

# SUSTAINABILITY STATEMENT

OCR Group Berhad (“OCR”, or “the Group”) is pleased to present our Sustainability Statement for the financial year ended 31 December 2020 (“FY2020”), which discloses information on OCR’s material issues along with its societal and environmental impacts and key sustainability initiatives. Stakeholders will be able to grasp a better understanding of the Group’s strategies, methodology and implementation of its sustainability efforts. This disclosure embodies the Group’s sustainability practices and progress, towards facilitating better communication, awareness and interaction between internal stakeholders and the general public.

## SUSTAINABILITY GOVERNANCE

The sustainability governance structure is spearheaded by the Board of Directors (“Board”), who is responsible in overseeing the Group’s overall sustainability performance.

The Key Senior Management team led by Group Managing Director reports to the Board and is responsible for the oversight of sustainability practices, policies and procedures in improving sustainability performance.

The corporate vision and mission motivate the entire OCR team to think bigger and progress farther in achieving greater heights.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (“SDGs”) were adopted by United Nations (“UN”) Member States in 2015, as part of the 2030 Agenda for Sustainable Development. The SDGs, comprising a collection of 17 global goals, was established to be a blueprint to attain a better and more sustainable future for all global citizens.



The Group has identified 7 out of 17 UN SDGs deemed relevant to the nature of our businesses, and are supporting the goals through:

- Promoting diversity, equality, and human rights in every layer of the organization, while also fostering a safe and healthy work environment education (SDG 3, 5, 6, 10)



- Creating modern industrial spaces that contribute towards socio-economic growth through the application of construction and engineering technologies (SDG 8, 9, 11)



## SUSTAINABILITY STATEMENT (Cont'd)

### STAKEHOLDER ENGAGEMENT

Despite challenging economic conditions amidst the uncertain political and pandemic-influenced climate, the Group maintained its efforts to improve business sustainability and stakeholder engagement in FY2020. OCR has always ensured that it prioritises safety and an environmentally friendly work space. The management believes that sustainable success will only be attainable through collaborative efforts between the Group, its stakeholders and the community. Numerous practices have been adopted to engage stakeholders as summarised in the table below:

Stakeholder	Material Issues	Engagement	Frequency
<b>Board</b>	To enhance shareholders' values and financial performances	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Annual General Meeting</li> <li>General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>As and when required</li> </ul>
<b>Employees</b>	To provide a conducive environment that promotes continuous growth and development for our people	<ul style="list-style-type: none"> <li>Training programmes</li> <li>Educational programmes</li> <li>Occupational health and safety</li> <li>Safety inspections</li> </ul>	<ul style="list-style-type: none"> <li>Every new recruit</li> <li>Monthly/As needed</li> <li>Yearly/As needed</li> <li>Monthly/As needed</li> </ul>
<b>Shareholders</b>	To create sustainable values for our shareholders by consistently improving profitability and growth	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>General Meetings</li> <li>Media Releases</li> <li>Investor relations website</li> <li>Announcements on Bursa Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>As and when required</li> <li>Regularly/As needed</li> <li>Regularly/As needed</li> <li>Regularly/As needed</li> </ul>
<b>Regulators/ Certification Bodies</b>	To comply with regulations and guidelines.	<ul style="list-style-type: none"> <li>Annual report</li> <li>Filings and announcements on Bursa Malaysia</li> <li>Dialogues with authorities</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Regularly/As needed</li> <li>As and when required</li> </ul>
<b>Customers</b>	<p>To achieve highest level of customer satisfaction by developing the best value properties and delivering high quality services and experiences</p> <p>To focus on customer needs and constantly improve to upscale our products &amp; services</p>	<ul style="list-style-type: none"> <li>Feedback channels such as emails and phone calls</li> <li>Website and social media</li> <li>Product launches and roadshows</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Ongoing</li> <li>Ongoing</li> </ul>
<b>Vendors/ Suppliers</b>	To be the preferred business partner and develop long term sustainable relationships	<ul style="list-style-type: none"> <li>New vendor evaluation and registration</li> <li>Meetings</li> <li>Evaluation and performance improvements</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Ongoing/As needed</li> <li>Annually</li> </ul>

