

Sustainability Statement

1. ABOUT THIS STATEMENT

Sustainability has always been an integral part of QL's business operations. In our efforts to create shared value for all, we are cognizant of our role, responsibility and duty to conduct business ethically, operate in a socially and environmentally responsible manner and adhere to sustainable practices. This is what helps QL in delivering sustainable growth and stellar financial performance for the past 2 decades, in harmony with the well-being of communities and the environment whilst meeting our stakeholders' expectation.

FY2020 is our fourth Sustainability Report, as we continuously seek to improve our efforts in our sustainability journey. This year, we have further enhanced our reporting approach to include more disclosures on the important sustainability topics on social and environment impacts arising from our operations. The Statement covers the sustainability activities of QL Resources Berhad and major subsidiary companies (collectively referred to as "QL"). QL strongly believes sustainability holds the key to improve our footprint and accomplish our Vision to be the preferred global agro-based enterprise.

1.1 Preparation of this Statement

The Report is prepared based on the Sustainability Reporting Guides and Amendments issued by Bursa Malaysia Securities Berhad under Main Market Listing Requirements for Annual Reports.

The Statement is structured into four sections:

- The first section introduces the Statement;
- The second section explains the governance structure utilised in managing material sustainability matters;
- The third section documents management approach taken to review, update and categorise the material matters; and
- The final section reports on the practices and performance related to management of material sustainability matters.

2. SUSTAINABILITY GOVERNANCE



Diagram 1: Sustainability Governance Structure at QL

Sustainability is deeply embedded into the business of QL, driven from the highest level of management. QL's Board of Directors takes an active role in setting the direction of sustainability, reflecting the active role they play at each of the group's business pillars. Based on the firm commitment by the Board, we set up a Sustainability Steering Committee ("SSC"), chaired by the Executive Chairman and comprises heads of business units and business functions. In 2018, a Sustainability Reporting Working Group (SRW) was established to further strengthen the reporting process where it reported directly to the SSC. As we continued to look for ways to improve, a project manager was appointed in 2019 to manage the SRW reporting process together with topics champion assigned to lead and formulate action plan and reporting for the material issues identified.

The following outlines the core responsibilities of the SSC:

- Incorporate sustainability into QL's Risk Management and Corporate Strategies;
- Oversee the management of material sustainability matters as identified;
- Monitor QL's sustainability performance for reporting.

SRW proactively undertakes the following core responsibilities:

- Perform materiality assessments (i.e. identification and assessment of sustainability matters relevant to QL's business);
- Reports to the SSC on sustainability matters;
- Develop sustainability disclosure for reporting and the preparation of sustainability report for SSC's approval.

As an agro-based business, QL adheres to sustainable practices to remain relevant and at the forefront of the industry. To achieve this, we assess our governance processes regularly and seek to incorporate industry best practices, guidelines, standards and recommendations into our sustainability-related responsibilities without compromising operating efficiency and synergy. We measure and track the impacts of key sustainability matters from our daily operations for proactive management of issues which is a critical part of the sustainability governance structure.

In FY2020, the SRW met 6 times informally whilst SSC convened 2 times formally to discuss and deliberate on sustainability matters.

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3. MATERIALITY ASSESSMENT

3.1. Materiality assessment process

SRW conducted the materiality assessment to assist in the identification and prioritisation of sustainability matters that can affect QL's business and stakeholders. We began the process by reviewing and updating the material sustainability matters as discerned in the previous reporting year and based on the latest internal and external developments, including Environment, Social and Governance ("ESG") trends unique to the agro-food and plantation sector. We also referred to the latest Bursa Malaysia's Sustainability Reporting Guide and Toolkits, Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), FTSE4Good Index guidelines and relevant industry-specific references and publications to update our material sustainability matters that are significant to QL's business operations and influence stakeholders' decisions.

We have an engagement approach that would allow us to reach out and receive valuable input from our key stakeholders, as outlined in Section 3.4 Stakeholders Engagement. The engagement process helped us to re-assess material issues that are deemed important by our stakeholders so that we can incorporate them into the latest sustainability report.

Subsequent to the feedback received, QL's management carried out review and discussion so that we incorporated the important sustainability matters reflecting the latest changes in the business landscape, risk environment, compliance requirement and policy. In updating the materiality matrix, we refer to Bursa Malaysia's Listing Requirements which defined these matters as:

- Reflecting the business' significant ESG impacts; and/or
- Substantively influencing assessments and decisions of stakeholders.

Based on data collected, we analysed and re-ranked the material issues in order to prioritise sustainability topics and action plan going forward as shared in Section 3.5.

Our materiality process is illustrated as follows:

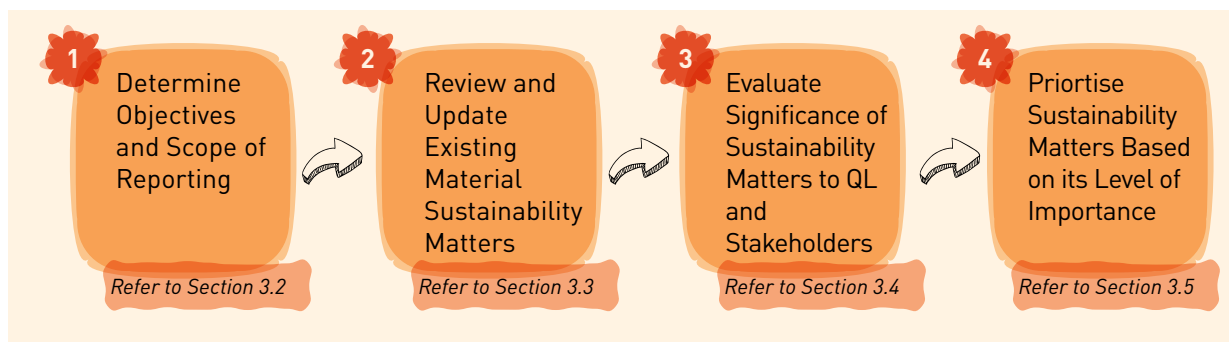


Diagram 2: Flowchart of materiality assessment process

3.2 Scope of Reporting

The 2020 Sustainability Report covers and discloses QL's sustainability performance and commitments for the financial period from 1 April 2019 to 31 March 2020, and for those main subsidiaries of QL mentioned below, unless otherwise stated. In arriving at scope of reporting, we have factored in the nature of business operations and its magnitude in terms of revenue contribution and/or impact to QL.

In addition to three business pillars reported in the previous years, we have carved out a new segment under Convenient Store ("CVS") this year, in accordance with our business developments. Subsidiaries included in the current year's reporting scope are shown below.

Business Pillars	QLRB Companies in FYE 2020's Reporting Scope	Location	Principal Activities
Integrated Livestock Farming (ILF)	<ul style="list-style-type: none"> QL Poultry Farms Sdn. Bhd. QL Breeder Farm Sdn. Bhd. QL Feed Sdn Bhd QL Ansan Poultry Farm Sdn. Bhd. 	<ul style="list-style-type: none"> Pajam Tawau Shah Alam Rawang & Kulim 	<ul style="list-style-type: none"> Layer farming Poultry breeding Trading animal feeds Poultry farming
Marine Products Manufacturing (MPM)	<ul style="list-style-type: none"> QL Foods Sdn. Bhd. QL Endau Marine Products Sdn. Bhd. QL Endau Deep Sea Fishing Sdn. Bhd. QL Figo (Johor) Sdn. Bhd. 	<ul style="list-style-type: none"> Hutan Melintang Endau Endau Kulai 	<ul style="list-style-type: none"> Surimi-based products Manufacturing surimi Deep sea fishing Manufacturing foods
Palm Oil Activities (POA)	<ul style="list-style-type: none"> QL Plantation Sdn. Bhd. QL Tawau Biogas Sdn. Bhd. 	<ul style="list-style-type: none"> Tawau Tawau 	<ul style="list-style-type: none"> Palm oil plantation Biogas power plant
Convenient Stores (CVS)	<ul style="list-style-type: none"> QL Maxincome Sdn. Bhd. QL Kitchen Sdn. Bhd. 	<ul style="list-style-type: none"> Penisular Malaysia Shah Alam 	<ul style="list-style-type: none"> Convenient Stores Central Kitchen

Diagram 3: Scope of reporting

For this year, the key indicators disclosed included those we reported in FY2018 and FY2019 for baseline comparison and achievement tracking during our sustainability journey in the last 3 years.

3.3. Relevant Sustainability Matters

Prior to engaging stakeholders and conducting assessments, we reviewed and updated 17 sustainability matters which are relevant to QL's businesses. We had included the following major considerations during the review process:

- The depth and breadth of QL's businesses;
- International and local laws and regulations;
- QL's understanding of its stakeholders' needs;
- Global, national and industrial trends; and
- International sustainability reporting standards, e.g. GRI Standards.

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Also, QL is fully cognizant of the 17 United Nations Sustainable Development Goals (“UN SDGs”) and targets set under the Eleventh Malaysia Plan (“11MP”). We continue to work towards integrating the relevant UN SDGs and aligning them with our business operations. As a group with a value system built on the principle of just moral code, our strategies and approaches are established based on some of the key concern areas under UN SDGs like human rights, labour, environment, and anti-corruption.

As we plan for long-term success, we uphold our responsibilities to people and mother nature. Our objective is to ensure that in all that we do and every product that we produce, QL delivers benefits to its shareholders, nourishment to consumers and enrichment to all stakeholders in the value chain, whilst caring for the environment.

3.4. Stakeholder Engagement

The Group’s stakeholders include any individual or group who are impacted by or interested in our activities. We strive to build and maintain strong relationships based on trust and respect with all stakeholders, and utilise various channels where they can voice their opinions and suggestions. For FY2020, we engaged the following key stakeholders as summarised in the table below and utilised the information received in our planning and strategy for sustainable value creation.

Table 1: Stakeholder engagement modes, focus areas & responses

Stakeholder Groups	Engagement Channels	Focus Areas	How do we respond?
Investors and shareholders	<ul style="list-style-type: none"> Annual General Meeting Analyst briefings Investor presentations and meetings Financial statements Press releases 	<ul style="list-style-type: none"> Financial performance Good corporate governance Responsible and value creation in business management 	<ul style="list-style-type: none"> Refer to <i>Management Discussion and Analysis</i> (“MD&A”) (page 28) Refer to <i>Social Responsibility</i> (page 51)
Management	<ul style="list-style-type: none"> Regular meetings Meetings with the Board 	<ul style="list-style-type: none"> Economic value creation Fostering good relationships with stakeholders, including customers, suppliers and regulators Good corporate governance Safe and quality products for customers Increasing operational efficiency, including investing in research and development Regulatory compliance Safe workplace and talent retention 	<ul style="list-style-type: none"> Refer to MD&A (page 28) Refer to <i>Environmental Responsibility</i> (page 46) and <i>Social Responsibility</i> (page 51)

Stakeholder Groups	Engagement Channels	Focus Areas	How do we respond?
Employees	<ul style="list-style-type: none"> Workshop discussions Induction training Learning and development programme Corporate volunteering programme Employee performance appraisal 	<ul style="list-style-type: none"> Respect for human rights Safe and healthy workplace Supportive welfare Responsible business management Continuous business growth 	<ul style="list-style-type: none"> Refer to <i>Environmental Responsibility</i> (page 46) and <i>Social Responsibility</i> (page 51)
Customers	<ul style="list-style-type: none"> Feedback survey Face-to-face interactions Online platform (Facebook, mobile apps) 	<ul style="list-style-type: none"> Safe and quality products Good governance practices Regulatory compliance 	<ul style="list-style-type: none"> Refer to <i>Environmental Responsibility</i> (page 46) and <i>Social Responsibility</i> (page 51)
Vendors, suppliers, fisheries, and smallholders	<ul style="list-style-type: none"> Interviews Face-to-face interactions 	<ul style="list-style-type: none"> Business continuity Regulatory compliance 	<ul style="list-style-type: none"> Refer to MD&A (page 28) Refer to <i>Social Responsibility</i> (page 51)
Regulators	<ul style="list-style-type: none"> Ongoing meetings and interactions 	<ul style="list-style-type: none"> Regulatory compliance Responsible business practices Indirect economic contribution 	<ul style="list-style-type: none"> Refer to MD&A (page 28) Refer to <i>Environmental Responsibility</i> (page 46) and <i>Social Responsibility</i> (page 51)
Community	<ul style="list-style-type: none"> Online platforms Corporate volunteering programme 	<ul style="list-style-type: none"> Direct and Indirect economic contribution Responsible environmental management 	<ul style="list-style-type: none"> Refer to <i>Environmental Responsibility</i> (page 46) and <i>Social Responsibility</i> (page 51)
Media	<ul style="list-style-type: none"> Press conferences and events Media releases Media interviews 	<ul style="list-style-type: none"> Business strategy and business growth Food quality and safety Indirect economic contribution Regulatory compliance Environmental management Workplace management 	<ul style="list-style-type: none"> Refer to MD&A (page 28) Refer to <i>Environmental Responsibility</i> (page 46)

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Key stakeholder groups engaged across ILF, MPM, POA and CVS this year were: Customers, Shareholders, Management, Employees, Suppliers and Agro-producers. They were engaged during the year to obtain their views and feedback on sustainability issues that concern them.

