



立德集团有限公司  
**KTMG LIMITED**

# **SUSTAINABILITY REPORT**

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**2022**



## POSITIONING FOR OPPORTUNITIES

In every challenge, there is an opportunity. As we forge ahead in a time of constant change and disruptions, it is increasingly crucial for the Group to be well-positioned to seize opportunities within the challenges.

We will continue to drive operational efficiency and innovation to strengthen our position as a one-stop integrated textile and apparel manufacturer to achieve sustainable growth and maximise long-term shareholder value.



Customer's interest is our top priority  
客户价值第一

The best performance today is the minimum requirement of tomorrow  
今天最好的表现是明天最低的要求

Change is the only constant  
唯一不变的是变化

Attitude determines altitude  
态度决定高度

Simplicity  
化繁为简

Be consistent  
执行一致性

No excuses, no mistake and no wastage  
不找借口，不出错，不浪费

TEAM. Together everyone achieves more  
团队合作，才能得到更多

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This Sustainability Report has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Sustainability Report has not been examined or approved by Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.

The contact person for the Sponsor is Ms. Charmian Lim (Tel: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

## 1.0 MESSAGE FROM THE EXECUTIVE CHAIRMAN



### Dear stakeholders,

I am pleased to provide insights on our performance in the last financial year ended 31 December 2022 (“FY2022”).

We are delighted to share that as the global economy continues to recover from the pandemic and despite the various challenges, KTMG has risen above the hurdles, thanks to the unwavering commitment and perseverance of our Board of Directors and all our employees.

As one of the leading textile and apparel manufacturer in the region, we at KTMG are committed to ensuring that our company operates with good governance and in a socially responsible and environmentally sustainable manner. We recognise that our success depends on our ability to create long-term value for our stakeholders, and that means balancing economic growth with social and environmental responsibility.

On our third sustainability reporting, we are more determined than ever to adding value to our stakeholders while minimising the impact of our business operations towards our environment. To this end, we have invested on solar photovoltaic panels at our manufacturing facilities in Batu Pahat, Johor, Malaysia, to improve energy efficiency and reduce our carbon footprint.

At KTMG, our people are our greatest assets, and we are dedicated to their growth and development. In March 2022, we established the KTMG Institute of Management in partnership with Shanghai Action Education Technology Co. Ltd., a publicly listed management training institution based in Shanghai, China to develop leadership and management training programs to enhance our employees' skills and capabilities.

Moving ahead, we anticipate the global economic environment to remain challenging and we will remain focused on sharpening our competitive edge by building capabilities, enhancing production efficiency, and develop innovative products to capture growth opportunities.

Finally, we would like to express our sincere gratitude to our people for their perseverance, determination, and resilience throughout the past year. As we move forward, we remain committed to adding value to our stakeholders and achieving sustainable growth.

### On behalf of the Board

Mr. Lim Siau Hing  
Executive Chairman

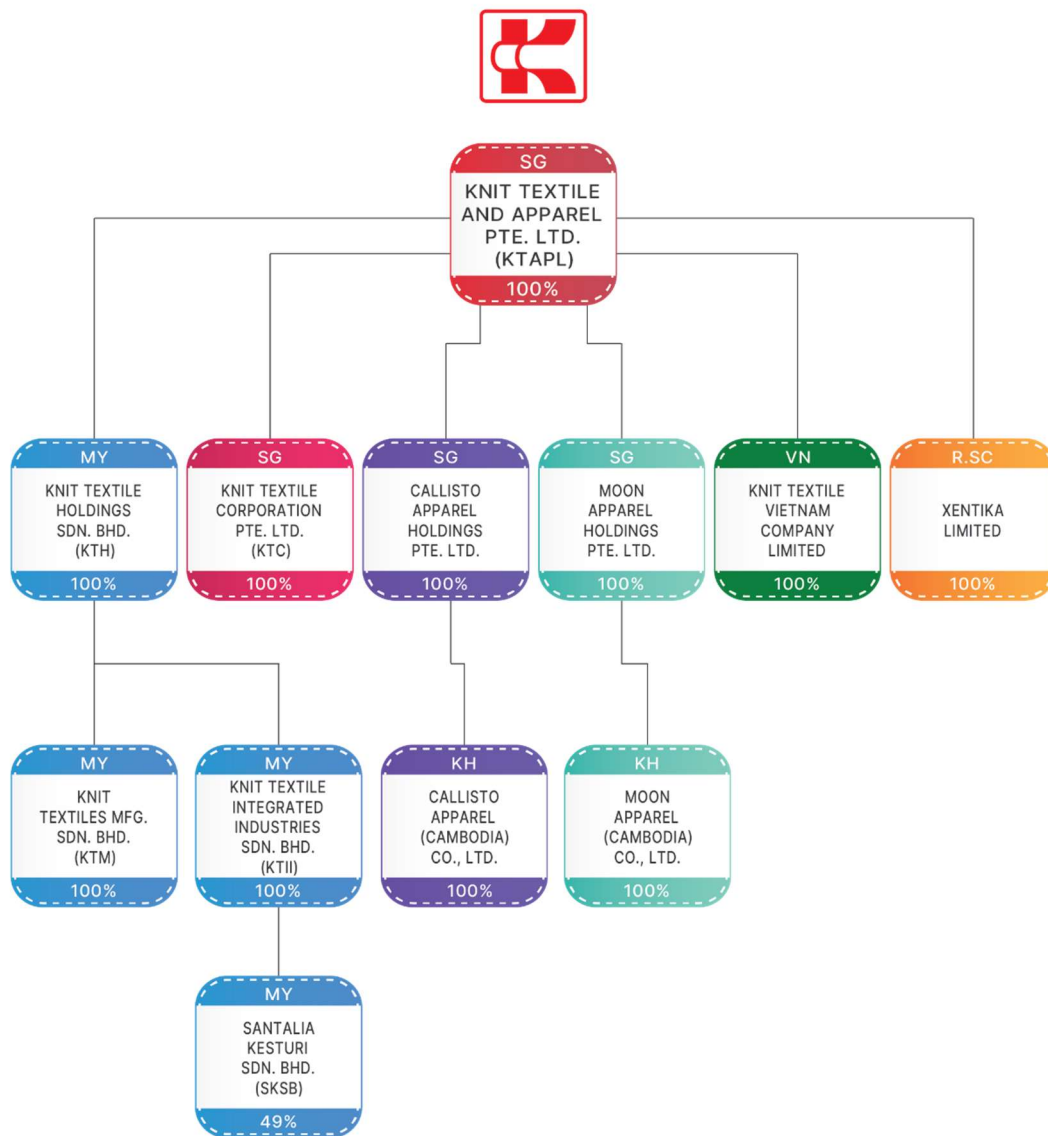
**2.0 | ABOUT KTMG**

KTMG Limited, (the “Company” or “KTMG” and together with its subsidiaries, the “Group”) is an integrated textile and apparel manufacturer.

KTMG is a contract manufacturer of apparel specialising in athleisure wear, casual wear, loungewear, and pyjamas for various ages, with facilities in Malaysia and Cambodia. The Group manufactures apparel for retailers in the United Kingdom, United States, European Union, and Canada, who then sell apparel products under their own brands. The Group has a co-creation business model through which it collaborates closely with its customers during the product initiation process, thereby offering customers a one-stop value-added platform. In 2019, KTMG expanded upstream into the knitting, dyeing, and finishing of fabric, with its own textile manufacturing facility in Johor, Malaysia.

The Group operates with a broad and long-term perspective and works towards improving the quality of life of our employees, their families, and the local communities where we operate.

**Group Structure**



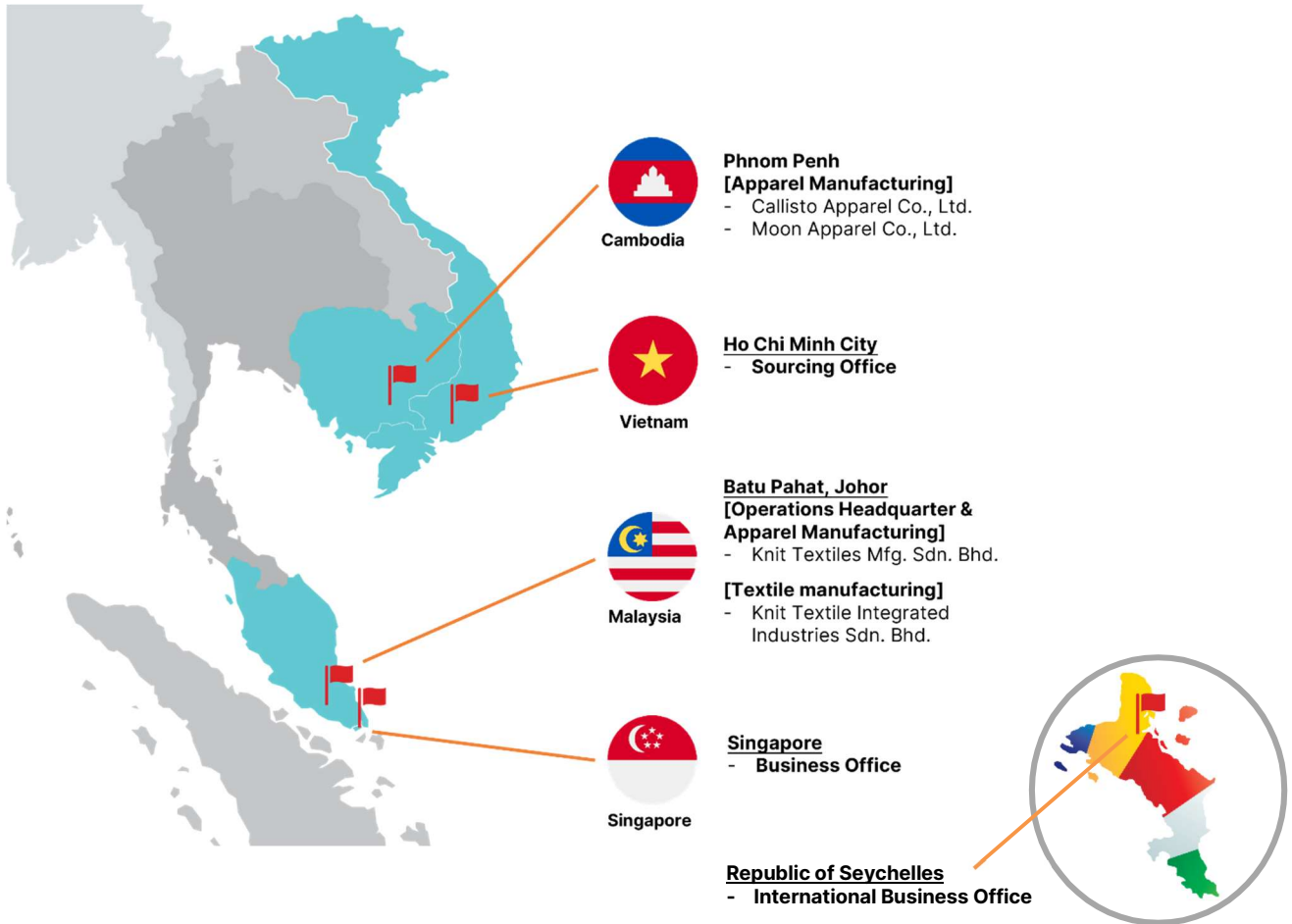
Note: All subsidiaries are wholly owned by KTMG Limited, except for Santalia Kesturi Sdn. Bhd., where KTMG owns 49% of the entity.

