

Building a thriving workplace for employees



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SUSTAINABILITY STATEMENT

SI 5

Occupational Safety & Health

We place a high priority on the safety and well-being of our employees, recognizing that occupational safety and health (OSH) is of paramount importance in the workplace. In the construction industry, where the risk of injury is particularly high, ensuring a safe working environment is crucial. This responsibility extends not only to individual work sites, but to all operations across the organization.

In order to foster a healthy and safe working environment, we have implemented preventative measures against accidents, and we are committed to providing our people with a safe and healthy workplace. This includes significant investment in resources to ensure that employees and workers are protected at all times we are moving to the new COVID-19 endemic state.

It is our responsibility to enforce safety measures that prevent work-related illnesses and injuries, in order to nurture a productive and healthy workforce. By implementing globally recognized standards, ISO 45001:2018 Occupational Health & Safety Management System (OHSMS), we strive to proactively improve our occupational health and safety performance.

Our commitment to safety aligns with the UN SDG No. 3, which is to ensure health and well-being for all. By prioritizing OSH and taking measures to prevent accidents and promote employee well-being, we remain confident of contribution to this global goal.

Kelington is dedicated to providing a safe and healthy working environment for our employees and workers. We understand that safety is a shared responsibility, and are committed to ongoing improvement in our occupational health and safety performance through the implementation of globally recognized standards. By doing so, we are not only protecting our people, but also contributing to a healthier and safer world.

Our approach to workplace safety and employee well being

Our operations span various locations, making it vital for us to adopt a systematic approach to creating a safe working environment at all project sites. To achieve this, safety considerations and practices have been incorporated into our Group's Standard Operating Procedures (SOP) as a guideline for all employees and workers who perform work involving hazardous materials, equipment or operations.

We believe that enhancing safety efforts is essential, which is why we ensure that all employees and workers at our sites have proper training, experience and knowledge to conduct their tasks in a proper manner. In addition, we equip our staff with ergonomic tools, protective equipment and first aid kits. All relevant safety requirements, measures, work rules, procedures and protocols set out in safety manuals, handbooks and documents are reviewed and updated regularly to ensure continuous improvement of our safeguards.

To ensure effective communication and accessibility, employees and workers can access safety manuals and safety information via various channels, such as emails and newsletters, safety info and signage posted throughout the workplace, daily tool box meetings and mass tool boxes, occupational safety and health training and education, and communication during routine safety inspections and safety line walks. We also share S&H Communication Report to promote learning and best practices.

Our Safety and Health Policy, SOP and protocols outline our principles and commitment to providing a safe and healthy working environment for our employees and stakeholders. We extend the same policy to our approved suppliers, appointed subcontractors and service providers, driven by our belief in the culture of caring about the well-being of our people. For more information on our sustainable supply chain, please refer to page 78.

We believe in a culture of caring about the wellbeing of our people, and safety and health are of paramount importance at our workplace. We remain vigilant and devote constant efforts to ensure that all practices comply with our safety and health policies. We do not tolerate any unsafe practices and appropriate action shall be taken on any violations of safety and health practices by the company.

At Kelington, we prioritize building a healthy workforce, and our human capital strategy reflects that. We have crafted employment packages with a range of entitlements and benefits to improve the well-being of our employees and assist them in achieving work-life balance. We also offer healthcare insurance and medical coverage for accidents and hospitalization to all employees and direct family members who qualify for a health insurance subsidy.

SUSTAINABILITY STATEMENT

We believe that investing in our employees' well-being and prioritizing a culture of caring ultimately leads to our continued success.

How does Kelington manage occupational health and safety ?

a) Management System

Kelington has implemented comprehensive and well-documented Occupational Safety and Health (OSH) policies and procedures with the aim of creating a safe and supportive working environment for all individuals working at our workplace. Our OHS Management System (OHSMS) encompasses all employees of Kelington Group as well as individuals who are not employees but whose work or workplace is under the control of Kelington.

As at 31 December 2022, Kelington's OHSMS has achieved 91% certification to ISO 45001:2018, demonstrating our strong commitment to maintaining a high standard of health and safety measures for our employees and other individuals under our care. Kelington is committed to advocating best practices and to ensure its safety performance is benchmarked against industry standards.

Activities	Workplaces	Group Operating Revenue (%)	Occupational Health & Safety Management System
<ul style="list-style-type: none"> Construct specialized facilities Construct mechanical and electrical systems Installation of gas and chemical distribution system Fabrications 	Customers' site- Singapore	36%	<ul style="list-style-type: none"> ISO 45001:2018 certified since December 2020*
	Customers' site-China	15%	<ul style="list-style-type: none"> Certified to OHSAS 18001:2007 from June 2019 to June 2020 ISO 45001:2018 certified since August 2020*
	UHP Fabrication Facilities -China		
	Customers' site-Malaysia	40%	<ul style="list-style-type: none"> Certified to OHSAS 18001:2007 from July 2014 to Sept 2019 ISO 45001:2018 certified since July 2020*
	Customers' site-Taiwan	3%	<ul style="list-style-type: none"> Adapting safety & health standards to ensure workplace safely
Manufacturing and trading of industrial and specialty gases	Manufacturing Facilities- Malaysia	6%	<ul style="list-style-type: none"> Adapting safety & health standards to ensure workplace safely and target to obtain ISO 45001:2018 certification by Y2024.

* Note: Regular audit was performed by the certification institution to verify Kelington's conformity to the certification criteria of ISO 45001:2018. Continual improvement is an on-going process via internal audits and regular reviews of safety & health performance.

b) Safety Governance: Leading safety and health at work

At Kelington, our core belief is "Safety First, Quality Always", which guides the way we operate our business. We are fully committed to safeguarding the health and safety of not only our employees but also workers and members of the public who may be impacted by our operations. This makes up an essential part of risk management led by the Board. By prioritizing safety and health, we aim to continue delivering high-quality services while ensuring the well-being of our people and the public.

In year 2022, Kelington adopted the following safety governance structure to lead and promote health and safety across the Group.

