

Sustainability Statement

RCE Capital Berhad (“RCE” or “the Group”) is pleased to present its Sustainability Statement (“Statement”), which provides comprehensive disclosure on the Group’s performance in managing material Economic, Environmental and Social topics, its performance in creating and sustaining non-financial values and where possible, providing disclosures on how such performance impacts or influences enterprise value.

Enterprise value is defined as the total value of an organisation in terms of its present and future capabilities to generate and sustain cash flow, revenues and earnings over a short, medium and long term perspective.

This Statement has been approved by the Board of Directors (“the Board”) on 30 May 2022 and covers the Group’s sustainability disclosures for the financial year ended 31 March 2022 (“FYE 2022”). FYE 2022 covers the reporting period from 1 April 2021 to 31 March 2022.

On 22 June 2020, FTSE4Good Bursa Malaysia Index inducted RCE as a constituent into the Index. The inclusion reflects RCE’s compliance with FTSE Russell’s globally recognised standards. RCE has maintained its constituency in FTSE4Good Bursa Malaysia Index for three consecutive years.



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that RCE has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series.

Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE4Good

RCE was also accorded the highest grading band of four stars, represent companies that are in the top 25% among public listed companies in Malaysia by virtue of Environmental, Social and Governance (“ESG”) performance.

Separately, RCE was included in Bursa Malaysia Securities Berhad (“Bursa”) list of shariah compliant securities and FTSE4Good Bursa Malaysia Shariah Index on 26 November 2021 and 20 December 2021 respectively.

REPORTING SCOPE AND BOUNDARY

This Statement has been developed in accordance with the Bursa Main Market Listing Requirements and Sustainability Reporting Guide. Disclosures have been scoped as per the consolidated entity for financial reporting and statements.

Hence, information provided cover the primary operating entities of RCE Marketing Sdn Bhd Group of Companies, Mezzanine Enterprise Sdn Bhd, EXP Payment Sdn Bhd (“EXP”) and RCE Factoring Sdn Bhd.

Other reporting frameworks applied or referenced, either partially or in full are as follows:

- FTSE4Good Bursa Malaysia Index;
- Task Force on Climate-Related Financial Disclosures; and
- United Nations Sustainability Development Goals.

Sustainability Statement

DATA ASSURANCE

All data and information have been sourced and verified internally across the Group. Financial data drawn from FYE 2022 audited financial statements have been assured by the Group's statutory auditors, Deloitte PLT.

APPROACH TO SUSTAINABILITY

The Group is committed to improving its ESG performance as the Board and Senior Management are of the view that sustainability is vital to the continued growth and progress of financial performance. Increasingly, environmental and social issues such as climate change, modern slavery and community inclusiveness are becoming intrinsically linked to revenue and earnings performance as well as cash flows and other financial values.

Given the connection between ESG and financial performance, the Board and Senior Management continue to pursue a well-defined sustainability framework. The framework identifies material ESG topics that are linked to financial and stakeholder value creation. It also identifies methods and strategies to address these material topics.

The methods and strategies are supported by clearly defined quantitative and qualitative targets and goals. These goals and targets have been developed in collaboration with stakeholders and continue to be refined progressively through inputs from the same.

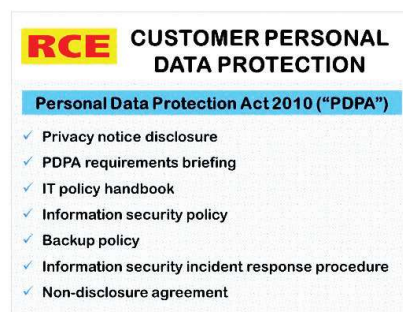
In November 2021, the ESG Initiatives webpage was incorporated into RCE's website. The webpage provides information on RCE's ongoing efforts to integrate a strategic sustainability focus into the Group's business model, processes and business activities.

Aligned with the fundamental principles of shariah-compliant financing, the Group's approach is founded on its responsibilities as a responsible financial services provider and its accountability to stakeholders. RCE believes that it is vital to integrate sustainability solutions into current strategy and business plans in order to sustain medium to long term value creation for stakeholders. The ESG initiatives can be accessed via RCE's website at <https://www.rce.com.my/esg.php>.

[ABOUT US](#)
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[NEWS & EVENTS](#)

[INVESTOR RELATIONS](#)
[CAREER](#)
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Environmental | Social | **Governance**



In providing committed and concerted leadership and guidance for the sustainability agenda which includes oversight of the sustainability framework, goals and targets, the Group continues to strengthen its existing governance structure. Further information on the governance structure is provided on page 27.

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SUSTAINABILITY GOVERNANCE STRUCTURE

The Board oversees the Group's sustainability agenda and strategies as well as matters related to good corporate governance and corporate integrity like anti-corruption, code of conduct ("COC") and other aspects of good governance and behaviour at the workplace.

Specifically, matters of sustainability come under the purview of the Sustainability Management Committee ("SMART"), which is directed by the Chairman, Encik Shahman Azman.

Supporting SMART is the Sustainability Working Committee, which is tasked with identifying and assessing sustainability-related material topics and arising risks and opportunities, as well as developing strategies to mitigate impacts.

The Board and Management are committed to work closely with various stakeholders, to ascertain their specific concerns, criteria and ambitions and with that, to develop policies, protocols and internal controls to ensure these expectations are met. This is a continuous process across the Group.

To ensure business continuity for sustainable value creation for stakeholders, the Group:

- Ensures all related business activities engaged in are consistent with our core values, taking into account sustainability and industry best practices;
- Complies with applicable laws and regulations and anti-corruption requirements;
- Adheres to global environmental standards;
- Understands the needs of existing and potential customers; and
- Ensures that all customers are treated fairly.

The Board and Senior Management leadership on ESG goals and targets

A key aspect of RCE's governance of sustainability is a high degree of ownership and accountability, achieved by the linking of performance evaluation of Senior Management to the Group's core values, which include sustainability strategies, priorities and targets. The sustainability-related key performance indicators are incorporated into the Group's annual appraisal exercise across the Group, including Senior Management as part of remuneration measurement.

Internal risk assessment to review the effectiveness of established controls

Supporting the Board are various Board Committees. These Committees execute designated tasks and responsibilities as provided for in their respective terms of reference. Further information on the Board Committees are provided in the Corporate Governance Overview Statement on pages 57 to 70 of this Annual Report.



Board of Directors

- Oversees and governs the Group's sustainability agenda and strategies



Sustainability Management Committee

- Oversees sustainability efforts and advises the Board on sustainability-related matters strategies



Sustainability Working Committee

- Identifies, assesses and manages related risks and opportunities strategies
- Implements and monitors sustainability initiatives with support from Green Warriorz and Wellness Teams

Sustainability Statement

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains a core facet of the Group's approach to sustainability as regular and timely engagement enable the Group to ascertain the need, concern and aspiration of stakeholder group and to include such views, where relevant in the assessment of material topics as well as in developing appropriate sustainability strategies and metrics.

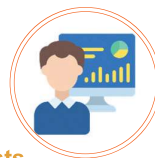
Stakeholder engagement ensures that the Group remain inclusive in its approach to sustainability and continues to feel the pulse of its operating environment. In FYE 2022, RCE engaged nine major stakeholder groups utilising the following methods:



Business Partners

- Code of Conduct
- Formal and informal meetings
- Trainings/briefings
- Corporate website and Facebook

Frequency of Engagement:
Ongoing



Investors and Analysts

- Annual General Meeting¹
- Corporate presentations²
- Investor relations briefings and roadshows²
- Financial statements¹
- Corporate website³

Frequency of Engagement:
¹Annually ²Quarterly ³Ongoing



Financiers

- Formal and informal meetings
- Financial statements
- Code of Conduct

Frequency of Engagement:
Ongoing



Sales Team

- On-boarding programmes
- Code of Conduct
- Formal and informal meetings
- Product briefings
- Training and development programmes
- Regular information memorandum

Frequency of Engagement:
Ongoing



Employees

- On-boarding programmes
- Code of Conduct
- Policies and procedures
- Performance appraisals
- Training and development programmes
- Employees wellness

Frequency of Engagement:
Ongoing



Government and Regulators

- Disclosure and submission of information and compliance
- Trainings/briefings
- Website/media

Frequency of Engagement:
Ongoing



Customers

- Customer service online enquiries – through website/email/facebook/chatbot
- Customer service hotline
- Over-the-counter customer service

Frequency of Engagement:
Ongoing



Suppliers

- Code of Conduct
- Communication and transactions
- Meetings
- Conduct of due diligence

Frequency of Engagement:
Ongoing



Community

- Community investment and contributions
- Corporate social responsibility activities/tie-ups

