Building a Thriving Workplace for Employees

We Care for People

	Highlights	Page
SI 5 **Occupational Safety & Health**	Our approach to workplace safety and employee well-being	78
	A. Management System	79
	B. Safety Governance	79
	C. Hazard Identification, Risk Assessment and Risk Control Procedure	83
	D. Emergency Preparedness	83
	E. Communication makes workplace safer	83
	F. Safety & Health Awareness and Competencies	84
	G. Safety Recognition Program	85
	H. Prioritise Employees' Health and Welfare	85
	Our Commitment to Global Health	85
	Safety and Health Performance	86
	Recognition and Awards	87
SI 6 **Talent Management & Development**	• Employee Turnover Rate	88
	• Employee Engagement	89
	• Employee Benefits	91
	• Opportunities for Growth & Development	92
SI 7 **Diverse & Inclusive Workplace**	• Workforce analysis	94
SI 8 **Respect Human Rights**	• Human Rights Management	98
	• Contact Points for the general public and other stakeholders	98

SI 5 Occupational Safety & Health

We place a high priority on the safety and well-being of our employees, recognising that occupational safety and health (OSH) is of paramount 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 organisation.

We are committed to implementing safety measures aimed at preventing work-related illnesses and injuries, fostering a productive and healthy workforce. We strive to enhance our occupational health and safety performance by proactively implementing globally recognised standards such as ISO 45001:2018 Occupational Health & Safety Management System (OHSMS).

Our dedication to safety is in line with UN SDG No. 3, which aims to ensure health and well-being for all. By prioritising occupational safety and health (OSH) and implementing measures to prevent accidents and enhance employee well-being, we are confident in our contribution to this global objective.

Kelington is committed to fostering a secure and healthy workplace for our employees and workers. Recognising safety as a collective obligation, we are dedicated to continuously enhancing our occupational health and safety performance by adhering to internationally recognised standards. Through these efforts, we safeguard our personnel while also playing a role in creating a healthier and safer global community.

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 Standard Operating Procedures (SOP) as a guideline for all employees and workers who perform work involving hazardous materials, equipment or operations.

Our Safety and Health Policy, along with our SOP and protocols, articulate our principles and unwavering dedication to fostering a secure and healthy workplace for our employees and stakeholders. This commitment also extends to our approved suppliers, appointed subcontractors, and service providers. We maintain a vigilant approach, ensuring rigorous adherence to our safety and health policies. Any unsafe practices are deemed unacceptable, and swift action will be taken against violations.

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 quarterly S&H Communication Report to promote learning and best practices.

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.

At Kelington, we prioritise 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 hospitalisation to all employees and direct family members who qualify for a health insurance subsidy.

At Kelington's workplace, we prioritise a culture of caring for the well-being of our people, where safety and health stand as paramount values. We maintain unwavering vigilance and dedicate continuous efforts to ensure that all practices align with our stringent safety and health policies.

We believe that investing in our employees' well-being and prioritising 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 2023, Kelington's OHSMS has achieved 92% 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**
• Construct specialised facilities • Construct mechanical and electrical systems • Installation of gas and chemical distribution system • Fabrications	Customers' site-Singapore	38%	• ISO 45001:2018 certified since December 2020*
	Customers' site-China; UHP Fabrication Facilities-China	14%	• Certified to OHSAS 18001:2007 from June 2019 to June 2020 • ISO 45001:2018 certified since August 2020*
	Customers' site-Malaysia	40%	• Certified to OHSAS 18001:2007 from July 2014 to Sept 2019 • ISO 45001:2018 certified since July 2020*
	Customers' site-Taiwan	2%	• Adapting safety & health standards to ensure workplace safety.
Manufacturing and trading of industrial and specialty gases	Manufacturing Facilities-Malaysia	6%	• Adapting safety & health standards to ensure workplace safety and target to obtain ISO 45001:2018 certification by Y2024.