LEGEND		
MY : MALAYSIA	SG : SINGAPORE	VN : VIETNAM
KH : CAMBODIA	R.SC : REPUBLIC OF SEYCHELLES	

## Operating Location and Principal Activities

The Group is a vertically integrated textile and apparel manufacturer. It is headquartered in Malaysia, has operations in Singapore, Malaysia, Cambodia, Vietnam and Republic of Seychelles, and serves global markets.

Following are the Group's operating locations and principal activities:



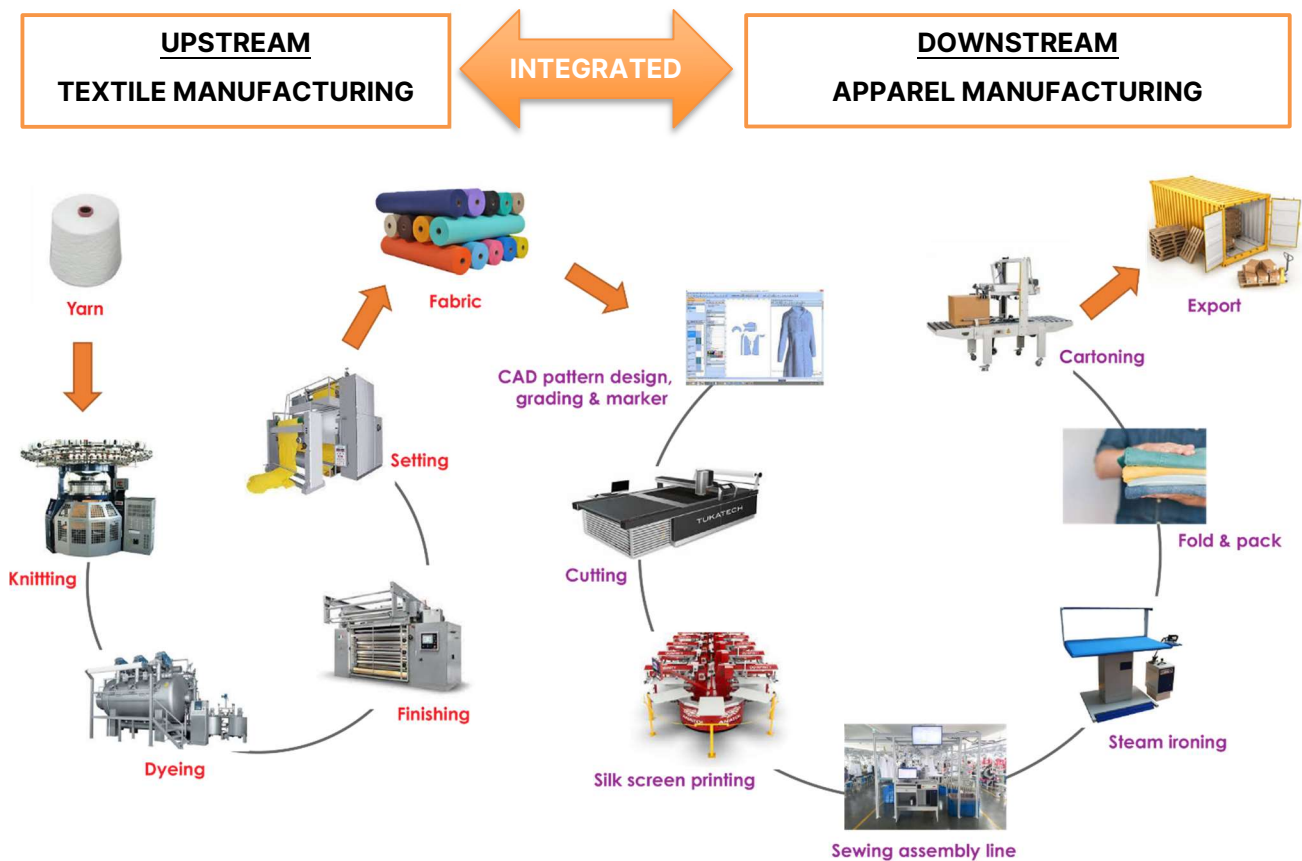
Apparel manufacturing facility, Knit Textiles Mfg. Sdn. Bhd. ("KTM"), Batu Pahat, Johor, Malaysia

Textile manufacturing facility, Knit Textile Integrated Industries Sdn. Bhd. ("KTII"), Batu Pahat, Johor, Malaysia

Apparel manufacturing facility, Callisto Apparel Co., Ltd ("CA"), Phnom Penh, Cambodia

Apparel manufacturing facility, Moon Apparel Co., Ltd ("MA"), Phnom Penh, Cambodia

**Our Value Chain**



At KTMG, our production chain is fully integrated from fabric manufacturing to the making of apparels. We control every aspect of production, from the sourcing of raw materials to the delivery of finished goods to our customers. By having a fully integrated production chain, the Group can improve its efficiency and supply chain management, as well as to provide high quality products to our customers.

**Certifications**

 <p><b>BETTER COTTON INITIATIVE</b></p>	 <p><b>GLOBAL RECYCLED STANDARD (GRS)</b></p>	 <p><b>OEKO-TEX STANDARD 100</b></p>
 <p><b>WRAP CERTIFIED FACILITY</b></p>	 <p><b>International Labour Organization</b> <b>ILO CERTIFIED FACILITY</b></p>	 <p><b>BSCI CERTIFIED FACILITY</b></p>

The Group's manufacturing facilities are fully compliant to the above standards and certifications. We are committed to operating ethically and responsibly, complying with legal requirements, protecting our workers' rights, and meeting our customers' requirements. We strive to promote sustainability within the industry.

## 3.0 | SCOPE OF REPORT

This report details the sustainability efforts and performance of the Group's consolidated entities for the financial year ended 31 December 2022 ("FY2022"). The reporting entities comprised of the Group's headquarters in Malaysia and manufacturing operations in both Malaysia and Cambodia. The content of this report will focus on the combined sustainability performance, activities, and initiatives undertaken by the reporting entities.

Material issues and topics described in this report have been selected according to their level of significance within the Group's boundaries, the sustainability context and materiality are reflective of the Group's core business operations.

This report shall utilise FY2020's data as baseline for reporting as we continue our sustainability journey. The data presented in this report applies to the Group as a whole unless otherwise stated in the report. We hope to expand the indicators presented on the material matters in this report in the near future.

This sustainability report was published on 30 April 2023.

### Reporting Methodology

This report is prepared with reference to the requirements of the Global Reporting Initiative's ("GRI") Standards 2021, an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. This report is also prepared in compliance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Catalist Rules") and is referenced to the guidance set out in SGX-ST's Sustainability Reporting Guide under Practice Note 7F of the Catalist Rules. The Group adopts the precautionary principle to minimise the negative effects of conducting its business whenever feasible (GRI 2-23). The primary components of SGX's sustainability reporting requirements that we have sought to include in this report include the following:

#### 1. Material environmental, social, and governance ("ESG") factors

Material ESG factors are elaborated in Section 3 of this report. The Group conducted a materiality assessment from internal and external stakeholders to identify material matters that are important to both the Group and its stakeholders.

#### 2. Policies, practices, and performance

The policies, practices, and performance for each material matter shall be discussed in their individual sections below. The Group understands the need to improve on the performance of ESG-related matters and shall be reporting the performance, which is built upon FY2020's baseline data.

#### 3. Targets

As the Group's sustainability report is in its infancy, we aim to incorporate ESG factors into daily operations and set out strategies for improvement and targets to be attained as our sustainability reporting matures.

#### 4. Sustainability reporting framework

This report is prepared in accordance with the GRI Standards 2021 and Sustainability Reporting Guidelines published by SGX-ST.

#### 5. Board Statement

The statement from our Executive Chairman highlights how the Board views sustainability issues as a component of the Group's strategic growth. In Section 4 on Sustainability Governance, we have further elaborated on how the Board inspects and resolves ESG issues.

This report shall disclose ESG factors related to the course of the Group's business operations. This will allow stakeholders to have a clear view of the Group's business practices and our commitment to deliver values to them.

### Contact Information

The Group values stakeholders' feedback on sustainability reporting to assist us in improving our sustainability performance and processes. For comments and feedback, please contact us through email at [info@ktmq.sg](mailto:info@ktmq.sg).



## 4.0 | SUSTAINABILITY APPROACH

The Group's approach to sustainability is guided by our vision of creating responsible apparel for a sustainable world. We continue to integrate sustainability considerations in our mission to become a world-class vertically integrated athleisure wear manufacturer.

We are committed to the efforts of integrating sustainability considerations into our business operations and corporate strategy and this has shaped our approach in determining the material matters that are outlined within this report.

### Sustainability Governance

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Sustainability governance includes the systems and controls in place to manage the Group's sustainability activities. This includes policies, processes, and people, which are necessary to meet the expectations of all stakeholders with integrity, respect, transparency, and in a responsible manner.

While the Board of Directors ("BOD") oversees the strategy of all sustainability initiatives of the Group, the Executive Leadership Team ("ELT"), led by Chief Executive Officer provides the necessary oversight for implementation, including developing, approving, and updating the Group's business strategies, policies, and goals in sustainable development. Senior management of all business units are responsible for implementation and review of the Group's sustainable policies, practices and initiatives to the ELT.

The ELT reports to BOD on matters relating to the Group's impacts on the environment and its people at least annually. The BOD reviews and approves all sustainability matters or concerns and action plans proposed by the ELT, as well as assessing the performance of each sustainability initiatives and providing recommendations. In FY2022, there were no identified and communicated critical concerns to the BOD.

