



A member of **UEM Group**
Empowered by Science, Inspired by Humans



BREAKING BOUNDARIES

D E L I V E R I N G R E S U L T S T O G E T H E R

ANNUAL REPORT 2018



Everyday, millions of Malaysians travel by road, by rail and by air.

At UEM Edgenta, we rise to our calling of making sure every infrastructure under our watch is well maintained, so Malaysians can journey safely to reunite with their loved ones whenever, wherever.



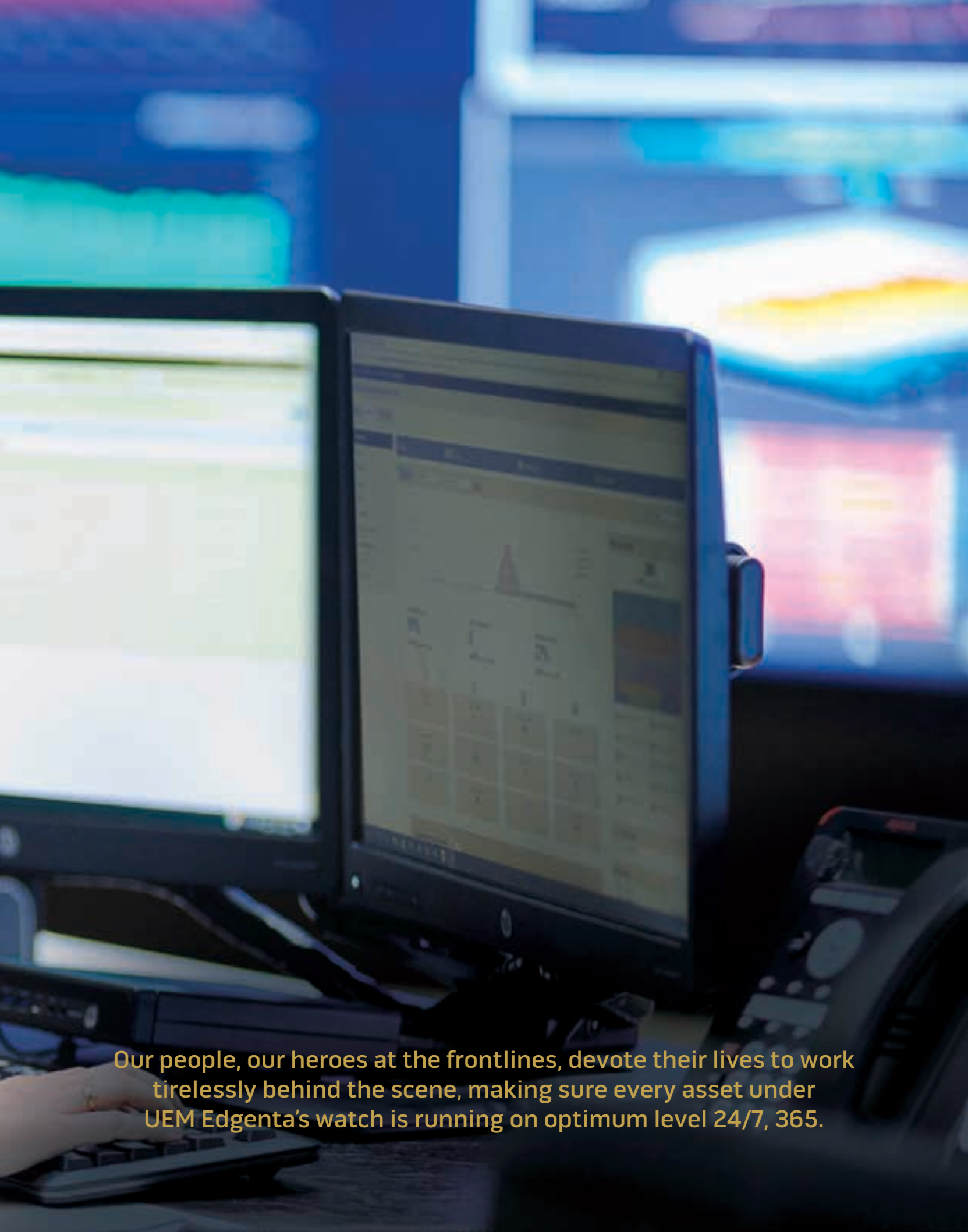




At UEM Edgenta, we pride ourselves as being the caretaker to the caretaker, as we play a vital role in taking care of the physical well-being of hospitals, so hospitals can take care of the well-being of their patients.







Our people, our heroes at the frontlines, devote their lives to work tirelessly behind the scene, making sure every asset under UEM Edgenta's watch is running on optimum level 24/7, 365.



Workplace safety is utmost important to UEM Edgenta. We have a robust HSSE policy in place to ensure operations are being carried out in a safe and proper manner. Nothing beats having our dedicated people return to their homes safely everyday.







From humble beginnings to where we are at today, we take pride in being a home-grown organisation with a regional footprint, contributing to the growth of our nation and abroad through the years.

