GHL

SUSTAINABILITY
REPORT

the ASEAN payment people

GHL SYSTEMS BERHAD 199401007361 (293040-D)

INCORPORATED IN MALAYSIA

2022

WHAT'S INSIDE

the Sustainability Report

A Message From Our
Group Head of Legal, Compliance & Sustainability

Dear Stakeholders,

It is with great honour that I present to you GHL Systems Berhad's ("GHL" or "the Group") 2nd Annual Sustainability Report. This report presents an overview of the Group's efforts to manage key economic, environmental, social, and governance issues.

FY2022 saw the reopening of various sectors of the economy as countries and companies adapted to the challenges posed by COVID-19, which resulted in global lockdowns since 2020. It is apt to say that the COVID-19 pandemic has accelerated the focus on the transition and integration of sustainability into the business. Despite GHL not being a major contributor to carbon emissions, as a significant Fintech player in the ASEAN payments industry, we have demonstrated endurance, strength, and grit in our efforts to incorporate sustainability into our day-to-day business operations.

Our efforts are aligned with our Sustainability Framework, which is in accordance with the United Nations' 2030 Sustainable Development Agenda which centres on People, Planet, Prosperity, Peace and Partnership. The framework reflects our commitment to run a responsible business that creates economic, social and environmental value for all our stakeholders. Our commitment to these principles was launched in 2021 has now bore fruit with our inclusion into the **Bursa FTSE4GOOD Index** and the **Bursa FTSE4GOOD Shariah Index** in **December 2022**. These two listing inclusions are a validation that we have been making positive strides in our commitment to run a responsible business that creates economic, social and environmental value for all of our stakeholders.

The Malaysian Government's continuous efforts, to prioritise the Digital Economy as a key economic pillar, have contributed to the acceleration of digitisation across various industries, including the payment industry. This shift towards cashless transactions has not only increased efficiency, but also led to a greater emphasis on sustainability. However, many small businesses do not possess the capital to incorporate digital payment solutions into their business operations. To help ease the transition towards a Digital Economy, we have obtained a digital license from the Ministry of Housing and Local Government and thereafter rolled out our Digital Lending Programme in 2022. The initiative provides, among others, loans to small businesses especially to our merchants, many of whom are SMEs and MSMEs to assist in their business growth efforts. We also provide in-kind and financial contributions to alleviate socio-economic hardships faced by underprivileged groups and elevate the quality of life within the surrounding communities.

Our employees are the foundation and pillar of GHL's success. We made significant progress towards maintaining a motivated and productive workforce through the establishment of the Gender Diversity Policy, which we will further enhance to Diversity Equity and Inclusion (DEI) and also integrate the **United Nation Guiding Principles on Business and Human Rights** into our **Labour & Human Rights Policy**. These enhanced policies further ensure a diverse and equitable working environment as we truly value human rights among our employees with zero tolerance towards unethical labour practices.

We also recognise the key environmental aspect of sustainability and in our footprint. As part of our ongoing efforts to reduce our carbon emissions, we have installed solar panels and are carefully monitoring our Scope 2 emissions related to renewable energy usage, which has resulted in significant cost savings for us. As a prominent digital payment service provider, our main objective is to address climate change by lowering our operational carbon emission. To this end, GHL has introduced a new Climate Change and Risk Policy, which aims to align our organization with the 2015 Paris Agreement. This policy commits us to achieving Carbon Neutrality by 2050 through the use of renewable energy and carbon offset programmes. We regularly review and revise this policy as necessary.

To further accelerate our sustainability journey, in 2022, GHL Systems Berhad took up the responsibility as the Co-Lead for Capacity Building Workstream in the CEO Action Network (CAN) and is committed to achieving CAN 3 Levels of Collective Commitments towards People Environment and Governance. Together with other CAN members, comprised of prominent corporate leaders in Malaysia, we have organised and delved into many discussions and panels covering numerous topics ranging from Circular Economy, Human Rights, and further spreading of the knowledge in Sustainability to the value chain of the CAN member companies. This is an important step in our effort to engage and monitor the Scope 3 emissions in our company's value chain as well.

We are committed to engage with various stakeholders including our supply chain, regulators, policymakers, the government as well as our peers across various sectors to forge partnerships that prioritise responsible business practices and sustainable development.

A Message From Our
Group Head of Legal, Compliance & Sustainability
Cont'd

We have just conducted a survey across all of our supply chain in order to gain a better understanding of their challenges in implementing sustainability practices. In recognition of our efforts and our Company's commitment to sustainability, on 9th December 2022, we were invited by the Securities Commission Malaysia to the **Chief Sustainability Officer Roundtable: Decarbonising Your Supply Chain** to discuss on the extension of our Climate Framework to our supply chain.

In the coming months, we look forward to further integrate more sustainable development efforts into our business to help accelerate our target of achieving carbon neutrality by 2050.

Chong Kok Wai
Group Head of Legal, Compliance & Sustainability
Lead Secretariat, CEO Action Network (CAN)

What We Do

Headquartered in Kuala Lumpur, Malaysia, GHL Systems Berhad is a leading payment service provider and merchant acquirer in the ASEAN region. Since our establishment in 2014, we have successfully expanded our business model to become a regional powerhouse in the Fintech payment industry, with a footprint spanning six countries across Southeast Asia and Oceania. Guided by our corporate vision and mission, the Group has embedded Environmental, Social and Governance ("ESG") factors into our business strategy to create meaningful and long-term value for our stakeholders. As the global digital payments trend continues to grow, GHL strives to meet the demand and expectations of our stakeholders by facilitating the digital transformation of businesses.

About the Report

Scope of reporting

From our initial statement on sustainability in FY2017 and subsequently, our first Annual Sustainability Report in FY2021, the Group has constantly strived to expand and improve our sustainability practices, encompassing our operation's Environmental, Social, and Governance ("ESG") practices. 2022 was the year in which we accelerated our activities around ESG and hence this report represents all of the key environmental, social and governance initiatives which we have undertaken in order to further improve our accountability. This reports includes a year-on-year comparison and tracking of our progress.

Once again, this Report summarises GHL's approaches on Sustainability based on our adopted 4 core pillars of Customer Growth, Sustainable Workforce and Community, Corporate and Business Integrity and Environmental Excellence.

Reporting Period

The disclosures in this statement are from the financial period of 1 January 2022 to 31 December 2022 ("FY2022").

Boundary and Standards

This statement contains disclosures from our ASEAN operations, inclusive of:

- GHL Malaysia
- GHL Philippines
- GHL Thailand
- GHL Indonesia
- GHL Australia

This Report has been prepared in accordance to the Bursa Malaysia's Sustainability Reporting Guide (2nd Edition), with reference to the Global Reporting Initiative ("GRI") Standards.

Feedback

We appreciate all feedback from stakeholders to further enhance our reporting and sustainability practices. Please direct any comments, questions, or suggestions to:

C-G-15, Block C, Jalan Dataran SD1,
Dataran SD, PJU 9,
Bandar Sri Damansara,
52200 Kuala Lumpur, Malaysia

Telephone : +603 – 6286 3388
Fax   : +603 – 6280 2999
Email   : enquiry@ghl.com

Sustainability Approach

Sustainability Values & Framework

Our sustainability framework remains substantially unchanged as these are the key elements of our business practice. This framework reflects our key focus areas and priorities save and except for an inclusion of partnership for goals as an added important element.

The said framework demonstrates the interconnectedness of our four sustainability pillars, supported by our reporting practices, initiatives, targets, and a culture of shared accountability.