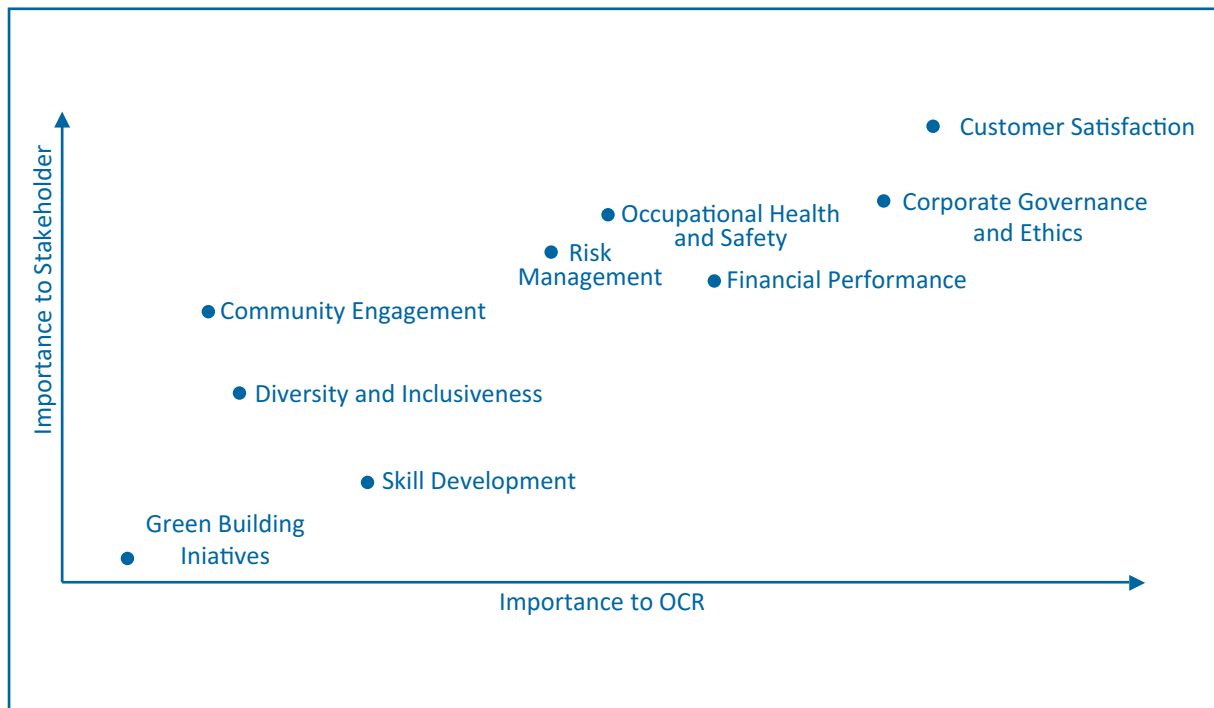
SUSTAINABILITY  
STATEMENT (Cont'd)

## STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Material Issues	Engagement	Frequency
<b>Local Communities</b>	To create a sustainable future by preserving the environment and being actively involved in development of a better society	<ul style="list-style-type: none"> <li>Community events</li> <li>Annual sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>As and when required</li> <li>Annually</li> </ul>
<b>Media</b>	To enhance the Group's brand image and reputation; informing all stakeholders of corporate news	<ul style="list-style-type: none"> <li>Interviews</li> <li>Press Releases</li> </ul>	<ul style="list-style-type: none"> <li>As needed</li> <li>As needed</li> </ul>

## MATERIALITY ASSESSMENT

The matrix below demonstrates materiality assessment of material sustainability subjects to stakeholders and OCR respectively.



SUSTAINABILITY  
STATEMENT (Cont'd)

## ALIGNMENT TO SDGs

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
<b>ECONOMIC</b>			
1	Corporate Governance and Ethics	Board, Regulators, Shareholders	
2	Risk Management	Board, Shareholders	
3	Financial Performance	Board, Shareholders	 
<b>ENVIRONMENT</b>			
4	Green Building Initiatives	Regulators, Customers, Local Communities,	 
<b>SOCIAL</b>			
5	Customer Satisfaction	Customers	 
6	Occupational Health and Safety	Employees, Vendors/Suppliers, Customers	 
7	Diversity and Inclusiveness	Employees, Vendors/Suppliers, Customers	 
8	Skill Development	Employees	
9	Community Engagement	Community	 

## SUSTAINABILITY STATEMENT (Cont'd)

### ECONOMIC

#### Corporate Governance and Ethics

The Group complies with the Malaysian Code on Corporate Governance when carrying out its operations. OCR also aims to be as transparent as possible in its business dealings and adhere to other policies or standard operating procedures that have been put in place.