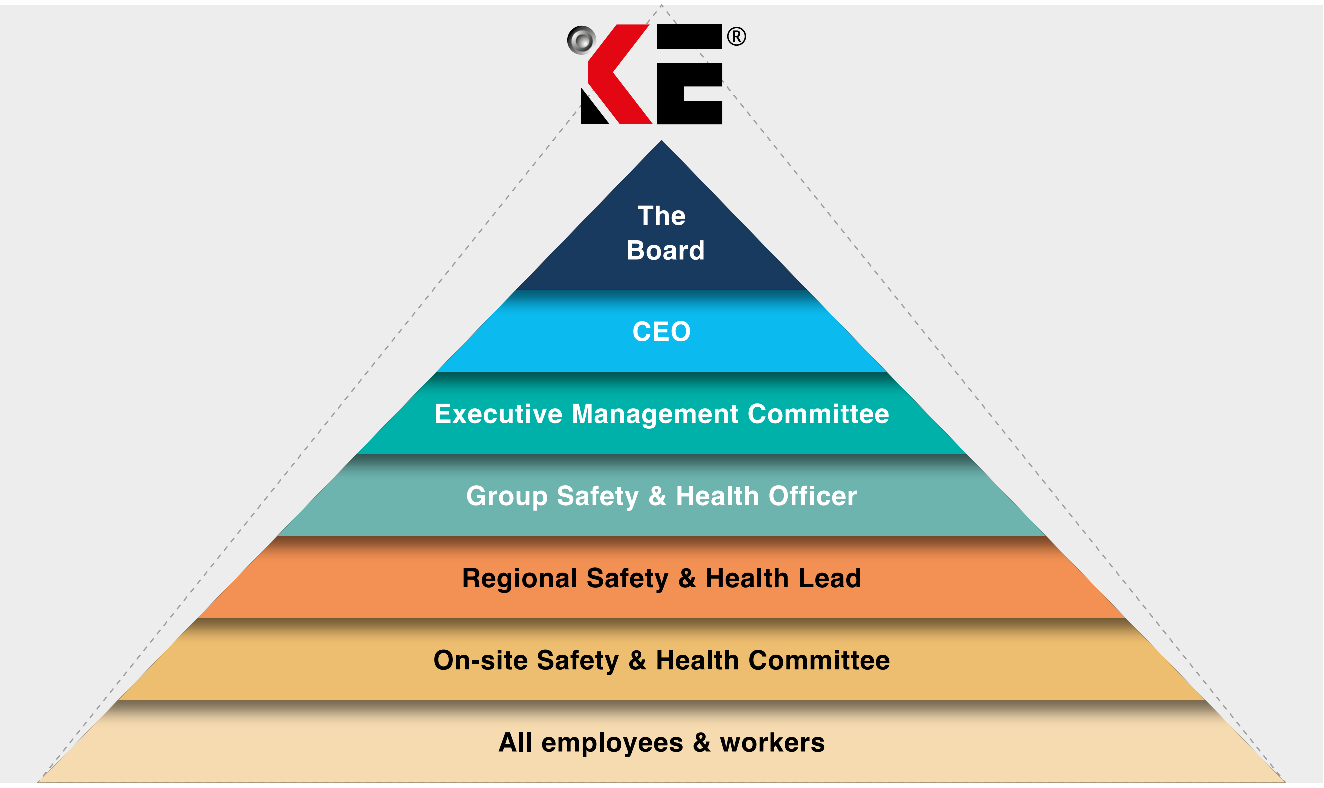
** Note: Regular audit was performed by the certification institution to verify Kelington's conformity to the certification criteria of ISO 45001:2018. Continual improvement is an on-going process via internal audits and regular reviews of safety & health performance.*

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 prioritising safety and health, we aim to continue delivering high-quality services while ensuring the well-being of our people and the public.

In year 2023, Kelington adopted the following safety governance structure to lead and promote health and safety across the Group.


The Board
CEO
Executive Management Committee
Group Safety & Health Officer
Regional Safety & Health Lead
On-site Safety & Health Committee
All employees & workers

The Board

- **Setting the Strategic Direction:** The Board sets the overall strategic direction of KGB, including our commitment to safety and health. The Board establish policies and guidelines that align with KGB's values and long term goals.
- **Oversight & Governance:** The Board provide oversight and governance regarding health, safety and environment matters. They review and approve safety policies, monitor compliance with regulations, and ensure that management implements effective safety programs.
- **Risk Management:** The Board via the Risk Management Committee (RMC) accesses and manages OSH risks and work with management to mitigate risk effectively. Agendas for RMC meetings include health, safety and environment topics.
- **Accountability:** The Board holds the CEO and executive management accountable for safety performance. They review safety metrics and quarterly reports.

CEO

- **Leadership & Culture:** The CEO provides leadership in creating a culture of safety throughout KGB Group.
- **Strategy implementation:** CEO work with EMC to develop action plans, allocate resources, and drive initiatives that enhance safety performance.

Executive Management Committee

- **Policy implemention:** The Executive Management Committee (EMC) is responsible for implementing safety policies and procedures in alignment with the Board's directive and CEO's vision.
- **Operational Implementation:** They oversee the operational aspects of safety & health programs, ensuring that safety measures are integrated into all levels of activities.

Group Safety & 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.)

- **Developing Safety Policies & Procedures:** Developing and implementing comprehensive safety policies and procedures that align with regulatory requirements and industry best practices.
- **Training and Education:** Organise and facilitate safety training programs for employees at all levels.
- **Safety Audits and Inspections:** Arrange safety audits and inspections, provide recommendations for corrective actions to address any safety deficiencies identified during safety audits and inspections.
- **Safety Reporting & Analysis:** Maintain accurate records of safety incidents, near misses, and safety related data.
- **Emergency preparedness & Response:** Develops and implements emergency response plans to effectively respond to workplace emergencies.
- **Regulatory compliance:** Stay abreast of relevant safety regulations and standards applicable to KGB's industry and locations.

