

Sustainability Statement

ABOUT THIS STATEMENT

Preparation of This Statement

This Sustainability Statement (the "Statement") aims to communicate QL's commitment to sustainability, activities and progress to our stakeholders.

This Statement is prepared in accordance with the Sustainability Reporting Guides and Amendments issued by Bursa Malaysia Securities Berhad under Main Market Listing Requirements. This year, we enhanced our reporting approach by preparing this statement with reference to the Global Reporting Initiative Standards ("GRI Standards") and adopting the content elements of the International Integrated Reporting <IR> Framework, in line with Bursa Malaysia's recommendation.

Reporting Scope and Period

This statement discloses the activities and performance for QL's identified material matters for the financial period of 1 April 2020 to 31 March 2021, unless stated otherwise. The scope of this statement covers QL's 12 main subsidiaries located in Malaysia.



INTEGRATED LIVESTOCK FARMING (ILF)

- QL Poultry Farms Sdn. Bhd.
- QL Breeder Farm Sdn. Bhd.
- QL Feed Sdn. Bhd.
- QL Ansan Poultry Farm Sdn. Bhd.



MARINE PRODUCTS MANUFACTURING (MPM)

- QL Foods Sdn. Bhd.
- QL Endau Marine Products Sdn. Bhd.
- QL Endau Deep Sea Fishing Sdn. Bhd.
- QL (Figo) Johor Sdn. Bhd.



PALM OIL AND CLEAN ENERGY (POCE)

- QL Plantation Sdn. Bhd.
- QL Tawau Biogas Sdn. Bhd.



CONVENIENCE STORE CHAIN (CVS)

- QL Maxincome Sdn. Bhd.
- QL Kitchen Sdn. Bhd.

Feedback

We are committed to listening to your valued feedback in our efforts to continuously improve our sustainability performance and approach. Please direct any questions, comments or feedback to esg@ql.com.my.

FY2021 AT A GLANCE

Environmental Responsibility



Set GHG intensity reduction target of **20%** by FY2026 from baseline FY2020

Avoided over **27,200 tCO₂e** of GHG emissions from renewable energy generation

Achieved over **84%** of composting rate for manure conversion to organic fertiliser

Generated over **11,500 MWh** of renewable energy

Diverted **97%** of non-hazardous waste generated from landfill

Social Responsibility



Established a **Health and Nutrition Committee**

Provided over **RM23.8 million** of interest-free financial assistance to **974 fishermen**

Established **Migrant Workers' Recruitment and Treatment Guidelines**

Over **RM570,000** invested into the local community

Established a **Group OSH Work Committee**

Governance



100% of operations assessed for risk related to corruption

Zero whistle blowing cases reported

1,322 suppliers signed QL's Suppliers and Business Associates Code of Business Ethics³

³ Number of suppliers as at 31 March 2021.

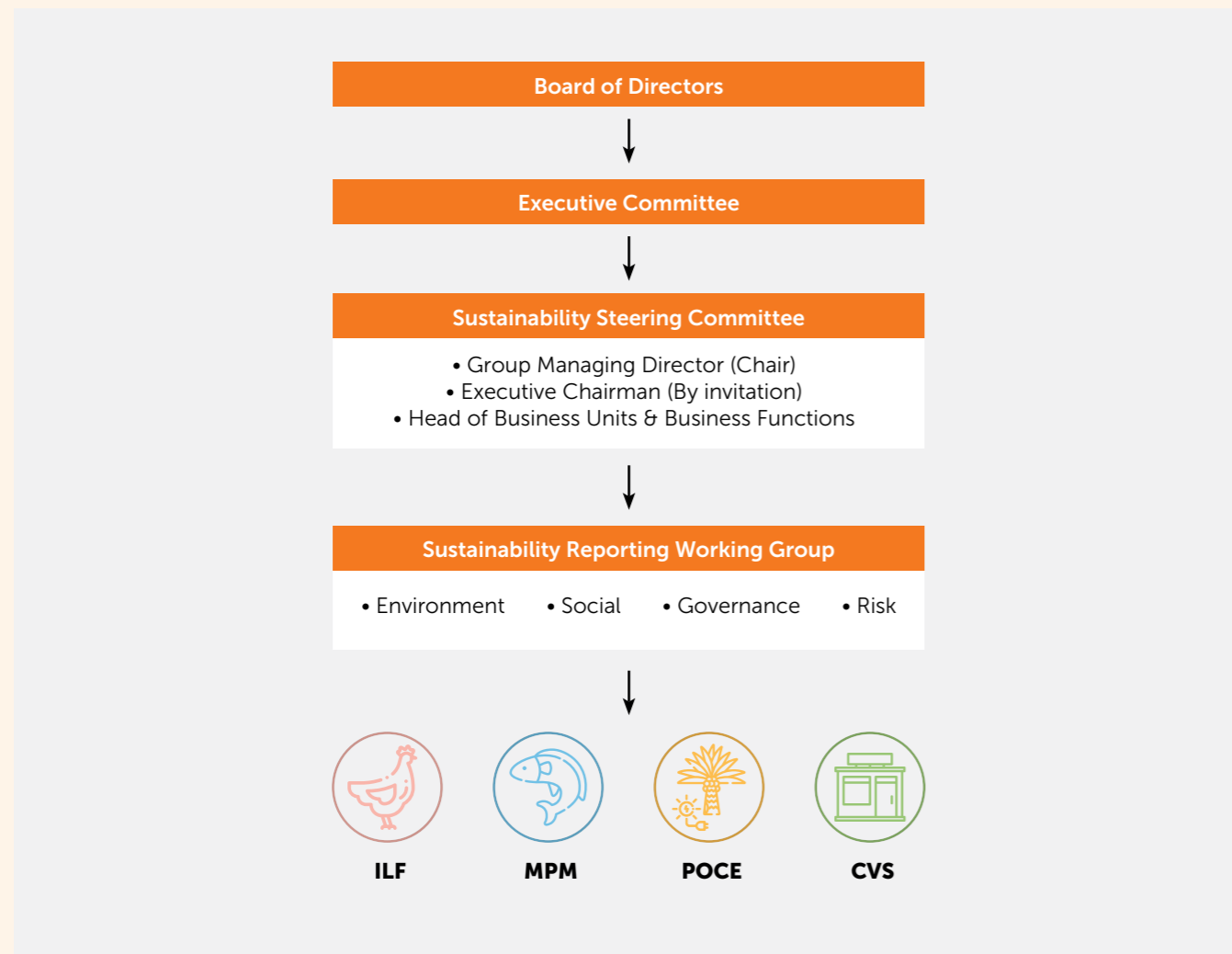
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OUR SUSTAINABILITY APPROACH

Sustainability Governance

At QL, a strong foundation, driven from the highest level of management will drive transformation and deliver our sustainability commitments and vision. QL's sustainability governance structure is critical to ensure that our approach is underpinned by strategic risk and opportunity management as well as guided by sustainable principles and industry best practices.

QL's Board of Directors (the "Board") plays an active role in setting the sustainability direction for the Group. A Sustainability Steering Committee ("SSC"), chaired by QL's Group Managing Director and comprises Head of Business Units and Business Functions supports the Board in steering the Group's sustainability efforts. The SSC is assisted by the Sustainability Reporting Working Group ("SRW") to guide and monitor QL's sustainability performance across businesses. In addition, the business units have established their own governance structures with working Groups to lead the implementation of sustainability initiatives within their businesses.



Stakeholder Engagement

Stakeholder expectations and concerns evolve over time. Regular engagements with our stakeholders enable QL to identify key sustainability issues, as well as emerging priorities. We formulate our approach to develop strategies for sustainable value creation and facilitate continuous improvement based on engagement with our stakeholders. The table below summarises our key stakeholders and engagement methods.

Stakeholder Groups	Focus Areas	How Do We Respond?	Engagement Channels	Frequency of Engagement
Investors and shareholders	<ul style="list-style-type: none"> Financial performance Good corporate governance Responsible & value creation in business management 	<ul style="list-style-type: none"> Refer to <i>Management Discussion and Analysis</i> ("MD&A") (pg 10) Refer to <i>Social Responsibility</i> (pg 41) 	<ul style="list-style-type: none"> Annual General Meeting Analyst briefings & investor presentations & meetings Financial results Press releases Corporate website 	<ul style="list-style-type: none"> Annual Regular meetings with investors & analysts Quarterly As needed Throughout the year
Employees	<ul style="list-style-type: none"> Respect for human rights Learning & development Safe & healthy workplace Supportive welfare Continuous business growth 	<ul style="list-style-type: none"> Refer to <i>Environmental Responsibility</i> (pg 34) and <i>Social Responsibility</i> (pg 41) 	<ul style="list-style-type: none"> Workshop discussions Induction training Learning & development programmes Employee performance appraisal 	<ul style="list-style-type: none"> As needed As needed Throughout the year Annual
Customers	<ul style="list-style-type: none"> Safe, nutritious & quality products Good governance practices Regulatory compliance Food certifications 	<ul style="list-style-type: none"> Refer to <i>Environmental Responsibility</i> (pg 34) and <i>Social Responsibility</i> (pg 41) 	<ul style="list-style-type: none"> Feedback survey Face-to-face interactions Online platform (Facebook, mobile apps) Customer Careline 	<ul style="list-style-type: none"> Annual As needed Throughout the year Throughout the year
Vendors and suppliers	<ul style="list-style-type: none"> Business continuity Regulatory compliance 	<ul style="list-style-type: none"> Refer to MD&A (pg 10) Refer to <i>Social Responsibility</i> (pg 41) and <i>Governance</i> (pg 57) 	<ul style="list-style-type: none"> Interviews Face-to-face interactions 	<ul style="list-style-type: none"> As needed Throughout the year
Regulators and Non-Governmental Organisations (NGOs)	<ul style="list-style-type: none"> Regulatory compliance Responsible business practices Indirect economic contribution Industry trends & standards 	<ul style="list-style-type: none"> Refer to MD&A (pg 10) Refer to <i>Environmental Responsibility</i> (pg 34) and <i>Social Responsibility</i> (pg 41) Participate in NGOs as member, board or committee member 	<ul style="list-style-type: none"> Participation as Council Member in the Chinese Chamber of Commerce & Industry of Kuala Lumpur & Selangor, member of Federation of Malaysian Manufacturers, Sabah Livestock Association, Federation of Livestock Farmers Association of Malaysia, etc. 	<ul style="list-style-type: none"> Throughout the year