SUSTAINABILITY STATEMENT

The Board

- The Board is responsible for monitoring strategies relating to the health, safety and environment, as well as to ensure compliance with the relevant laws, rules and regulations.
- The Board sets the direction for effective health and safety management and oversees OSH integration into the main governance structure.
- The Board via the Risk Management Committee (RMC) continually monitor and review the OSH risks to ensure that the risk management strategies put in place are effective and that any new risks are identified and managed. Agendas for RMC meetings include health, safety and environment topics.

Executive Management Committee

- The Executive Management Committee is primarily responsible for safety and health management in the Group. They shall ensure all their decisions reflect Kelington's safety and health intentions.

Group-wide Safety & Health Working Group ("SHWG")

- Kelington's group-wide Safety and Health Working Group ("SHWG") is comprised of regional safety and health leads, who work diligently to ensure that all work sites adhere to local occupational safety laws and regulations.
- The SHWG is led by the Group Safety and Health Officer, a certified Greenbook holder who is registered as a certified safety and health officer with the Director General of the Department of Occupational Safety and Health in Malaysia.
- Each member of the SHWG is required to demonstrate a strong commitment to safety and health, and they are tasked with overseeing various aspects of the working environment to ensure the safety and well-being of all individuals involved. This includes:
 - √ Conduct and review Hazard Identification, Risk Assessment and Risk Control ("HIRARC").
 - √ Emergency response testing.
 - √ Incident and accident investigation.
 - √ Workplace inspection/ audit.
 - √ Develop Safe Work Instructions.
 - √ Assist in development of safety and health rules and safe systems of work.
 - √ Review effectiveness of safety and health program.
 - √ Carry out studies on the trends of accidents and incidents.
 - √ Review the safety and health policies at workplace.
- The SHWG reports to the Executive Management regularly on the effectiveness of the OHSMS and to update the implementation status of continuous improvements.

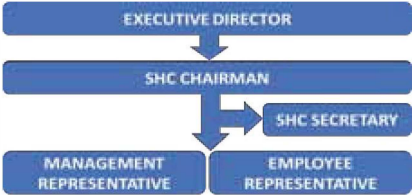
On-site Safety & Health Committee ("SHC")

- Our Safety & Health Committees ("SHC") at project sites primarily responsible to identify, evaluate, and manage safety and health hazards within workplace the respective facilities. SHC is responsible for improving safety and health conditions, promoting safety awareness, and providing a forum for employees to voice their safety concerns. SHC shall ensure all workers are well-equipped with safety tools and equipment, and are responsible for scheduled maintenance of equipment.
- The duties and responsibilities of the SHC includes:-
 - √ Conducting regular safety inspections to identify potential hazards and make recommendation for improvement.
 - √ Establish and update health and safety standards, rules and procedures, that are communicated to all workers to ensure adherence to OSH requirements.
 - √ Use color codes, posters, labels or signs to warn employees of potential hazards.
 - √ Communicating safety information, conduct daily toolbox meeting and provide safety training.
 - √ Review and investigate accidents and incidents that occur in the workplace to determine the root cause and recommend corrective actions.
 - √ Keep records of work-related injuries and illnesses.
 - √ Convene meetings on a quarterly basis while providing a communication and participation channel that can be utilized to discuss safety matters of our employees, appointed contractors and visitors at our premises and workplaces.

SUSTAINABILITY STATEMENT

On-site Safety & Health Committee (“SHC”)

- The Chairman of SHC reports directly to the Executive Management to ensure that the Board is kept abreast of Kelington’s overall health and safety performance and matters. The structure of the SHC is illustrated in the figure below.



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graph TD
    ED[EXECUTIVE DIRECTOR]
    SHC_CHAIRMAN[SHC CHAIRMAN]
    SHC_SECRETARY[SHC SECRETARY]
    MR[MANAGEMENT REPRESENTATIVE]
    ER[EMPLOYEE REPRESENTATIVE]

    SHC_CHAIRMAN --> ED
    SHC_CHAIRMAN --> SHC_SECRETARY
    MR --> SHC_CHAIRMAN
    ER --> SHC_CHAIRMAN
  
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All Employees and Workers

- All Kelington’s employees, approved vendors and appointed subcontractors are obligated to work in a safe manner, to co-operate and to act responsibly with the aim of preventing injury to themselves and others as well as to the environment.
- Promptly report all accidents or incidents, as well as near miss cases to line management, according to the Incident Reporting Guidelines.

c) Hazard Identification, Risk Assessment and Risk Control Procedure

Our Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) procedure requires the implementation of controls to manage identified risks/hazards using the hierarchy of control (elimination, substitution, separation, engineering, administrative and personal protective equipment). This procedure is especially important when our employees are executing work at our customers’ sites or handling and distributing industrial gases. By identifying potential risks and hazards beforehand, we can take appropriate steps to prevent accidents and ensure the safety of everyone involved.

HIRARC procedure emphasizes the importance of selecting the most effective control measures to manage risks and hazards, and encourages ongoing monitoring and review to ensure continuous improvement in our safety practices. HIRARC is reviewed at least once yearly, when the need arises or new work process is identified.

The HIRARC team is responsible to identify potential hazards, assessing the risks associated with hazards and implementing strategies to mitigate or manage the risk. This may include developing policies and procedures, providing training to employees, or implementing engineering controls. The results of hazard identification and risk assessment would be communicated to relevant stakeholders, including management, employees, and external stakeholders such as regulators and customers.

In our industry, the following work-related hazards pose a risk of high-consequence injury or that can possibly cause or contribute to high-consequence injuries:

- Falling from Height
- Electrocution
- Exposure to flammable material
- Machinery Topple

In FY2022, with the continuous implementation of measures to manage hazards, there was no reported incident arising from the above mentioned work-related hazards.

Risk Assessment

We take a comprehensive approach to ensure the safety and health of all employees and workers, beginning with a formal risk assessment using the HIRARC procedure before any work activity can commence. High risk activities are identified and mitigated using the Permit-to-Work System and the hierarchy of controls is used to determine the most effective ways to protect workers and manage risk to a level that is acceptable.

At all of our industrial gases manufacturing sites, we carry out Chemical Health Risk Assessments in accordance with regulatory requirements to identify potential health risks to workers who may be exposed to hazardous chemicals. The results of these assessments guide subsequent processes such as Chemical Exposure Monitoring and Medical Surveillance in the workplace.