ILF stakeholders were engaged at QL Poultry Farm Sdn Bhd, QL Breeder Farm Sdn Bhd, QL Feed Sdn Bhd and QL Ansan Poultry Farm Sdn Bhd which are located in Pajam, Tawau, Shah Alam, Rawang and Kulim respectively. Stakeholders from MPM operations were engaged at Hutan Melintang, Endau and Kulai, the respective site of operations of QL Foods Sdn Bhd, Endau Marine Products Sdn Bhd, QL Endau Deep Sea Fishing Sdn Bhd and QL Figo (Johor) Sdn Bhd. Stakeholders at POA operations were engaged at the location of QL Plantation Sdn Bhd and QL Tawau Biogas in Tawau. CVS Stakeholders were engaged at various outlets in Peninsular Malaysia and through online platform.

3.5. Materiality Matrix

QL maintained our structured materiality assessment approach using Bursa Malaysia's Sustainability Reporting Guide and Toolkits as guide. Key considerations on the emerging risks from the operating environment within the agro-food and plantation sectors were included during the process to identify and update relevant sustainability matters.

Discussions with key internal stakeholders were held to evaluate the materiality levels they would place on identified sustainability matters. Subsequently, identified SSC members, members of Senior Management and Heads of Subsidiaries were engaged to discuss and determine the level of impact of each of the material sustainability matters to QL.

During the financial year, KPMG Consulting conducted a workshop to refresh and realign the sustainability matters with our enterprise risk management framework.

The assessments resulted in 17 sustainability matters prioritised, with 12 identified as being most influential on stakeholders' decisions and to the impact of the business at ILF, MPM, POA and CVS. As compared to previous years, we have added biodiversity and water security as new additional matters in addition to reporting CVS as a separate segment due to its business nature and growing business contribution. The result of the materiality assessment is tabulated under the Materiality Matrix as shown below.

Materiality Matrix

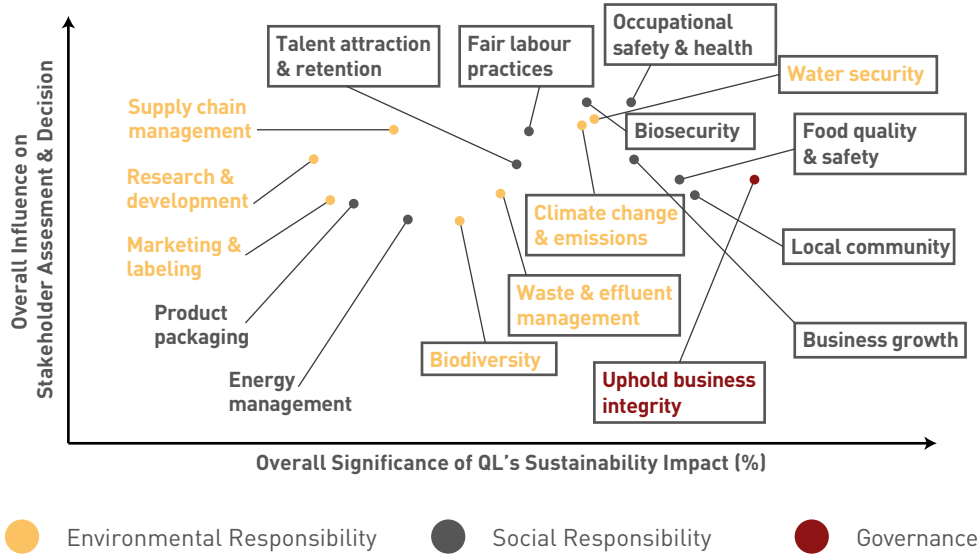


Diagram 4: Materiality Matrix

These matters have been categorised into three themes, Environmental Responsibility, Social Responsibility and Governance, and mapped against each business pillar, as shown below:

Material Matters Across 3 Themes		ILF	MPM	POA	CVS
Environmental Responsibility	Waste & effluent management	✓	✓	✓	✓
	Biodiversity	✓	✓	✓	✓
	Climate change & emissions	✓	✓	✓	✓
	Water security	✓	✓	✓	✓
Social Responsibility	Business growth	✓	✓	✓	✓
	Food quality & safety	✓	✓		✓
	Biosecurity	✓			
	Local community	✓	✓	✓	
	Workplace: Fair labour practice	✓	✓	✓	✓
	Workplace: Occupational safety & health	✓	✓	✓	✓
	Workplace: Talent attractions & retention	✓	✓	✓	✓
Governance	Uphold business integrity	✓	✓	✓	✓

Diagram 5: Mapping of material sustainability matters across the three themes

The next section of this Statement discusses our policies, measures and actions and performance indicators tracked in managing our material matters.

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4. MANAGING SUSTAINABILITY

We strongly believe that our commitment of upholding integrity and creating shared value for the benefit of all will continue to propel QL in its growth path to be one of world preferred agro-food companies. By embedding sustainable business practices encompassing environmental, social and governance concerns into our strategy and operating model, we believe that the Group will achieve sustainable business growth in the long run.

4.1. Environmental Responsibility

Environmental Responsibility is about managing the use of natural resources in the most effective and efficient manner in order to reduce environmental impacts and financial costs. Therefore, QL has incorporated environmental issues into its operations in order to reduce waste and emissions, maximise the efficiency and productivity of its resources and minimise practices that badly affect the country's natural resources. As such, policies revolving around biodiversity, greenhouse gas (GHG) emissions, waste management, and water security have been established.

4.1.1 Biodiversity

QL is in discussion with Wetlands International on long-term and short-term collaboration effort to restore, and rehabilitate selected mangroves in Malaysia. Mangrove conservation will increase the biological diversity of flora and fauna. This will result in an increase in the grounds of fish nurseries and other marine life which will improve the livelihood of fishermen and local communities. However, the collaboration work is delayed due to the COVID-19 situation.

4.1.2 GHG Emissions

The greenhouse effect is a process that occurs when gases in Earth's atmosphere trap the Sun's heat. This process makes Earth much warmer than it would be without an atmosphere. However, human activities have resulted in the rapid rise in greenhouse gases. This will inevitably lead to an increase in global temperature. Therefore, QL started to track and monitor GHG Scope 1 and Scope 2 emissions across business pillars. We will study the data in more details to formulate action plans to reduce GHG emissions and hopefully set emission reduction goal in the coming year.

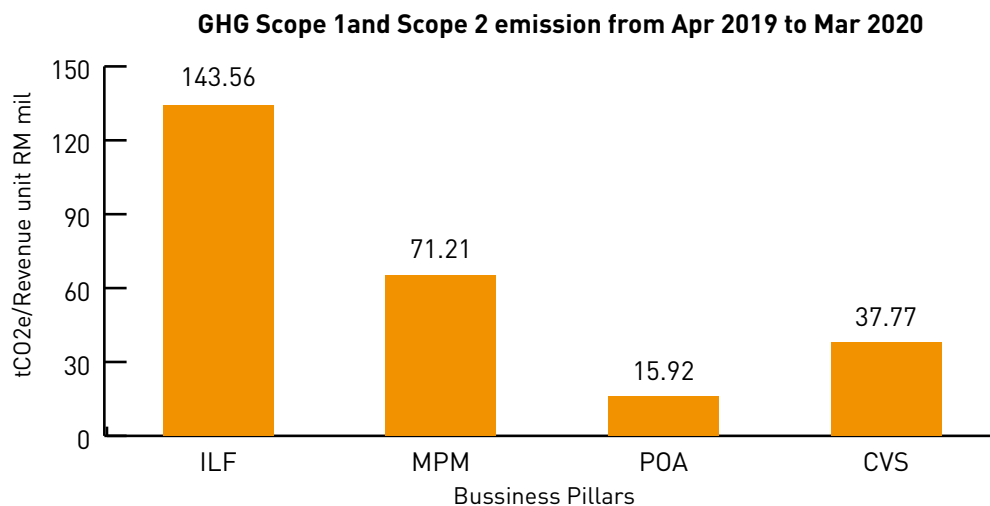


Diagram 6: GHG Scope 1 and Scope 2 emissions by business pillars.

ILF has the highest GHG emission per revenue unit where 51% of the emission comes from poultry raw manure. We are in the process of identifying improvement strategies to reduce GHG emissions, in order to establish a framework for discussion and review in the near future.

For MPM, we have set aside budget of RM20 million to invest in a total of 8MW solar energy at our marine plants in FY2021.

Contributing to our mitigation strategy in POA, which produces the lowest emission, QL Plantation has an operational biogas plant at our oil palm plantation mill in Tawau. Methane captured is converted into energy, a portion of which is used to power our operations. The rest of the energy generated is sold to the local grid at a significantly higher tariff than energy sourced from non-renewable energy. This is in line with the Government's target to increase sources of renewable energy by 20% by the year 2025. (Energy Malaysia Volume 18 2019 [Online].pdf, pg 17)

In FY2020, there is a decrease in both GHG emissions reduction (21%) and renewable energy produced (18%). This was mainly due to the downtime caused by the biogas generators overhaul (scheduled maintenance) activities. We are discussing methods to reduce the overhaul downtime.

Overall, we will continue to look for innovative ways to reduce our carbon footprint.

Total GHG emissions reduction in tonnes of CO2e as a result of utilisation of the biogas plant - QL Plantation

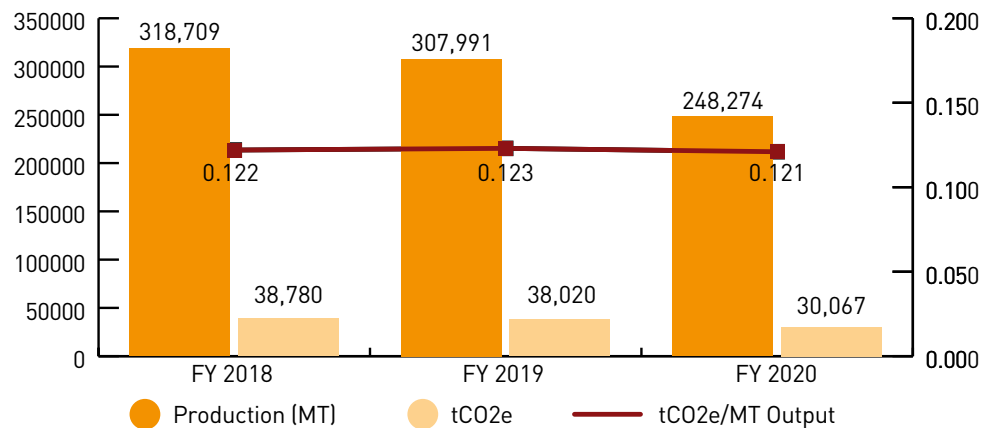


Diagram 7: Total GHG emissions reductions in tonnes of CO2e as a result of utilisation of the biogas plant at QL Plantation.

