) in November 2021 which is projected to save up to 1.5 million kWh/year (6%) and reduce GHG emissions by 927 t.CO<sub>2</sub>e/year.
- The Italian Baker (Pulau Indah) has also commenced a solar energy project (1,302 kWp capacity) in November 2021 which is projected to save up to 1.49 million kWh/year (14%) and reduce GHG emissions by 939 t.CO<sub>2</sub>e/year.
- FFM Farms (Trong) has a solar PV system (699 kWp capacity) which has been in operation since December 2021 and is projected to save up to 976,815 kWh/year and reduce GHG emissions by 571 tCO<sub>2</sub>e/year.

### 16. Peace, Justice and Strong Institutions




- The Group started implementing its Human Rights Policy across its supply chain in 2020.
- The Group has an established Code of Conduct and Ethics, as well as Anti-Bribery and Corruption, Sustainability, Whistleblowing and Corporate Disclosure policies.

### KEY PERFORMANCE INDICATORS (“KPI”)



The Group sets annual targets for the business segments. This year, we have included the Bakery division of the *Consumer Products* segment, as well as the Water division of the Environmental Engineering and Utilities segment.

Segment	Business Division	Target	Material Matters and UN SDG	Progress	
				2020	2021
<b>Working Environment</b>					
<b>Health and Safety</b>					
All	All	Zero fatalities <sup>2</sup> across the Group. (Annual target)	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Business risk management and continuity</li> <li>Labour management and satisfaction</li> </ul> 	Achieved	Achieved
<b>Environmental Impact</b>					
<b>Energy use</b>					
Grains and Agribusiness	Flour & animal feed milling	<b>Flour mills</b> Reduce energy use intensity (kWh/MT) for wheat production by 5% by <b>2025</b> from a baseline of 80.63 kWh/MT (FY2020).	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>Climate change</li> <li>Business risk management and continuity</li> </ul>   	Implementation year	In-progress
		<b>Feed mills</b> Reduce energy use intensity <sup>3</sup> (kWh/MT) for feed production by 5% by <b>2025</b> from a baseline of 27.14 kWh/MT (FY2020).		Implementation year	In-progress



<sup>2</sup> Covers all fatalities (employees and non-employees) which occur in any of the Group's premises.  
<sup>3</sup> Annual energy use intensity for feed production will depend on type of feed milled (i.e. pelletised or non-pelletised).

Segment	Business Division	Target	Material Matters and UN SDG	Progress	
				2020	2021
<b>Energy use</b>					
Grains and Agribusiness	Livestock farming <sup>4</sup>	Complete conversion of fluorescent to energy-saving LED bulbs at applicable chicken houses by Q2 2021.	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>Climate change</li> <li>Business risk management and continuity</li> </ul>   	In-progress	Achieved
		<b>Breeder farms</b> Energy use intensity to achieve at least 6.49 kWh/100 parent stock.		-	Achieved (6.25 kWh/100 parent stock)
		<b>Layer farm</b> Energy use intensity to achieve at least 1.43 kWh/100 commercial layers.		-	Achieved (1.35 kWh/100 commercial layers)
Film Exhibition and Distribution	Cinema	Energy use intensity to not exceed 55 kWh/show. (target applicable for 2021 and 2022)		-	Not achieved <sup>5</sup> (84 kWh/show)
Property	Property <sup>6</sup>	Energy use intensity to not exceed 6.8 kWh psf for all buildings under management, and office spaces. (target applicable for 2021 and 2022)		Achieved	Achieved (6.06 kWh psf)

<sup>4</sup> Energy-use intensity amended to kWh/100 parent stock and kWh/100 commercial layers in 2021.  
<sup>5</sup> The prolonged lockdown/MCO led to the closure of cinemas for 280 days and a lower number of screenings. Despite the cinemas closure, regular maintenance of auditoriums such as cleaning, ventilation, and operational maintenance were conducted.  
<sup>6</sup> Excludes Cathay Screen Cinemas Sdn Bhd and Cathay Theatres Sdn Bhd.

Segment	Business Division	Target	Material Matters and UN SDG	Progress	
				2020	2021
<b>Water use</b>					
Grains and Agribusiness	Livestock farming <sup>7</sup>	<b>Breeder farms</b> Water use intensity to achieve at least 0.15 m <sup>3</sup> /100 parent stock. (target applicable for 2021 and 2022)	<ul style="list-style-type: none"> <li>Water management</li> <li>Climate change</li> <li>Business risk management and continuity</li> </ul> 	-	Achieved (0.15 m <sup>3</sup> /100 parent stock)
		<b>Layer farm</b> Water use intensity to achieve at least 0.03 m <sup>3</sup> /100 commercial layers. (target applicable for 2021 and 2022)		-	Achieved (0.03 m <sup>3</sup> /100 commercial layers)
Property	Property	Water use intensity to not exceed 0.32 m <sup>3</sup> psf for all buildings under management, and office spaces. (target applicable for 2021 and 2022)	<ul style="list-style-type: none"> <li>Water management</li> <li>Climate change</li> <li>Business risk management and continuity</li> </ul> 	Achieved	Achieved (0.24 m <sup>3</sup> psf)



<sup>7</sup> Water-use intensity amended to m<sup>3</sup>/100 parent stock and m<sup>3</sup>/100 commercial layers in 2021.




Segment	Business Division	Target	Material Matters and UN SDG	Progress	
				2020	2021
<b>Carbon Emission</b>					
Grains and Agribusiness	Flour and animal feed milling	<b>Short term (5 years)</b> Reduce GHG emissions <sup>8</sup> by 3% by <b>2025</b> from baseline of 40,858 tCO <sub>2</sub> e. (FY2020)	<ul style="list-style-type: none"> <li>Climate change</li> <li>Business risk management and continuity</li> </ul> 	Implementation year	In-progress
		<b>Long term (10 years)</b> Reduce GHG emissions by 5% by <b>2031</b> .			
<b>Marketplace Engagement</b>					
<b>Supply Chain Management</b>					
Film Exhibition and Distribution	Cinema	Annual Vendor Performance Evaluation.	<ul style="list-style-type: none"> <li>Quality and safety</li> <li>Supply chain management</li> <li>Brand image and reputation</li> </ul> 	Implementation year	Not achieved <sup>9</sup>

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

<sup>9</sup> Due to the prolonged lockdown/MCO which prevented the establishment of a benchmark for vendor performance and evaluation.

Additional Targets for FY2022

Segment	Business Division	Target	Material Matters and UN SDG
<b>Environmental Impact</b>			
<b>Energy use</b>			
Grains and Agribusiness	Flour and animal feed milling	FFM PI mill to complete its solar energy project (1,283 kWp capacity) by 2022.	<ul style="list-style-type: none"> <li>Energy efficiency</li> <li>Climate change</li> <li>Business risk management and continuity</li> </ul> 
	Livestock farming	Breeder farms Energy use intensity to achieve at least 5.90 kWh/100 parent stock.	
		Layer farm Energy use intensity to achieve at least 1.12 kWh/100 commercial layers.	
Consumer Products	Bakery	The Italian Baker (Pulau Indah) ("TIB") to complete its solar energy project (1,302 kWp capacity) by 2022.	
Environmental Engineering and Utilities	Water	To commence tracking energy usage at project sites on project-by-project basis.	
<b>Water use</b>			
Environmental Engineering and Utilities	Water	To collect water usage data for project sites on project-by-project basis for disclosure in our Sustainability Report ("SR") 2022.	<ul style="list-style-type: none"> <li>Water management</li> <li>Business risk management and continuity</li> </ul> 

Segment	Business Division	Target	Material Matters and UN SDG
<b>Carbon Emission</b>			
All	All <sup>10</sup>	To collect data for GHG Scope 1 emissions disclosure in SR 2022.	<ul style="list-style-type: none"> <li>Climate change</li> <li>Business risk management and continuity</li> </ul> 
		To commence data tracking for GHG Scope 3 emissions disclosure in SR 2023.	
<b>Waste Management</b>			
Grains and Agribusiness	All <sup>11</sup>	To set up waste management system, and disclose recycled and non-recycled waste data in SR 2022.	<ul style="list-style-type: none"> <li>Waste management</li> </ul> 
Film Exhibition and Distribution	Cinema	To collect waste data (used oil) for disclosure in SR 2022.	
Environmental Engineering and Utilities	Water	To commence tracking hazardous and non-hazardous waste generated from project sites on a project-by-project basis.	
<b>Marketplace Engagement</b>			
<b>Quality and Safety</b>			
Grains and Agribusiness	Flour and animal feed milling	To obtain 100% FSSC22000 certification for all our flour mills. JBFM KK is the last of our mills to be certified <sup>12</sup> .	<ul style="list-style-type: none"> <li>Quality and safety</li> <li>Business risk management and continuity</li> </ul> 

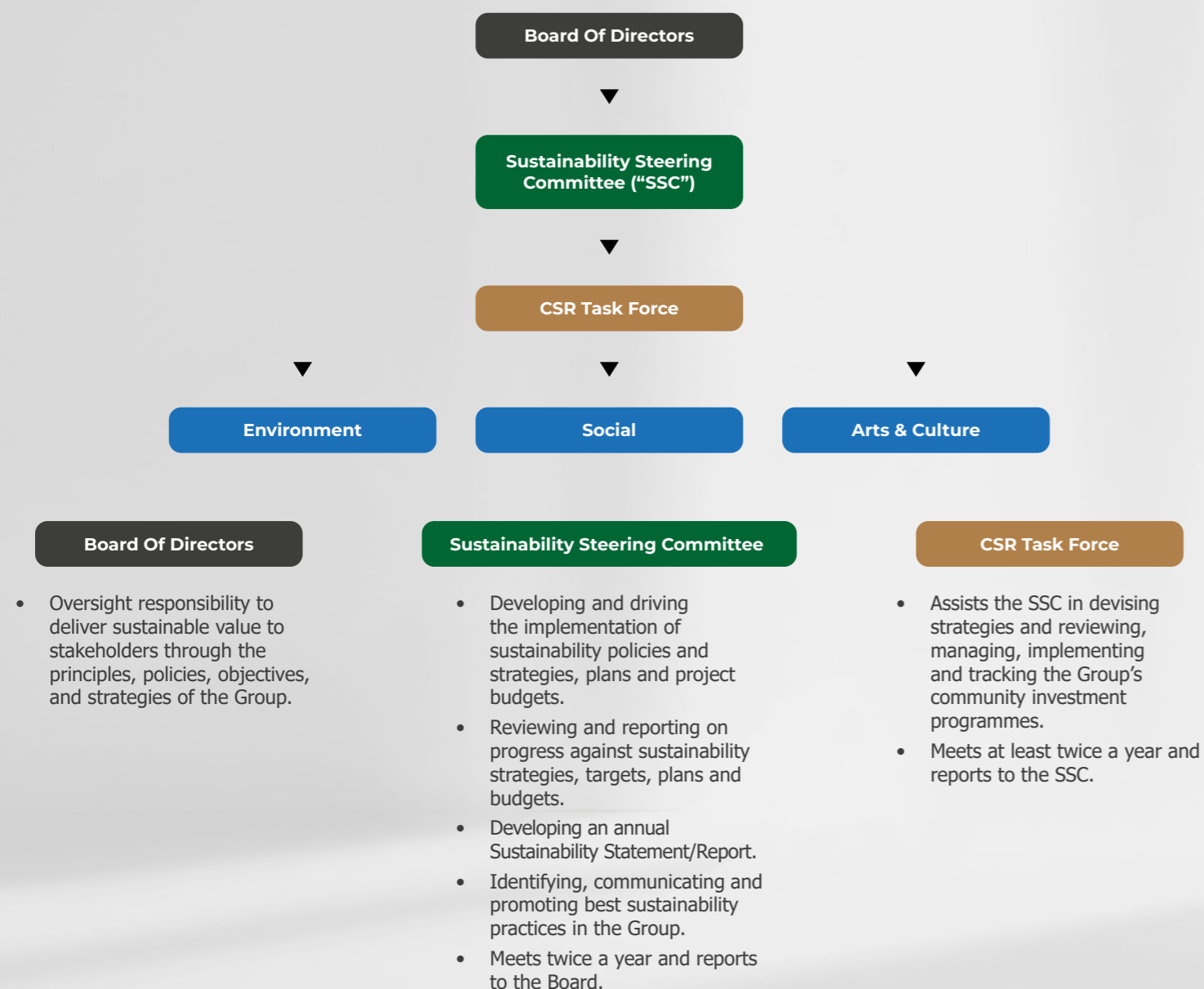
<sup>10</sup> Flour and animal feed milling and cinema divisions are already reporting on Scope 1, 2 and 3 emissions.  
<sup>11</sup> Remaining business divisions to disclose waste data.  
<sup>12</sup> Due to pandemic restrictions, the division's application for certification was postponed from 2020 to 2022.

## GOVERNANCE STRUCTURE

(GRI 102-18, GRI 102-32)

A robust governance structure provides the Group with accountability and transparency across its business operations, including sustainability practices. PPB's three-tiered sustainability governance structure was established in 2017. The Board has responsibility for this function and is supported by the Sustainability Steering Committee ("SSC"), which in turn is assisted by the Corporate Social Responsibility ("CSR") Task Force. The SSC is chaired by PPB's Managing Director and comprises the Group Chief Sustainability Officer, PPB's Department Heads, as well as the Heads and Sustainability Officers across all business segments.

The CSR Task Force comprises representatives from PPB's headquarters and the five 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.



## THE GROUP'S COMMUNICATION WITH STAKEHOLDERS

(GRI 102-40, GRI 102-43, GRI 102-44)

Stakeholders are an integral component of the Group's operations. Gaining insights from key stakeholders enables the Group to steer business decisions and strategies to meet stakeholder expectations. We employ multiple channels to engage with our stakeholders, allowing us a comprehensive understanding of their feedback on environmental, social, governance and economic issues that are material to them.

In FY2021, the Group conducted a survey to re-identify the key stakeholder groups that significantly influence or are affected by each of the business segments' activities. From this internal survey, we identified 10 stakeholder groups deemed most relevant to the Group.

Areas of Interest	Method of Engagement	Frequency of Engagement
<b>Employees</b>		
<ul style="list-style-type: none"> <li>Pandemic SOPs and advisory</li> <li>Career development opportunities</li> <li>Diversity and inclusivity</li> <li>Work-life balance and employee wellbeing</li> <li>Training and development</li> <li>Remuneration, fair compensation</li> <li>Recognition</li> <li>Occupational safety and health</li> </ul>	Performance appraisal	Bi-annual
	Employee engagement survey	Once every 2 years
	Employee review and reward	Annual
	Virtual poster	Ad-hoc
	Training courses	Throughout the year
	Festive celebrations	Quarterly
	Family Day	Annual
	<b>Customers</b>	
<ul style="list-style-type: none"> <li>Company's reputation and brand image</li> <li>Customer relationship management</li> <li>Timely service and response</li> <li>Product safety and quality</li> <li>Innovative offerings and variety</li> <li>Halal certification</li> <li>Nutrition, health and wellness</li> <li>Responsible labelling and marketing</li> <li>Transparency and integrity</li> <li>Affordability</li> </ul>	Tenancy terms and agreement	Ongoing monitoring
	Landlord/tenant communication and meetings	As and when required
	Customer feedback, queries and satisfaction survey via various communication channels	Throughout the year / as required
	Brand website	Once every month
	Consumer relationship marketing	Throughout the year
	Corporate/brand campaigns, advertisements and promotions, social media	Throughout the year
	Product packaging	Throughout the year

Areas of Interest	Method of Engagement	Frequency of Engagement
<b>Shareholders</b>		
<ul style="list-style-type: none"> <li>Risk management</li> <li>Whistleblowing policy</li> <li>Audit committee report</li> <li>Group financial results</li> <li>Sustainability matters</li> <li>Business strategy</li> <li>Regulatory compliance</li> </ul>	Annual report	Annual
	Online communication (website)	Throughout the year
	Various communication channels	Ad-hoc
	Financial reports	Annual/Quarterly
	Board meetings	As fixed
	Analyst briefings	Bi-annual
	Investor Updates	Quarterly
Annual General Meeting	Annual	
<b>Vendors/Suppliers</b>		
<ul style="list-style-type: none"> <li>Integrity pact</li> <li>Sales opportunities</li> <li>Timely payment</li> <li>Company's reputation and financial standing</li> <li>ESG initiatives, Human Rights Policy, Anti-Bribery and Corruption ("ABAC") Policy, Code of Conduct and Ethics</li> <li>Value for money</li> </ul>	Email	Ad-hoc
	Forum	Throughout the year
	Face-to-face and virtual engagements	Throughout the year
	Performance review	Annual
<b>Certification Bodies</b>		
<ul style="list-style-type: none"> <li>Strong corporate governance</li> <li>Regulatory compliance</li> <li>Ethics and integrity</li> <li>Accreditation status</li> </ul>	Compliance audit	Annual
	Meetings	As and when required
	Face-to-face and virtual engagements	As and when required
<b>Financial Institutions</b>		
<ul style="list-style-type: none"> <li>Financial performance and reputation</li> <li>ESG commitment</li> <li>Business strategy</li> <li>Compliance</li> <li>Risk management</li> <li>Prompt loan repayment</li> </ul>	Face-to-face and on-phone engagements, video conferencing	Throughout the year/ as and when required
	Annual Reports & Sustainability Reports	Annual
	Analyst briefings	Bi-annual
	Investor Updates	Quarterly
	Annual General Meeting	Annual
	ESG questionnaire	As and when required
<b>Government/Regulatory Bodies</b>		
<ul style="list-style-type: none"> <li>Legal and regulatory compliance and disclosures (national and local)</li> <li>Submissions to the Registry of Companies</li> <li>Security and safety</li> <li>Business ethics and integrity</li> <li>Food safety and quality</li> </ul>	Corporate social responsibility initiatives	As and when required
	Emails and on-phone engagements, video conferencing	As and when required
	Regulatory filings and reporting, property tax, licensing, stamp duties	Annual/as and when required
	Ministerial visits/engagements/dialogues	As and when required
	Industry and regulatory working groups	As and when required