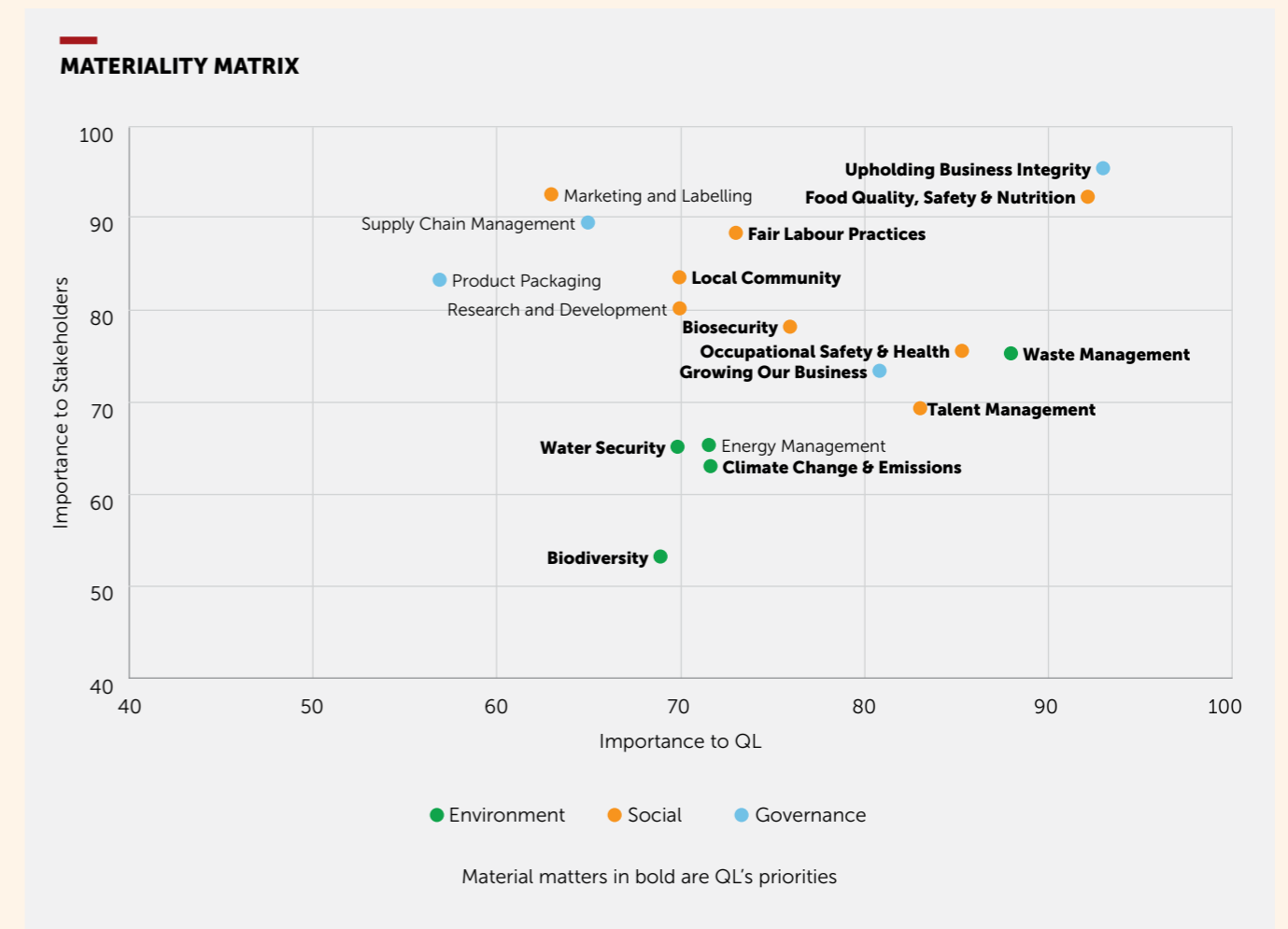
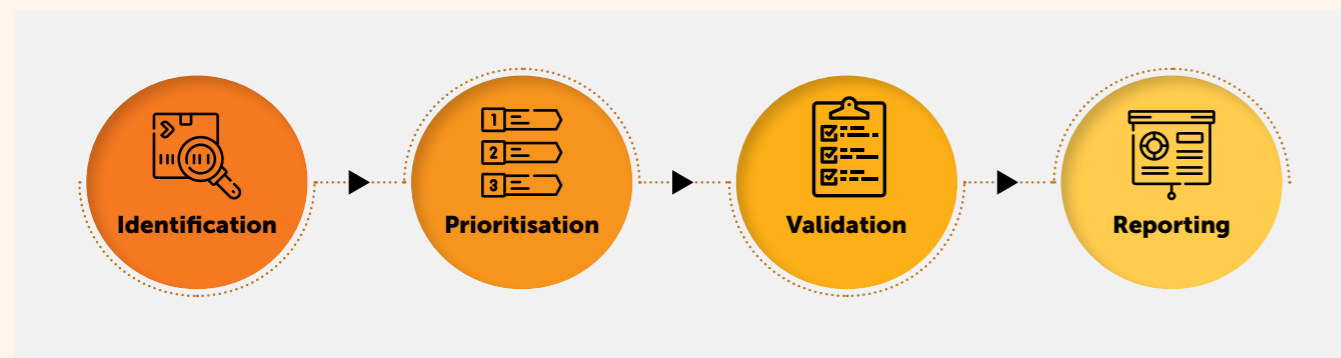
Sustainability Statement
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Stakeholder Groups	Focus Areas	How Do We Respond?	Engagement Channels	Frequency of Engagement
Community	<ul style="list-style-type: none"> Direct & Indirect economic contribution Responsible environmental management & contributions to the society 	<ul style="list-style-type: none"> Refer to <i>Environmental Responsibility</i> (pg 34) and <i>Social Responsibility</i> (pg 41) 	<ul style="list-style-type: none"> Corporate philanthropy activities Corporate website 	<ul style="list-style-type: none"> Throughout the year Throughout the year
Media	<ul style="list-style-type: none"> Business strategy & business growth Food quality & safety Indirect economic contribution Regulatory compliance Environmental management Workplace management 	<ul style="list-style-type: none"> Refer to MD&A (pg 10) Refer to <i>Environmental Responsibility</i> (pg 34) and <i>Social Responsibility</i> (pg 41) 	<ul style="list-style-type: none"> Press conferences & events Media releases Media interviews 	<ul style="list-style-type: none"> As needed Throughout the year As needed

Materiality Assessment




































With numerous sustainability matters concerning the society today, we focus on the matters most material to our business and where we have the most impacts through our business relationships. In FY2021, we conducted a materiality assessment to review the relevance of our material matters by engaging with both internal and external stakeholders. We sought their views in relation to the Environmental, Social and Governance ("ESG") topics important to QL. To ensure that our material matters consider external factors, we conducted gap analyses against FTSE4Good Index, RobecoSAM and MSCI ratings. In addition, a discussion was held with the SSC and key internal stakeholders to evaluate and determine the importance of the identified material matters to QL. From the reviews, we concluded that our 17 material matters remain relevant with 12 priorities. The remaining material matters are recognised as fast emerging matters and are addressed as part of the 12 priorities. To better reflect the current activities carried out by QL, several material matters were renamed.

The summary of our approach to our material matters for FY2021:



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Materiality Boundary

Pillar	Material Matter	Why is it material to QL?	QL's Response to Material Matters	Links to Our Capitals	Boundary	SDGs Supported by QL
Environmental Responsibility 	Climate Change & Emissions	Manufacturing and distribution activities are sources of GHG emissions. It is key to maximise our energy efficiency to manage our carbon footprint in order to minimise our climate impacts.	Invest in renewable energy to manage consumption and reduce GHG emissions.		• QL	  
	Water Security	Water is a valuable resource for our business and the communities. Water efficiency and prevention of water pollution is critical to prevent stress on the water ecosystem.	Conserve water resources through efficient water use and effective wastewater management.		• QL	 
	Waste Management (Previously Waste & Effluent Management)	Our operations generate waste. Effective use of resources curbs waste and avoids negative impacts to the environment.	Optimise use of resources, increase recycling rates and ensure proper management of waste disposal.		• QL • Suppliers • Customers	 
	Biodiversity	Biodiversity is critical in maintaining a balanced ecosystem and mitigating climate change.	Support nature conservation and biodiversity protection through partnerships.		• QL • Community	
Social Responsibility 	Food Quality, Safety & Nutrition (Previously Food Quality & Safety)	As a food manufacturer, it is vital that we produce food that are high quality, safe and nutritious.	Enhance food safety, quality and nutrition through research and development, third-party certification and quality-control.		• QL • Suppliers • Customers	 
	Biosecurity	Our poultry farms are core to our business and supply chain. Healthy and hygienic poultry are integral to ensure undisrupted operations.	Promote good farm management practices and invest in a QL Poultry Centre of Excellence.		• QL • Suppliers • Customers	
	Growing Our Business (Previously Business Growth)	Sustainable business growth is key to deliver long-term economic performance to our stakeholders.	Develop the business strategically with consideration of financial, environmental and social impacts to future-proof our business.		• QL	
	Local Community	QL and the community are mutually dependent to create long-term shared values. It is important to support the vulnerable groups and the development of a thriving community.	Support the local communities where we operate through corporate philanthropy activities, financial assistance and job creation.		• QL • Suppliers • Community	   
	Fair Labour Practice	Our workforce is the heart of our operations. It is our priority to ensure that our employees are fairly treated and respected at work.	Uphold fair employment practices and commitment to fair remuneration.		• QL • Suppliers	
	Occupational Safety & Health ("OSH")	Good health and safety measures significantly reduce risk of accidents. A safe and healthy workplace leads to increased productivity and work satisfaction.	Embed OSH culture across the Group by promoting and reviewing the safety & health performance regularly.		• QL	
	Talent Management (Previously Talent Attraction & Retention)	As the business continues to grow, a skilled and equipped workforce led by progressive leadership team is central to QL's success.	Invest in attracting and developing talents and promoting leadership skills throughout our employees' employment with QL.		• QL	
Governance 	Upholding Business Integrity	To build and strengthen the trust of our stakeholders and to serve them effectively, good corporate governance practice must be embedded across the organisation.	Conduct business with adherence to good corporate governance and raising awareness on ethical conduct for all employees.		• QL • Suppliers	

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MANAGING SUSTAINABILITY

Environmental Responsibility



Climate change poses a major risk to the sustainability and long-term success of our business as our operations are highly dependent on the climate. As an agro-based company, QL is committed to growing the business in a responsible manner, with consideration of our impacts to the environment while inculcating responsible behaviours within our organisation. This year, we focused on managing and expanding our renewable energy generation and improving on management of energy, water and waste. We believe that these initiatives will set a strong foundation for QL's commitment to mitigate climate change and safeguarding our business.

KEY HIGHLIGHTS

- Set GHG intensity reduction target of **20%** by FY2026 from baseline FY2020
- Diverted **97%** non-hazardous waste generated from landfill
- Generated over **11,500 MWh** of renewable energy from solar and biogas
- Achieved over **84%** of composting rate for manure conversion to organic fertiliser
- Avoided over **27,200 tCO₂e** of GHG emissions from renewable energy generation

Progress Across the Years		
Material Matters	FY2020	FY2021
Climate Change & Emissions	<ul style="list-style-type: none"> Started installation and use of solar energy 	<ul style="list-style-type: none"> Set GHG emissions intensity reduction target to be achieved by FY2026
Water Security	<ul style="list-style-type: none"> Started tracking water withdrawal from sites 	<ul style="list-style-type: none"> Installed rainwater harvesting tanks at selected sites Progressive installation of more water meters for water withdrawal and consumption at production sites Started tracking and monitoring water withdrawal by source
Waste Management	<ul style="list-style-type: none"> Completed construction of Wastewater Treatment Plant for QL Foods 	<ul style="list-style-type: none"> Started tracking and monitoring waste generation and disposal Identified key waste streams for waste diversion from landfill
Biodiversity	<ul style="list-style-type: none"> Collaborating with a strategic partner for mangrove conservation programme 	

Supporting the SDGs



CLIMATE CHANGE & EMISSIONS

Performance

- Set GHG intensity reduction target of **20%** by FY2026 from baseline FY2020
- Generated over **11,500 MWh** of renewable energy from solar and biogas
- Avoided over **27,200 tCO₂e** of GHG emissions from renewable energy generation

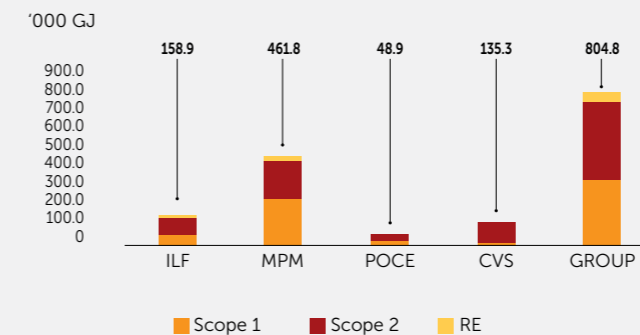
Our Approach

Climate change is one of the key challenges faced by our business, from sourcing of raw materials to production. QL recognises that our business operations have contributed towards GHG emissions and we are committed towards reducing our climate impacts. QL proactively monitors and manages our energy use across all businesses to improve energy efficiency and increase the use of renewable energy. The Group has set a GHG emissions intensity reduction target of 20% by FY2026 from baseline year FY2020.

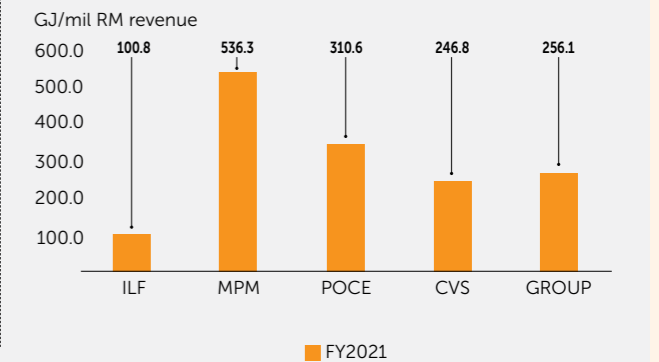
Managing Our Energy Consumption and GHG Emissions

The Group's total energy consumption⁴ in FY2021 is estimated at 804,819 Gigajoule ("GJ") and correspondingly, the energy intensity stands at 256.1 GJ/million ("mil") RM revenue. The total GHG emissions⁵ amounted to 105,909 tCO₂e, equivalent to intensity of 33.7 tCO₂e/mil RM revenue. The GHG emission intensity increased by 4.2%, attributed by the increase in production by ILF and MPM and business expansion by CVS. GHG emissions from other sources such as chicken manure⁶ and palm oil mill effluent ("POME") totalled 4,339 tCO₂e, a reduction of 39% from FY2020.

