

SUSTAINABILITY STATEMENT 2018

With the key objective of sustaining viable performance within the Economic, Environmental and Social (“EES”) aspects of sustainability, the PBA Holdings Bhd (“PBAHB” or the “Company”) Group (“Group”) is committed to developing and implementing means to achieve a balance between achieving equitable growth and sound contributing efforts.

As we move forward in identifying ourselves as a sustainable organisation, this year’s reporting reflects our initiatives and actions in making progressive strides towards our sustainability goals which are in line with the direction of the state’s Penang 2030 Vision. While we do recognise the perpetual need for future enhancements and innovations in our practices and disclosures, the Group remains steadfast and determined in prioritising our attention to key material matters as we learn and progress towards expanding our outreach on sustainability.

SCOPE AND MATERIALITY BOUNDARY

This Sustainability Statement (“Statement”) is prepared in accordance with Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”) – Practice Note 9 and the Sustainability Reporting Guide issued by the Exchange. In overall, the Statement provides disclosure on the Group’s most pertinent projects, activities and initiatives rather than every aspect of its operations. It covers all subsidiaries of PBAHB and excludes outsourced activities, joint ventures as well as entities within its value chain such as vendors and suppliers.

The scope and criteria used when preparing this report are summarised as below:-

SCOPE OF REPORT	1 January 2018 to 31 December 2018
REPORTING CYCLE	Annually
PRINCIPLE GUIDELINES	Bursa Malaysia’s Sustainability Reporting Guide
COVERAGE	PBAHB and its subsidiaries

This statement is to be read together with the Management Discussion and Analysis (“MDA”) in this Annual Report that captures both our financial and operational performance for the financial year.

GOVERNANCE STRUCTURE

In line with leading our approach towards sustainability, the Board of Directors (“Board”) of PBAHB has set the tone in driving and overseeing sustainable strategies and performance within the Group. With the Board’s commitment in upholding our value of accountability, transparency and integrity, a Sustainability Committee (“Committee”) was established during the year.

The Committee is chaired by the Chief Executive Officer and comprises Senior Management personnel across core operation and administrative support divisions within the Group. With such a structure, each member of the Committee is responsible for the formulation, implementation and oversight of initiatives carried out as well as the gathering of performance data for the relevant reporting.

The Committee convenes for a meeting at least once a year and reports directly to the Audit and Risk Management Committee (“ARMC”) who is tasked to review and advice on the Company’s sustainable practices, goals and disclosures prior to reporting to the Board.

An illustrated diagram of our governance structure in providing direction, managing and reporting on sustainability matters is shown below:-



Please refer to the *Perbadanan Bekalan Air Pulau Pinang Sdn Bhd ("PBAPP") Organisation Structure for the full organisation structure.*

The creation of a cross-functional governance structure serves as a platform to gather a holistic and diverse viewpoint to aid for a broad and comprehensive perspective of sustainability. Furtherance to which, these internal inputs are then augmented by views from external stakeholders through the various stakeholder engagement initiatives held during the year.

With the structure still in its infancy stage, the Committee will be developing and implementing more practices at addressing sustainability matters that are pivotal to the Group as we move forward. We believe that with a good governance structure, principles and standard may be consistently aligned with our key objective of delivering exceptional services.

STAKEHOLDER ENGAGEMENT

Active engagements with stakeholders have been a vital part for us in understanding concerns and expectations as we plan and target our continuous improvement and long-term business sustainability in this dynamic business environment. For this year's reporting, we have conducted our own stakeholder mapping and prioritised list of stakeholders via a structured process with our management team. Towards this purpose, a stakeholder is defined as an individual or entity or group that has the ability and potential to influence or impact the Group's operations alongside those who are or may be potentially impacted by the Group's presence or business operations.

From the mapping, we identified six (6) primary internal and external stakeholder groups, whom we have engaged via our multiple engagement channels at varying frequencies.

Hence, the following is a table illustrating our list of stakeholders and key engagement platforms.