BREAKING BOUNDARIES DELIVERING RESULTS TOGETHER



Half a decade ago, we embarked on a journey of continuous improvement to achieve operational excellence. We have broken boundaries and introduced new technologies, processes and solutions, thus redefining the standards and impacting the industries we serve. Our people believe in teamwork and in delivering results together.

Our openness to embrace innovative technologies is showcased on the cover with a robotic hand and a human hand coming in contact. We leverage on our expertise and seize every opportunity to grow and sustain as a leader in Asset Management and Infrastructure Solutions provider in the region.

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A member of UEM Group

56TH ANNUAL GENERAL MEETING

Banquet Hall
Menara Korporat, Persada PLUS
Persimpangan Bertingkat Subang,
KM15, Lebuhraya Baru Lembah Klang
47301 Petaling Jaya
Selangor Darul Ehsan

Wednesday, 15 May 2019
10.00 a.m.

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ABOUT OUR REPORT



UEM Edgenta Berhad ("UEM Edgenta") is committed to the principles of Integrated Reporting. This is our second Integrated Report and is intended to address the information requirements of long term investors. The report provides our stakeholders with a comprehensive assessment of the Group's performance for 2018 and outlook for 2019. It details our financial and non-financial performance, strategies, actions and outcomes in a manner that is meaningful to our stakeholders. In this year's annual report, we have made every effort to adopt and apply global best practice which underpins our commitment to sustainable and long-term value creation to ensure that this report presents a balanced and accessible assessment of our performance, governance and prospects.

The report is supplemented with additional online disclosures for our stakeholders. These include consolidated and separate financial statements. Unless otherwise indicated, the content for this report reflects data and activities from 1 January to 31 December 2018 for the operations of UEM Edgenta and its subsidiaries.

CONTENTS ▶

CORPORATE SECTION



- An overview of the UEM Edgenta Group, its business strategies and sustainability performance in relation to issues material to the Group and its stakeholders.
- Provides a comprehensive assessment of the Group's performance for 2018 and outlook for 2019.

FINANCIAL SECTION



- Presents the full set of the Group's and Company's audited financial statements.

REGULATIONS COMPLIED ▶

- Companies Act 2016.
- Bursa Malaysia Main Market Listing Requirements.
- Malaysian Code on Corporate Governance 2017.
- Adopts Bursa Malaysia's Sustainability Reporting Guide & Toolkits.
- Guided by the International Integrated Reporting Council's framework for integrated reporting.

- Bursa Malaysia Securities Berhad Listing Requirements.
- Malaysia Financial Reporting Standards ("MFRS").
- International Financial Reporting Standards ("IFRS").
- Requirements of the Companies Act 2016 in Malaysia.

ONLINE VERSION ▶

www.uemedgenta.com

You can find this report and additional information about UEM Edgenta on our corporate website.

FEEDBACK

We welcome any feedback from our valued stakeholders on this report or any issues covered. Should you have any comment or query regarding this report, please contact:

Head, Corporate Communications
Level 16, Menara UEM
Tower 1, Avenue 7
The Horizon, Bangsar South City
No.8 Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2725 6688
Fax : 03-2711 8057
E-mail : communications@uemedgenta.uemnet.com



A member of **UEM Group**

VISION

OPTIMISING ASSETS TO IMPROVE LIVES



MISSION

OUR SERVICES, COMMITMENT TO SMARTER THINKING AND IMPROVED SOLUTIONS PLACE US AT THE FOREFRONT OF THE INDUSTRY



WE CREATE OPPORTUNITIES FOR CLIENTS AND ASSETS THAT POSITIVELY INFLUENCE SOCIETY

VALUES

WE ARE AN **ENTERPRISING** ENTITY THAT EMBRACES **TEAMWORK**, **INTEGRITY** AND **PASSION** WITH A FOCUS ON **SUCCESS**



ENTERPRISING

We are creative, resourceful and take calculated risk on all initiatives. We take full ownership and accountability.



TEAMWORK

We trust, respect, complement and support each other. We demand from each other to be better.



INTEGRITY

We ensure high safety standards and practices. We practice the highest ethical standards in everything we do.



PASSION

We love what we do and we put our heart and soul into it. We go beyond the call of duty to deliver our best.



SUCCESS

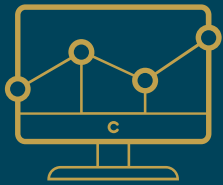
We continuously learn and celebrate our achievements. We win, together.

OVERVIEW OF UEM EDGENTA

UEM Edgenta is one of the region's largest Asset Management & Infrastructure Solutions entities listed on the Main Market of Bursa Malaysia Securities Berhad with the belief of Optimising Assets to Improve Lives. We partner with our clients to create and deliver cutting-edge solutions and services to help optimise the performance of their assets, their workplaces and their communities.

Our expertise covers Healthcare Support and Property & Facility Solutions within our Asset Management offerings, and Infrastructure Services, along with Asset Consultancy within Infrastructure Solutions.

We offer our clients a full suite of services throughout their asset life cycle. These include consultancy, procurement and construction planning, operations and maintenance, as well as optimisation, rehabilitation and upgrades. UEM Edgenta has operational presence in Malaysia, Singapore, Indonesia, Taiwan, India and the Middle East.