Areas of Interest	Method of Engagement	Frequency of Engagement
<b>Industry Peers</b>		
<ul style="list-style-type: none"> <li>Industry standards and best practices</li> <li>Industry associations [e.g. Malaysian Shopping Malls Association, Malaysian Feed Millers Association etc]</li> <li>New regulations and regulatory compliance</li> <li>Labour standards</li> <li>Responsible marketing, packaging, food safety and quality</li> </ul>	Forum	Throughout the year
	Survey	Throughout the year
	Exhibitions and showcases	As and when required
	Face-to-face and on-phone engagements, video conferencing	As and when required
	Site visits	As and when required
<b>Local Communities</b>		
<ul style="list-style-type: none"> <li>Supporting the vulnerable and communities in need</li> <li>Environmental protection</li> <li>Clean water supply</li> <li>Community engagements</li> <li>Employee volunteerism</li> <li>Local talent development</li> <li>Health and wellness, safety</li> </ul>	CSR initiatives and projects, in-kind sponsorships and cash donations	Throughout the year
	Website	Throughout the year
	Site visits to orang asli communities	As and when required
	Autism awareness, mental health awareness	Throughout the year
	GSC International Screens & film festivals	Throughout the year
	Plastic recycling initiatives	Throughout the year
<b>Media</b>		
<ul style="list-style-type: none"> <li>Company's performance and business strategy</li> <li>New projects/launches and future prospects</li> <li>Corporate and brand events</li> <li>Environmental impacts, Human Rights</li> <li>Product safety and service quality</li> <li>Corporate social responsibility</li> <li>Nutrition, health and wellness</li> </ul>	Analyst briefings	Bi-annual
	Website	Quarterly
	Press releases and briefing	As and when required
	Face-to-face engagement/video conferencing (dialogues and forums)	As and when required
	Media engagement day	Annual

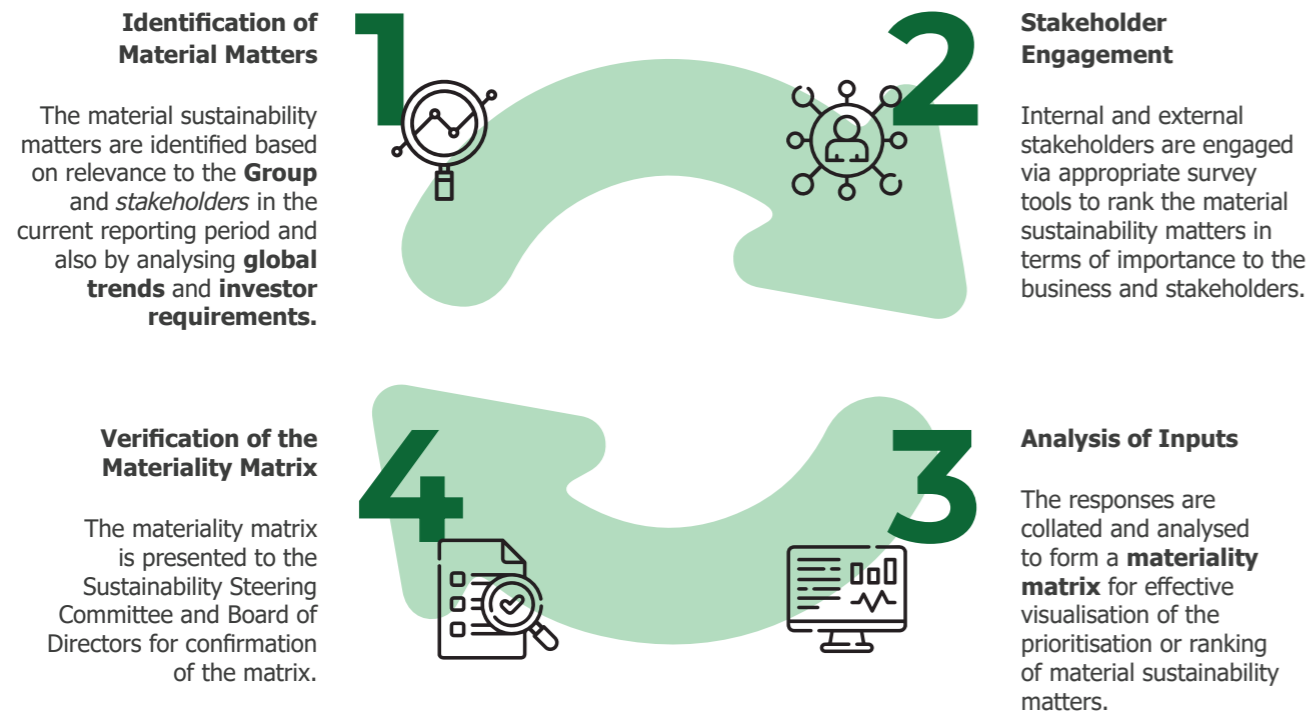
# MATERIAL SUSTAINABILITY MATTERS

(GRI 102-47)

Materiality assessments are conducted to identify and assess the key ESG matters that may present the greatest opportunities and risks for our business operations and stakeholders. Categorising these material sustainability matters gives the Group direction in decision-making, strategies, targets and reporting.

Our first materiality assessment was conducted in 2016 and we regularly review the material topics to capture any changes in the Group or stakeholders' priorities. In FY2021, a survey was conducted to reassess and identify material sustainability matters relevant to the Group and to our stakeholders, based on the material matters identified in FY2020.

Based on the responses from the internal survey, we identified 20 material matters for this year by consolidating, renaming, removing or including material matters to better reflect the material issues affecting the Group and stakeholders presently.

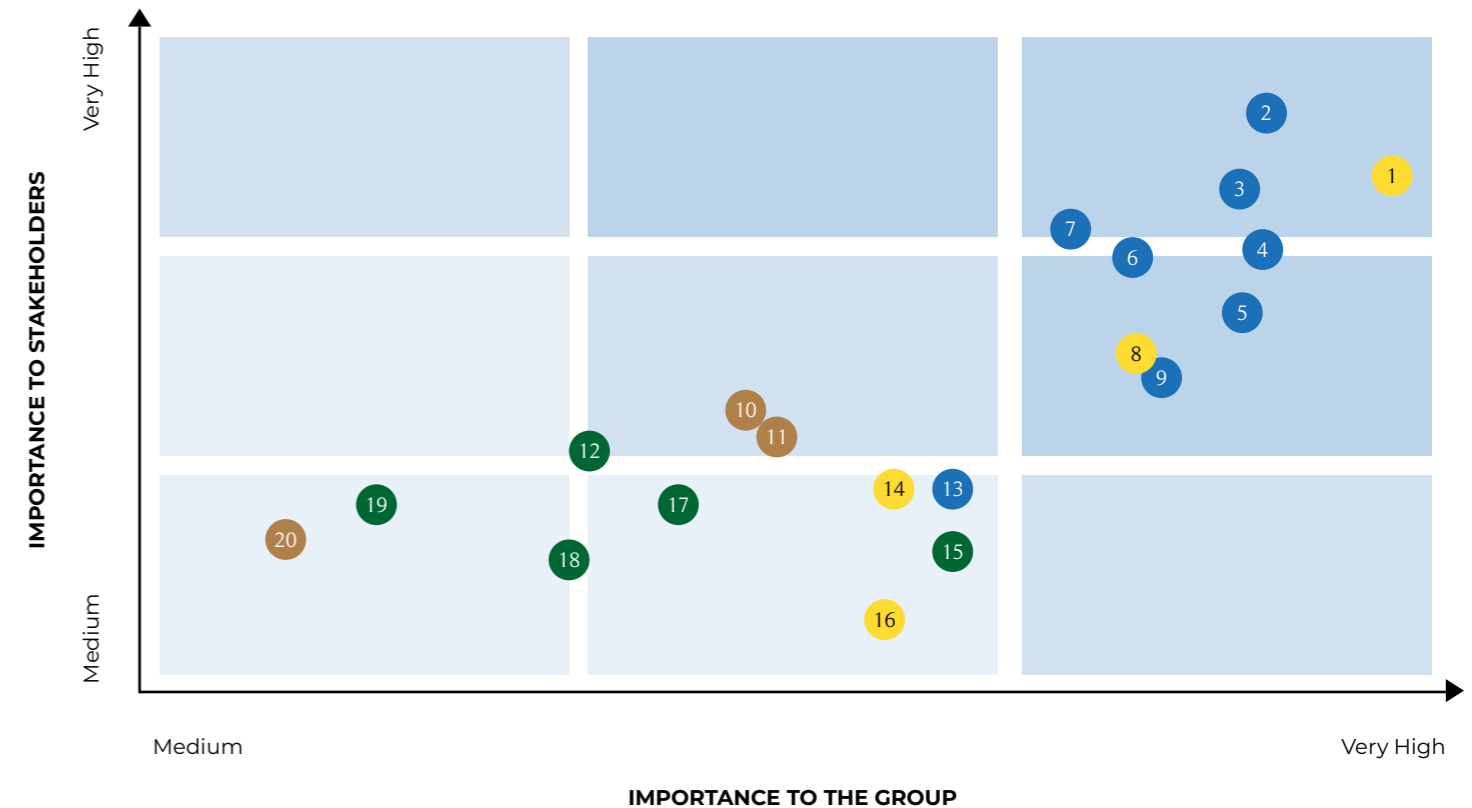


## Materiality Matrix

The materiality assessment was conducted through a workshop with members of the SSC and key personnel of the business divisions to gather responses and compile the data. A materiality matrix, illustrated below, was then generated to visualise the relative prioritisation of the material sustainability matters to the Group's operations and to the key stakeholders. The materiality matrix was reviewed and approved by the SSC and Heads of the business segments, and subsequently the Board.

This year, *Health and Safety* was ranked number one in overall priority, moving up three spots from FY2020. This was expected considering the on-going COVID-19 pandemic, as a stronger emphasis has been placed on maintaining the health and wellbeing of our employees, stakeholders, as well as the public. Furthermore, with our operations gradually recommencing face-to-face business engagements, more precautions are necessary to comply with government standard operation procedures ("SOPs"). *Quality and Safety* remains at second position, while *Corporate Governance* and *Ethical Business Practices* (previously, *Anti-Corruption*) moved from position 10 to position 3.

Another notable change was *Data Protection* which rose by 14 places since the previous year. This change could be attributed to the shift towards digitalisation due to lockdowns and limited physical interaction. Most of our operations adapted to the COVID-19 SOPs by introducing digital interaction platforms for our customers and clients. This increased the importance of *Data Protection* to the Group's performance, in terms of both reputational and economical.



Legend

- **Environmental Impact**
  - **Working Environment**
  - **Marketplace Engagement**
  - **Community Investment**
- 12. Climate Change
  - 15. Energy Efficiency
  - 17. Waste Management
  - 18. Water Management
  - 19. Sustainable Packaging
  - 1. Health and Safety
  - 8. Labour Management and Satisfaction
  - 14. Diversity and Inclusion
  - 16. Talent Attraction and Retention
  - 2. Quality and Safety
  - 3. Corporate Governance and Ethical Business Practices
  - 4. Customer Satisfaction
  - 5. Economic Performance
  - 6. Brand Image and Reputation
  - 7. Data Protection
  - 9. Business Risk Management and Continuity
  - 13. Supply Chain Management
  - 10. Human Rights
  - 11. Nutrition, Health and Wellness
  - 20. Community Engagement and Development

MAPPING THE MATERIAL SUSTAINABILITY MATTERS

● Human 
 ● Financial 
 ● Intellectual 
 ● Manufactured 
 ● Natural 
 ● Social & Relationship

Material Sustainability Matters	Capitals of Value Creation	GRI Indicators	UN SDGs	Stakeholders										
				Employees	Customers	Shareholders	Government/Regulatory Bodies	Certification Bodies	Financial Institution	Vendors/Suppliers	Local Communities	Industry Peers	Media	
<b>ENVIRONMENTAL IMPACT</b>														
Climate Change	<span style="color: #3CB371;">●</span>	GRI 305: Emissions				●	●	●	●	●				
Energy Efficiency	<span style="color: #3CB371;">●</span>	GRI 302: Energy				●	●	●	●					
Waste Management	<span style="color: #3CB371;">●</span>	GRI 306: Waste					●	●			●			
Water Management	<span style="color: #3CB371;">●</span>	GRI 303: Water and Effluents GRI 306: Waste	 				●	●			●			
Sustainable Packaging	<span style="color: #3CB371;">●</span>	GRI 301: Materials			●		●	●				●	●	
<b>WORKING ENVIRONMENT</b>														
Health and Safety	<span style="color: #8B4513;">●</span>	GRI 403: Occupational Health and Safety		●			●	●			●		●	
Labour Management and Satisfaction	<span style="color: #8B4513;">●</span>	GRI 402: Labour/Management Relations		●			●							

Material Sustainability Matters	Capitals of Value Creation	GRI Indicators	UN SDGs	Stakeholders										
				Employees	Customers	Shareholders	Government/Regulatory Bodies	Certification Bodies	Financial Institution	Vendors/Suppliers	Local Communities	Industry Peers	Media	
Diversity and Inclusion	<span style="color: #8B4513;">●</span>	GRI 405: Diversity and Equal Opportunities GRI 406: Non-Discrimination GRI 202: Market Presence		●			●							●
Talent Attraction and Retention	<span style="color: #8B4513;">●</span>	GRI 404: Training and Education		●										●
<b>MARKETPLACE ENGAGEMENT</b>														
Quality and Safety	<span style="color: #4682B4;">●</span>	GRI 416: Customer Health and Safety		●	●		●	●						
Corporate Governance and Ethical Business Practices	<span style="color: #8B4513;">●</span>	GRI 205: Anti-Corruption		●		●	●							
Customer Satisfaction	<span style="color: #90EE90;">●</span>	Non-GRI			●							●		
Economic Performance	<span style="color: #FFD700;">●</span>	GRI 201: Economic Performance		●		●			●	●		●	●	
Brand Image and Reputation	<span style="color: #ADD8E6;">●</span>	Non-GRI		●	●	●						●	●	●
Data Protection	<span style="color: #ADD8E6;">●</span>	GRI 418: Customer Privacy		●	●	●	●							
Business Management and Continuity	<span style="color: #4682B4;">●</span>	Non-GRI		●		●			●				●	

Material Sustainability Matters	Capitals of Value Creation	GRI Indicators	UN SDGs	Stakeholders										
				Employees	Customers	Shareholders	Government/Regulatory Bodies	Certification Bodies	Financial Institution	Vendors/Suppliers	Local Communities	Industry Peers	Media	
Supply Chain Management	MC	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	●			●			●	●			
<b>COMMUNITY INVESTMENT</b>														
Human Rights	SC	GRI 412: Human Rights Assessment	10 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	●			●	●			●	●		●
Nutrition, Health and Wellness	SC	GRI 416: Customer Health and Safety GRI 417: Marketing and Labelling	3 GOOD HEALTH AND WELL-BEING 16 PEACE, JUSTICE AND STRONG INSTITUTIONS		●		●	●			●	●	●	
Community Engagement and Development	SC	GRI 413: Local Communities	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 8 DECENT WORK AND ECONOMIC GROWTH 10 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION	●							●		●	

## ENVIRONMENTAL IMPACT

(GRI 301, GRI 302, GRI 303, GRI 305, GRI 306)

**Our achievements in FY2021:**

Estimate of **821,467 kWh** saved from energy saving initiatives

Total of **412 MT** of waste recycled

Water discharge quality parameters are within the standards

Estimate of **8,110 kg** plastic saved from packaging efficiency

**Alignment to SDGs:**



The overarching environmental ambition is to achieve a net zero environmental impact utilising the circular economy model across all the five business segments. Adopting this model would help us reduce waste generation, emissions, resource, energy and water consumption, as well as protect biodiversity. For more than five years, we have not converted any land for agricultural use nor have we cleared any forests for agricultural purposes. Our business operations have little to no direct impact on the biodiversity of the surrounding ecosystem as we are not located within or adjacent to critical biodiverse areas.

**Material Matters:**



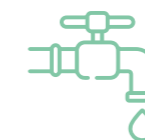
**Climate Change**



**Energy Efficiency**



**Waste Management**



**Water Management**



**Sustainable Packaging**

We strive to ensure compliance with all environmental laws and regulations and communicate these laws to relevant third parties throughout the value chain. However, this year, the Group recorded two cases of environmental non-compliance due to the duration of scheduled waste storage and pollution. The resulting fines were a total of RM3,000. The Group has since taken action to rectify the matters and has implemented additional precautions to ensure the incidents are not repeated.

This section discusses our performance with regard to the impacts and our efforts to protect our environmental capital in FY2021.



**Climate Change**  
(GRI 305)



**Relevant business segments:**

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution
4. Environmental Engineering & Utilities



*Why this is material*

The climate change phenomenon is leading to, among others, extreme sea-level changes and extreme weather events, and an overall increase in average global temperatures. The Group recognises that climate change is a relevant and prevalent risk to its businesses - not only in relation to the physical environment, but also across regulatory, technological and reputational risk areas.

Additionally, the United Nations Climate Change Conference ("COP26") and the introduction of the Twelfth Malaysia Plan ('Rancangan Malaysia ke-12') emphasised the growing global need to take immediate action against climate change.

*What we do*

Since the start of our sustainability journey, the Group has acknowledged that the nature of our businesses leads to impacts on the climate through greenhouse gas ("GHG") emissions. The Group has adopted an emissions mitigation strategy using a three-pronged approach.

The Group has considered the implications of extreme weather on our primary business segment – *Grains and Agribusiness* – and adopted preventive and alternative measures to mitigate this. Group-wide commitment on climate change initiatives and emission reduction practices are under the purview of the Sustainability Steering Committee ("SSC"), headed by PPB's Managing Director. The Group recognises that environmental protection is an on-going journey.



Reduce carbon and GHG emissions intensity across all our relevant business segments

Move towards growing our positive impacts through introduction of renewables, deploying green technology or practices within our operations.



Offset our carbon emissions through climate change initiatives and programmes

**2021**

- The Group continues to monitor the energy usage and emissions from its business segments.
- Conducted a gap analysis and have set in place a 5-year plan for reduction of emissions and energy consumption and implementation of best practices for climate change management across the Group.
- Adopted UN SDG 13-Climate Change.
- Completed conversion of fluorescent to energy saving LED bulbs at applicable chicken houses.

**2020**

- Set long-term and short-term targets for GHG emissions reduction in FY2021 in the *Grains and Agribusiness* segment.
- Set short-term targets for energy-use intensity reduction in FY2021 in the *Grains and Agribusiness* segment.

**2019**

- Implemented the recommendations made in the energy reduction plans, where applicable and practicable.
- Set energy intensity targets for FY2020 for *Grains and Agribusiness, Film Exhibition and Distribution and Property* segments.