Stakeholder	Means of Engagement	Frequency
Government/ Authority Body	<ul style="list-style-type: none"> • Discussions and meetings with authorities • Inspections and visits • Seminars, trainings and briefings • Reports and press releases 	<ul style="list-style-type: none"> • Regular • Ad-Hoc • Regular • Ad-Hoc
Employee	<ul style="list-style-type: none"> • Employee satisfaction survey • Performance appraisal system • Employee roundtable session • Engagement activities • Meetings and discussions 	<ul style="list-style-type: none"> • Regular • Annually • Regular • Regular • Regular
Consumer	<ul style="list-style-type: none"> • Customer satisfaction survey, through public opinion polls • Talks & public awareness programmes • Face to face interaction through service counters • Social media • Press releases 	<ul style="list-style-type: none"> • Regular • Regular • Regular • On-Going • Ad-Hoc
Local Community	<ul style="list-style-type: none"> • Press release • Consultation meetings • Joint events 	<ul style="list-style-type: none"> • Ad-Hoc • Ad-Hoc • Ad-Hoc
Supplier / Vendor	<ul style="list-style-type: none"> • Vendor registration process • Performance evaluation practice • Meetings and discussions • Inspections and visits 	<ul style="list-style-type: none"> • Ad-Hoc • Annually • Regular • Ad-Hoc
Shareholder	<ul style="list-style-type: none"> • Annual general meetings • Company announcements • Annual reports • Financial reporting • Corporate website • Press release 	<ul style="list-style-type: none"> • Annually • Ad-Hoc • Annually • Quarterly • On-Going • Ad-Hoc

The Group will work progressively in improving our outreach and coverage of stakeholders, in keeping with the ongoing changes within our operating environment and the development of expectations and needs of our stakeholders.

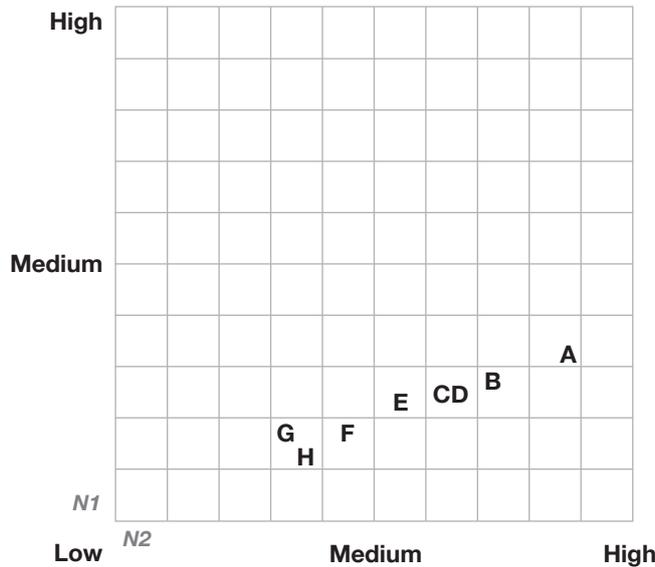
MATERIALITY

The process of determining materiality is crucial for the Group in focusing our efforts at issues identified as fundamental priorities. Our definition of material issues are those which would likely to have an impact to the Group in a positive or negative manner and are relevant to our stakeholders.

Broadening from our internal insights and perspectives and through our ongoing stakeholders' engagements, the Group held its first materiality assessment exercise in 2018. Results from this baseline assessment which included the participation from Management, Heads of divisions and Heads of department were submitted for the deliberation of the Committee and subsequently to the ARMC and Board.

Based on the list of sustainability matters collated from this exercise, PBAHB determine eight (8) main sustainability matters of the highest priorities, in which key resources are placed in managing and addressing these issues. The matters have been plotted in the matrix below based on the order of significance to our stakeholders and impact to the Group as well as categorised under the corresponding Economic, Environmental and Social ("EES") perspectives.