Total renewable energy produced from biogas plant (MW) - QL Plantation

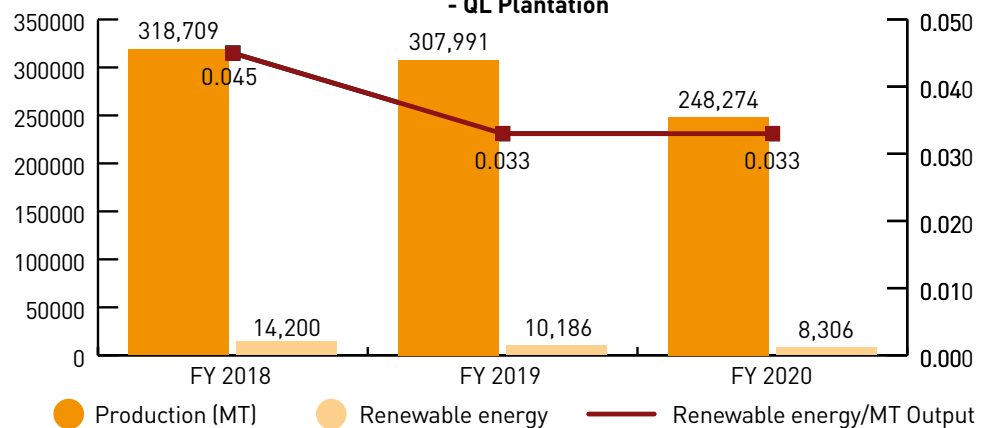


Diagram 8: Total renewable energy produce from biogas plant (MW) at QL Plantation.

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4.1.3 Waste and Effluent Management

Waste management encompasses all the activities and actions required to manage waste from its inception to its final disposal. This includes the collection, transport, treatment, monitoring, regulation and disposal of waste.

Careful planning alongside efficient resource allocation and management are vital in achieving a sustainable waste management system. QL outlines our efforts in waste and effluent management below.

i) Solid Waste

Hazardous waste

Hazardous waste is collected and disposed by licensed waste contractors at our ILF, MPM and POA operations. Our scheduled waste disposal contractors are approved by the Department of Environment Malaysia ("DOE"), in line with both the state and national environmental regulations. Prior to disposal, scheduled waste is stored in appropriate containers and in secured storage areas. All our stored scheduled waste is correctly labelled. In addition, the process to manage scheduled wastes are subject to regular internal reviews and audits by DOE.

Non-Hazardous waste

QL started to track non-hazardous waste into four major categories: mixed papers, plastics, food waste, manure and metal scrap. We are looking into the monitoring and actions that can be taken to manage these wastes.

Manure

To address the pollution risk linked to chicken farming, QL employs a fermentation technology to convert manure into organic fertiliser. This effort to mitigate the environmental impact from manure has another positive benefit i.e. improve agricultural efficiency. The fertiliser is sold to other farms and plantations, supporting the local economy. There was a decline in FY2019 from QL Breeder Farm due to upgrading works performed in the organic fertiliser plant.

QL Poultry Farms Sdn. Bhd.	FY2018	FY2019	FY2020
Total amount of manure generated (tonnes)	38,880	39,000	39,800
% of manure converted into organic fertiliser	78%	90 %	90%

Table 2: Total amount of manure generated (tonnes) and % of manure converted into fertiliser at QL Poultry Farms Sdn Bhd.

QL Breeder Farm Sdn Bhd	FY2018*	FY2019*	FY2020
Total amount of manure generated (tonnes)	1,147	1,315	1,540
% of manure converted into organic fertiliser	84%	34%	75%

* Figures reinstated

Table 3: Total amount of manure generated (tonnes) and % of manure converted into fertiliser at QL Breeder Farm Sdn Bhd.

ii) Liquid Waste

Wastewater

The food and agriculture processing industry can be a major producer of wastewater particularly organic waste with high biochemical oxygen demand resulting in low oxygen levels or even anoxic conditions in natural waters. In applying best practice for data monitoring, we ensure that wastewater discharged is in compliance with respective Department of Environment requirements including but not limited to Biochemical Oxygen Demand (“BOD”), Chemical Oxygen Demand (“COD”), Suspended Solids, Oil & Grease.

We take accountability in ensuring safe wastewater discharge. Attesting to our commitment, QL Food started a new water treatment plant in FY2019 and it was completed in FY2020. The total investment costs amounted to approximately RM2.9 million. The amount of wastewater generated by QL Food in FY2020 increased in tandem with the 13% increase in production.

	FY 2018	FY 2019	FY 2020
Total amount of wastewater generated (m3) - 100% treated before discharging	264,836	309,688	336,678

Table 4: Total amount of wastewater generated (m3) at QL Food

Palm Oil Mill Effluent (“POME”)

Primary effluents from our palm oil mills are the palm oil mill effluent (“POME”). POME is wastewater discharged from processing Fresh Fruit Bunches (“FFB”). In its raw form, POME contains oil, plant debris and nutrients giving it a high Biochemical Oxygen Demand (“BOD”). In FY2020, our Palm Oil mill 1 operations generated 197,686 tonnes of POME, a reduction of 21% from FY2019. The decrease of POME volume in FY2020 for both palm oil mills was due to lesser crops (palm fruit) being processed.

Total amount of POME generated (tonnes)	FY 2018	FY 2019	FY 2020
Palm Oil Mill 1	254,967	249,973	197,686
Palm Oil Mill 2	37,313	48,765	33,873

Table 5: Total amount of POME generated (tonnes) at QL Plantation

Prior to discharge, we monitor the quality of our discharge and report the results to DOE to ensure the readings are within regulatory limits. Below, we highlight our average readings against the regulatory limit of 20 mg/L. The BOD reading remained below regulatory limit for the past three years for both mills.

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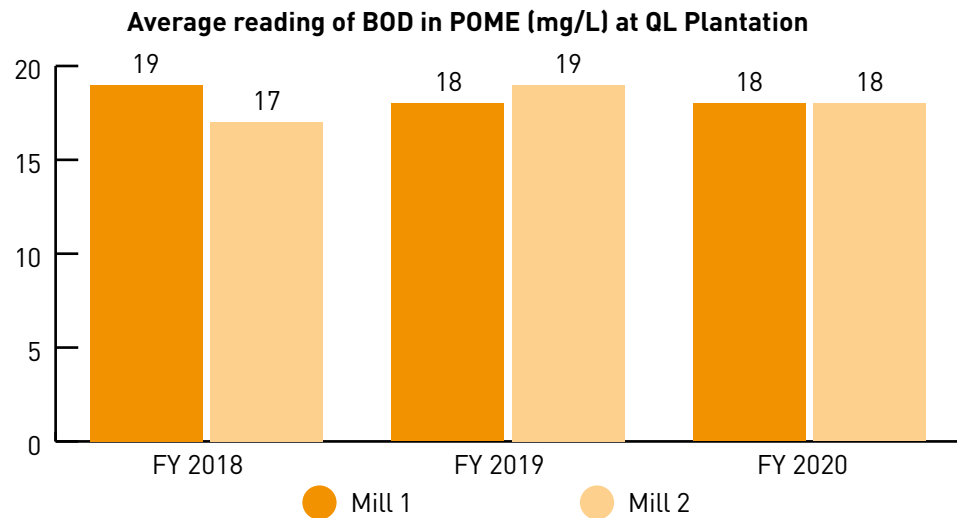


Diagram 9: Average reading of BOD in POME (mg/L) at QL Plantation

4.1.4 Water Security

i) Water Withdrawal

Malaysia’s tropical climate supplies us with an abundance of fresh water. However, we need to actively be cautious of our water usage. The general perception that water is cheap and plentiful must be erased because the effects of climate change are becoming more noticeable now (‘A water crisis could occur’, www.thestar.com.my, 26th Feb 2020).

To be part of the solution, QL has started to track water withdrawal volume from all sources from FY2020 onwards so analysis can be conducted to reduce or reuse water. Among its business segments, POA has the highest water withdrawal per revenue unit due to intensive water usage in steam/power generation and milling operation. We will analyse all collected data in greater detail to firm up an action plan to reduce water withdrawal and hopefully set a reduction goal in the coming year.

Water withdrawal from Apr 2019 to Mar 2020

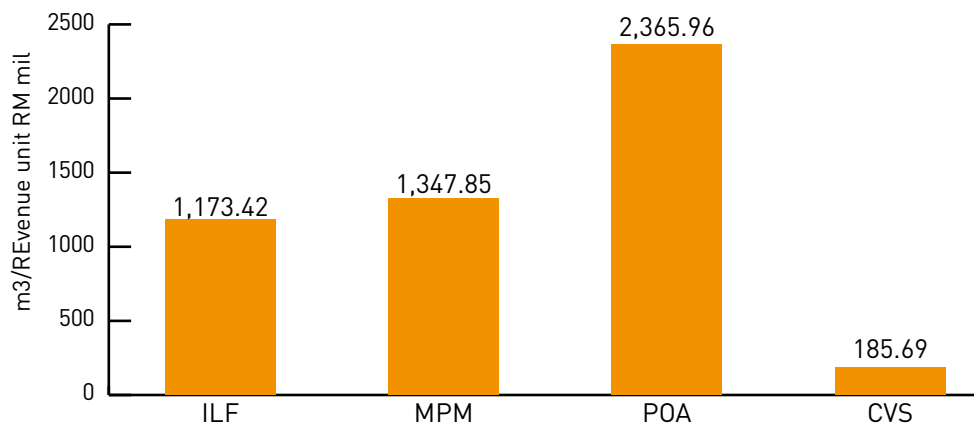


Diagram 10: Water withdrawal from Apr 2019 to Mar 2020 by business pillars

4.2 Social Responsibility

At present, QL is one of the largest producers of eggs and surimi in Southeast Asia, and has activities in palm oil and biomass clean energy as well. We will continue to pursue business and profitability in a socially responsible and sustainable manner and seek ways to improve on an ongoing basis.

4.2.1 Business Growth

QL has continued to pursue growth over the years both in Malaysia and regionally to achieve its vision of becoming the preferred global agro-food company. We evaluate and review our strategy regularly against a backdrop of market evolution to identify suitable investment opportunities in our core business pillars that will support our growth momentum.

The agro-food business is subject to various challenges ranging from climate change, consumer sentiments and perception, food quality and safety, and availability of resources. In pursuing growth in these segments, we are prudent when undertaking and implementing expansion plans. In contrast, the new CVS segment is less capital intensive with a short payback period which offers the Group great opportunities to expand the business exponentially in line with growing market needs.

To sustain our business growth, we strategically invest in areas that has potential for growth, especially our CVS segment where we offer ready-to-eat food and convenience that meet market demands arising from a changing lifestyle. The table below tracks the investments we undertook over the past 5 years.

2016	2017	2018	2019	2020
RM259m	RM323m	RM346m	RM307m	RM356m

We have included a detailed discussion on the current challenges faced by QL business units in the management discussion and analysis section on page 28 to 37.

4.2.2 Food Quality & Safety

As a leading agro-food producer, QL places great emphasis on the quality of our products and ensure they are safe for consumption before delivering to our consumers. At our business operation at ILF, MPM and CVS, we practise stringent quality controls and promote food safety.

To preserve quality and safety of the Group's food products, we obtain certification and accreditation from the recognised national and international food safety standards for our relevant operations. Our production process implements strict controls to ensure we maintain the highest quality and safety requirements. The production process undergoes regular reviews from the internal audit department, independent external parties and regulators. The following listing is our current certifications.

Name of certification	Nature of certification	Processes certified
Makanan Selamat Tanggungjawab Industri ("MeSTI") certification <i>(in English: Food Safety is the Responsibility of the Industry)</i>	A MeSTI certification indicates that QL meets the requirements of the Malaysian Food Safety Regulations 2009, including the establishment of internal processes and controls to ensure food hygiene. The certification is offered under the jurisdiction of the Ministry of Health Malaysia.	ILF and MPM production sites.