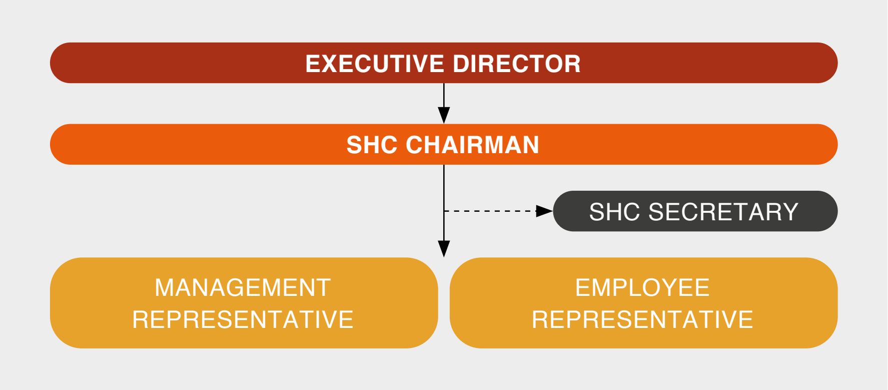
Regional Safety & Health Lead

- **Developing Regional Safety Policies and Procedures:** The Regional Safety and Health Lead is responsible for developing and implementing safety policies and procedures tailored to the specific needs and regulatory requirements of the region. They work closely with KGB Group safety teams to ensure alignment with overarching safety goals and standards.
- **Training and Education:** They coordinate and deliver safety training programs for employees within the region.
- **Regulatory Compliance:** Provide guidance and support to local management teams to address regulatory requirements effectively.
- **Data Analysis and Reporting:** They analyse trends and metrics to identify areas for improvement and provide regular reports to regional and corporate leadership on safety performance.
- **Incident Management:** In the event of a safety incident or accident within the region, they lead the incident management process, including investigation, root cause analysis, and implementation of corrective and preventive actions. They collaborate with local management and corporate safety teams to ensure that lessons learned are shared and applied across the organisation.
- **Communication and Collaboration:** The Regional Safety and Health Lead serves as a point of contact for safety-related issues within the region, communicating regularly with local management, corporate safety teams, and other stakeholders.
- **Demonstrate a strong commitment to safety and health:** 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.

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 utilised to discuss safety matters of our employees, appointed contractors and visitors at our premises and workplaces. These meetings actively involve worker representatives in the discussions.
- The Chairman of SHC reports directly to the Executive Management Committee to ensure that the Board is kept abreast of Kelington’s overall health and safety performance and matters.
- The SHC is formed with representative of employees and employers as illustrated in the figure below.



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

Kelington places safety as a top priority, employing thorough risk assessment procedures for new operations and large-scale projects. The Hazard Identification, Risk Assessment, and Risk Control (HIRARC) committee meticulously evaluates potential risks throughout various project stages, including project scope, risk assessment matrix, timelines, and approval levels. This process undergoes an annual review, with additional reviews conducted as required or upon the identification of new work processes. Led by the HIRARC team in collaboration with process experts, this approach aligns with the ISO 45001:2018 standard.

The HIRARC team is tasked with identifying potential hazards, assessing associated risks, and implementing strategies to mitigate or manage them. This may involve developing policies and procedures, delivering employee training, or introducing engineering controls. The outcomes of hazard identification and risk assessment are communicated to relevant stakeholders, including management, employees, and external parties such as regulators and customers.

Within our industry, specific work-related hazards pose a risk of high-consequence injury, including falling from height, electrocution, exposure to flammable materials, and machinery toppling. In the fiscal year 2023, due to the continuous implementation of hazard management measures, no incidents were reported relating to these identified hazards.

The management of change process oversees modifications to existing operations or projects, mandating risk assessments based on project classification to identify and address potential risks early on. To bolster safety measures, Kelington implements a “Stop Work Policy,” enabling individuals, including non-employees, to halt unsafe activities without fear of reprisal. Additionally, a “Bad Weather Policy” suspends outdoor work during adverse conditions. Daily toolbox meetings at project sites foster communication about safety concerns, while a “Whistleblowing Policy and Procedure” provides a secure reporting channel for unsafe acts or hazards, safeguarding workers against reprisals.

Kelington has implemented a Permit-To-Work (PTW) system, requiring employees and contractors to conduct Risk Assessments or Job Hazard Analyses for high-risk and non-routine tasks. These evaluations gauge hazard risk levels and must be accompanied by detailed Job/Work Method Statements outlining work scope, activities, identified hazards, and control measures. All PTWs undergo evaluation and approval by the safety and health manager before work commencement, with daily monitoring ensuring adherence to safety protocols. Non-compliance results in PTW suspension until rectification, maintaining stringent safety standards.

D) Emergency Preparedness

Emergency preparedness is a cornerstone of the Occupational Health and Safety (OHS) Management System, comprising vital processes for anticipating and managing potential emergency situations. Our on-site Emergency Response Team (ERT) is tasked with implementing the Emergency Response Plan (ERP) in response to categorised emergencies. To ensure readiness and proficiency in our planned responses, we conduct drills at least once a year and review our ERPs as needed.

E) Communication makes workplace safer

Kelington places utmost importance on workplace safety and prioritises the well-being of employees and stakeholders. Our Occupational Health and Safety Communication, Participation, and Consultation Management Procedure Manual provide a comprehensive framework for fostering a culture of safety and accountability. Through this manual, we ensure that all stakeholders are informed about potential hazards and equipped with the knowledge and tools to prevent them, promoting effective communication and collaboration.

Our Safety and Health Working Group ensures dissemination of our Safety and Health Policy to suppliers and invites them to participate in awareness training programs. This aligns suppliers with our safety standards and helps identify and mitigate potential hazards in our supply chain. Employees and workers are actively involved in aspect and impact analysis, hazard identification, risk assessment, and incident investigations, promoting understanding and ownership of safety measures.

We have a robust incident and accident reporting procedure that mandates prompt reporting to line management and investigation by the safety and health department. Lessons learned from incidents are shared through toolbox meetings, facilitating preventive measures and swift action. Formal reviews of incidents occur at quarterly Safety, Health, and Environment (SHE) committee meetings and annual management review meetings, fostering continuous improvement in our safety and health initiatives. In FY2023, while no serious incidents were reported, five OSHE related reports were submitted and resolved internally, reflecting our commitment to proactive risk management.

Transparent Communication

Transparent communication is vital when addressing safety or health issues in the workplace. Kelington prioritises prompt and transparent communication to maintain trust and prevent further safety or health issues. Our biannual Safety and Health (S&H) Communication Reports are distributed to all employees and interested parties, detailing any accidents or incidents resulting in injuries or fatalities. These reports include information on safety leading indicators, incident details, root causes, and preventive measures. By fostering a culture of safety through open communication, we aim to address hazards proactively and prioritise safety for all. Transparent communication empowers employees to identify and mitigate potential hazards, enabling Kelington to effectively manage risks, prevent injuries and illnesses, and reduce associated costs.