Materiality Matrix



Sustainability Matters	
A	Compliance over Requirements and Regulations
B	Product Stewardship
C	Essential Customer Management
D	Safe Working Environment
E	Water Conservation Initiatives
F	Environmental Targeted Initiatives
G	Contributing Back to Society
H	Valued Welfare of Employees

	Economic
	Environmental
	Social

N1 - Importance to Stakeholder

N2 - Importance to PBAHB

From our perspective, all matters as highlighted above are of equal importance to the Group in consideration of the interrelation between one and another. Therefore, efforts carried out by us are targeted at a broad landscape, with the view of managing and addressing each matter equally and adequately.

OUR SUSTAINABILITY APPROACH

PURSUANCE TOWARDS ECONOMIC SUSTAINABILITY

Compliance with Requirements and Regulations

In meeting the compliance demands and expectations of our stakeholders, the Group ascertained that strict adherence is practiced throughout the organisation as it sets the foundation of healthy and transparent business operations. Key resources are placed in ensuring that our management team is constantly vigilant to changes and updates on regulations relevant to our operations, while we consistently monitor our on-going performance on compliance.

Efforts carried out through internal review and audit practices are initiated to provide us with an active tool to benchmark our performance against regulated targets and the Group's best practice methodology. Furthermore, such practice also aids the Group in identifying weaknesses crucial for rectification as well as encourages the familiarisation of our employees towards the requirements of specific regulations.

In summary, the following is a list of primary rules and regulations that are related to the Group's business and operation:-

- Water Services Industry Act 2006
- Suruhanjaya Perkhidmatan Air Negara Act 2006
- Water Services Industry (Water Reticulation & Plumbing) Rules 2014
- Water Services Industry (Water Services Deposits, Fees & Charges) Regulations 2014
- Water Services Industry (Rates for Water Supply Services) (State of Penang) (Amendment) Regulations 2015
- Water Services Industry (Licensing) Regulations 2007
- Water Services Industry (Water Supply Services Agreement Between Consumer and Water Distribution Licensee) Rules 2014
- Water Services Industry (Bulk Water Supply Agreement) Rules 2015
- Uniform Technical Guidelines

During the year, Suruhanjaya Perkhidmatan Air Negara (“SPAN”) conducted five (5) regulatory audits at various operational premises of the Group, to assess our compliance based on the Water Services Industry Act 2006 and Key Performance Indicators (“KPIs”) imposed on water operators. Full assistance and support were provided by the management team to the authority throughout each visit. No major issues were reported from the audits conducted and that the Group managed to achieve and maintain positive KPI results throughout the year in assessment.

Aside from our efforts in compliance related matters, the Group also promotes the conduct of good governance within our organisation through impartial leadership and ethical guidelines. Pursuant to that, the Group updated a comprehensive Code of Ethics in 2018 which defines ethical guidelines for our employees and directors. In addition, efforts were initiated during the year to educate and enforce Anti-Bribery Guidelines within the Group, which is based on the Malaysian Anti-Corruption Commission (“Amendment”) Act 2018. For that, we designated several key management personnel as Anti-Bribery Champions, who were assigned with the responsibility to advocate and guide good practices in relation to anti-bribery among the management team under their responsibility.

It is by ensuring our complete adherence to regulatory requirements and ethical conduct of business that we are able to operate without disruption, hence protecting the sustainability of our operations as we strive to achieve more as a responsible entity.

Product Stewardship

As part of our commitment to uphold our public service to the people of Penang, we are determined as always to deliver the best possible quality of water to as many people as possible at the best possible price. Building on this foundation, we are constantly looking at new ways to maintain and improve the quality of our treated water, consistent to the Penang 2030 Vision in regards to enhancing the quality of life under ideal liveability for our state.

Actions such as our laboratory audit for all water treatment plants and the expansion of scope for our water testing procedure, with an additional seven (7) new testing parameters added to an overall total of 19 parameters in 2018, have strengthened our practice in monitoring the quality of our treated water.

In addition, a Water Safety Plan proposal was also drafted and submitted by the Group for the review of the Ministry of Health, which defines our comprehensive water safety measures as proposed for the Batu Ferringhi, Waterfall and Air Itam Water Treatment Plants.