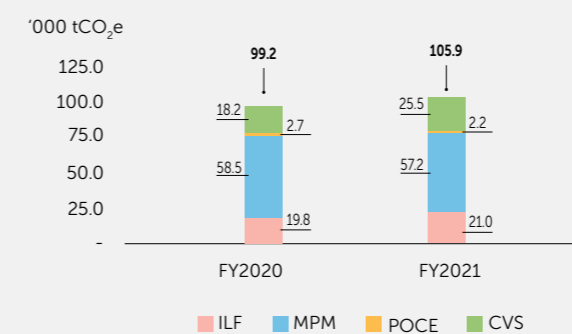
TOTAL ENERGY CONSUMPTION (SCOPE 1, 2 & RENEWABLE ENERGY)



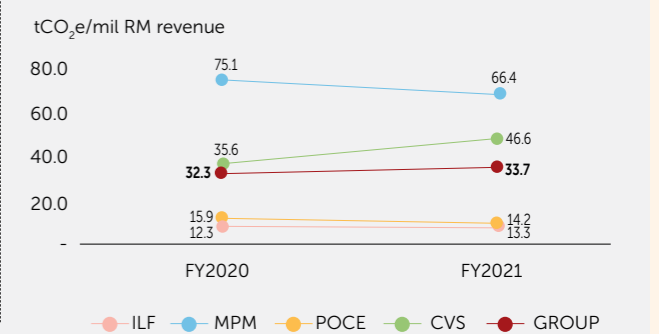
ENERGY INTENSITY (SCOPE 1, 2 & RENEWABLE ENERGY)



TOTAL GHG EMISSIONS (SCOPE 1 & 2)



GHG EMISSIONS INTENSITY (SCOPE 1 & 2)



⁴ Total energy consumption = Non-renewable Energy Consumption + Renewable Energy + Electricity Consumption.

⁵ Total GHG emissions = Scope 1 + Scope 2. Total GHG emissions and GHG emissions intensity in FY2020 have been restated. GHG emissions from manure and palm oil mill effluent are disclosed separately.

⁶ Read more about reduction of chicken manure under the Waste Management section.

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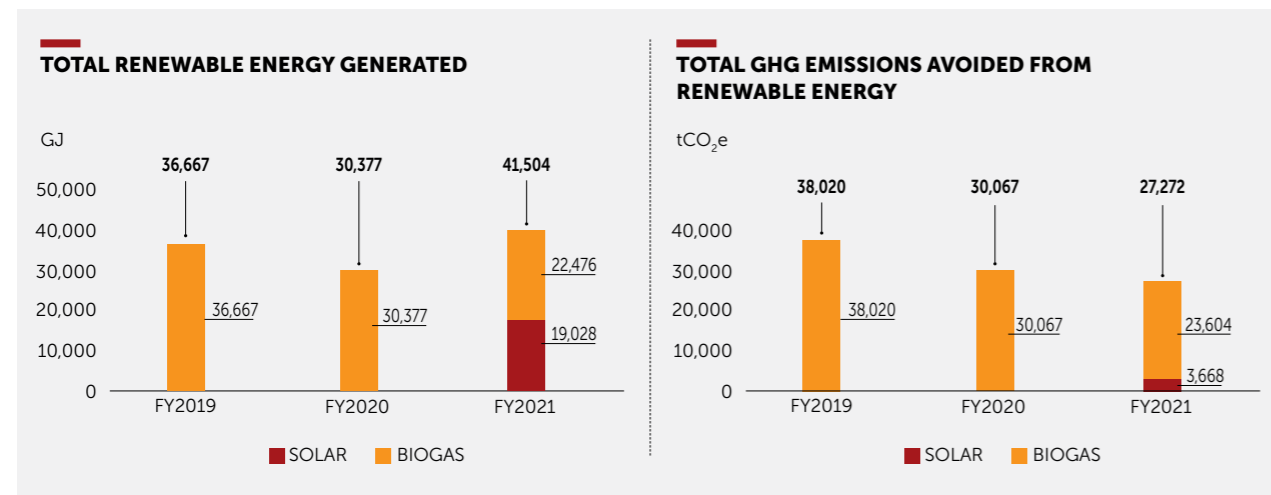
CLIMATE CHANGE & EMISSIONS (Cont'd)



Harnessing Renewable Energy

As part of QL's strategic decision to reduce consumption of fossil fuel based energy, QL actively installed a total of 7 Megawatt ("MW") of solar panels at our ILF and MPM sites in FY2021. Approximately 5,286 MWh of electricity was generated for use on-site, resulting in 3,668 tCO₂e of GHG emissions avoided. In the coming year, other sites have been identified in the pipeline to install solar panels, increasing the proportion of the Group's renewable energy use.

QL Plantation operates a biogas plant which uses methane captured to generate power for on-site operations with excess power sold to the local grid. In FY2021, the biogas plant generated a total of 6,244 MWh of electricity, with approximately 27% used on-site. From the biogas plant operation, a total of 23,604 tCO₂e GHG emissions were avoided.



Solar panels installed on the roof of our plant at Endau, Johor.



WATER SECURITY

Performance

- Harvested **86 m³** of rainwater for non-potable uses

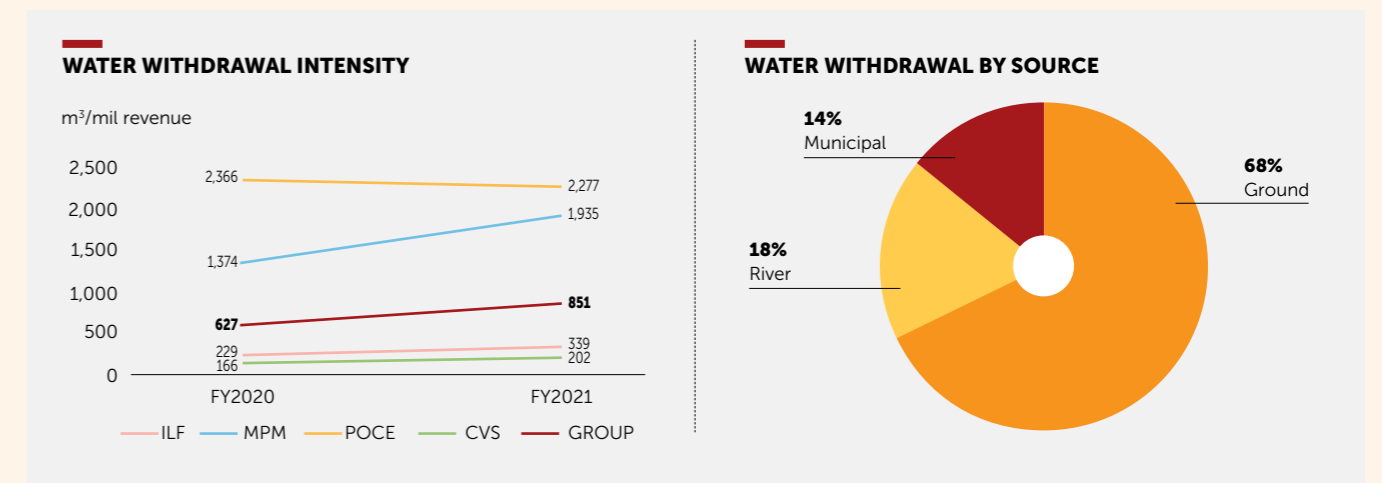
- Installed more water meters** to monitor water withdrawal and consumption at production sites

Our Approach

Water is a scarce resource and water shortage is a key environmental issue globally. Recognising this, QL is committed to safeguard water resources at all sites. All our sites have established water monitoring systems to track withdrawal, consumption trends and improve water efficiency. Furthermore, we treat and monitor wastewater discharge to prevent the depletion of water quality.

Effective Water Management

In FY2021, the Group's water withdrawal intensity amounted to 851 m³/mil RM revenue compared to 627 m³/mil RM revenue in FY2020. The increase in withdrawal was mainly brought about by increased monitoring of water withdrawal across all sites. Similar to energy, increased production by ILF and MPM and business expansion in CVS required higher water use.



Water Saving Initiatives

Across the Group, our sites are continuously identifying water reduction initiatives to reduce consumption. During the year, QL Breeder installed a rainwater harvesting tank and captured 86 m³ of rainwater for use on-site. Furthermore, other sites have progressively installed more water meters at production sites to monitor water consumption trends which will enable the sites to make informed decisions to maximise water use efficiency. In the coming year, QL Figo is looking to invest in a new auto vegetable washer and has identified food process changes to improve our water use efficiency.

Managing Our Effluents

We are aware of the risks associated with wastewater pollution. We take strict measures in ensuring wastewater produced from our sites are safe and compliant with the regulatory requirements stipulated by the Department of Environment ("DOE") before being discharged to the environment.

Sustainability Statement
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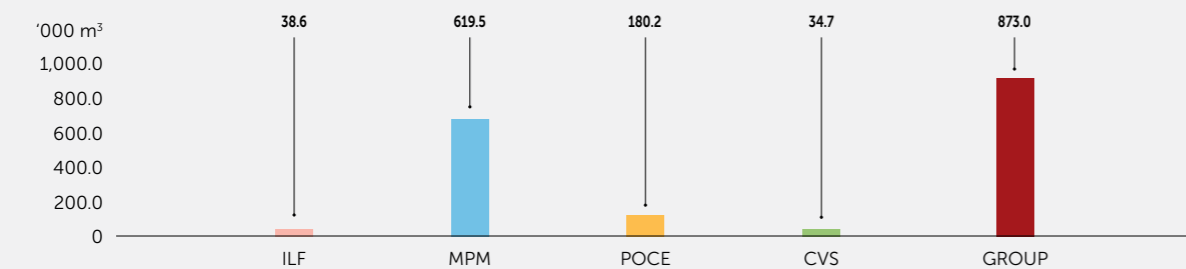
WATER SECURITY (Cont'd)

In FY2021, an estimated total of 873,023 m³ of wastewater⁷ was generated from our sites and the wastewater was treated and tested for water quality before discharge.

Wastewater from production is sent to the Wastewater Treatment Plants ("WWTP") before being discharged to the environment. The wastewater is monitored and regularly tested for its quality, including tests for Biochemical Oxygen Demand ("BOD"), Chemical Oxygen Demand ("COD"), Total Suspended Solids ("TSS") and Oil and Grease.

The POME generated from processing of Fresh Fruit Bunches ("FFB") at our palm oil mills is also closely monitored with regular quality testing. The results are then submitted to the DOE. In FY2021, a total of 166,340 m³ of POME was generated from our mills, with average BOD concentration of 18 mg/L, below the regulatory stipulation of 20 mg/L.

TOTAL WASTEWATER GENERATED



Upgrading Our Wastewater Treatment Plant

As our business expanded with new production lines, the volume of wastewater generated from our processes increased. To manage the increase in wastewater volume, QL Food upgraded its WWTP to increase its capacity from 1,200 m³/day to 2,400 m³/day. In addition, QL Poultry Farms recently completed the construction of its wastewater treatment plant in May 2021.



Waste Water Treatment Plant at QL Foods, Hutan Melintang, Perak.

⁷ Total wastewater generated includes POME.



WASTE MANAGEMENT

Performance

- Recycled over **181,600 tonnes** of non-hazardous waste
- Diverted **97%** of non-hazardous waste from landfill
- Composted **84%** of chicken manure to organic fertiliser

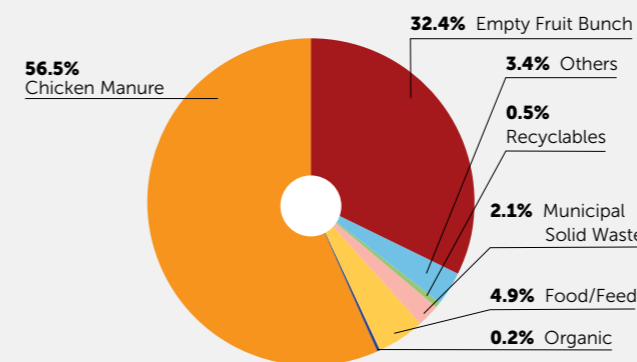
Our Approach

As a food producer, waste is generated from our processes. To improve on our waste management practices, key waste streams have been identified to facilitate recycling and waste reduction efforts. In support of a more circular economy, we repurpose chicken manure into organic fertiliser at our poultry farms. We are exploring opportunities to further reduce waste generation across our value chain.