F) Safety & Health Awareness and Competencies

Kelington acknowledges the pivotal role of training in mitigating workplace accidents. Our commitment to safety is reflected in regular safety training sessions and daily on-job training during toolbox meetings.

Topic of training sessions covered in year 2023 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
- Authorised Entrant and Standby Person
- Fire Watcher
- Flagman and Spotter
- Workplace Ergonomics
- Mobile Elevated Work Platform (MEWP)
- Health Awareness
- Scaffold Safety
- Electrical Safety and Equipment Use
- Rigging & Slinging

By monitoring training hours, we identify evolving training needs, enabling us to adapt programs to address emerging hazards effectively. In 2023, we conducted 4280.5 training hours in health and safety, benefiting 326 employees, underscoring our dedication to ensuring a safe working environment.

	Health & Safety		General Training which includes Safety	
Country	**Total Training Hours**	**Total No. of Employee Trained**	**Total Training Hours**	**Total No. of Employee Trained**
Malaysia	965	115	967	125
Singapore	2,379.5	145	3,457.0	274
China	846	63	1,601.0	325
Taiwan	90	3	38	2
Total	**4,280.5**	**326**	**6,063**	**726**

G) Safety Recognition Program

Kelington implements a Safety Recognition Program to honor employees who uphold workplace safety standards, offering tangible rewards and meaningful recognition for their achievements.

Additionally, we celebrate safe man hours, acknowledging employees for their exceptional safety performance and fostering a culture of safety and excellence. These initiatives not only show appreciation for employees' dedication but also motivate others to prioritise safety protocols and strive for excellence in their work.

KIDE
CONGRATULATION
1,000,000
SAFE MANHOUR ACHIEVEMENT
Melexis
Congratulations!
CONGRATULATIONS
PROJECT BLOCK K

H) Prioritise Employees' Health and Welfare

Kelington prioritises the health and welfare of its employees, a core aspect of our human capital strategy. In addition to mandatory pre-employment health screenings, we provide comprehensive healthcare coverage for employees and their eligible family members. We invest in the professional development of our workforce through various training opportunities, empowering them with new skills and knowledge.

To ensure the immediate well-being of our employees, we have established first aid rooms and deployed medical professionals at project sites. This proactive approach ensures easy access to medical attention whenever needed, further demonstrating our commitment to employee health and welfare.

Our Commitment to Global Health

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.

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.

Safety and Health Performance

Figure 1

	All Employees[1]			All workers who are not Employee[2]		
Work-related injuries	**FY2023**	**FY2022**	**FY2021**	**FY2023**	**FY2022**	**FY2021**
Number of fatality[3] as a result of work-related injury	**0**	0	0	**0**	0	0
Number of high-consequence work-related injury	**0**	0	0	**0**	0	0
Number of recordable work-related injury	**1**	2	1	**4**	2	2
Number of lost time injury[4]	**0**	0	0	**3**	0	0
Lost time incident rate	**0**	0	0	**0.12**	0	0
Number of hours worked	**1,741,838**	1,400,120	954,803	**5,158,312**	3,940,817	1,827,048

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.

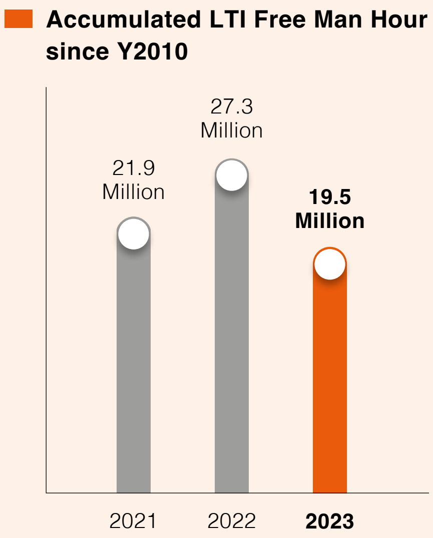


Figure 2

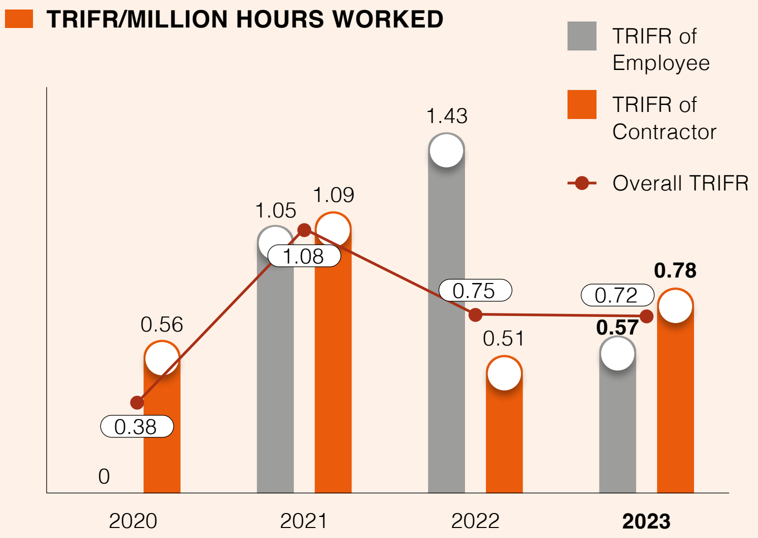


Figure 3

Our group has recently achieved a notable safety milestone by reaching zero fatalities and accomplished a total of 19.5 million safe man hours since Year 2010. In 2023, our Malaysia operation encountered a challenge with three Lost Time Injuries (LTIs), necessitating the reset of our previously attained milestone of 14 million LTI-free man-hours for Malaysia, resetting it to zero. Despite this setback, our commitment to safety remains resolute. We are proud to report zero fatalities, and we are actively reducing our Total Recordable Injury Frequency Rate (TRIFR), demonstrating our continuous progress toward achieving significant safety milestones.