**2018**

- Commissioned and completed an energy audit and reduction plan for all our flour and animal feed mills and four of our cinemas in the Klang Valley, which is representative of cinema types in the GSC circuit.
- Began replacing fused conventional light bulbs with energy-saving LED lights at our cinema and livestock farming divisions.
- Flour and animal feed mills and cinema divisions added Scope 3 emissions (employee air/land travel) to their reporting.

**2017**

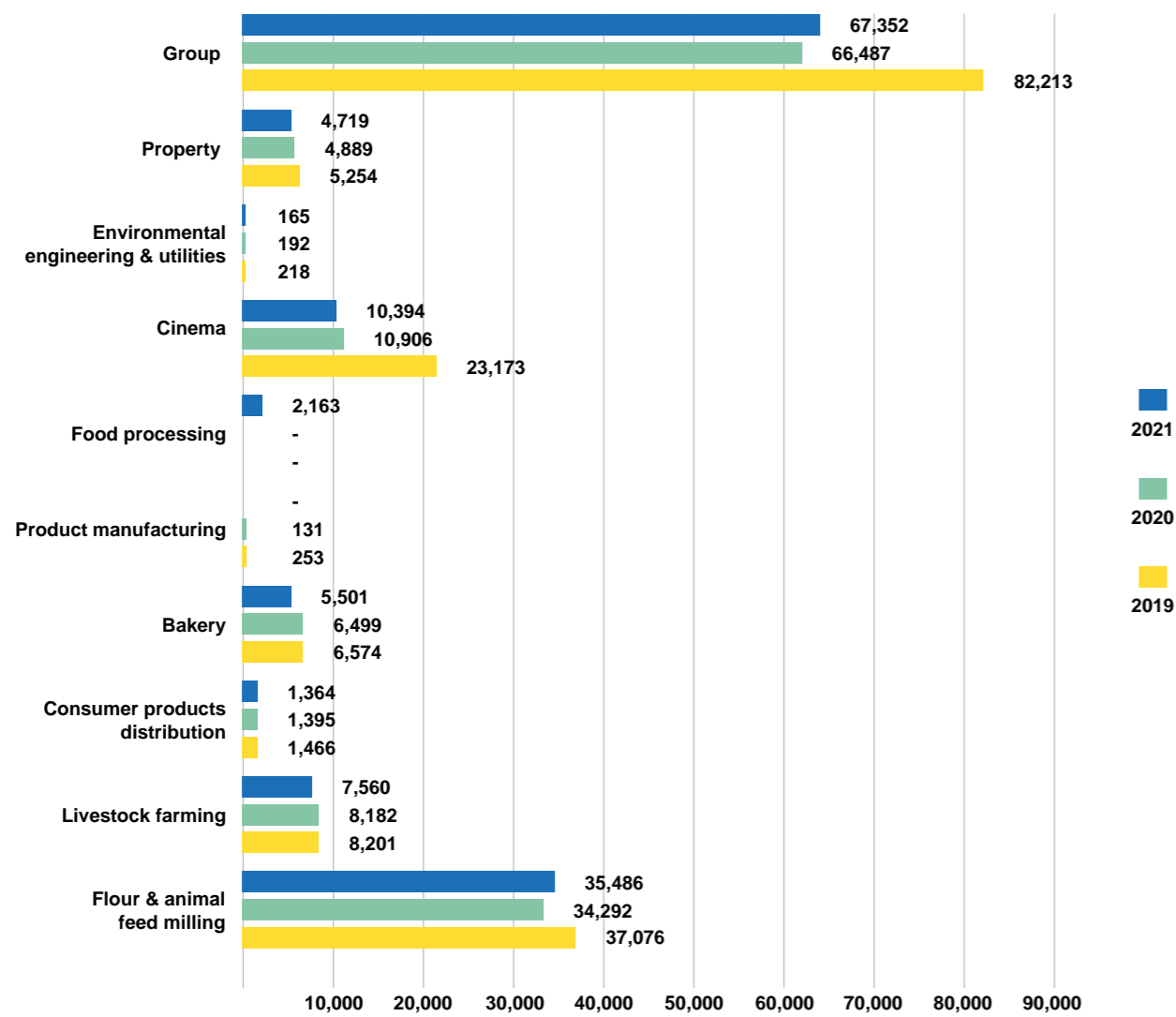
- Commissioned a carbon footprint assessment for our most energy-consuming divisions which are the flour and animal feed milling division of the *Grains and Agribusiness* segment and the cinema division in the *Film Exhibition and Distribution* segment.
- The data obtained in this carbon footprint assessment was used as a baseline for future reporting.



The carbon emission calculations are done on a gate-to-gate basis, which excludes external sources that attribute to the production and transport of raw materials to each division's operational sites, the transport of products out of the sites, as well as the emissions from downstream processing and consumption.

In FY2021, the Group reported a total emissions of 75,169 tCO<sub>2</sub>e, of which 89.6% were Scope 2 (electricity and chilled water) emissions, while Scope 1 (petrol, diesel, fuel oil and natural gas) and Scope 3 (employee air/land travel) made up 10.2% and 0.2% respectively, of the overall emissions. Currently, only our flour and animal feed milling and cinema divisions are reporting on Scope 1 and 3 emissions, while reporting from the other business divisions will be included within the next two years.

Group scope 2 emissions (tCO<sub>2</sub>e) (2019-2021)<sup>13</sup>

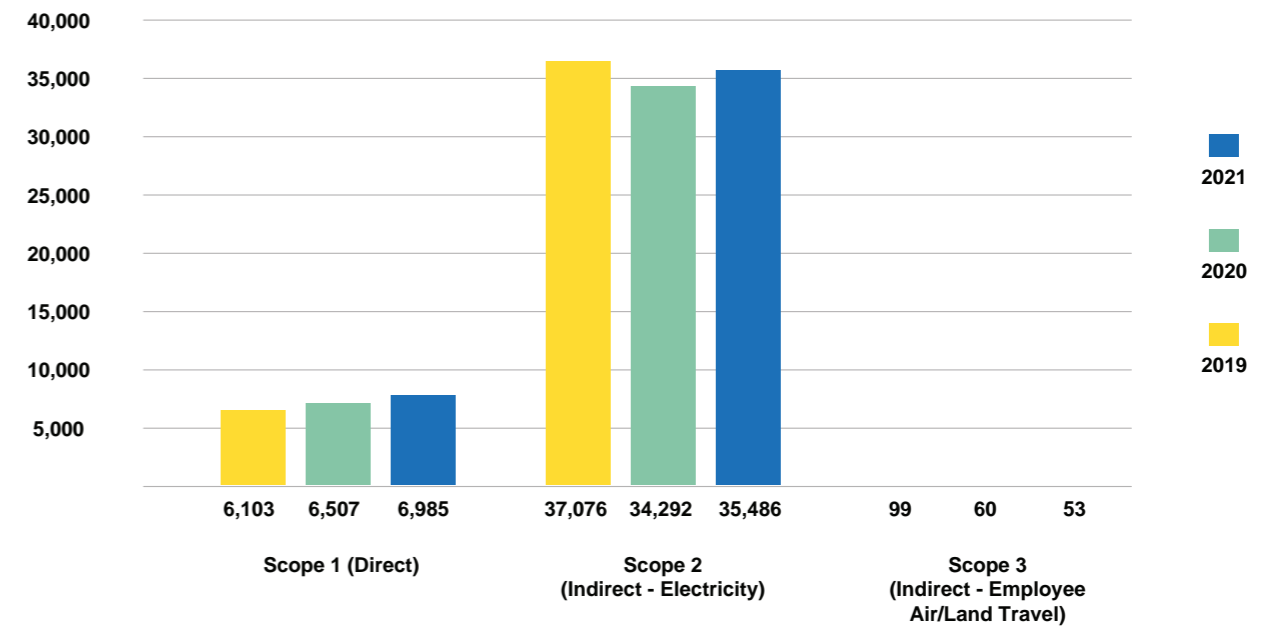


<sup>13</sup> 2019 and 2020 emissions have been restated to reflect updated emissions factor.

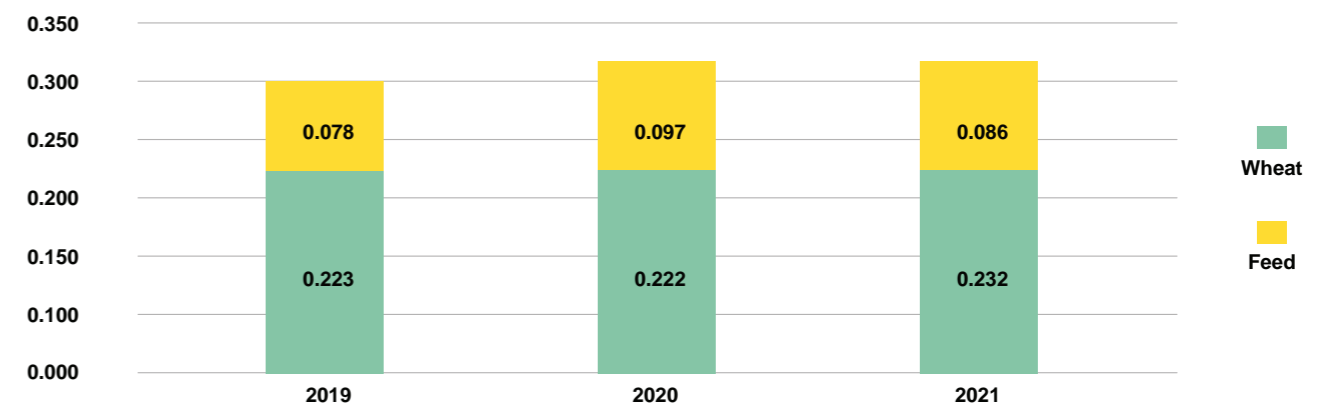
Grains and Agribusiness & Consumer Products

At JBFM Prai, we have begun switching our fuel use from light fuel oil to liquid petroleum gas ("LPG"), a fuel that produces lower carbon emissions. The bakery division has also successfully converted three out of four lines of oven burners from liquefied natural gas ("LNG") to LPG in 2021.

Wheat & feed GHG emissions breakdown (tCO<sub>2</sub>e) (2019-2021)<sup>14</sup>



Wheat & feed scope 2 emissions intensity (tCO<sub>2</sub>e/MT) (2019-2021)



<sup>14</sup> 2019 and 2020 emissions have been restated to reflect updated emissions factor.

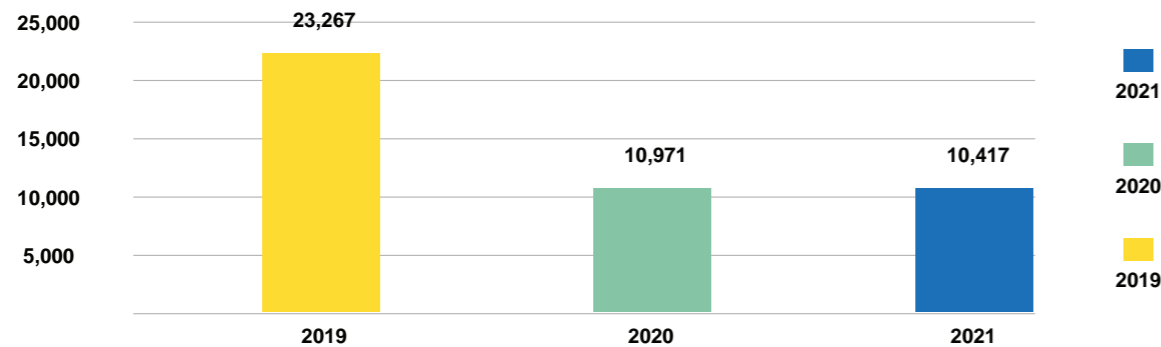
Sulfur oxides (SOx) and nitrogen oxides (NOx) are two main air pollutants that impact the Group’s environmental footprint. Four of our flour and animal feed mills, as well as The Italian Baker (Pulau Indah) have annual stack monitoring to ensure the air emissions are below the allowable standards set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

**Film Exhibition and Distribution**

Since 2017, we have been benchmarking the emissions of the cinema division in MT CO<sub>2</sub>e/sq.ft. against the Malaysian building average of 0.01721 MT CO<sub>2</sub>e/sq.ft. Due to the prolonged closure of cinemas and reduced capacity when lockdown restrictions were lifted, the established benchmarking does not provide meaningful comparison for the last two years. We will resume reporting on emissions intensity when cinema operations return to normalcy.

Our Scope 1, 2 and 3 emissions are inclusive of all GSC cinemas, as well as GSC’s Head Office in Damansara Jaya, Selangor. The cinema division’s three years’ trend of GHG emissions is shown below:

**Cinema division total GHG emissions (tCO<sub>2</sub>e) (2019 - 2021)<sup>15</sup>**



For FY2021, Scope 2 (electricity and chilled water) remains the largest contributor at 10,394 t.CO<sub>2</sub>e or 99.5% of total emissions, while Scope 1 (petrol and diesel) was at 0.5%. There were no Scope 3 (employee air/land travel) emissions reported for this year.

<sup>15</sup> 2019 and 2020 emissions have been restated to reflect updated emissions factor.

**Energy Efficiency (GRI 302)**



- Relevant business segments:**
1. Grains & Agribusiness
  2. Consumer Products
  3. Film Exhibition & Distribution
  4. Environmental Engineering & Utilities
  5. Property

*Why this is material*

Energy production and consumption are closely linked to climate change as the production of grid electricity from carbon fuel sources is responsible for GHG emissions. In Peninsular Malaysia, the majority of grid electricity is produced by coal-fired power plants, followed by natural gas. In Sabah, natural gas makes up the majority, while the grid in Sarawak is primarily powered by hydro.

These factors have highlighted the necessity for the Group to embrace energy efficiency by deploying green technology, transitioning to sustainable fuels, and adopting best practices to reduce our energy consumption.

More than **RM 9 million** INVESTED IN RENEWABLE ENERGY AND ENERGY SAVING INITIATIVES IN FY2021

**~821,467 kWh** SAVED WITH THE ENERGY SAVING INITIATIVES IN FY2021

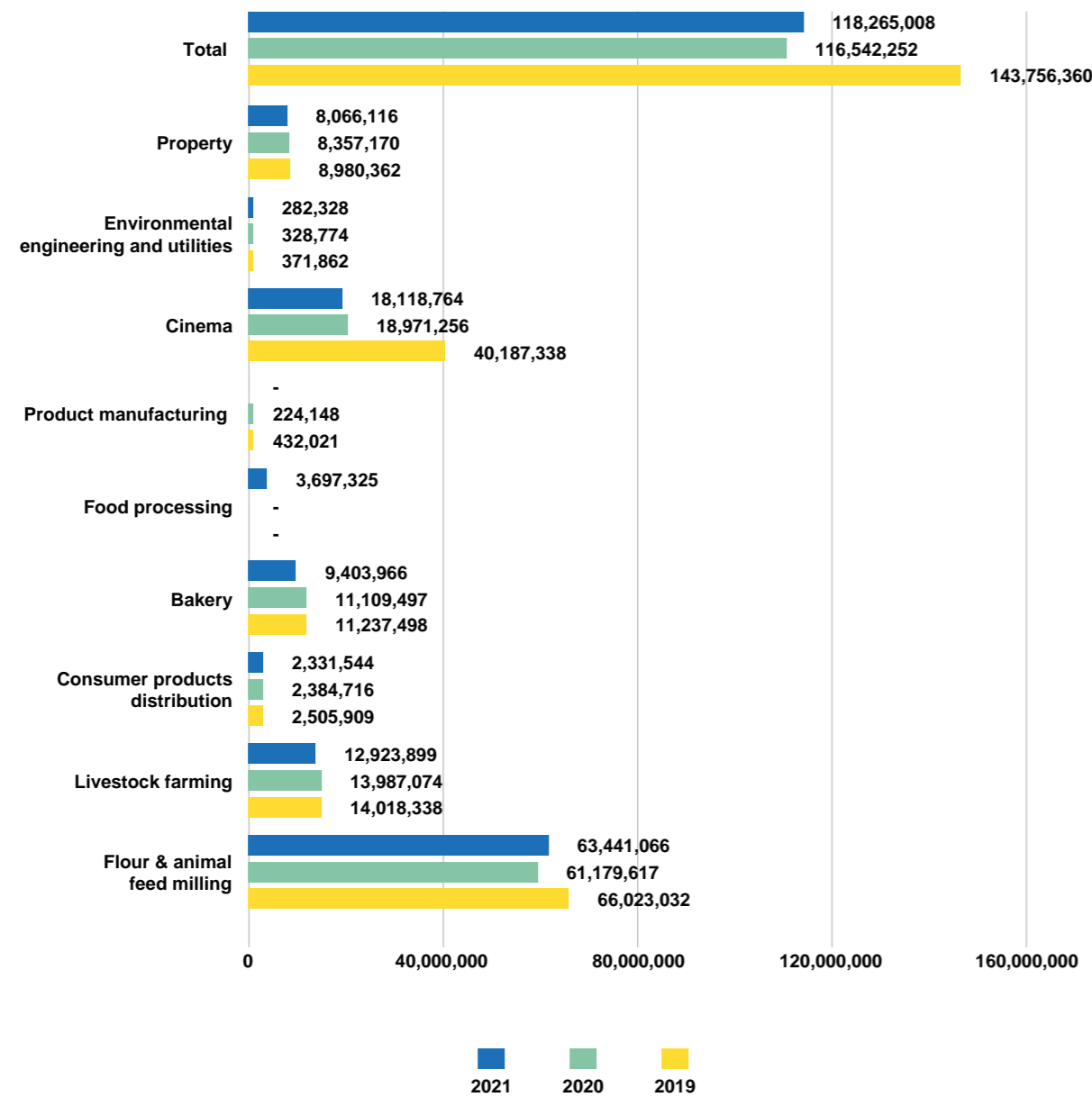
*What we do*

In 2018, in line with our efforts to improve efficiency at our energy-consuming divisions – cinema and livestock farming – we began converting to energy-efficient LED lights as and when the conventional fluorescent bulbs were replaced.

Additionally, we began launching renewable energy initiatives in 2020 via specific projects in relevant business segments, discussed in greater detail below.