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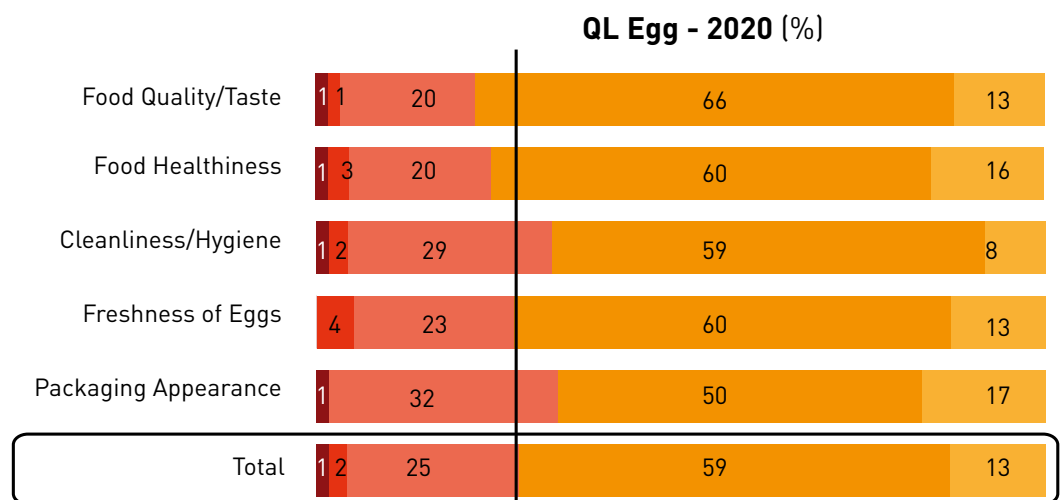
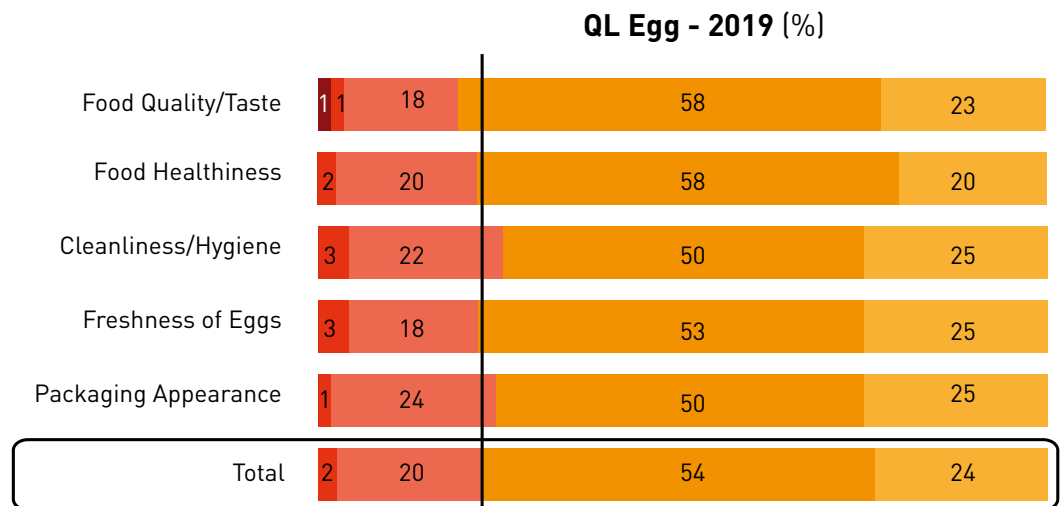
Name of certification	Nature of certification	Processes certified
Malaysian Good Agricultural Practices ("MyGAP") for poultry farming	MyGAP certification is granted under the jurisdiction of the Ministry of Agriculture and Agro-based Industry Malaysia. The practice comprises biosecurity sanitation, as well as waste and pollution management.	ILF
Good Manufacturing Practice ("GMP")	GMP requires sanitary considerations in food processing, as well as the application of standard food processing steps. This includes cleanliness of food premises, equipment and utensils, correct construction and layout of the food premises, as well as adequate maintenance of equipment and utensils. Certification in GMP is internationally recognised.	ILF
Hazard Analysis and Critical Control Points ("HACCP") certification	HACCP is an internationally-recognised management system that promotes the identification of potential biological, chemical and physical hazards in the food production process.	ILF for the production of washed and chilled shell eggs and MPM. Some Family Mart outlets are certified with the remaining outlets in process of certification.
ISO 22000:2005 certification	An ISO 22000:2005 certification demonstrates that QL has food safety management systems in place. ISO 22000:2005 is applied worldwide. As part of the management system, food safety issues are effectively communicated to suppliers, customers and other relevant parties.	ILF for the production of washed and chilled shell eggs
Food Safety System Certification 22000 ("FSSC 22000")	A FSSC 22000 certification is recognised by the Global Food Safety Initiative (GFSI). Its framework is based on ISO 22000.	MPM
Halal Certificate of Authentication	The certification indicates that the food we produce is compliant with Islamic Law and Malaysian Halal Standard, approved by the Halal Certification Panel of the State Religious Department.	ILF and MPM Central Kitchen under CVS

Table 6: List of current certifications

We manage food safety and quality by implementing stringent checks and controls in the food processing and packaging. This is done by providing regular trainings and ingraining a culture of quality and safety within our production plants. Employees from MPM and CVS who are involved in the food processing are required to fulfil a certain minimum training hours per year on the Standard Operating Procedures and Food Handling Techniques. The CVS team involved in handling ready-to-eat food, must attend a minimum 24-training hours on safe food handling.

As part of their stringent supply conditions, both our esteemed local and oversea customers had also conducted periodic visits and audits on our operations to review the safety and quality built in within our processing systems. In FY2020, we received more than 10 audit visits from our customers and overall, they were satisfied with the set-up of our operations and have continued to source from us.

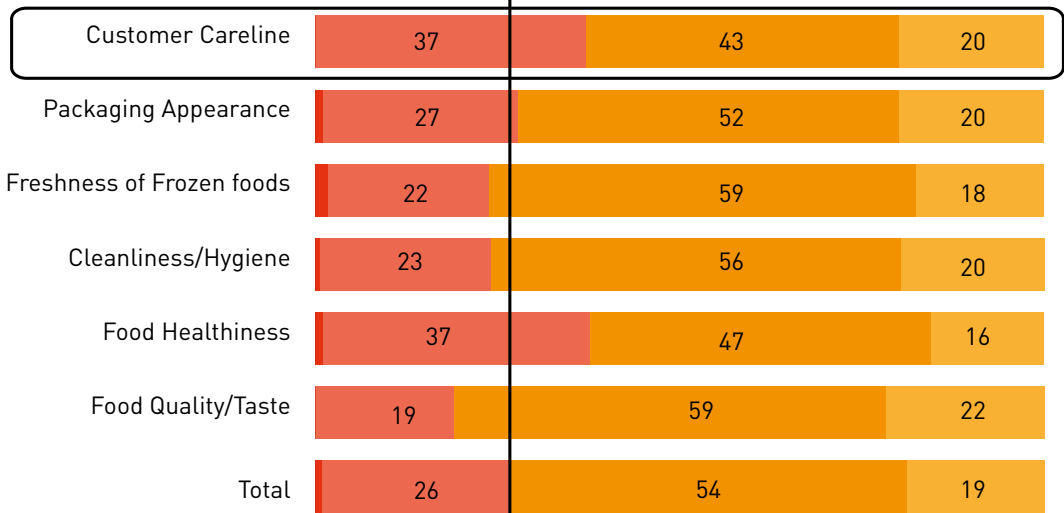
One of the key yardsticks to measure our product quality and services is the overall satisfaction levels of the end consumers for our products. This year, we continued to conduct the online survey as in year 2019 to obtain feedback and perception of the consumers who have purchased and consumed our egg and MPM products. The survey's findings are shared below:



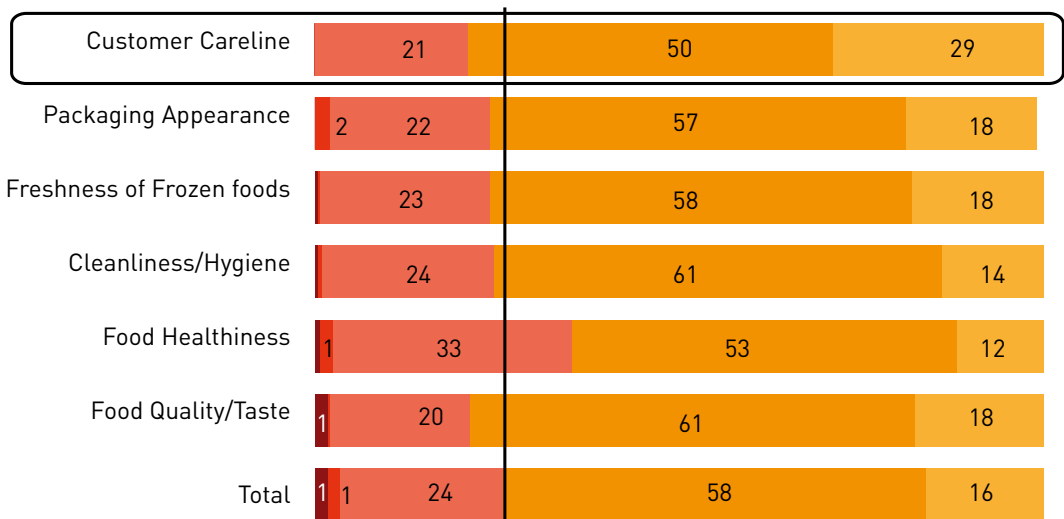
● Bad
 ● Poor
 ● Fair
 ● Good
 ● Excellence

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Mushroom - 2019 (%)



Mushroom - 2020 (%)



● Bad ● Poor ● Fair ● Good ● Excellence

For QL eggs, we achieved a total score of 95% and above for fair to excellent category for both year 2019 and 2020.

For our key brand, Mushroom, which is under seafood products, we were also able to maintain an overall total score of almost 100% for fair to excellent category for year 2019 and 2020. There is a significant increase in Excellent ratings especially in the Customer Careline for year 2020.

In summary, almost 100% of consumers surveyed were happy with our egg and marine products by rating them as Fair, Good to Excellent in areas of Food Quality and Taste, Freshness, Cleanliness/Hygiene, Packaging Appearance and Food Healthiness.

4.2.3 Biosecurity

Biosecurity is of utmost importance in the poultry industry as any diseases outbreak will have an adverse impact on the productivity and mortality of the poultry population, which in turn affects the quantity and quality of eggs, day-old-chicks and broilers produced. The outbreak will result in disruption to the supply chain for poultry supply and may impact consumers negatively.

QL emphasises the importance of its biosecurity management by establishing rigorous programmes to prevent the introduction of pathogens into its poultry farms. We have implemented a rating system by assigning risk level from the lowest Level 1 (“Green Alert”) to the highest Level 4 (“Red Alert”) based on disease situation in a farm and its surrounding to assist us in managing the disease risk. As outlined in the details of our FY2019 report, there are different levels of control measures imposed depending on the risk level. The access restriction, worker movement and disinfection procedures vary accordingly. If a farm experiences a Level 4 rating (“Red Alert”), the strictest controls will be implemented on the terms of visitation, worker movement and disinfection. In addition, we also impose stringent control over eggs movement and day-old-chicks intake. With the threat of Low Pathogenicity Avian Influenza (“LPAI”) disease remaining present in the surround areas, we have revised the assigned Level 3 reported in FY2019 to Level 4 for QL Poultry Farms Sdn Bhd and QL Ansan Poultry Farm Sdn Bhd as a precautionary measure. Meanwhile, QL Breeder Farm Sdn Bhd maintained its Level 1 rating as a result of stringent controls implemented by our farm operations and in the absence of LPAI or similar diseases threat in the locality.

Strategically, we have invested in the Closed House System (“CHS”) for our farms including converting some of the older farms in stages to manage and mitigate the risk of disease. CHS farming involves rearing chickens in a closed farm with biosecurity systems set-up equipped with auto-sensors regulated ventilation, humidity and temperature control system. This will also involve operating in a more hygienic and controlled environment ensuring that the birds are isolated from other animals, rodents and wild birds which may be predators or disease-carriers. Our farming operations are geographically spread over a number of locations in Peninsular Malaysia and East Malaysia to ensure better risk mitigation and any outbreak is contained within the affected farm.

Our farm operations have strict processes based on good farm management practices in compliance with MyGap. The processes, cover security access and visitation, staff physical movement, vaccination programmes, good hygiene and animal husbandry practice, waste management and pest control in its management for farms and hatcheries. We employ experienced veterinarians who are in charge of farm operations, especially in the areas of flock health and welfare.