We also adhere to the collective commitments proposed by CAN to integrate sustainability throughout our business operations. The commitments are separated into three levels and categorised under three pillars: Governance, Environment and People. We aspire to meet these commitments in FY2023 and set an example as a leader in sustainability.

Sustainability Approach
Cont'd

Contribution to the United Nations SDGs

The United Nations Sustainable Development Goals ("UN SDGs") are a series of ambitious and wide-reaching global targets set out by the UN in 2015 as a pathway for achieving global sustainability for all. At GHL, we acknowledge that businesses are equally responsible for taking the steps to achieve global sustainability.

In support of the UN SDGs, we have now adopted **five SDG goals** which are most closely aligned to our areas of operations, where we feel GHL can significantly contribute.

8 DECENT WORK AND ECONOMIC GROWTH
- Review of the Labour & Human Rights and the Gender Diversity Policy and the Director's Fit and Proper Policy.
- High Potential Programme to identify and train skilled candidates for leadership positions.
- Company guidelines and measures for flexible work arrangements.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- Collaboration with Malaysian Digital Economic Corporation to share insights about the industry.
- Introduction of the Digital Lending programme, designed to expand credit card payment options and thus improve cashflow particularly for Small and Medium Enterprises ("SMEs").

13 CLIMATE ACTION
- Establishment of Climate Change & Risk Policy.
- Collaboration with EcoNinja on Greening Malaysia Programme 2021-2025 through tree and coral reef planting.
- Transition to cloud computing to reduce operational carbon footprint.
- Installation of office solar panels for renewable energy generation.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- Reviewed numerous ethics and integrity policies such as the Anti-Money Laundering Policy, Anti-Bribery and Corruption Policy and Whistleblowing Policy.
- Customer Due Diligence assessments conducted on all potential new customers by the Group's Risk Department.
- A robust cyber security system and policies are in place to protect customer data.

17 PARTNERSHIPS FOR THE GOALS
- Active collaborative work with CEO Action Network (CAN) in accelerating sustainable business practices in Malaysia.
- Collaboration with CSO-SDG Alliance Event: Partnership for the Goals.

Sustainability Approach
Cont'd

Key Performance Indicators

To further embed accountability within GHL for our sustainability practices, and to improve comparability between years of data, this year we established a series of key performance indicators ("KPIs") for measuring and tracking our ESG performance. The KPIs are aligned with our four sustainability focus areas. Out of the four KPIs 2 are achieved and 2 are in progress.

Corporate and Business Integrity

100% of staff to complete annual training on the Anti-Bribery and Corruption Policy

✓ **Achieved**

Customer Growth

To maintain a Net Promoter Score, with a target of above 80% by FY2025

✓ **In-Progress**

Environmental Excellence

To achieve 50% reduction in carbon emissions by 2030

✓ **In-Progress**

Sustainable Workforce and Community

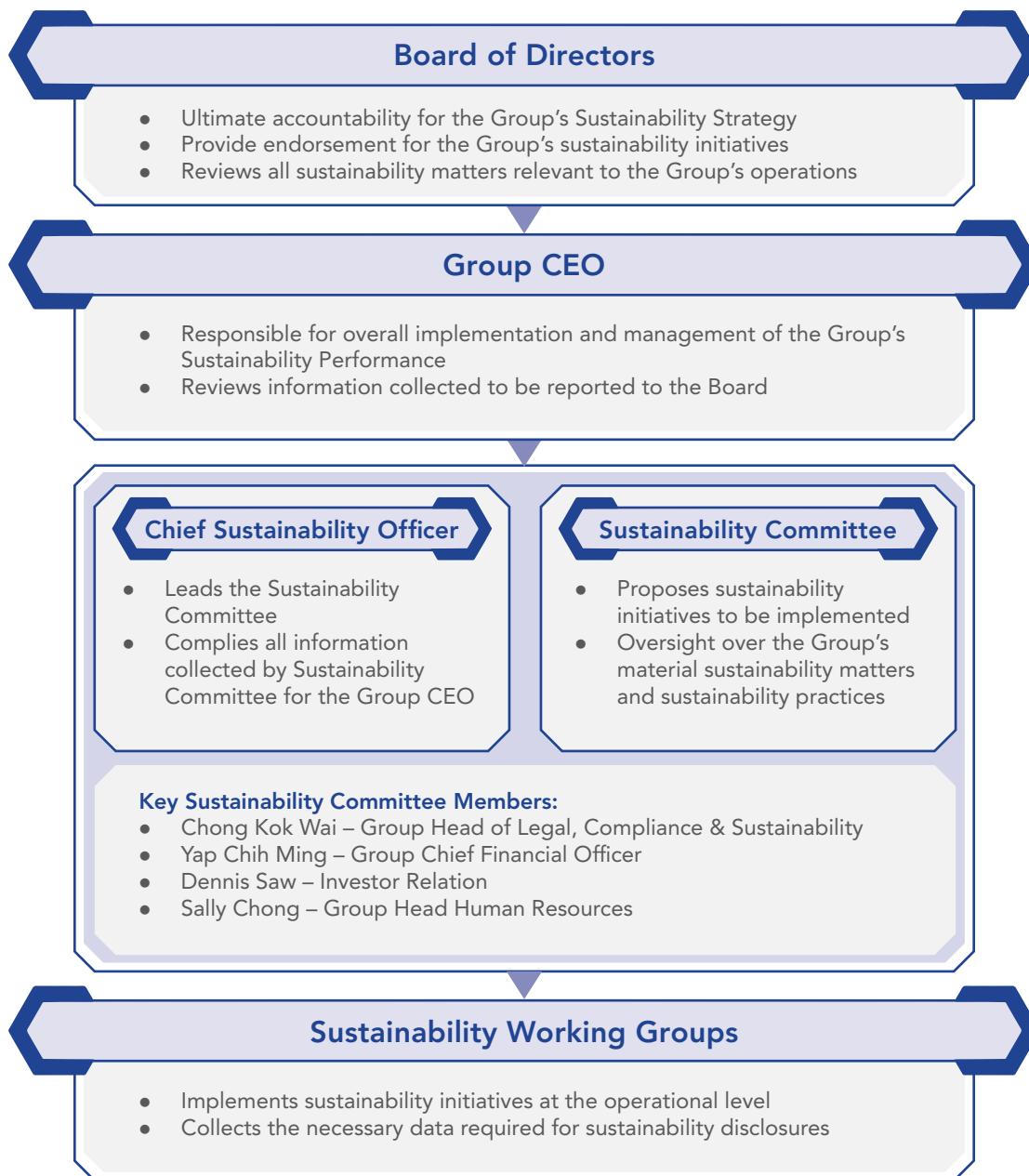To conduct 4 Corporate Social Responsibility ("CSR") programmes throughout reporting period.

✓ **Achieved**

Sustainability Governance Structure

We instituted a robust sustainability governance structure to assess our risks and opportunities as well as integrate the sustainability agenda throughout the Group. We also reorganised our corporate governance structure during this reporting period for a more effective implementation of sustainability initiatives moving forward.

The Board of Directors ("the Board") is at the apex of our governance structure and is ultimately accountable for the Group's sustainability strategy. The Board is assisted by the Group CEO who reviews and recommends to the Board all sustainability-related information that are collected and compiled by the Sustainability Committee ("SC").