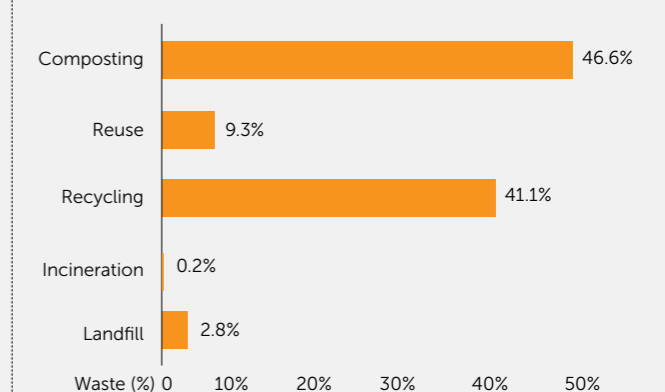
Enhancing Waste and Recycling Practices

In FY2021, an estimated 186,900 tonnes of non-hazardous waste and 27 tonnes of hazardous waste were generated from our business operations. We successfully diverted 181,600 tonnes of non-hazardous waste from the landfill through recycling, reuse and composting, achieving a diversion rate of 97%. Our recycling rate stands at 41% Group-wide. The waste generated, both hazardous and non-hazardous were disposed in accordance with local regulations through licensed waste contractors.

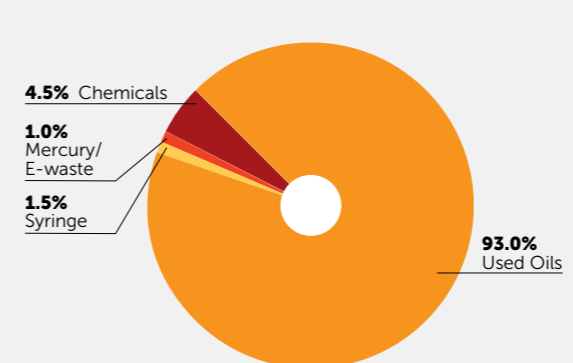
TYPES OF WASTE (NON-HAZARDOUS) AND COMPOSITION



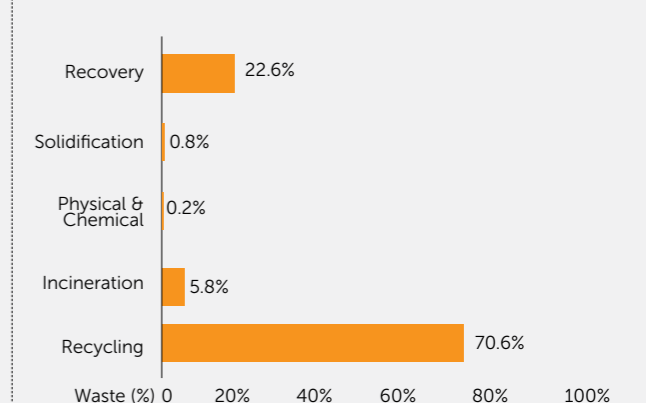
WASTE DISPOSAL METHODS (NON-HAZARDOUS)



TYPES OF WASTE (HAZARDOUS) AND COMPOSITION



WASTE DISPOSAL METHODS (HAZARDOUS)



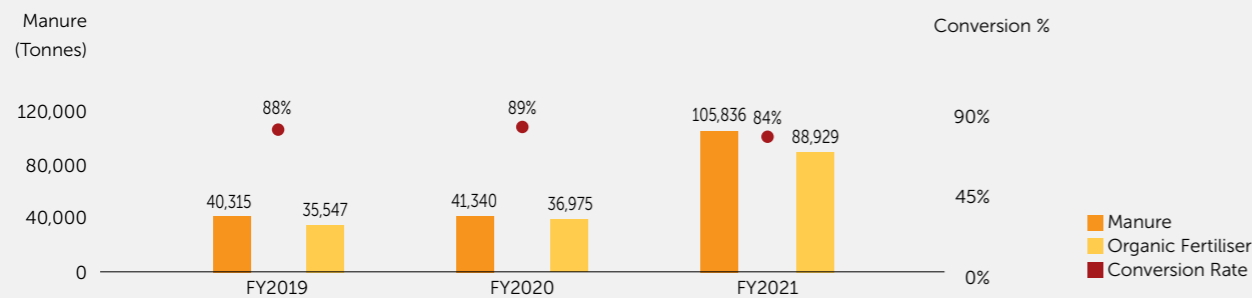
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WASTE MANAGEMENT (Cont'd)

At our poultry farms, an estimated 105,836 tonnes of chicken manure was generated from chicken farming activities and 84% was converted into organic fertiliser through composting. As chicken manure biodegradation is a source of GHG, the conversion of chicken manure to organic fertiliser contributes towards reduction of GHG emissions. The poultry farms are continuously working towards increasing the composting rates every year.

TOTAL CHICKEN MANURE & ORGANIC FERTILISER GENERATED



BIODIVERSITY

Performance

- Collaborating with **Wetlands International** as mangrove conservation programme strategic partner

Our Approach

Rapid globalisation and industrialisation such as forest clearing, overfishing and excessive groundwater withdrawal has led to negative impacts on biodiversity. QL is aware of the deep impacts of these issues on the balance of the ecosystem. As a Group, we are dedicated to playing a role in restoring this balance, through regeneration and enhancement of biodiversity.

Mangrove Conservation Programme

Mangrove forests are key to supporting a myriad of flora and fauna and ecosystem services while providing economic value to the community. Mangrove forests also play an important role in mitigating climate change⁸. QL has identified Wetlands International as a strategic partner to roll out a mangrove reforestation and rehabilitation programme in Malaysia. Unfortunately, the programme has been delayed due to disruption caused by the COVID-19 pandemic.

⁸ United Nations Environment, 2017.

MANAGING SUSTAINABILITY (Cont'd)

Social Responsibility



People are at the core of QL's business. QL advocates for and respects diversity, fair labour practices and the well-being of our people and the communities in the locations which we operate. As one of the largest agro-based companies in the region, we are aware of our role in creating positive impacts for all our stakeholders. We are committed to empower and build our human capital capacity and extend support to the communities, especially the vulnerable groups.

KEY HIGHLIGHTS

- Established a **Health and Nutrition Committee**
- Established a **Group OSH Work Committee**
- Over **RM570,000** invested into the local community
- Established **Migrant Workers' Recruitment and Treatment Guidelines**
- Provided over **RM23.8 million** of interest-free financial assistance to 974 fishermen

Material Matters	Progress Across the Years	
	FY2020	FY2021
Growing Our Business	<ul style="list-style-type: none"> Year-on-year increase in investing based on strategic business objectives 	
Food Quality, Safety and Nutrition	<ul style="list-style-type: none"> ILF, MPM and CVS processes are certified to locally and internationally recognised standards 	<ul style="list-style-type: none"> Established a Health and Nutrition Committee
Biosecurity	<ul style="list-style-type: none"> Biosecurity practices in place 	<ul style="list-style-type: none"> Enhanced biosecurity audits to strengthen biosecurity practices
Fair Labour Practices	<ul style="list-style-type: none"> Established the Human Rights and Labour Standards Policy 	<ul style="list-style-type: none"> Established Migrant Workers' Recruitment and Treatment Guidelines Incorporate the Human Rights and Labour Standards Policy into the Suppliers and Business Associates Code of Conduct
Talent Management	<ul style="list-style-type: none"> Completed pioneer batch of Accelerated Learning Process Programme 	<ul style="list-style-type: none"> Commenced second batch of Accelerated Learning Process Programme Enhanced LEAD Programme framework
Occupational Health and Safety	<ul style="list-style-type: none"> Established Group OSH Policy 	<ul style="list-style-type: none"> Established Group OSH Work Committee Established "WECARE", OSH Guiding Principles
Commitment to Our Communities	<ul style="list-style-type: none"> Conducted corporate philanthropy activities throughout the year 	<ul style="list-style-type: none"> Embarked on journey to establish a corporate citizenship and philanthropy guidelines

Supporting the SDGs



Sustainability Statement
(Continued)



GROWING OUR BUSINESS

Performance

- Invested **RM365 million** to grow the business

Our Approach

With various challenges stacking up against the agro-based business, QL continues to pursue growth with prudent measures when undertaking and implementing expansion plans. We make informed and strategic decisions to invest in areas of potential growth while leveraging on our six capitals – Natural, Manufactured, Intellectual, Human, Social and Financial to create long-term value for our stakeholders.

Value Creation Strategy can be found on page 12 of this report.

Our Growth Performance

In FY2021, we have generated economic value in multiple ways. Please refer to the full audited financial statements for more information. The Management Discussion and Analysis reviews the current challenges faced by QL business units, providing a comprehensive overview of our economic and operational performance.

- For more details about Audited Financial Statements, refer to pages 97-211.
- For more details about Management Discussion and Analysis, refer to page 10.



FOOD QUALITY, SAFETY AND NUTRITION

Performance

- ILF, MPM and CVS processes are **certified to locally and internationally recognised standards**
- Established a **Health and Nutrition Committee** to spearhead QL's health and nutrition strategy

Our Approach

QL places great emphasis on producing high quality, safe and nutritious food for our consumers. From food processing through to packaging, the relevant business units implement strict food safety control and meet national and international food safety standards.

Producing Quality and Safe Food

Our ILF, MPM and CVS business units practise stringent quality controls and promote food safety to ensure that our products meet the highest food quality and safety requirements. The processes in the production plants are accredited by national and international food safety standards. To further strengthen the culture of food quality and safety, employees involved in food processing are required to undergo training on safe food handling every year. To ensure compliance, internal reviews are regularly conducted. We also received periodic visits and audits from our local and overseas customers.



FOOD QUALITY, SAFETY AND NUTRITION (Cont'd)

Local and International Certifications received by the Group:

Business	Local Certification	International Certification
Integrated Livestock Farming	<ul style="list-style-type: none"> Makanan Selamat Tanggungjawab Industri ("MeSTI") (in English: Food Safety is the Responsibility of the Industry) Malaysian Good Agricultural Practices "MyGAP" for poultry farming Halal Certificate of Authentication 	<ul style="list-style-type: none"> Hazard Analysis and Critical Control Points ("HACCP") for production of washed and chilled shell eggs Good Manufacturing Practice ("GMP") ISO 22000:2005 for production of washed and chilled shell eggs
Marine Products Manufacturing	<ul style="list-style-type: none"> Makanan Selamat Tanggungjawab Industri ("MeSTI") (in English: Food Safety is the Responsibility of the Industry) Halal Certificate of Authentication 	<ul style="list-style-type: none"> Hazard Analysis and Critical Control Points ("HACCP") Food Safety System Certification 22000 ("FSSC 22000")
Convenience Store Chain (Central Kitchen)	<ul style="list-style-type: none"> Halal Certificate of Authentication 	<ul style="list-style-type: none"> Hazard Analysis and Critical Control Points ("HACCP")



Commitment to Develop Healthy and Nutritious Products

Consumers are becoming increasingly conscious of their health and demand for healthy food choices. It is important to pivot and respond to our consumers by offering products that are healthy and nutritious. During the year, a Health and Nutrition Committee, chaired by the Group Managing Director was set up to spearhead QL's health and nutrition strategy. The committee is responsible for identifying the key products to develop a healthy and nutritious product range and establishing a Research and Development team to support this effort.

Customer Satisfaction, A Reflection of Our Products

Customer satisfaction is a key driving factor to maintain our industry leadership and business success. QL conducts and tracks customer satisfaction annually through an external consultant to gain insight of customer perception and satisfaction towards our products – eggs and MPM products.

From this year's customer satisfaction survey, the overall satisfaction level of QL Eggs increased by 12% compared to FY2020, with almost 100% of the responses falling under rating categories of Fair to Excellent. QL Eggs' Customer Careline were also rated good and excellent by consumers who made a call in FY2021.

The customer satisfaction level for Mushroom brand is comparable to FY2020, with almost 100% for rating categories of Fair to Excellent. Customer satisfaction for food quality, hygiene and packaging also improved year-on-year.