OCR complies with Anti-Bribery and Corruption Policy to preserve its business integrity and accountability. Training on anti-bribery and corruption awareness and prevention was provided in FY2020 to ensure that our employees are aware of the negative consequences of corruption. We are pleased to announce that we recorded zero cases of misconduct in FY2020.

Documents such as the Board Charter, Whistle-blower Policy, Anti-Bribery and Corruption Policy and Terms of Reference are available to employees and the public via the Group's corporate website at [www.ocrbhd.com](http://www.ocrbhd.com).

#### Risk Management

The Group is cognizant of the fact that running business operations inherently bears some degree of risk. Therefore, OCR established the Risk Management Committee ("RMC") to review the effectiveness of the Group's risk management processes.

The RMC is chaired by the Group Managing Director together with an Independent Non-Executive Directors and a Non-Independent Non-Executive Directors. They develop risk management information in which new risks are identified, mitigation plans are formulated and changes in risk profile (if any) are noted. Risk assessment, at gross and residual level, is guided by the likelihood and impact ratings, which was established on the risk appetite approved by the Board.

The details are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control in this Annual Report.

#### Financial Performance

As part of OCR's goal to create sustainable earnings and be a leading real estate player in Malaysia, our main goal is to enhance the brand name for OCR to stand out as a unique and innovative developer. For one, we cater to all income classes in Malaysia, fulfilling the hopes and enriching the lives of all segments.

Our landmark "Luxury Living" project in Kuala Lumpur, Isola KLCC, which was launched in October 2017 is met with a commendable take up rate of 84.0% as at December 2020, while our "Urban Living" undertaking, The Mate, also well received by the public with over 80.0% of the launched units taken up as at end-2020. Meanwhile, our "Essential Living" development PRIYA Kuantan registered a stellar take-up rate of 92.0% as at end-2020 since its launch in October 2019. Evidently, the strategic launches of each product to cater to the demand of the market coupled with its unique propositions allow us to maintain sustainable financial performance in the long-term future.

In the past few years, the economic environment posed more challenges which resulted in the Group not being able to reward its shareholders via distribution of dividends in order to conserve cash for expansion plans. Nevertheless, the Group will consider various options to reward its shareholders at the appropriate time.

## SUSTAINABILITY STATEMENT (Cont'd)

### ENVIRONMENT

#### Green Building Initiatives

In the property development segment, there is rising demand for eco-friendly development projects as sustainability is a key decision criterion. Newer buildings are designed with environmentally-friendly features to prevent global warming. There are also increased provisions for adequate green spaces that promote a healthier and more sustainable lifestyle. As we target to be one of the leading integrated property developers in Malaysia, we strive to look into and incorporate green initiatives to reflect our commitment towards promoting sustainability.

We will explore to implement green building elements such as rainwater harvesting, installation of LED lightings and energy-efficient fittings as part of the design of our properties.

### SOCIAL

#### Customer Satisfaction

As homes are large ticket items crucial to society's wellbeing, we place a priority on ensuring our customers are being regularly updated on progress updates of existing projects. We also inform our target markets on upcoming project launches through our websites, social media and advertisements.

OCR values customer feedback as it allows the Group to improve its deliverables and rectify problems raised by customers in an efficient manner. At pre-sales level, we receive registration forms from potential customers on their preferred property price range and type. Throughout the construction period, the Group has various systems and processes in place to ensure customers are updated on the construction progress. Any queries are resolved efficiently. At the end of the project, we will also gather feedback from our customers on the overall product quality and workmanship, as a means to build rapport and achieve long term business sustainability.

Going forward, we will continue to innovate and bring new designs as well as additional value proposition to our customers, while engaging customers on a more personal basis. Through these, we hope to enhance brand awareness and customer loyalty.

#### Occupational Health and Safety

OCR is committed in prioritizing health and safety of its employees at the workplace by creating a safe and conducive environment for all. In this respect, OCR adheres strictly to Occupational Safety and Health Act, 1994 ("OSHA 1994") and the Occupational Health and Safety Assessment Series ("OHSAS 18001").