The SC is headed by the Group Head of Legal, Compliance & Sustainability and comprises the Heads of Departments ("HOD") who are responsible for managing the Group's sustainability initiatives. The SC is further assisted by the Sustainability Working Groups which implements the initiatives at operational level.

Board of Directors

- Ultimate accountability for the Group's Sustainability Strategy
- Provide endorsement for the Group's sustainability initiatives
- Reviews all sustainability matters relevant to the Group's operations

Group CEO

- Responsible for overall implementation and management of the Group's Sustainability Performance
- Reviews information collected to be reported to the Board

Chief Sustainability Officer

- Leads the Sustainability Committee
- Complies all information collected by Sustainability Committee for the Group CEO

Sustainability Committee

- Proposes sustainability initiatives to be implemented
- Oversight over the Group's material sustainability matters and sustainability practices

Key Sustainability Committee Members:
- Chong Kok Wai – Group Head of Legal, Compliance & Sustainability
- Yap Chih Ming – Group Chief Financial Officer
- Dennis Saw – Investor Relation
- Sally Chong – Group Head Human Resources

Sustainability Working Groups

- Implements sustainability initiatives at the operational level
- Collects the necessary data required for sustainability disclosures

Stakeholder Engagement

Clear and transparent communication with our stakeholders is the key to build trusting and long lasting partnerships. We continuously engage our key stakeholder groups to stay abreast of their primary concerns and areas of interest. The feedback we receive from them allows us to develop and/or revise business strategies and decisions that ensure the best possible outcome for both the Group and our valued stakeholders.

Stakeholder Group	Areas of Interest	GHL's engagement
Employees	• Career Development Opportunities • Diversity and Inclusion • Equitable Pay and Remuneration • Work-Life Balance and Employee Well-being	• Open Dialogues • Staff Engagement Activities • Whistleblowing Policy • Management Trainee Program • Monthly Management Meetings • Skills Development and Training Opportunities • Events and Functions
Shareholders/ Investors	• Group Financial Performance • Long-Term Business Strategy • Key Corporate Development • Corporate Governance • ESG Strategy and Performance	• Annual General Meeting • Investor Updates and Briefings • Annual Reports • Corporate Website • Announcement on Bursa Securities website
Regulators/ Government	• Regulatory Compliance • Cyber Security • Anti-Money Laundering • Customer Due Diligence • Card Scheme /BNM/TPA/Banks Compliance • Climate Change	• Dialogues with Regulatory Bodies/ Government • Quarterly/Annual Reporting • Attending Seminars by Regulatory Bodies/Government • Compliance Assessment/ Audit by External Auditors • Engagement with Central Banks of respective countries
Customers	• Product/service pricing and quality • User convenience • Improved customer experience • Product and service knowledge	• Launch of new products in the markets • Customer oriented solutions • Customer meetings, exhibition and roadshows • Training for merchants/customers

Stakeholder Engagement
Cont'd

Stakeholder Group	Areas of Interest	GHL's engagement
Local Community	• Reaching out to ethical business conduct • Community welfare • Addressing social obligations	• Social media • Corporate website • Corporate Social Responsibility activities • Press releases
Media	• Financial and market performance • Industry trend and corporate issues • Product and service marketing	• Social media • Corporate website • Press releases
Suppliers	• Sustainable procurement practices • Vendor price and reliability • Transparent tender process	• Anti-Bribery and Corruption Policy applicable to suppliers and third parties • Fair tendering processes

Materiality Assessment

To ensure that the Group's sustainability initiatives are driven by best practices, a materiality assessment is conducted annually to enable us to address key sustainability issues in a holistic manner. Our methodology is guided by Bursa Malaysia's Sustainability Reporting Guidelines and the GRI Standards, and comprises three key steps in the formation of the materiality matrix.

Review

The material matter from FY2020 were reviewed to reflect changes in business priorities and stakeholder concerns.

Ranking

This importance of each material matter were assessed by key management personnel and categorised using a weighted ranking approach.

Approval

The materiality assessment methodology and resulting matrix were approved by GHL SC.

Mapping our Material Matters

For this reporting period, we will continue to use the 19 material sustainability matters as there are no changes in the said material sustainability matters.

Once again our 19 material matters that have been categorised according to the Group's four sustainability pillars are as presented below which are now based on 5 adopted UN SDG goals.

Material Sustainability Matter	Description	Stakeholders	Sustainable Development Goals
Corporate Business and Integrity			
Customer Data Privacy	Proper handling and storage of sensitive personal information provided by customers	• Customers	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Cyber Security	Protection of computer systems and networks from data theft or cyber-attacks to the hardware or software	• Regulators/ Government	
Anti-Money Laundering Policy	The Group's commitment to prevent suspicious activities relating to money laundering or terrorist financing	• Regulators/ Government • Shareholders/ Investors	
Anti-Bribery and Corruption Policy	The Group's commitment towards preventing employee misconduct within business operations	• Regulators/ Government • Employees	
Whistleblowing Policy	Mechanism for employees to raise their concerns in case of improper acts or violation of code of conduct	• Employees	
Customer Due Diligence	The processes used to collect and evaluate relevant information about potential customers	• Customers	

Materiality Assessment
Cont'd

Material Sustainability Matter	Description	Stakeholders	Sustainable Development Goals
Customer Growth			
Customer Experience	The impression or perceptions customers have about the GHL brand	• Customers	**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE
Technology and Innovation	Introduction of new products or processes that significantly enhance customer experience when using GHL products or services	• Customers	
Product and Service Quality	The ability of the Group to meet or exceed customer expectations and maintain high customer satisfaction	• Customers	
Customer Empowerment Event	Provision of necessary tools and resources for customers to make informed decisions	• Customers • Media	
Sustainable Workforce and Community			
Employee Diversity and Inclusivity	Initiatives in place to promote non-discriminatory practices across the Group	• Employees	**8** DECENT WORK AND ECONOMIC GROWTH
Conducive Workplace	Work environment that increases employee motivation and safeguards their well-being	• Employees	
Talent Attraction and Retention	Benefits and employee perks that allows the Group to recruit talented new hires	• Employees	
Human Capital Development	Training and programmes that allow employees to acquire the necessary skills and knowledge for enhanced productivity	• Employees	
Supply Chain Management	The consideration for ESG criteria when engaging supply chain partners	• Suppliers	
Corporate Social Responsibility	Financial and non-financial contribution to support the well-being of surrounding communities and underprivileged groups	• Local Community • Employees • Media	
Environmental Excellence			
Climate Change	Corporate effort to reduce carbon emissions due to business operations	• Regulators/ Government • Shareholders/ Investors	**13** CLIMATE ACTION
Partnership for the Goals			
Collaboration with CEO Action Network (CAN)	The Group's commitment towards creating employee awareness about Circular Economy and Human Rights	• Employees	**17** PARTNERSHIPS FOR THE GOALS
Collaboration with Civil Society Organisation (CSO)	Effort to create awareness about partnering with Non-Governmental Organisation	• Media	

Materiality Assessment
Cont'd

Materiality Matrix

The prioritisation of our 19 material sustainability matters is demonstrated in the matrix below which outlines the ranking of each material matter based on its importance to GHL's business operations and to the stakeholder groups.

For FY2022, material topics under the Corporate and Business Integrity pillar ranked 'Very High', highlighting its significance to the Group and the stakeholders.