MARKET CAPITALISATION OF
**RM2.4
BILLION**
AS AT 28 FEBRUARY 2019

LISTED ON THE
MAIN MARKET OF



**BURSA
MALAYSIA
SECURITIES BERHAD**
SINCE 2 JANUARY 1964



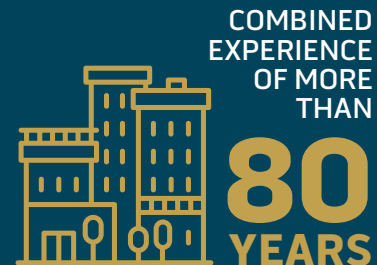
OVER
18,000
EMPLOYEES SERVING
OUR CUSTOMERS



FY2018
SHAREHOLDERS' FUNDS OF
**RM1.5
BILLION**



PRESENCE IN
6 COUNTRIES



COMBINED
EXPERIENCE
OF MORE
THAN
**80
YEARS**
IN ASSET MANAGEMENT &
INFRASTRUCTURE
SOLUTIONS

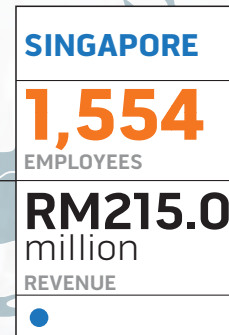
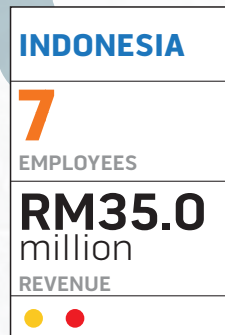
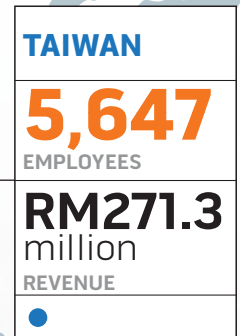
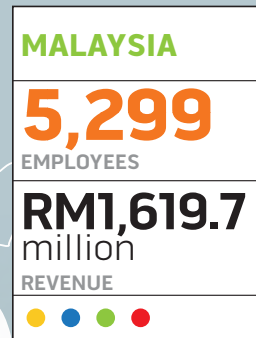
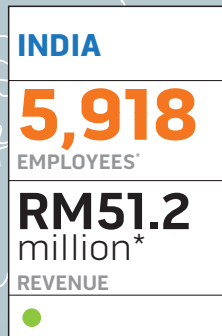
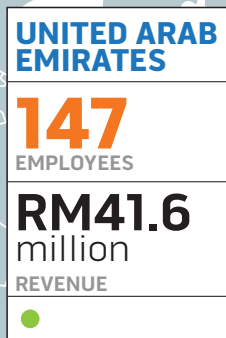


ONE OF THE REGION'S LARGEST
ASSET MANAGEMENT & INFRASTRUCTURE SOLUTIONS
ENTITIES WITH FY2018 GROUP ASSETS OF

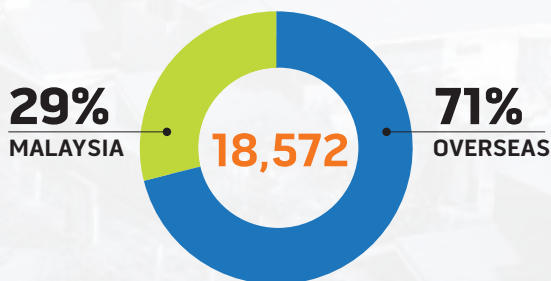
**RM2.9
BILLION**

OUR PRESENCE

WE OPERATE IN 6 COUNTRIES SPANNING ACROSS ASIA AND THE MIDDLE EAST



TOTAL NUMBER OF EMPLOYEES as at 31 December 2018




* Faber Sindoori Management Services Private Limited ("FSMSPL") is accounted as an associate of UEM Edgenta Berhad

Legends	
●	Healthcare Support
●	Property & Facility Solutions
●	Infrastructure Services
●	Asset Consultancy

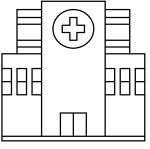

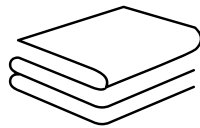



KEY OFFERINGS AND CORE SECTORS

Our expertise covers Healthcare Support and Property & Facility Solutions within our **Asset Management** offerings, and Infrastructure Services along with Asset Consultancy within **Infrastructure Solutions**.