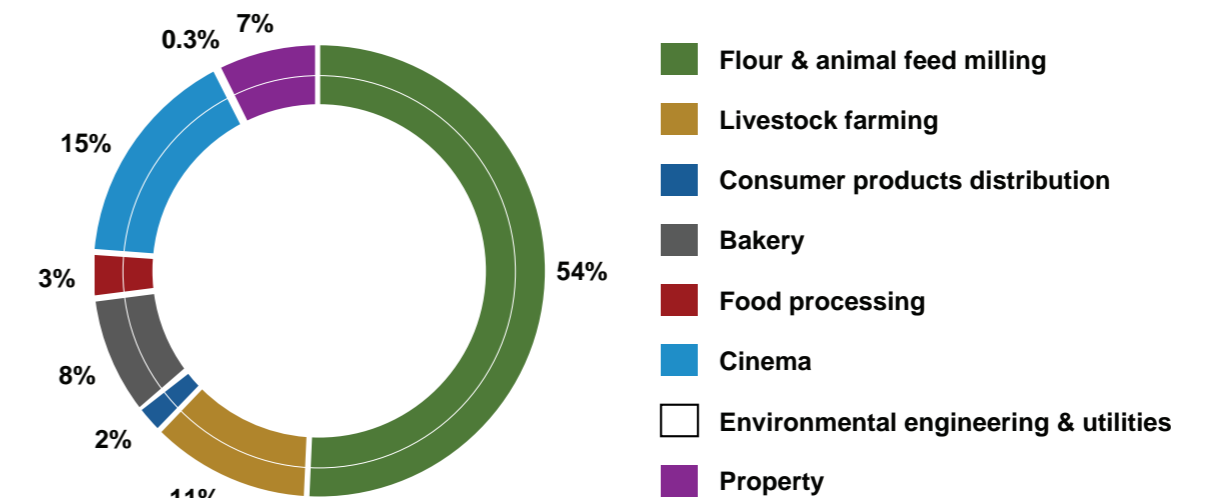
Total energy usage in FY2021 for the Group was 118,265,008 kWh, an increase of 1.5% compared to 2020. This increase is mainly attributable to our flour and animal feed milling division which energy consumption increased by 3.7%, which will be discussed in the following section, as well as the inclusion of the food processing division, which has not been included in previous years, in this report.

### Energy usage in kWh by business unit (2019-2021)<sup>16</sup>



<sup>16</sup> Total for 2019 and 2020 have been restated to reflect updates by the flour and animal feed milling division.

### Energy usage breakdown by business unit (%) (2021)

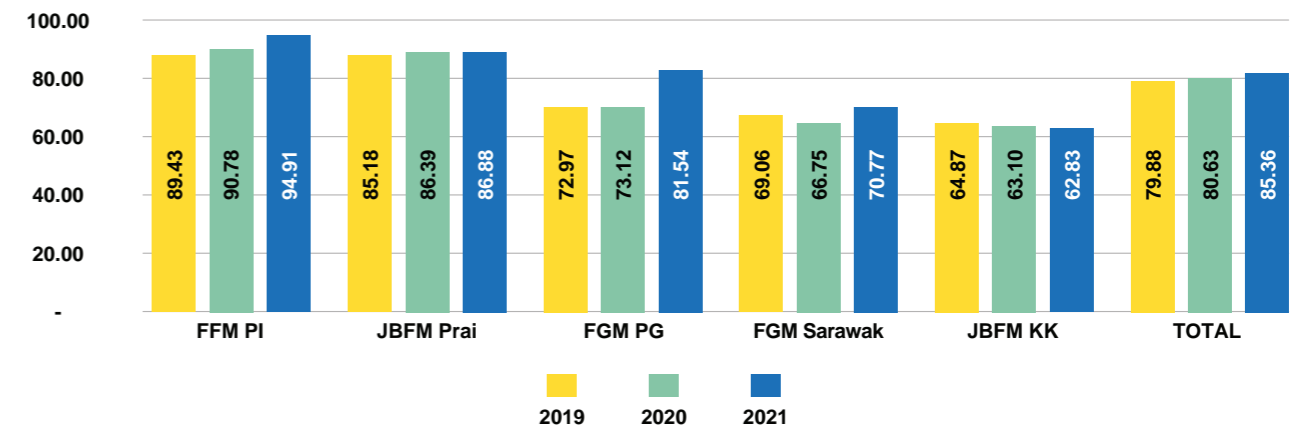


#### Grains and Agribusiness

Being the highest energy consumer in the Group, the *Grains and Agribusiness* segment has implemented several measures to reduce energy consumption. At FFM PI, we have set a minimum air conditioner temperature of 24°C, converted our standard motors to high efficiency type motors, introduced an energy saving information corner to raise awareness of energy efficiency, converted our conventional autotransformers with soft starter transformers and have begun a solar project which is scheduled to be completed in 2022.

At JBFM KK and FFM Sabah, we are in the process of converting our conventional streetlights to solar-powered lightings and installing motion sensors to control the usage of lights and ventilation fans in rest areas. We also endeavour to use equipment at full capacity instead of at partial load to maintain higher energy efficiency. Both FFM PI and The Italian Baker (Pulau Indah) are in the process of adopting solar projects, while the solar project by livestock division's FFM Farms (Trong) has been in operation since December 2021.

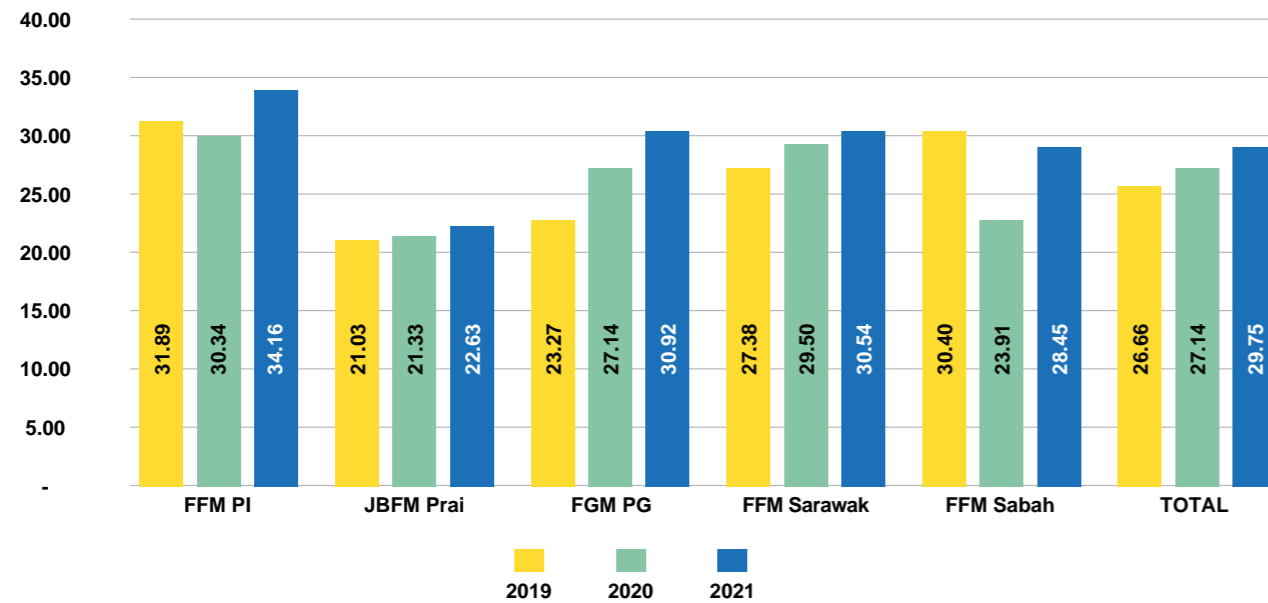
### Wheat energy intensity by mill (kWh/MT) (2019-2021)<sup>17</sup>



<sup>17</sup> Energy intensity has been converted from flour to wheat energy intensity in FY2021

Our energy use intensity generally varies across the mills due to the different processes, extractions, range of products and equipment used. To enable us to better track our energy usage with the aim of reducing consumption, we have standardised our reporting of energy use intensity from kWh/MT of flour to wheat effective from 2021. Our total wheat energy use intensity for the year is 85.36 kWh/MT, a 5.9% increase from FY2020 – this is generally due to the MCO and lockdowns, which resulted in operations running longer hours with limited manpower to meet demands, as well as the expansion of machineries.

### Feed energy intensity by mill (kWh/MT) (2019-2021)



The energy use intensity for animal feed milling operations increased by 9.6%, due to similar reasons for wheat milling as described above.

#### Consumer Products

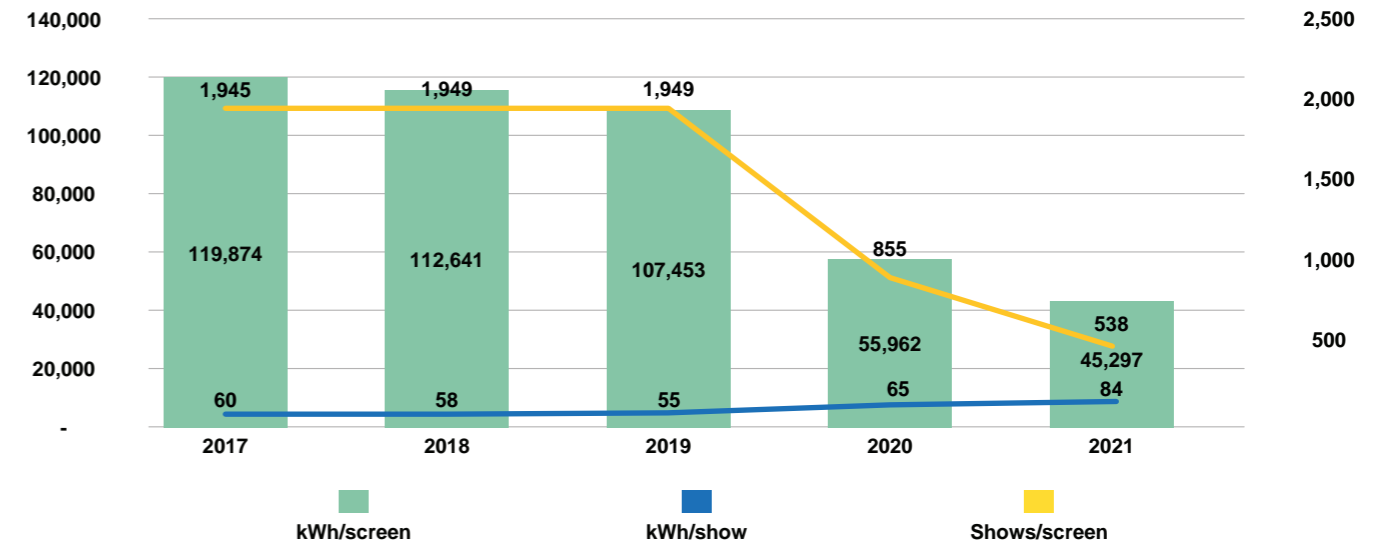
Similar to the flour and animal feed milling division, the bakery division has replaced all of its conventional motors with high efficiency type and are in the process of installing a solar photovoltaic system which is targeted for completion by 2022. We also ensure that all lights and equipment are switched off when not in use. The division is also proposing an energy saving solution for the compressors used in our operations, which is targeted to be in place by 2022.

The food processing division has installed a variable frequency drive ("VFD") in one of their ammonia compressors which saves energy by controlling and optimising the compressor discharge pressure. We are also in the process of evaluating the feasibility of a solar panel installation at this site.

#### Film Exhibition and Distribution

The cinema division conducts monthly maintenance of air-conditioners to avoid unnecessary inefficiencies. Air-conditioners, office equipment, and lights are all switched off when not in use.

### Cinemas energy use intensity (kWh/show) (2017-2021)



For FY2021, the division recorded 84 kWh/show, which is a 29.2% increase from 2020. This is due to the prolonged lockdown which resulted in fewer screenings during the year. During the periods when the cinemas were closed, the division continued to follow a strict maintenance schedule to warm-up and run the projectors, as well as switching on the air conditioning to ventilate auditoriums to prevent mold and fungal growth on the seats and carpets.

#### Property

At the *Property* division, we have set the minimum air-conditioner temperatures to 24°C, shut down escalators during the Movement Control Order (MCO), and reduced the operational hours of the chillers.

**Waste Management**  
(GRI 306)

**Relevant business segments:**

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution
4. Environmental Engineering & Utilities
5. Property

*Why this is material*

There is a shortage of space in landfills due to inefficient waste management practices. Waste sent to landfills contribute to climate change and air pollution due to methane release and landfill run-off can result in negative effects on human health and water pollution.

Sustainable waste management is a critical aspect of building a broader circular economy. Hence, the Group has developed and implemented strategies across the relevant business segments to tackle this growing concern.



*What we do*

As a Group, we have adopted and adhere to the **waste hierarchy** to *Reduce, Reuse, Recycle, and Recover*. Due to the diversity of our operations across the business segments, we have developed division-specific waste management procedures. For example, the livestock farming division uses reusable plastic egg trays and crates instead of paper boxes to reduce the generation of paper waste across the supply chain.

We have also established continuous monitoring procedures for effluent water quality and implemented wastewater treatment facilities where applicable.

The Group-wide waste management strategy is guided by governmental, industry-specific laws and regulations. All our waste: general, scheduled or recyclables, are properly handled, treated and disposed of at appropriate landfills, treatment centres or recycling centres by licensed contractors.

Recycling bins are provided at each of the relevant operations. General recycling includes waste such as paper, cartons, trays, glass, used gloves and tins.

In our *Environmental Engineering and Utilities* segment, construction materials which are commonly used in projects such as mild steel (MS) rebars, MS pipes, stainless steel products, concrete and cables are often purchased by us and issued to subcontractors at construction stage. These materials are purchased according to the designs provided and/or approved by consultants/clients at design stage. All material conservation efforts are done during the design stage and minimal wastage is generated during the construction stage. Construction materials such as formworks are recycled for other projects, while non-usable steel bars and rods (excess/cut-off from the bars or rods) and metals are sold to vendors as scrap.



In 2021, the Group recycled 412 MT of recyclables ranging from scrap metal, waste paper, polypropylene, aluminium, plastic scraps and low-density polyethylene ("LDPE") which was mainly produced by the *Grains and Agribusiness* and *Consumer Products* segments.

The Group also recorded 1,873,767 kg of non-hazardous waste, while hazardous waste recorded is set out below:

Waste Code	Type of Scheduled Waste	Measurement Unit	Amount
SW203	IETS Sludge	Tons	295
SW410	Used Oil Rags	kg	497
SW305	Used Lubricant Oil	Litres	6,863
SW306	Used Hydraulic Oil	Litres	385

**Water Management**  
(GRI 303; GRI 306)

**Relevant business segments:**

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution
4. Environmental Engineering & Utilities
5. Property

*Why this is material*

Among the most common sources of water pollution are waste mismanagement, untreated water discharge, and nutrient run-off from agricultural land. This water deterioration affects our businesses, in particular our top water-consuming divisions - property, cinema and livestock.

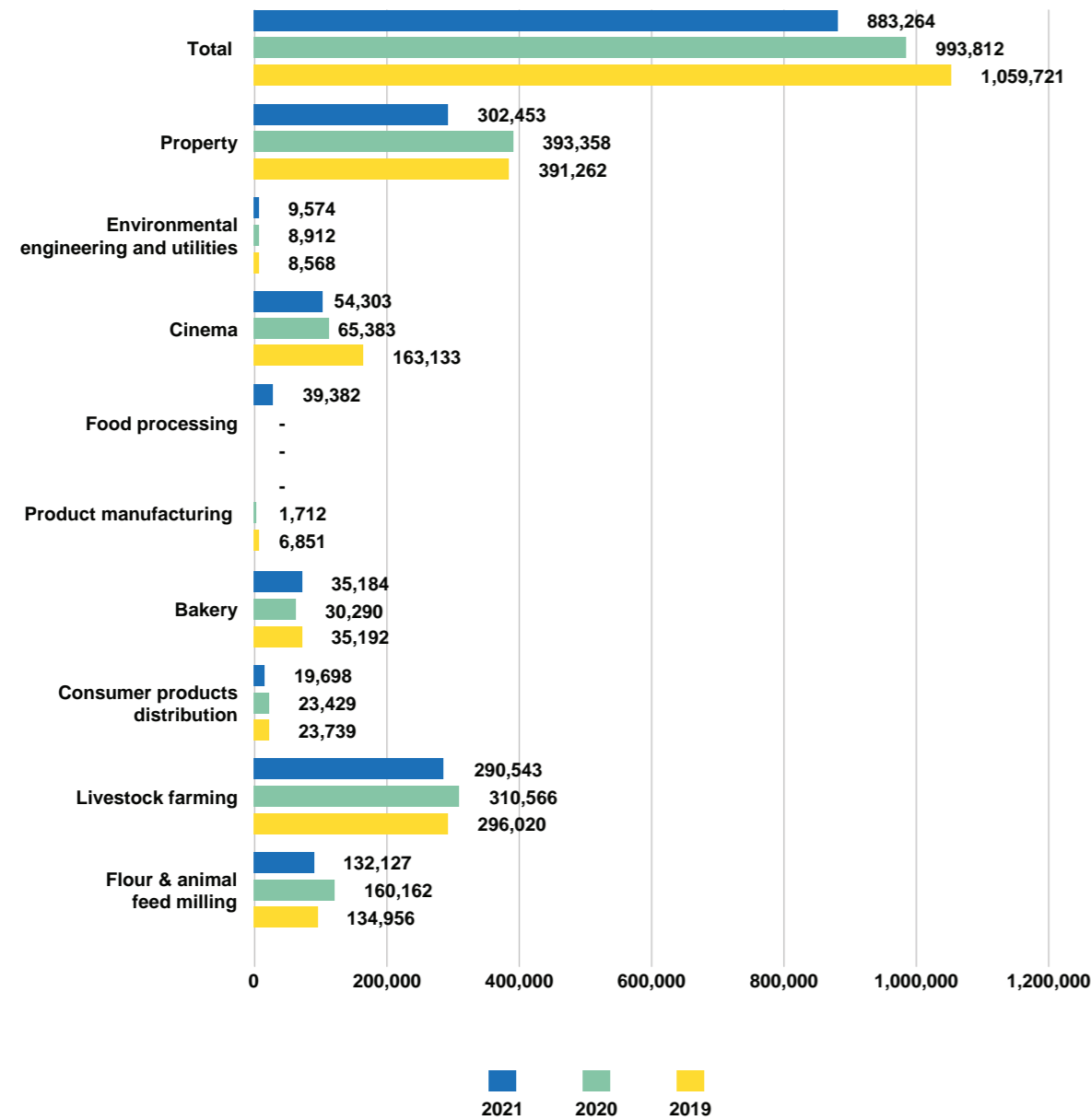
By developing water management plans and practices throughout our operations, we hope to showcase our commitment towards reducing the Group's environmental footprint and maintaining the pristine conditions of the surrounding waterways.