Corporate and Business Integrity

1. Customer Data Privacy
2. Cyber Security
3. Anti-Money Laundering Policy
4. Anti-Bribery and Corruption Policy
6. Whistleblowing Policy
9. Customer Due Diligence

Customer Growth

5. Customer Experience
7. Technology and Innovation
8. Product and Service Quality
12. Customer Empowerment Event

Environmental Excellence

10. Climate Change
15. Waste Management
19. Water Stewardship

Sustainable Workforce and Community

11. Conducive Workplace
13. Talent Attraction and Retention
14. Employee Diversity and Inclusivity
16. Human Capital Development
17. Corporate Social Responsibility
18. Supply Chain Management

For FY2022, our reporting approach reflects improvements in management of our material sustainability matters by consolidating them under the **four sustainability pillars**. We aim to enhance our sustainability disclosures to be more transparent to our stakeholders.

Corporate and Business Integrity

At GHL, we integrate ethics and integrity into everything we do. We maintain good corporate governance practices, standards and controls in order to ensure strict compliance with all relevant laws and regulations in our operating jurisdictions. Our commitment to integrity is the basis for the long standing trust by our customers and other stakeholders and is supported by our comprehensive range of policies and procedures.

Customer Data Privacy

The Group's Privacy Statement encompasses all aspects of customer data privacy, and outlines our responsibilities and commitments to effective data handling. Formulated in accordance with the Malaysian Personal Data Protection Act ("PDPA") 2010, with oversight from the Board of Directors, the Statement is reviewed by the Group Head of Legal & Compliance as and when necessary.

As part of ensuring transparency in business operations, our corporate website, www.ghl.com, contains a dedicated Privacy Statement section, and pertinent clauses are also included in the contractual agreements with our business partners.
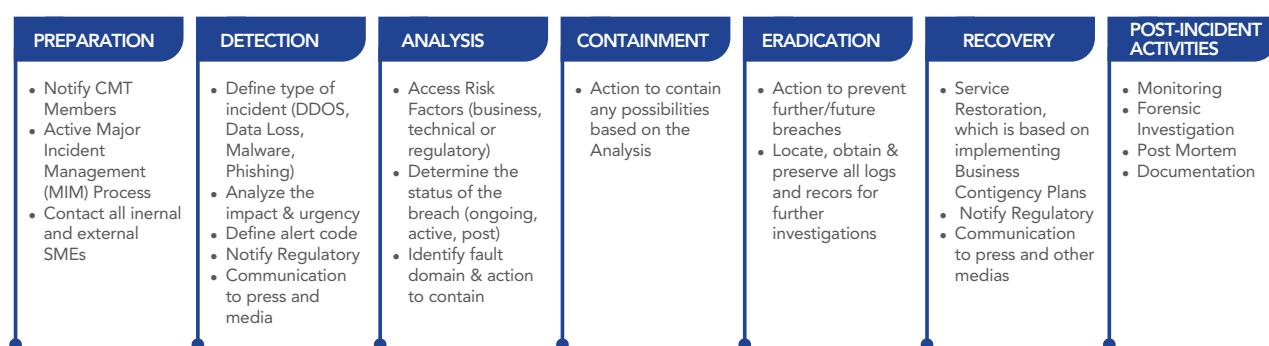
Cyber Security

As a responsible e-payment provider, GHL Systems Berhad strictly complies with the Payment Card Industry Data Security Standard ("PCI-DSS"), a compliance programme set by the Payment Card Industry Security Standards Council ("PCISSC"). To ensure utmost protection against data misuse and to preserve cardholder information, GHL's compliance is verified through the annual certification and assessment processes.

Cyber security and data protection is managed by our dedicated team of IT professionals led by our Group Chief Technology Officer. The team has expert domain knowledge in IT Compliance, Cyber Security and Cyber Resilience. Cyber security is also managed under several policies and procedures, including our Business Continuity Plan and Disaster Recovery Plan to ensure that we are resilient against any cyber-attacks.

We have established a comprehensive playbook to identify and handle suspected cyber security threats or breaches.

Cyber Threat Playbook

PREPARATION	DETECTION	ANALYSIS	CONTAINMENT	ERADICATION	RECOVERY	POST-INCIDENT ACTIVITIES
• Notify CMT Members • Active Major Incident Management (MIM) Process • Contact all inernal and external SMEs	• Define type of incident (DDOS, Data Loss, Malware, Phishing) • Analyze the impact & urgency • Define alert code • Notify Regulatory • Communication to press and media	• Access Risk Factors (business, technical or regulatory) • Determine the status of the breach (ongoing, active, post) • Identify fault domain & action to contain	• Action to contain any possibilities based on the Analysis	• Action to prevent further/future breaches • Locate, obtain & preserve all logs and recors for further investigations	• Service Restoration, which is based on implementing Business Contigency Plans • Notify Regulatory • Communication to press and other medias	• Monitoring • Forensic Investigation • Post Mortem • Documentation

Anti-Money Laundering Policy

As a Fintech Payment service provider, it is essential for GHL to assess and address risks relating to potential financial crimes. In 2019, we implemented our Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Policy. Since then, we have reviewed the policy to ensure it is still relevant in 2022. The comprehensive Policy establishes our commitment to protect the business from financial crimes. The roles and responsibilities of the employees, the senior management, and the Board of Directors are defined in the Policy. Preventative measures to avoid money laundering risk as well as detailed procedures to follow in case of suspected breach are described in the Policy document. The template and standard procedures for reporting any suspicious transactions are likewise stated in the Policy. To ensure proper execution, GHL's Anti-Money Laundering Policy also outlines the consequences in case of non-compliance. The Policy can be viewed on the Investor Relations section of our website.

Corporate and Business Integrity
Cont'd

To ensure policy compliance, all GHL staff undergo regular training, with priority being given to frontline employees who deal with customers as a first point of contact and who are responsible for establishing business relationships. This group is trained to conduct customer due diligence and detect suspicious behaviour and transactions.

Policy monitoring and review are periodically conducted by the Group's Legal and Compliance Department, with corresponding Board oversight. In compliance with the Policy, periodic internal audits are conducted and supported by an annual external audit. No risk areas or incidents of non-compliance were reported at this year's audit.

Anti-Bribery and Corruption Policy

GHL's Anti-Bribery and Corruption Policy ("ABC Policy") which was implemented in 2018 has been reviewed in 2022 to ensure that it remains aligned with Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") and with the Group's business needs. The ABC Policy includes clear definitions of bribery and other corrupt practices such as facilitation payments, giving and receiving of gifts and hospitality, political donations or favours, and sponsorships and donations. It also delineates the process for incident management and the consequences of non-compliance.

Annual mandatory training on the ABC Policy is conducted for all employees in order to refresh their knowledge and understanding of the policy and to ensure that their actions are reflective of GHL's ethical standards. All third-parties we engage with are required to sign a declaration of integrity that indicates compliance with our terms. We conduct a Group-wide vendor on-boarding process which assesses the vendors' risk areas comprehensively, including the potential for corruption risk. This assessment is applicable for all subsidiaries in GHL. Currently, none of our operational areas have been assessed as high risk.

Whistleblowing Policy

To reinforce our commitment to protect the Group from fraudulent practices and misconduct, we established the Whistleblowing Policy in 2018. The Policy encourages employees and third parties to notify the Board on concerns regarding integrity or misconduct, including suspected criminal offence, unfair treatment, misuse of confidential information, or receiving kickbacks. Confidentiality is emphasised and any whistle-blower who reports an incident in good faith will be afforded protection from retaliation. Policy awareness among employees is facilitated through informative flyers circulated via emails and posted on the notice board in our offices.