SUSTAINABILITY STATEMENT

For new operations and large-scale projects, the process for ensuring the safety of workers involves a risk assessment committee that evaluates the potential risks associated with the project. This process consists of several stages, including a review of the project's scope definition, risk assessment matrix, timelines, and multiple levels of approval. Changes to existing operations or projects are managed through the Management of Change (MOC) process, and risk assessments are mandatory for all projects based on their risk classification. The purpose of these assessments is to identify potential risks early on and take appropriate action to mitigate them.

At Kelington, we implement and enforce a "Stop Work Policy" to allow any person, including non-employees, to refuse or stop work activities deemed unsafe without fear of reprisal. We have also established a "Bad Weather Policy" to halt outdoor work activities during adverse weather conditions, recognizing the potential safety hazards that can arise in these situations.

To strengthen the Group's safety culture, our project sites conduct daily toolbox meetings, where workers can utilize to voice out concerns on safety issues such as hazards or controls, incidents or accidents, and work procedures. We also have a "Whistleblowing Policy and Procedure" in place, providing an independent channel for reporting unsafe acts or work hazards while protecting workers against reprisal.

d) Communication makes workplace safer

In any workplace, safety is utmost importance. At Kelington, we prioritize the safety and health of our employee and anyone who interacts with our business. Our Occupational Health and Safety Communication, Participation, and Consultation Management Procedure Manual serves as a comprehensive guideline for implementing and maintaining a standardized procedure for communication, participation, and consultation with respect to OSH and environmental hazards.

Through the manual, Kelington aims to ensure that all stakeholders are informed about potential hazards and equipped with the knowledge and tools to prevent them. This, in turn, fosters a culture of safety and accountability throughout the organization. The company also seeks to establish channels for effective communication and collaboration between internal employees, external contractors, and other relevant stakeholders, with the goal of achieving consensus and promoting safety and health management.

Moreover, our Safety and Health Working Group is tasked to ensuring that our Safety and Health Policy is circulated to all suppliers. In addition, we extend invitations to our key suppliers to participate in Occupational Safety, Health and Environment ("OSHE") awareness training programs. These initiatives serve to promote alignment with our safety standards and facilitate the identification and mitigation of potential hazards in our supply chain.

We actively involve our employees and workers in aspect and impact analysis, hazard and risk identification, and risk assessment to ensure that they understand the potential hazards and necessary mitigation strategies. Similarly, we involve our employees and workers in incident investigations to facilitate the identification of the root cause of incidents and the implementation of appropriate corrective actions.

Incident and Accident Reporting Procedure

At Kelington, we have a comprehensive incident/accident reporting procedure that mandates the reporting of any incidents or near misses to line management promptly. The line management shall report any incident/accident to the Safety and Health Department within 24 hours, and respective OSHE function will conduct a review and investigation and thereafter, implement the appropriate corrective action. We also share lessons learned through on-site toolbox meetings, allowing employees to learn from past incidents and develop preventive measures. This process enables swift action to be taken and reduces the likelihood of future incidents.

Additionally, we conduct formal reviews of incidents and accidents at quarterly SHC meetings and annual management review meetings. The SHC meetings involves both management and employee representative provide an opportunity to review our OSH management systems, identify areas for improvement, and enhance the effectiveness of our safety and health initiatives.

No serious incidents were reported during the FY2022, a total of four OSHE-related reports were submitted and resolved within the organization.

SUSTAINABILITY STATEMENT

Transparent Communication

When safety or health issues arise, it's important to communicate the information promptly and transparently. Delaying or withholding information can erode trust and lead to further safety or health issues. Kelington's biannual S&H Communication Reports would be circulated to all employees and other interested parties of any accidents or incidents resulting in injuries or fatalities. These reports include information about safety leading indicators, as well as details on incidents that have occurred, the root causes of those incidents, and the measures being taken to prevent similar incidents from happening in the future.

Through this transparent approach, we aim to foster a culture of safety by encouraging open communication and making safety priority for everyone in our organization. Transparent communication can help to identify and address safety and health hazards before they become major issues. When our employees are informed about potential hazards and understand how to mitigate them, Kelington can more effectively manage risks, ultimately we prevent injuries and illnesses, reducing costs associated with these issues.

e) Safety & Health Awareness and Competencies

At Kelington, we recognize that training is a critical element in reducing the risk of workplace accidents. To ensure our workers are equipped to work safely, we provide regular safety training in addition to daily on-job training during toolbox meetings. Topic covered in year 2022 includes:

- Hazard Communication
- Chemical Safety
- Personal Protective Equipment (PPE)
- Fire Prevention and Emergency Evacuation
- Working at Heights and Fall Protection
- Confine Space Awareness
- First Aid, CPR and AED
- COVID-19 Control and Prevention
- Flagman and Spotter
- Workplace Ergonomics
- Mobile Elevated Work Platform (MEWP)
- Health Awareness
- Scaffold Safety
- Electrical Safety and Equipment Use
- Rigging & Slings

It is essential that our workers fully understand the company's health and safety policies, risk assessments, safety systems of work, and any work-related training requirements. We also make sure that our workers understand their role within these policies and how to manage them effectively.

By monitoring training hours, The Group Safety and Health managers can identify trends and patterns in training needs and adjust the training programs accordingly and ensure that training programs remain relevant and effective in addressing emerging workplace hazards and risks.

	Total Training Hours	Total No. of Employees Trained
	Health & Safety Training	
KE Malaysia	894	169
KE Singapore	5,003	161
KE China	882	57
KE Taiwan	70	2
Total	6,849	389
	General Training which includes safety	
KGB Group	1,060	196

SUSTAINABILITY STATEMENT



f) Safety Recognition Program

Kelington places a strong emphasis on fostering a robust safety culture that prioritizes effective communication, comprehensive training, and ongoing improvement. Our employees play a crucial role in creating a safe working environment, and we are committed to supporting them in every way possible.

To demonstrate our appreciation for our employees' efforts, we have implemented a Safety Recognition Program. This program recognizes and rewards employees who achieve specific safety targets, both in terms of tangible rewards and intangible recognition.

