

SUSTAINABILITY STATEMENT

The Sustainability Statement enclosed herein details the material issues faced by OCR Group Berhad (“OCR” or “the Group”), the corresponding effects as well as key initiatives aimed at alleviating the impact on the Group, the larger community and the over-arching environment. It is intended to provide a clearer picture of the Group’s intentions and implementations that are in line with the sustainability agenda to key stakeholder groups, be they internal audiences or the external public.

SUSTAINABILITY GOVERNANCE

Underscoring the sustainability agenda from the helm, the Group Managing Director leads the charge for sustainability governance, taking into serious regard the responsibility and obligation to oversee the Group’s performance in this aspect.

The Key Senior Management team, led by Group Managing Director, reports to the Board key sustainable matters including sustainability practices, policies and procedures to continually enhance in incremental basis the Group’s sustainability performance.

The Group’s Corporate vision and mission, which advocate a holistic foundation to align the mindsets and actions all OCR employees, spur the team to think bigger and progress farther in achieving greater heights in all spheres of the Group’s operations, including sustainability.

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 8 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

We seek to maintain regular engagements with our diverse stakeholders to better understand their viewpoints and gain insights on emerging trends and issues that may affect our business. These insights in turn enable us to align our stakeholders' objectives with our business and organizational strategies.

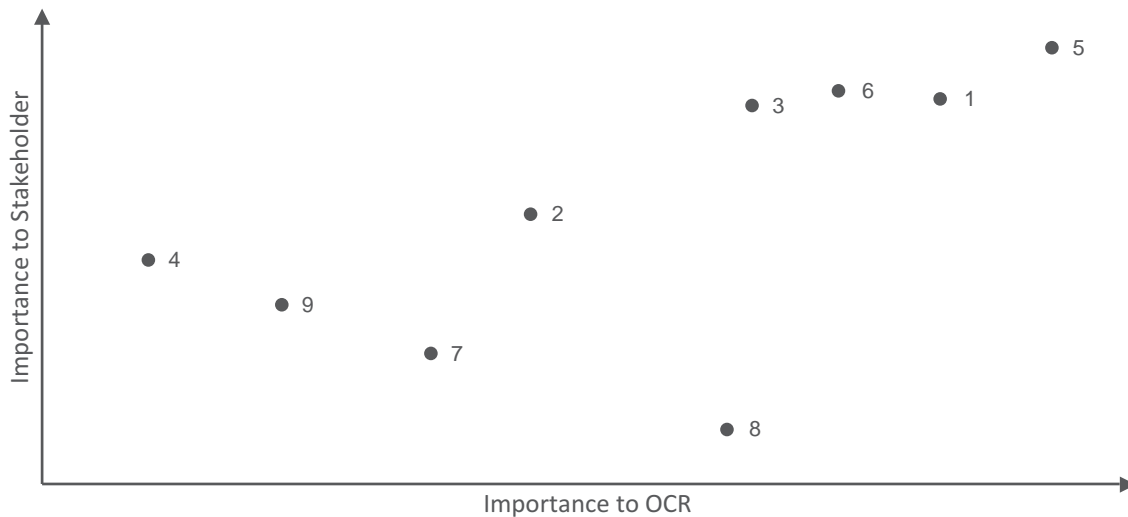
Stakeholder	Material Issues	Engagement channels	Frequency
Investors	<ul style="list-style-type: none"> Sustainable financial performance Long term value creation Corporate governance Risk management Sustainability practices 	<ul style="list-style-type: none"> General meetings Bursa announcements Website Media releases 	<ul style="list-style-type: none"> Annually Quarterly As and when there are new corporate developments
Employees	<ul style="list-style-type: none"> Career development Workplace health and safety Ethics and Integrity 	<ul style="list-style-type: none"> Management meeting Staff townhall Performance appraisals Intranet and internal newsletters Training programmes Safety inspections 	<ul style="list-style-type: none"> Minimum annually As and when required
Regulators /Certification Bodies	<ul style="list-style-type: none"> Regulatory compliance Occupational health and safety Environmental management Compliance with applicable laws and regulations 	<ul style="list-style-type: none"> Annual report General meetings Dialogues with authorities 	<ul style="list-style-type: none"> At least annually As and when required
Customers	<ul style="list-style-type: none"> Easy home ownership Product layout and quality Customer relationship management Safety and security Timely delivery Personal data protection 	<ul style="list-style-type: none"> Feedback channels such as emails and phone calls Website and social media Product launches and roadshows Site progress update through our social media channels. 	Ongoing, as and when required