The journey to improve and maintain our practices at the highest competency has resulted in our treated water having consistently exceeded the Quality Assurance parameters set by the Ministry of Health, as tested recently by the Health Department of Penang in 2018. In addition to which, what we have done to comply with ISO 9001 : 2015 Quality Management System Certification (which was obtained in 2003) has steadily encouraged us in meeting exceptional quality of product and services.

Our production practices and infrastructure were further recognised with two national-level awards received from the Malaysian Water Associations (“MWA”) during the year. Firstly, our Sungai Dua Water Treatment Plant was awarded with the MWA Water Industry Achievement Award 2018 “Best Water Treatment Plant”, in recognition of the efficiency and productivity of the largest water treatment plant in Malaysia, which produces more than 80% of the treated water distributed throughout Penang. The second award was for the Malaysia Water Award for Management 2018, in which outstanding efforts by our management team in the fields of water or wastewater engineering were acknowledged.

Besides, the Group also takes on-going measures to manage our Non-Revenue Water (“NRW”) in line with our objective to ensure effective distribution of our treated water supply. Our NRW measurement for the last three (3) years showcased our persistent efforts in improving our performance.

Year Achievement	2016	2017	2018
NRW Level	21.5%	21.9%	21.7%

In regards to expanding our coverage of water supply to more consumers, our treated water was delivered via 4,542km of pipelines measuring 100mm and above in diameter in 2018, which was an extension of 60km as compared to 4,482km in 2017. Henceforth, we were able to sustain 100% urban water supply and 99.8% rural water supply, similar as in 2017. Our initiatives will continue progressively as we aim to ensure that more treated water are delivered across the State of Penang as a whole and that consumers from the island and the mainland receive the upmost benefit from our operations.

With daily water consumption at 839.9 million litres per day in 2018 as compared to 826.3 million litres per day in 2017, PBAHB has continued to firmly uphold its “No Water Rationing” policy as we look at sustaining the growth of population and commercial development in Penang. In regards to the future outlook to preserve the enforcement of said policy and to continue how the Group has assured no water rationing since 1999, controls have been established to sustain adequate water supply and maintain our water treatment reserve margin, which stood at the highest in Malaysia at 32.9% in 2018, with the national average at 14.3%.

Essential Customer Management

In bridging the Group’s close relationship with one of our key stakeholders, we have supported all means to provide consumers with a transparent, accessible and simple platform to engage with us on their needs, concerns or requests. The various communication platforms as mentioned can be summarised as follows:-

- A 24-Hour Call Centre; which provides consumers with an avenue to highlight issues and obtain assistance at any point of time.
- Nine (9) Customer Care Centres; that comprises teams of well-trained personnel and are strategically located throughout Penang for convenient access.
- A dedicated Customer Engagement Team; which engages, communicates and assists our top 100 customers in Penang.

In addition, as part of our efforts to integrate services with smart technologies, consumers can easily access information and notices issued or make payments through “myPBA” mobile app which since its launch in 2017, has 32,770 downloads as at December 2018. Similarly, notifications updated via our social media and corporate website also provides consumers with timely and useful information. By taking advantage of the digital revolution surrounding us, we have also adopted a new payment method through “JomPAY”, which allows consumers to pay bills effortlessly via the internet.

As a means for us to assess and improve our practices, our Customer Service Department regularly measures and reports our customer care performance throughout the year against KPIs as specified by SPAN. From the inception of said regulated assessment in 2012, the Group’s measured performance have exceeded each of the stipulated targets positively every year.

The consideration placed at caring for our consumers has showcased and defined our outstanding 20 years track record in serving the State of Penang.

BALANCING A SUSTAINABLE ENVIRONMENT

Water Conservation Initiatives

Being the sole custodian and supplier of treated water for the State of Penang, it is the responsibility of the Group to ensure that water is utilised responsibly by our consumers. We believe that as much as our socio-economic landscape is dependent on water to develop and thrive, water resources also rely on the role our socio-economic environment plays in order to be sustainable.

As part of our efforts in promoting responsible water usage, the Group has promoted mandatory installation of water saving devices by introducing the application as part of our water demand management programme, in which during 2018, a total of 19 main buildings of the Group were equipped with such devices.