Through this program, we aim to motivate our employees to maintain high levels of safety awareness and engage in safe working practices at all times. The program also serves to foster a positive safety culture that encourages everyone to work together towards creating a safe and healthy workplace.

Man-Hour Celebration

The celebration of man hour is a way for us to acknowledge and honor our employees for their exceptional safety performance. This program is designed to recognize employees who have worked for a significant number of hours without experiencing any safety incident or accident.

Through this celebration, we show our appreciation for their hard work and commitment to maintaining a safe work environment. It also serves as a motivation for other employees to follow safety protocols and strive for excellence in their work.



SUSTAINABILITY STATEMENT

Our Commitment to Global Health

“We seek to improve health equity worldwide through enhanced public health awareness of non-communicable and infectious diseases such as HIV/AIDS, malaria and tuberculosis.”



At Kelington, we are committed to improving global health equity by raising public awareness of non-communicable and infectious diseases such as HIV/AIDS, malaria, and tuberculosis. We firmly believe that prevention is better than cure, and community awareness is key to fighting these diseases effectively.

SUSTAINABILITY STATEMENT

To this end, we regularly publish posters and newsletters that provide the latest information and preventative measures against these illnesses to our employees. By raising awareness, we can help our employees understand the risks associated with these diseases and encourage them to take preventive measures to protect themselves.

In 2022, we took our commitment to global health a step further by organizing a Health Campaign. This campaign included health talks on HIV/AIDS, malaria, and tuberculosis, as well as a health screening event to promote awareness and early detection of these diseases. We also collaborated with Pusat Darah Negara to organize a blood donation event, which allowed our employees to give back to the community and contribute to a worthy cause.

COVID-19 Endemic

As we entered to an endemic phase of the COVID-19 pandemic, Kelington remain committed to maintaining the health and safety of our employees and the communities in which we operate. We distribute COVID-19 self-testing kits to employees. Prior to entering our office and project sites, all employees are required to conduct self-tests at least twice a month and maintaining reasonable hygiene and social distancing measures across all our premises, facilities and project sites.

Safety and Health Performance

27 million man-hours without Lost Time Injury since FY2010

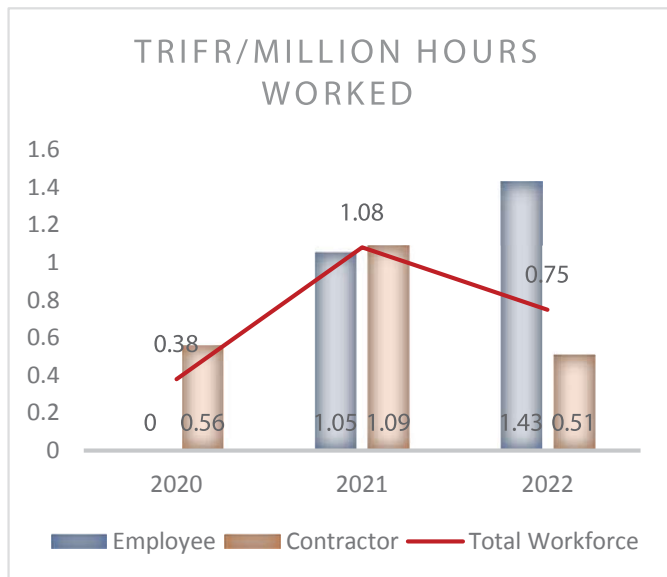
Work-related injuries	All Employees ⁽¹⁾			All workers who are not Employees ⁽²⁾		
	FY2022	FY2021	FY2020	FY2022	FY2021	FY2020
Number of fatalities ⁽³⁾ as a result of work-related injuries	0	0	0	0	0	0
Number of high-consequence work-related injuries	0	0	0	0	0	0
Number of recordable work-related injuries	2	1	0	2	2	1
Number of lost time ⁽⁴⁾ injuries	0	0	0	0	0	0
Lost time incident rate	0	0	0	0	0	0
Number of hours worked	1,400,120	954,803	869,926	3,940,817	1,827,048	1,775,599

Notes:

- (1) All individuals who are employed by the company, including both permanent and contract employees regardless of their job function or whether they work full-time or part-time.
- (2) All individuals who were working as contractors for the company, regardless of the specific project they were working on.
- (3) An injury leading to immediate death or death within one year from the date of the accident.
- (4) Lost days (consecutive or not), counted from and including the day following the day of accident, includes injury, diagnosis of occupational poisoning and occupational disease measured in calendar days, the employee was away from work.

[Figure 1]

SUSTAINABILITY STATEMENT



[Figure 2]

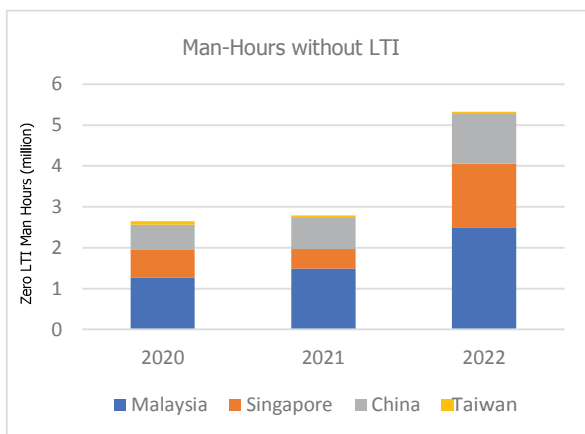
Our Group has recently accomplished a remarkable safety achievement by successfully completing over 27 million man-hours without any lost time injury (LTI) or work-related illnesses since 2010. This has been a significant milestone for us, and we are committed to maintaining our record of zero fatalities and lost workday cases since then. Our total recordable injury frequency rate (TRIFR) has also seen a year-on-year improvement, reducing from 1.07 per one million hours worked in the past to 0.75 in FY2022. Our accident rate reported at 1.74 accidents for every 1,000 employees, which is within the range of industry benchmark at 2.71.