*What we do*

Though none of our operations are located in water-stressed regions, the Group aims to minimise our impact on water systems in Malaysia. This is achieved in several ways, including monitoring and reporting water use for all business segments and carrying out water audits where required.

With the goal of water use efficiency in view, we commissioned and completed a water footprint assessment in 2018. The assessment was done for our top two identified water-consuming divisions – property and cinema. The data collected through the assessment process allowed us to set a baseline for our targets in subsequent years. In 2019, water consumption intensity targets for the property and livestock farming divisions were established. We have subsequently maintained constant monitoring of water withdrawal, consumption and discharge data to determine other areas of potential improvements.

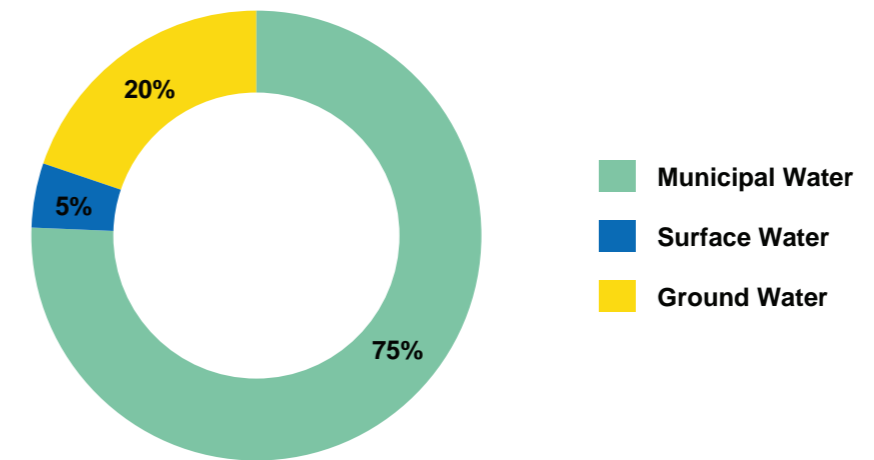
### Water usage in m<sup>3</sup> by business unit (2019-2021)



As a Group, we consumed 883,264 m<sup>3</sup> of water in FY2021, a decrease of 11% from 2020. The reduction was mainly from our property division, which saw its consumption reduced by more than 23% due mainly to pandemic disruptions.

All of our business divisions use only municipal water with the exception of our livestock farming division, which also uses surface and ground water mainly for washing of the chicken houses and as drinking water (treated) for the birds. The Group's water usage by source for 2021 is presented below:

### Water withdrawal by source (m<sup>3</sup>) (2021)



FFM (Sabah) has implemented a rainwater harvesting system with the installation of an 800-gallon tank. The rainwater collected is used to clean equipment including pallets, forklifts, and containers. Going forward, the division will begin monitoring its rainwater harvesting collection for future reporting.

### Water Discharge

Water discharged into the nearby river from the bakery and food processing divisions is treated to ensure it is within the parameters set by the Industrial Effluents Regulations 2009.

#### Chemical Treatment

- pH adjustment
- Coagulation & Flocculation

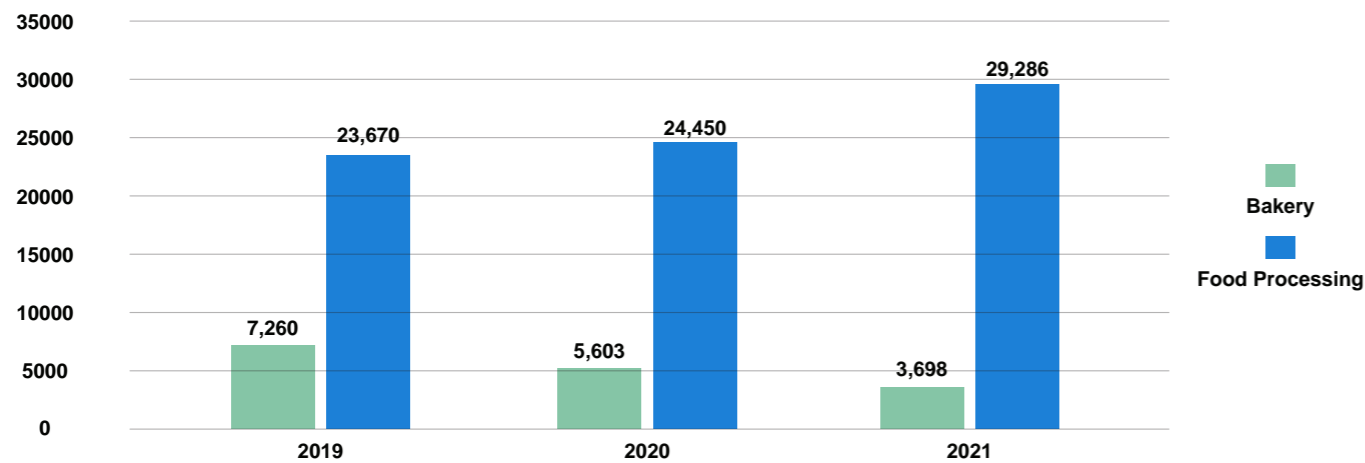
#### Physical Treatment

- Clarifier (Separation)

#### Biological Treatment

- Conventional Activated Sludge

Water discharged (m<sup>3</sup>) (2019-2021)



Performance and compliance monitoring are conducted daily by the bakery and food processing divisions to ensure the significant parameters for quality of water discharged meet the applicable standards.

Parameters	Units	Limits <sup>18</sup> Standard B	Bakery	Food Processing
pH	mg/L	5.5 - 9.0	7.4	6.8
Biological Oxygen Demand (BOD)	mg/L	50	4.9	30.7
Chemical Oxygen Demand (COD)	mg/L	200	16.3	105.8
Suspended Solids	mg/L	100	-	28
Total Suspended Solids (TSS)	mg/L	100	2	-
Oil & Grease	mg/L	10	< 0.5	0.8

<sup>18</sup> Department of Environment – Environmental Act 1974



**Sustainable Packaging**  
(GRI 301)



**Relevant business segments:**

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution



#### Why this is material

One of the biggest issues with conventional packaging is the use of plastics. It is well-documented that single-use plastic packaging is wasteful and negatively impacts the ecosystem.

The Group acknowledges the importance of adopting sustainable packaging best practices. As the products manufactured and sold from the three main business segments require the use of packaging, we are committed to producing and sourcing this packaging in a more sustainable way.

**~ 8,110 kg**

**OF PLASTIC PACKAGING  
SAVED FROM PACKAGING  
EFFICIENCY PROJECTS IN FY2021**

#### What we do

The use of packaging to protect product quality and safety is essential in our daily operations. However, we understand the importance of taking into account the overall lifecycle of our packaging, including the resources used and emissions produced in packaging production, and the eventual waste generation from the packaging's disposal.

Keeping in line with the principles of the circular economy as outlined by Malaysia's 'Roadmap Towards Zero Single-Use Plastics 2018-2030' and to meet the expectations of a more green-conscious consumer base, we strive to convert most of our packaging to more sustainable alternatives.

At our bakery and food processing divisions, we have been improving our packaging use by reducing the raw material inputs required. Our packaging efficiency projects are estimated to have saved 8,110 kg of plastic in FY2021. At 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 to ten cinemas in the Klang Valley. Plans to further expand this initiative, as well as the launch of reward-based reverse vending machines were deferred due to the pandemic and will resume when the industry returns to normalcy.

# WORKING ENVIRONMENT

(GRI 402, GRI 403, GRI 404, GRI 405)

**Our Achievements in FY2021:**

**48,837 training hours** in total across the Group

**Zero fatalities** reported across the Group

**34.7%** of management are women

**Alignment to SDGs:**



Our people are the pillars of the Group’s overall progress and performance. In recognising this, the Group strives to provide a stimulating and conducive environment to allow our employees to develop and have a positive working experience. We believe in growing our employees’ potential, not only for improved work performance, but also to encourage their personal growth and achievements.

In this section, we will present the various efforts and initiatives the Group adopted to safeguard its employees and to develop and retain a thriving workforce in FY2021.

**Material Matters:**



**Health & Safety**



**Diversity & Inclusion**



**Labour Management & Satisfaction**



**Talent Attraction & Retention**

Though the COVID-19 pandemic has caused severe disruptions in our daily operations, the Group remains invested in providing an optimum working experience for the PPB Group family. We continued our engagements and have carried on with the overarching employee initiatives.

<p><b>Offering continuous learning and upskilling opportunities to enable personal and career growth of our employees.</b></p>	<p><b>Promoting non-discriminatory welfare and recognition practices to create an inclusive and conducive workplace for our employees.</b></p>
<p><b>Benchmarking our employees’ remuneration practices to stay market-competitive for talent attraction and retention.</b></p>	<p><b>Enhancing our performance management system to promote better engagement and merit-based reward strategies.</b></p>

**H C**

**Health & Safety**  
(GRI 403)

**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

*Why this is material*

This year, health and safety ranked highest in the materiality assessment. This can be attributed to the on-going pandemic that changed the way we approach our operations, having put a heavier emphasis on safeguarding our employees’ safety and well-being.

Providing a safe and healthy workspace not only protects our employees from accidents, injuries and exposure to harmful substances, but also improves the overall productivity and quality of their performance and boosts employee morale.

**Zero fatalities across the divisions**

Our common goal across all business units has always been to achieve zero fatalities at the workplace. Year-on-year we are proud to state that we have met this goal, in large due to our comprehensive health and safety risk management procedures tailored to our diverse business operations. We aim to foster a risk-averse working environment and eliminate safety hazards.

Additionally, in compliance with the Occupational Safety and Health Act 1994, the relevant subsidiaries within the Group have established their own Occupational Safety & Health (“OSH”) Committees, which conducts committee meetings either on a quarterly or monthly basis.

As an added precaution, the Group conducts a periodic health and safety risk assessment of all existing operations. The Group’s Enterprise Risk Management (“ERM”) framework also covers OSH management and procedures, which are under the purview of the Risk Advisory Committee (“RAC”), which is chaired by PPB’s Managing Director and subsequently reports to the Audit Committee and the Board.

### COVID-19 Health and Safety Measures in the Workplace

- Work-from-home.
- Team segregation & staggered hours to prevent cross infection.
- Employees' Guide on COVID-19.
- Travel restrictions/advisory.
- Virtual meetings and visitors' guidelines.
- Consistent and effective communication.
- Contact tracing & quarantine procedures.
- Mental Health First Aid Programme.
- Swab test for staff of relevant sectors (MKN & MITI requirements).
- Enhanced cleaning and disinfecting of business operations, offices and high touch points.
- Provisions of face masks and hand sanitisers.
- Temperature scans.
- MySejahtera app check-in for contact tracing.
- Transition to virtual webinars.
- Provided IT support and remote access servers.
- Daily health declaration.

In addition to physical well-being, mental health has become a focus area in recent years, particularly in light of the isolating effects of the COVID-19 pandemic. The Group is aware of the need for mental health intervention as part of employee well-being and has introduced the Mental Health First Aid Programme which offers training to leaders and employees in extending support to fellow colleagues dealing with mental health issues. Educational talks to promote general mental health awareness are also organised on an on-going basis.

### COVID-19 Response

The COVID-19 pandemic has caused major disruptions to our people in their personal lives and at work. During these unprecedented times, the Group has taken various measures to safeguard the welfare of the PPB Group family.

In support of the National Immunisation Programme, the Group organised awareness talks on the importance of COVID-19 vaccination and hosted a privatised COVID-19 vaccination programme for employees based at remote areas to achieve a fully vaccinated workforce at a more rapid rate.

The Group implemented measures to ensure safety at the workplace which includes regular sanitisation of the workplace, provision of face masks, self-test kits and sanitising gel to employees, as well as enforcement of temperature checks and health declarations.

The Group also introduced a country-wide support system which integrates government SOPs, management accountability, individual responsibility, as well as assistance to employees in need of support, both mentally and financially.

### Health and Safety Training

The Group provides specific training to relevant personnel across its divisions.

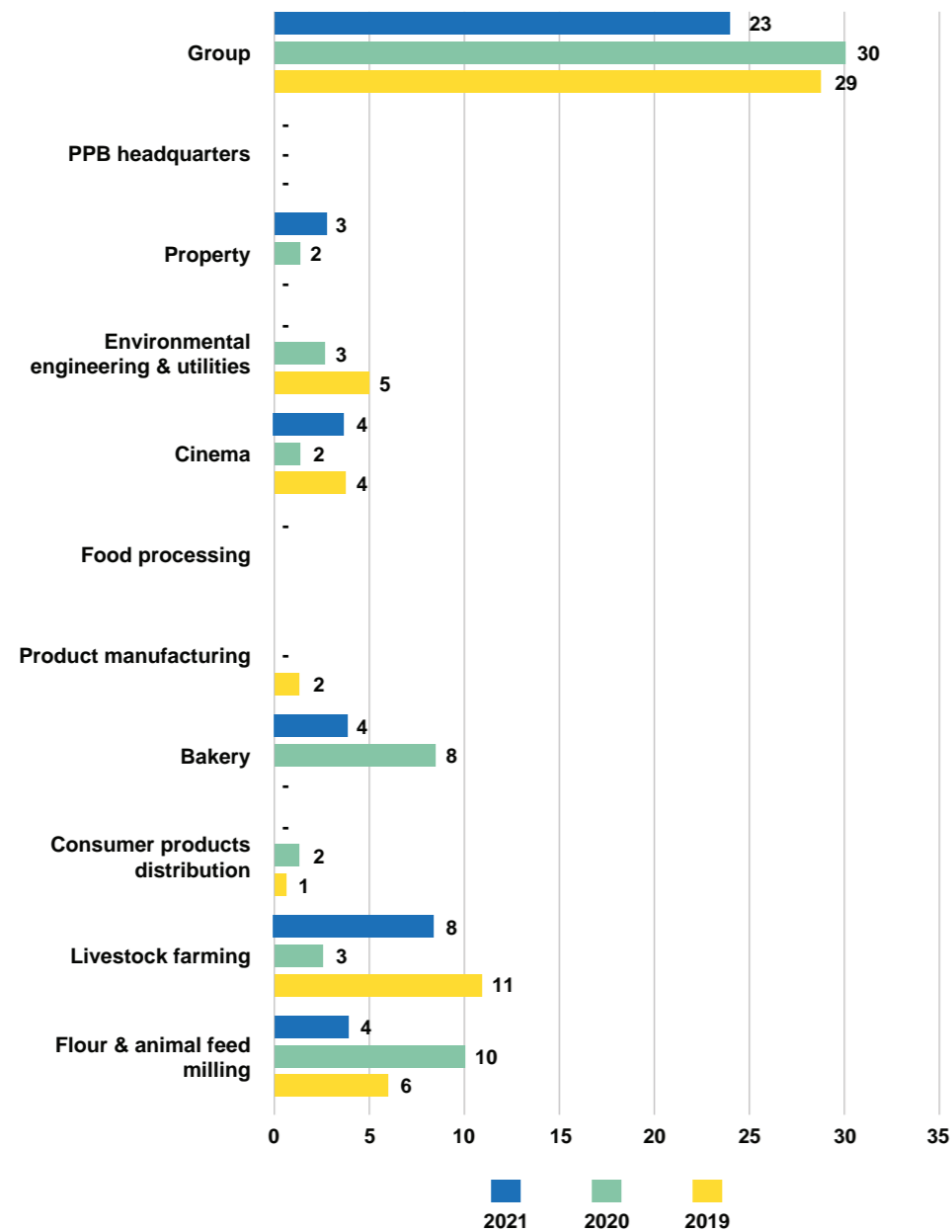
**407 employees**  
received training on health and  
safety standards in FY2021.

**35 employees**  
equipped with Health and  
Safety Certificate.

### Types of health and safety training provided

- Fire drills.
- Personal protective equipment ("PPE") training.
- Forklift safety training.
- Basic occupational first aid awareness training.
- Confined space training.
- Gas detector training (for confined space application).
- 3M confined space webinar training.
- Fortnightly toolbox meetings.
- Working safely at heights training.
- Pest awareness talk.
- Emergency response plan training.
- MIHA webinar training : ventilation - indoor air quality in office setting during pandemic.
- Chemical handling & scheduled waste training.