Furthermore, the Group has in place an internal audit function for sustainability, led by the Chief Operating Officer, to perform regular review of sustainability targets, metrics, and reporting. While the data and information provided within this report have not been reviewed by an independent third party, we have relied on internal assurance to ensure accuracy. We will consider seeking external independent assurance review in the future to further ensure the accuracy of the data and information provided in this report.

For matters on corporate governance, remuneration, and compensation, please refer to the Group's Annual Report 2022 published on 12 April 2023.

### Policy Commitments

The Group has in place the Code of Conduct and Ethics and Whistle-Blowing Policy to ensure ethical business practices across all its activities, including business relationships. These policies undergo periodic review and approval by the ELT and the BOD.

The Group communicates policies and procedures to its employees during onboarding training and regular training sessions to ensure all employees' understand and adhere to the policies. The ELT and Senior Management have the responsibility of ensuring that strategies, operational policies and procedures are properly implemented and communicated with all employees.

### Compliance with Laws and Regulations

Adherence to laws and regulations is critical for the Group's business operations. The Group conducts regular compliance monitoring in accordance with its Code of Conduct and Ethics, policies, and existing applicable laws, rules, and regulations in all locations where it operates.

Non-compliance could have significant consequences for the Group's reputation, including civil and/or criminal actions, damages, fines, and criminal sanctions against the Group and/or its employees. The Group requires all employees to familiarise themselves with the laws relating to their job responsibilities and Group policies.

In FY2022 and FY2021, the Group met all compliance requirements without major offenses, and no penalties or fines were incurred.

## Tax Compliance

The Group ensures tax compliance and fully supports the local and national government by filing the appropriate taxes. The ELT and BOD monitors tax compliance. The Group regularly files tax returns, assesses and identifies tax complexities and risks. The Group complies with applicable tax regulations as part of its sustainability commitments. It engages third-party tax consultants to assist in tax management and external auditors to ensure that its financial statements comply with reporting and disclosure requirements.

## Stakeholder Engagement

The Group focuses on value creation for its stakeholders and is always keen to understand their needs and expectations by facilitating two-way communications. The close interactions between the Group and its stakeholders create a trusting relationship. These engagement programs aim to identify and address stakeholders' concerns or grievances and provide a way for stakeholders to seek advice and raise concerns about the Group's business conduct.

To ensure the voices of the stakeholders are heard, the Group has adopted the following engagement methods:

Stakeholders and Focus Areas	Engagement Methods	Frequency
<b>Customers:</b> <ul style="list-style-type: none"> <li>Anti-corruption and whistleblowing</li> <li>Privacy and data protection</li> </ul>	Feedback survey	On going
	Live interactions	On going
	Regular meetings	On going
	Customer site visits	On going
<b>Employees:</b> <ul style="list-style-type: none"> <li>Employment practices</li> <li>Training and development</li> <li>Occupational Health and Safety (OHS)</li> <li>Anti-bribery and corruption</li> </ul>	Health and safety briefing	On going
	Corporate/staff memos	On going
	Performance evaluations	Annually
	Regular meetings	On going
	Anti-bribery and corruption briefings	On going
<b>Management:</b> <ul style="list-style-type: none"> <li>Sustainability governance</li> <li>Business ethics</li> </ul>	Monthly operation reviews	Monthly
	Semi-annual operation review	Semi-annually
	Budget preparation	Annually
<b>Suppliers:</b> <ul style="list-style-type: none"> <li>Supplier assessments</li> <li>Anti-bribery and corruption</li> </ul>	Evaluation of suppliers	On going
	Live interactions	On going
	Anti-bribery and corruption briefings	On going
<b>Shareholders and Financial:</b> <ul style="list-style-type: none"> <li>Investor relations</li> <li>Legal compliance</li> <li>Privacy and data protection</li> </ul>	Annual general meeting	Annually
	Media releases	On going
	Corporate website	On going
	Regular updates via SGXNet	On going
<b>Government and Regulators:</b> <ul style="list-style-type: none"> <li>Legal compliance on environmental and social matters</li> </ul>	Inspections and audits	On going
	Regular tax review, filing and payments	Monthly
	Participation of government or regulator organised events	On going
	Regular updates via SGXNet	On going

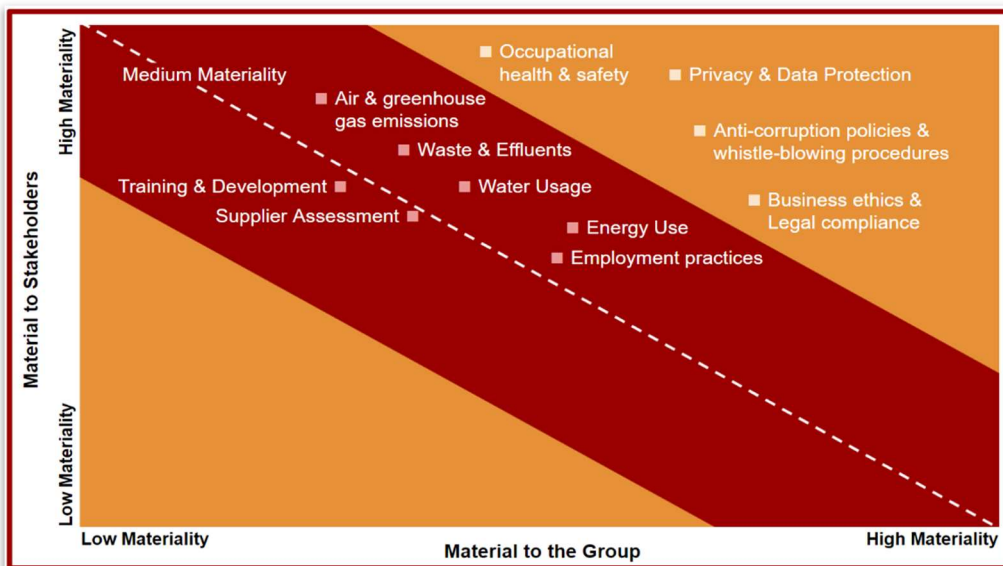
### Identification of Material Topics

The Group conducted a materiality assessment to select topics that the Group values for inclusion in this report. The assessment comprised of the following three main stages:



### Materiality Matrix

Materiality assessment was performed in accordance with the GRI Standards. The two main criterias used when assessing the materiality of a topic were, 1) the significance of economic, environmental, and social impacts, and 2) the influence on stakeholders' assessments and decisions. The material topics identified for FY2022 are in line with those reported on the previous sustainability report published on 31 May 2022.



#### Governance

- Business ethics
- Anti-corruption and whistleblowing procedures
- Supplier assessments



#### Environmental

- Air and greenhouse gas ("GHG") emissions
- Waste and effluents
- Water usage
- Energy usage



#### Social

- Employment practices
- Occupational health and safety ("OHS")
- Training and development
- Privacy and data protection

With these material topics identified, we categorised our ESG disclosures into three sustainability pillars:

- Governance – Ethical and Responsible Business
- Environmental – Caring for our Environment
- Social – Caring for our People and Community

## Alignment with International Initiatives

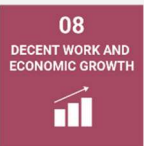



### United Nations Sustainable Development Goals

The United Nations (“UN”) Sustainable Development Goals (“SDGs”) are a set of 17 goals established by the UN in 2015 as part of the 2030 Agenda for Sustainable Development. The SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

At KTMG, we understand that alignment to the SDGs is becoming increasingly important as stakeholders are placing greater emphasis on social and environmental responsibility. Aligning to the SDGs can also create business value by identifying new opportunities for innovation and reducing risks. We acknowledge that our participation in reaching the SDGs has room for improvement and as we progress on our sustainability journey, we will continue to assess our alignment with the SDGs and whenever possible, redirect our sustainability strategy to more effectively and comprehensively address the goals.

SDG Goals	Our Participation	Sustainability Pillar
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.2 Strive to achieve sustainable management and efficient use of natural resources in our procurement and manufacturing practices.	Governance
	12.5 Improving our waste and recycling practices to substantially reduce waste generation through prevention, reduction, recycling, and reuse.	Environmental
	12.6 Adopting sustainable practices and integrating sustainability information into our reporting cycle.	Governance
 <p>13 CLIMATE ACTION</p>	13.1 Strengthening our resilience and adaptive capacity to climate-related hazards and natural disasters by preparing for emergencies and adhering to regulations related to environmental protection.	Environmental
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Social
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	16.2 With the Group’s zero-tolerance policy on child labour and forced labour, we strive to end abuse, exploitation, trafficking and all forms of violence against and torture of children.	Social
	16.5 Substantially reduce corruption and bribery in all their forms by enhancing our corporate governance practices and company policies.	Governance

Other than the above areas of importance which are key focus of the Group, we have also identified and recognised additional SDGs that are relevant to our business operations and value chain. These goals are addressed in our various policies and are also embedded in various initiatives carried out across the Group.

	Sustainability Pillar								
	Governance		Environmental		Social				
Other relevant SDG Goals	 <p>08 DECENT WORK AND ECONOMIC GROWTH</p>	 <p>06 CLEAN WATER AND SANITATION</p>	 <p>07 AFFORDABLE AND CLEAN ENERGY</p>	 <p>03 GOOD HEALTH AND WELL-BEING</p>	 <p>04 QUALITY EDUCATION</p>	 <p>14 LIFE BELOW WATER</p>	 <p>15 LIFE ON LAND</p>	 <p>05 GENDER EQUALITY</p>	 <p>10 REDUCED INEQUALITIES</p>

## 5.0 | GOVERNANCE

### Anti-Corruption and Whistleblowing Policy

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We pride ourselves in maintaining the highest standards of corporate governance and aligned ourselves to international best practices through our Anti-Corruption Policy and Whistleblowing Policy. These policies outline the Group's commitment to ethical behavior and provides guidelines and procedures for preventing and responding to corrupt practices.

#### Anti-Corruption Policy

This policy applies to all employees of the Group, including any associated business partners, agents, contractors, and consultants acting on behalf of the Group. We define corruption as an abuse of entrusted power for personal financial gain and we define bribery as the giving, offering, or agreeing to provide benefits to others in order to improperly influence an outcome to obtain or retain an unfair advantage.

The Group ensures that records and accounts are, in reasonable detail, accurately reflecting all transactions and dispositions and requires all individuals associated with the Group to maintain complete and accurate records with respect to all transactions on behalf of the Group. These requirements apply to transactions of any amount, not limited to sums that would be "material" financially.

With a zero-tolerance policy to bribery and corruptions, the Group ensures that its monitoring and management control systems are effective in detecting any bribery, fraud or other malpractice. The Group has a designated officer who records issues on ethics and compliance and escalates to the top management where appropriate.