Our work-related injuries and TRIFR for both employees and non-employees are presented in Figure 1 and 3. Despite our commitment to maintaining a safe work environment, our Malaysian operations recorded one employee and two non-employee work-related injuries in FY2022. Similarly, one employee work-related

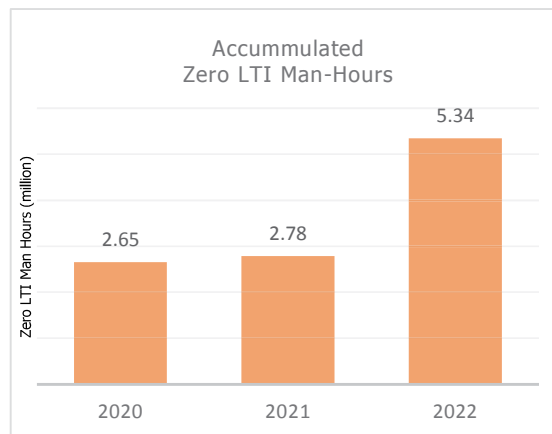
injury was reported in our China operations. On the other hand, our Singapore and Taiwan operations reported no work-related injuries during the same period. It is worth noting that our overall safety record remains impressive, with zero fatalities, lost time injuries, and work-related illnesses reported across all our operations.

The TRIFR is calculated by dividing the number of recordable work-related injuries by the number of hours worked, and multiplying by one million hours worked. Our regional offices report this data on a monthly basis, covering all employees and contractors of Kelington, with no workers excluded from this disclosure.

Figure 3 below shows the total man-hours without LTI clocked for the four regions where we operate in; while Figure 4 indicates the accumulated man-hours without LTI. The man-hour is calculated based on the total number of workers (employee and non-employee) working multiplied with the total number of hours worked.



[Figure 3]



[Figure 4]

SUSTAINABILITY STATEMENT

Recognition & Awards

We are proud to share that our efforts in maintaining high standards of quality, safety and professionalism have been recognized in the CIDB SCORE program, where Kelington's operation in Malaysia have been awarded a 4-star rating by the Construction Industry Development Board (CIDB) Malaysia.

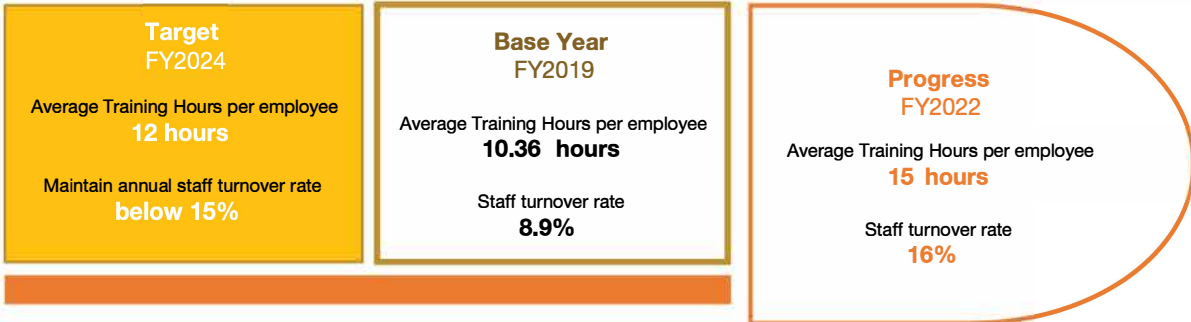
In FY2022, our organization was honored with safety awards from our valued customers in recognition of our exceptional safety performance. This recognition demonstrates our unwavering commitment to ensuring the health and safety of our employees and those who interact with our organization. We take great pride in our dedication to implementing rigorous safety measures across all of our operations, and we are deeply grateful for the recognition we have received from our valued customers.

All awards serve as a testament to the hard work and dedication of our entire team in maintaining a safe and healthy work environment. We remain committed to upholding the highest standards of safety and will continue to prioritize the health and well-being of everyone involved in our operations.



SUSTAINABILITY STATEMENT

SI 6 Talent Management and Development



Kelington is only as strong as our collective talent. In this respect, we seek to maintain a conducive working environment that encourages growth and productivity. Employees who feel connected to the organisation work harder, stay longer, and motivate others to do the same. We believe engaged and well-trained employees create and deliver better products and services, and thus, contribute to the improvement of the Group's business performance and results.

Employee engagement is critical in driving every important aspect of our organization, including profitability, revenue, customer experience, employee turnover, and more. Our Group Human Resources ("HR") function takes ownership of employee engagement initiatives and holds teams accountable.



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Moreover, employee training programmes are provided to support our employees' growth. These sessions are aimed at improving the knowledge and skills of our employees, as we endeavour to stay relevant to the dynamic changes in the industry. These initiatives will support the productivity growth of our workers, and in turn increase the efficiency and financial performance of the organisation.