We have also continued to invest in a special unit called QL Poultry Centre of Excellence (QLPCOE), which is a team consisting of experienced veterinarians, microbiologists and nutritionists and supported by a dedicated laboratory to assist our operations in terms of flock health management and disease control. The team has 4 key focus areas, namely flock health, disease control and surveillance, nutrition and audit. It has put in place various technical training courses and arranged on the job training programmes for the farm management team and workers to improve their technical skills and capabilities on good farm management. For biosecurity management, QLPCOE carries out regular biosecurity compliance audit in the farms and the resulting audit report is tabled for discussion with the farm management. Any significant risk and concern will be included in the Risk Management Report for deliberation by Risk Committee. For FY2020, a total of 2 audits were carried out by QLPCOE team. QL Poultry Farms Sdn Bhd received a score of 83%, similar to the score received in FY2019 whilst QL Ansan Poultry Farm Sdn Bhd scored 71.0%, an improvement over the audit score of 58% received in the previous audit.

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4.2.4 Commitment to Community

At QL, we believe to be a sustainable business, we should develop communities in which our businesses operate develop alongside us. Our investment and operations must create value by generating profit for the shareholders, providing business and job opportunities for the surrounding communities and offering help to the underprivileged group in the society whilst protecting our surrounding communities and environment.

As a good corporate citizen, we are involved in the community and keen to participate in initiatives that will contribute to social well-being of the community: -

Interest-Free Fishermen's Financial Assistance

QL developed this long-running community project to benefit the fishing communities mainly in Perak, Johor and Sabah. We provided fishermen with capital to build, upgrade and modernise their fishing fleet. With the provision of financial scheme, fishermen are able to upgrade their fishing boat and capabilities which help to improve their livelihoods radically. Inadvertently, the scheme helps to spur strong fishing economic activities in the respective region and consequently not just improving the earnings and standard of living of the rural fishing communities but also benefit the local community as a whole with the associated multiplier effects. The close working relationship with the fishermen community also benefitted QL in its supply chain management and on knowledge sharing relating to fishing industry, which is a win-win partnership for both parties.

As of to-date, QL has provided interest free financial assistance to over 3,000 fishermen with a total of more than RM100 million disbursed throughout the years. The table below summarises the amount and the number of fishermen benefitted from the programme for FY2018 to FY2020:

	FY 2018	FY 2019	FY 2020
No. of fishermen	798	911	935
Total amount of interest-free loan	RM29.66m	RM28.05m	RM25.61m

Creating employment opportunity within the local communities

QL is committed to continue playing a pivotal role in creating more local employment opportunities within the locations in which we operate. Continuous and ongoing focus and effort is made to hire more locals through our targeted outskirts community recruiting initiative where we actively source for locals living within the vicinity of our farms, manufacturing sites, plantation estates and our retail stores.

The table below highlights that QL's local employees have been increasing over the past 3 years. One of the main reasons for the increase is the expanding workforce contributed by the Convenience Stores segment of our business across the various states in Peninsular Malaysia. Additionally, the local hire also increased in Tawau, where we made a conscious effort to hire more local than foreign workers in our palm oil business pillar.

Location	Business Pillars	FY 2018 Local Employment	FY 2019 Local Employment	FY 2020 Local Employment
Negeri Sembilan	ILF, CVS	152	157	327
Perak	MPM	694	728	732
Johor	MPM, CVS	233	429	1,035
Melaka	CVS	0	2	271
Pahang	CVS	16	15	34
Selangor	CVS	823	2,230	3,344
Tawau	ILF, PO	217	173	462
		2,135	3,734	6,205

Table 7 – FY2018-FY2020 Number of Local Employment Across the Various States in Malaysia

Care for the country and the community

QL is committed to continuously contribute to and support the communities around us. Throughout the year, various donations and sponsorships were made by QL subsidiaries as an extension of care for the communities in which the businesses operate in.

These sponsorships included cash donations and gifts in kind to schools and homes for the disabled.

In response to the situations brought about by COVID-19, QL made contributions in cash and in kind to help ease the burden of people that have been adversely affected by the pandemic.

In March 2020, QL contributed RM500,000 to The Edge COVID-19 Equipment Fund which supports the purchase of ventilators and oxygen concentrators to ease the burden of hospitals battling the pandemic in our country.

Caring for fellow Malaysians, QL sponsored 15,000 pieces of eggs to approximately 200 students stranded in the UPM hostel during the early stages of Movement Control Order (“MCO”). We also donated to the local communities surrounding our farm operations to help meet their daily essential needs during the MCO.

On the 7th and 9th of April 2020, FamilyMart collaborated with PitStop Community Café to provide daily essentials foods like Milk Loaf bread, QL Omega Eggs and Oden udon to help the homeless and the unfortunate during the MCO.

4.2.5 Workplace Management

The success of QL largely lies in its employees, wherein “our people are our strength”. QL believes in the value of engaging and nurturing our people at the workplace. We seek to create a supportive and safe environment to enable our people to thrive in what they do and to provide professional growth and a satisfying career with the Company.

4.2.5(i) Fair Labour Practices

QL is committed to being an employer that implements fair labour and human rights practices. We strive to work towards ensuring that all employees are accorded the respect and dignity that they deserve.

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Human right practices

The Executive Committee has approved QL's newly-developed human rights and labour standards policy. This policy which will be implemented group-wide, embodies QL's commitment to conducting its business in a manner that respects the rights and dignity of all people, complying with all applicable regulations and laws. The Group strives to work towards ensuring that the basic rights inherent to all human beings are upheld across the businesses within the Group and within the communities in which the Group operates.

The following Group's stance on human rights and labour standards are as follows:

- Non-Discrimination by embracing equal opportunities at the workplace
- Workplace safety and health by providing a safe and healthy workplace
- Workplace security by maintaining a workplace that is free from any acts of physical coercion, violence or threats of violence, verbal, sexual or psychological harassment, bullying, intimidation, abuse or other harsh or inhumane treatment by either their managers or fellow employees.
- Prohibition of hiring child labour
- Prohibition of any form of forced or involuntary labour
- Compliance towards laws relating to wages, working hours and benefits
- Freedom of association and collective bargaining

With the policy being approved, it is the Company's aim that the human rights and labour standards policy be widely communicated to the internal and external stakeholders of the Group and to be followed up with effective training. The communication and training plan will cover the Group's stance on human rights and labour standards, how QL addresses human rights and labour standards impact, consequences of not adhering to the policy and how reporting can be made when issues and concerns on human rights and labour standards infringement occurs.

In the coming financial year, QL will be developing specific KPIs to monitor and measure the effectiveness of compliance to the Group's human rights and labour standards policy.

Grievances and Harassment Management Procedure

Across our Group of businesses consisting of ILF, MPM, POA and our retail business, QL has put in place a formal grievance and harassment procedure.

The grievances procedure is a formal system for handling of grievances company-wide. It is to provide a channel of communication for all employees in areas where discontent may exist facilitating their speedy identification and correction. Through the grievances' procedure, all employees are given the right to seek redress for any questions or complaints related to work. The Company is committed to providing the best possible working conditions for all its employees by encouraging an open and transparent atmosphere in which any problem, complaint, suggestion, or question receives a timely response from the Management.

QL is also committed to ensure that all employees have the right to work in an environment free from all forms of harassment. Sexual harassment and workplace bullying are forms of misconduct that undermines the integrity of the Company. These harassments are specifically prohibited as unlawful and as a violation of the Company's policy. QL assures all employees that the Company does not tolerate such harassments and that if proven, stern actions will be taken including dismissal without notice as provided for under the Employment Act 1955, Section 81C.

Diverse workforce

QL strongly believes that across all our businesses, the Company can only continue to grow as a stronger business by cultivating an inclusive and diverse workforce.

The following illustrates the diversity of our employee statistics with regards to gender, age group, local and foreign workforce and the types of employment contract across the four business pillars.

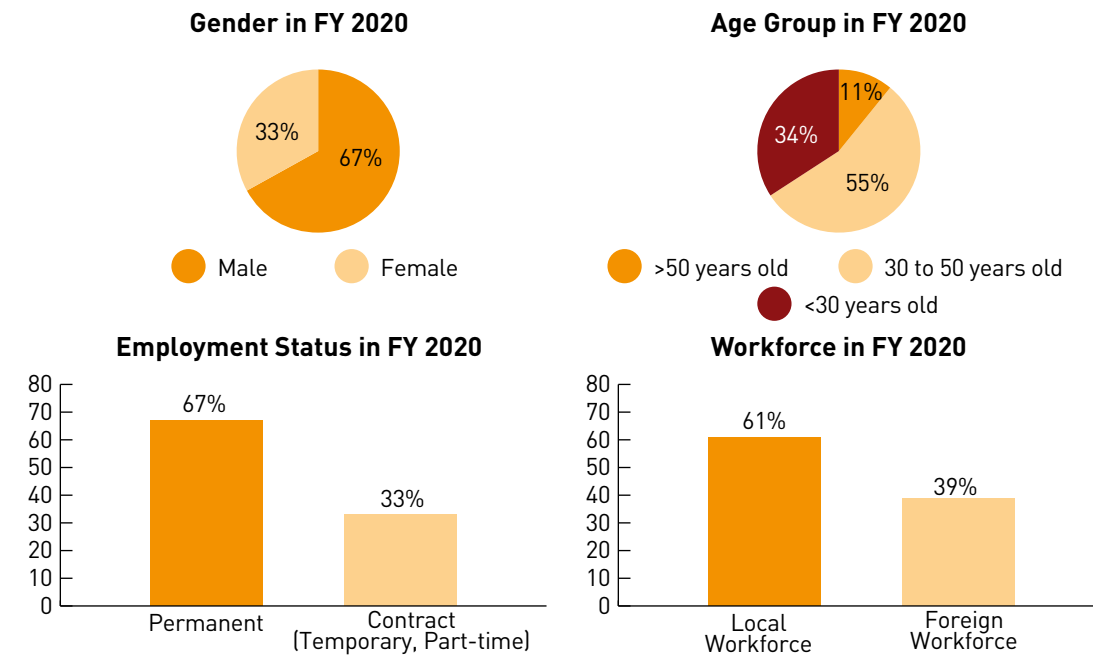


Diagram 11 – Employee statistics at Integrated Livestock Farming (ILF)

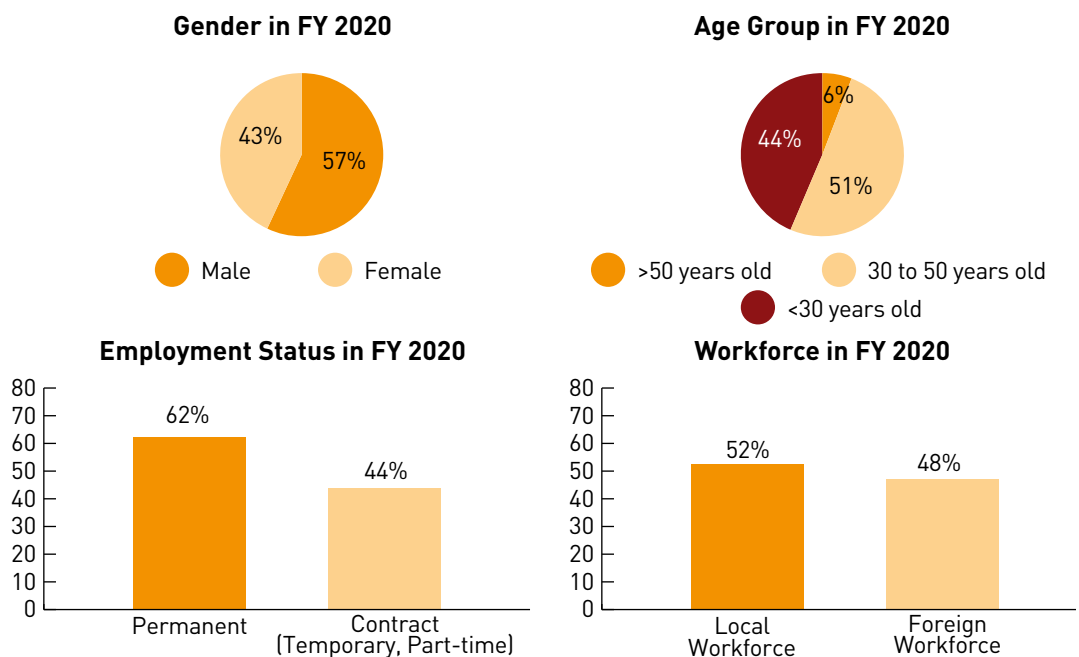


Diagram 12 – Employee statistics at Marine Products Manufacturing (MPM)