ASSET MANAGEMENT		INFRASTRUCTURE SOLUTIONS	
Healthcare Support	Property & Facility Solutions	Infrastructure Services	Asset Consultancy
<ul style="list-style-type: none"> • Biomedical Engineering Maintenance Services • Healthcare Waste Management Services • Linen & Laundry Services • Cleansing Services • Facilities Engineering Maintenance Services • Housekeeping Services • Porterage Services • Grounds & Landscape • Pest Control • Energy Efficiency Programmes • Facility Management Services 	<ul style="list-style-type: none"> • Integrated Facilities Management • Civil, Mechanical & Electrical System Maintenance • Integrated Building Management System • IoT Technology Development & Deployment • Building Condition Assessment & Survey • Development Advisory & Asset Management Strategy • Green Building & Energy Efficiency Delivery • Business & Hospitality Services • Renovation & Retrofit Services • Green Building Certification & Retrofit • Estate, Strata & Community Management • Cleaning 	<ul style="list-style-type: none"> • Pavement Rehabilitation • Traffic & Safety Management • Civil assessment & maintenance • Utilities Relocation Services • Environmental Testing & Monitoring • Bridge Structural Maintenance, Assessment & Repair • Material Testing Services • Pavement Condition Assessment • Soil Investigation & Field Testing • Slope Stabilisation, Repair & Rehabilitation 	<ul style="list-style-type: none"> • Asset Consultancy & Management (Asset Life Cycle) • Project Advisory, Planning & Management • Engineering Design & Consultancy • Research & Development



HEALTHCARE SUPPORT

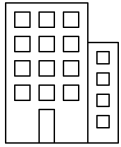
 <p>Serving over 300 hospitals across Malaysia, Singapore, Taiwan and India</p>	 <p>Completing 98% planned preventive maintenance on schedule Maintaining a 90% uptime since 2002</p>	 <p>Processing 18,000 tonnes of soiled linen annually</p>	 <p>Maintaining over 3.6 million sqm of cleanable area daily</p>
 <p>Incinerating 4,371 metric tonnes of clinical waste annually</p>	 <p>Caring for more than RM1.8 billion worth of FEMS* assets Preserving the lives of over 50,000 BEMS** assets</p>	<p>Optimised manpower utilisation by over 20% through our Portering service</p>	

*Facilities Engineering Maintenance Services (FEMS)

**Biomedical Engineering Maintenance Services (BEMS)



PROPERTY & FACILITY SOLUTIONS



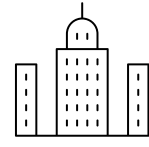
More than
21 years
of experience in
Building & Facility Management



10
Green Buildings
**GBI Certified/
Energy Efficiency
Solutions**



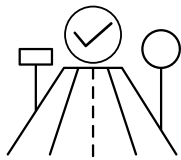
Managing more than
52
buildings in Malaysia



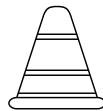
Experienced in
managing secured facilities,
i.e. **Johor State New
Administrative Centre
(JSNAC) and the Prime
Minister's Office**



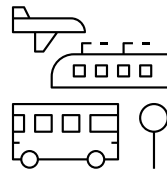
INFRASTRUCTURE SERVICES



More than
25 years
of experience in
highway maintenance



Track record is
evident in the
network
management and
maintenance of over
2,500 km
of expressways
in Malaysia and
Indonesia

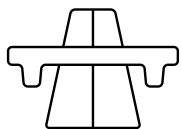


Involved in
**Expressways, State
Roads, Airports,
Plantations, Ports & Rail**

Providing
Integrated Infrastructure
Services of
**Pavement
Rehabilitation,
Network
Maintenance,
Traffic & Safety
Management and
Utilities Relocation
Services**



ASSET CONSULTANCY



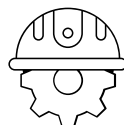
Value of projects delivered exceeding

RM100 billion
over
30 years



Experience in highways and roads, airports, urban transit
and built environment and other key infrastructure projects

Managing **1,171 km**
of toll expressways in Malaysia



Provides

- **Project Management & Value Engineering**
- **Asset Management Consultancy**
- **Engineering & Technical Consultancy**

KEY HIGHLIGHTS 2018

BUSINESS / NON-FINANCIAL

Asset Management

Healthcare Support



Awarded for **Excellent Hospital Support Services**

Achieved **National Environment Agency of Singapore's Enhanced Clean Mark Accreditation Scheme (Gold) Award**, for the 4th year running

Property & Facility Solutions



Won **awards in Energy Efficiency** for innovative retrofitting works for the Prime Minister's Office into a high-performance green building

Secured contracts with PROTON and Hospital Universiti Sains Malaysia (HUSM) to manage and implement **energy efficiency initiatives**

Infrastructure Solutions

Infrastructure Services



First **Performance-Based Contracting ("PBC") Agreement** for pavement works with PLUS

Asset Consultancy



Provider of **Project Management and Technical Consultancy** for projects in **East Malaysia**

Key Awards & Recognitions



IEM Award for Contribution to the Engineering Industry in Malaysia – Facilities Management for the year 2018

by The Institution of Engineers, Malaysia (IEM) Council

Facilities Management Company of the Year Award 2018

by Frost & Sullivan Malaysia

The BrandLaureate Brand Influencer Award in Integrated Asset Solutions 2017-2018

by The BrandLaureate

ASEAN Energy Award 2018

1st Runner-up Energy Efficiency & Conservation Retrofitted Building for Prime Minister Office, Putrajaya
by ASEAN Centre for Energy