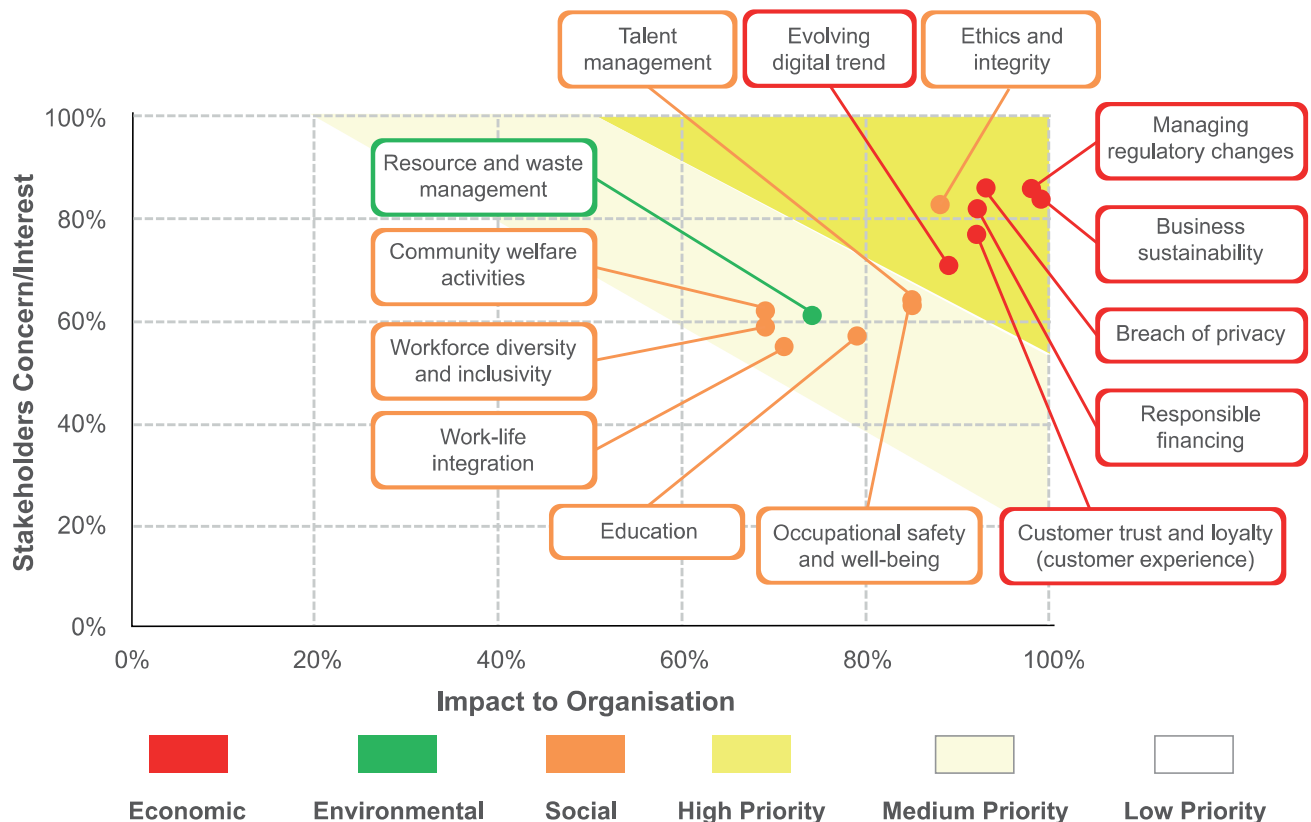
Frequency of Engagement:
Annually

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MATERIALITY ASSESSMENT AND PRIORITISATION

Materiality assessments are held every two years, where information is collected through surveys from selected participants. Analysis enables the Group to determine key risks and opportunities associated with material sustainability matters and to prioritise where to direct internal resources. With reference to Bursa's Sustainability Reporting Guide and Toolkits, the Group consolidated and plotted the survey responses accordingly on the materiality matrix.

The FYE 2022 materiality matrix underscore the most pertinent topics in terms of impact to enterprise value and impact/interest to stakeholders. All prioritised material sustainability matters are shown in the matrix below:



MATERIAL SUSTAINABILITY MATTERS

A. Economic

- i. Corporate strategy
 - Business sustainability
 - Responsible financing
- ii. Managing regulatory changes
- iii. Evolving digital trend
- iv. Customer trust and loyalty (customer experience)
- v. Breach of privacy

B. Environmental

- i. Resource and waste management

C. Social

- i. Ethics and integrity
- ii. Employment management and development
 - Talent management
 - Workforce diversity and inclusivity
 - Work-life integration
 - Occupational safety and well-being
- iii. Community investment
 - Education
 - Community welfare activities

Sustainability Statement

A. ECONOMIC

i. Corporate Strategy

As a non-bank financial institution, the Group operates its core business under the provision of shariah-compliant financial services. To ensure a proficient shariah governance framework is in place, the Group engage independent shariah consultants to solicit advice pertaining to daily business operations, conduct trainings and undertake shariah related discussions with relevant stakeholders. Newsletters are distributed to all employees and Sales Team in order to familiarise and cultivate shariah based finance knowledge across all levels of talent.

Business Sustainability

During the financial year under review, the following efforts were implemented in order to maintain its competitive position as a shariah-compliant financier:

1. Developing brand presence and online marketing with Business Partners (“BPs”)

The image and value of an organisation are inextricably linked to its brand. Branding allows us to distinguish ourselves from the competition while also accentuating the uniqueness of our products and services. Products continue to be improved in tandem with market requirements, changing technologies and customer preferences.

To strengthen the Group's online presence, campaigns are regularly run and promoted on BPs' websites and Facebook pages to connect with existing and prospective customers. Search Engine Optimisation through Facebook and Google to increase online visibility of business sites is also another method used.

Apart from that, Sales Team continue to build on-ground presence through organised events aimed at increasing brand awareness and rewarding customers through cashbacks and lucky draws, while adhering to appropriate COVID-19 standard operating procedures.



Prize Giving Ceremony to three winners from campaign “Mohon Dan Menang”

Through these initiatives, the Group aims to increase customer on-boarding, thereby expanding customer base, fortifying brand presence, improving the quality of experience and strengthening trust of the customers.

Sustainability Statement

A. ECONOMIC (CONT'D)

i. Corporate Strategy (Cont'd)

Business Sustainability (Cont'd)

2. Stable funding with prudent asset-liability management

Funding stability is critical to avoiding business disruptions. With this in mind, the Group seeks funding from a variety of sources, keeping in view of its asset-liability obligation.

The Group's RM2.00 billion Sukuk Murabahah Asset-Backed Securitisation Programme ("RM2.00 billion Sukuk Programme"), established in March 2019 through Zamarad Assets Berhad ("ZAB"), provides the Group with long term funding due to its perpetual programme tenure. Moreover, it enables the Group to minimise the risks associated with asset and liability mismatches by matching the period of cash flow generated from its underlying assets. To-date, the Group has issued seven tranches of Sukuk as follow:

Tranche	Issuance Date	Subscription		
		External	Internal*	Amount
		RM'million	RM'million	RM'million
1	27.03.2019	240.0	25.0	265.0
2	26.07.2019	100.0	8.0	108.0
3	19.11.2019	120.0	8.0	128.0
4	7.09.2020	120.0	7.0	127.0
5	25.11.2020	100.0	7.0	107.0
6	8.07.2021	100.0	24.0	124.0
7	28.03.2022	210.0	45.0	255.0
Utilised Amount		990.0	124.0	1,114.0
Unutilised Amount				886.0

* Internally subscribed by RCE Trading Sdn Bhd, an indirect subsidiary.

Additionally, the RM2.00 billion Sukuk Programme have Revolving Option ("RO") feature that allows ZAB to purchase additional receivables from the originator, RCE Marketing Sdn Bhd ("RCEM") by utilising its excess funds from the sinking funds. The proceeds obtained by RCEM can then be used to generate new disbursement.

On 8 July 2021, the RO feature was activated for the sixth tranche with an issuance size of RM124.0 million, followed by the seventh tranche of RM255.0 million on 28 March 2022. This RO feature subsequently won an award "Most Innovative Islamic Finance Deal Of The Year & Best Islamic Finance Deal Of The Year" by Alpha Southeast Asia 15th Annual Best Deal & Solution Awards 2021.

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A. ECONOMIC (CONT'D)

i. Corporate Strategy (Cont'd)

Business Sustainability (Cont'd)

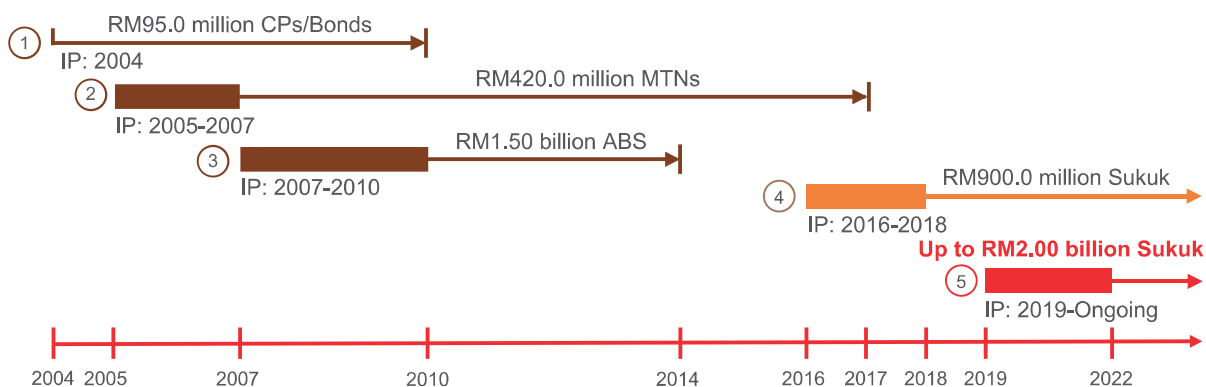
2. Stable funding with prudent asset-liability management (Cont'd)

In addition, the Group has established and maintained a track record of redeeming all prior private debt securities programmes early or in full:

DEBT MARKET FUNDING

1. RCE Premier	2. RCE Advance	3. Tresor Assets	4. Al Dzahab Assets	5. Zamarad Assets
RM95.0 million CPs/Bonds	RM420.0 million MTNs	RM1.50 billion ABS	RM900.0 million ABS Sukuk	Up to RM2.00 billion ABS Sukuk
MARC: A	MARC: A+	RAM: AAA	RAM: AAA	RAM: AAA & AA2
October 2004	December 2005	November 2007	March 2016	March 2019
Fully Redeemed October 2010	Fully Redeemed March 2017	Early Redeemed September 2014	Fully Issued March 2018	7th Issuance March 2022
6.31% - 8.56%	7.81%	6.47%	5.51%	4.33%

Note: The above rates represent all-in cost.