With these applications, we are positive that a total water saving of up to 30% may be attained. In addition, we have also advocated for the installation of such devices at our executives’ houses in Penang, from which we shall monitor the consumption of water thereon. Furthermore the requirement has become state wide since it was adopted by the City Council of Penang Island and the Seberang Prai Municipal Council as part of the guidelines for plan submission under the Town and Country Planning Act. Additionally, both councils are currently working towards incorporating this mandatory requirement into the Uniform Building By-Law, which requires the Federal Government’s approval.

Besides implementing such initiatives, the Group has continued carrying out and participating in exhibitions and educational campaigns to promote awareness on water conservation and to educate the public in playing a part to ensure clean and safe water resources for the current and future generations. Hence, for 2018, we participated in 12 events at schools, factories and exhibitions.

Similarly, we have carried on our Aqua Save programme in 2018, during which we assessed and approved 15 successful applications, with 10 organisations who renewed their certifications while another five (5) were new applicants. As at the end of 2018, there were a total of 41 organisations which had been certified with the Aqua Save Certification since it was launched in 2009. Moving forward, we are optimistic at receiving more successful applications as we broaden our approach to educate more consumers to be environmentally conscious.

Other Environmental Targeted Initiatives

Aside from supporting efforts in conserving water, the Group has made a stand at contributing to other aspects of environmental conservation and protection. One of which is that we have continuously strive to maintain and improve our practices in order to fully comply with the requirements of ISO 14000:2015 Environmental Management System Certification, which was obtained in 2005.

In regards to the said compliance, two separate audits, i.e. a surveillance audit and an internal audit, were carried out during the year, in which no Corrective Action Request was highlighted from the respective reviews. This showcased our ability and commitment in ensuring that all our practices meet the standards and benchmarks set by the accreditation body.

For efforts carried out on an internal perspective, the Group also enforces effective and systematic procedures in overseeing and managing waste within our operations, for example in handling scheduled waste, electronic waste and any other special waste. Procedures which involve the process of segregating waste, storing and labelling of waste and eventually to the proper disposal of waste are carried out in line with the relevant guided requirements. Moreover, we have also established the necessary emergency response procedures as counter measures should any spillage, contamination or leakages of waste were to occur. As for 2018, there were no major accidents reported in regards to waste at our operational sites.

Besides managing waste at our treatment plants, the Group is building up a recycling culture at all our offices and sites. This practice is to encourage our employees to sort out recyclable materials from any general waste produced which is then disposed at readily available recycling bins. At present, all collected recyclable materials are contributed to various recycling vendors.

While developing our practices on preserving the environment, the Group had its offices to be "Penang Green Office" certified. In 2018, two (2) additional offices were certified, thus making it a total of seven (7) offices within the Group that are certified as a "Penang Green Office". The certification is an embodiment of our actions to ensure that our offices operate at a sustainable level and causes the least ecological impact.

On a side note, subsequent to years of efforts by the Group in lobbying for the ban of logging activities within the Ulu Muda Forest Reserve and to gazette the location as a water catchment area, the Kedah State Government made a decision to ban all logging in Ulu Muda in September 2018. Following the decision, the Group proceeded to propose a few key measures to ensure a proper and sustainable protection of the forest reserve. Among the actions recommended are the introduction of a Federal law to legally protect and designate the Ulu Muda Forest Reserve as a water catchment area and for the Federal Government to set up a designated department to monitor and manage the area.

We are positive that with the initial decision to ban logging, more efforts will be placed to ensure that Ulu Muda be eventually gazetted as a water catchment area and from there it may begin its journey to be revived as a healthy and prime ecosystem.

BUILDING OUR SOCIAL RESPONSIBILITY

Safe Working Environment

In recognising the risks attached with our operations, the Group highly regards health and safety as one of our core values to preserve for our employees, consumers, contractors and other relevant stakeholders. With such consideration, we have always been pursuing to enhance our existing practices and to develop new procedures as we mitigate the ever-changing risks within our operational environment.