National Energy Awards 2018

Best Energy Efficiency Retrofitted Building Lowest Building Energy Index

at the National Energy Award 2018 by the Ministry of Energy, Science, Technology, Environment and Climate Change, Malaysia

Key Contracts Secured in 2018



Clinic support services contract for **9 state clinics in Pulau Pinang**

Environmental services contract for **Khoo Teck Puat Hospital** (760 beds) and portering services contract for **Tan Tock Seng Hospital** (1,500 beds) and **Sengkang General Community Hospital** (1,400 beds) in Singapore

Environmental and portering contracts for **Tri-Service General Hospital** (1,800 beds), **National Taiwan University Cancer Centre** (500 beds) and **Far East Memorial Hospital** (1,297 beds) in Taiwan

Integrated Facilities Management contracts for additional **CIMB** buildings and Bank Negara Malaysia (**BNM**) ; Energy Performance Contracts for **PROTON** and **HUSM**

Won **PLUS competitive tenders** for upgrading of Sewerage Treatment Plant ("STP") and ancillary facilities along the North-South Expressway

Secured **Design & Build** contracts for Pavement Structural Overlay from PLUS

Lead consultant to Borneo Highway PDP Sdn Bhd for pavement design optimisation for the **Pan Borneo Highway Sabah project**

FINANCIAL

RM2,182.6million**Revenue**

From Continuing Operations

▲ **3.3%** year-on-year**RM152.4**million**Profit After Tax**

From Continuing Operations

▲ **21.8%** year-on-year**RM148.4**million**Profit After Tax and Non-Controlling Interests ("PATANCI")**

From Continuing Operations

▲ **19.1%** year-on-year**17.8**sen**Earnings Per Share**

From Continuing Operations

▲ **18.7%****RM116.4**million**Dividend To Shareholders**

Total dividend declared of 14 sen per share representing a yield of 5.1% based on share price as at 31 December 2018

RM266.5million**Earnings Before Interests, Tax, Depreciation and Amortisation ("EBITDA")**

From Continuing Operations

▲ **9.4%** year-on-year**RM198.5**million**Profit Before Tax**

From Continuing Operations

▲ **14.8%** year-on-year**RM2,877.7**

million

Total Assets**RM1,502.3**

million

Shareholders' Funds**RM1.81****Net Assets Per Share**

GROUP STRATEGY - OUR BUSINESS MODEL

What We Do



Asset Management
Healthcare Support
Property & Facility Solutions



Infrastructure Solutions
Infrastructure Services
Asset Consultancy

Our Resources



Financial Capital
(refer page 76 – 77 for further information)



Human Capital
(refer page 56 – 57 for further information)



Technology & Innovation
(refer page 31 – 33 for further information)



Brand and Reputation
(refer page 62 – 63 for further information)

Our Six Focus Areas

Operational Excellence



Develop and ensure we have best-in-class processes, systems and relentlessly find ways to improve procurement efficiency and operational productivity in order to lower cost without compromising service quality and delivery.

Organisational Excellence



Drive performance culture and put utmost priority on our people competency and human capability training, where all employees will be hired based on their potential to be leaders in the organisation and be provided ample opportunity to undergo continuous training and development on technical & leadership skills to improve efficiency and effectiveness.

Client Solutions



Constantly having a client-first mindset when originating, scoping and delivering our offerings customised towards different clients' needs while creating sustainable value generation.

Where We Operate

Malaysia
Singapore
Indonesia



Taiwan
India
United Arab Emirates

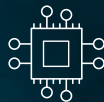
Key Outputs and Deliverables

Health, Safety, Security & Environment ("HSSE")



Embed a strong and proactive safety culture throughout our value chain to raise our operational and service standards to strive for "Goal Zero" through disciplined execution of HSSE Management System on the ground, upskill staff and subcontractors, measure the outcomes and minimise environmental impact in the work that we do.

Technology



Ensure we adopt the right technology, including working with leading solution providers to provide quality services, drive operational efficiency and effective solutions to our clients.

Stakeholder Management & Communication



Establish long-term partnerships to enable growth for suppliers/contractors who will provide quality and cost competitive offerings in the public and private sectors. Effectively communicate with our shareholders, investors, clients, supply chain partners and other stakeholders as part of UEM Edgenta's ecosystem.

Quality Services to Customers



We take care of our customers' assets and provide services that are geared towards maximising the asset lifecycle value and efficiency by ensuring continuous peak performance and optimisation.

Financial Growth & Shareholders' Value



Deliver revenue growth with cash-backed profit to provide attractive returns for our shareholders and support our business growth.

Excellent People



We strive to offer the best working environment, career development and opportunities for our people. We develop and create a vibrant, diverse workforce, committed to deliver sustainable and high-quality services for our customers.

GROUP STRATEGY - BUSINESS AND SUSTAINABILITY

WE ARE COMMITTED TO THE SUSTAINABILITY OF OUR BUSINESS THROUGH PROGRESSIVE EFFORTS TO INTEGRATE SUSTAINABILITY PRACTICES INTO OUR DAILY OPERATIONS ACROSS THE REGION.