In FY2022 and FY2021, the Group assessed all its operating departments for corruption risks and has not noted any incidents of corruption. Furthermore, no public legal cases were brought against the Group or its employees within the reporting year.

#### Whistleblowing Policy

The Group is committed to the highest standards of integrity, openness, and accountability in business conduct and operations. We will continue to ensure that all business affairs are conducted in an ethical, responsible, and transparent manner. The Whistleblowing Policy provides an avenue for employees or members of the public to disclose any improper conduct (misconduct or criminal offense) through internal channels and direct to the Audit Committee. We encourage the reporting of any misconduct through the direct whistleblowing channel prescribed below.

All whistleblowers will be accorded the protection of confidentiality of their identity. However, any employee or member of the public who wishes to report improper conduct will be required to disclose his/her identity to the Group so that we are able to accord any necessary protection of identity.

All disclosures can be submitted via [whistleblow@ktmg.sg](mailto:whistleblow@ktmg.sg). Upon completion of the whistleblowing process and procedures, the whistle-blower will be accorded the privilege of being notified of the outcome of the disclosure.

Please visit <https://www.ktmg.sg/whistle-blowing-policy> for further information.

### Supplier Assessments

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As part of our objectives to achieve greater integration of sustainability throughout our value chain, we extend the application of responsible business practices to our business partners and suppliers. As we are only at the early stages of the journey to integrate sustainable business practices throughout our supply chain, we started in the area of supplier selection and management.

All new suppliers are required to undergo our supplier selection process and we assess all our key suppliers on multiple parameters, namely product or service quality, price, delivery, and service or support. Our key suppliers are assessed annually on a scale of 1 to 3, with a score of 1 being unsatisfactory and a score of 3 being exceeding expectations. In FY2021, the average scores of the Group's textile, fabric, and garment accessories suppliers in both Malaysia and Cambodia scored 2 and above, where they achieved satisfactory expectations. This score is consistent with FY2021. In FY2021 and FY2022, we have not noted significant actual negative environmental and social impact on our suppliers. We will continue to assess our suppliers for any actual or potential negative impacts.

We also aim to discover new areas of collaboration with our suppliers to gradually increase transparency and continue to build shared capacity to minimise our indirect environmental and social impacts. As such, we continuously work with our suppliers through additional assessments and constant communication to encourage the adoption of compliance certifications such as Business Social Compliance Initiative (BSCI), Customs Trade Partnership Against Terrorism (C-TPAT), as well as Worldwide Responsible Accredited Production (WRAP). As a leading manufacturer in the region, we believe it is our responsibility and duty to promote an ecosystem that adopts sustainability principles through positive reinforcement and encouragement.

## 6.0 | ENVIRONMENT

The Group has identified the following environmental material topics to our business based on the materiality assessment conducted for FY2022:

- Air and Greenhouse gas emissions (Fuel Consumption - Scope 1 and Energy Use - Scope 2)
- Water Usage
- Waste Management

We ensure legal compliance with environmental-related matters through relevant local laws from all local jurisdictions in which we operate. The legal compliance of environmental matters is managed internally through internal compliance and audit committees, supervised by senior management and reported to Chief Executive Officer, who is accountable to the Board of Directors.

The data presented in the following sections focuses on manufacturing centers in Malaysia and Cambodia, as we believe these operating centers generates the largest impact on the environment.

In FY2022 and FY2021, there was no incident of non-compliance with environmental matters within the organisation, and the Group will continuously strive to maintain this status.

Other initiatives where the Group adopted to increase resource efficiency including the 3Ps – whereby we promote the efficient usage of Products, Processes, and People. We believe that encouraging behavioral change through the 3Ps will help to internalize a culture of resource efficiency throughout the organisation.

### Climate Change Risks and Opportunities

The current climate crisis has become more apparent, and the repercussions of climate change pose a significant threat to individuals, business operations, and economies worldwide. Climate change presents financial implications, risks, and business opportunities. As extreme weather events became more frequent, businesses may experience increased costs due to property damage and supply chain disruptions.

As the Group looks to the future, we are aware of the potential risks. Uncontrolled global warming could adversely affect our business operations, limiting our ability to function effectively. To further strengthen our awareness and understanding on the impacts of climate change, we have adopted a phased approach in FY2022 for climate-related disclosures in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosure (“TCFD”).

In managing climate-related risks and opportunities, the Group have identified the relevant physical and transition risks with its associated financial impact. We have also identified our responses to these risks and opportunities. Going forward, we will continue to refine our climate-related risk analysis, and to enhance our response actions.

Risk Category	Description	Potential Financial or Operational Impacts
Physical	<p>Rising global temperatures and/or heatwaves.</p> <ul style="list-style-type: none"> <li>• Increased health and safety risks for workers at our manufacturing facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in operating costs on facility upgrade (i.e. cooling system) and medical compensation.</li> <li>• Decrease in revenue due to decreased efficiency from negative impacts on the well-being of our workforce.</li> </ul>
Physical	<p>Extreme weather events i.e. flood, drought, cyclone and etc.</p> <ul style="list-style-type: none"> <li>• Impact the availability and cost of raw material (e.g. cotton yarn).</li> <li>• Disruptions in global logistics and supply chain causing delivery delays from suppliers and to customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in gross or net margins due to rising cost of raw material.</li> <li>• Increase in operating costs due to global supply chain disruptions.</li> </ul>

Risk Category	Description	Potential Financial or Operational Impacts
Transition	New regulations or tightening of regulations on reducing carbon footprint.	<ul style="list-style-type: none"> <li>Increase in operational costs or capital expenditure as may require significant investment on new technologies, infrastructures, and energy efficiency measures.</li> </ul>

The Group strives to respond timely and appropriately to the above findings. Since our manufacturing facilities require a significant amount of energy, managing greenhouse gas emissions in our business operation is important to address these climate-related risks. We have started to invest in renewable energy, which was through installing solar panels at our textile and apparel manufacturing facilities in Batu Pahat, Johor, Malaysia. Our textile manufacturing facility is also equipped with an in-house water treatment plant to remove contaminants in our wastewater before they are safely discharged into the environment.

## Energy and Emissions

### Greenhouse Gas ("GHG") Emission

At KTMG, we strive to reduce the impact of our business operations on the environment and to mitigate the risks of climate change. The Group supports the global initiatives stipulated in the Paris Agreement and Malaysia-owned Nationally Determined Contribution<sup>1</sup>. The Group adheres to the requirements of the 2006 Intergovernmental Panel Climate Council ("IPCC") Guidelines for National Greenhouse Gas Inventories and the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard and applies the following approach to GHG emissions accounting:

- Evaluating direct emissions of all seven GHG stated in Kyoto Protocol (Scope 1).
- Assessing indirect emissions linked to the purchased electricity (Scope 2)

The Group reports GHG emissions in t/CO<sub>2</sub>, calculated using the IPCC 2006 global warming potentials.

<sup>1</sup> Rajakumar and Sieh dated 18 December 2020, Climate and Environmental Governance: Five years on from the Paris Accord, where are we?

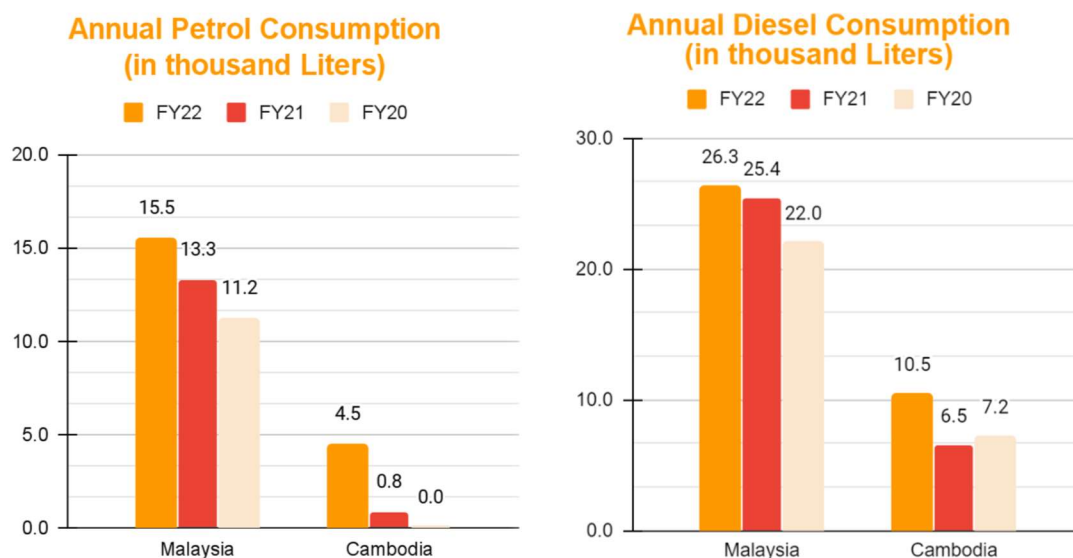
### Scope 1 - Fuel Consumption

In FY2022, we noted an overall increase in petrol usage across our operations in Malaysia and Cambodia, and this is mainly due to increase in the frequency of goods' transportation and business travel, which is also in line with the increase in production output of the year. The diesel usage in Malaysia is mainly for forklifts and in Cambodia, diesel is mainly used for power generator due to unstable power supply in the country.

The fuel consumption of our operations in both Malaysia and Cambodia is stated below:

Factory, Location	Annual Petrol Consumption (Liters)		Annual Diesel Consumption (Liters)		Annual GHG Emissions (tCO <sub>2</sub> ) <sup>2</sup>	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Batu Pahat, Johor, Malaysia						
Apparel manufacturing	13,726	11,416	8,854	9,518	52.32	58.60
Textile manufacturing	1,772	1,852	17,460	15,845	48.49	54.36
Phnom Penh, Cambodia						
Apparel manufacturing	4,457	840	10,455	6,480	210.28	126.44
<b>Total</b>	<b>19,955</b>	<b>14,108</b>	<b>36,769</b>	<b>31,909</b>	<b>311.09</b>	<b>239.40</b>
Intensity ratio*	187.72	143.96	345.90	325.60	2.93	2.44
Baseline Intensity ratio* (FY2020)		157.80		411.13		3.31
Change in energy consumption intensity*	↑ 29.92	↓ 13.84	↓ 65.23	↓ 85.53	↓ 0.38	↓ 0.87

\*Per million S\$ of revenue



<sup>2</sup> The carbon emissions from fuel (petrol and diesel) presented for Malaysia were calculated through <https://greentechmalaysia.my/>. The carbon emissions from fuel (diesel) presented for Cambodia was calculated with an emissions factor of 1.6tCO<sub>2</sub>/1000kWh and an assumption of a diesel generator that produces 12kWh/liter of diesel, which is aligned to UNDP's assessment of Cambodia's emissions factors, available here <https://www.undp.org/publications/energy-efficiency-nama-garment-industry-cambodia>.