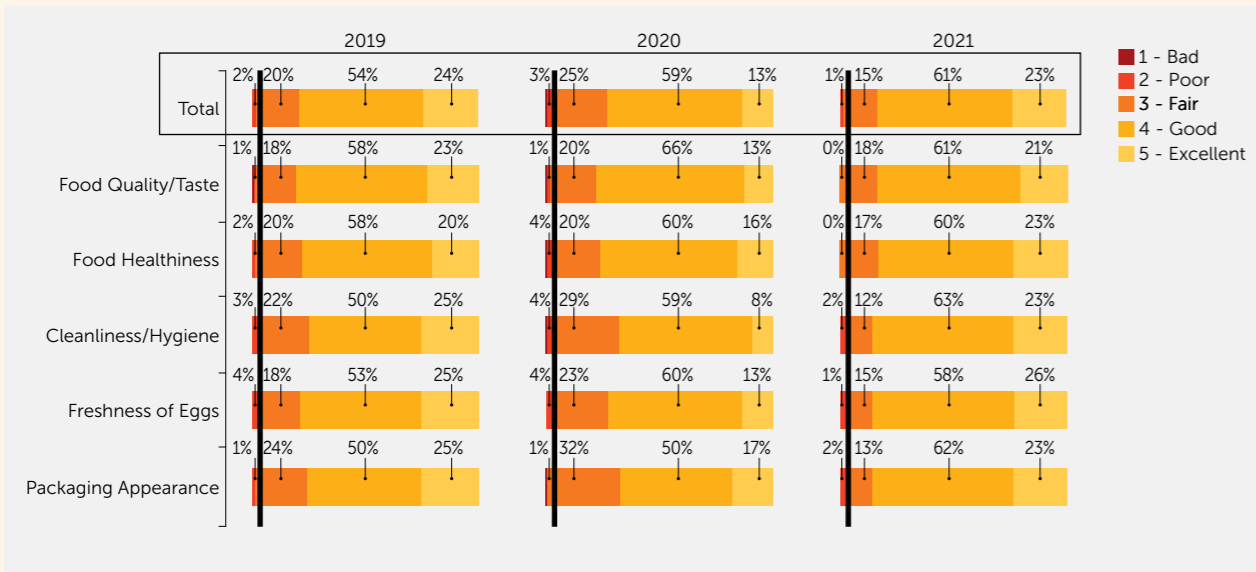
In summary, almost 100% of consumers have high levels of satisfaction with our products. Our consumers have rated our products between Fair, Good and Excellent for all five criteria – Food Quality and Taste, Food Healthiness, Cleanliness/Hygiene, Freshness and Packaging.

Sustainability Statement
(Continued)

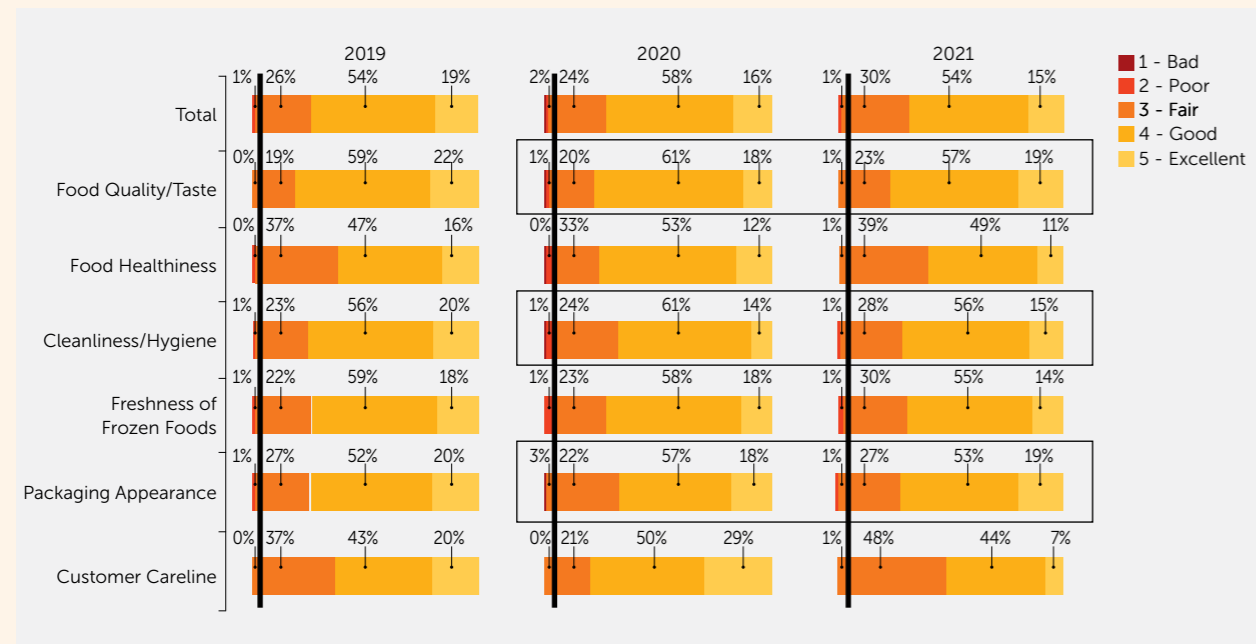


FOOD QUALITY, SAFETY AND NUTRITION (Cont'd)

Customer Satisfaction Rating for QL Eggs from FY2019 to FY2021.



Customer Satisfaction Rating for Mushroom Brand from FY2019 to FY2021.



Furthermore, we have started tracking the number of customer feedback lodged through our customer feedback channels. In FY2021, we received a total of 1,029 customer feedback, all of which were addressed and resolved. QL strives to improve our customer care with a more strategic and responsive approach as well as improve accessibility of feedback channels for consumers.



BIOSECURITY

Performance

- **Biosecurity scores improved** across all poultry farms

Our Approach

Biosecurity is of utmost importance at our farms and QL is committed to ensure that our poultry are healthy and safe, free from diseases at all farms. This is achieved through the practice of rigorous biosecurity management programmes at our poultry farms, supported by our dedicated QL Poultry Centre of Excellence ("QLPCOE").

Preventing Diseases at Our Poultry Farms

To ensure that our poultry is safe from disease outbreaks, we have established the following preventive measures:

- **Risk Rating System**

Implemented a risk rating system to manage risk of introduction of pathogens into the poultry farms. Control measures in relation to access restriction, worker movement and disinfection procedures vary according to the risk levels assigned to the farms. We also take into consideration threat of pathogens from the local surrounding areas when determining the risk level of each farm.

- **Hygienic Farm Environment**

Invested in Closed House System ("CHS") with biosecurity system equipped with auto-sensors regulated ventilation, humidity and temperature control system to ensure chickens are raised in a more hygienic and controlled environment. CHS also isolates the birds from other animals such as wild birds or rodents which may be disease-carriers.

- **MyGap Certified Farm**

All farms operate according to strict processes based on good farm management practices in compliance with MyGap, a local certification granted by the Ministry of Agriculture and Agro-based Industry Malaysia. The processes cover security access and visitation, staff physical movement, vaccination programmes, good hygiene and animal husbandry practice, waste management and pest management.

- **Experienced and Skilled Farm Management**

QL employs experienced veterinarians to be in-charge of farm operations, especially in the area of animal welfare and flock health.

- **QLPCOE**

Established a special unit called QLPCOE comprising experienced veterinarians, microbiologists and nutritionists, supported by a dedicated laboratory. The team focuses on four key areas namely flock health, disease control and surveillance, nutrition and audit. QLPCOE has put in place various technical training courses and on-the-job training programmes to strengthen the capabilities and technical skills of our farm management team and workers.

- **Biosecurity Audit**

Compliance audits are regularly conducted by the QLPCOE team and reported to the farm management. Any significant risk and concern will be included in the Risk Management Report for deliberation by the Risk Committee. In FY2021, a biosecurity audit was conducted at QL Ansan Poultry Farm in Kulim. The farm received a score of 77%, an improvement from last year. Due to movement restrictions during the COVID-19 pandemic, biosecurity audits for other farms were postponed during the financial year.

Sustainability Statement
(Continued)



FAIR LABOUR PRACTICES

Performance

- **874** employees attended the human rights and labour standards policy briefing
- **Incorporated the Human Rights and Labour Standards Policy** into the Suppliers and Business Associates Code of Conduct
- Established the **Migrant Workers' Recruitment and Treatment Guidelines**

Our Approach

QL is dedicated to ensuring that fair labour practices are ingrained within the company and our people are treated with respect and dignity at the workplace. We continuously evolve our practices to elevate the working standards for our people, underpinned by our commitment to comply with relevant laws and regulations pertaining to human rights and fair labour standards.

Enhancing Our Labour Practices

In line with the Group's commitment to enhance our labour practices, a QL group legal register comprising relevant laws and regulations relating to human rights and labour standards compliance was established during the year. Each business unit was encouraged to conduct a self-assessment to understand the current level of compliance, laying the foundation of our plans to carry out formal audits in the coming year.

Furthermore, as part of the Group's commitment to step up efforts in relation to recruitment and fair treatment of migrant workers, the Migrant Workers' Recruitment and Treatment Guidelines was established. One of the key guidelines stipulated is to ensure that all foreign workers recruited are not charged any recruitment fees. All recruitment related costs shall be borne by QL. We also focused on enhancing the housing welfare of our workers. Several initiatives were implemented by our business units, including construction of new hostels for workers. The new accommodations comply with the requirements stipulated by the regulations⁹.



Newly-built workers' hostel in Endau, Johor.

⁹ Employees' Minimum Standards & Housing, Accommodations and Amenities Act 1990 and Employees' Minimum Standards & Housing, Accommodation and Amenities (Accommodations and Centralised Accommodations) Regulations 2020.



FAIR LABOUR PRACTICES (Cont'd)

Embedding a Culture of Respect and Support for Human Rights

To create a workplace with good labour practices, it is critical that our employees are aware of their basic rights and well versed with QL's stance on human rights and labour standards. In FY2021, a total of 874 employees¹⁰ participated in the Human Rights and Labour Standards Policy internal briefing. The policy is also made easily accessible to all employees and external stakeholders through QL's website¹¹.

QL's stance on human rights and labour standards have also been incorporated into the Suppliers and Business Associates Code of Business Ethics to align our expectations of our suppliers.

Grievance and Harassment Management

A two-way communication with our employees is key to inculcating a workplace culture that is open and transparent. Managers play a pivotal role in fostering this workplace culture by practicing an open-door policy. However, in any event that any employee should need to escalate any grievances beyond their direct superior, a formal grievance and harassment procedure is in place. In the reporting year, four cases of harassment have been lodged. These reported misconduct cases have been thoroughly investigated, leading to domestic inquiries and disciplinary actions taken. To empower and protect our employees, we continue to raise awareness and educate our employees on their rights to formally raise any grievances encountered through the grievance and harassment procedures.



TALENT MANAGEMENT

Performance

- Employed over **2,360 new hires** across all business pillars
- Conducted the first employee engagement pulse survey with **over 1,750 FamilyMart employees** participating
- Over **52,900 hours** spent on upskilling employees
- **267 employees** participated in the LEAD¹² programme

Our Approach

QL recognises that our workforce is the heart of our operations and QL's continued success lies in our people and their unwavering commitment to perform their best each day at the workplace. Acquiring, nurturing and retaining a skilled and equipped workforce led by progressive leadership team continue to be our focus.

Diversity, the Core of Our Workforce

As an industry leader, our strength lies within the diversity of our people. A diverse workforce brings about a myriad of knowledge, skills and perspectives to the workplace which we are able to leverage to drive the business towards its vision and goals. During the year, our workforce amounted to 5,295¹³ employees with 57% male and 43% female employees. Of the total, 4,445 employees are permanent employees with the remaining 850 employees being contract workers.

¹⁰ Employees refer to full-time permanent employees.

¹¹ Read more about the Human Rights and Labour Standards Policy at <https://ql.com.my/corporate-governance/>.

¹² LEAD: Leader Enhancement And Development Programme.