As a Public Listed Company responsible to create value and sustainable growth for all our stakeholders, UEM Edgenta is cognisant of the fact that we must address important issues at the macro level. Our sustainability focus is represented under three key pillars.

Economic Optimising Assets

We impact businesses by helping our business partners reach their full potential by optimising value throughout their assets' lifecycle. In the process, we remain committed to quality excellence and greater efficiencies.

We strive to preserve and appreciate the economic value of assets and the businesses they represent.

Environmental Deploying Technology

We impact the environment positively by deploying cutting-edge technologies to improve operational and energy efficiencies across our workplace as well as within our client networks and the assets that we manage.

We strive to promote environmental stewardship and green/responsible behaviour.

Social Improving Lives

We impact people at many points in their daily lives - in our operations, hospitals, travelling on the roads, and in their homes and offices - which is why everything we do is grounded on the impact and well-being of our stakeholders.

We strive to promote welfare and well-being of our people and the communities we serve.

With that in mind, we continuously adapt and integrate our long-term approach to addressing sustainability risks and opportunities into our business strategy. From the workplace diversity to community development; from compliance to standards; from suppliers' welfare to employees' well-being; from environmental stewardship to promoting green behaviour, we are committed to identifying and mitigating our Economic, Environmental and Social ("EES") risks as part of how we do business.

We aim to improve efficiencies, reduce costs and enhance performance, all with the end goal of delivering credible and reliable services, while managing our EES impacts.

Central to our approach is a strong emphasis on Health and Safety, which provides the framework to embed safety culture for our employees and supply chain partners to think safe, work safe and be safe throughout the organisation.

Additionally, in line with international conventions, we are committed to ensure that our stakeholders – employees, supply chain partners and the local communities in which we operate – know their rights. We continuously maintain a healthy channel of communication in which they can exercise their freedom to express ideas, submit feedback, raise concerns, as well as their equitable right to grow with the Company.

We are proud to report that there were zero cases reported during the year under review for the following:

- Forced, indentured, bonded or involuntary labour at our project sites or in operating offices;
- Incidences of child labour in our project sites; and
- Discrimination or breaches related to freedom of association and collective bargaining.

We are committed to inclusivity and we engage with communities within which we operate through regular engagements and activities. It is an opportunity for us to gain their feedback on how we impact them through our operations.

At UEM Edgenta, we believe in investing for the future through shared value and growth in the people, for the planet, in which every one of our stakeholders will benefit.



Senior Leadership visit to S1 Pedas Linggi Mainline, during Expressway Operation Safety Passport ("EOSP") check

GROUP STRATEGY - STAKEHOLDER ENGAGEMENT AND MATERIALITY

Determining material matters is the starting point of how we formulate the various strategies which drive our business, to ensure we meet our stakeholders' expectations over time. At UEM Edgenta, we define material matters as those that impact value creation for our business, our profits, people and the planet.

We regularly engage with internal and external stakeholders through formal and informal platforms that provide us with an insight of their perspectives and expectations, particularly on issues that are material to us. Insights gained from these engagement sessions are then consolidated for deliberation at management level, after which the approved material topics will be presented to the Board together with action plans for review and approval.

The following are our various stakeholder engagement platforms that we leverage on to receive feedback from our key stakeholders