In general, our safety and health practices are carried out based on OHSAS 18001 : 2007 and guided by our Occupational Safety and Health Policy, in line with the necessary requirements of Occupational, Safety and Health Act 1994 (Act 514). Practices which include our roles as employer in establishing measures to ensure safety and improve health of our stakeholders and the guided duties of our employees in contributing to a safe and healthy workplace, are subject to annual compliance and internal audit review. This practice encourages us in identifying areas for improving public safety and acts as a measure for the Group in evaluating our safety and health related performance.

Apart from our regulated practices, we have also initiated the following health and safety programmes during 2018:-

- **Systemic Occupational Health Enhancement Level (“SOHELP”) Programme**
 - A programme which was organised in collaboration with the Department of Safety and Health in assessing and addressing the main causes of occupational disease case, in which, our Sungai Dua Water Treatment Plant was selected for this programme in 2018. Through the programme, improvements were noted on our existing occupational safety and health practices.
- **Workplace Inspection**
 - An inspection programme which conducted twice in 2018 in a joint effort between our Quality, Safety and Health Department and Safety and Health Committee. The said programme was to assess the level of safety and health measures in place at each area of operation.
- **Emergency Drills**
 - Drills on our predetermined measures for fire, evacuation, chlorine leak, chemical spillage and electrical emergency were conducted at all sites during the year, with an objective to educate and train our employees in handling emergency situations.

Besides the abovementioned programs, the Group also ensures that our employees participate at safety and health related trainings consistently throughout the year. Therefore, in 2018, our employees were committed to a total of 441 hours in trainings, seminars and conferences which kept them abreast of new developments on the forefront of safety and health practices.

Our dedicated efforts in ensuring the highest level of safety and health were recognised when our Batu Ferringhi and Bukit Toh Allang Water Treatment Plants were awarded with a Gold (Class 1) Award from the Malaysian Society of Occupational Safety and Health. The awards were a compliment to both treatment plants for achieving zero incidences of “loss time injuries”, accidents or dangerous occurrences in 2017, showcasing that both of these plants were amongst the safest and healthiest among utility companies in Malaysia.

From hereon, we will be striving to ensure that such track records are upheld to our best capabilities as we look forward to achieve more success at implementing an overall safe and healthy environment.

Contributing Back to Society

With inspiration from the Penang 2030 Vision, we have continued and expanded on our corporate social responsibility commitments for 2018, providing assistance and aid to the general public and particularly towards the underprivileged and less fortunate. During the year, our accomplishments in contributing to the public can be summarised as follows:-

- **Kampung Loans” Programme (*initiated since 1976*)**
 - An interest-free loan programme for water connections, in which households with a income of RM1,000 per month or less can apply for a loan up to RM1,500 which is payable by instalments via water bills, alongside a waiver for trunk main contributions.

Year	2016	2017	2018
Number of Successful Applications (for the year)	46	90	90
Amount (RM)	68,110	133,870	134,725

- **Project Perumahan Rakyat Termiskin Scheme (*initiated since 2008*)**
 - A scheme which aids household with a monthly income of RM790 or less, with one (1) free connection of water from the main pipeline to the premise (Category 1) for those who are without a water pipe connection or with free water supply for up to 60,000 litres per cycle for every two (2) months (Category 2) for those with an existing pipe connection.

Year	2016	2017	2018
Total Approved Cases (Category 1 & 2)	207	199	189
Amount (RM)	17,277	16,482	18,094

- **Special Tariff Rates for Places of Worship (initiated since 2009)**
 - Special water tariff rates allocated for places of worship such as mosques, suraus, churches, Chinese and Hindu Temples.

Year	2016	2017	2018
Total Places of Worship	1,746	1,788	1,699
Amount (RM)	69,265	71,080	76,003

- **Water Surcharge Rebate (initiated since 2014)**
 - A rebate of 60% on water bill is applicable for households with eight (8) persons or more following any successful application of such rebate.