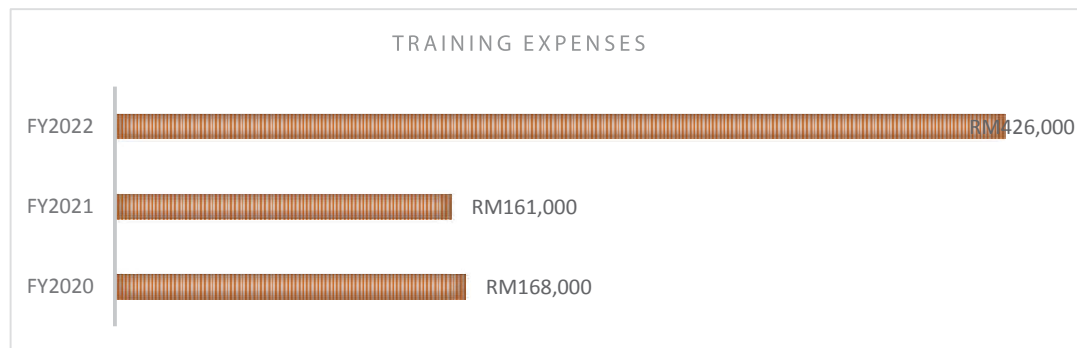
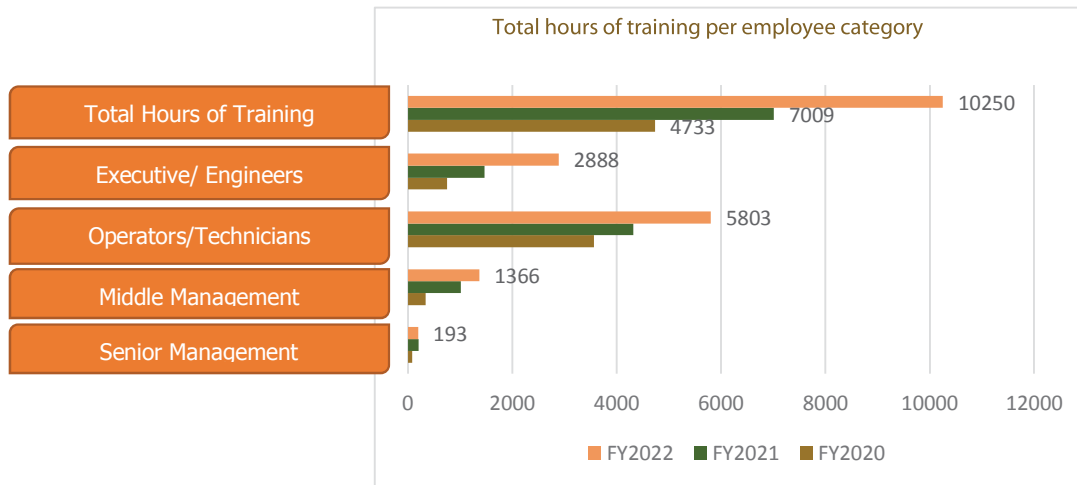
In line with Kelington's consistent performance growth, continuous evaluation of our strategic talent management process enables Kelington to attract suitable candidates available in the market. Furthermore, it allows us to tap into the continuous inflow of talents to fill critical roles and advance our operations. This also ensures the mitigation of extra workload for employees, which could lead to exhaustion.

Enabling Personal Growth & Recognition

The Group's continued advancement is dependent on the upskilling and growth of our competent employees. At Kelington, our people are encouraged to enhance their skillsets for their professional development. Whenever possible, we prefer to promote internal talents to fill vacancies. All open positions are advertised in the job market and we enable internal mobility including international assignments.

Training is typically delivered through online, classroom, on-the-job or external assignments. Kelington's learning and development programs are developed on the pillars of leadership, functional skills and essential skills. Our training programs also cover other important matters, such as ethics and compliance, employee onboarding, environmental, as well as health and safety.

In FY2022, our Group's training expenses totalled at RM426,000. All employees received at least one training in FY2022. In total, our employees completed more than 72 training sessions via online and offline channels. During the year, the Group clocked in a total of 10,250 training hours, translating to an average of 15.05 training hours for each employee.



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Recognition is a key part of our approach to retain talent. At Kelington, we have incorporated recognition into our culture, making peer-to-peer, team, manager, and leadership recognition a regular occurrence. Important milestones and personal achievements on and off-the-job are celebrated and appreciated on a frequent basis. These include reaching a goal, completing a project, learning a new skill, collaborating well with a teammate and hitting a quota, to name a few.



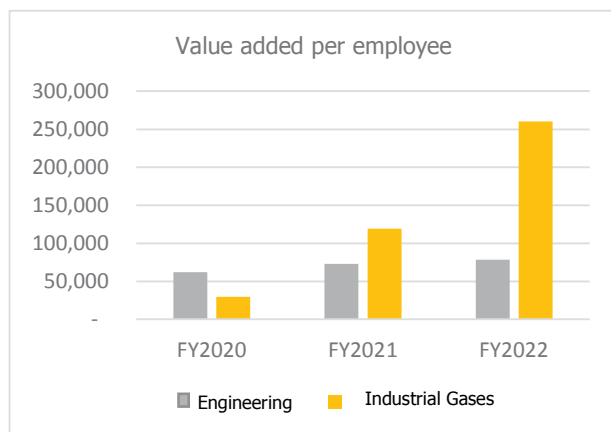
Employee Performance and feedback

Remuneration packages are devised based on the performance of employees, which is measured against mutually agreed quantitative and qualitative objectives. A formal appraisal takes place annually between employees and managers to assess outcomes.

At Kelington, we value employees' feedback and encourage them to provide honest, candid, and actionable insights about what is and isn't working. Our managers serve as a sounding board for employees' feedback and suggestions. This two-way communication helps to develop trust within the workforce, boost work performance, and aid our managers in becoming better coaches for their subordinates.

Employee Productivity

With the implementation of our talent development programs, we strive to bolster our employees' efficiencies to create a high performing workplace. To measure employee productivity, we use the value-added per employee as a performance indicator. The data mainly serves for inter-firm evaluation and for comparison against a benchmark for the industry as a whole.



In FYE2022, the value added per employee for the Engineering division improved 7% and recorded at RM78,523 per employee. This is derived by dividing the Engineering business' PAT by its number of employees. As for the Industrial Gases division, the value-added per employee is 3 times higher than the engineering division due to its business nature which is capital intensive and rely heavily on plant and machinery. In contrast, KE's engineering division have low capital investment and rely more on labour to deliver our services, the value-added per employee is generally lower than a capital-intensive company.

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Employee Loyalty

We are proud and honoured to be entrusted by our employees who have a true sense of loyalty and commitment to the Group. Their unwavering resilience and dedication have driven the Group to where it is at today. In this regard, they have been instrumental in propelling Kelington to navigate and prosper beyond setbacks, enabling us to grow from strength to strength from each of these challenges.

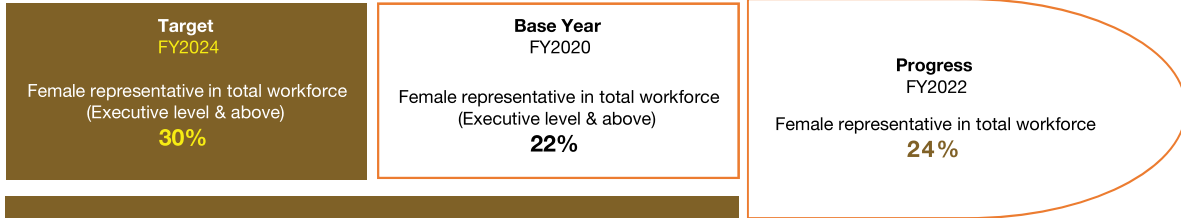
As at 31 December 2022, 42% of our employees have been with Kelington for more than 2 years while 8% of the workforce have been with the Company for more than 10 years. During the year, we honoured 2 employees with 10-year Long Service Award, 6 employees with 15-year Long Service Award and 1 employees with 20-year Long Service Award.