CP = Commercial Paper
MTN = Medium Term Note
ABS = Asset-Backed Securities

MARC = Malaysian Rating Corporation Berhad
RAM = RAM Rating Services Berhad
IP = Issuance Period

The Group has also access to banking facilities, such as term financing and revolving credit. During the financial year, new clean financing facilities were secured to support the growth of the Group and broadening the choice of its financiers.

As at 31 March 2022, the Group's financing liabilities increased to RM1.80 billion from RM1.67 billion a year ago. The increase by RM133.4 million was primarily due to issuance of two tranches of sukuk amounting to RM310.0 million, offset with RM190.0 million sukuk redemptions upon maturity.

Sustainability Statement

A. ECONOMIC (CONT'D)

i. Corporate Strategy (Cont'd)

Business Sustainability (Cont'd)

3. Robust collections management infrastructure for a smooth revenue stream

An organisation's cash flow is its lifeblood, more so for a financial services provider.

Consistent cash flows and sufficient cash reserve is vital for the effective provision of financial services and day-to-day operations. A sufficient cash position also supports business development and growth plans, enabling the Group to take advantage of low interest environments to pay off debt obligations or to capitalise on business opportunities. In essence, cash and cash flow supports flexibility in business strategies and a quicker response to market opportunities.

Throughout FYE 2022, the Group has maintained ample liquidity and has continued to see sufficient cash flows through timely repayments. The Group's prudent approach to financing through shariah as well as other measures implemented including a robust collection mechanism, has enabled it to ensure sufficient cash flows.

Thorough checks and screening of applicants have also further pared down the risks of defaults. This is supplemented by the use of credit scoring model and internal control measures, including documenting the purpose of financing in order to ensure that all financing granted are in accordance with shariah principles.

To closely monitor the performance of customers' accounts and collections, the Group's BPs engage two collection management service providers:

- EXP, a wholly-owned subsidiary of RCE; and
- Biro Perkhidmatan Angkasa.

These collection management service providers execute salary deductions, ensuring that the maximum deductions permitted by employers and regulators are not breached. Monthly repayments are monitored following the booking and activation of the salary deduction in accordance with stipulated timelines and stringent procedures.

The collection system identifies disruptions in the salary deduction automatically, allowing for the identification and classification of accounts in arrears or non-performing accounts.

Subsequently, Recovery Team initiates prompt collection efforts on customers who have defaulted on their obligation. Actions carried out include contacting customers and their employers, delivering reminders and transferring non-performing accounts to collection agencies. Legal action is only initiated as a last resort measure against defaulters.

4. Internal risk assessment to review the effectiveness of established controls

The Risk Management Committee ("RMC") is guided by the Committee of Sponsoring Organisations Enterprise Risk Management Framework, which is incorporated with strategy and performance in managing risks across the Group. It is responsible for ensuring management executes the implemented corrective action plans within stipulated timelines to remedy detected weaknesses. The RMC primarily monitors and manages risk exposure while reporting to Audit Committee ("AC").

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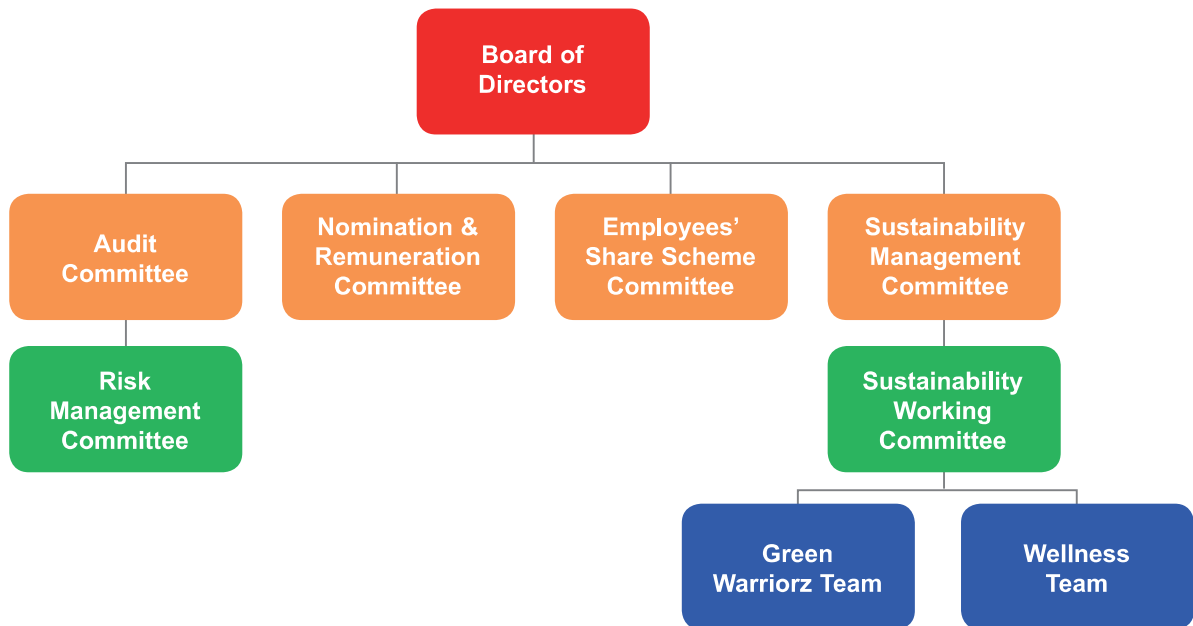
A. ECONOMIC (CONT'D)

i. Corporate Strategy (Cont'd)

Business Sustainability (Cont'd)

4. Internal risk assessment to review the effectiveness of established controls (Cont'd)

The chart below depicts the Board Committees' structure:



Both the Sustainability Management and Working Committees employ a sustainability framework guided by Bursa Sustainability Reporting Guide. The Group has implemented a two-pronged approach to risk management:

- Identification, evaluation and mitigation of key risks, including environmental, social and governance risks as part of the decision-making process; and
- Day-to-day operational risk management.

During the financial year, keys risks reviewed by the Group include:

- Credit;
- Technology and cyber;
- Liquidity and cash flow;
- Reputational;
- Strategic;
- Regulatory and compliance;
- Corruption; and
- Operational.

The Compliance, Operations and Methods Team ("COM") conducts compliance and process improvement reviews on a regular basis. Policies and procedures ("P&P") are created, improved and evaluated on a regular basis to ensure that controls are relevant and effective. Departmental Heads conduct control self-assessments on a biannual basis to identify and update if the existing risk profiles and controls are still relevant and effective.

Sustainability Statement

A. ECONOMIC (CONT'D)

i. Corporate Strategy (Cont'd)

Business Sustainability (Cont'd)

5. Business Continuity Management (“BCM”) to build resilience against unfavourable events

Learning from the experience of the various Movement Control Order (“MCO”) phases implemented to curb the spread of COVID-19 infections, the Group continues to refine and strengthen its BCM plan. The purpose of this is to ensure continued business operations in the face of disruptions caused by external circumstances.

The followings are characteristics of the BCM:

- Risk evaluation and business impact analysis on affected department(s);
- Business continuity plan (“BCP”) for conducting operations during disruptions inclusive of work from home arrangements;
- P&P defining scope and reach of BCM;
- BCM Incident and Recovery Management Team initiated BCM processes before, during and after the crisis;
- Key designated personnel in each department responsible for implementing BCM procedures;
- Business continuity site and backup infrastructure for conducting operations in the event where physical premises is compromised;
- Adoption of P&P to provide safety measures and operational guide; and
- Testing of BCP, including regular penetration tests to identify security vulnerabilities.

Throughout the MCO phases, the Group supplied its Recovery, Credit and Customer Service Teams with softphone technologies that enable them to perform, receive and record calls while working remotely.

Virtual meeting rooms, internet leased lines and virtual private network access were implemented to facilitate operational efficiency. Additionally, a Virtual Desktop Infrastructure was deployed as a backup to ensure back-end activities remain uninterrupted.

Apart from the above, review of disaster recovery data centre was carried out and prompted a relocation to a strategic location equipped with internal service, availability of uninterrupted power supply with optimum temperature and humidity conditions, including round-the-clock multi-layered security.

Following the MCO phases, the Group adhered to the government’s recommencement guidelines while carrying out daily operations. With these experiences, the Group continue to improvise, ensuring that remedial actions are taken to bridge gaps and to appropriately respond to unexpected scenarios.

Responsible Financing

As a progressive shariah-compliant financier, the Group is committed to responsible financing and fair treatment for customers. Customers must be treated equally and fairly. This includes offering products tailored to customers’ needs and resolving complaints as swiftly as possible.

The goal is to preserve clarity, transparency and a cautious management of customer data in all operational aspects. Thus, all product details and how customer data are processed, used and stored are explained clearly to customers. The customer verification process is documented for future reference and service improvement. All transactions can only proceed with customer consent provided.

The Group’s responsible financing approach sees it reaching out to customers through educational articles, providing information on financial literacy towards developing more informed and empowered customers, who can make better financing decisions. Such articles and information are published on the Group’s website as well as the websites of marketing partners at <https://www.as-sidq.com> and <https://ringgitplus.com>.