The Whistleblowing Policy has been translated into the respective local language of the countries of operation, to ensure full awareness by all staffs.

For the reporting year we have recorded 5 whistle-blower complaints which we have since investigated and action has been taken accordingly.

Customer Due Diligence

To assess the risks attached to potential customers, the Group has established a Customer Due Diligence ("CDD") procedure for customer identification and background check.

As a matter of policy, GHL refrains from dealing with customers who do not meet the Company's CDD parameters. The standardised assessment is conducted by the Group's Risk department and also covers existing customers to reduce the risk of potential fraud or chargeback.

The CDD process is conducted every time the Group establishes a business relationship with a new party. Information collected includes identity documentation (for individuals), ownership information (for businesses), and source of funds or wealth in cases where the customer is assessed as high risk. The proposed business relationship will not proceed with any potential customer who is unwilling to provide the requested information.

Customer Growth

The Group's Core Value, "Customer is the Boss", drives us to continue providing excellent services to our customers. Our focus on customer experience and engagement is combined with delivery of high-quality innovative products. The result is high levels of customer satisfaction which in turn promotes long-term value to our business and our stakeholders.

Customer Experience

A superior customer experience is essential to achieving high rates of customer loyalty, satisfaction and retention. We strive to be available to our customers at all times via telephone, email, and self-service digital customer portal.

With the goal of establishing the best possible connections with our customers and merchants, we launched our online Merchant Portal - the GHL Intelligent Support Assistant ("GISA") in 2020. The tool offers self-help service to our customers through a Live Chat application with Artificial Intelligence ("A.I."). The A.I. Chatbot is capable of responding to basic customer enquiries, reducing our dependence on call centres. GISA is also useful in collecting customer's feedback on our services.

To improve user experience, we upgraded the Merchant Portal with an enhanced dashboard. As a result, it is now easier to locate and view the payment verification and payment transaction details.

We maintain regular monitoring of our customer feedback through the Net Promoter Score ("NPS"). Calculated annually based on data received from customer feedback surveys, the NPS guides our efforts in ensuring that we continue to provide excellent service.

Net Promoter Score	
FY2021	90%
FY2022	84%

New customers are engaged via our Welcome Calls wherein we collect feedback to determine their satisfaction level with the services provided by our Installers and Merchant Sales Officers. In addition to providing a Terminal User Guide, our new customers are also briefed on the basics of terminal use and, where relevant, on fraud awareness.

Technology and Innovation

As a Fintech Payment company, it is imperative for GHL to remain at the forefront of innovation and new technologies that will benefit our customers. This year, we launched our Digital Lending Programme, designed specifically to enable small and medium enterprises ("SMEs") with a quick & easy financing solution to improve their business cash flow. This SME Digital Loan is GHL's own micro financing service that aids existing GHL merchants and other registered businesses. This Digital Lending Programme is approved and licensed by the Ministry of Housing and Local Government *(Kementerian Pembangunan Kerajaan Tempatan - KPKT)*. Under this programme we provide a very attractive interest rate to existing GHL merchants, subject to specific terms and conditions.

Customer Growth
Cont'd

Product and Service Quality

To maintain the high quality of our products and services, we conduct regular internal quality audits as well as independent external audits as required. Our audits identified no quality issues for FY2022.

Regular review of merchant experience is also conducted to help improve our service quality. Any indication that our merchants have become inactive (i.e., have not processed sales for two months or more) prompts our team to reach out to the particular merchant to determine how we can be of assistance in reactivating the merchant.

We compile a monthly Service-Level Agreement ("SLA") Report for our bank clients, reporting on our level of success in resolving terminal fault calls. GHL endeavours to respond to these helpdesk calls within four hours of receiving the call. In the last two years, we have been tracking the number of terminal fault calls received against the total number of terminals in operation to derive the fault call ratio. We strive to constantly reduce this number going forward. The increase in our "fault call" ratio in 2022 was due to the post-Covid lockdown surge in calls from out merchants who had re-opened their businesses once the movement control was lifted.

Fault Call Ratio	
FY2021	1.46%
FY2022	1.75%

Customer Empowerment Event

Financial literacy remains one of our prime focus areas in customer empowerment. Each year, we hold events and collaborations aimed at equipping our customers with the knowledge they need in order to succeed in operating their businesses and managing their payment processing needs.

For FY2022, COVID-19 restrictions continued to limit our capability to hold in-person engagement sessions. Nevertheless, through the use of digital communication technology, we continue to engage with our customers and stakeholders as much as possible.

Our Malaysia CEO, Mr. Kevin Lee's speech in Gartner and ADVANCE.AI's Strategic Advisory Session sharing on how financial inclusion and digitisation helps to simplify access to micro merchant loans.

Similarly, our Group Head of Legal, Compliance and Sustainability, Mr. Chong Kok Wai, was invited to speak at the **Singapore ESG Summit – Future Roadmap for Net-Zero in Singapore**, and to share more on GHL's sustainability journey and how the company has integrated ESG principles into our business operations.

Mr. Chong was additionally a panellist on a number of thought-leadership sessions addressing the empowerment of the supply chain. These sessions included:

1. CEO Action Network Sharing on Circular Economy;
2. CEO Action Network Sharing on Human Rights- Not Just an ESG Factor;
3. Collaboration between CEO Action Network and the CSO-SDG Alliance to further share on case-studies on how corporates collaboration with the CSOs to achieve/enhance their sustainability participation.

Sustainable Workforce and Community

We strive to create an inclusive culture to encourage a sense of belonging within a diverse workforce. Initiatives were implemented to build a constructive relationship with our local communities and suppliers. By putting people at the heart of what we do, we aim to bring value to our stakeholders through effective engagement activities with our employees and communities.

The Board approved the Group's Occupational Health Safety And Environment Policy which was implemented on 22nd August 2022 with the aim of ensuring the Group's compliance with the OHSE standards is on par with or exceeds the industry practices.

Employee Diversity Equity and Inclusion

Our strength lies in the diversity of our 900-strong workforce that operates efficiently across six countries. We recognise the value that diversity can bring in terms of life experiences, cultural knowledge and unique perspectives. Guided by the Group's core values and Gender Diversity Policy, we remain committed to maintaining an inclusive and cohesive workforce.

Gender Diversity in FY2022

Legend: Male   Female

Employees

63%	37%
564	335

Board of Directors

63%	37%
5	3

Age Breakdown in FY2022

Below 30 years

55%	45%
170	141

31 to 50 years

66%	34%
360	183

Above 51 years

76%	24%
34	11

Sustainable Workforce and Community
Cont'd

Country Breakdown in FY2022

Malaysia

59%	41%
353	241

Thailand

55%	45%
49	40

Philippines

75%	25%
158	53

Indonesia

67%	33%
2	1

Australia

100%
2

Employment Breakdown in FY2022

Associates

65%	35%
417	227

Executive

56%	44%
120	93

Management

63%	37%
26	15

As a strategic priority, a comprehensive diversity and inclusion training programme is embedded into the on-boarding process for new employees, aiming to drive a positive and inclusive workplace culture. Anti-discrimination training is also provided to all employees in order to reinforce the message that harassment and prejudice will not be tolerated within the Group.

Sustainable Workforce and Community
Cont'd

To foster respect and open-mindedness for other cultures, GHL Malaysia organised Ramadan Iftar Food in the spirit of Hari Raya celebrations.

Employees are encouraged to report any incidence of discrimination or harassment that may occur within the Group. Our Human Resources department will take prompt action to investigate and resolve the issue. In this reporting period, zero incidents of discrimination were recorded at GHL.