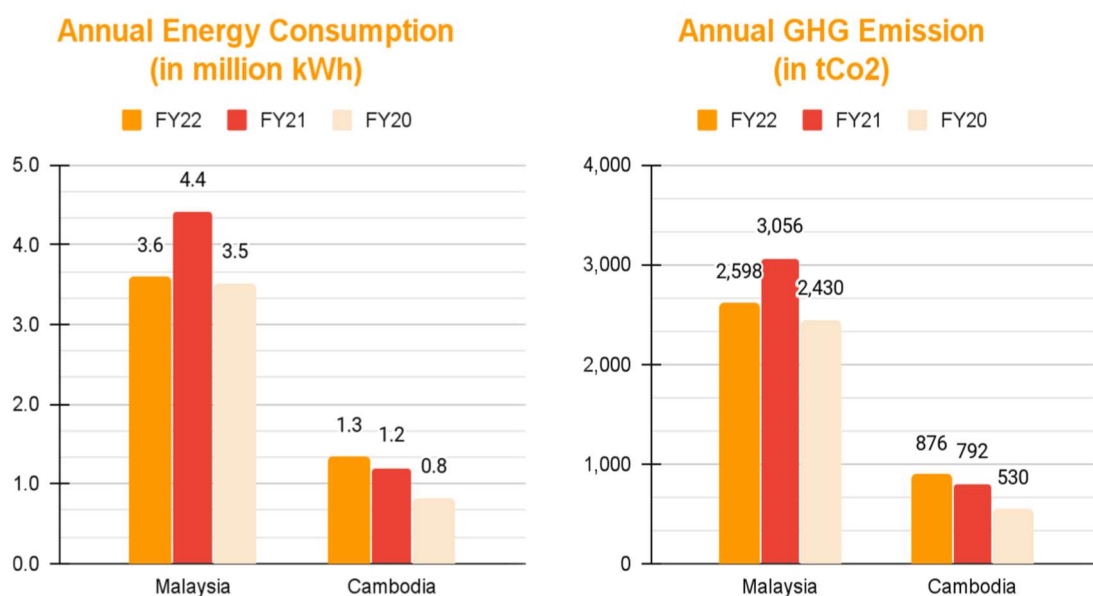
## Scope 2 - Energy Consumption

Scope 2 reflects GHG emissions produced from the generation of purchased or acquired electricity. The Group uses a substantial amount of energy for the operation of machineries in its textile and apparel manufacturing facilities. In our effort to reduce carbon emissions, we have completed the installation of rooftop solar photovoltaic (“PV”) systems for our Malaysia operations in Knit Textile Manufacturing Sdn. Bhd. (“KTM”), which is our apparel manufacturing facility and Knit Textile Integrated Industries Sdn. Bhd. (“KTII”), our textile manufacturing facility.

The solar PV systems for KTM started its operation in November 2022 and generated a total of 10,417 kWh by 31 December 2022. Meanwhile, the solar panel for KTII started its operation in September 2022 and generated a total of 37,692 kWh by 31 December 2022. The Group is expecting a further reduction in the usage of non-renewable energy in the coming years.

Factory, Location	Annual Energy Consumption (kWh)		Annual GHG Emissions (tCO <sub>2</sub> ) <sup>3</sup>	
	FY22	FY21	FY22	FY21
Batu Pahat, Johor, Malaysia				
Apparel manufacturing	587,884	931,393	442.81	646.39
Textile manufacturing	2,997,121	3,471,943	2,155.53	2,409.53
Phnom Penh, Cambodia				
Apparel manufacturing	1,327,469	1,200,286	876.13	792.19
<b>Total</b>	<b>4,912,474</b>	<b>5,603,622</b>	<b>3,474.47</b>	<b>3,484.11</b>
Intensity ratio*	46,213.30	57,179.82	32.69	39.27
Baseline Intensity ratio* (FY2020)		60,591.11		41.66
Energy consumption reduction*	14,377.81	3,411.29	8.97	2.39

\* Per million S\$ of revenue



<sup>3</sup> The carbon emissions from energy sources presented for Malaysia were calculated through <http://greentechmalaysia.my/>. The carbon emissions from energy sources presented for Cambodia was calculated with an emissions factor of 0.66tCO<sub>2</sub>/1000kWh, which is aligned to UNDP’s assessment of Cambodia’s emissions factors, available here <https://www.undp.org/publications/energy-efficiency-nama-garment-industry-cambodia>.

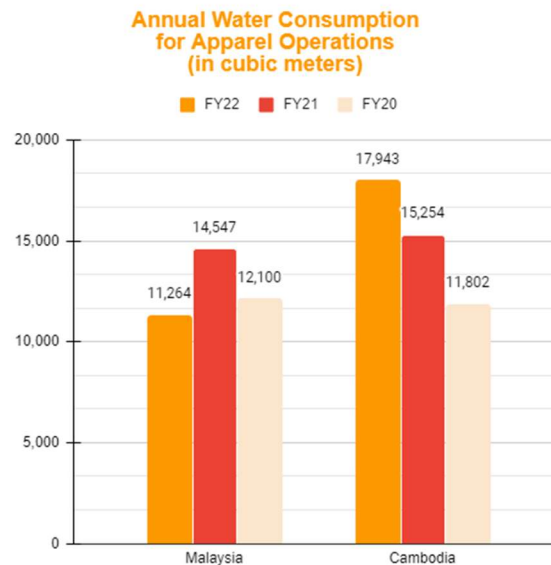
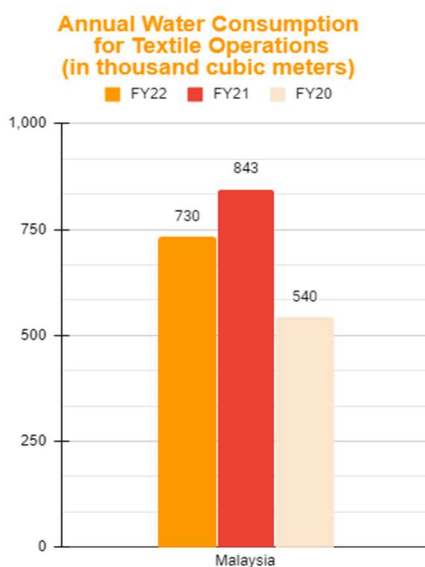
## Water and Effluents

The Group has made a commitment to practice responsible water-sourcing and usage, acknowledging the significance of reducing its water consumption and taking proactive steps to accomplish this objective. Despite not operating in regions facing water stress or concerns, the Group remains attentive to its water consumption and endeavors to diminish its water consumption footprint by continuously implementing water-saving measures. These measures include identifying and repairing leaks to reduce water waste, encourage our employees to adopt water-efficient practices, as well as educating all employees on the importance of water conservation.

Water is supplied through local municipalities from local fresh water sources. There are no other water sources we drew our water from. Water consumption for the Group's textile and apparel operations is presented below.

	Annual water consumption	
	FY2022	FY2021
<b>Total for all activities and locations (M<sup>3</sup>)</b>	<b>759,207</b>	<b>872,801</b>
Intensity ratio*	7,142.12	8,906.13
Baseline Intensity ratio* (FY2020)		7,942.28
Intensity change*	↓ 800.17	↓ 963.85

\*Per million S\$ of revenue



In FY2022, water usage at our textile manufacturing facility is 96.2% (FY2021 – 96.6%) of the Group's total water consumption, a decrease of 0.4% from FY2021. Water usage is generally high within textile industries as the fabric dyeing process requires a high volume of water.

Industrial wastewater and effluents are mainly discharged from the operations of our textile manufacturing facility. The Group ensures that all industrial wastewater is treated through the on-site wastewater treatment plant before its final discharge to the sewage system. The Group also ensures that its textile manufacturing facility conducts a weekly analysis of the quality of wastewater, which is then reported to the Department of Environment on a weekly basis. Across our apparel operations, water usage is predominantly for domestic purposes and manufacturing activities.

In FY2022, the Group's water consumption decreased by 13% as compared to FY2021 (FY2021 – an increase of 56% in comparison with FY2020), and this is in line with the Group's capacity utilisation at the fabric dyeing process during the year. In FY2022, the Group has also taken the initiative of investing in rainwater capture and this storage facility is able to store approximately 8,000 m<sup>3</sup> of water at maximum capacity for production use. We hope to further optimise and reduce our water consumption as we explore the possibility of investing in other harvesting technologies in the future.

## Waste

The Group aims to reduce, reuse and recycle its waste where possible to reduce our input to landfills and to minimise the impact of our business operations to the environment. We ensure that all non-hazardous and hazardous wastes are properly labeled, stored, and disposed of according to local council regulations and by licensed contractors.

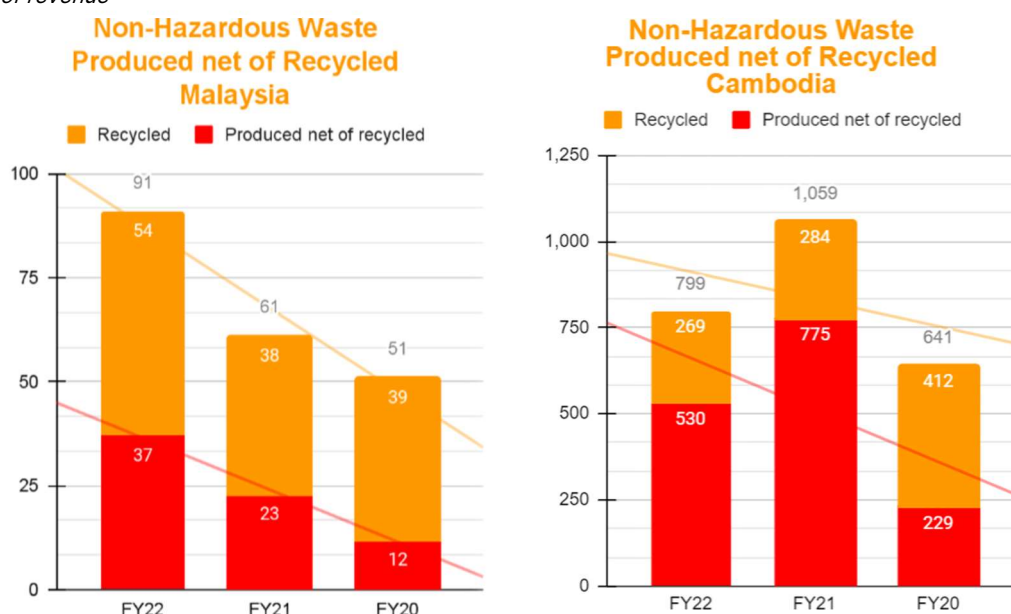
We encourage all our employees to exercise prudent waste practices, and our in-house environmental committee will conduct regular awareness programs. We strive to adopt the best practices in waste management, which is essential in reducing our environmental footprint.