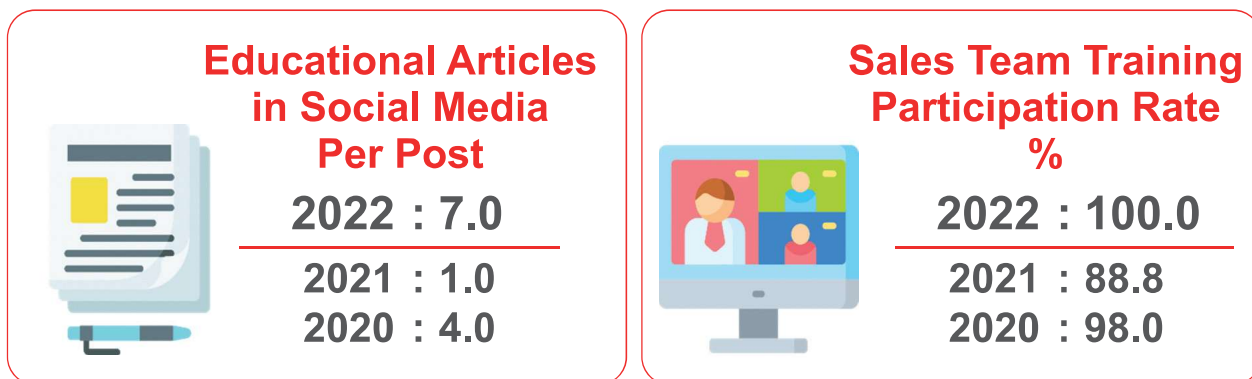
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A. ECONOMIC (CONT'D)

i. Corporate Strategy (Cont'd)

Responsible Financing (Cont'd)

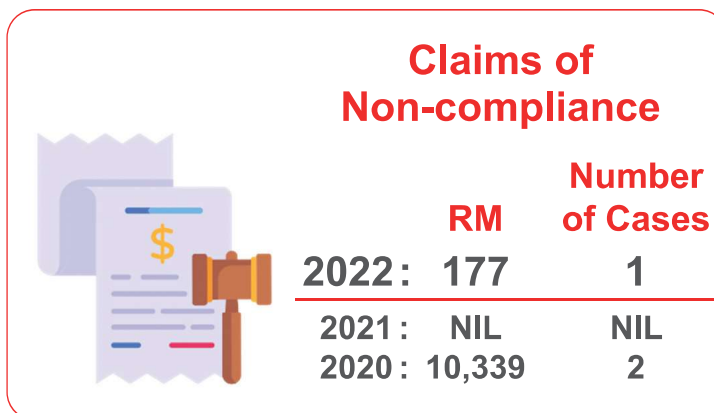
To guarantee ethical business practices are adhered to at all levels, trainings are provided to Sales Team to ensure they conduct business practices professionally. Due to the various MCO phases, training sessions were all conducted online via a digital active learning platform.



ii. Managing Regulatory Changes

The Group recognises that regulatory non-compliance could jeopardise its credibility as a premier provider of financial services. As such, the Group is committed to maintaining exemplary governance standards by ensuring P&P are reviewed and updated on a regular basis.

One of the key focus areas on good governance and regulatory compliance is employee awareness. There is constant reinforcement through employee engagement and communication to instil a culture of vigilance, ensuring that all employees adhere to relevant guidelines, regulations and industry practices that safeguard the Group's interests.



In FYE 2022, there was an one-off resolved incident of non-compliance in relation to late payment of service tax due to administrative delay. The Group has zero incidents of non-compliance with applicable laws and regulations beside the aforementioned late payment of service tax.

iii. Evolving Digital Trend

The Group recognises the significance of the digital economy in the financial services industry and has looked to capitalise on technology to deliver increased operational efficiency, expand market reach and enhance customer experiences.

During the financial year, the Group deployed several process automations such as digital verification of customer's identity and sign off to reduce duration of financing applications from days to just hours enabled by artificial intelligence that validates the legitimacy of potential customers in real time. This allows quicker response time and a more seamless customer experience.

Sustainability Statement

A. ECONOMIC (CONT'D)

iii. Evolving Digital Trend (Cont'd)

External consultants are engaged to conduct periodic penetration testing to provide a certain level of assurance that cyber security is intact. The Group has also outsourced Information Technology ("IT") audit for two consecutive financial years since FYE 2021 to ensure assurance level is met in view of increasing sophistication in IT technical and cyber security threats.

iv. Customer Trust and Loyalty (Customer Experience)

The Group is committed to meeting and exceeding customer expectations as reflected in its "Customer For Life" philosophy.

To ensure the highest quality of customer service, the Group pledges to respond to customers' inquiries promptly.

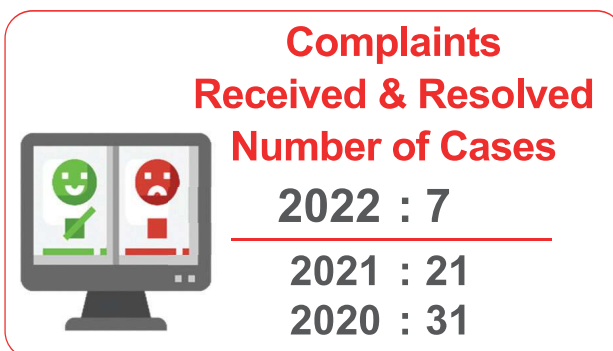
In FYE 2022, customer enquiries were attended to through various electronic platforms and social media, including Facebook pages and LinkedIn for business collaborations. However, face-to-face channels have been established for customers who prefer to speak with Customer Service Specialists, with strict physical distance maintained.

Throughout the various phases of MCO, customer expectations were managed through constant updates on online mediums such as notices on BPs' websites and Facebook pages as well as using automated notifications on the interactive voice response system.

Two-way communication were also emphasised with customers being able to engage with our Customer Service Specialists through email, Facebook messages and phone calls.

Existing customer assistance tools have been enhanced with the addition of a chatbot, which was released since March 2021. Customers received immediate responses to general inquiries via the virtual chat assistance.

In FYE 2022, the Group saw a drop in customer complaints by 66.7% from previous financial year (FYE 2021: 21 complaints) and will continue to leverage on innovative solutions to improve customer satisfaction, trust and loyalty.



v. Breach of Privacy

The Group monitors and protects all stakeholders' personal information in compliance with Personal Data Protection Act 2010 ("PDPA"). The Group maintains a zero-tolerance stance to any breaches of privacy. We value customers' trust and are committed to safeguarding their privacy during the collection, storage and handling of their personal data and information.

Sustainability Statement

A. ECONOMIC (CONT'D)

v. Breach of Privacy (Cont'd)

With this, the Group has adopted the following preventive measures:

- Disclosure of Privacy Notice online at www.rce.com.my;
- Compulsory briefings on PDPA requirements for all new recruits during the employee on-boarding programmes;
- An IT Policy handbook to provide guidance on good security practices in password management and handling of information or equipment;
- Enforcing Information Security Policy to limit user access, maintain privacy and confidential information on a need-to-know basis, data retention and disposal management;
- An information security incident response procedure to manage any security incidents;
- A Backup Policy that outlines the procedures required for any backup media to be completely reformatted and destroyed before disposal; and
- Execution of third-party service provider agreements on non-disclosure prior to providing any non-publicly available information, especially customers' personal data.

The Group is constantly reviewing, updating and investing in applications, software and equipment to mitigate the risk of a breach and strengthen cyber security.

The Group hires cyber security professionals, whose company is accredited with multiple international certifications, to conduct penetration testing on systems in use. To-date, the Group's overall investment in data security infrastructure amounted to RM462,200.

The Group reports zero incidents of data leaks, theft, or losses of customer data for the third consecutive year. There were no complaints received from outside parties and regulators bodies on any breach of customer privacy and losses of customers' data.

Investment on Data Security Infrastructure RM'000



2022 : 462.2

2021 : 335.7

2020 : 113.4

B. ENVIRONMENTAL

Commitment to Climate Change

The Group's commitment to climate change is in line with increasing responsibility to address sustainability-related risks and to sustain medium to long term value creation for stakeholders.

We recognise climate change as a global issue that necessitates the collective action of all parties, particularly corporations, in order to recognise the 2-degree scenario and attain the other goals outlined at the 26th United Nations Climate Change Conference ("COP26") in Glasgow, Scotland.

One of the primary strategic thrusts of the latest COP26 directives is mobile financing. As a financial services provider, the Group is exploring the viability of utilising its business model to motivate existing and prospective customers to take greater action on climate change.

The Group has since monitored its energy consumption and carbon emissions performance, which will serve as a catalyst for identifying energy savings and opportunities for Renewable Energy ("RE").

While the Group's business model does not require extensive energy consumption or emissions, the Group believes that it can play a strategic role in fostering awareness and empowering action among employees, customers and other stakeholders.

Sustainability Statement

B. ENVIRONMENTAL (CONT'D)

Commitment to Climate Change (Cont'd)

In addition, our commitment to addressing climate change is also based on the following:

- United Nations Sustainable Development Goal 13: Climate Action;
- Bank Negara Malaysia: Climate Change and Principle-based Taxonomy;
- Global Compact Malaysia (MyClimateAction Guide); and
- Malaysian Government's National Policy on Climate Change.

The Group is cognisant of the growing threat of climate change and its ensuing impacts on the environment, communities and countries. The Group's strategic position as a financial services provider enables it to harness its influence to drive customers and stakeholders to become more energy efficient and adopt RE.

Climate Change Risks and Opportunities

Presently, the Group has identified the following risks in relation to climate change:

Risks	Identified (Potential) Impacts
1. Reputational Risks	<p>The fast-changing regulatory environment and growing investor pressure on organisations may catch out many organisations who are unable to keep pace with the changes. This may lead to RCE being excluded from ESG based market indices such as the FTSE4Good Index.</p> <p>Such exclusions would affect investor perception, especially institutional investors towards the Group.</p>
2. Transitional Risks	<p>The transition to RE for example may require significant capital expenditure and there remains implementation risks, which could lead to failure to deploy or reduced Return on Investment or efficiency. A comprehensive strategic plan is required to drive transition and the Group presently may not have the internal expertise to undertake such planning.</p>
3. Physical Risks	<p>Extreme weather events such as flood, drought and rising temperature could cause significant disruptions to business operations while also incurring repair and rectification costs. Costs for compensating employees for injuries or monetary loss, as well as rising insurance premiums may erode earnings.</p>

In identifying these risks, the Group is in a more informed position to develop the most effective approach to achieve climate change resilience and adaptation. The Group is presently developing suitable models to effectively assess the potential cost of climate change to its operations. Cost is defined as increasing capital and operational expenditures necessitated by climate change as well as impacts to revenues and earnings.