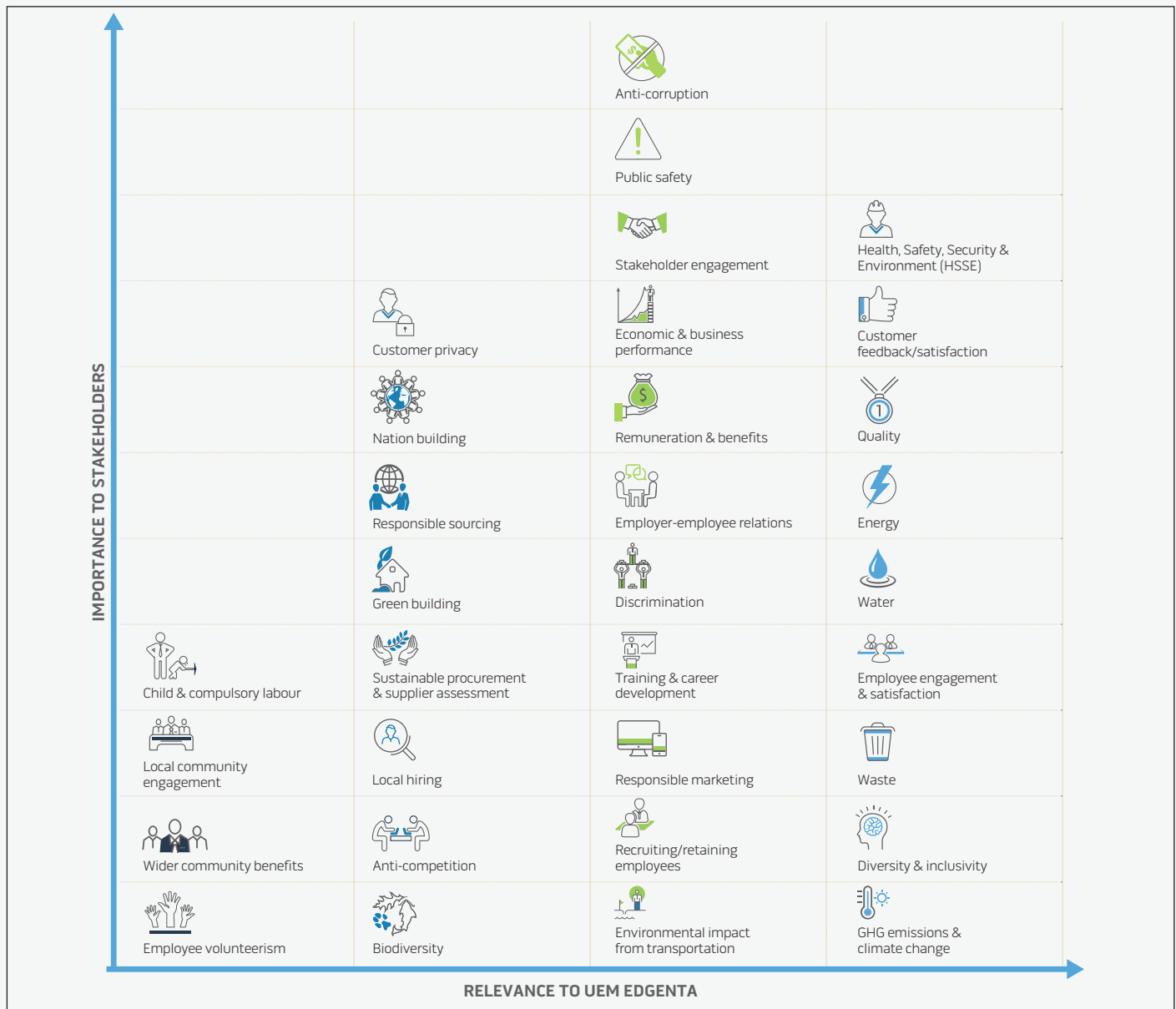
Stakeholder Engagement Platforms	Material Topics	Our Responses
Clients & Partners <ul style="list-style-type: none"> - Quarterly Meetings - Bi-annually Client Satisfaction Surveys - Exhibitions, Roadshows (As and When) - Annual Partners Operations Dialogue 	<ul style="list-style-type: none"> - Quality - Safety - Service 	<ul style="list-style-type: none"> - Operational excellence through Continuous Improvement ("CI") which includes the Innovation Garage and LEAN frameworks - Developed & adopted software and technology solutions to support operations - Continuous engagements on Health and Safety - Active participation in relevant industry associations
Employees <ul style="list-style-type: none"> - Yearly Appraisals - Yearly Employee Engagement Survey - Internal Employee Events - Monthly MD/CEO Messages - Daily / Weekly Internal Communications / Announcements via Intranet / Instagram / Mobile App - Monthly Management Staff Reviews - Periodical Townhalls - Annual Management Dialogue - Safety Day 	<ul style="list-style-type: none"> - Employer-Employee Relations - Safety - Remuneration & Benefits - Training & Career Development - Corporate Updates 	<ul style="list-style-type: none"> - Conducted employees' capability in CI which includes Innovation Garage to tackle high-impact problem statements and LEAN process improvements & training - Developed a HSSE Master Plan to optimise safety in our operations - Improved internal and external engagements on safety - Conducted teambuilding sessions to improve organisational agility, boost teamwork performance and foster innovation and creativity - Improved performance evaluation through Performance Management System, Pay for Performance and Performance Individual Plan - Ongoing training programmes for skill development and knowledge enhancement - BEAKON was developed to enable employees a more effective way to report safety observations and further promote and enhance the HSSE culture among our people
Regulators & Policy Makers <ul style="list-style-type: none"> - Quarterly Meetings - Conferences & Events 	<ul style="list-style-type: none"> - Compliance - Local & Government Agenda - Nation Building 	<ul style="list-style-type: none"> - Provided regular updates on compliance issues and operations - Maintained and updated ISO Certifications - Periodic engagement with Government and regulatory agencies on policy matters relating to our industry
Supply Chain Partners <ul style="list-style-type: none"> - Vendor Development Programme - Periodic Vendor Performance Reviews, Planned Audits & Site Visits - Annual Partners Operations Dialogue & Integrity Day 	<ul style="list-style-type: none"> - Responsible Sourcing - Safety & Operational Excellence - Anti-Corruption 	<ul style="list-style-type: none"> - Vendor Development Programme to support Bumiputera entrepreneurs - Continuing engagements on Safety and periodic checks on compliance with regulations and relevant laws/codes - Whistle Blower Policy to address collusion and to promote integrity & good governance. Zero tolerance for corrupt practices
Community <ul style="list-style-type: none"> - Bi-Monthly Events & Gatherings 	<ul style="list-style-type: none"> - Wider Community Contributions - Community Engagement 	<ul style="list-style-type: none"> - Continued and improved engagements with students under PINTAR Foundation – motivational camps, exam preparation etc. - Continued and expanded philanthropic activities during festive seasons
Shareholders & Investors <ul style="list-style-type: none"> - Quarterly Meetings with the Board & Shareholders - Half-Yearly Analyst Briefings 	<ul style="list-style-type: none"> - Business Performance - Return on Investments - EES Risks & Impacts 	<ul style="list-style-type: none"> - Detailed and transparent updates through ongoing half-yearly analyst and media briefings - Improving Annual Report content and delivery to ensure transparent and accurate reporting of the Group's performance and activities