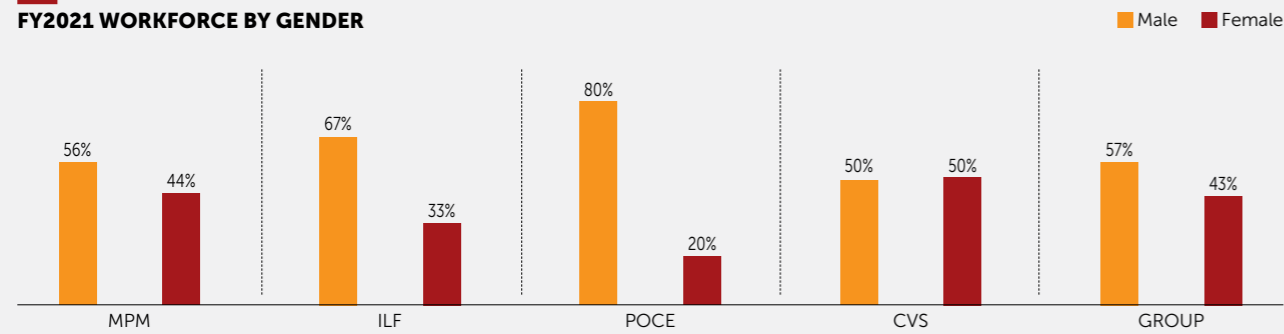
¹³ Employees refer to employees under the Sustainability Reporting scope.

Sustainability Statement
(Continued)

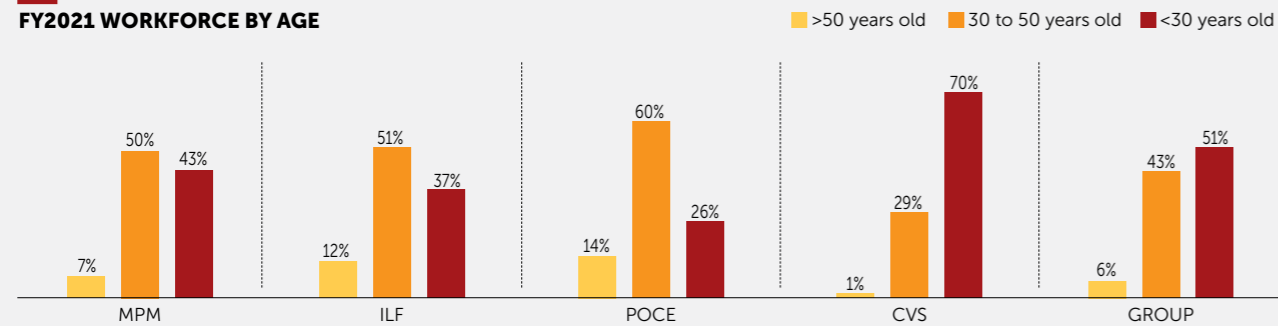


TALENT MANAGEMENT (Cont'd)

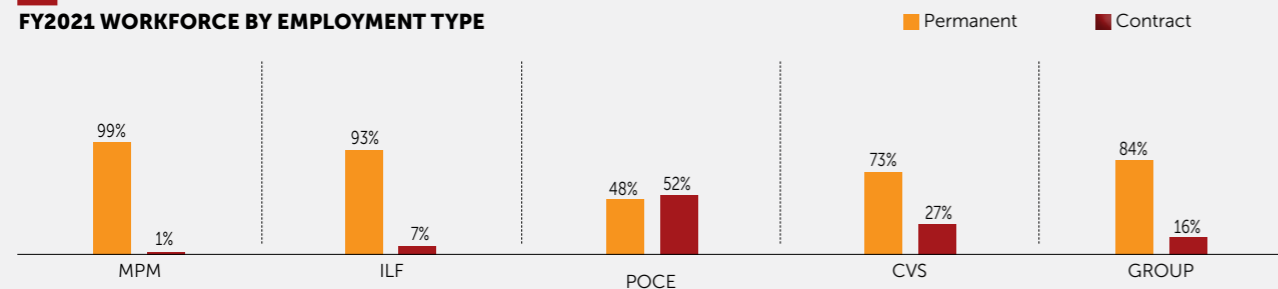
FY2021 WORKFORCE BY GENDER



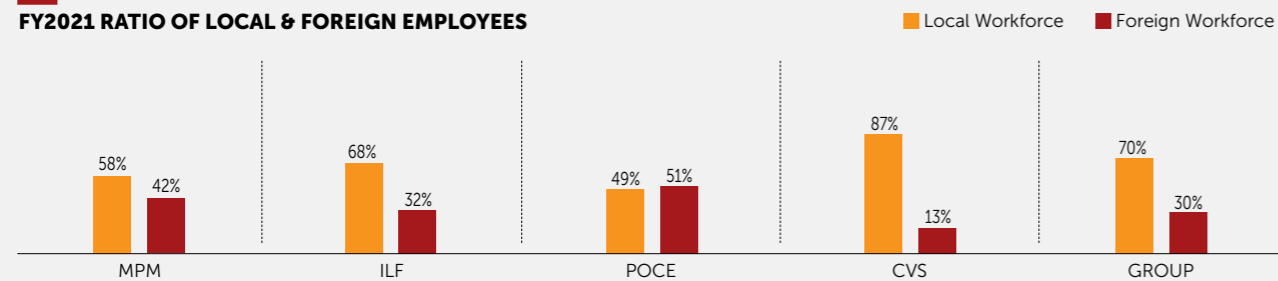
FY2021 WORKFORCE BY AGE



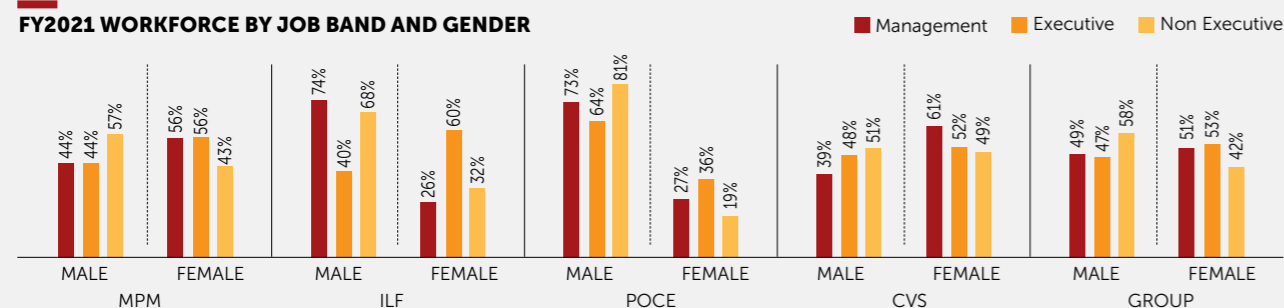
FY2021 WORKFORCE BY EMPLOYMENT TYPE



FY2021 RATIO OF LOCAL & FOREIGN EMPLOYEES



FY2021 WORKFORCE BY JOB BAND AND GENDER

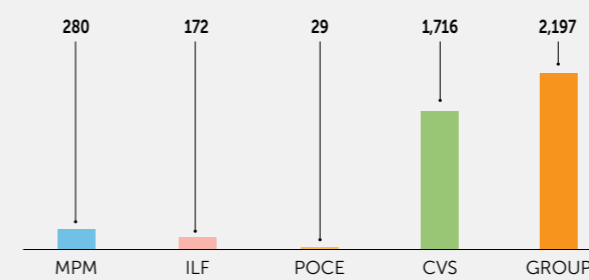


TALENT MANAGEMENT (Cont'd)

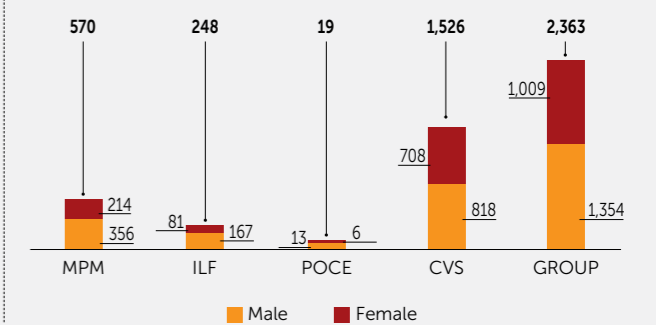
Strategising Our Talent Attraction and Retention Approach

Overall, a total of 2,363 new hires were employed across our various business units of which 43% were women in FY2021. This reflects a hiring rate¹⁴ of 45%. The high hiring rate was due to the rapid growth of FamilyMart which hired over 64% of the new hires. Our voluntary turnover rate¹⁵ stands at 39%, lower than that of our hiring rate.

FY2021 VOLUNTARY TURNOVER



FY2021 NEW HIRES



As part of our talent acquisition strategy, QL continues to enhance our talent pipelines, in particular undergraduate and postgraduate talents. QL successfully signed Memorandum of Understandings with several higher learning institutions and established partnerships with colleges across Malaysia, paving the way of creating impactful opportunities for the students. Additionally, across the Group, a total of 130 internship placements were offered to students to gain hands-on work experience in preparation for entering the workforce after graduation.

Throughout the year, QL actively participated in external career fairs and recruitment drives to further build on our talent pipeline. CVS and MPM, in collaboration with PERKESO¹⁶, participated in career fairs and resulted in the onboarding of more than 25 new talents. Internally, CVS conducted several career fairs in Penang, Malacca and Negeri Sembilan and successfully employed over 60 job seekers.



University Malaysia Kelantan Dean and Deputy Dean visited QL Headquarters in Shah Alam, Selangor.



Collaboration with PERKESO Seremban Palm Mall, Seremban, Negeri Sembilan.

¹⁴ The hiring rate is based on number of new hires against total number of employees.

¹⁵ The turnover rate is based on number of voluntary turnover against total number of employees.

¹⁶ PERKESO is Malaysia's National Social Security Organisation.

Sustainability Statement
(Continued)



TALENT MANAGEMENT (Cont'd)

Career satisfaction is a key motivation factor for long-term commitment with QL. To gain better insights, FamilyMart conducted its first employee engagement pulse survey with a total of 1,758 respondents across 215 stores. The survey covered four key areas, Leadership Accountability, Employees' Well-being, Internal Communication, and Organisational Change (Policy, Leadership and Organisational Practices). An action plan has been developed for execution in view of the survey outcome.

Caring for Our Employees

QL views employee satisfaction beyond career progression. In looking after employee well-being, QL offers a comprehensive range of welfare benefits to all eligible employee across all businesses, such as insurance coverage, medical benefits and health screening.

During the COVID-19 outbreak, QL extended care to employees beyond the standard welfare benefits and spent approximately RM5 mil on COVID-19 control management, aligned with the recommended guidelines from the regulators. In FY2021, QL implemented the following measures:

- Implemented no pay cut policy at all our business sites;
- Proactive close contact tracing and bearing the costs of COVID-19 tests conducted periodically at our sites;
- Provided free meals to employees on-site and assisted migrant workers with purchasing of their daily necessities;
- Practiced robust management of foreign workers' hostels including ensuring hygiene standards, disinfection of the premises and adequate personal hygiene items such as masks and hand sanitisers are available;
- Reorganised foreign workers' hostels with proper segregation and setting up internal quarantine spaces to isolate and monitor suspected cases;
- Supported migrant workers and senior employees to register for MySejahtera and the vaccination programme; and
- Provided COVID-19 information periodically to all employees. Pictorial posters printed in our migrant workers' native language were used to ensure better comprehension and raise their awareness to prevent the spread of COVID-19.