The Group acknowledges that these risks may change over time. Therefore, risk analysis shall be undertaken as and when there is a material change in business model and/or operations.

Climate Change Related Strategies

The Board and Senior Management's vision is to develop business towards achieving a low carbon future and ensuring resilience and adaptation against the climate related risk and opportunities. This includes the eventual establishment of key performance indicators ("KPIs") and targets to track and measure performance over time.

Sustainability Statement

B. ENVIRONMENTAL (CONT'D)

Climate Change Related Strategies (Cont'd)

Other strategic measures that have, or will be implemented include:

- Fostering a sustainability-related organisational culture and mindset within the organisation.
- Development of sustainability-related expertise and professionals within the organisation to drive the realisation of the Group's sustainability agenda.
- Undertaking a comprehensive assessment of the business value chain from start to end towards identifying sustainability risks and opportunities. This includes assessing relationships and interactions with BPs and customers.
- Collaborating with external consultants such as Sustainability Guidance and Advisory firms to upskill employees and develop necessary internal knowledge and competencies.
- Measuring and monitoring Scopes 1 (fuel) and 2 (electricity) consumption and emissions.
- Tapping on the 3R approach of Reduce, Reuse and Recycle for a sustainable future as natural resources are finite.

The Group will continue to strengthen and refine its approach to driving climate action across the Group and with its stakeholders in the future. It will continue to focus on reducing carbon emissions by focusing on energy consumption, waste and transportation emissions. This involves setting energy and carbon reduction targets for operations as well as customer specific objectives.

Membership in Associations

On 1 July 2021, RCE became Corporate Friends of Climate Governance Malaysia ("CGM"), the Malaysian chapter of the World Economic Forum's Climate Governance Initiative. This complements ongoing efforts to manage resources, reduce ecological footprint and adapt to climate change, while also enhancing sustainability reporting and value generation.



The Group has collaborated with CGM and other organisations such as Free Tree Society in order to explore innovative strategies for accelerating effective climate change action. The Group hosted environmental talk on 2 November 2021, titled "The Reality of Climate Crisis and Ways to Realign Business" to raise awareness on the critical nature of climate change within the workplace.

Energy Management

In FYE 2022, the Group achieved a 3.2% percent reduction in electricity consumption per square foot while the office space increased by 30% since FYE 2020. This reduction is attributed to the widespread use of energy efficient lighting, fewer physical meetings and training sessions as well as decreased computer usage as a result of fewer employees in the office.

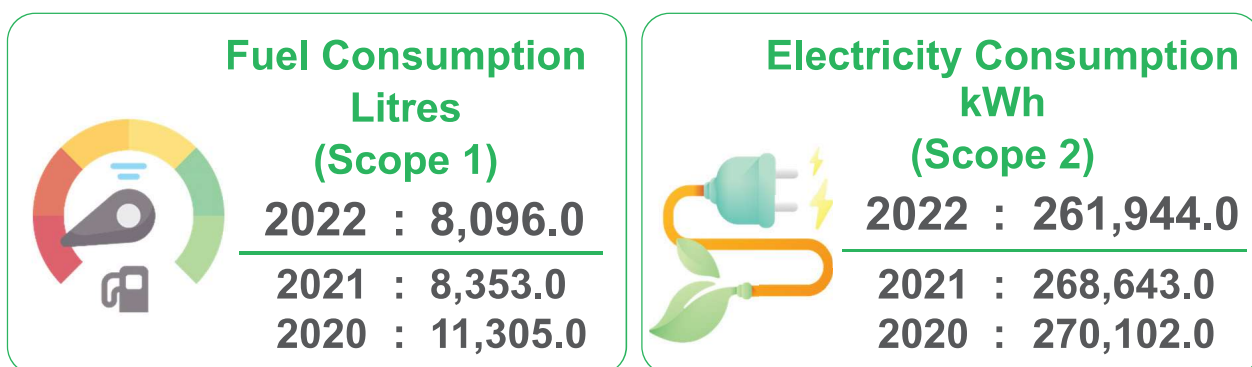
The reduction in electricity augurs well for the Group's aspiration to reduce environmental footprint, in particular carbon emissions. The Group presently measures emissions based on Scope 1 emissions which are derived from direct energy consumption. Meanwhile, Scope 2 emissions are derived from indirect energy consumption.

Sustainability Statement

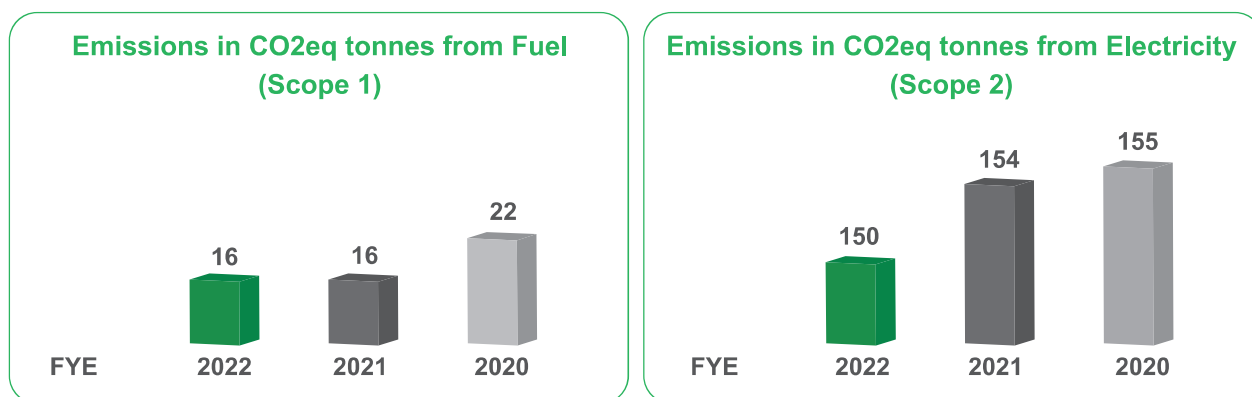
B. ENVIRONMENTAL (CONT'D)

Energy Management (Cont'd)

Scope 1 is fully from the fuel consumption of the Group's corporate vehicles. Whilst 95% of Scope 2, electricity consumption is from the Group's office located in Kuala Lumpur and Sarawak Service Centre accounted for 5% of these emissions for FYE 2022.

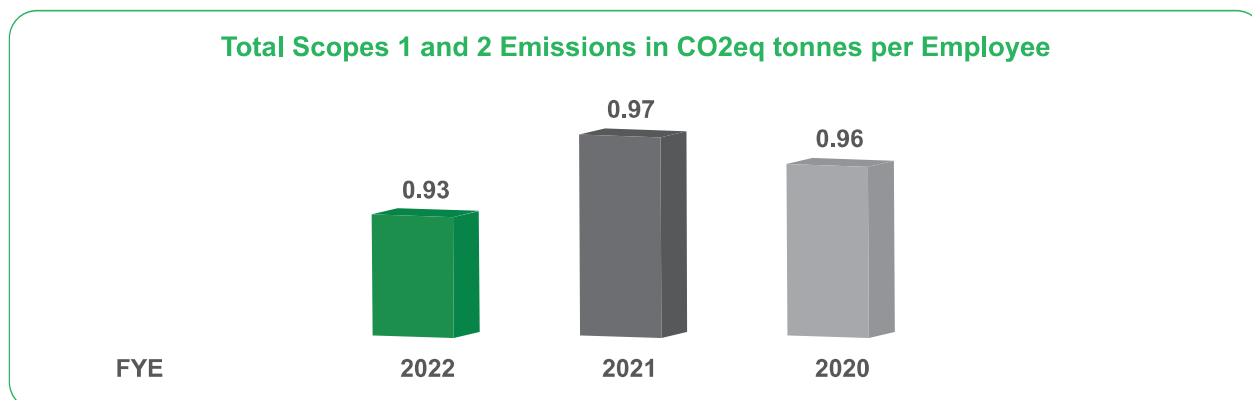


Energy and carbon emissions performance has been published on RCE website and monitored in an effort to mitigate the effects of climate change. Continued implementation of existing initiatives and technologies, especially retro-fitting LED lighting is likely to maintain the current downward trend in energy consumption.



Scopes 1 and 2 emissions reported above are in adherence with greenhouse gases protocol, based on the operational control approach.

Following the above, the total Scopes 1 and 2 emissions per employee has declined as shown below:



Sustainability Statement

B. ENVIRONMENTAL (CONT'D)

i. Resource and Waste Management

The Group's daily operations are constantly being improved through effective resource management. This encompasses paper, electricity, corporate vehicles fuel consumption and e-waste reduction. These conservation efforts help to mitigate the effects of climate change by reducing carbon emissions. Carbon emissions from electricity generation and corporate vehicles are regularly monitored.

Additionally, the Group remains engaged in a variety of environmental conservation initiatives, such as the following:

- Implementing recycling systems for supplies, equipment and furniture to minimise wastage;
- Initiating an e-waste collection to promote proper disposal of used and/or unwanted electronic devices;
- Offering pre-loved office furniture to employees for bidding at the minimum costs;
- Eliminating unnecessary paper usage and maximising electronic communication;
- Reducing or eliminating single-use items and non-biodegradable plastics;
- Providing insulated lunch boxes to all employees in order to reduce reliance on disposable plastic packaging and to encourage the use of reusable bags and cutlery;
- Donating old clothes and shoes to reduce waste; and
- Educating employees on environmentally responsible behaviour within and outside the workplace.

Employee Volunteerism – Green Warriorz Team

To foster environmental awareness, the Group encourage employees to contribute actively to the Group's green organisational culture through the Green Warriorz Team. The aim of this team is to raise environmental awareness, promote green initiatives and encourage employees to adopt environmentally friendly lifestyles.