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder	Material Issues	Engagement channels	Frequency
Vendors/ Suppliers / Consultants	<ul style="list-style-type: none"> • Transparent procurement practices • Sustainability of supply of materials and labour • Pricing and quality of services • Health, safety and environmental compliance • Anti Bribery & Anti Corruption practices 	<ul style="list-style-type: none"> • New vendor evaluation and registration • Meetings • Evaluation and performance improvements 	Ongoing, as and when required
Local Communities	<ul style="list-style-type: none"> • Impact of business operations, including environmental impacts • Transparency & accountability • Adherence to law and regulations in our development activities 	<ul style="list-style-type: none"> • Community events • Annual sustainability reporting 	<ul style="list-style-type: none"> • Ongoing, as and when required

MATERIALITY ASSESSMENT



Legend

Economic	Environment	Social
1. Corporate Governance and Ethics	4. Green Building Initiatives	5. Customer Satisfaction
2. Risk Management		6. Occupational Health and Safety
3. Financial Performance		7. Diversity and Inclusiveness
		8. Capacity Building
		9. Community Engagement

SUSTAINABILITY STATEMENT (Cont'd)

ALIGNMENT TO SDGs

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

SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC

Corporate Governance and Ethics

The Group continues to comply with the Malaysian Code on Corporate Governance across our operations, and to adhere to other complementary policies or standard operating procedures that enhance corporate governance.

OCR complies with Anti-Bribery and Corruption Policy to preserve its business integrity and accountability, having conducted training on anti-bribery and corruption-prevention practices to raise awareness of the various forms and consequences of corruption, and provide the appropriate prevention measures. We are pleased to maintain the record of zero cases of misconduct in FY2022.

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.

Risk Management

In order to enhance the efficiency of the Board in discharging its duties and responsibilities, the Board had approved the merger of the Audit Committee and Risk Management Committee with effect from 9 February 2022, which was renamed as "Audit and Risk Management Committee" ("ARMC") thereafter.

The Group is cognizant of the fact that running business operations inherently bears some degree of risk. Therefore, OCR established the ARMC to review the effectiveness of the Group's risk management processes.

The ARMC comprises three 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

Guided by OCR's vision to be a leading property player in Malaysia, the Group is resolute in enhancing OCR's brand equity as an innovative property developer. We aim to enrich the lives of Malaysians across income segment by delivering superior value proposition to our buyers through our efficient product design, delightful after-sales service, and easy home ownership sales packages.

Our flagship 'Luxury Living' project of Isola KLCC is poised to become our iconic development in the heart of Kuala Lumpur city centre, with 74% take up rate as at December 2022. Continuing this winning streak, our exclusive offering of 'Stellar Damansara' low-density homes enjoyed 50% take-up rate within months of its launch in 2023. Our other series have charted equal success: with our 'Urban Living' offering The Mate in Damansara Jaya boasting a 70% take-up rate as at end-2022, and our 'Essential Living' development of PRIYA Kuantan fully sold in the same timeframe.

These healthy adoption by buyers clearly indicate that the Group's value proposition is well accepted by the market. With each property development diligently and thoughtfully presented to meet the demand from a specific market segment, we believe that this would pave the way to OCR strengthening its brand positioning and achieving sustainable financial performance in the long term.

The intensely challenging economic environment led to the Board's decision to defer the distribution of dividends to shareholders in favour of preserving funds for working capital and expansion plans. The Board remains resolute in considering various options to reward its shareholders at the appropriate time, foremost by achieving sustainable financial performance.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENT

Green Building Initiatives

In view of growing awareness of and preference for pro-sustainability practices, we are adopting the necessary measures to meet rising demand for eco-friendly development projects, with purpose-built features in buildings designed to incorporate environmentally-friendly features to conserve resources, eliminate waste and/or promote recycling. There are also increased provisions for adequate green spaces that promote a healthier and more sustainable lifestyle.