### Non-Hazardous Waste

As part of the manufacturing process, the Group generally generates fabric waste, paper waste, and plastic waste. All non-recycled waste generated will be disposed of through the local municipal councils on a weekly basis. We captured the data of non-hazardous waste through real-time weighbridge measurement provided during disposal of those waste.

Factory, Location	Amount of non-hazardous waste produced (tonnes)		Amount of non-hazardous waste recycled (tonnes)		Percentage of non-hazardous waste recycled	
	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
Batu Pahat, Johor, Malaysia						
Apparel manufacturing	53	35	48	32	90.6%	91.5%
Textile manufacturing	38	26	6	6	15.3%	23.0%
Phnom Penh, Cambodia						
Apparel manufacturing	799	1,059	269	284	33.7%	26.8%
<b>Total</b>	<b>890</b>	<b>1,120</b>	<b>323</b>	<b>322</b>	<b>36.3%</b>	<b>28.8%</b>
Intensity ratio*	8.37	11.43	3.04	3.29	36.3%	28.8%
Baseline Intensity ratio* (FY2020)	9.75		6.35		65.1%	
Change in non-hazardous waste*	↓ 1.38	↑ 1.68	↓ 3.31	↓ 3.48	↓ 28.8%	↓ 36.3%

\* Per million S\$ of revenue



In FY2022, we observed more non-hazardous waste are recycled as compared to FY2021, particularly at our operations in Cambodia as we are able to secure the services of a licensed waste disposal contractor (certified by the local council) which was an issue in FY2021. Overall, the percentage of non-hazardous waste recycled improved slightly from 28.8% in FY2021 to 36.3% in FY2022.

The Group is committed to increasing the recycling percentage of its non-hazardous waste and is exploring alternatives such as 'repurpose' instead of 'recycle'. Going forward, the Group may seek the collaboration of potential agencies that are able to 'repurpose' non-hazardous wastes.

### **Hazardous Waste**

Hazardous waste production is limited to our textile manufacturing facility, Knit Textile Integrated Industries Sdn. Bhd. The factory produced scheduled waste, SW204, which is sludge that contains metals such as chromium, copper, nickel, zinc, lead, and cadmium.

In FY2022, the Group reported nine (9) metric tonnes (FY2021 - 4 metric tonnes) of hazardous waste disposed of. In terms of managing, storing, and disposing of waste, we ensure compliance with Malaysia's Environmental Quality (Scheduled Waste) Regulations 2005 and Environmental Quality (Industrial Effluent) Regulations 2009.

The sludge produced is a by-product of wastewater as a result of our manufacturing activities. For the disposal of scheduled waste, companies in Malaysia may only engage contractors approved by the Department of Environment to ensure that all scheduled waste is being disposed of in an appropriate manner. All hazardous waste produced onsite will be held in on-site wastewater storage tanks prior to further treatment and/or disposal by our contractors. These wastes can be processed in a licensed facility to recover metals such as chromium, copper, nickel, zinc, lead, and cadmium for reuse as raw materials in other industries.

## 7.0 | SOCIAL

At KTMG, we recognise that the achievement and success, which we take pride in, would not be possible without the considerable efforts and contribution of our employees. For this reason, we work continuously to ensure the effectiveness of our personnel management practices, including those relating to recruitment, retention, and training; increasing employee engagement; and developing internal social programs. We are committed to provide equal rights and opportunities to all our employees.

The Group's employment practices are embodied in the formal Code of Conduct and Ethics, whereby acceptable requirements of fair treatment of legitimate employees are specified for strict compliance.

The Group has identified the following social sustainability matters as material to our business operation based on the materiality assessment conducted for FY2021:

- Employment practices
- Occupational health and safety
- Training and development
- Privacy and data protection

We ensure legal compliance with social matters through local employment acts from all locations where we operate in. The legal compliance of social matters is managed internally through internal compliance and audit committees, supervised by senior management and reported to Chief Executive Officer, who is accountable to the Board of Directors.

In FY2022 and FY2021, there were no issues of non-compliance with social matters reported within the organisation, and the Group will continuously strive to maintain this status.

### Our Employees

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#### Policies

Our employment practices focus on providing equal opportunities for all, and we uphold standards that are strictly based on merit and performance. While our Board of Directors has set the direction of our stance on our employee policies, our internal compliance departments ensure that our standards are upheld throughout the organisation, and any incidents of non-compliance are investigated and resolved.

#### Anti-Discrimination, Anti-Child Labour, and Anti-Forced Labour

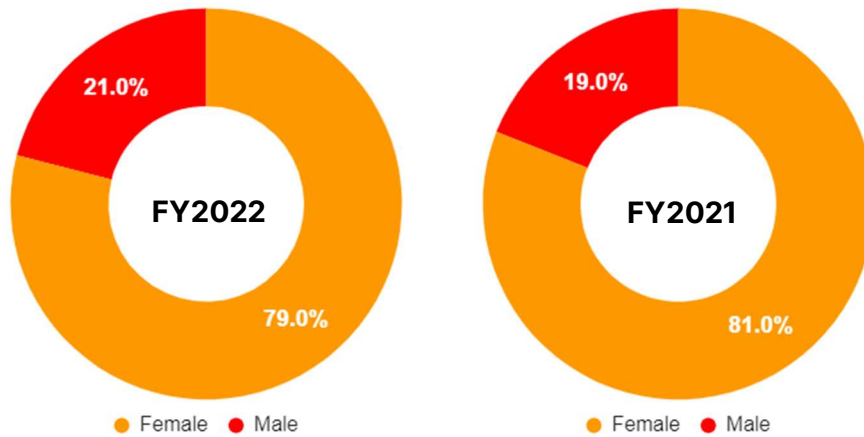
The Group takes strict measures so that no discrimination, child, or forced labor occurs within our operations. In Malaysia, this is aligned with local regulations, such as the Malaysian Employment Act 1955, which has set statutory requirements for the minimum age for workers. In our Cambodia operations, we have strict anti-human trafficking, anti-forced labor, and anti-child labour policies to uphold our commitment to human rights.

#### Employee Feedback and Communication

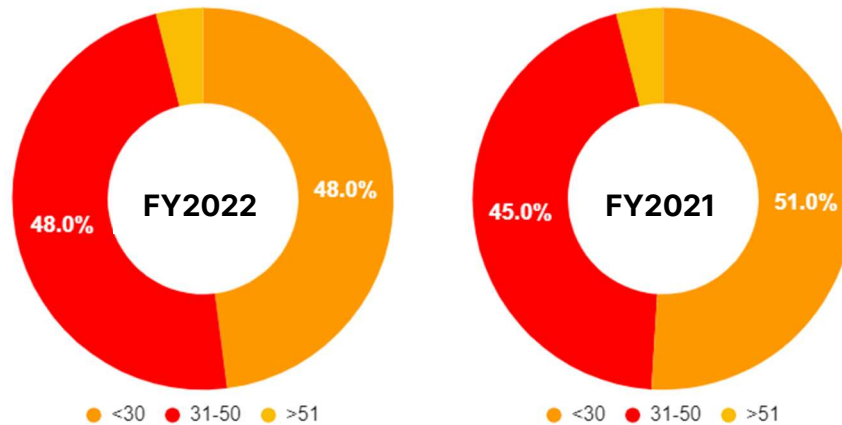
We understand that employee feedback and communication are essential for creating a positive work environment, improving performance and fostering innovation. We ensure that our employees are engaged and motivated by organising communication sessions and social events such as team building, Employee Appreciation Day, and holiday parties. All our employees are also updated regularly and timely for operational changes through internal memo and a messaging application, accessible for all employees regardless of their location.

## KTMG Workforce Profile

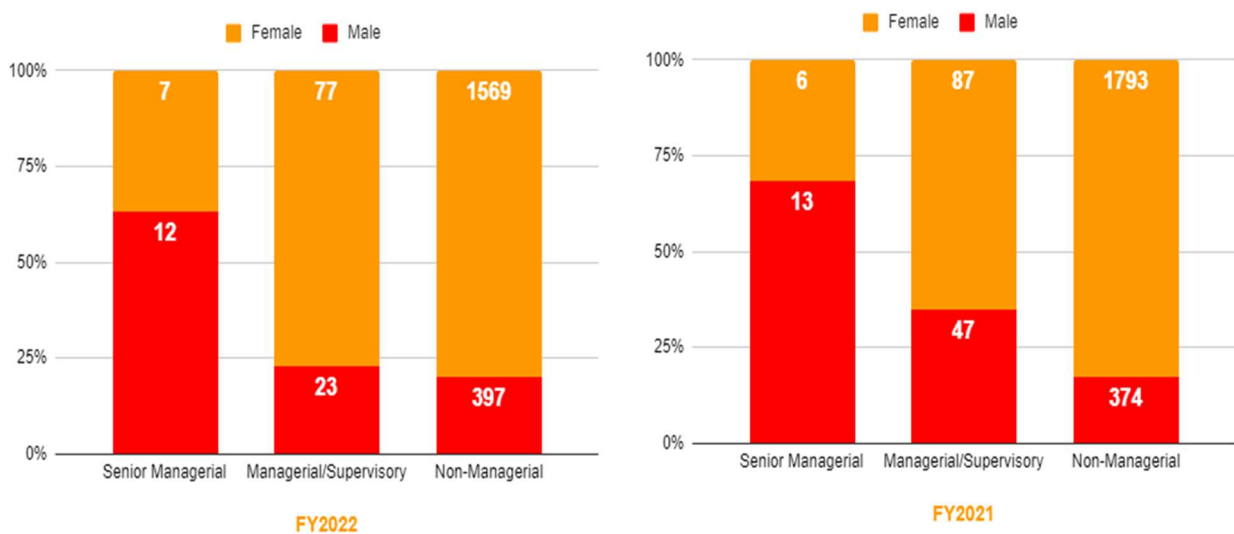
### Gender Diversity per Total Employees



### Age Diversity per Total Employees



### Gender Diversity by Work Function



As at 31 December 2022, the Group has 2,085 employees as compared to 2,320 employees at 31 December 2021. The Group has seen a decrease of 10% of its total workforce in FY2022 as compared to the previous year. In FY2022, all employees of the Group are full-time permanent employees, and the Group does not employ any part-time employees, nor employees with non-guaranteed hours. This is consistent with FY2020 and FY2021.