Conducive Workplace

A conducive working environment is crucial for a productive workforce. In FY2022, the Board approved GHL's Labour & Human Rights Policy so as to strengthen our commitment to a fair and safe workplace. The policy is available on GHL's corporate website and is communicated to all employees in English or Malay. In line with international labour standards, the policy addresses the following:

- Child Labour
- Forced Labour
- Minimum Wage and Benefits
- Working Hours
- Right to Freedom of Association and Collective Bargaining

Our initiative to maintain a motivated workforce extends beyond company policies. Town Hall sessions were conducted regularly to engage with employees in a holistic manner. Town Halls were conducted both on group level as well as in each individual country, Malaysia, Thailand and Philippines. The sessions present employees a chance to learn about the company's strategic goals, company's achievements, discuss workplace conditions, voice any grievances and to pose questions to GHL management. The company held two Town Halls in 2022 which covered GHL's strategic focus and priorities as we continue to grow. The meetings allowed management to share important information with employees and provided employees with an opportunity to pose questions to the company's executive management.

Sustainable Workforce and Community
Cont'd

We maintain strict compliance with the local labour regulations in countries we operate in. The Group assesses the risk of labour misconduct to be low due to the nature of the Fintech industry. No incidents of non-compliance with labour standards were reported in FY2022.

To boost the morale of GHL employees who experienced feelings of isolation during trying times, our Human Resource ("HR") department organised the GHL Wellness Month in June 2022. Capitalising on our digital communication system, engagement efforts were curated to focus on caring for the employees' physical and mental wellbeing. Four virtual workshops were conducted over the course of GHL Wellness Month, with participants from Malaysia, Indonesia, Philippines and Thailand in attendance. Our employees not only acquired essential knowledge to remain mentally and emotionally fit, they also learned to take ownership of their physical health. The company also organised weekly Wellness Sessions including weekly badminton sessions, to provide health and wellness advice to employees as well as to foster friendship and comraderies amongst GHL staff.
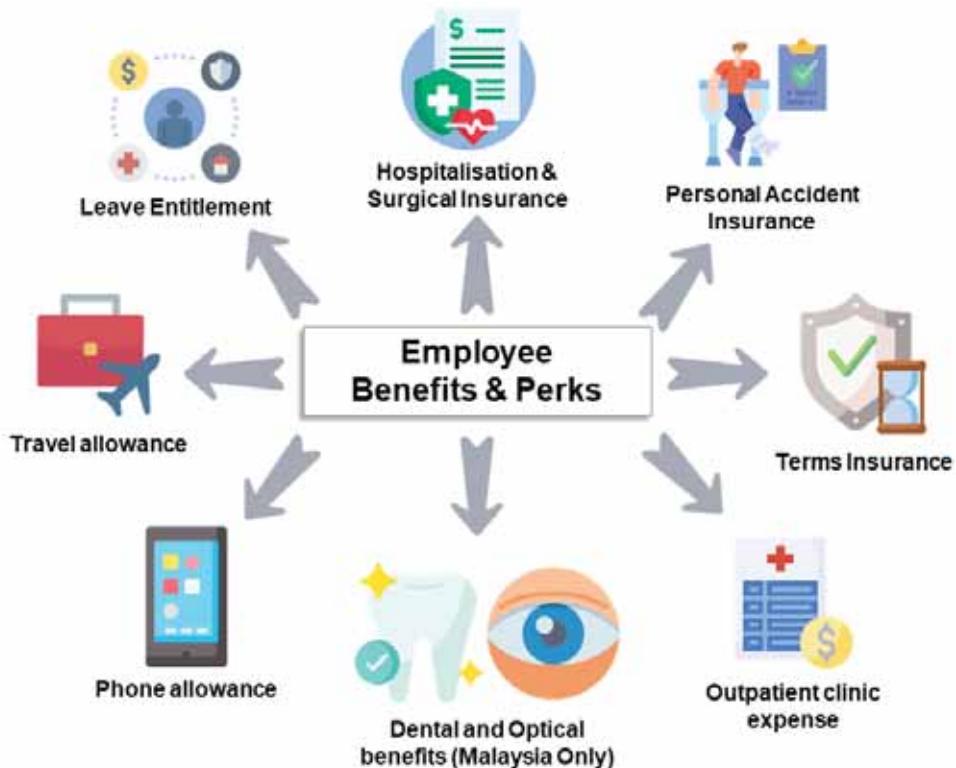
Sustainable Workforce and Community
Cont'd

Talent Attraction and Retention

As a trustworthy employer that values our workforce, we endeavour to recruit, retain and remunerate our employees in a fair and equitable manner. Our recruitment and promotion processes promote equal pay for equal work regardless of the candidate's gender, age, ethnicity, culture or socio-economic background, in line with our Gender Diversity Policy. We also participated in Career Exploration Day, Bridging the Gap between Industrial Expectation and Talents that was held in Sunway University. Meritocracy is emphasised when hiring new employees.

We acknowledge that our employees are our greatest asset, and we strive to implement initiatives to improve employee productivity. Guided by our Labour and Human Rights Policy and the United Nations Guiding Principles on Business and Human Rights, we provide fair remuneration to all employees in conformity with relevant local regulations on minimum wage. We also provide competitive employee benefits and perks that differentiate our business from competitors.

We are also guided by the Senior Management Remuneration Policy and Procedure dated 25th August 2021, the Director's Fit and Proper Policy dated 26th May 2022 and the Term of Reference of the Nomination and Remuneration Committee in respect to ensure that they are properly and fairly remunerated.

In addition to the above, we also disclose the salaries, compensation and remunerations of our Board of Directors and Senior Management in the relevant bands to the public in our Corporate Governance Report which is uploaded in our website on an annual basis.

Due to our efforts, we have achieved great success in retaining talented employees within the Group. In FY2022, we achieved a new hire rate of 24% and a turnover rate of 29%. A total of 37 employees took parental leave, all of whom returned to work at GHL after their leave ended.

Sustainable Workforce and Community
Cont'd

Human Capital Development

To encourage lifelong learning and professional growth among our talent pool, soft skills and technical training programmes are facilitated based on consultations between management and employees as well as job requirements.

The COVID-19 pandemic disruptions to our personal and work life has taught us to be vigilant at all times and as such, we have invested in innovative solutions to enable remote learning opportunities in conjunction with physical training sessions for our staff. Utilising GHL's digital expertise, we ensure that our employees have access to quality content which would otherwise be limited in the new normal.

Training programmes conducted:		
Total: **81**	Soft Skills	33%
	Technical Skills	49%
	Managerial & Leadership	8%
	Compliance Training	10%

Our talent pool is constantly augmented with interns and fresh graduates from various universities. This initiative not only allows us to discover new talents that are familiar with GHL operations but also injects fresh perspective for products and solutions that are critical for the Fintech industry. Mentoring the interns also doubles as leadership training for our senior employees, especially for new managers who graduated from the HIPO programme.