Our Total Recordable Injury Frequency Rate (TRIFR) has demonstrated year-on-year improvement, decreasing from 0.75 per one million hours worked previously to 0.72 in FY2023. Additionally, our accident rate stands at 1.74 accidents for every 1,000 employees.

Our work-related injuries and TRIFR for both employees and non-employees are presented in Figure 1 and 3. The TRIFR is determined by dividing the total number of recordable work-related injuries by the total number of hours worked, then multiplying by one million hours. Our regional offices provide this information monthly, encompassing all Kelington employees and contractors, with no exclusions. Our health and safety data from Operation in Malaysia undergo verification by SHASSIC and Intertek.

Lost Time Injury

We regret to report that despite our utmost efforts, Kelington Group did not sustain a zero Lost Time Injury (LTI) rate for the year 2023. The recorded LTI rate for the year stands at 0.09, which, while commendable, does not meet our aspiration of achieving zero LTIs. The increase in the LTI rate to 0.09 can be attributed to various factors, notably the nature and extensive scale of our civil works in Malaysia. Moving forward, Kelington will take additional measures to improve LTI rate, including intensified safety training programs, enhanced risk assessment procedures, and stricter adherence to safety protocols on all our job sites. We recognise the importance of prioritising the safety and well-being of our employees above all else, and we remain dedicated to achieving our goal of zero LTIs in the future.

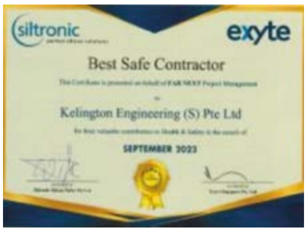
Recognition and Awards

Melexis
Congratulations
to
Main Contractor
KE
"Achievement of 200,000 Safe Man Hours Celebration"

We are delighted that our dedication to upholding elevated standards of quality, safety, and professionalism has been acknowledged through the CIDB SCORE program. The Construction Industry Development Board (CIDB) Malaysia has awarded Kelington's operations in Malaysia with a distinguished 4-star rating. One of our project sites in Malaysia underwent an Safety and Health Assessment System in Construction and attained a four-star rating with a score of 89%. In FY2023, our Kelington Group was privileged to receive safety accolades from esteemed customers, acknowledging our outstanding safety record. Additionally, we were presented with an appreciation certificate from DOSH for achieving 5 million safe man-hours at one of our project sites in Malaysia..

Furthermore, we were honored to receive the Premier GOLD Award in the 19th MOSHPA OSH Excellence Award for OSHE Management in EPCC. This prestigious accolade underscores our steadfast dedication to safeguarding the health and safety of our employees and all stakeholders engaged with our organisation.

Every award or expression of appreciation from our stakeholders serves as a testament to the tireless efforts and dedication of our entire team in upholding a safe and healthy work environment. We are steadfast in our commitment to maintaining the highest safety standards and will persist in prioritising the health and well-being of all individuals involved in our operations.



siltronic

exyte

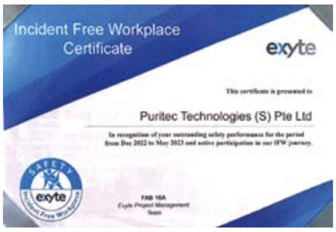
Best Safe Contractor

Kelington Engineering (S) Pte Ltd

SEPTEMBER 2023

bizSAFE

CERTIFICATE



Incident Free Workplace Certificate

exyte

This certificate is presented to

Puritec Technologies (S) Pte Ltd

In recognition of your outstanding safety performance for the period from Dec 2022 to May 2023 and active participation in our IFW journey.

FAB 16A
Exyte Project Management Team

Our Singapore operation has been proudly acknowledged as a BizSAFE partner.

SI 6 Talent Management and Development

Target:
FY2024

Average Training Hours per employee **12 hours**

Maintain annual staff turnover rate **below 15%**

Progress:
FY2023

Average Training Hours per employee **15.5 hours**

Staff turnover rate
18.1%

Base Year:
FY2019

Average Training Hours per employee **10.36 hours**

Staff turnover rate **8.9%**

Kelington's strength lies in the collective talent of our team. To nurture this asset, we prioritise maintaining a supportive work environment conducive to 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 organisation, including profitability, revenue, customer experience, employee retention, and more. Our Group Human Resources ("HR") function takes ownership of employee engagement initiatives and holds teams accountable.

Furthermore, we invest in comprehensive employee training programs to foster continuous growth and development. These initiatives aim to enhance the knowledge and skills of our workforce, keeping us agile and adaptable to industry dynamics. By enhancing the productivity of our employees, we strive to improve the efficiency and financial performance of the organisation.

As part of our commitment to sustained growth, we regularly evaluate our strategic talent management processes. This enables us to attract top-tier talent from the market and fill critical roles to advance our operations seamlessly. Additionally, it helps alleviate the workload for our employees, mitigating the risk of exhaustion and burnout.

Overall, Kelington's dedication to nurturing talent and fostering a supportive work culture underscores our commitment to excellence and sustainable growth.