Length of service	No. of employees FY2022	%
< 2 years	393	57.8%
2-5 years	166	24.4%
6-10 years	67	9.8%
11-15 years	39	5.7%
16-20 years	13	1.9%
> 20 years	3	0.4%
Total	681	100%

SUSTAINABILITY STATEMENT

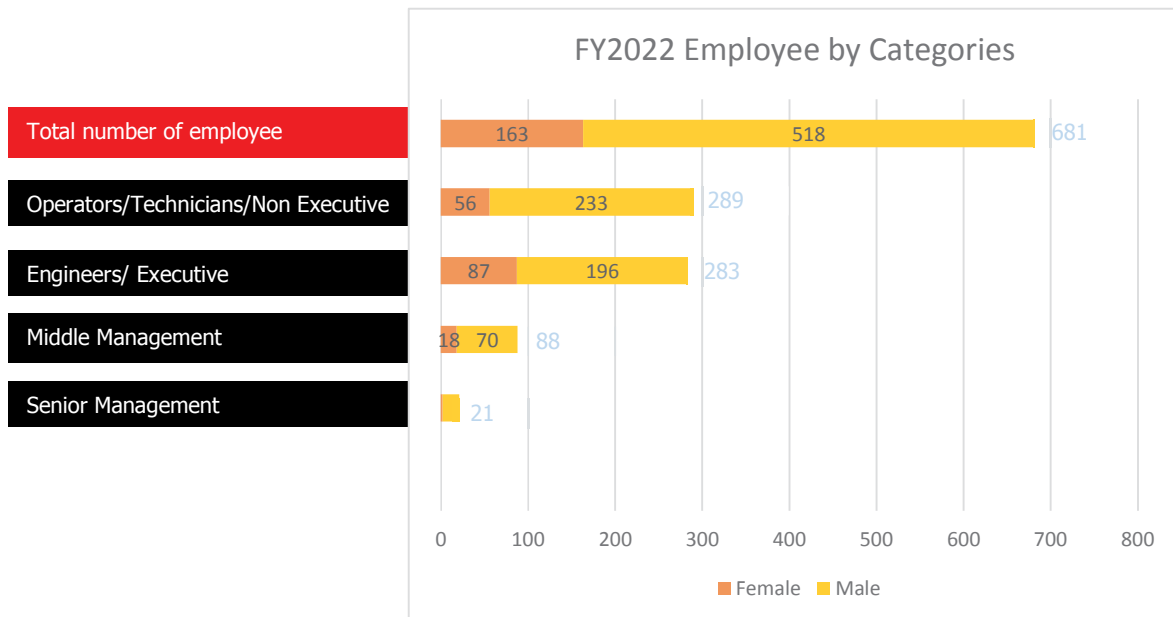
SI 7 Diverse and Inclusive Workplace



Kelington holds tightly the belief that employees are our most valuable asset and the key to growing a sustainable business is via employee empowerment. Therefore, we continue to promote and espouse diversity, non-discrimination, fair treatment and equal opportunity among our people to create a healthy, secured and motivated workforce by cultivating an inclusive organisational culture.

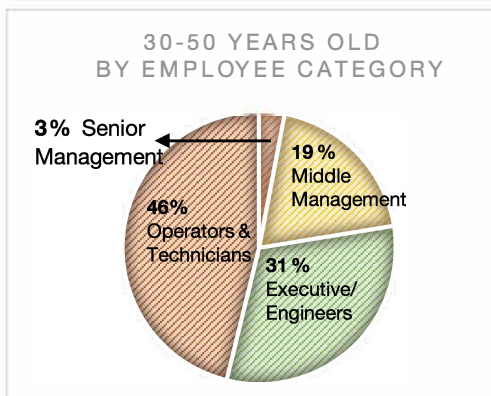
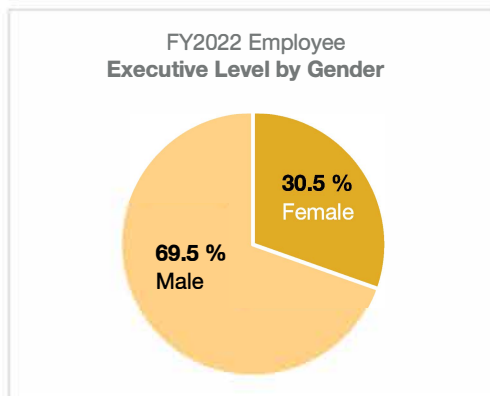
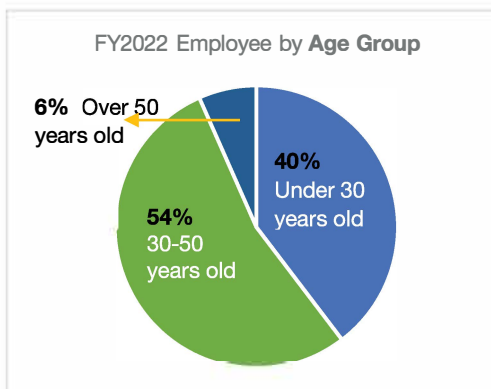
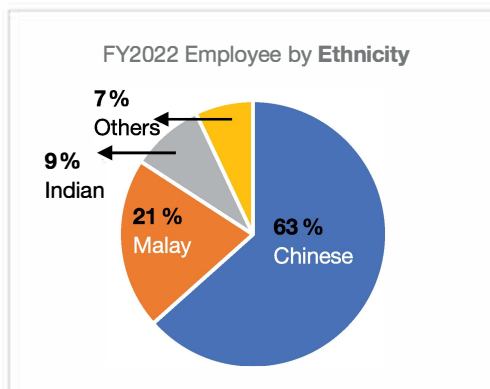
Kelington's Diversity, Equity and Inclusion Policy was updated in February 2023. KGB's diversity initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of work environment. Employees who believe they have been subjected to any kind of discrimination that conflicts with the company's Diversity, Equity and Inclusion policy may seek assistance from a supervisor, an HR representative or through the Grievance Process available. Employees who do not comply with the Policy and/or are found to have engaged in discrimination, harassment or bullying, will be subject to appropriate disciplinary action, up to and including termination of employment.