## Diversity and Inclusion

Employees are always the driving force of the Group, and it is important that we maintain a performance-driven culture that is centered around the values of inclusivity.

At at 31 December 2022, the Group has the following workforce diversity statistics:

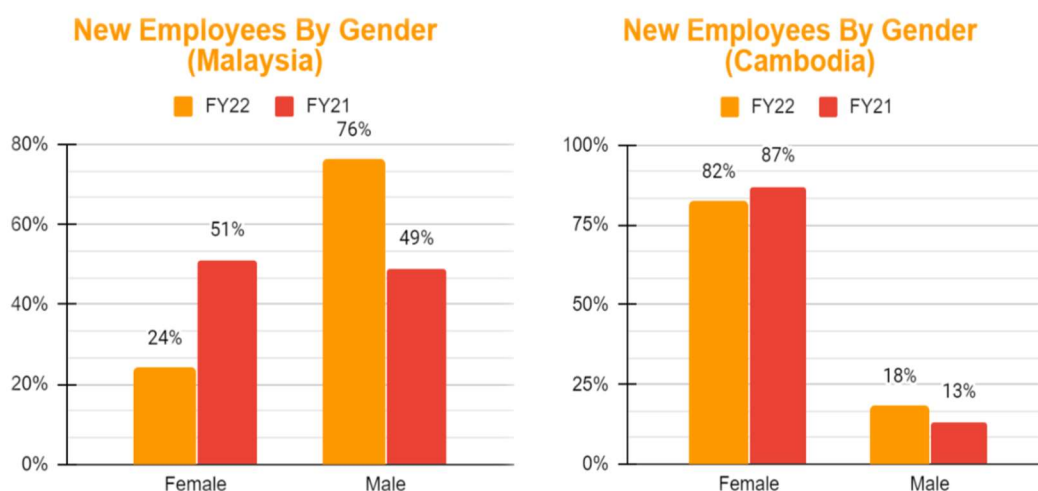
- Total employees: 1,653 (79%) female employees and 432 (21%) male employees
- Employees categorised by work function:
  - Senior managerial function : 7 (37%) female employees and 12 (63%) male employees
  - Managerial or supervisory function : 77 (77%) female employees and 23 (23%) male employees
  - Non-managerial function : 1569 (80%) female employees and 397 (20%) male employees
- Employees categorised by age:
  - Below 30 years old : 1008 (48%) employees
  - Between 31 to 50 years old : 990 (48%) employees
  - Above 51 years old : 87 (4%) employees

Overall, the Group continued to maintain high levels of female representation throughout its workforce. In FY2022, our female employees in Cambodia contributed approximately 70% (1468 employees) of the Group’s total workforce as compared to 66% in FY2021. While the lack of female representation at managerial function has been a pervasive issue worldwide, the Group strives to ensure that female employees are given opportunities to take on managerial positions across the organisation.

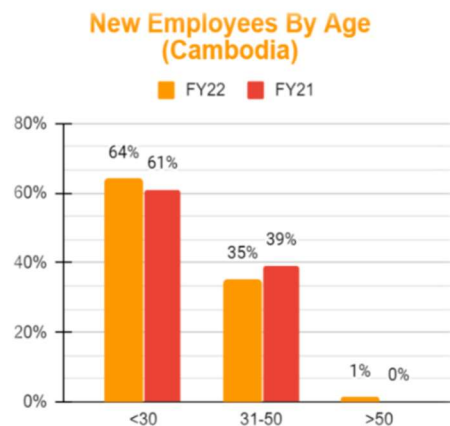
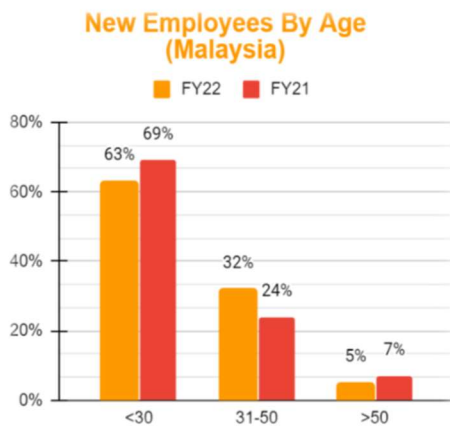
In terms of age breakdown across all our operating locations, most of the Group’s employees are 50 years old and below, which indicates that we have an experienced workforce to support the continuity of our business operations across all locations.

## New Hires

In FY2022, the Group hired a total of 548 new employees to facilitate the continuous growth of our operations. Our new employees come from a diverse group of people, and they are presented in the following charts by region:



In FY2022, the trend in our new hires remain consistent with FY2021. However, we have seen a major increase of new male employees in our business operations in Malaysia.

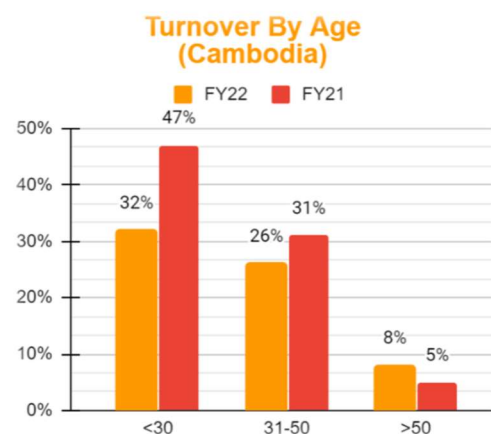
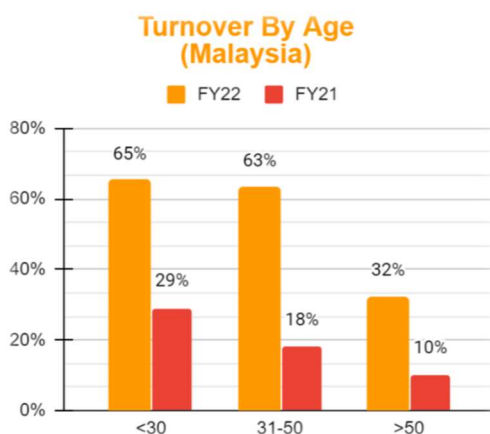
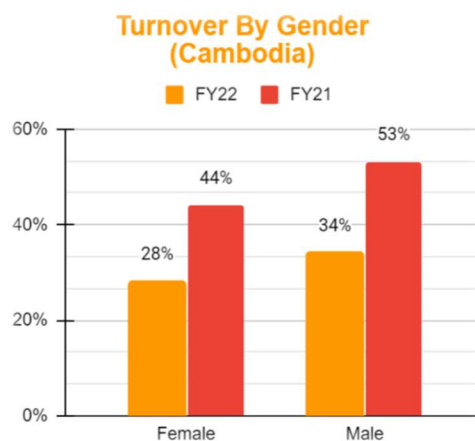
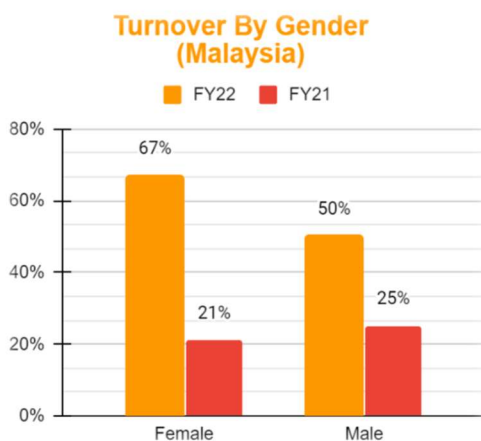


Overall, out of the new employees hired across the Group, 353 or 64% are below the age of 30, 188 or 35% are in between the age 31 to 50 and 7 or 1% falls above 51 years of age.

### Employee Turnover

Employee turnover rates are an indication of employee satisfaction, and the Group continuously strive to ensure that we remain an attractive organisation to current and future employees. Measuring and monitoring employee turnover rates will enable us to assess and prioritise changes or adjustments to our culture or practices in order to decrease attrition and ensure the retention of talents in the future.

During FY2022, there are 783 employees that resigned and below are the Group's employee turnover rate by gender and operating location:



Overall, the employee turnover in Malaysia increased in FY2022 due to internal restructuring while the employee turnover in Cambodia has decreased. The Group's apparel production workforce (i.e. non-managerial category) in Cambodia accounts for approximately 83% of the Group's total non-managerial workforce and with lower turnover, this shows that we have a matured production workforce in Cambodia.



## Occupational Health and Safety

The Group is committed to ensuring the health and safety of all employees, contractors, visitors, as well as the community who are impacted by our activities. We believe that injuries, incidents, industry-related diseases, and infectious diseases are preventable through effective health and safety management.

We remain guided by our Health and Safety Policy (“**Policy**”), which covers all employees, activities, and workplaces. The Policy is distributed across the organisation and is translated into multiple local languages for ease of understanding. To enforce the Policy, each operating location is overseen by a Health and Safety Committee that comprises individuals from various departments. The responsibilities of the Health and Safety Committee include:

- Provide and maintain safe and healthy working conditions in accordance with industry standards at all our offices and factories.
- Comply with applicable occupational health and safety legal requirements.
- Provide a workplace that is free of infectious disease through inoculation program.
- Identify and eliminate workplace hazards to reduce health and safety risks.
- Continuous improvement to our health and safety management system.
- Provide health and safety consultation and promote awareness within the organisation.

The Group’s Health and Safety Policy is established to ensure its operational activities are carried out in a manner that complies with legal requirements and to minimise the occurrence of industrial accidents. Our policies ensure compliance with Malaysia’s Act 154 - *Occupational Safety and Health Act 1994*, and Cambodia’s Labour Law of 1997, *Chapter VIII - Health and Safety of Workers*.

Included in the Policy are procedures in the event of any emergencies, such as fire and hazardous leaks, or the standard procedures for work accidents or other life-threatening situations.

We ensure that all our factories and offices carry out regular service and maintenance of safety equipment, such as emergency lighting and fire extinguishers. Scheduled maintenance is carried out on all machinery, and operators are trained with relevant safety procedures to minimise accidents.

We are pleased to report that in FY2022 and F20Y21, we have no reports of major work-related accidents and injuries. Moving forward, we aim to continuously improve and maintain a high standard of health and safety systems.

## Training and Development

The Group focuses on two main training categories: 1) Health and Safety and 2) Skills Development. Through conducting regular and relevant training programs, we are able to build a workforce that is highly skilled, motivated, competitive, and productive. These are the core competencies that we require to achieve our goals and objectives.