To manage occupational health and safety issues in addition to ensuring environmental compliance at worksites, we establish a safety and health committee in every project site. This committee comprises project management personnel and site managers from a team of consultants and contractors.

Site managers are responsible of conducting daily inspections with the qualified safety and health officer of the project site. This is to ensure all identified safety measures have been properly implemented. Construction site workers are required to attend safety training on a timely basis. Fogging, pest control and sanitization works are also regularly carried out at the construction site to prevent any virus outbreak.

The appointed health and safety officer will be tasked to prepare monthly reports detailing the status of health and safety issues at the site including manhours lost due to injuries. The officer is also responsible for the coordination of safety programmes to promote a safe and healthy working culture.

We are pleased to report that in FY2020, no major accidents occurred in any of the Group's construction sites.

Other than that, to prevent the spread of COVID-19, we ensure all our staff adhere to the standard operating procedures implemented by the Ministry of Health. These include staggered working arrangements in the office over time, physical distancing at all times, wearing of masks is compulsory, regular temperature scan & health declarations and ready supply of sanitisers. We have also set up an emergency response team in the event an employees work from home ("WFH") arrangements is contracted with COVID-19.

SUSTAINABILITY  
STATEMENT (Cont'd)

## SOCIAL (CONT'D)

**Diversity and Inclusiveness**

At OCR, we strongly promote diversity, inclusivity and equality regardless of gender, race and sexual orientation to encourage different groups of people to build positive relationships at the workplace. Diversity also ensures that the Group has the requisite variety of skillsets and understanding to effectively serve our stakeholders, both internal and external.

All employees are entitled to the same benefits with different coverage limits depending on their respective job grades. Benefits include medical, dental, optical, life and personal accident insurance and travelling allowance.

Not only do we also encourage diversity at our workplace, but also at our property developments. For instance, The Mate project has a level for co-living and co-working spaces. We do not discriminate against any race, religion or sexual orientation when sourcing for potential tenants.

**Skill Development**

Our employees are the foundation of OCR's success. The Group is committed to create opportunities for our employees to grow and develop their skillsets. We encourage our staff to reach their fullest potential to perform their roles effectively.

Our Human Capital department encourages each staff to disclose annual training needs in the Staff Appraisal Form. This approach can help our Human Capital department to identify the relevant training programmes and courses to upskill our workforce. Our training methods include internal knowledge sharing and external trainings.

The table below presents our training programmes in FY2020:

Training Programmes	Internal Knowledge Sharing	External Consultant
New Office Concept - Co-Working	X	
Introduction on Property Management and Developer Duties	X	
Difference Between RSKU 2.0 and RSKU 1.0	X	
Introduction to Computer Security	X	
Anti-Bribery & Anti Corruption (ABAC) Framework Implementation Programme		X
Reducing Manpower Cost		X
QLASSIC Awareness		X
Code of Ethics In The Construction Industry		X



## SUSTAINABILITY STATEMENT (Cont'd)

### SOCIAL (CONT'D)

#### Community Engagement

OCR is committed in enhancing the lives of communities in regions where we operate. We frequently collaborate with communities to resolve any issues that may arise and take note of feedback to improve our future projects.

On 23 April 2020, OCR donated 20,000 pieces of three-ply masks to the Malaysian Armed Forces as a symbol of appreciation for their service in maintaining social order during the COVID-19 pandemic. OCR also distributed groceries to vulnerable local communities to help nourish the families that were financially affected during the Movement Control Order.



Aligning to the Government's plans to promote more "Essential Living" homes to the people of Malaysia, OCR worked closely with Yayasan Pahang through a joint venture arrangement to develop PRIYA Kuantan, the largest affordable housing scheme in Kuantan. Located in Kuantan, Pahang, the project encompasses nine hundred and seventy-eight (978) units of single-storey terrace houses and one hundred and forty-six (146) units of single-storey semi-detached homes. We are exploring and look forward to launch more "Essential Living" homes especially in the state of Pahang and Selangor in the near future.

### CONCLUSION

Although 2020 has brought on unprecedented adversities, we took them as an opportunity to realign and redesign the measures in which we operate to make it through the 'new normal'. Facing challenges head-on, OCR rose to the occasion and implemented initiatives that have yielded favourable results for the Group. With the continuous support of our investors and stakeholders, we are confident that we will strive to make greater progress towards building a more sustainable future.