Upskilling Our Workforce

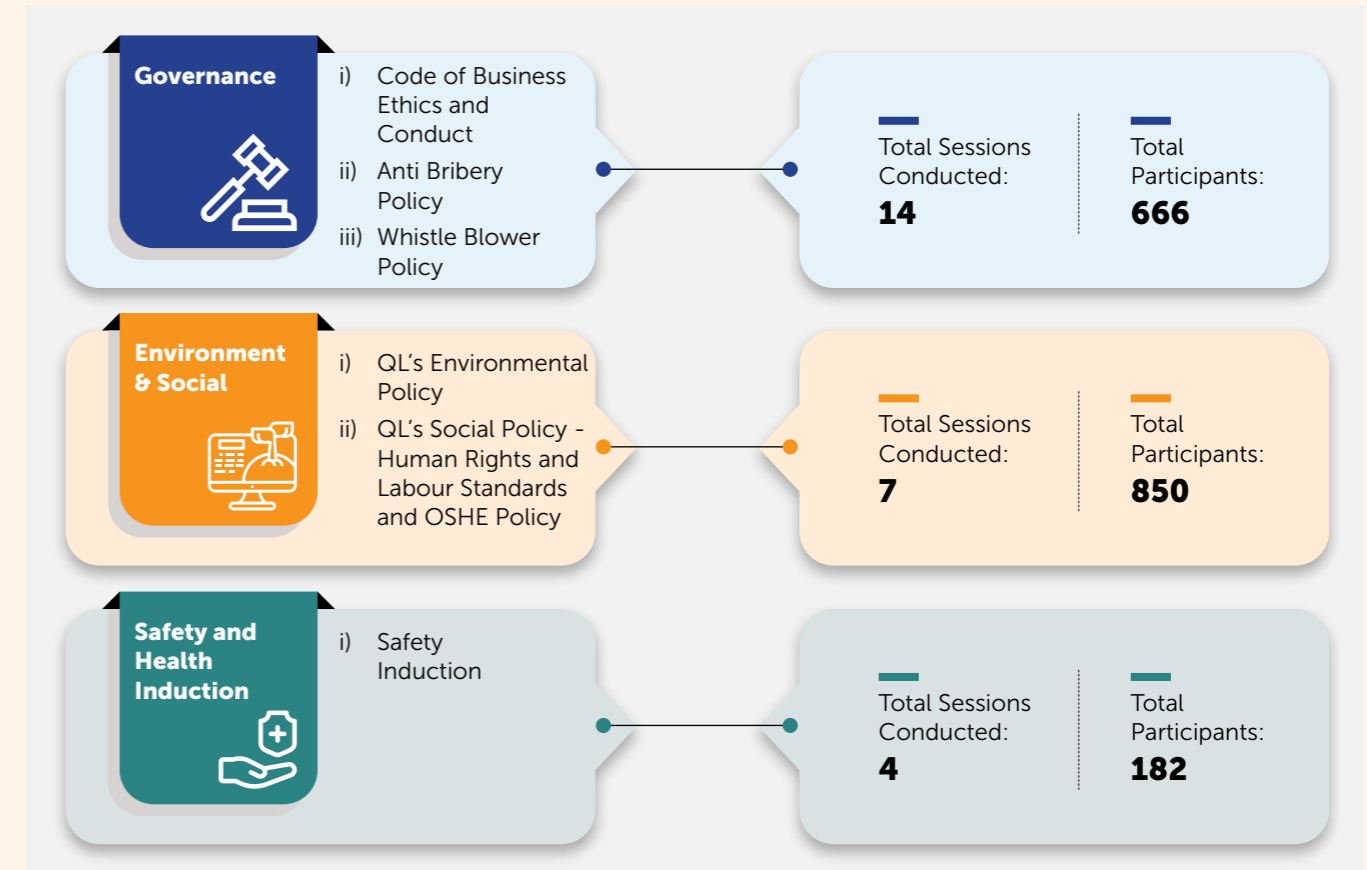
QL prides ourselves with having capable, engaged and empowered workforce as the key to our business success. As such, QL places emphasis on nurturing a culture of Growth and Learning amongst our employees. Employees are provided with relevant trainings, ranging from leadership, soft skills, technical, functional and industry related skills to equip them with best practices, knowledge and skills in the market and industry.

In FY2021, QL invested over RM164,000 to upskill our employees¹⁷. Our employees completed a total of 52,937 hours of training, averaging 9.25 hours per employee. Due to the restrictions and challenges caused by COVID-19, the majority of our trainings were delivered by our internal subject matter experts. The talent team continued to execute the training and development plans tapping on the use of technology. Aligned with QL's sustainability commitments, the training and development activities also focused on raising awareness and understanding of the Group's policies relating to Environment, Social and Governance, including the roles they play in achieving QL's objectives.

¹⁷ Investment related to external trainings.



TALENT MANAGEMENT (Cont'd)



Performance and Career Development Review

At QL, employees are rewarded based on performance. An annual performance appraisal is conducted for all employees at the end of the financial year¹⁸. Managers conduct open and constructive conversations with team members to assess their performance and identify areas for improvement for the coming year.



Developing Leaders and Talents of the Future

The Accelerated Learning Process Programme of grooming key talents endorsed by the Talent Council remains as one of the cornerstone talent development programmes in QL. Now in its second year, the programme focused on developing people and business management skills supported by one-on-one coaching sessions and virtual Network Cafés. These sessions serve as a platform to assist the participants in post-course learnings and building rapport amongst the participants. Twenty key talents comprising General Managers and Managers completed the programme this year. Seeing that the Accelerated Learning Process Programme has proven to positively impact the participants and QL, the Management set out a roadmap to grow another 20 key talents in the coming year.

The LEAD (Leaders Enhancement and Development) Programme is another key programme with the objective of developing employees' leadership competencies, helping employees to better manage self, others and the business. This year, a total of 267 participants participated in various LEAD courses that aimed to enhance their leadership competencies, work skills and strengthening their fundamental values.

¹⁸ Employees refer to confirmed employees at time of annual performance review.

Sustainability Statement
(Continued)



OCCUPATIONAL SAFETY AND HEALTH

Performance

- Established **Group OSH Work Committee**
- Established **"WECARE", OSH Guiding Principles**
- Safety resourcing **increased by 42%** across the Group

Our Approach

QL pledges to uphold the safety and health of our employees, contractors and communities by building and fostering a safe work culture within the organisation. A safe and healthy workplace leads to increased productivity and work satisfaction while reducing accidents at the workplace. To realise this objective, it is pivotal to embed the Occupational Safety and Health ("OSH") culture across the Group, supported by globally recognised health and safety management and monitoring processes. To start, we are committed to obtaining ISO 45000 for our ILF business unit in the coming year.

Leading Health and Safety Practices

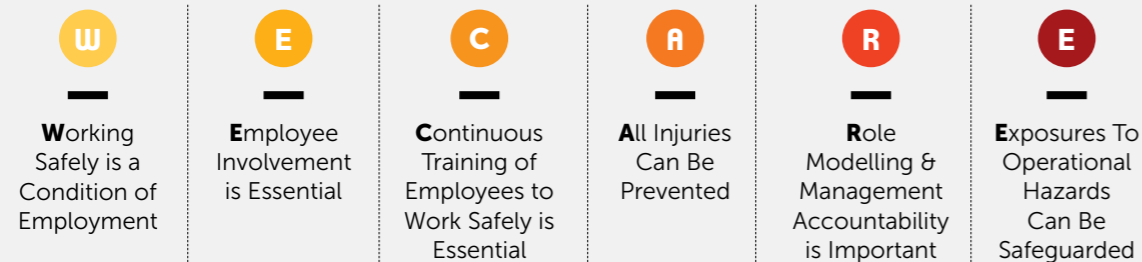
This year, a Group OSH Work Committee was established to lead and drive the safety and health initiatives across the Group. QL increased the number of safety resource team members by 42% to improve effective implementation. The Group OSH Committee meets quarterly, with the aim of creating a platform for the team to collectively review the Group safety performance and set progressive action plans to address rising safety and health risks. Further sub-committees have been formed to support the Group OSH Work Committee to focus on key safety topics. Monthly OSH sessions have also been set up with attendance by all safety personnel and representatives from each business unit.

Elevating Our Safety Practices

Following the roll out of the Groups' Occupational Safety and Health Policy last year, QL continues to embark on our commitment to build greater safety awareness and adoption of good Occupational Safety, Health and Environment ("OSHE") practices. A standard OSHE induction programme was developed with trainers identified from all four business units. With this in place, we are aiming to have all our employees undertake the safety awareness training by FY2022.

Underpinning our Occupational Safety and Health Policy is our safety principles, "WECARE" which was created to provide a framework for safety related decisions and actions.

OSH Guiding Principles - "WECARE"



All Accidents, Injuries & Unsafe Conditions Must Be Reported To Your Supervisor Immediately



OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

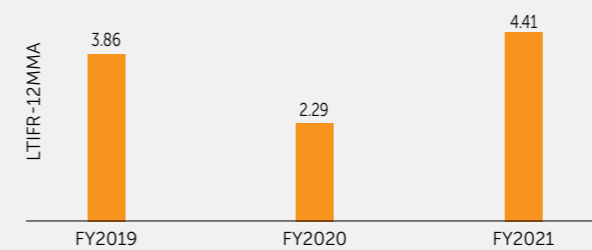
Managing Our Safety Performance

Upholding our belief that "All Injuries Can Be Prevented", we conduct hazard identification, risk assessment and risk controls at our workplaces to anticipate potential hazards and mitigate the risks. In the event of an accident, an investigation will be conducted to establish its underlying causes and corresponding control measures will be implemented. In FY2021, we enhanced the reporting process with additional parameters to monitor and measure our safety performance. Incident and Accident Database has also been reviewed and revised to enable better analysis.

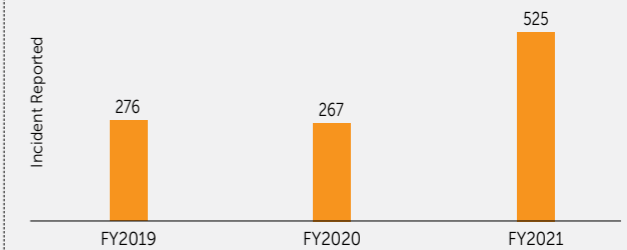
During the year, the number of lost time injuries ("LTI") increased by 106.1% compared to last year. This corresponds to the increase in Lost Time Injury Frequency Rate¹⁹ ("LTIFR") by approximately 92.6%, equivalent to 4.41 LTI per million hours. The number of incidents reported has also increased by approximately 96.3%, reflecting the heightened awareness and involvement of employees in safety, specifically on the reporting of near-miss and non-compliance incidents. Further investigations revealed that the 67 LTI incidents are mainly due to supervision, awareness and human errors, and the hazards are mainly slip and fall, laceration, and nip and pinch.

To encourage continuous performance improvement, the business units have set up safety programmes that are part of the Group OSH improvement strategy, with risk management and behaviour-based safety being our key focus. In FY2022, ILF will be implementing ISO 45001 to reinforce the health and safety management system and practices at one of its sites. We also continue to encourage proactive reporting of accidents and incidents, especially near-misses to identify the underlying cause for risk mitigation.

GROUP LTIFR PERFORMANCE
(Lost Time Injury Frequency Rate)



GROUP SAFETY PERFORMANCE
(Total Incidence Reported)



GROUP SAFETY PERFORMANCE

	Fatality	Lost Time Injury	Non Lost Time Injury	Occupational Illness/ Occupational Poisoning and Occupational Disease	Near Misses/ Significant Safety Occurrences	Non Compliance
FY2019	0	42	234	0	0	0
FY2020	1	32	233	0	1	0
FY2021	1	67	428	1	25	3

¹⁹ LTIFR is calculated based on number of Lost Time Injuries against hours worked.

Sustainability Statement
(Continued)



OCCUPATIONAL SAFETY AND HEALTH (Cont'd)

It is with deep regret that in FY2021, a fatal incident occurred where an employee drowned at one of our unmanned settlement ponds. A thorough investigation was conducted, and corrective actions were implemented to mitigate the identified underlying causes. All other business units have also been advised of the unfortunate incident, including the corrective actions to be taken. QL has also provided the necessary support to assist the family of the deceased.

Occupational Safety and Health Training

Ongoing training and awareness are essential to ensure that our employees continue to work safely. Training programmes are strategically delivered, based on employees' work exposures, as well as risks identified through safety and health monitoring. In FY2021, on-the-job trainings and safety awareness trainings were increased. The following shows the breakdown of the safety and health related trainings that were conducted.

Types of Trainings	Number of Sessions	Examples of Common Training Topics
Safety related trainings	150	<ul style="list-style-type: none"> Safety Awareness in Workplace HIRARC Training Radiation Safety Training Forklift Management Training Use of Fire Extinguisher at the Workplace Basic Occupational First Aid Training Hearing Conservation Programme Training Crisis Management Working at Heights Training Confine Space Training Safe Operating Machineries (e.g X-ray, Blender, Colour Mixing, Salmon Cutting)
SOPs related to work procedures trainings	190	<ul style="list-style-type: none"> Machine on the Job Training Waste Water Treatment and Waste Management Emergency Response (e.g Oil Spillages, Electrocutation)
COVID-19 related briefings	24	<ul style="list-style-type: none"> COVID-19 Prevention at Workplace COVID-19 Monitoring Implementation COVID-19 Preventive Measures Leaders Foreign Workers' Brief



Fire extinguisher training at QL Kitchen, Shah Alam, Selangor.