Periodic emails and environmental awareness newsletters are distributed on a weekly basis to educate employees on reducing resource consumption, waste and energy conservation recommendations. These include unplugging unused electronics and minimising “paper footprint” by advocating paperless practices through various methods. Additionally, this team promotes environmental awareness through initiatives such as encouraging employees to use their own containers for take-out meals.

Along these, additional green initiatives are in place to ensure organisational objectives are achieved as follows:

Paper Reduction

The Group is pleased to report that paper waste has decreased significantly since FYE 2019 upon implementation of the lock-print. The “Think Before You Print” motto encourages employees to use recycled paper and double sided printing for reports and worksheets.

Every email includes the phrase “GO GREEN. Go paperless” to remind employees of the initiative. Moreover, colour printing is discouraged unless absolutely essential. The resulting achievement was 30.2% decrease in paper consumption per headcount in FYE 2022, owing in part to the work from home arrangement.

Aside from that, the filtration of recycled papers is also used to prevent the leakage of private and confidential information, such as customers' personal data and information.

Sustainability Statement

B. ENVIRONMENTAL (CONT'D)

i. Resource and Waste Management (Cont'd)

Paper Reduction (Cont'd)

The Group also promotes paperless initiative to stakeholders by encouraging them to access Annual Reports online, which helps us minimise carbon emissions associated with the distribution process.



During FYE 2022, new practices were also implemented, including the following:

- New hires receive a paperless welcome kit/manual via email upon their arrival;
- Training materials that are published to the intranet; and
- Implementation of electronic forms ("e-forms") on 8 April 2021, which converts all hard copy forms to electronic with soft copy support. To-date, at least 17 forms have been converted to electronic and employees now can seamlessly access the system and apply.

Reusable face masks and facial recognition temperature panels

Employees are periodically supplied with reusable antimicrobial fabric masks and face shields as an alternative to disposable face masks. Also, facial recognition temperature panels for daily temperature checks were installed in order to decrease battery consumption associated with thermometer use.



Fabric masks and face shields provided to employees

Sustainability Statement

B. ENVIRONMENTAL (CONT'D)

i. Resource and Waste Management (Cont'd)

E-Waste Management

Proper disposal of e-waste continues to be a key component of the Group's environmental conservation efforts. Employees are encouraged to recycle unwanted electronic gadgets and batteries by disposing them in designated containers located on office floors.

The collected e-waste is subsequently transported to recycling facilities, which serve as the principal treatment point for domestic e-waste, ensuring safety, pollution control and environmentally sound recycling.

The Group recognises that improper disposal of used electronic devices is damaging to both human health and the environment as the World Health Organisation reports that health risks can arise from direct contact with toxic compounds leached from e-waste. Likewise, employees are aware of the environmental hazards associated with incorrect e-waste disposal, including the effects on water, soil, air, land and sea species.

In FYE 2022, the Group collected 98.6kg of e-waste:



Drop off of e-waste at recycling centre

The increase in collection was credited to the Green Warriorz Team's efforts through promoting and raising awareness about proper e-waste disposal.

Old Clothes and Shoes Donation

In FYE 2022, a new initiative was introduced where the Group collected employees' old clothes and shoes to encourage reduced textile waste while helping people in need.

Employees are informed about their clothing's environmental footprint and encouraged to recycle rather than discard. The Group believes that individuals who are aware of how their actions affect or benefit the earth are more inclined to make environmentally conscientious choices.

With this, the Group is pleased to inform that 223.8kg of old clothes and shoes were collected.



Employees with old clothes and shoes at recycling box

Sustainability Statement

C. SOCIAL

i. Ethics and Integrity

The Group is committed to preserving the highest ethical and integrity standards across its operations. Corporate governance based on the principles of highest level of transparency, openness and accountability, is a prerequisite for long term value creation and business success.

Consequently, the Board communicates its tone to all employees through a variety of channels, including the Group's COC. The COC focuses on ethical and responsible corporate conduct and address the following areas:

- Compliance with applicable laws, regulations and Anti-Bribery and Corruption ("ABC") Policy;
- Conflict of interest;
- Anti-trust and fair competition;
- Confidential information;
- Insider trading; and
- Anti-money laundering and anti-terrorism financing.

The COC also explicitly define behaviour standards and policies when it comes to accepting any sort of gift or hospitality and prohibits improper payments, charitable and political contributions. Political donation is strictly prohibited, unless permitted by laws and approved by the Board.

This is also in accordance with ABC policy guided by TRUST principles, which is reviewed every three years in accordance with Bursa's Main Market Listing Requirements.

Assessment on the ABC policy is carried out by COM annually or as and when necessary to ensure existing internal controls and measures remain relevant to the Group's business.

Annually, all employees receive training covering anti-corruption, anti-money laundering and anti-terrorism financing, personal data protection and more. Likewise, new hires are required to attend these self-training sessions within the first week upon joining. This reflects our commitment to upholding the highest ethical standards and fostering an environment free of unethical or unlawful behaviour, where employees are encouraged to voice their concerns without fear of punishment.

Whistleblowing

Whistleblowing is a critical component in every organisation as it aids in preventing, deterring and detecting fraud when it occurs. It reduces the Group's susceptibility to fraud by enabling earlier detection which in turn saving costs.

The Group regularly refines its Whistleblowing Policy in order to provide a channel for the employees and members of the public to report any suspected wrongdoing. This encompasses misconduct such as fraud, corruption, bribery, extortion, criminal offences or malpractice that violates legal or regulatory requirements, miscarriage of justice, endangerment of an individual's health or safety and any other unethical or inappropriate behaviour.

The whistleblowing mechanism is administered by the Internal Audit Function and overseen by AC. Whistleblowing platforms are available via hotlines and corporate website. No employee was reprimanded or dismissed and no third party service provider contract was terminated as a result of bribery or corruption violations in FYE 2022.

The Group has adopted a non-retaliation policy, which states that no employee will face adverse action for complaining, reporting, participating in, or assisting in the investigation of a suspected violation of its COC or applicable laws and regulations, unless the allegation made or information provided is found to be intentionally false or not made or provided in good faith. The Group treats all complaints with strict confidentiality. Allegations of retaliation will be investigated and if appropriate, disciplinary action, including termination will be implemented.

Sustainability Statement

C. SOCIAL (CONT'D)

i. Ethics and Integrity (Cont'd)

Employee Handbook

The Employee Handbook and P&P provide guidance on making ethical decisions. Employees access the Employee Handbook via RCE's intranet at their convenience and are required to sign a letter of undertaking to pledge their compliance with applicable laws and regulations, including but not limited to Bursa's Main Market Listing Requirements, Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, Malaysia Anti-Corruption Commission Act 2009 and PDPA.

Extension of COC to the Supply Chain

Prior to employing any third party service providers, a risk assessment will be conducted comprehensively. This includes conducting due diligence and credit checks on the third party service providers' company and profile. These controls are recorded in the relevant P&P, which provides detailed guidance.

Corruption, bribery, fraud and facilitation payments are recognised as "high risk" in the Group, therefore, it took extended precautions by bringing attention the COC to the Sales Team, vendors, suppliers, consultants, bankers and solicitors. The Group applies the following disciplinary actions against parties responsible for any violation, which include but not limited to:

- Issuance of warning letters;
- Disqualification from incentive programmes; and/or
- Termination of engagement or employment.

Charitable and Political Contributions

The Group's charitable contributions include patronage for education through the provision of study grant and other community welfare activities made in accordance with ethical standards and in compliance with applicable laws and regulations. For further details, please refer to pages 54 to 56 of this Statement.

Political donation is strictly prohibited, unless permitted by laws and approved by the Board.

However, the Group may participate in charitable or nation-building events organised by the government of the day or its ministries and agencies. The Group may also support corporate social responsibility ("CSR") events or programmes that could see the involvement of political parties or politicians.

There were no political contributions made by the Group during the financial year.

Commitment to Upholding Labour and Human Rights

The Group is committed to ensure its business operations comply with Malaysian Employment Act 1955 and all other relevant labour laws of Malaysia. Apart from that, we advocate free and fair labour practices and apply to the principle of equal pay for equal work. The Group is against all forms of mistreatment of employees and believe in safeguarding their rights.

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development

The Group's greatest asset is its people. Thus, personnel management and development in placed are founded on four encompassing and holistic principles:

- Talent Management
- Workforce diversity and inclusivity
- Work-life integration
- Occupational safety and well-being

Talent Management

The Group views exceptional talent as crucial for business growth. Hence, we have established a talent management framework that incorporates set corporate goals and objectives. The framework provides for a strategic approach for recruiting, developing and retaining talent.

In essence, the Group supports the recruitment of local talents towards supporting nation building i.e. the development of a trained local talent pool, the creation of high-paying, knowledge based jobs that support improved incomes per capita for Malaysians and other socio-economic benefits.

Consistent with the new Minimum Wage Order 2022, which went into effect in May 2022, all confirmed employees have been paid wages that comply with or exceed the minimum wages stipulated under the act. Certain employees are entitled to fixed allowances in addition to their base salary.

Employees receive competitive compensation packages comprising salaries benchmarked against industry standards that also include a wide range of statutory and other benefits. Compensation is based on merit in accordance to the job experience, related qualifications and performance of the employee.

The Group strives to be a preferred employer by offering competitive remuneration and benefit packages such as Employees' Share Scheme, Financing Profit/Interest Subsidy, Fixed Allowances, Children's Education Achievement Incentive, Medical Benefits and Long Service Awards. Additionally, 90 days maternity leave was introduced for female employees since 2018.

The Group remains vigilant in ensuring that all employees are fairly compensated in compliance with Malaysian Employment Act 1955 and all other relevant labour laws of Malaysia.

Apart from that, the Group also provides a variety of learning opportunities and recognition programmes to ensure its employees are well-equipped with the necessary skills and development tools. This is consistent with the Group's philosophy of meritocracy and equitable opportunity for employees to learn and thrive.