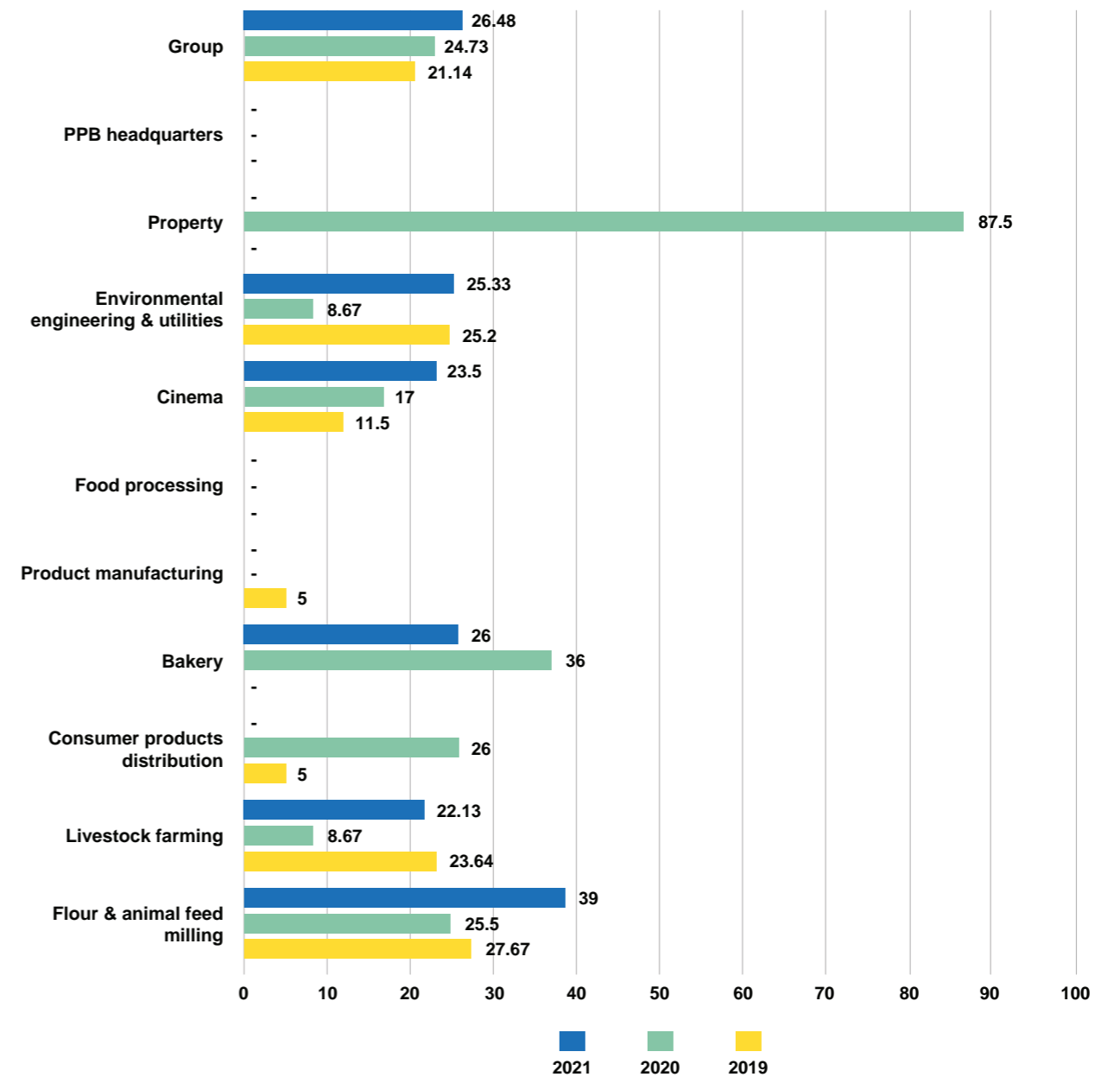
### Recorded accidents by business unit and group (2019-2021)



The Group recorded a total of 23 accidents in FY2021, a drop of 23.3% from 2020. The recorded accidents rate is relatively low given the size of the Group and the diverse range of its activities.

There were no major injuries and the relevant divisions where accidents occurred, have carried out appropriate investigations, reviewed the findings and strengthened measures to prevent future occurrence. No accidents were recorded at PPB headquarters, the *consumer products* distribution, and food processing divisions, as well as the *Environmental Engineering and Utilities* segment.

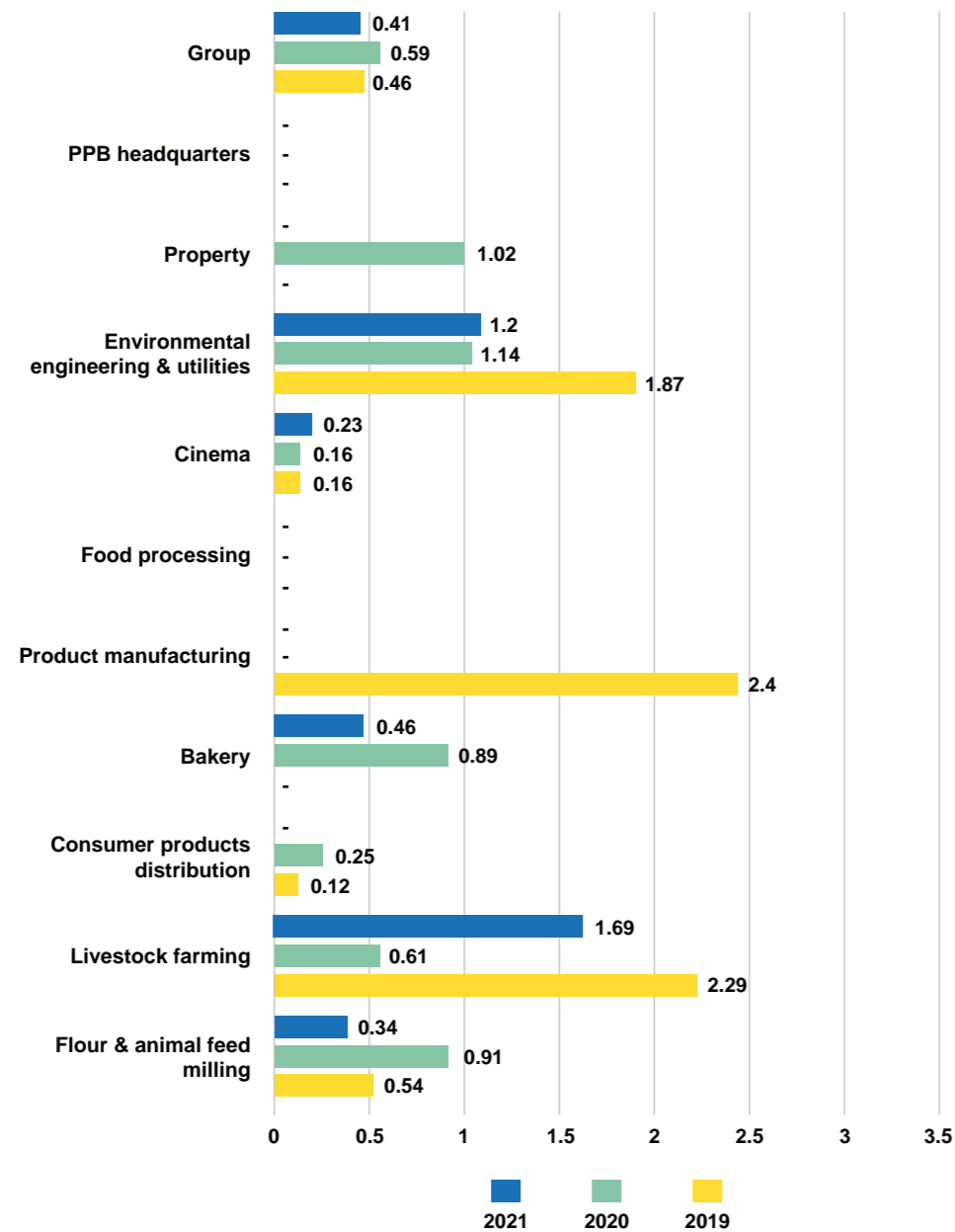
### Average no. of lost days per accident by business unit and group (2019-2021)<sup>19</sup>



<sup>19</sup> Average no. of lost days per accident = Total lost work days / number of recorded accidents.

### Lost time accident rate by business unit and group (2019-2021)<sup>20 21</sup>

(Number of accidents per 100 employees [full-time equivalents])



<sup>20</sup> Lost-time accident rate = Number of accidents\*200,000 / (average number of employees for the year\*48 working weeks\*44 working hours per week).

<sup>21</sup> FY2020 Group figure has been restated due to a previous calculation error.

### Grains and Agribusiness & Consumer Products

#### Health and safety services and benefits provided

- Audiometric testing.
- Typhoid Vaccination.
- Pre-employment Health Assessment.
- Noise Risk Assessment.
- Chemical Health Risk Assessment.
- Vaccination for all employees.
- Chemical Exposure Monitoring.
- Annual medical surveillance for high risk employees.

We are currently working towards establishing an EHS Management System in preparation to achieve ISO 45001 certification.

We use a Hazard Identification, Risk Assessment and Risk Control ("HIRARC") system for operations within FFM to identify and assess any work-related risks in order to mitigate and control them. This year, Spill Prevention, Containment and Countermeasure ("SPCC") assessment has been conducted across our facilities, to help prevent the discharge of oil or hazardous chemicals from facilities into the environment. Spills pose a threat to both the health and safety of our workers and the natural environment.

#### Property

The *Property* segment, has full-time safety officers on site at all relevant operations. Construction sites have an OHS committee that meets every month. The sites conduct fortnightly toolbox meetings to ensure all employees and contractors understand the importance of maintaining a safe and secure working environment. Additionally, the *Property* segment carries out Health, Safety and Environment ("HSE") audits to identify potential risks within the operations and generates a monthly risk report so that necessary precautions can be taken to mitigate these risks.

#### Environmental Engineering and Utilities

The *Environmental Engineering and Utilities* segment requires a strong OHS system to maintain the safety and well-being of employees, contractors and sub-contractors at the sites. All CWM employees on-site are required to adhere to CWM's Health Management System ("HMS") comprising OHS checklists and guidelines which are communicated comprehensively to all our employees. Both CWM Group and Sitamas have designated OHS committees that meet every quarter and have a safety officer on site at all times.

CWM Group utilises a Hazard Identification, Risk Assessment and Determining Control ("HIRADC") system for risk identification and mitigation, a risk assessment system, as well as an Emergency Response Plan ("ERP") at all operations. Sitamas utilises a HIRARC system to identify work-related hazards. The most significant process hazards identified include tyre repairs, truck repairs, road safety and welding.

Additionally, the CWM Group utilises OHS training to increase awareness on dengue prevention and the severity of dengue, especially in workers' quarters.

### Labour Management & Satisfaction (GRI 402)



**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

#### Why this is material

A strong employee-management relationship is key to the long-term sustainability of the Group.

Labour management and satisfaction has been identified as a topic of high priority for this reporting period and has placed an emphasis on Group-wide labour management procedures and practices.

By improving our employment standards, we do not only improve the overall corporate productivity, but we also improve our people's engagement and morale.

Malaysia has been a member of the ILO since 1957



#### What we do

Though this year continued to bring challenges to our day-to-day workplace, the Group has remained committed to providing our employees with the best care and working experience by adapting labour management relations to suit the 'new-normal'.

Emphasising our commitment to fair employee treatment is the Group-wide Human Rights Policy established in 2018. The drafting of the policy was guided by the principles in the United Nations' Universal Declaration of Human Rights. We comply with all applicable labour laws, rules and regulations in the countries the Group operates, including the Malaysian Employment Act 1955 (Rev. 1981), Industrial Relations Act 1967 (Rev. 1976) on freedom of association, collective bargaining, and regulations governing key issues such as child labour and forced labour.

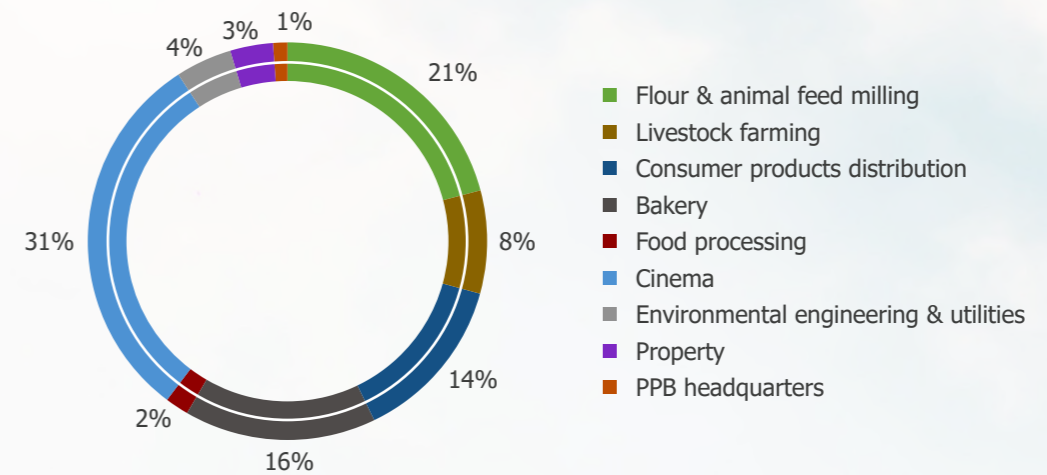
A performance-based appraisal system has been established to review our employees' performance against key position-specific indicators. Through these appraisals, we provide merit-based recognition and rewards, including welfare compensation and benefits which are strategically devised to promote the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

This year, the Group recorded a total headcount of 5,297 employees, including both permanent employees and contract staff. 12.4% of our employees work on a part-time basis - mainly in the cinema operations, to cater to the cyclical nature of the business.

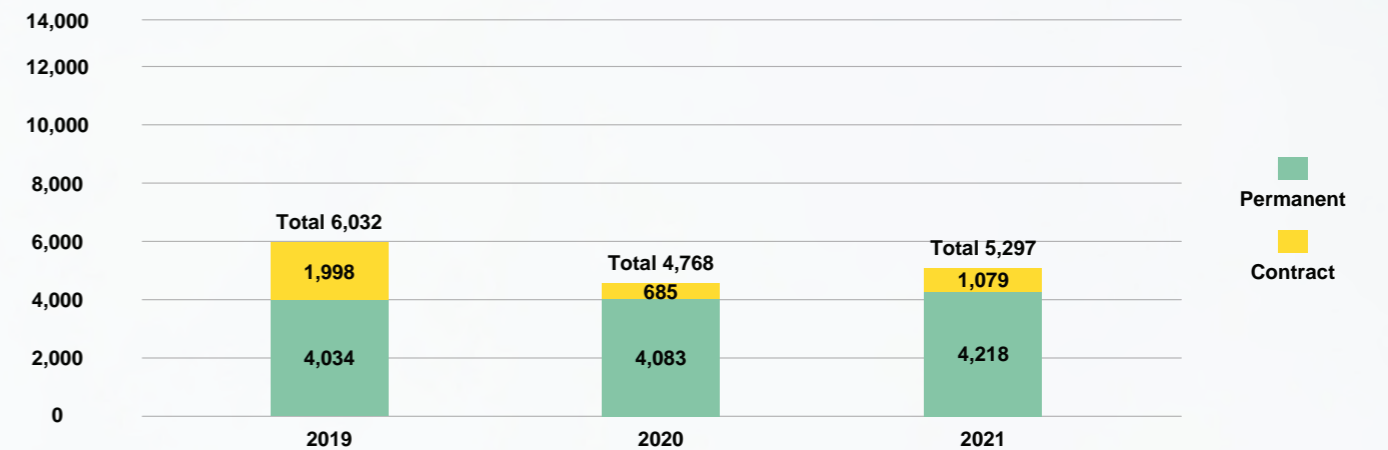
#### Labour Compliance

- Malaysian Employment Act 1955 (Rev. 1981)
- Industrial Relations Act 1967 (Rev. 1976)

### Group total employees by business unit (%) (2021)



### Employees by employment type (2019-2021)



The Group offers incentive schemes, medical care and opportunities to participate in corporate social and recreational events. Staff are also encouraged to volunteer in the range of CSR activities organised by the Group.

In FY2021, the Group conducted its first Group-wide Employee Engagement Survey ("EES") to gather inputs from employees at all levels, on their experiences in the aspects of leadership, talent focus, agility and other foundational factors that contribute to a conducive workplace. A third-party consultant was engaged to facilitate the journey and we had an encouraging 96% participation rate across the Group. Based on the responses received, we are in the process of generating an action plan to improve the current EES score, as well as introduce initiatives to enhance the overall employee engagement level.

**Diversity & Inclusion**  
(GRI 405; GRI 406)

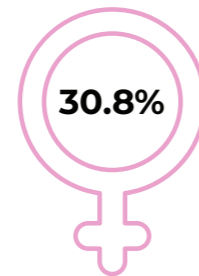
**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

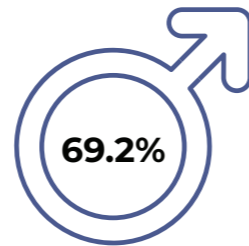
*Why this is material*

Diversity on its own is not enough for a company to retain the same level of employee commitment and satisfaction. Employees should feel included, empowered, emboldened and have a sense of belonging in the Group.

*What we do*



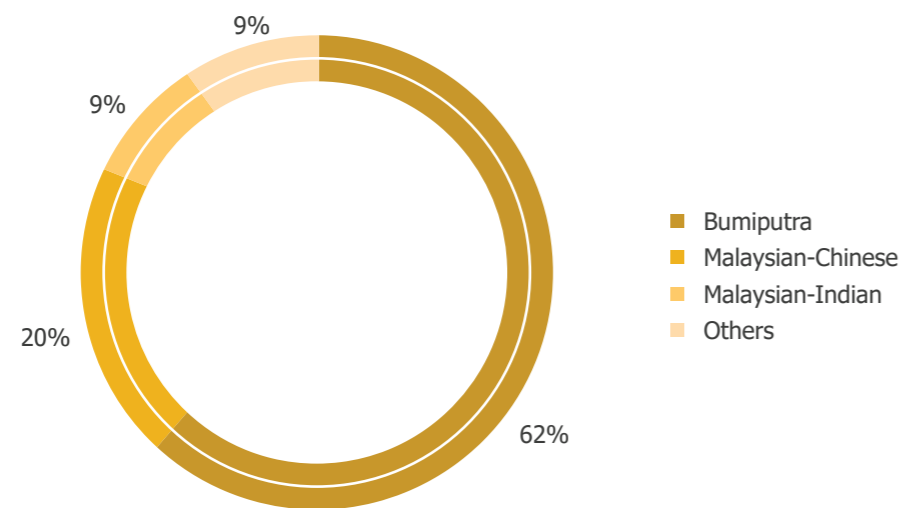
Women in the Group workforce



Men in the Group workforce

The Group believes that diversity and inclusion are imperative to business growth and development and help improve work efficiency. We have a zero tolerance policy against discrimination in any form. All employees and potential employees are afforded equal opportunities in our hiring and selection practices for career growth and development, regardless of gender, sexual orientation, race, ethnicity, or religion.