The Human Resources (“**HR**”) department is mainly responsible for all the training needs of our employees. We have an on-boarding training for every new employee on Health and Safety, Code of Conducts and Ethics, etc. This is to ensure every new employee in the Group is well aware and familiarise with high standards of safety acumen and professionalism when dealing with our internal and external stakeholders.

The HR department also work together with the Senior Managers of each business unit to identify training needs and will collaborate with external service providers to conduct training to equip our employees with the necessary skills and knowledge.

In line with our commitment to continuously identify and develop leadership potentials, we have launched the KTMG Institute of Management in March 2022 to support our human capital development. To further enhance our efforts to nurture and retain talent, we also launched a mentorship programme to help guide high potential talents through their career progression.

In FY2022, regular trainings in health and safety were conducted for an accumulated of 9,365 hours to an average of 1,931 employees, which is equivalent to 4.85 hours per employee. This is consistent with FY2021, which was 4.39 hours per employee.

## Privacy and Data Protection

Ensuring the safety and privacy of any data related to our stakeholders are of great importance to the Group. We remain guided by our internal Data Protection Policy, which outlines the procedures and standards for all staff to adhere to in terms of protecting the privacy of our suppliers, customers, shareholders, employees, etc. The Data Protection Policy is distributed to all employees from onboarding training. The Group constantly monitors any responses which may arise from concerns about data privacy by our key stakeholders or the general public.

In FY2022 and FY2021, we are pleased to report no substantiated complaints regarding breaches of privacy and loss of data or incidents of cyber-attacks during the reporting period.

## Communities

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The Group recognise the importance of supporting local communities to make a positive impact on the lives of those who live and work in the area around our business operations. We remain committed towards giving back to the community through various community development initiatives.

In Cambodia, we continued our annual tradition of donating school uniform and various clothing to students at Don Bosco Technical School in Teuk Thla, Phnom Penh, Cambodia. In response to the recent floods in Johor, Malaysia, we donated 2,000 blankets to flood victims housed in the flood relief centers through Fo Guang Shan Malaysia (Southern Region).

We believe that engaging in such an initiative allows us to give back to society while providing our employees with meaningful opportunities to connect with the communities around them.

## Customers

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One of the Group's core values is "Customer's Interest is Our Top Priority" and we are committed to delivering products that are worthy of our customer's trust and loyalty.

The Group acknowledges the significance of establishing a robust customer relationship management system as a key factor for its prosperity and expansion. The Group places a strong emphasis on actively listening to its customers, comprehending their requirements, and providing relevant responses. By adopting this approach, the Group aims to deliver products that surpass customers' expectations and ensures customers' health and safety.

The Group rigorously evaluates all its products to ensure they meet our customers' expectations and guarantee their well-being and safety. In FY2022 and FY2023, the Group has not encountered any safety issues concerning its products. Additionally, the Group has not faced any non-compliance with health and safety regulations.

## INDEX & CHECKLISTS

### GRI CONTENT INDEX

<b>Statement of Use</b>	KTMG Limited has reported with reference to the GRI Standards for the period from January 1 to December 31, 2022.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Disclosures		Reference
<b>2 - General Disclosures</b>		
2-1	Organizational details	<a href="#">About KTMG</a>
2-2	Entities included in the organization's sustainability reporting	<a href="#">Group Structure, Scope of Report</a>
2-3	Reporting period, frequency and contact point	<a href="#">Scope of Report, Contact Information</a>
2-4	Restatements of information	Not applicable. No information was restated.
2-5	External assurance	<a href="#">Sustainability Governance</a> This report was not externally assured.
2-6	Activities, value chain and other business relationships	<a href="#">Operating Locations and Principal Activities, Our Value Chain</a>
2-7	Employees	<a href="#">Employees, Diversity and Inclusion</a>
2-9	Governance structure and composition	<a href="#">Sustainability Governance</a> Refer to the Corporate Governance section of the 2022 Annual Report.
2-10	Nomination and selection of the highest governance body	Refer to the Corporate Governance section of the 2022 Annual Report.
2-11	Chair of the highest governance body	Refer to the Corporate Governance section of the 2022 Annual Report.
2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Sustainability Governance, Stakeholder Engagement</a> Refer to the Corporate Governance section of the 2022 Annual Report.
2-13	Delegation of responsibility for managing impacts	<a href="#">Sustainability Governance</a> Refer to the Corporate Governance section of the 2022 Annual Report.
2-14	Role of the highest governance body in sustainability reporting	<a href="#">Sustainability Governance</a> Refer to the Corporate Governance section of the 2022 Annual Report.
2-15	Conflicts of interest	Refer to the Corporate Governance section of the 2022 Annual Report.
2-16	Communication of critical concerns	<a href="#">Sustainability Governance</a> Refer to the Corporate Governance section of the 2022 Annual Report.
2-17	Collective knowledge of the highest governance body	Refer to the Corporate Governance section of the 2022 Annual Report.
2-18	Evaluation of the performance of the highest governance body	Refer to the Corporate Governance section of the 2022 Annual Report.
2-19	Remuneration policies	Refer to the Corporate Governance section of the 2022 Annual Report.
2-20	Process to determine remuneration	Refer to the Corporate Governance section of the 2022 Annual Report.
2-21	Annual total compensation ratio	Refer to the Corporate Governance section of the 2022 Annual Report
2-22	Statement on sustainable development strategy	<a href="#">Statement from the Executive Chairman</a>
<b>206 - Anti-competitive behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The Group has not been involved or had legal cases relating to anti-competitive behavior and violations of anti-trust and monopoly legislation.

GRI Disclosures		Reference
<b>207 - Tax</b>		
207-1	Approach to tax	<a href="#">Compliance with Laws and Regulations</a>
207-2	Tax governance, control, and risk management	<a href="#">Compliance with Laws and Regulations</a>
207-4	Country-by-country reporting	Refer to the Audited Consolidated Financial Statements and the following sections: <a href="#">Operating Locations and Principal Activities</a> <a href="#">Our Employees</a>
<b>302 - Energy</b>		
3-3	Management of material topics	<a href="#">Environment</a>
302-1	Energy consumption within the organization	<a href="#">Energy and Emissions</a>
302-2	Energy consumption outside of the organization	<a href="#">Energy and Emissions</a>
302-3	Energy intensity	<a href="#">Energy and Emissions</a>
302-4	Reduction of energy consumption	<a href="#">Scope of Report,</a> <a href="#">Energy and Emissions</a>
302-5	Reductions in energy requirements of products and services	<a href="#">Energy and Emissions</a>
<b>303 - Water and Effluents</b>		
3-3	Management of material topics	<a href="#">Water and Effluents</a>
303-1	Interactions with water as a shared resource	<a href="#">Water and Effluents</a>
303-2	Management of water discharge-related impacts	<a href="#">Water and Effluents</a>
303-4	Water discharge	<a href="#">Water and Effluents</a>
303-5	Water consumption	<a href="#">Water and Effluents</a>
<b>305 - Emissions</b>		
3-3	Management of material topics	<a href="#">Energy and Emissions</a>
305-1	Direct (Scope 1) GHG emissions	<a href="#">Energy and Emissions</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Energy and Emissions</a>
305-4	GHG emissions intensity	<a href="#">Energy and Emissions</a>
<b>306 - Waste</b>		
3-3	Management of material topics	<a href="#">Waste</a>
306-1	Waste generation and significant waste-related impacts	<a href="#">Waste</a>
306-2	Management of significant waste-related impacts	<a href="#">Waste</a>
306-3	Waste generated	<a href="#">Waste</a>
306-5	Waste directed to disposal	<a href="#">Waste</a>
<b>401 - Employment</b>		
3-3	Management of material topics	<a href="#">Our Employees</a>
401-1	New employee hires and employee turnover	<a href="#">Diversity and Inclusion</a>
<b>402 - Labor/management relations</b>		
3-3	Management of material topics	<a href="#">Our Employees</a>
402-1	Minimum notice periods regarding operational changes	<a href="#">Policies,</a> <a href="#">Stakeholder Engagement</a>
<b>403 - Occupational health and safety</b>		
3-3	Management of material topics	<a href="#">Occupational Health and Safety</a>
403-1	Occupational health and safety management system	<a href="#">Occupational Health and Safety</a>
403-5	Worker training on occupational health and safety	<a href="#">Training and Development</a>

GRI Disclosures		Reference
403-9	Work-related injuries	<a href="#">Occupational Health and Safety</a>
<b>404 - Training and education</b>		
3-3	Management of material topics	<a href="#">Training and Development</a>
404-1	Average hours of training per year per employee	<a href="#">Training and Development</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Training and Development</a>
<b>405 - Diversity and equal opportunity</b>		
3-3	Management of material topics	<a href="#">Our Employees</a>
405-1	Diversity of governance bodies and employees	<a href="#">Diversity and Inclusion</a>
<b>408 - Child labor</b>		
3-3	Management of material topics	<a href="#">Our Employees</a>
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">Policies</a>
<b>409 - Forced or compulsory labor</b>		
3-3	Management of material topics	<a href="#">Our Employees</a>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Policies</a>
<b>413 - Local communities</b>		
3-3	Management of material topics	<a href="#">Communities</a>
413-1	Operations with local community engagement, impact assessments, and development programs	<a href="#">Communities</a>
<b>418 - Customer privacy</b>		
3-3	Management of material topics	<a href="#">Customers</a>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">Privacy and Data Protection</a>

## LEGAL DISCLAIMER

This Report contains forward-looking statements concerning the financial condition, results of operations and businesses of the Group. All statements other than statements of historical fact are or may be deemed to be forward-looking statements. Forward-looking statements are statements of future expectations based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in these statements. Forward-looking statements include statements typically containing words such as "will", "may", "should", "believe", "intends", "expects", "anticipates", "targets", "estimates," and words of similar import.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. They are based on numerous assumptions regarding the Group's current and future business strategies and the environment in which it will operate. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside the Group's control. These include changes in the political, social, and regulatory framework in which the Group will operate or in economic, technological trends or conditions; the success of the business and operating initiatives; the actions of regulators; legislative, fiscal, and regulatory developments, including regulatory measures addressing climate change; the behavior of other market participants; competitive product and pricing pressures; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations; changes in the level of capital investment; the impact of any acquisitions, disposals or similar transactions; the outcome of any litigation; the risk of doing business in countries subject to international sanctions; environmental and physical risks; risks associated with the impact of pandemics. Other unknown or unpredictable factors could cause actual results and developments to differ materially from those in forward-looking statements.

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