Our efforts in capacity building have translated into a skilled and adept workforce that can compete in the evolving tech industry. In FY2022, we recorded the following achievements:

Total Training Hours	Average Training Hours
9,078 hours Group-wide	**9.5** per employee
20 employees (MY, PH, TH) graduated from 1 year HIPO Programme	**11** university graduates interned with GHL

Sustainable Workforce and Community
Cont'd

Supply Chain Management

We believe that our commitment to sustainable development extends to our supply chain. A transparent assessment of our suppliers as well as alignment to our sustainability values are crucial for establishing a proper supply chain management process. During the year in review, the Group ensured minimal disruption to GHL's needs by continuously monitoring and planning for essential supplies as well as maintaining continuous engagement with supply chain partners.
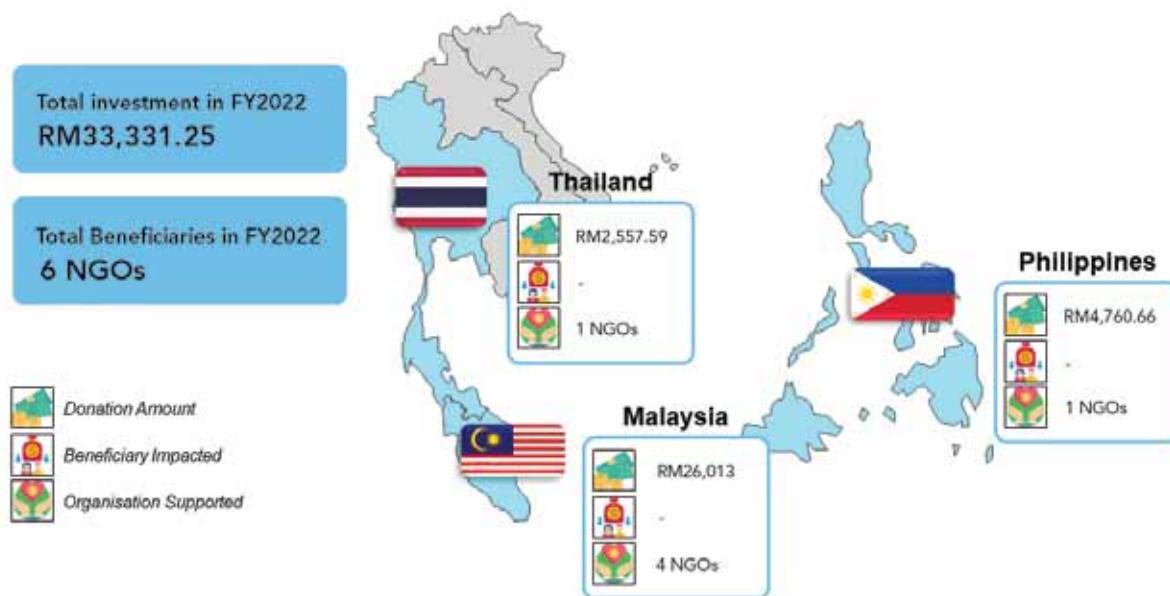
We also conduct regular assessment of the Group's product and service providers and suppliers. We apply the GHL standards and criteria that look for competitive pricing, quality and compliance with regulations. Additional Service Level Agreements are applied to outsourced services. All criteria and expectations are appended in the contracts which must be acknowledged by the suppliers before they are awarded the contract.

Corporate Social Responsibility ("CSR")

In the year under review, our dedication to sustainability integration is strengthened through our joint efforts with fellow members of CEO Action Network (CAN) to create an ecosystem for sustainable businesses. CAN focuses on advocacy for sustainability-related policies and the transfer of skills and knowledge through workshops sessions and collective commitments.

COVID-19 had a significant impact on communities worldwide, which disproportionately affected underprivileged groups. As corporate citizens, we exercise our corporate responsibility through collaboration with local non-governmental organisations ("NGOs") to address community needs.

"Box of Happiness" is our programme focused on raising donations to support GHL merchants and local NGOs amidst the COVID-19 pandemic. The programme acts as a CSR donation fund to purchase items from GHL-affiliated merchants who are affected by COVID-19. This fund also aims to alleviate the burden faced by NGOs, by providing daily essential items and electronic goods for charity organisations through monetary and in-kind donations.

Total investment in FY2022
RM33,331.25

Total Beneficiaries in FY2022
6 NGOs

Donation Amount
Beneficiary Impacted
Organisation Supported

Thailand
RM2,557.59
.
1 NGOs

Philippines
RM4,760.66
.
1 NGOs

Malaysia
RM26,013
.
4 NGOs

Sustainable Workforce and Community
Cont'd

NGOs	Donation Amount
GHL Malaysia	
1 Yayasan MSU	RM 12,394.00
2 Christian Life Gospel Center	RM 5,447.60
3 Food4U	RM 4,085.70
4 Health Equity Initiatives	RM 4,085.70
GHL Thailand	
5 Foundation for blind children with multiple disabilities Cha-Am	RM 2,557.59
GHL Philippines	
6 Tuloy Foundation and Gawad Kalinga	RM 4,706.66

Sustainable Workforce and Community
Cont'd

Constructive Partnership

As one of the 63 current members of CEO Action Network (CAN), we are actively involved with spearheading sustainability advocacy, capacity building, action and performance. The partnership built between the CAN members has been proven to be fruitful in making the GHL Group as well as our stakeholders into a more cognisant community.

From our initial involvement with CAN in 2021, GHL has established itself as a prominent and active member of CAN through the direct efforts of GHL Group's Head of Legal, Compliance and Sustainability, Mr. Chong Kok Wai. Mr. Chong has been diligently immersed in his role as the Co-Lead of CAN's Capacity Building committee and has also assumed the responsibility of CAN's Lead Secretariat in November 2022. He is responsible for the internal and external communications between CAN's ever-growing members as well as the public.

To encourage knowledge sharing, we have participated in a number of CAN's peer sharing sessions, including a session on Human Rights 2.0 and another on Circular Economy. GHL Systems Berhad's Group Head Legal, Compliance and Sustainability participated in both sessions alongside a panel of esteemed speakers, discussing the Fundamentals of Human Rights as well as importance of Circular Economy.

Additionally, GHL together with other members of the CEO Action Network as well as the Civil Society Organisation - Sustainable Development Goals (SDG) Alliance, led a specially curated event that brought together industry speakers to discuss on the role of Civil Society Organisations in driving meaningful outcomes for SDG17 Partnerships for the Goals, delving into how corporates and Civil Society Organisations can join forces to achieve common goals.

Environmental Excellence

We are committed to manage our environmental footprint and provide opportunities to help advance environmental protection. These commitments involve actions focused on mitigating our carbon emissions, managing consumption of natural resources like water, enhancing our waste management practices and engaging partners across our value chain to build resilience to climate change.

Climate Change

The issue of climate change has gathered momentum in countries and companies worldwide, and GHL is no exception. We have established a Climate Change & Risk Policy in FY2021 that addresses the Group's commitment to achieve low-carbon operations in line with the Paris Agreement. The Group's climate action is driven by our Sustainability Committee, with regular updates provided to the Board for endorsement and oversight. We will continue to explore additional measures to reduce our carbon footprint as we aspire to achieve Net-Zero emissions by 2050.

We recognise the need for collaborative action to combat climate change. GHL has collaborated with other business leaders, through CAN, to advocate for affirmative climate actions and to pursue further opportunities for the private sector in achieving climate goals.

Climate change has been incorporated into the Group's business strategy. Potential climate impacts are identified and addressed in our Crisis Management Strategy Policy. We are committed to contributing to carbon reduction as we operate in a region that is vulnerable to the impacts of climate change such as floods, bushfire and hurricanes, which may potentially affect the longevity of our business.