COMMITMENT TO OUR COMMUNITIES

Performance

- Created employment for **2,264 local individuals**
- Invested **over RM570,000** with an estimated **5,000 beneficiaries** on corporate philanthropy activities
- Over **RM23.8 million** provided to fisherman as interest-free financial assistance in FY2021

Our Approach

QL operates with a large footprint in various regions in Malaysia and is aware of the key role that QL holds in the community. QL firmly believes that we have a responsibility towards supporting our communities and ensuring that the communities progress hand-in-hand with us. We deliver our commitment by supporting the community with employment and through corporate philanthropy activities.

Creating Employment Opportunities Within the Local Communities

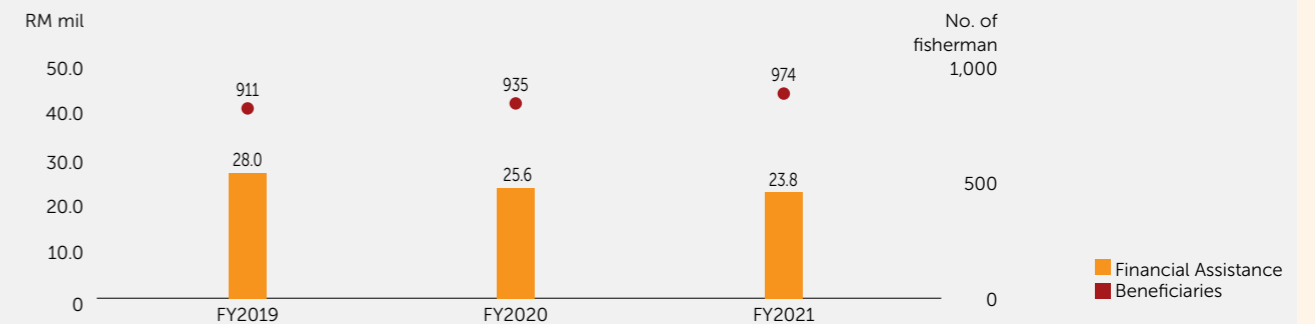
Despite a challenging year of navigating through COVID-19 pandemic, QL created a total of 2,264 jobs for the local communities, representing 95.8% of our total new hires.

Supporting Our Local Fisherman

QL continues to provide financial assistance to the fishing communities in Malaysia through our interest-free Fishermen Financial Assistance Scheme. The financial scheme supports the fishermen in building, upgrading and modernising their fishing fleet, enabling the fishermen to enhance their fishing capabilities, alleviating their financial constraints and contributing to the overall communities' income and welfare.

In FY2021, a total of 974 fishermen benefited from this scheme, with over RM23.8 million of interest-free financial assistance provided.

TOTAL FINANCIAL ASSISTANCE AND NUMBER OF BENEFICIARIES



Sustainability Statement
(Continued)



COMMITMENT TO OUR COMMUNITIES (Cont'd)

Caring for the Community

In FY2021, QL invested over RM570,000 on corporate philanthropy activities with an estimated 5,000 beneficiaries.

QL focused on supporting activities that enhanced the school environment for children. We channelled funds to upgrade facilities in schools to enable the students to conduct their activities in a more comfortable and conducive environment. We funded the construction of a multipurpose activity centre with a capacity to house 1,300 persons in a school in Sekinchan, Selangor, and the construction of a stage platform for a school located in Tuaran, Sabah.

QL's community activities in FY2021 also focused on supporting the underprivileged groups. All business units contributed in cash and in-kind to various organisations such as old folks and orphanage homes. Recognising that health and nutrition are important to the development of children and youth, CVS distributed food supplies including QL products to a refugee learning centre located in Klang, Selangor. CVS also partnered with the Pit Stop Community Café to distribute essential items to communities impacted by the COVID-19 pandemic.



Multipurpose Activity Centre for SMJK Yoke Kuan, Sekinchan, Selangor.



Food distribution in collaboration with Pit Stop Community Café, Kuala Lumpur.

MANAGING SUSTAINABILITY (Cont'd)

Governance



Good corporate governance practices builds the confidence and strengthens the trust of all our stakeholders in QL, driving sustainable growth in a constantly evolving business environment. Anchored by our Code of Business Ethics and Conduct, we strive to continuously enhance our business conduct with high standards of integrity, transparency and accountability.

KEY HIGHLIGHTS

100% of operations assessed for risk related to corruption

1,322 suppliers signed
QL's Suppliers and Business Associates Code of Business Ethics

Zero whistle-blowing cases reported

Material Matters	Progress Across the Years	
	FY2020	FY2021
Upholding Business Integrity	<ul style="list-style-type: none"> Implemented Anti-Bribery Policy Updated Whistleblower Policy 	<ul style="list-style-type: none"> Implemented Supplier and Business Associates Code of Business Ethics Established a Crisis Management Plan

Supporting the SDGs



Sustainability Statement
(Continued)



UPHOLDING BUSINESS INTEGRITY

Performance

- **100% of operations** assessed for risk related to corruption
- **1,322 suppliers accepted** QL's Suppliers and Business Associates Code of Business Ethics
- **Zero whistle-blowing cases** reported

Our Approach

Integrity, one of QL's four core values, is deeply embedded into QL's organisational culture, from the management through to our employees. We have enacted robust policies to guide our business activities and relationships and in compliance with the relevant laws and regulations. Our values and culture are communicated across our supply chain to manage end-to-end supply chain risks and strengthen business resilience.

Standing Against Bribery and Corruption

In June 2020, QL established an Anti-Bribery Policy ("ABP") as a testament to QL's commitment to conducting our business with integrity. The ABP outlines our expectations of our employees as well as our suppliers and business associates in complying with the relevant anti-bribery legislations and reinforces our stance against bribery and corrupt practices. The Whistleblower Policy was also updated to encourage reporting of suspected wrongdoings. It is key to create a confidential channel for our employees and stakeholders to raise genuine concerns about unethical behaviour or non-compliance with regulatory requirements without fear of reprisal. A fair and reasonable mechanism is in place to manage and respond to any disclosure received through the channel, with reporters having direct access to the Executive Chairman, Group Managing Director, prescribed Independent Director or Audit Committee Chairman. In FY2021, there were no whistleblowing cases reported.

Crisis Management for Business Continuity

Cognisant of the increasing occurrence of business disruptions in the current unprecedented pandemic landscape, QL has ramped up efforts to implement a crisis management plan during the year. The plan is a key element to ensure business continuity and maintain credibility, providing direction on communication, staffing and resources in the face of any crisis.

Aligning QL's Values Along the Supply Chain

Effective corporate governance extends beyond QL's operations. As a company that engages a diverse group of suppliers, it is important that our suppliers' operations are aligned with our ESG expectations. QL announced a Suppliers and Business Associates Code of Business Ethics to strengthen the resilience of our supply chain while driving value creation for all stakeholders. The Suppliers and Business Associates Code of Business Ethics sets out QL's expectations on topics such as anti-bribery and corruption, human rights, workplace health and safety and environment. As at 31 March 2021, a total of 1,322 suppliers have accepted the Suppliers and Business Associates Code of Business Ethics. We endeavour to have all our active suppliers accept the Suppliers and Business Associates Code of Business Ethics moving forward. In parallel, we are formulating processes to manage risks associate with our suppliers.

GRI CONTENT INDEX

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Universal Standards			
GRI 102: General Disclosures			
Organisational Profile			
	102-1	Name of the organisation	QL Resources Berhad
	102-2	Activities, brands, products, and services	Principal Activities, pg. 4
	102-3	Location of headquarters	Corporate Information, pg. 64
	102-4	Location of operations	Principal Activities, pg. 4
	102-5	Ownership and legal form	Corporate Structure, QL Corporate Website (www.ql.com.my)
	102-6	Markets served	Principal Activities, pg. 4
	102-7	Scale of the organisation	Value Creation Strategy, pg. 12
	102-8	Information on employees and other workers	Talent Management, pg. 47 Value Creation Strategy, pg. 12
	102-9	Supply chain	Stakeholder Engagement, pg. 29 Upholding Business Integrity, pg. 58
	102-10	Significant changes to organisation and its supply chain	Chairman's Statement, pg. 6 Business Review, pg. 22
	102-11	Precautionary principle or approach	QL does not specifically refer to the precautionary approach when managing risk. QL's management approach is risk-based guided by our internal audit framework.
	102-12	External initiatives	QL supports the UNSDGs. Materiality Boundary, pg. 32
	102-13	Membership of associations	Stakeholder Engagement, pg. 29
Strategy			
	102-14	Statement from senior decision-maker	Chairman's Statement, pg. 6
	102-15	Key impacts, risks and opportunities	Value Creation Strategy, pg. 12
Ethics and Integrity			
	102-16	Values, principles, standards, and norms of behaviour	Value Creation Strategy, pg. 12
	102-17	Mechanisms for advice and concerns about ethics	Corporate Governance Overview Statement, pg. 80 Upholding Business Integrity, pg. 58
Governance			
	102-18	Governance structure	Key Senior Management, pg. 79 Sustainability Governance, pg. 28
Stakeholder Engagement			
	102-40	List of stakeholder groups	Stakeholder Engagement, pg. 29
	102-41	Collective bargaining agreements	QL does not have collective bargaining in place
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement, pg. 29
	102-43	Approach to stakeholder engagement	Stakeholder Engagement, pg. 29
	102-44	Key topics and concerns raised	Stakeholder Engagement, pg. 29

Sustainability Statement
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GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Universal Standards			
GRI 102: General Disclosures	Reporting Practice		
	102-45	Entities included in the consolidated financial statements	Corporate Structure, QL Corporate Website (www.ql.com.my)
	102-46	Defining report content and topic Boundaries	Reporting Scope and Period, pg. 26
	102-47	List of material topics	Materiality Assessment, pg. 30 Materiality Boundary, pg. 32
	102-48	Restatements of information	Climate Change & Emissions, pg. 25 Restatement due to change of measurement methods for manure emissions and normalisation factor.
	102-49	Changes in reporting	Materiality Assessment, pg. 30
	102-50	Reporting period	1 April 2020 – 31 March 2021
	102-51	Date of most recent report	August 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	Feedback, pg. 26
	102-54	Claims of reporting in accordance with GRI Standards	Preparation of This Statement, pg. 26
	102-55	GRI content index	GRI Content Index, pg. 59
	102-56	External assurance	QL has not sought external assurance on the data presented in this statement. QL intends to seek external assurance in the future.
Topic Specific Standards			
Business Growth			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Financial Statements, pg. 97-211 Commitment to Our Communities, pg. 55
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	
Upholding Business Integrity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Upholding Business Integrity, pg. 58
	103-3	Evaluation of the management approach	
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruptions and actions taken	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Topic Specific Standards			
Climate Change & Emissions			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Climate Change & Emissions, pg. 35
	103-3	Evaluation of the management approach	
GRI 302: Energy	302-1	Energy consumption within the organisation	
	302-3	Energy intensity	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	
Water Security			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Water Security, pg. 37
	103-3	Evaluation of the management approach	
GRI 303: Water and Effluents (2018)	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
Biodiversity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Biodiversity, pg. 40
	103-3	Evaluation of the management approach	
GRI 304: Biodiversity	304-3	Habitats protected or restored	
Waste Management			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Waste Management, pg. 39
	103-3	Evaluation of the management approach	
GRI 306: Waste (2020)	306-3	Waste generated	
	306-4	Waste diverted from disposal	

Sustainability Statement
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GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Topic Specific Standards			
Occupational Safety & Health			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Occupational Safety & Health, pg. 52
	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety (2018)	403-1	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	
Talent Management			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Talent Management, pg. 47
	103-3	Evaluation of the management approach	
GRI 401: Employment	401-1	New employee hires and employee turnover	
GRI 404: Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	
Fair Labour Practices			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Fair Labour Practices, pg. 46
	103-3	Evaluation of the management approach	
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	
Local Community			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Commitment to Our Communities, pg. 55
	103-3	Evaluation of the management approach	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	
Food Quality, Safety & Nutrition			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Food Quality, Safety & Nutrition, pg. 42
	103-3	Evaluation of the management approach	
NA	NA	Performance measure based on QL specific performance indicator	

GRI Standards 2016	Disclosure Number	Disclosure Title	Section and Page Reference/Notes
Topic Specific Standards			
Biosecurity			
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Boundary, pg. 32
	103-2	The management approach and its components	Biosecurity, pg. 45
	103-3	Evaluation of the management approach	
NA	NA	Performance measure based on QL specific performance indicator	