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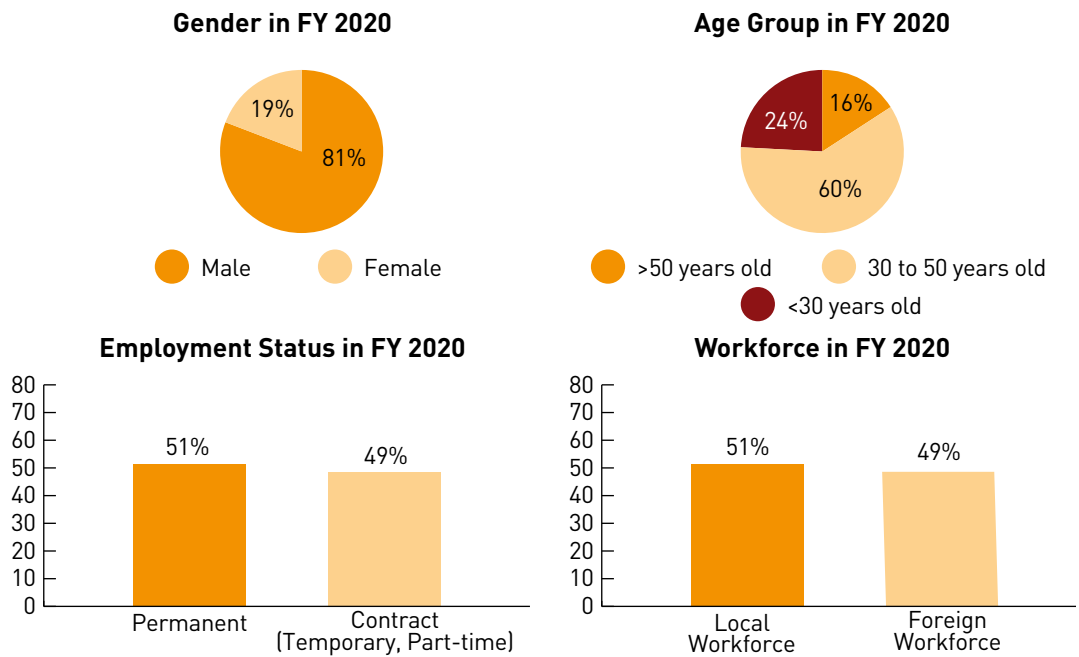


Diagram 13 – Employee statistics at Palm Oil Activities (POA)

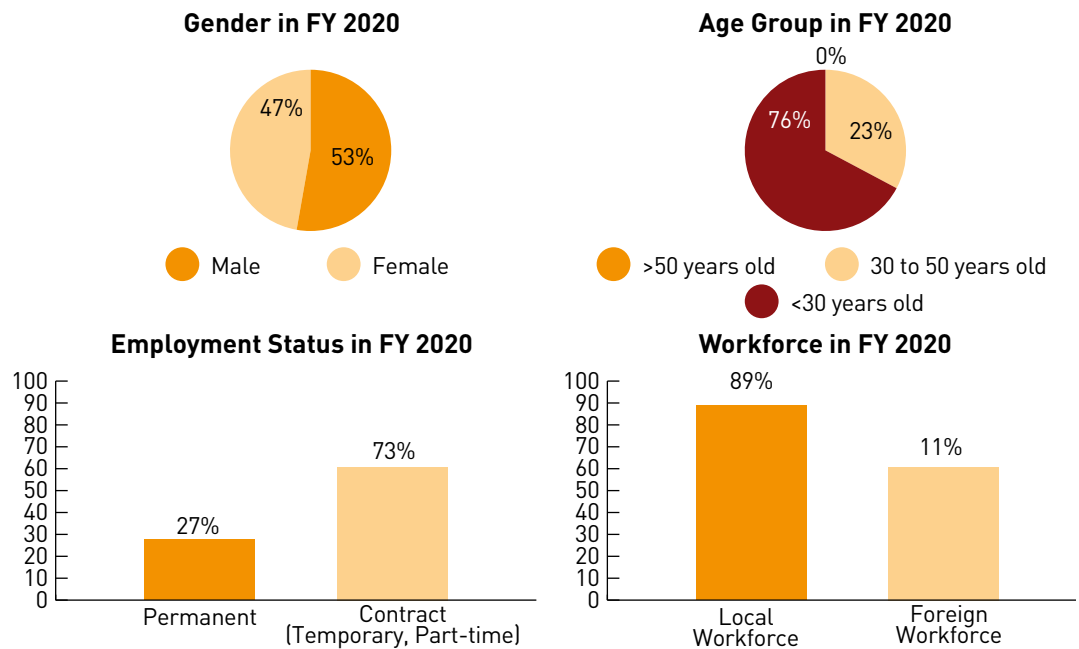


Diagram 14 – Employee statistics at Convenience Stores (CVS)

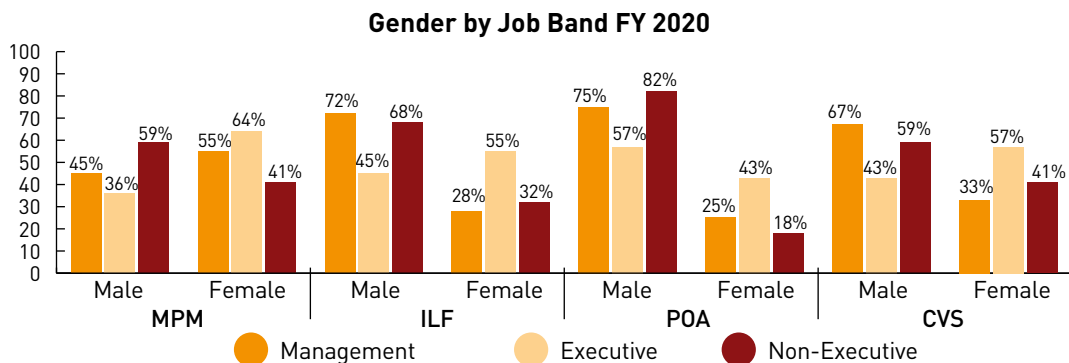


Diagram 15 – Gender by Job Band FY2020

4.2.5(ii) Occupational safety and health

QL is committed to provide a safe, secure and healthy working environment for all who work with and for us. QL’s safety vision is to ensure all QL sites are accident-free workplace. As such, management strives to undertake the implementation of safety and health protection measures through the preservation of a safe healthy work environment and prevention of occupational illness or injury.

In FY2020, the Group Occupational Safety, Health & Environment (OSHE) Policy was published in the Company’s website. The purpose of the policy serves to communicate QL’s safety, health and environment commitment, including its expectations of all business units and guidance for decision making and actions.

The Management recognises that the success of the policy will be based on the internalisation and engagement with our employees. Therefore, prior to the policy being published publicly on the website, the policy has been communicated and cascaded to all levels of employees. It is the aim of the Management to ensure all employees understand that safety is everyone’s responsibility. In doing so, all employees at all levels throughout the organisation are expected to take personal ownership through visible leadership, internalising safety beliefs that ultimately leads to good safety practices and role modelling safe behaviours in all we do and undertake to do.

As reported last year, the Group has made some changes to improve on our safety performance reporting. The Group is pleased to advise that this year, the Group has increased our efforts to further improve our safety performance reporting.

We have now established throughout the Group one standard Occupational Safety Health reporting through aligning the terminology and definition of all safety and health performance data collected. All subsidiaries are now providing a monthly report of their safety statistics to the Group. The compilation of safety statistics and a centralised database has enabled the Group to better analyse the data to identify trends and take a more proactive approach to implement preventive measures. The analysis incorporates the use of leading and lagging indicators to determine safety and health targets and improvements activities.

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The chart below outlines the safety trends in the last three (3) years for the business units within the scope of reporting and it shows a linear improvement of 19.35% on the Lost Time Injury Frequency Rate (LTIFR). It showed that while the total number of incidents reported increased by 383.64%, there was improvement on LTIFR for 12 months moving average (LTIFR-12 MMA) in comparison with FY2019 which is approximately 40.64%. Figure 1 below refers.

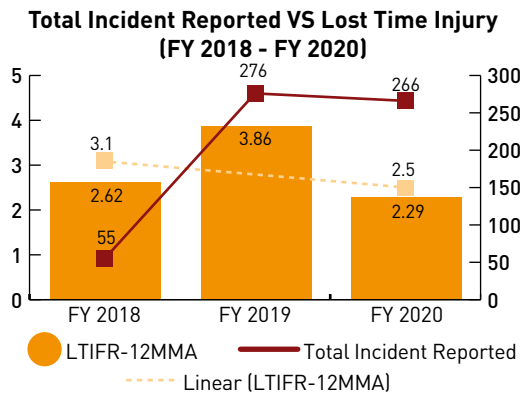


Fig.1 No. of Injuries and Lost Time Injury Frequency Rate for Financial Year 2018 to 2020

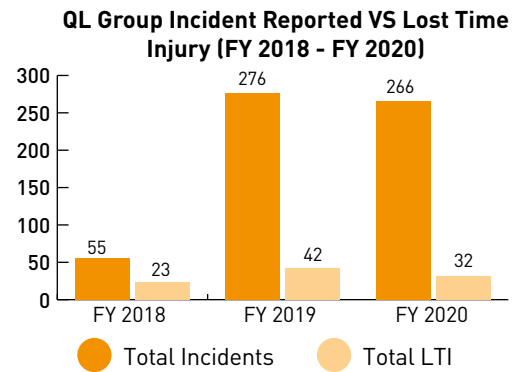
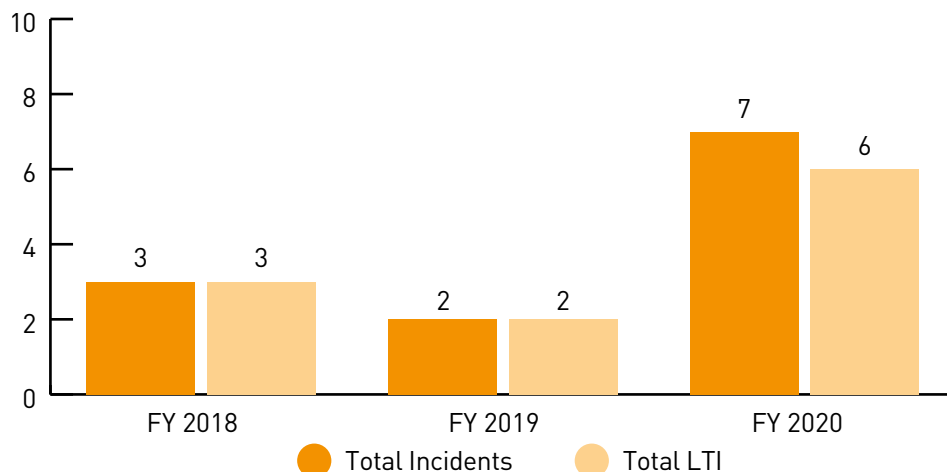


Fig.2 Total Incidents and Total Lost Time Injury for Financial Year 2018 to 2020

Overall, although there was an increase in incident and accident reported, LTI reduced slightly and there was an improvement in LTIFR by 40.64% over the last three (3) years. The annual hours worked have increased by about 28% for the last two (2) years and correspondingly with these increased hours, the number of incident and accident reported in FY2019 increased by 401%. However, the number of incident and accident reported in FY2020 decreased by approximately 3.62% year-on-year. The contribution of the aforesaid result on incident reporting was mainly from ILF, MPM and CVS. QL will put more focus to inculcate the culture of incident reporting in POA. This includes reporting incidents and accidents involving non-employees.

Below illustrates the number of incidents/accidents versus the number of LTI (table and graph format) for the Group and all 4 business pillars.