Employee turnover rate

The turnover rate for Y2023 stands at 18.1%, with 115 permanent employees resigning out of total permanent workforce of 635 individuals. This increase in staff turnover rate within Kelington Group was primarily attributed to the operational adjustments made in Singapore, where the emphasis was placed on enhancing productivity. Throughout the year, a total of 52 staff in Singapore resigned, while 8 new hires were brought onboard.

We recognise that turnover can have various underlying causes, ranging from career advancement opportunities to workplace culture and management effectiveness. Moving forward, we remain committed to addressing the factors contributing to turnover and implementing strategies aimed at enhancing employee engagement, satisfaction, and retention.

> *We keep employee engaged, motivated, productive and happy in a diverse workforce*

Great managers create engaged employees

At Kelington, we encourage two-way communication where employees feel comfortable sharing their ideas, concerns, and feedback. We regularly review and implement suggestions that are deemed feasible and beneficial. This approach ensures that employees feel valued and empowered, as their contributions are taken seriously by the company. As a result, we see a boost in employee morale and job satisfaction, as they witness their ideas making a tangible impact on the organisation's success.

We prioritise employee growth and development by offering regular performance evaluations. These evaluations help identify strengths and areas for improvement, fostering excellence in roles. Additionally, we facilitate ongoing dialogue between managers and employees to ensure continuous improvement and goal setting.

Positive Work Environment

At Kelington, we are dedicated to cultivating a culture deeply rooted in Diversity, Equity, and Inclusion (DEI), recognising and cherishing the diverse backgrounds, perspectives, and contributions of each member within our organisation. In line with our commitment to DEI principles, In FY2023, we organised a series of activities to bring together our diverse workforce and create an inclusive environment where everyone feels valued, respected, and empowered to thrive.

KE
2024
LAS VEGAS
NIGHT

At Kelington, we believe that diversity is our strength, and unity is our power. That's why we are thrilled to share that our annual dinner is not just a celebration of another successful year – it's a vibrant showcase of the rich tapestry of cultures, backgrounds, and talents that make up our incredible workforce!

KE
Welcomes
You
NO PAIN NO GAIN
MADE IN

At Kelington, we're committed to fostering a culture of camaraderie, appreciation, and fun. What better way to celebrate our team's hard work and dedication than by indulging in one of nature's most unique and beloved fruits – the durian! This Durian Festival isn't just about savoring delicious fruit – it's about coming together as a team, creating lasting memories, and celebrating the unique flavors that make our workplace special.

At Kelington, our festival celebrations are much more than just moments of joy and merriment – they're powerful reminders of the rich tapestry of cultures, traditions, and beliefs that make our workplace thrive!

Our monthly birthday celebrations are more than just a party – they're an opportunity to strengthen bonds, foster a sense of belonging, and make each member of our team feel valued and appreciated.

Employee Benefits

At Kelington, we offer a comprehensive range of employee benefits designed to support our employees in achieving their best work-life balance and professional growth. Engineers on site or outstation enjoy various employee benefits tailored to their needs and roles such as provision for hostel and meal allowances, as well as transport arrangement. We provide insurance coverage and and out-patient medical coverage to ensure our employees have access to the care they need, promoting their health and well-being. We go beyond mere compliance by providing extensive benefits, including generous annual leave, participation in Employee Share Scheme, and performance-based bonuses.

For instance, our Group recorded a higher bonus awarded to our employees in FY2023 of RM23.0 million. This initiative not only recognises the hard work and dedication of our team members but also aligns their interests with the success and growth of Kelington Group. By providing these incentives and opportunities for financial participation, we aim to foster a culture of excellence, loyalty, and mutual success within our workforce.

Work-life balance

At Kelington, we prioritise the well-being of our employees by advocating for a healthy work-life balance through the provision of flexible work arrangements. We encourage our team members to embrace regular breaks and utilise their vacation time. By fostering an environment that values personal time and rejuvenation, we empower our team members to achieve optimal performance while maintaining harmony between their professional and personal lives.

Happy New Year
KE
KE PURITEC

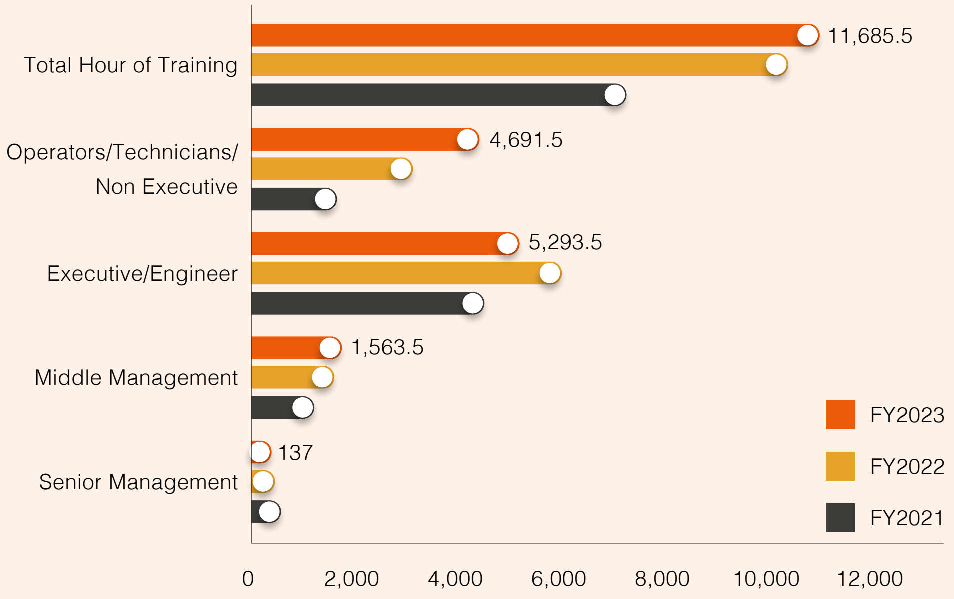
At Kelington, we believe in the power of exploration, adventure, and creating unforgettable memories. Our company trip is more than just a vacation – it's a testament to our commitment to fostering a culture of teamwork, appreciation, and adventure. By investing in experiences that bring us closer together, we strengthen our bonds, boost morale, and inspire creativity and collaboration in the workplace.