GROUP STRATEGY - STAKEHOLDER ENGAGEMENT AND MATERIALITY

How We Determine Material Matters

- 1 IDENTIFY & ASSESS** We identify and assess matters that have the potential to impact the sustainability of our business operations. It is an organisation-wide effort and includes internal deliberations, independent research, monitoring external environment, inputs from all our business units, support divisions as well as feedback from all our stakeholders.
- 2 PRIORITISE & RANK** The issues identified are prioritised according to the greatest relevance and highest impact on our business, relationship with stakeholders and our sustainability.
- 3 INTEGRATE & RESPOND** Material matters that have been identified and prioritised are included in our long-term business strategies as well as short-to-medium term business plans.

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Matters Material to Our Business and Stakeholders	How We Deploy Our Strategies to Create Value
<p>OPERATIONS</p> <ul style="list-style-type: none"> ▪ There is a need to improve efficiency by optimising resources and increasing productivity, which will translate into reduced costs for the Company, while ensuring that our clients obtain quality and value for money services. ▪ This can be achieved by putting in place the appropriate processes and systems, supplemented by technology and innovation enablers. ▪ Safety is a critical component of our operations as it impacts on productivity as well as the well-being of the community. 	<p>We constantly look for ways to deliver our services more efficiently, including the redesign, modernisation / upgrade and enhancement of existing processes and systems through CI which includes the Innovation Garage and LEAN frameworks.</p> <p>One such example is the implementation of mechanisms that track our performance by asset and by location. With this greater control, we have the ability to improve the levers that directly impact our operational efficiency and profitability.</p> <p>A HSSE Master Plan was developed to optimise safety in our operations.</p> <p>We improved our engagements internally and externally to instil a 'Goal Zero' mentality and to set the foundation for a safety culture.</p> <p>We also introduced annual themes on safety to support operational excellence initiatives and improve safety performance.</p>
<p>PEOPLE</p> <ul style="list-style-type: none"> ▪ Given that our people are one of the main growth drivers of our business, we need to focus on mitigating any potential shortages in talent. It is the technical expertise and knowledge of our people that will give us a competitive edge in the marketplace. ▪ This is against the backdrop of fast-changing workplace dynamics with technological advancements, as well as increasing customer complexity. ▪ All these put additional pressure to continuously build new skills and capabilities to keep the organisation competitive. 	<p>We improve the capabilities of our workforce through a structured learning and development programme.</p> <p>This includes training on both technical and functional competencies, delivered during the course of the year via in-house as well as external courses, international and local conferences.</p> <p>One such example is the implementation of CI training to all the employees across business divisions, in particular on LEAN process improvements.</p> <p>We are in the midst of launching the Edgenta Academy, which is a Centre of Excellence to inculcate technical learning and build a talent pipeline.</p> <p>All these initiatives are overseen by our strong leadership team that focuses on nurturing our people to acquire new skillsets, as well as inculcate a performance culture and results-driven mindset throughout the organisation.</p>
<p>TECHNOLOGY</p> <ul style="list-style-type: none"> ▪ The future of our industry and sectors we supervise will not be devoid of technological interventions, which will drive new innovative ideas and solutions. Automation, advanced analytics, artificial intelligence and big data will allow organisations to tap new consumer insights for more innovative solutions, amidst increasing competition. ▪ Organisations will increasingly need to not just embrace technology, but to be in the forefront of deploying technology in a responsible and financially- yielding manner. 	<p>Organisation-wide, we see technology as a key enabler and the biggest game changer, which will allow us to optimise resources and increase productivity, thereby reduce costs, as well as improve our offerings for better customer outcomes.</p> <p>We continuously seek value-added partnerships and ingenious technologies, so that we can deploy and leverage on the most relevant technology solutions in delivering our offerings to clients.</p>
<p>INDUSTRY LANDSCAPE</p> <ul style="list-style-type: none"> ▪ Our customers' expectations are dynamic in the face of evolving technologies, as well as the emergence of new business models and service offerings. To this end, customers are demanding more sophisticated solutions while at the same time becoming more cost and quality conscious. ▪ Without tailoring solutions to customers' priorities and business imperatives, it will be challenging for organisations to make their value proposition compelling enough for customers. 	<p>We focus on developing a strong commercial mindset to strengthen our solutioning and origination capabilities, so that we have the capability to design and customise our offerings to meet the needs and expectations of our customers.</p> <p>Given the diverse but complementary offerings of our businesses, we are able to provide synergistic and holistic offerings for the long-term benefit of our customers.</p>