As we strive to be one of the leading integrated property developers in Malaysia, we intend to continuously assimilate eco-conscious elements to reflect our commitment to sustainability. These include rainwater harvesting and installation of LED lightings and energy-efficient fittings as part of the design of our properties.

As part of the Group's responsibility in caring for the community within the vicinity of our property development projects, OCR gathered our team in October 2022 to clean the riverside of Sungai Kayu Ara in Petaling Jaya, Selangor of rubbish and debris.

The Group hopes to organize similar sessions in a periodic basis around the vicinity of our completed and ongoing projects, to demonstrate OCR's environmentally conscious stance to current and potential buyers.



Customer Satisfaction

As homes are crucial to society's physical safety and emotional wellbeing, we place high priority on ensuring our customers are being regularly updated on progress of existing projects. Our websites, social media platforms and advertisements are also effective channels to inform our target markets on upcoming project launches, project-related progress and updates on value-added features.

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 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.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL (CONT'D)

Occupational Health and Safety (Cont'd)

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 is 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 there were no major incidents in any of the Group's construction sites in FY2022.

Diversity and Inclusiveness

OCR strongly advocates diversity, equality and inclusivity as a pillar for continued business growth. 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.

We also encourage diversity in our property developments, with a clear example being The Mate project that promotes co-living and co-working space. We do not discriminate against any race, gender, religion or sexuality when sourcing for potential tenants.

Skill Development

Our employees are the foundation of OCR's success. The Group is committed to creating opportunities for our employees to grow and develop their skillsets. We motivate our staff to reach their fullest potential and perform their roles effectively, in order to advance in the next level of their career.

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 FY2022:

Training Programmes	Internal Knowledge Sharing	External Consultant
Sub-Contract Administration: Key Considerations Under Provisions Of LOA	X	
Joint Venture Agreement In Property Development	X	
Understanding Of Tenancy	X	
Time Management	X	
Pengurusan Kontraktual Tuntutan Kerugian Dan Perbelanjaan Tambahan Kontraktor		X
Construction Procurement And Contract Administration		X

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL (CONT'D)

Skill Development (Cont'd)

Training Programmes	Internal Knowledge Sharing	External Consultant
Employment Act 1955 & Amendments		X
Pengenalan Dan Pengurusan Risiko Dalam Pembinaan		X
Peningkatan Kecekapan Dan Pengurusan Kos		X
Kaedah Pengukuran & Penilaian Prestasi Projek Pembinaan		X
CIPAA Conference 2022		X
Construction Contract Termination - To Terminate Or Be Terminated		X
Financial Accounting & Consultancy		X
The Role Of Board In Strategy, Esg & Risk Management Usual Oversight		X
Ways To Success In Design & Build Contract		X

Community Engagement

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

Advocating this stance, in July 2022, OCR donated a total of 10 wheelchairs to Persatuan Kesejahteraan Rakyat Malaysia ("PKRM") – a national organization that assists the Government in looking after the welfare of the multiracial Malaysian community – under the Bantuan Kerusi Roda Rakyat Malaysia (BKRRM) initiative. The wheelchairs would be further distributed to the B40 group and/or whichever deserving segment as stipulated in by PKRM. This donation in kind enabled OCR to obtain PKRM LifeMembership to continue receiving updates on future campaigns and community-building programmes.

CONCLUSION

2022 allowed the Group to resume normalcy as the COVID-19 pandemic eased into endemic stage, and business activities were primarily focused on establishing a firm platform to launch into the next growth stage. At the same time, this allowed OCR to keep sustainability goals towards the wider community in view, and make headway in enhancing the lives of the wider society. We reinforce our commitment to establish an increasingly sustainable future for all.

The Company has taken measures to ensure compliance with the Enhanced Sustainability Reporting Framework in Annual Report 2023.