Opportunities for Growth and Development

At Kelington, we are committed to facilitating the growth and development of our employees by providing robust avenues for enhancing their skills, knowledge, and career paths. Through a variety of tailored training programs, engaging workshops, and enriching mentorship opportunities, we empower our team members to expand their expertise and reach their full potential. By investing in our employees' development, we not only strengthen our workforce but also foster a culture of continuous learning and advancement within our organisation.

In FY2023, our Group's training expenses totalled at RM450,000. All employees received at least one training in FY2023. In total, our employees completed more than 200 training sessions via online and offline channels. During the year, the Group clocked in a total of 11,686 training hours, translating to an average of 15.5 training hours for each employee.

Total Hour(s) of Training by Employee Category



Total Investment in Training

FY2023
RM450,000

FY2022
RM426,000

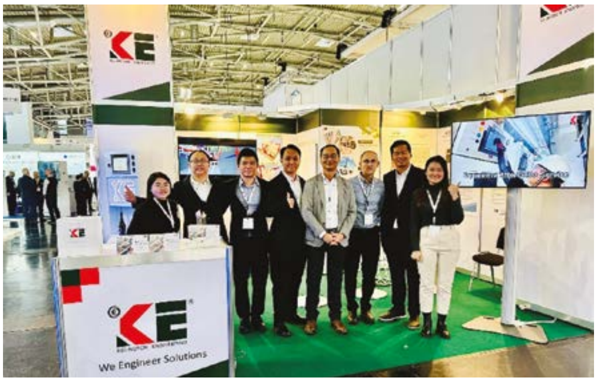
FY2021
RM161,000

Recognition and Rewards

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. Rewards can be monetary (additional bonuses) or non-monetary (public recognition, extra time off, career development opportunities etc).

"As a woman in a senior engineering role, I am able to lead projects, drive innovation and contribute to meaningful technological advancements. All while being resilient and committed to repeatedly proving myself so to break barriers in a male-dominated field."

Jolynn Sum, Senior Project Engineer



10 YEARS OF SERVICE
15 YEARS OF SERVICE

We celebrate milestones and recognising the dedication of our exceptional long-serving employees. 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.

Wellness initiatives

At Kelington, we are deeply committed to the well-being of our employees, recognising that physical, mental, and emotional health are essential for overall happiness and productivity. We ensure all employees have equal access and opportunities to participate, regardless of their individual circumstances. To uphold this commitment, we prioritise equity in every aspect of our event planning and proactively remove barriers that may hinder participation.

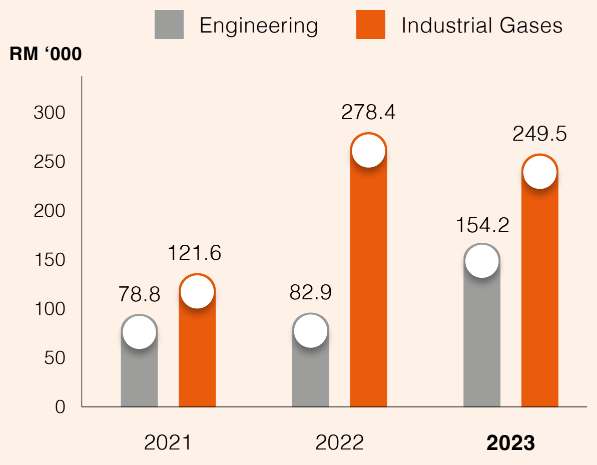
We understand the importance of fostering connections beyond office hours. That's why our bowling games and Escape Park adventures offer more than just fun – they're opportunities for our employees to come together, socialise, and build lasting connections in a relaxed environment.

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 FY2023, the Engineering division witnessed a remarkable 86% improvement in value added per employee, reaching RM154,151 per employee. This significant enhancement can be primarily attributed to optimised resource allocation and the pursuit of high-value projects. In contrast, our industrial gas division experienced a 10.4% decline in value added per employee, primarily due to increased headcounts and administration costs resulting from business expansion. The value added per employee was calculated by dividing the business's profit after tax (PAT) by its total number of employees.