Year	2016	2017	2018
Total Approved Cases	821	875	888
Amount (RM)	110,374	114,751	117,069

As much as we are determined to provide the best product and services to our consumers, we are committed to continuously extend our assistance and maximise the benefit to the public. Hence, it may be observed that the amount committed for each relief has progressively increased as we work towards expanding our contribution to the public.

In addition, the Group also provided assistance during the water crisis situation in the State of Selangor in 2018, by mobilizing assets such as water tankers and with employees volunteering to assist alongside the Army Reserve (Wataniah) 60th Regiment (Handling Water Supply). During the crisis, we deployed a total of two (2) water tankers and one (1) 4x4 vehicle with six (6) personnel as volunteers from the period between 7 March to 12 March 2018. Similarly, the Group also deployed one (1) water tanker with three (3) personnel to Port Dickson from 24 November to 28 November 2018 in assisting with the State of Negeri Sembilan's predicament.

Other than that, we gave donations to various charitable bodies, while sponsoring and participating in several cultural, art and sporting events which were held locally during the year. In total, the Group contributed RM1.4 million through donations, sponsorships and participation cost in 2018 for events such as the Junior Development Programme of Squash Rackets Association of Penang, national / state level festival celebrations, and etc. and to organisation such as The National Cancer Society, Penang Hospice Society etc.

Collectively, the Group acknowledges that a relationship between a company and its community is interdependent, as such we will devote further efforts in strengthening our civic participation for the future in achieving similar objectives as our Penang 2030 Vision.

Valued Welfare of Employees

PBAHB recognises the key role that employees play in propelling and sustaining the organisation's success. In complementing this principle, the Group has endeavoured to provide our employees with the best platform for career and personal development, alongside a compelling welfare structure to reward their contributions.

Throughout the year, training and development efforts were carried out for our employees which are planned towards developing key skills and competencies that are in line with the Group's corporate aspirations. In addition, employees are also encouraged to provide recommendations towards the type of trainings considered necessary during our various open engagement platforms, for example through performance review sessions, satisfaction survey exercise etc. In summary, a total of 1,668 employees were trained or educated during 2018, thus achieving an average training duration of 19.58 days for each employee.

The Group upholds its commitment at contributing to employees with deserving welfare and benefits that are frequently reviewed and updated in line with the local economy and market. Benefits such as health screenings, coverage for hospitalisation and out-patient treatment, contributions to assist following a natural disaster, loan assistance programme, allowances for key life events etc. are supported and provided to all employees impartially. The Group spent RM53,137 on implants for its employees in 2018.

Teamwork and interactions among employees are also encouraged within the Group as we believe in fostering a sense of belonging among employees while encouraging a work-life balance. This is evident from the various activities organised throughout the year, such as team gatherings, sports competitions, annual dinner and many more. Likewise, we also cultivate an open-workplace culture to encourage better communication between employees at each management tier, in which relevant and constructive feedback is always acknowledged and addressed by the Group.

With such measures in place within our organisation, the Group has observed a healthy stability and strong commitment in our work force throughout its operating history. In assessing our performance on the matter, we regularly conduct employee satisfaction surveys and as for 2018, the exercise was carried out among a total of 1,258 respondents.

The survey was undertaken to gather employees' feedback on the following seven (7) categories:-

- Selection, Development & Advancement
- Work Environment
- Value / Contribution
- My Supervisor
- Company Dynamics
- My Department / Colleagues
- Salary / Benefits / Overall

In conclusion, the survey yielded positive results as a reflection on the Group, in which our top three (3) highest ranked strengths were that out of all the respondents, 85% believe that their job is important to the organisation, 81.6% remarked that they intend to work with the company until retirement and lastly 81.4% indicated that they enjoy working in the organisation.

Similarly, such results are also showcased from our long serving employees, which during 2018, a total of 18 persons were awarded with a 35 years long service award and with another 3 persons were awarded with a 25 years long service award. On top of achieving a 1.54% turnover rate (of a total of 21 who resigned) in 2018, 1.34% of our employees have served for more than 35 years whilst a total of 0.22% served more than 25 years. Conclusively, this demonstrates the results of our commitments in aiding our employees to realise their full potential and our gratitude in recognising their efforts in our success.