ILF - Incident Reported Vs LTI



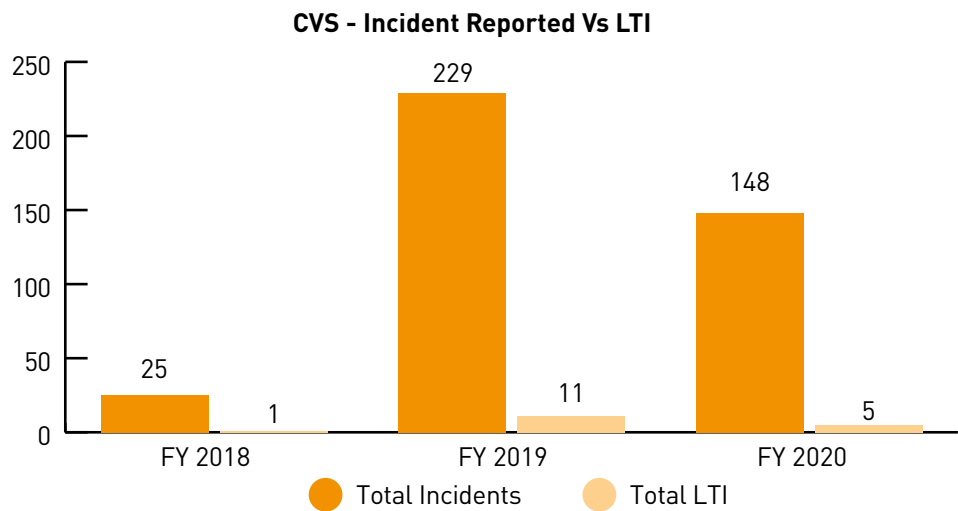
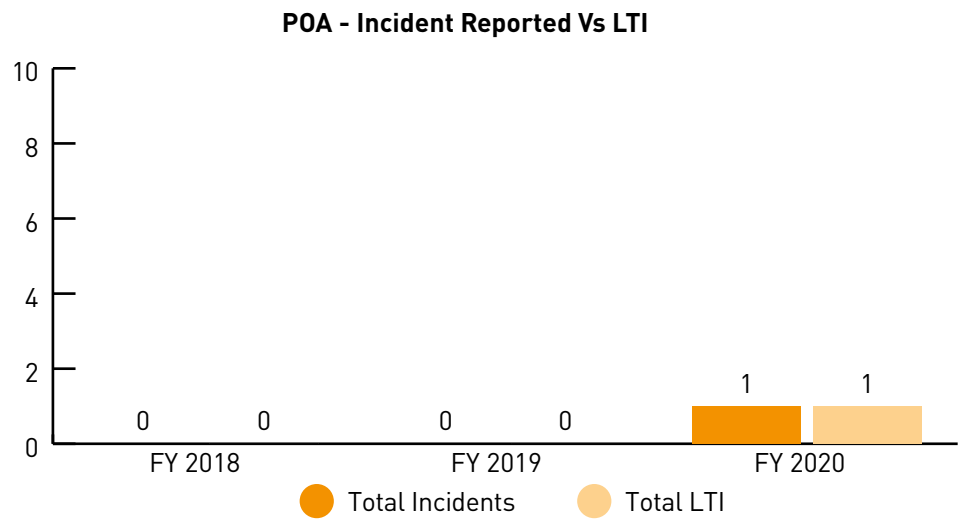
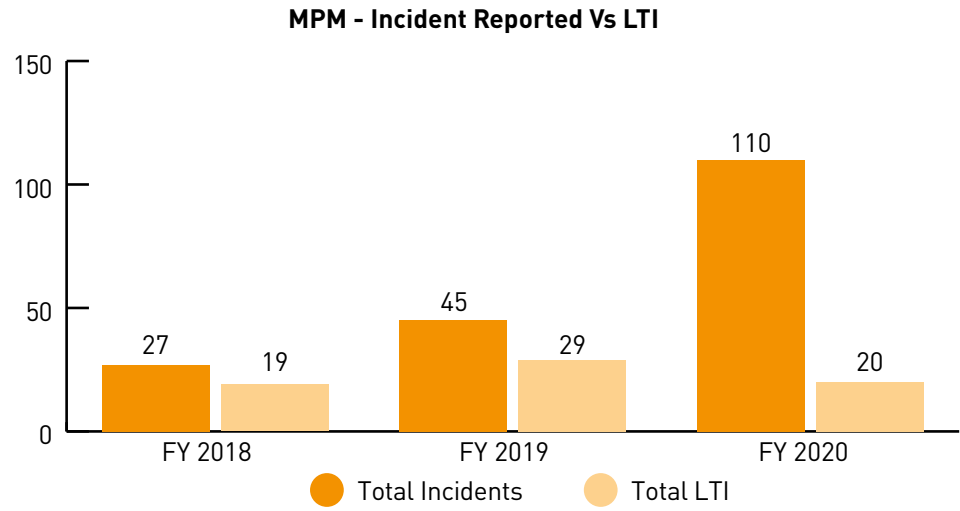


Fig.3 Total Incidents and Total Lost Time Injury for Financial Year 2018 to 2020 by business pillars

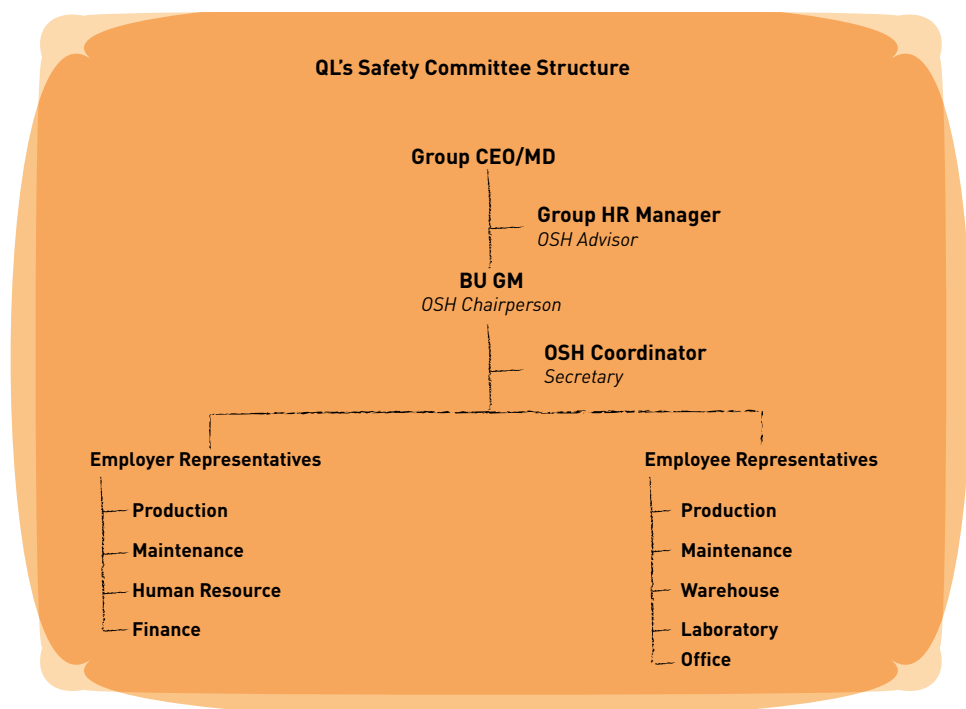
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The increase in the number of incidents reported was mainly on non-lost time work injury incidents, showing a decrease in the severity rate of reported incidents, one of the key indicators for monitoring performance.

Although LTIFR has shown a significant reduction, incidents reported however has increased. This showed an increase in the awareness of employees on the importance of incident reporting as it allows the line management to identify potential hazards and determine measures to mitigate the risks in order to reduce the probability of occurrence and/or effects to as low as reasonably practicable.

The improvement on the reduction of frequency rate (LTIFR-12 MMA) and safety awareness of our people with regards to the number of incidents reported is made possible with the introduction of some key safety and health systems, control measures and initiatives that are currently being focused and put in place. Among some of the focus areas in demonstrating QL's approach to minimising the risks and ensuring the safety and health of its employees, contractors, customers and visitors are as follows:

- Increase scrutiny and senior management involvement, ownership and commitment in occupational safety and health.
- Increase awareness, reduction of overall accidents and improve performance.
- Increase legal compliance by conducting due diligence, develop centralised legal register for enhanced monitoring and continuous improvement in compliance with local statutory requirements with regard to health and safety.
- Enhance risk management of occupational hazards and risk controls: stepping up Hazard Identification, Risk Assessment and Determining Control (HIRARC) monitoring process to mitigate all known hazards and risks. Hazards and Risk Register has been introduced to document the processes and findings.
- Safety and Health Committees Structure at individual business units include employee and management representatives.



Occupational Safety and Health Training

As stated in the QL's OSHE policy, the Company is committed to deliver appropriate OSHE trainings. The purpose of investing in these OSHE trainings is to support all our employees to build greater awareness and enhance the required OSHE essential skills and knowledge to perform their work in a way that is safe for them and their colleagues. The Company recognises that equipping our employees with these skills and knowledge will enable all employees to identify potential hazards and harmful substances, and adopt safe and healthy working practices before any safety incidents occur. The Company understands the benefit and need to focus more on delivering OSHE trainings and thus is now embarking to work on a more robust and structured OSHE training competency matrix framework.

In FY2020, a total of 290 OSHE trainings have been conducted. The required skills and knowledge of the training needs have been categorised into 5 main areas namely 1. General Skills and Knowledge; 2. Emergency Preparedness; 3. OSHE Management System; 4. High Risk Activities and 5. License & Competency Certification.

The table below outlines some of the safety and health trainings that have been conducted based on the above categorisation. The list is not exhaustive.

Required Skills and Knowledge Category	Name of Training	Purpose of Training
General Skills and Knowledge	Ergonomic Issue in Operation	Brief the workers on workplace ergonomic issues, correct posture and how to handle manual lifting in a correct way
	PPE Training - hearing protection (ear muff and ear plug)	Provide workers with the basic knowledge on the selection, maintenance and usage of hearing protective equipment and reduction of noise induced hearing loss.
	HSE Induction Training	Brief new employees on Health, Safety and Environment Policy; roles and responsibilities; workplace hazards and risks; safety rules; safe work practices; and environmental conservation.
Emergency Preparedness	Fire Prevention and Fire Fighting Training	Provide knowledge and practical experience to ERT members on the hands-on approaches on fire prevention and fire-fighting technique.
	On Scene Commander Programme	Building the fundamental foundation of ERT on the command, controls and response, including the strategic and tactical aspects in emergency planning and responding.

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Required Skills and Knowledge Category	Name of Training	Purpose of Training
OSHE Management System	Effective & Empowering Safety & Health Committee Training	Develop and upskill OSH Committee to effectively execute their roles and functions, whilst applying the fundamental of being involved and engaged for effective OHS meeting and coordination.
	Noise Exposure Regulations 2019 & Hearing Conservation Program	Provide an understanding of the latest rules & regulations of noise exposure and the legal requirements on obligations and measures to be taken to safeguard employees from exposure to excessive noise in the workplace.
High Risk Activities	Working In Confined Space	Provide knowledge on related hazards & controls for work in confined space. This includes the requirements on authorised gas tester and entrants, safe practices and emergency response/rescue complying with legislative requirements.
	Chemical Safety - Handling & Application	Provide the required skills and knowledge to work safely in an environment which involve usage and storage of chemicals through understanding on the danger of chemicals & the safety requirements for application (fumigation & pest control).
License & competency Certification	Scheduled Waste Management	Provide understanding of the legal requirements and the means of implementing effective scheduled waste management practices in compliance with regulatory requirements.
	Forklift Management Procedure	Brief line management on forklift safety and management practices.

Table 8: Types of safety and health training conducted in QL

In summary, QL recognises that regardless of how large or small a business subsidiary is, employees in all fields of our industry face workplace hazards that can threaten their health and safety.

Educating workers (employees and contractors) on the basics of occupational safety, health and the environment can help to reduce workplace accidents, injuries and environmental impacts, thus reducing potential injuries, illnesses and suffering in general.

QL believes that maintaining a safe and healthy workplace will result in confident employees who have increased morale, satisfaction and productivity. The Company will thus continue investing in training, identifying training needs and educating employees for their safety, health and wellbeing, and contributing to environmental sustainability, hence, developing a positive culture of OSH and environment, where safe and healthy working and care for the environment become second nature to everyone.

4.2.5(iii) Talent Attraction and Retention

QL's business success depends on our employees. Emphasis is placed on our talent acquisition and talent management strategy of attracting, building and retaining a talented and diverse workforce.