Employee Recruitment

- The Group attracts potential candidates through advertising in job search websites, its corporate website, recruitment agencies, LinkedIn and/or employee referrals.
- Recruitment and selection processes are conducted in a fair and non-discriminatory manner.

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Employee Development

- Mandatory self-training or briefing on key areas within first week of joining, providing them a quick guide to the way of working and P&P relevant for them to blend in with ease.
- Mandatory on-boarding sessions are conducted for all recruited employees, providing them a comprehensive understanding of the Group and helping them integrate into the organisation.
- On-the-job training is provided to all employees, helping them obtain hands-on knowledge.
- The Group nurture employees through a variety of training programmes focusing on soft skills, leadership development and regulatory compliance. Additionally, employees receive one-on-one coaching to help them develop their ability to lead, resolve issues and overcome adversity. The Group's mission is to support employees in realising their full potential.
- The Group promotes a culture of lifelong learning and encourages employees to enhance their skills or acquire new ones in order to stay current with market trends.
- The Group fosters a culture of knowledge sharing by encouraging employees to share their training materials and expertise with their colleagues. This involves the dissemination of technical, non-technical and regulatory training resources via the intranet.

In FYE 2022, investment into employee training increased by 290.1% as more virtual trainings were conducted during the financial year. Therefore, average number of training hours per employee is 24 hours, equivalent to 3 working days per employee. It has improved by 200.0% as compared to FYE 2021.

Training in FYE 2022 focused mainly on leadership development programme with a total of 70 sessions conducted for different groups of leaders within the Group. The purpose of the leadership development programme is to unlock employees' potential and maximise their job performance. It is to develop employees' capabilities and create the opportunity to see things with fresh perspective.



Investment in Employee Training RM'000

2022 : 353.4

2021 : 90.6

2020 : 380.2



Average Training Hours Per Employee

2022 : 24

2021 : 8

2020 : 40

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Employee Development (Cont'd)

Trainings attended during FYE 2022 include but not limited to the followings:

No.	Types	Title
1.	Leadership Development Programme	<ul style="list-style-type: none"> Leadership Programme: Executive and Group Coaching Coach Leader Development Programme: Executive and Group Coaching Coach Leader Development Programme based on John Maxwell Principles: <ul style="list-style-type: none"> ➤ Module 1 : Application of Law Success in Coaching and Mentoring ➤ Module 2 : Leadership Gold and Executive Coaching Session ➤ Module 3 : Coaching and Mentoring for Accelerated Performance and Executive Coaching Leadership Programme: Bring The 7 Habits to Life
2.	Regulatory/Technical Skills and Knowledge	<ul style="list-style-type: none"> MIRA Webinar Complimentary Invitation – Sustainability Reporting: Ensuring Relevance to Financial Market Webinar On Section 17A Corporate Liability for Corruption Safety talk by Department of Occupational Safety and Health Malaysia: <ul style="list-style-type: none"> ➤ Understanding of Occupational Safety and Health Act 1994 ➤ Employer's and employee's responsibility and compliance to the OSHA Act Conduct of Directors and Common Breaches of Listing Requirements Legal Compliance on Employment Matters During COVID-19 Pandemic Corporate Liability: S17A of The MACC Act – The Ultimate “Vaccine” For Corruption in Private Sector Shareholder's Agreements: The Do's and Don'ts Towards Employers' Readiness for LHDNM Tax Audit CompTia Security+ Management of Operational Risk in implementing Tawarruq Financing Measuring and Managing Greenhouse Gas Emissions – Scope 1, 2 and selected Scope 3 National Budget 2022 Review and Updates Certified Information Security Manager Share Buy-Back: A Regulatory Perspective Perkongsian Mengenai Tatacara Penyediaan Notis Privasi Managing Related Party Transactions

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Employee Development (Cont'd)



Coach Leader Development Programme

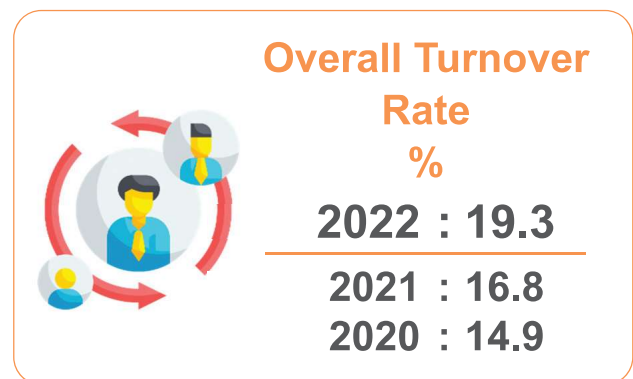


Share Buy-Back: A Regulatory Perspective Training

Employee Retention

The Group regularly reviews its remuneration structure for employees as part of its overall approach to talent retention. Other aspects of retention include employee rewards and recognition for performance, training opportunities, encouraging work-life integration and more.

Excessive working hours are discouraged as focus remains on efficiency and productivity. Above all, the Group aims to recognise each employee's potential and aid them in realising their aspirations.



Overall employee turnover rate was 19.3% in FYE 2022. 71% of employees resigned was for career advancement while 18% left due to family needs and responsibilities. The remaining 11% left owing to their own personal reasons. There were no termination of employees recorded during the financial year.

Workforce Diversity and Inclusivity

To remain current and competitive in the market, the Group believes in hiring candidates from a variety of backgrounds. The Group ensures equitable employment opportunities to all applicants, regardless of race, gender, religion, age, disability or sexual orientation. Workplace diversity fosters innovation, tolerance and improves performance.

As a result, the Group strives to attract and retain top talents from all walks of life by upholding equal opportunity and mutual respect in the workplace. The Group conforms to the principle of "equal pay for equal work" for both men and women, as guided by the Employment Act 1955.

Other efforts include employing and retaining two employees with special needs i.e. deaf and deaf-mute. They have worked in the Group for 14 and 15 years respectively, constituting 1.1% of current workforce.

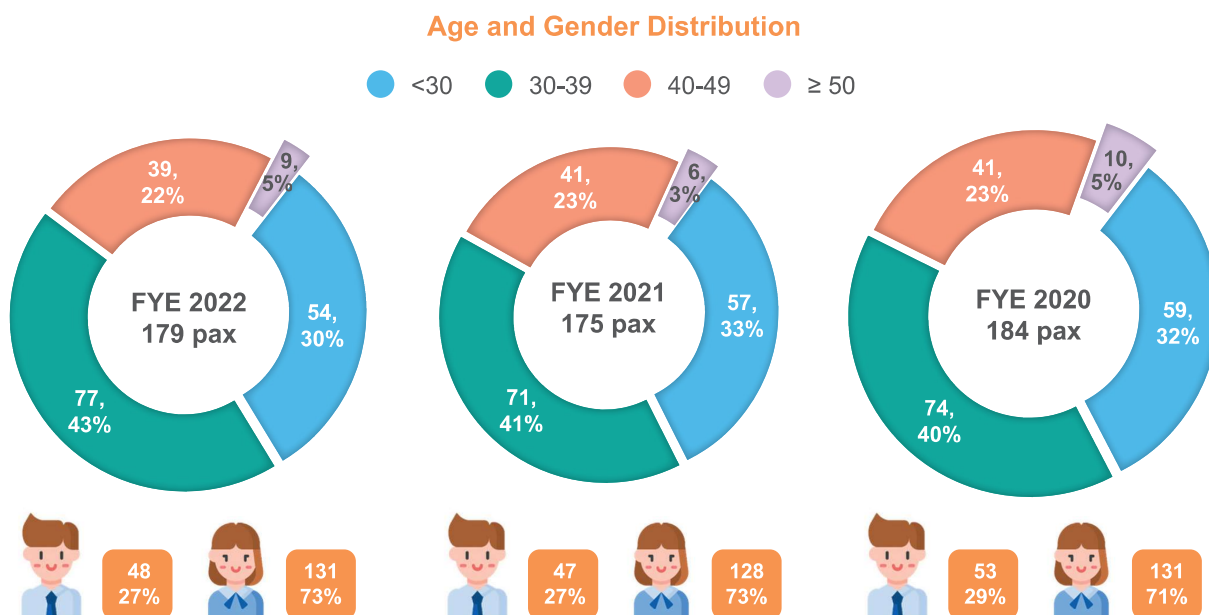
Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Workforce Diversity and Inclusivity (Cont'd)

The Group currently employs 179 Malaysian permanent employees with a manageable age and gender composition as indicated below. Whereas, 2 contract staffs were hired during the financial year, which represented 1.1% of current workforce. The Group is also pleased to confirm that there were no incidences of discrimination reported during FYE 2022.



The Group opposes to all forms of sexual harassment and acknowledges that sexual harassment is a form of discrimination and violates the dignity of individuals. The Group's Sexual Harassment Policy is in tandem with its core value that all employees should be treated with dignity and respect, with the vision that a safe, healthy and supportive work environment should be preserved.

The policy aims to safeguard all men and women in the organisation from unwanted sexual advances and to provide transparent compliant resolution mechanism for reporting incidents. Employees are to report any sexually inappropriate behaviour directly to the Human Resource ("HR") Unit or immediate superior. Sexual harassment policy is published on the Group's website at <https://www.rce.com.my/esg.php>. In FYE 2022, there were no such cases reported.

Work-life Integration

Work-life integration is fundamental for employees to achieve a rewarding and enriching career. The Group recognises the challenges employees face as a result of having to work from home and adjusting to new norms during the pandemic. As such, employees' physical and mental well-being are always the Group's primary concern.

Additionally, the Group encourages employees to speak up and share their perspectives to establish and foster a more positive work-life integration and experience.