To realise our long-term goal of carbon neutrality by 2050, we continue to engage with EcoNinja regarding our carbon reduction strategy. A key component of our effort includes partnering with EcoNinja on the Greening Malaysia Programme 2021-2025 to sequester carbon through tree and coral reef planting. Approximately 300 trees were planted in FY2021, with our offset performance tracked through EcoNinja. In further collaboration with EcoNinja, we are now exploring coral planting as part of our efforts to contribute towards bio-diversity.

As reported previously in our 1st Report, our digital services are reliant on energy consumption, which constitutes the vast majority of our operational greenhouse gas ("GHG") emissions. During the year in review, we commenced transition of our processing platforms and appllications from on-premise data centres to cloud-based solutions via Amazon Web Services ("AWS"). This transition is well in line with our climate efforts as cloud computing is more energy efficient. Additionally, AWS has further committed to renewable energy purchases to power its cloud servers, reducing dependence on fuel-based grid electricity.

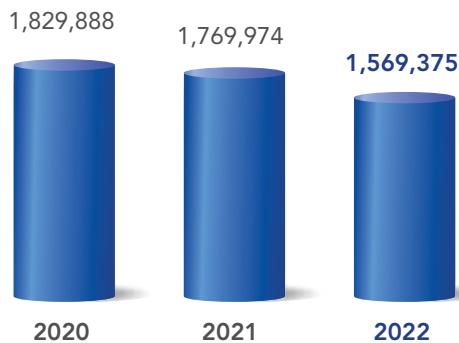| Reduction in Carbon Footprint	
2021	**2022***
6.2 Tonnes in total emissions saved	**22.9 Tonnes** in total emissions saved
4.6 Tonnes from renewable energy	**2.7 Tonnes** from renewable energy
1.6 Tonnes from cloud computing	**20.2 Tonnes** from cloud computing
	*up until November 2022

The photovoltaic solar panels, which were installed at our office buildings last year to increase renewable energy generation and decrease our reliance on grid electricity, has clearly shown a positive impact. Due to the use of renewable energy, since April 2022, we have managed to save a sum of RM 31,301.62 as compared to the actual grid electricity usage which is equivalent to a saving of 30%.
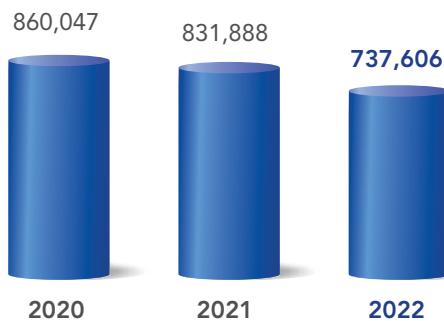
Environmental Excellence
Cont'd

The Group recorded a reduction in overall energy consumption this year, largely due to our successful implementation of a hybrid work arrangement, with employees being allowed to work from home 2 days per week. This arrangement resulted to a further reduction of our Scope 2 GHG Emission, which can be seen as follows:
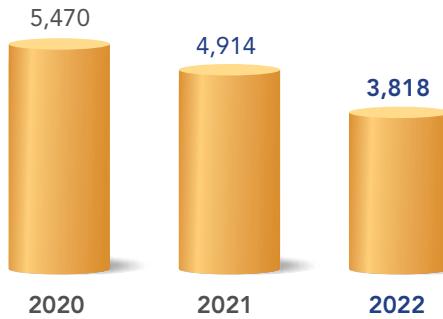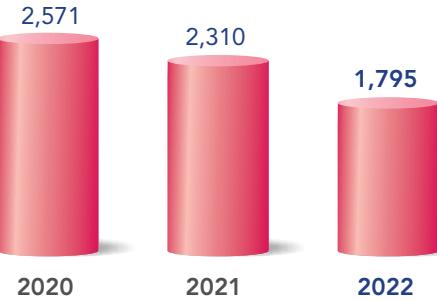
Group Electricity Consumption (kWh)

2020	2021	2022
1,829,888	1,769,974	1,569,375

Scope 2 GHG Emissions (kgCO2)

2020	2021	2022
860,047	831,888	737,606

kWh Energy Consumption (per RM m revenue)

2020	2021	2022
5,470	4,914	3,818

GHG Emissions (kgCO2) (per RM m revenue)

2020	2021	2022
2,571	2,310	1,795

Our energy consumption and Green House Gas emission relative to our revenues has been dropping 2 years in a row which demonstrates our success in our energy transition and managing our energy consumption.

Waste Management

The amount of office waste generated by GHL was negligible in FY2022 as most of our operations were conducted online. This is compounded by our hybrid-working arrangement where domestic office waste is further reduced compared to previous years.

The majority of our waste generation results from Malaysia, Thailand and Philippines operations. The primary waste recorded are electronic waste ("e-waste") from obsolete terminals that can no longer be used in our operations. Our formal company procedure is to ensure obsolete terminals are disposed of in a responsible manner.

We recognise that partnership with specialised waste disposal authority is crucial to ensure a safe transportation and disposal of hazardous waste. In the year 2022 we have collaborated with Trashcycle to ensure proper waste management. Across our regional footprint, qualified contractors and agencies are appointed for the management and recovery of e-waste, in alignment to each country's regulation and industry best practices. The collected e-waste will be shredded and utilised in concrete mixture to serve as a partial replacement to coarse aggregates.
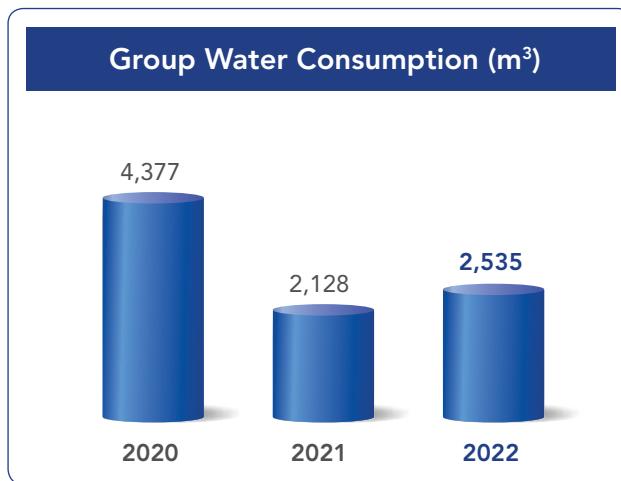
Environmental Excellence
Cont'd

Water Stewardship

Water is primarily used as a cooling agent in our servers and for domestic use in our office buildings. We remain cognizant of the issue of water security in water-scarce markets such as Australia. The Group's water-related risks are negligible as the size of our Australia operations is minimal, and our other operations are not located in water-scarce regions.

Our annual water consumption is tracked across our office buildings in all countries we operate in. In FY2022, the Group's total water consumption amounted to 2,535 m^3. The figure has slightly increased, as most of the employees are back to office, however it is lower compared to our typical consumption as can be seen in 2020, mostly due to our hybrid work arrangements.

Group Water Consumption (m^3)

4,377	2,128	**2,535**
2020	**2021**	**2022**

Conclusion

We have made significant strides in integrating ESG in the Group's business strategy through the establishment of our Sustainability Framework. With the rise of ESG investments, Fintech companies play a key role in the transition towards a sustainable economic model. Moving forward, we will continue to strengthen our commitments to become an ESG-centric company that brings innovative financial solutions and sustainable long-term value to all of our stakeholder.

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GHL

GHL SYSTEMS BERHAD 199401007361 (293040-D)

C-G-15, Block C, Jalan Dataran SD1,
Dataran SD PJU 9, Bandar Sri Damansara
52200 Kuala Lumpur, Malaysia