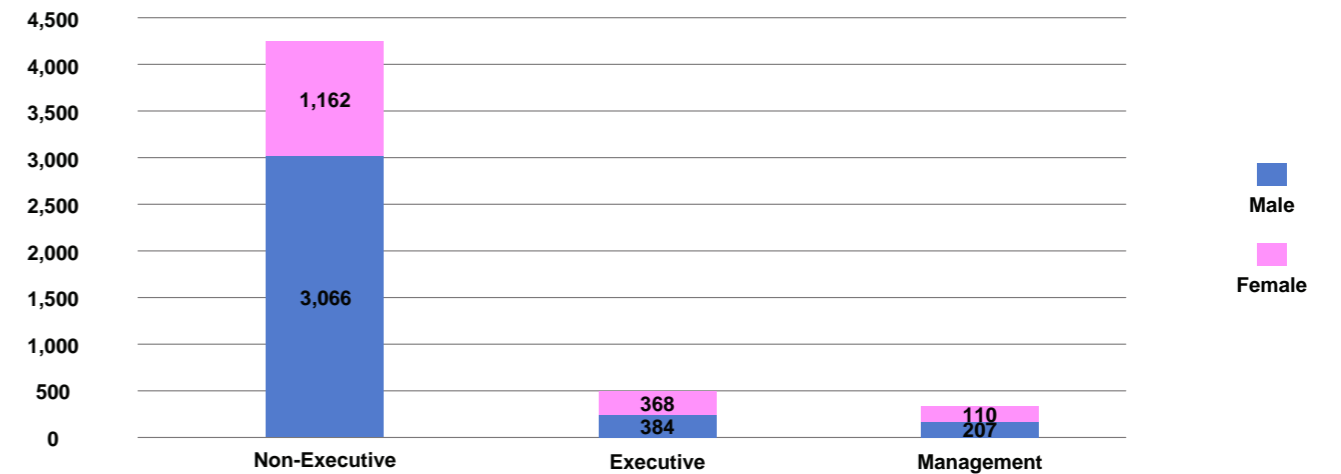
**Group employee distribution (%) (2021)<sup>22</sup>**



We have a relatively diverse workforce, with women well represented at all management levels across the Group and the different ethnicities, race and religions within Malaysia reflected in the Group's composition. All new hires at entry-level are treated equally and given a similar competitive wage regardless of gender. We aim to build an inclusive environment for our employees and as such, we have a zero tolerance policy against any form of discrimination, bullying and harassment, either physical or sexual.

<sup>22</sup> "Others" refer to Malaysians of other races not listed above and non-Malaysians.

**Group employment level by gender (2021)**



Foreign workers comprise about 7.5% of the Group's total workforce, the majority of whom are under the *Grains and Agribusiness* and *Consumer Products* segments. Foreign workers are provided housing and transportation and afforded the same work benefits as our local staff, including medical care and incentive schemes, and are equally included in the Group's decisions and strategies.

Our non-discrimination and zero tolerance for bullying and harassment protects the five differently-abled employees currently working at FFM, which makes up about 0.1% of the Group's total workforce.

**Talent Attraction & Retention**  
(GRI 404)

**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

*Why this is material*

The Group's growth potential is dependent on a skilled and talented workforce. Adopting a talent-focused business strategy ensures productivity and gives the Group a competitive edge in the markets in which we operate.

High turnover rates can be indicative of low employee satisfaction and operational stability which can impact an organisation's reputation. Hence effective recruitment, employee development and retention are essential to create a dynamic and high quality workforce.

What we do

We recruit people best suited for the Group, and build on the skills and capabilities of existing staff to empower our team to reach their full potential.

We provided 48,837 training hours this year across all business segments. Non-executive level employees received the highest amount of training this reporting period with a total of 36,438 hours, equivalent to about 75% of the total training provided by the Group.

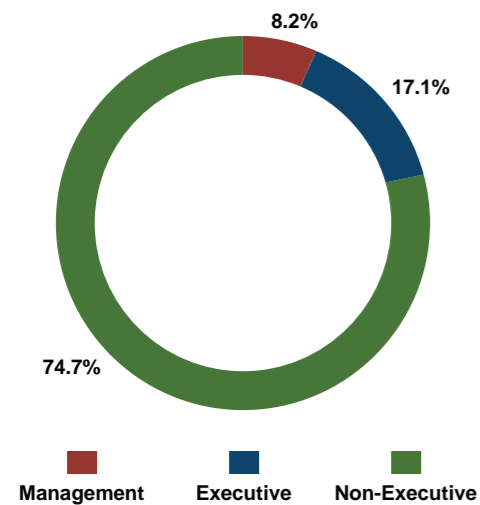
As training was still mostly conducted online in FY2021, e-learning formed 61% of the total training hours recorded. E-learning platforms such as LinkedIn Learning, Udemy and Coursera were made available to employees. Cinema division also developed industry specific e-learning modules for its staff, while the Risk Management & Integrity Department developed materials for in-house ABAC training.



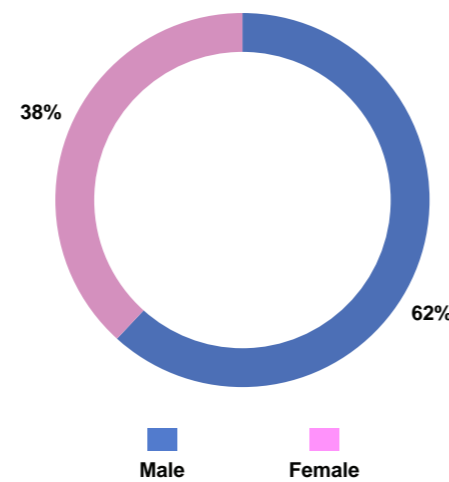
Example of an online training session conducted by The Italian Baker

**AVERAGE OF 10.53 HOURS TRAINING PER EMPLOYEE (FY2021)**

**Training hours by employment level**



**Training hours by gender**



We 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.

The Group drives employee retention through implementing people strategies that promote talent mobility, impact-based learning, career development, employee well-being, performance recognition, market-competitive remuneration, inspiring leadership capabilities and open communication, all of which will in turn form a conducive organisation culture.

For FY2021, the Group recorded a full-time voluntary turnover of 15.8%.

MARKETPLACE ENGAGEMENT

(GRI 201, GRI 202, GRI 204, GRI 205, GRI 308, GRI 414, GRI 416, GRI 418)

**Our achievements in FY2021:**

No corruption or bribery cases recorded throughout the Group.

All subsidiaries conducted a corruption risk assessment.

**Alignment to SDGs:**



Good governance fosters ethical conduct and integrity within an organisation. The Group is committed to conducting its business operations in compliance with the laws and regulations in the areas we operate, with integrity and transparency.

All of these priority issues have ranked a minimum of 'high importance' in the materiality assessment.

**Material Matters:**



Quality & Safety



Brand Image & Reputation



Corporate Governance & Ethical Business Practices



Data Protection



Customer Satisfaction



Business Risk Management & Continuity



Economic Performance



Supply Chain Management

**Quality & Safety**  
(GRI 416)

**Relevant business segments:**

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution
4. Environmental Engineering & Utilities
5. Property

*Why this is material*

Ensuring high product quality and safety continued to be one of the Group's top priority matters in FY2021. The Group's product quality and safety encompasses the products and services offered by the Group, including food safety and handling as well as halal certification compliances.

Maintaining a high standard of product and service quality and safety ties into customer satisfaction which links to our overall economic performance.

*What we do*

Our operations adhere to stringent international quality and safety standards to ensure the safety and satisfaction of our customers. The food-related divisions comply with relevant food regulations and standards, including HACCP Certification (MS1480:2007), HACCP Codex Alimentarius Certification, GMP Certification (MS1514:2009), FSSC 22000 and ISO 22000 Food Safety Management System ("FSMS") and are Halal certified. We have not had any non-compliance with regulations for the quality and safety of our products and services in FY2021.

**Grains and Agribusiness & Consumer Products**

The *Grains and Agribusiness*, and *Consumer Products* segments meet the FSMS; FSSC 22000, HACCP, ISO 22000 standards. All of our flour mills are FSSC22000-certified except for Johor Bahru Flour Mill Sdn Bhd (Kota Kinabalu), which certification was postponed from 2020 to 2022 due to Covid-19 pandemic restrictions.

In the livestock farming division, the layer farms are ISO 9001-certified and both our breeder and layer farms are certified under 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.

The Italian Baker, which is under the *Consumer Products* segment, introduced a 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 on product safety and integrity, in particular during the Covid-19 pandemic.



All relevant divisions undergo quality control ("QC") and quality assurance ("QA") inspection for incoming raw materials, as well as outgoing products. This is to ensure the safety of our products. We also provide training in food handling safety and hygiene to all relevant employees. In FY2021, no divisions within FFM recorded any product recalls due to defects or non-compliance issues.

**Film Exhibition and Distribution**

The cinema division has obtained the HACCP System (MS 1480:2019) certification for a total of 23 cinema concessions as of FY2021, with another 10 being fully HACCP-compliant. Daily inspections are conducted at the cinema concessions to ensure there are no defects or issues with the food products. Should there be a product defect, an investigation will be conducted and corrective actions taken. We uphold an internal Management by Walking Around ("MBWA") system with a checklist to ensure that services and products meet the required quality.

**Property**

We ensure the quality of the properties via inspections conducted throughout the construction process. Following the identification of any defects, rectification works are carried out, and a reinspection of the work is conducted prior to proceeding to the next stage of works. We also adhere to SOPs set for the architectural, mechanical and engineering, and structural works for all our development projects.

**Environmental Engineering and Utilities**

All projects are completed in accordance with contractual requirements, which include works quality and safety practices. We obtained a Certificate of Practical Completion ("CPC") for all projects completed and successfully handed over to our clients. Any defects identified by the clients would be rectified according to the contractual requirement of the project, which is usually between 12 to 24 months after issuance of the CPC.

**Corporate Governance & Ethical Business Practices**  
(GRI 205)

**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

*Why this is material*

As a large diversified conglomerate with local and international operations, it is critical to maintain ethical and transparent business conduct with all the stakeholder groups. This helps prevent the Group from encountering any ethical or legal issues.

Our businesses operate in highly regulated environments. Any non-compliance or breach of regulations could lead to fines or sanctions which could result in reputational damage or loss of our licenses, accreditations or certifications.

*What we do*

The Group has established various codes and policies to uphold high standards of conduct and integrity throughout the value chain.

In FY2021, all subsidiaries within the Group completed a corruption risk assessment. The Board has delegated the authority and operational decisions for the ABAC policy to the Group Integrity Steering Committee ("GISC"), and the Risk Management and Integrity Department ("RMID") is responsible for implementing the ABAC Policy across the Group.

**Codes & Policies**

- Code of Conduct & Ethics.
- Group Anti-Bribery & Corruption Policy ("ABAC").
- Corporate Disclosure Policy.
- Human Rights Policy.
- Sustainability Policy.
- Whistleblowing Policy & Procedures.

Training and briefing on the ABAC Policy and ABAC Manual is mandatory for employees across the Group. New employees are briefed during induction on the Code of Conduct and Ethics (“the Code”). The Employee Handbook provided to all employees explains the Code and is accessible on a shared drive. The Code and policies are also available on PPB’s corporate website at www.ppbgroup.com.

**The laws and regulations that we adhere to include but are not limited to:**

- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.
- Bursa Securities Main Market Listing Requirements.
- Capital Markets & Services Act 2007.
- Companies Act 2016.
- Contracts Act 1050.
- Copyright Act 1987.
- Employment Act 1955.
- Electronic Commerce Act 2006.
- Evidence Act 1950.
- Income Tax Act 1967.
- Limitation Act 1953.
- Malaysian Anti-Corruption Commission Act 2009.
- Malaysian Code of Advertising Practice.
- Malaysian Code on Corporate Governance (“MCCG”) 2021.
- Malaysia Food Act 1983.
- Personal Data Protection Act 2010.
- Power of Attorney Act 1949.
- Sales and Service Tax Act 2018.
- Securities Commission Malaysia Act 1993.
- Specific Relief Act 1950.
- Statutory Declaration Act 1960.
- Temporary Measure for Reducing the Impact of Coronavirus Disease Act 2019.
- Trademarks Act 2019.

There were no incidences relating to corruption or bribery reported in FY2021. There was one whistleblowing allegation in FY2021 which was dealt with in accordance with the Group’s Whistleblowing Policy and Procedures.

S  
C

Customer Satisfaction  
(Non-GRI)

Relevant business segments:

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution
4. Environmental Engineering & Utilities
5. Property

*Why this is material*

Ensuring our customers and clients are satisfied with products and services is crucial for business longevity and the Group’s overall economic performance.

The Group also understands that engaging our customers regularly has an impact on our brand image and reputation. Highly satisfied customers guarantee a long-term clientele.

*What we do*

Relevant business segments conduct regular customer satisfaction surveys and receive customer complaints and feedback forms, covering areas such as product quality, timeliness, service levels and staff competence.

The flour and animal feed milling, livestock farming, and bakery divisions have on-going targets to reduce customer complaints through corrective actions taken based on the feedback received.

The cinema division conducts customer satisfaction surveys at the Aurum Theatre, JIN Gastrobar and GSC cinemas. Customer feedback grew from 712 (per 100,000 admissions) in 2020 to 1,802 in FY2021 due to the change in business environment arising from the pandemic. The enquiries were mainly on Covid-19 SOPs, non-admittance of children during Phase 3 of the National Recovery Plan, new release dates of movies which have been postponed, and requests for cancellations/refunds during the flash floods in December.

Complaints received by the division increased from 27 (per 100,000 admissions) in 2020 to 43 in 2021, generally related to technical difficulties encountered on an e-payment partner’s platform. The division also uses mystery customers regularly to assess the quality of its services and products to better meet patrons’ expectations.

In FY2022, we plan to extend the customer satisfaction surveys to include Happy Food Co., the restaurant operations of our cinema division. During the prolonged lockdown, which resulted in closure of the cinemas, we continued to update and engage with customers through social media, the company’s website and mobile application, emails, and through SMS.

In the *Environmental Engineering and Utilities* segment, the CWM Group is in the process of improving the IT infrastructure within the company to increase communication and improve services to customers.

F  
C

Economic Performance  
(GRI 201)

Relevant business segments:

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution
4. Environmental Engineering & Utilities
5. Property

*Why this is material*

Our economic performance allows us to continue delivering quality products and services to our customers and meet their evolving demands.

We can achieve business longevity by building long-term value creation for stakeholders, and maintaining leadership in all markets in which we operate.

*What we do*

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 21-35) and audited financial statements (pages 77-194) of PPB’s FY2021 Annual Report.

I  
C

## Brand Image & Reputation (Non-GRI)

### Relevant business segments:

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

### Why this is material

The brand image and reputation of the Group helps in its value-creation. A reputable and well-known organisation would generate more traction from stakeholders which in turn would generate more revenue, thus boosting the Group's economic performance and business longevity.

The Group's brand image and reputation is also closely tied to its marketing and advertising strategies. How we market our products and ensure ethical and responsible marketing is important.

### What we do

PPB being a conglomerate adheres to requirements from not only national but also international standards to set ourselves apart from our contemporaries.



This year, GSC once again attained the Platinum Brand Award (Entertainment category) from the Putra Brand Awards, which showcases its strong brand equity amongst consumers as the country's most preferred cinema chain. GSC also won the "Most Preferred Graduate Employer" award at the Graduate's Choice Award 2021.

The Group complies with the Malaysian Food Act 1983 and the Malaysian Code of Advertising Practice, and the labelling of all food products is in compliance with the standards. There were no reported cases of non-compliance with marketing communication and labelling in FY2021 across all divisions.

I  
C

## Data Protection (GRI 418)

### Relevant business segments:

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

### Why this is material

The Group has a responsibility to ensure the proper collection, storage, usage and protection of customers' and employees' data. This helps the Group maintain a trusting and sustainable relationship with not only these two major stakeholder groups, but also with investors and the larger public. Data leaks or cybersecurity breaches pose a reputational risk for the Group.

### What we do

The Group is compliant with the Personal Data Protection Act 2010, and relevant divisions with higher data privacy risks have formal customer privacy policies in place. Our employees receive training on data and IT security awareness to emphasise the necessity of personal data protection. We have also implemented a standardised antivirus, firewall, malware protection and Enterprise Network Architecture to enhance cybersecurity within the Group.

At FFM head office, we have deployed an antivirus management server on the cloud, to ensure that laptops and desktops are properly managed and protected. We have also engaged with a third party to conduct penetration tests, as well as security monitoring of the cloud system. In the *Film Exhibition and Distribution* segment, we have aligned our information security policies and practices with the ISO 27001 Standard.

M  
C

## Business Risk Management & Continuity (Non-GRI)

### Relevant business segments:

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

### Why this is material

As a diversified conglomerate, with a presence in many different markets, we are exposed to a multitude of risks ranging from financial, environmental, operational, compliance and data breaches. These risks can pose a threat to the Group's continued business growth. Preparing for these risks allows the Group to continue operations with reduced likelihood of setbacks during a crisis event, such as a pandemic or extreme weather events.

### What we do

Responsibility for the Group's risk management process lies with the Board, and the day-to-day implementation is conducted by the Risk Management and Integrity Department (RMID). The risks are measured using both financial and non-financial risk parameters approved by the Board. Any risks identified are documented in a risk register that includes the nature of the risk, the description, the root causes, the consequences, the key existing controls and the management action plans to mitigate the risk. The risks identified are also communicated to relevant employees via Risk Assessment workshops, emails and meetings. We have also employed the key risk indicator ("KRI") dashboard to monitor our performance against the risks within the risk register.

In FY2021, the Group identified a number of key risks and challenges impacting the business operations, including rising material and commodity prices, disruptions to the global supply chain, and the implementation of work from home which poses cybersecurity concerns. To address these challenges, we have implemented stronger procurement practices, cost control and cash flow monitoring, and enhanced cybersecurity. We also continuously monitor the stock levels and coordinate internally to reduce the risk of supply chain disruption and to continue delivering the best services to our customers.

We have commenced implementation of the Business Continuity Management ("BCM") programme in the Group in phases and this enables us to respond and continue to operate our critical business functions through interruptions from internal and external sources. Although the BCM programme is still being rolled out in phases, the pandemic has expedited the readiness of entities who had not had the formalised plans in place. The components of the BCM includes an Emergency Response Plan, Disaster Recovery Plan, Crisis Communication Plan, Crisis Management Plan and Business Continuity Plan.



**Supply Chain Management**  
(GRI 204; GRI 308; GRI 414)

**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

*Why this is material*

Sustainable supply chain management is not only linked to the brand and reputation of the Group but also its environmental impact. The Group recognises that advocating for sustainability has to be carried down the whole value chain.

*What we do*

The Group’s Human Rights Policy is applicable to all suppliers, vendors and subcontractors acting on our behalf, and we began implementing this policy throughout our supply chain in 2020.

FFM PI and FGM Sarawak are members of Sedex, an organisation providing platforms to corporations to manage and improve working conditions in supply chains. To become a member of Sedex, these subsidiaries of FFM have to comply with certain criteria, including a commitment in support of collective bargaining and freedom of association within the supply chain.

The *Film Exhibition and Distribution’s* cinema division implemented an annual vendor performance evaluation in 2020. In this evaluation process, respective departments throughout the division conduct a review of their vendors’ principal activities and note any changes to the information provided. Vendor performance is also assessed on a project-by-project basis, and validated by both the department and procurement teams prior to retaining the vendor for the future. The vendor performance evaluation could not be carried out in FY2021 due to the prolonged lockdown/MCO which prevented the establishment of a benchmark for the exercise.