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Work-life Integration (Cont'd)

Apart from encouraging employees to communicate their concerns, the Group continues to engage them to foster relationships and instil a sense of belonging. The Group conducted the following employee engagement activities during FYE 2022:

- Sharing of monthly health topic to all employees via email;
- Encouraging employees active at walking and exercising through registration at the Activ@Work Challenge 2021, organised by PERKESO and BookDoc, with RCE's own promotion code;
- Completion of second and third doses of Gardasil 9 HPV Vaccination;
- COVID-19 Neutralising Antibody Test; and
- Batik painting workshop on Canvas Tote Bag.



Employee taking COVID-19 Neutralising Antibody Test



Employee receiving Gardasil 9 HPV vaccination



Employees at batik painting workshop



A variety of wellness sessions led by our Wellness Partner were held to help foster a healthy and safe working environment such as:

- COVID-19 Myths, Truths and Vaccination;
- Prevention – Strengthening Immunity for You and Family;
- Mental Health;
- Ergonomics – Work from Office and Home Exercise;
- Obesity and Your Heart: Importance of Nutrition or Healthy Eating; and
- Cancer: Detect and Diagnose.

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Work-life Integration (Cont'd)

Additionally, the Group provided employees the opportunity to participate in a “Race to Fitness” Weight Management Programme, which was facilitated by qualified nutritionists and aimed to assist participants in regaining control of their weight. The programme ran for four months, from 1 June to 30 September 2021 and concluded on 4 January 2022.

Occupational Safety and Well-being

Employees' workplace health and safety have always been a primary concern. The Group require employees to comply with the Occupational Safety and Health Policies, guidelines and protocols in order to safeguard themselves from workplace health and safety concerns. The Safety Health and Emergency Response Team regularly attends training and maintains a consistent level of first aid knowledge and skills.

The Department of Occupational Safety and Health Malaysia was also invited to give safety talks on the following topics:

- Understanding of Occupational Safety and Health Act 1994; and
- Employer's and Employee's responsibility and compliance to the OSHA Act.

In FYE 2022, there were no occupational incidents reported in the Group.



To strengthen emergency response capabilities, each office floor is equipped with an automated external defibrillator, foldable stretcher and wheelchair. These are inspected on a regular basis to ensure they remain in good condition and are safe to use. First aid kits are also placed in all floors and used contents replenished regularly.

Furthermore, the Group established a vaccination programme in May 2021 for employees who did not receive their appointments through the MySejahtera app. Employees are entitled to vaccination leave to ensure they are well rested after receiving the vaccination. To-date, 99.5% employees are fully vaccinated and boosted, with only 1 employee unboosted due to health reasons.

Sustainability Statement

C. SOCIAL (CONT'D)

ii. Employment Management and Development (Cont'd)

Occupational Safety and Well-being (Cont'd)

The Group continue to apply the following measures and controls:

- Hand sanitisers are provided at main areas and multiple workstations;
- Automatic hand sanitisers with stands are placed at the main entrance;
- Regular disinfection of all areas within office premises;
- Daily disinfection of highly populated areas such as the main entrance, all doorknobs or handles, meeting rooms, reception area and pantry;
- Physical distancing within office premises;
- Installation of 15 units air purification system (i.e. Aura Air and Pure Cloud) to reduce airborne and surface contaminants as well as pathogens in office floors to protect all employees;
- Clinical waste bins are placed at strategic locations for employees to dispose used masks, test kits or protective gears properly;
- Regular email reminders to employees on safety precautions to be taken and observed; and
- Rapid Antigen Saliva Self-Test Kit are made available via HR Unit, if needed by the employees.

As Malaysia transitioned into endemicity, the Group has updated its Recommencement of Operations and Safety Guidelines to ensure it moves smoothly without disruption to its operations.

iii. Community Investment

As a responsible corporate citizen, the Group is committed to local community development by providing financial and other forms of support as part of giving back to society and undertaking meaningful CSR.

The Group supports a variety of charitable initiatives, with specific focus on education, health and supporting victims of domestic violence.

Education

The Group's support to education is made possible by its relationship with Yayasan Azman Hashim ("YAH"), a non-profit charitable foundation founded by Tan Sri Azman Hashim, the Chairman of RCE's ultimate holding company.

YAH was founded primarily to focus on long term sustainability in education, welfare and the alleviation of human suffering. Throughout the years, YAH has contributed to many nation-building initiatives, including but not limited to the construction of sports arenas, mosques, halls, sports complexes and centres.

In collaboration with YAH, the Group enables deserving youth to pursue full-time Association of Chartered Certified Accountants certifications through the provision of study grants and sponsorship for higher education. Additionally, students are offered employment opportunities following completion of their studies.

To-date, a sum of RM524,000 has been offered to the students to support them in obtaining quality education. In FYE 2022, there were 2 new study grant recipients.

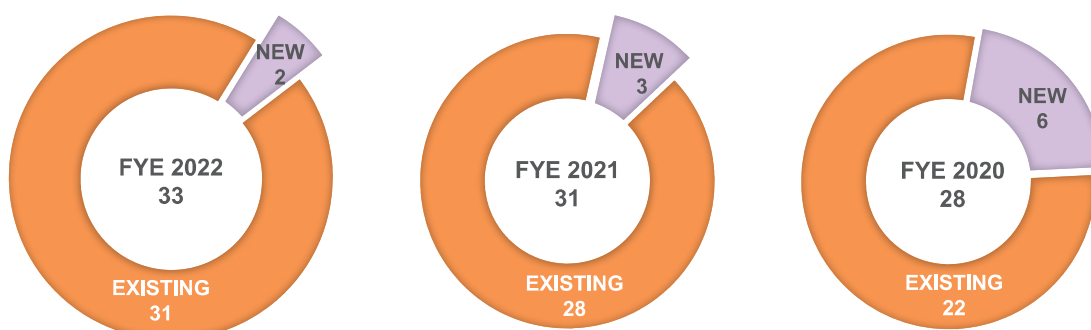
Sustainability Statement

C. SOCIAL (CONT'D)

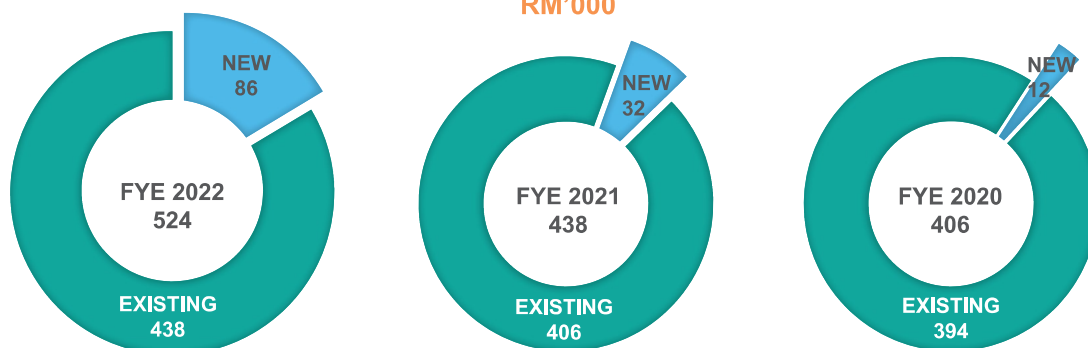
iii. Community Investment (Cont'd)

Education (Cont'd)

Accumulated Number of Study Grants Awarded Per Year



Accumulated Study Grants Awarded RM'000



Community Welfare Activities

Medical Equipment to Hospitals

In FYE 2022, the Group donated medical equipment to support the public healthcare system on treating critical COVID-19 patients. Below are the details on the contributions:

22 July 2021:

- RM97,000 worth of medical equipment to the Intensive Care Unit ("ICU") Ward at Hospital Tengku Ampuan Rahimah, Klang consisting of 2 sets of Philips IntelliVue MX550 Monitor.
- Each set includes peripherals of a multi-measurement module, reusable finger sensor, non-invasive blood pressure interconnecting tubing cables, lead electrocardiogram trunk cables and lead wires, as well as reusable cuffs for paediatrics children and adults.

29 July 2021:

- RM100,000 worth of medical equipment to the ICU Ward at Hospital Sungai Buloh, Selangor; consisting of 288 sets of heated breathing tube and complete chamber kit with adult nasal cannula.
- These were used to facilitate the delivery of oxygen therapy to COVID-19 patients.

17 August 2021:

- RM99,000 worth of medical equipment to the ICU Ward at Hospital Ampang, Selangor consisting of 1 unit of Hamilton-C1 mechanical ventilator and 5 units of Medcaptain MP-30 Syringe Pump.
- These were used to facilitate the delivery of oxygen therapy to COVID-19 patients.

Sustainability Statement

C. SOCIAL (CONT'D)

iii. Community Investment (Cont'd)

Medical Equipment to Hospitals (Cont'd)

2 September 2021:

- RM97,000 worth of medical equipment to Hospital Kuala Lumpur, consisting of 4 units of Medcaptain MP-30 Syringe Pump and 15 units of Sanuvox BIOPÜR Advanced Portable Air Purifier.
- These were used to facilitate the delivery of oxygen treatment to COVID-19 patients and aid in the reduction of airborne viruses.

The Group is hopeful that these contributions have aided COVID-19 patients in receiving quality medical care and alleviated the burden of front-line healthcare providers.



Handover of medical equipment to Hospital Tengku Ampuan Rahimah, Hospital Sungai Buloh, Hospital Ampang and Hospital Kuala Lumpur

Women's Aid Organisation ("WAO")

WAO is an organisation with first phase certification under the Core Humanitarian Standard on Quality and Accountability credential in September 2019. The Group continues to contribute to the WAO, a non-governmental organisation that supports affected women and advocates children's rights in view of the rise in domestic violence.

The Group has been supporting WAO since August 2019 and in FYE 2022, RM54,000 was donated to fund WAO's pro bono counselling and therapy sessions.



WAO Donation RM'000

2022 : 54.0

2021 : 31.5

2020 : 4.5