Detailed analysis of KGB's workforce is tabulated as below:-



SUSTAINABILITY STATEMENT

	Unit of measure	FY2020		FY2021		FY2022	
No. of employee by employment type							
Full Time Employees	Number	358	87%	417	85%	568	83%
Contract Staff / Workers	Number	53	13%	75	15%	113	17%
Total Workforce	Number	411	100%	492	100%	681	100%
No. of full time employees resigned during the year	Number	32		56		110	
Permanent Employee Turnover Rate	%	8.21		11.84		16.22	
Employee Turnover Rate by geography							
Malaysia	%	3		9		11	
Singapore	%	9		18		16	
China	%	14		8		24	
Taiwan	%	0		11		0	
No. of employee with disability	Number	0		0		0	
No. of employee by gender							
Male	Number	321	78%	380	77%	519	76%
Female	Number	90	22%	112	23%	162	24%
No. of Female Employees by category							
Senior management	%	10		11		11	
Middle management	%	22		16		20	
Engineers/ Executive	%	24		29		31	
Operators/Technicians/ Non Executive	%	22		18		19	
Local Employment Rate							
Employees who are Local (Malaysian)	%	59		59		60	
No of employees who are foreigner (non Malaysian)	%	41		41		40	



SUSTAINABILITY STATEMENT

	Unit of measure	FY2022	
Total number of employee by age group and employee category			
Under 30 years old			
Senior management	Number	0	
Middle management	Number	5	1%
Engineers/ Executive	Number	161	24%
Operators/Technicians/ Non Executive	Number	104	15%
Sub- total	Number	270	40%
30 - 50 Years old			
Senior management	Number	11	2%
Middle management	Number	71	10%
Engineers/ Executive	Number	115	17%
Operators/Technicians/ Non Executive	Number	169	25%
Sub- total	Number	366	54%
Over 50 Years old			
Senior management	Number	10	1%
Middle management	Number	12	2%
Engineers/ Executive	Number	7	1%
Operators/Technicians/ Non Executive	Number	16	2%
Sub- total	Number	45	6%
Employee Turnover Rate by category			
Senior management	%		5%
Middle management	%		2%
Engineers/ Executive	%		15%
Operators/ Technicians/ Non Executive	%		25%

SI 8 Respect Human Rights

Base Year FY2020	Target FY2024	Progress FY2022
0 Number of Incidents	Achieve zero incidents of unfair harassment, bullying and/or unlawful discrimination practices including genderbased violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of worker, etc	0 Number of Incidents
100% Compliance	Committed to enforced zero tolerance approach to any child labour and/or modern slavery and/or forced labour of any kind within Kelington Group's operations.	100% Compliance
100% Compliance	Committed compliance and meet and/or exceed the minimum wage / meet living wage in each country of operations.	100% Compliance

Human rights are the fundamental rights and freedoms of every individual. These basic rights are based on the principles of dignity, fairness, respect and equality. In recent years, human rights initiatives in the corporate sector have become increasingly important. We recognize the need for human rights initiatives not only within Kelington, but also across the entire supply chain.

SUSTAINABILITY STATEMENT

In FY2021, we formulated a Human Rights Policy to clarify our approach to human rights matters as the basis for initiatives in this area. In accordance with our Human Rights Policy, Kelington will respect human rights in our activities as an organization. We also aim to promote respect for the human rights of all stakeholders connected to our activities in collaboration with our business partners. As such, we are committed to treating people with dignity and respect in our workplace, to provide equal opportunity to all and have zero tolerance on child & forced labour.

Human Rights management

The Board of Kelington is responsible for overseeing the adherence to the Human Rights Policy, while the Executive Management Committee makes material decisions regarding the execution of the policy. The Group-wide Sustainability Working Group shall work together to address key challenges in the areas of discrimination, working hours, low wages and allowances, occupational health and safety risks, sexual harassment and maternal health, labour compliance by the Ministry of Labour and industrial zone authorities.

In our daily dealings, we are guided by the core principles as expressed in the Universal Declaration for Human Rights and the United Nations Guiding Principles on Business and Human Rights. The Group's Respect Human Rights Framework includes three focus areas to implement our strategy in protecting human rights.

Policies	Kelington emphasises respect for human rights in our Code of Ethics and Conduct. Our Human Rights Policy, Diversity, Equity and Inclusion Policy and Responsible Supply Chain Policy lay out clearly the approaches we adopt to respect and protect the human rights of our employees and stakeholders, covering areas from diversity and inclusion, child labour, forced labour, health, sexual harassment and community rights at the locations where we conduct our business activities. Our policies are reviewed regularly to ensure they remain effective at all times.
Audits	<p>Our Human Rights Working Committee conduct assessments and audits at our operating sites, as well as our business activities to identify important and salient human rights impacts.</p> <p>Our Sustainable Supply Chain Working Group engages with our suppliers and subcontractors to create awareness on Kelington's expectations. We evaluate and prioritize the findings from the audits, understand their challenges in complying to our guiding principles and form action plans to manage the compliance risk.</p>
Actions	When human rights impacts are identified, Human Rights Working Committee would draft out the relevant action plan for Executive Management's approval. Resources would then be allocated for remedial actions. The execution of remedial action plan shall be carried out by respective Business Units. Kelington's Executive Directors report to the Board/Risk Management Committee on ESG risks management, at least once a year.

Contact Points for the general public and other stakeholders

Grievance Procedures was established for employees and workers to raise their grievance in matters involving work relations and conditions directly via email / grievance procedure hotline / submission of letter to Kelington's Headquarter or the Group's subsidiaries. In addition, the Grievance Procedures can also be utilised as a mechanism for the member of the public to raise any concern or complaint in their dealing with or in relation to Kelington.

In FY2022, Kelington did not have any reported incident of human rights violation, with no fine pertaining to human rights violation from the local authorities of where we operate.