In FY2021, our oil palm plantations which are Malaysian Sustainable Palm Oil (“MSPO”) MS2530-3:2013 certified, produced and sold 9,624 MT of fresh fruit bunches (“FFB”).

The Group utilised a total of 17,160 MT palm oil in 2021, of which about 382 MT or 2% was RSPO-certified palm oil. Our animal feed milling division, which uses crude palm oil and palm kernel expeller for its products, account for 89.5% of the Group’s total combined usage. The balance was utilised by the bakery, food processing and cinema divisions.

# COMMUNITY INVESTMENT

(GRI 412, GRI 413, GRI 416, GRI 417)

**Our achievements in FY2021:**

Introduction of **V-Soy No Sugar** and **Massimo Seeded Multigrain with Barley** to improve nutrition, health and wellness of consumers.

**Zero** human rights cases or violations in FY2021.

More than **RM 7 million** spent on community investments in FY2021.

**Alignment to SDGs:**



The Group acknowledges that our operations can cause potential disruptions to the communities in the areas where we operate. Any negative impacts, be they environmental or social, can lead to negative publicity that would affect the Group’s image and operations.

Through these unprecedented times, the Group has remained committed to giving back to communities and upholding the human rights of our people and the wider society. We have adopted a proactive approach with our community investments, using continuous contributions and engagements to not only better understand the community’s expectations and needs, but also to provide community enrichment channels for sustainable community development.

**Material Matters:**



**Human Rights**



**Nutrition, Health & Wellness**



**Community Engagement & Development**

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 this year.

The following sections detail our community engagement efforts as well as our nutrition, health and wellness initiatives.

S  
C

Human Rights  
(GRI 412)

Relevant business segments:

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

### Why this is material

We believe it is our responsibility to uphold human rights within all areas of operation in the Group. We maintain the utmost respect for the rights of the indigenous people of Malaysia, the foreign workforce, and other marginalised communities. We understand that encroaching on basic human rights poses a threat to our operations as it would tarnish the Group's reputation and stakeholders' trust, and lead to fines and/or sanctions.

### What we do

The Group established a Human Rights Policy to reinforce our commitment to protecting the human rights of all individuals who are within the Group's purview, including members of our local communities. The policy which can be accessed on the Group's corporate website at [www.ppbgroup.com](http://www.ppbgroup.com) was established in 2018 and is guided by the Universal Declaration for Human Rights. In 2020, we commenced the implementation of the Human Rights Policy in the Group's supply chain.

The Board oversees human rights matters within the Group's operations, assisted by the SSC. The Group also has a grievance mechanism outlined under the Code of Conduct and Ethics, as well as a whistleblowing channel for internal and external stakeholders.

FFM's subsidiaries; FFM PI and FGM Sarawak, within the *Grains and Agribusiness* segment are members of Sedex, and have accordingly committed to apply the United Nations Guiding Principles on Business and Human Rights, as well as the Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises within their operations and throughout their value chain.

At the cinema division, all new and the majority of existing GSC cinemas are wheel-chair friendly, with ramps and elevators to facilitate cinema-going for people living with disabilities.

Similarly, at Cheras Leisure Mall of our *Property* division, we have provided parking bays specifically for the differently-abled for easy access to lift lobbies and mall entrances which are also disabled-friendly.

S  
C

Nutrition, Health  
& Wellness  
(GRI 412)

Relevant business segments:

1. Grains & Agribusiness
2. Consumer Products
3. Film Exhibition & Distribution

### Why this is material

PPB began in 1968 with sugar cane cultivation and sugar processing. Though we have since diversified into various other business operations, one of the Group's core businesses is in the agribusiness and food sectors.

We believe that the foundation of a well-rounded healthy lifestyle stems from our food intake. Consumers are more aware of the health impact of the food they consume and have begun to seek healthy and more nutritious options. As such, we aim to provide better balanced and nutritious products in the food-related business divisions to support and foster a healthier lifestyle for our consumers.

### What we do

MAKLUMAT PEMAKANAN	
Hidangan Setiap Bungkusan: 1	
Saiz Hidangan: 55g	
	Setiap Hidangan (55g)
Tenaga	182Kcal
Karbohidrat	26.0g
Protein	4.6g
Lemak	6.6g
Asid Lemak Monotidaktepu	2.1g
Asid Lemak Polidaktepu	0.7g
Asid Lemak Tepu	3.8g
Asid Lemak Trans	0g
Kolesterol	0mg
Serabut Diet	0.6g
Tiamina (Vitamin B1)	0.4mg
Riboflavin (Vitamin B2)	0.3mg
Niasin (Vitamin B3)	3.3mg
Kalsium	84mg
Zat Besi	1.1mg
Asid Folik	74µg

Example of nutritional content from Massimo Favorito Peanut Butter Cream Roll.

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. That said, the relevant divisions within the Group have taken measures to address these issues. Nutritional information for all our products is clearly depicted on the packaging.

### Grains and Agribusiness

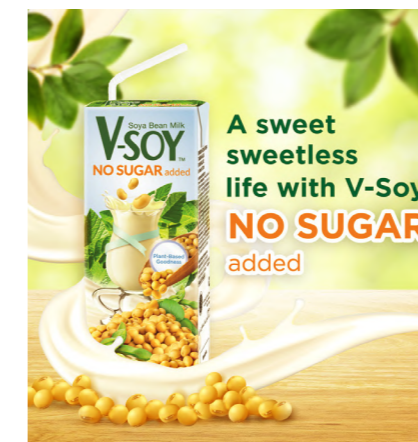
The flour milling division specialises in consumer-packed flour products such as Blue Key self-raising flour, superfine white flour, and Cap Sauh flour, which are enriched with vitamins and minerals to provide a more nutritious cooking and baking experience. We also offer alternative flours for those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

### Consumer Products

FFM Further Processing conducts an annual analysis of their range of products to ensure a high nutritional value is added to the existing product portfolio. A research and development ("R&D") team has also been developing plant-based products to cater to a wider-range of customers and to branch out to new markets.

FFM Marketing offers a range of selections including the V-Soy soy milk products: the original option, low sugar option, golden-grain and multigrain option, to provide nutrition and variety to our consumer base. In June 2021, the company also launched a new zero-sugar-added product called "V-Soy No Sugar 200 ml" with greatly reduced sugar content compared to the original V-Soy product. Reduced sugar intake is associated with reduced risk of diabetes and other health complications.

In 2021, The Italian Baker introduced the "Massimo 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 helps protect from dangerous free radicals, as well as cholesterol-busting beta-glucans.



**Film Exhibition & Distribution**

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

**Community Engagement & Development (GRI 413)**

**Relevant business segments:**

1. PPB headquarters
2. Grains & Agribusiness
3. Consumer Products
4. Film Exhibition & Distribution
5. Environmental Engineering & Utilities
6. Property

*Why this is material*

Since our origins in agribusiness, we have understood that aiding in the prosperity and development of surrounding communities is important. We strive for a mutually beneficial, sustainable bond with our communities. This not only allows us to grow as a business but also to develop the local economy.

The pandemic has brought with it many challenges and caused disruptions to people's lives and livelihoods. Through these trying times, the Group focused its efforts on providing help to struggling communities.

*What we do*

**COVID-19 Initiatives**

FY2021 continued to be a difficult one for many with almost half the year under lockdown. Many had lost their livelihoods and were greatly impacted by the pandemic, especially the vulnerable and B40 communities. They received fewer resources and donations due to the constraints and limitations caused by the pandemic to the local economy.

Since the start of the MCO, the Group has partnered with Food Aid Foundation, Kechara Soup Kitchen ("KSK"), Kembara Kitchen, Mutiara Food Bank and Yayasan Food Bank Malaysia among others to distribute food aid to vulnerable families and communities nationwide.

In the Klang Valley and Penang, we supported public funded quarantine centres managed by Crisis Relief Services & Training Berhad (CREST), with three main meals a day for three months. We also provided a total of 149,700 lunch meals to 2,400 recipients in Seremban, Penang, Johor and Klang Valley whilst generating income to a total of 52 unemployed individuals/struggling operators who prepared the meals.

To scale up the nutrition of communities in need, we distributed 1,500 boxes of organic regenerative vegetable terrarium ("Hope Box") from PWD Smart FarmAbility. The Hope Box is easy to harvest at home which means zero miles, fresh and without chemicals. Recipients of the Hope Box who have shown interest in caring for the terrarium, were encouraged to upskill themselves towards entrepreneurship.

This year, we continued to provide face masks, air purifiers, scrub suits, sanitisers and other items for medical staff and frontliners who have worked tirelessly and put their own lives at risk to care for the public. These contributions were made to help ease their burdens and enable them to carry out their duties more safely and comfortably. We also assisted 17 government hospitals with the contribution of medical equipment requested by the hospitals to fight the pandemic such as oxygen concentrators, syringe pumps, infusion pumps and oxygen flowmeters.

More than **20,000** vulnerable families received food aid from the Group through collaboration with reputable organisations.

To stimulate the local economy, we engaged with local artists, musicians, home bakers and skilled workers, creating a total of 334 temporary jobs to assist them in generating an income during the MCO restrictions.

TOTAL COMMUNITY INVESTMENT more than **RM 7 million**

COVID-19 INVESTMENTS more than **RM 6 million (85.4%)**



Donated **RM 234,000** collected from the #HelloWeCan mental health campaign to 4 NGOs.



Contributed more than **RM 85,000** of utility bills to **12** welfare homes and **149** families.



Supported small businesses and local artistes with **386** job creations and contributions amounting to **RM 358,000**.



Contributed almost **RM 3 million** worth of food provisions and hot foods to aid food banks, NGOs, welfare homes, quarantine centres and more than **20,000** vulnerable families.



- **RM 268,000** - Cheer packs and cookies for **9,030** frontliners.



- **RM 225,000** - **1,500** boxes of regenerative organic vegetable terrarium as nutrition for communities in need.



- **RM 24,500** - More than **7,500** units of hand sanitisers, hygiene and cleaning products distributed to K.L. Bomba and 3 NGOs.



- **RM 1 million** - Provided **200 units** of oxygen concentrators, **15 sets** of PAPR to government hospitals for its ICU departments, **18,000 pcs** of N95 facemasks and other requests by hospitals and frontliners.

**Group's COVID-19 initiatives highlights**

Apart from our COVID-19 specific initiatives, the Group has carried on with our usual range of community contributions and engagement efforts, some of which are listed below by business segments. As a whole, the Group contributed more than **RM 7 million** on community investments in FY2021, **85.4%** of which was spent on COVID-19 related initiatives. Contributions to registered non-profit organisations amounted to about **RM 3 million**.

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

1. PPB-KF Welfare Fund for Perlis, a **RM 10 million** endowment fund was established in 2010 to benefit the poor and underprivileged in Perlis. In 2021, the fund disbursed RM197,340 to provide vouchers for school items to 1,000 students, one study grant and a donation to one welfare home. A cumulative total of more than **RM 2 million** has thus far been spent on school uniforms and shoes for more than 9,000 primary and secondary school children in need under the PPB-KF annual Educare Project, as well as 88 study grants, 199 scholarships and cash donations to welfare homes.
2. PPB50 Fund, a **RM 20 million** fund was set up in 2019 to commemorate PPB's 50th anniversary. In 2021, it disbursed a total of RM274,664 for a Food Program in which 694 students in need from 35 secondary schools in Sungai Petani, Kedah were provided daily RM 3 meal vouchers, and The Back To School Program where 500 students in need from Klang Valley, Kedah and Melaka were provided essential school items. The latter also included 150 tablets given to underprivileged students in Kedah and Johor. A total of RM 1.6 million has been disbursed since the Fund's inception.

**PPB headquarters**



Young adults and children are the future. The Group aims to foster their talents and provide them with the necessary education and skills to thrive in these challenging times. PPB headquarters completed its 'e-Learning, The Way Forward' project in FY2021, in which we contributed new laptops, printers, projectors, tablets, scientific calculators and PC speakers to nine welfare homes and one orang asli community centre to aid children with their online learning during school closures.

Our other focus is to enable vulnerable communities to gain better employment opportunities with upskilling initiatives. PPB headquarters began working with Dignity for Children Foundation in 2019 whereby we established our on-going 'Baking a Better Future' project to empower the marginalised with baking skills to develop entrepreneurial skills and employment opportunities. We started with the Bake X project, in collaboration with FFM which was targeted at underprivileged students and moved on to the *Supermum* project for vulnerable mothers. In FY2021, we were in discussions with Ibupreneur to set up *Ibu University* in 2022, for vulnerable mothers to develop skills to sustain a livelihood.



We also carried out the 'From Zero to Hero' project to empower the B40 community through an upskilling for entrepreneurship or employment effort. This project, in collaboration with Persatuan Seni Jahitan Kreatif Malaysia ("PSJKM"), aims to develop the sewing skills of persons from the B40 community through a 6-day intensive sewing course. 30 candidates were enrolled in this project in October 2021. In the following month, five out of the 30 candidates who completed the sewing course, earned more than RM600/- selling bags, tissue pouches, pillow cases and face masks sewn by them.



Since 2015, we have been engaging with Malaysia's indigenous communities, the orang asli, and we remain committed in addressing their basic amenities needs and improving their living conditions. The orang asli community in Tasik Chini, Pahang relies on farming activities for a living. In FY2021, we identified three small scale farmers who required assistance and provided them with farming tools and saplings, two water tanks and pumps, as well as piping materials.

PPB headquarters and the business segments celebrate the four main annual festivals with the underprivileged communities. Due to pandemic restrictions this year, we organised virtual lunches where meals are delivered to welfare homes or vulnerable families. The welfare homes also received electrical items and other necessities, as well as festive cookies baked by *Supermum*.



**Grains and Agribusiness & Consumer Products**

FFM was mostly focused on COVID-19 relief initiatives in FY2021, contributing more than RM400,000 worth of food products to food banks and the B40 communities.

**Film Exhibition and Distribution**

As a cinema operator, GSC understands the importance of art and culture in society for encouraging creativity. Since the late 1990s GSC International Screens have been showcasing foreign language films and hosting film festivals with foreign embassies, in an effort to promote different cultures through the arts. In 2020, the planned film festivals had to be put on hold due to the MCO, but with the relaxation of restrictions in FY2021, GSC managed to hold two film festivals – Latin American and K-Culture (Korean) – at the end of the year. Additionally, GSC has continued to offer a range of standalone appreciation screenings organised in partnership with the foreign embassies, including 'Europe in Cinema', 'France in Cinema', and the 'Japanese Weekend Film Show', which will continue into mid-2022.

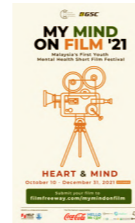


As part of our efforts to promote art and culture, GSC also provided a platform for local talents to perform and earn a livelihood during the pandemic. We identified four singers and gave them access to GSC's platforms on social media, as well as a series of live performances at JIN Gastrobar in Aurum Theatre.

With the pandemic and lockdowns, one aspect that is often overlooked is their impact on our mental health. To bring awareness to mental health, the Group has developed a project called "Hello, We Can!" via GSC's social media platforms, aimed to promote awareness, encourage our audiences to seek help when needed, and to inspire kindness towards others going through a challenging time.

In the first phase of this campaign, the public were incentivised to create content focusing on the topic of mental health. The contributions raised from this campaign was donated to mental health-related non-governmental and non-profit organisations (“NGOs”) such as Befrienders, UM Cares, Women’s Aid Organisation and the Mental Illness Awareness and Support Association (“MIASA”).

The second phase is in collaboration with HELP University’s Centre for Mental Health and Wellness and was launched on World Mental Health Day. This phase aims to raise awareness on mental health and promote creativity among young adults through the creation of short films.



**Property**



The Property division partnered with Mutiara Food Bank in Penang to distribute basic food and essential items to 200 vulnerable families in Georgetown.

We also provided sponsorship for Music Live Shows to support local musicians who had lost their income due to the MCO. We donated RM5,000 to the Persatuan Pemuzik Malaysia, otherwise known as Musicians for Musicians Malaysia (“MfM”), to sponsor 42 musicians to perform for the MfM Centrestage Show Facebook Livestream.



**Environmental Engineering and Utilities**

As with FFM, the majority of the CSR efforts from the *Environmental Engineering and Utilities* segment was concentrated on COVID-19 relief efforts, namely providing care packages and essential items to non-profit organisations.

We are in the process of commencing a project with the orang asli communities at Tasik Chini, Pahang, which PPB headquarters has been engaging with since 2015. The project aims to improve the quality of drinking water to these communities by providing a filtration system for the water extracted from ground wells. In addition, we have also established a training and learning centre in collaboration with UKM at the Kampung Kacau Dalam and Kampung Kacau Luar, where we plan to empower the orang asli communities there through workshops and training for young adults and children.

**Conclusion**

We are proud of the continued efforts and dedication of our PPB Group family which has allowed us to continue on our sustainability journey despite the challenges. Moving forward, equipped with our 5-year sustainability roadmap to guide us in achieving our sustainability goals, we strive to continuously improve our ESG initiatives and sustainability progress.

**Abbreviations**

<u>Flour mills</u>	<u>abbreviation</u>
Johor Bahru Flour Mill Sdn Bhd (Kota Kinabalu)	JBFM KK
FFM Grains & Mills Sdn Bhd (Kuching)	FGM Sarawak
FFM Grains & Mills Sdn Bhd (Pasir Gudang)	FGM PG
FFM Pulau Indah Sdn Bhd	FFM PI
Johor Bahru Flour Mill Sdn Bhd (Prai)	JBFM Prai

<u>Animal feed mills</u>	<u>abbreviation</u>
FFM (Sabah) Sdn Bhd	FFM Sabah
FFM Feedmills (Sarawak) Sdn Bhd	FFM Sarawak
FFM Grains & Mills Sdn Bhd (Pasir Gudang)	FGM PG
FFM Pulau Indah Sdn Bhd	FFM PI
Johor Bahru Flour Mill Sdn Bhd (Prai)	JBFM Prai

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# RISE

ABOVE ADVERSITY

2021  
Sustainability  
Report



PPB GROUP BERHAD

196801000571 (8167-W)

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

Tel: +603-2726 0088  
Fax: +603-2726 0099

[www.ppbgroup.com](http://www.ppbgroup.com)