Our hiring decisions are solely based on merit, guided by the QL values of Integrity, Team Work, Win-Win and Innovation.

In FY2020, we have further enhanced our recruitment process by introducing a structured interview guide to assist all hiring managers involved in the recruitment process, and upskilling all hiring managers to recruit and select appropriately. It is mandatory for all hiring managers to attend the training over the next 2 years. A total of 47 hiring managers at the head office level has been trained on the use of the structured interview guide and going forward, the focus is to train the subsidiaries' hiring managers.

All our business subsidiaries are involved in ensuring a sustainable talent pipeline to ease the sourcing and hiring of talents for their businesses.

In FY2020, some of the talent acquisition channels that the human resource (HR) teams have been actively exploring included strategic partnerships with various education institutions, outskirt community recruiting and collaborations, as well as participating in career fairs organised by government agencies such as Jabatan Tenaga Kerja, PERKESO and JobsMalaysia.

QL strives to retain our performing talents by ensuring that our talent retention approach remain relevant and competitive to our employees. Performance bonuses and salaries are benchmarked against market rates to attract and retain talent.

QL long serving employees continues to be recognised for their contributions through our long service awards. 32% of our workforce across the ILF, MPM and POA business pillars are rewarded for achieving the service tenure from 5 years up to 35 years.

QL continuously focuses on how we can build an engaged workforce. We focus on employee productivity, participation and engagement via the human capital initiatives outlined below:

Training and development

In developing our workforce, QL continues to focus and emphasise the importance of elevating our employees' knowledge, skills and competencies. The Company recognises that upskilling our workforce will enable better productivity, quality of work performance and engagement amongst QL workforce. Training and development investments are made in the technical, functional, soft skills and leadership domains.

The Leadership Development (LEAD) programme which aims to elevate the soft skills of our employees was conducted throughout FY2020. Since the inception of this programme in 2017, a total of 972 employees across various executive levels from QL subsidiaries have been trained.

The Accelerated Learning Process which was introduced in 2016 to strengthen and retain key talents has been successful, turning in a retention rate of 95.6%. These key talents are now actively involved with their Head of Business Units, supporting the Company's business goals.

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The Management has set aside resources to grow another batch of 20 key talents from ILF, MPM, POA and CVS via this Accelerated Learning Process. They will be coached and mentored over the next two years to encourage their individual growth.

QL encourages and gives equal opportunity to employees to chart their development. We are pleased to report that the Accelerated Learning Process has recorded an increase in female participation.

Batch	Male	Female
1	88%	12%
2	50%	50%

Table 9: Male and Female representative in the Accelerated Learning Process Programme

Performance and career development review

All confirmed permanent employees are required to undergo a yearly structured performance appraisal review.

At the start of FY2020, QL implemented a revised performance appraisal system at group level. The performance appraisal evaluation period for all staff has been aligned with QL's financial year. There were two key changes to the revised performance appraisal system:

1. A ratings scale was introduced as the merit guide. This enables a transparent method of evaluating performance and clear differentiation of performing and non-performing employees. It also identifies areas for improvement.
2. The categorisation of ratings in accordance to job level. This enables the people manager to conduct accurate appraisal reflective of the responsibility.

Based on the new appraisal system, the people managers can provide feedback and discuss the performance effectively for impactful reviews. It also provides fair basis for rewards.

Employees have been made aware that the QL reward system is linked to Company performance and individual performance. The performance review outcome of each employee will be used as input to the yearly salary review process and facilitate performance bonus pay out.

The new system aims to cultivate a high performing work culture.

Staff engagement activities

Throughout the year, the respective business pillars carried out various staff engagement activities such as annual dinner, inter-department lunch, townhall and team-building. These activities helped employees to foster better working relationships among the different teams in the business and across the various business pillars.

4.3 GOVERNANCE

4.3.1 Upholding Business Integrity

The Group believes in upholding integrity and ethics in the conduct of its businesses. Integrity is one of our four core values that form the foundation of our business activities; the others being win-win, teamwork and innovation. We do not accept a business if it means putting people at risk or engaging in unethical practices.

We have established a Code of Conduct which is applicable to all employees including the Group's Directors to clearly set out expectations to display the highest levels of professionalism in the conduct of work and dealings with internal and external stakeholders. The Group's Code of Conduct communicates the Group's commitment to practising business ethically towards its stakeholders, including its customers, suppliers, employees, the environment and the community. All employees are given the appropriate induction training on the code and they are required to sign an undertaking to avoid and/or declare situation where there is conflict of interest.

In compliance with Section 17A of the MACC Act 2019, QL has established and published its Anti-Bribery Policy ("ABP") and an updated version of the Whistle-Blowing Policy in June 2020, a copy of which can be found on the QL website at <http://ql.com.my/corporate-governance.html>. The ABP adopted reflects QL's commitment to uphold integrity and its existing strong stand against bribery and corruption practices in the conduct of our business. Our major suppliers, contractors and other business associates are required to adhere to our anti-bribery policies. QL's ABP also includes the prohibition of facilitation payments, zero-tolerance of any involvement in bribery, clear guidelines on gifts and entertainment, and expenses involving third-party representatives. Reflecting the change under new policies, we had updated the whistle-policy to support the implementation of the policies.

The established whistle-blowing channel allows for the reporting of genuine concerns, about unethical behaviour, malpractices, illegal acts, or failure to comply with regulatory requirements, by employees or stakeholders of the Group without fear of reprisal. It accords protection to the whistle-blower where confidentiality of identity is concerned, as well as against retaliation. Apart from direct access to the Executive Chairman or Group Managing Director, the mechanism also allows for reporting to an alternate independent channel, i.e. the Audit Committee Chairman or the prescribed independent director.

During the financial year under review, there were no whistle-blowing cases reported.

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2020 UPM Career Talks with Veterinary Students



Get Together Annual Dinner



Team Building



ILF Annual Dinner in Tawau



MPM Site Annual Dinner



Talent Show Time by Employees



Inter-department lunch with head of business unit



10 years service award

Sustainability Statement

THE EDGE

COVID-19 Pandemic Funds

As of June 19, combined amount

RM25.25 mil

+ 400,000 PIECES OF THREE-PLY MASKS DONATED BY
MAPLETREE INVESTMENTS

THE EDGE- COVID-19 EQUIPMENT FUND

1	The Associated Chinese Chamber of Commerce & Industry Malaysia (ACCCIM)	RM 1,000,000
2	Perdana ParkCity Sdn Bhd	RM 1,000,000
3	Taliworks Corporation Bhd Group	RM 1,000,000
4	Westports Malaysia	RM 750,000
5	Tan Sri Shahril Shamsuddin & Dato' Shahrman Shamsuddin (Sapura)	RM 750,000
6	Anonymous	RM 500,000
7	Dialog Group	RM 500,000
8	ECM Libra Foundation	RM 500,000
9	Magnum Corporation Bhd	RM 500,000
10	Matrix Concepts Holdings Bhd	RM 500,000
11	OSK Foundation	RM 500,000
12	Press Metal Aluminium Holdings Bhd	RM 500,000
13	QL Resources Bhd	RM 500,000
14	YTL Power International Bhd	RM 500,000
15	Tan Sri David Cheng & Datuk Allan Lim (GPL Group Sdn Bhd)	RM 500,000
16	Datuk Seri Nazir Razak	RM 500,000
17	Datuk Tong Kooi Ong (UPP Pulp & Paper (M) Sdn Bhd)	RM 500,000
18	Waz Lian Group	RM 500,000
19	Hiap Teck Venture Bhd	RM 500,000
20	Lee Foundation, States of Malaya	RM 500,000
21	Past & Present Partners of PwC	RM 315,000
22	Batu Kawan Bhd	RM 250,000
23	Datuk Simon Foong & Datin Mina Cheah-Foong (InNature Bhd)	RM 250,000

THE EDGE- COVID-19 HEALTHCARE WORKERS SUPPORT FUN

1	FWD Group	RM 2,000,000
2	The Associated Chinese Chamber of Commerce & Industry Malaysia (ACCCIM)	RM 1,000,000
3	Hartalega Foundation	RM 1,000,000
4	IJM Corporation Bhd	RM 1,000,000
5	Lee Foundation, States of Malaya	RM 800,000
6	Dialog Group	RM 500,000
7	Magnum Corporation Bhd	RM 500,000
8	Press Metal Aluminium Holdings Bhd	RM 500,000
9	Paramount Corporation Bhd	RM 500,000
10	Affin Hwang Asset Management Bhd	RM 250,000
11	Newfields Group	RM 250,000
12	Rexit Software Sdn Bhd	RM 250,000
13	Westports Malaysia	RM 250,000
14	Tan Sri Shahril Shamsuddin & Dato' Shahrman Shamsuddin (Sapura)	RM 250,000
15	Dato' Teo Chiang Quan & Family	RM 250,000
16	Syarikat Takaful Malaysia Keluarga Bhd	RM 250,000
17	Citi Malaysia	RM 250,000
18	KPMG PLT	RM 150,000
19	Silverlake Axis Sdn Bhd	RM 100,000
20	City Lite Letrik Sdn Bhd	RM 50,000
21	Opus Asset Management	RM 50,000

THE EDGE- COVID-19 EQUIPMENT FUND		
24	Syarikat Takaful Malaysia Keluarga Bhd	RM 250,000
25	Citi Malaysia	RM 250,000
26	Jaya Grocer and Staff	RM 244,010
27	The Edge Communications Sdn Bhd	RM 100,000
28	TSH Resources Bhd	RM 100,000
29	Yvonne Lam	RM 100,000
30	Eco World Foundation	RM 100,000
31	Dewan Perniagaan Tionghua Tawau Sabah	RM 100,000
32	Dr & Mrs Loke Kwong Kheong	RM 100,000
33	BHP Shared Services Malaysia Sdn Bhd	RM 87,260
34	Yu Chee Hoe	RM 50,000
35	Howden Insurance Brokers & Malene Insurance Brokers and their staffs	RM 36,000
36	Kenwingston Sdn Bhd	RM 30,000
37	Brunsfeld Engineering Sdn Bhd	RM 30,000
38	GT Tropicana Golf	RM 25,000
39	Lim Ghee Keong	RM 25,000
40	DCD Technology Sdn Bhd	RM 25,000
41	Ng Choon Lee	RM 15,000
42	Suria Kumar	RM 10,888
43	Oh Chong Peng OCP Wai Sek Group	RM 10,000
44	Hitachi eBworx Sdn Bhd	RM 10,000
45	BFM Media Sdn Bhd	RM 10,000
46	Ng Geok Mooi	RM 10,000
47	Sanctuary Health Sdn Bhd	RM 10,000
48	Sreesanthan A/L Elia	RM 10,000
49	Yeoh Boon Lim	RM 10,000
50	Lew KokSin	RM 10,000
51	Java Offshore Sdn Bhd (Asian Geos Sdn Bhd)	RM 10,000
52	Yeoh Boon Lim	RM 10,000
53	Tang Sun Lee	RM 10,000
54	Lian Yi Golf Family and Friends	RM 6,500
55	Nomura Asset Management Malaysia Sdn Bhd	RM 5,000
56	FooYukMeng	RM 5,000
57	Others	RM 89,042
TOTAL		RM14.71 mil

THE EDGE- COVID-19 HEALTHCARE WORKERS SUPPORT FUN		
22	Land & General Bhd	RM 30,000
23	GT Tropicana Golf	RM 25,000
24	DCD Technology Sdn Bhd	RM 25,000
25	Lee Foong Yin	RM 20,000
26	Lim Ghee Keong	RM 12,000
27	Oh Chong Peng OCP Wai Sek Group	RM 10,000
28	Ong Liang Heng	RM 10,000
29	Superlon Worldwide Sdn Bhd	RM 10,000
30	Liu Lee, Hsiu-Lin	RM 10,000
31	Paulian Class of 1990	RM 10,000
32	Lian Yi Golf Family and Friends	RM 6,880
33	Sreesanthan A/L Elia	RM 5,000
34	Nomura Asset Management Malaysia Sdn Bhd	RM 5,000
35	Foo Yuk Meng	RM 5,000
36	Others	RM 202,428
TOTAL		RM 10.54mil