VALUE ADDED PER EMPLOYEE



Diverse and Inclusive Workplace

SI 7

Target:
FY2024

Female representative in total workforce (Executive level & above) **30%**

Female director on Board **30%**

Progress:
FY2023

Female representative in total workforce (Executive level & above)
28.6%

Female director on Board
20%

Base Year:
FY2020

Female representative in total workforce (Executive level & above) **22%**

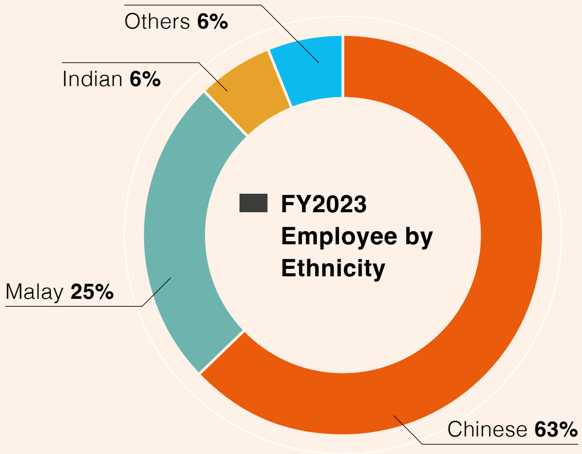
Female director on Board **10%**

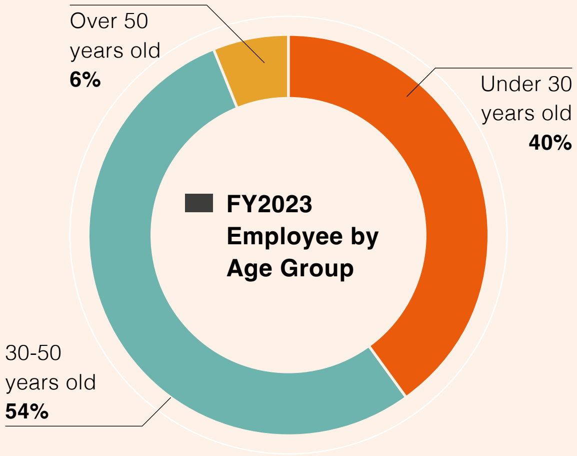
Kelington holds tightly the belief that employees are our most valuable asset and the key to growing a sustainable business is via employee empowerment. Therefore, we continue to promote and espouse diversity, non-discrimination, fair treatment and equal opportunity among our people to create a healthy,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

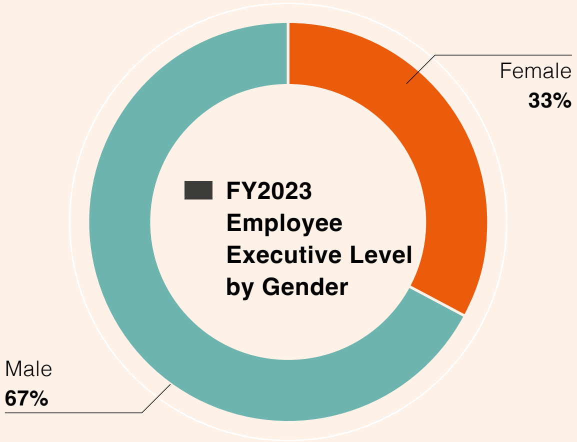
Kelington's Diversity, Equity and Inclusion Policy was updated in February 2023. KGB's diversity initiatives are applicable but not limited to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational 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.

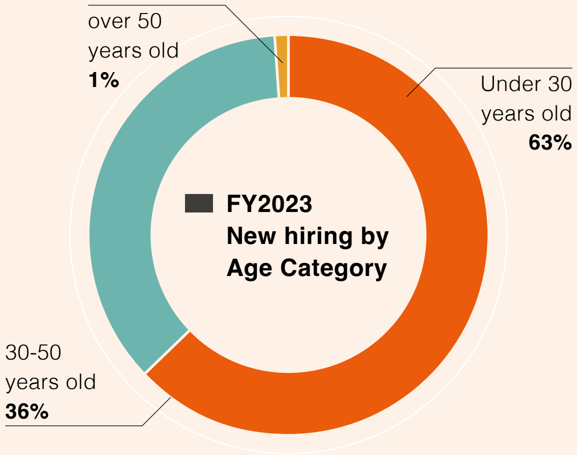
Detailed analysis of KGB's workforce is tabulated as below:-

	Unit of measure	FY2021		FY2022		FY2023	
No. of employee by employment type							
Full Time Employees	Number	417	85%	568	83%	**635**	**84%**
Contract Staff / Workers	Number	75	15%	113	17%	**121**	**16%**
Total Workforce	Number	492	100%	681	100%	**756**	**100%**
No. of full time employees resigned during the year	Number	56		110		**115**	
Permanent Employee Turnover Rate	%	11.84		16.22		**18.11**	
Total number of employee turnover by employee category							
Senior Management	Number	0		1		**0**	
Middle management	Number	3		2		**2**	
Engineers/ Executive	Number	17		43		**52**	
Operators/Technicians/ Non Executive	Number	36		64		**61**	
Employee Turnover Rate by geography							
Malaysia	%	9		11		**7**	
Singapore	%	18		16		**26**	
China	%	8		24		**20**	
Taiwan	%	11		0		**0**	
No. of employee with disability	Number	0		0		0	
No. of employee by gender							
Male	Number	380	77%	519	76%	**578**	**76%**
Female	Number	112	23%	162	24%	**178**	**24%**
No. of Female Employees by category							
Senior management	%	11		11		**11**	
Middle management	%	16		20		**19**	
Engineers/ Executive	%	29		31		**33**	
Operators/Technicians/ Non Executive	%	18		19		**18**	
Local Employment Rate							
Employees who are Local (Malaysian)	%	59		60		**61**	
No of employees who are foreigner (non Malaysian)	%	41		40		**39**	









- 63% of our workforce is of Chinese ethnicity, and 25% are Malay, showcasing the diversity of our talent pool.
- Kelington Group exhibits a diverse age demographic among its employees, with a majority falling between the ages of 30 and 50, and a significant portion being under 30 years old. This balance of experienced professionals and younger talent contributes to a dynamic and innovative work environment.
- At the executive level, our company boasts a workforce where women make up 33% of the team.
- We focus on hiring employees under 30 years old as part of our commitment to supporting youth. This helps empower the next generation, tackle youth unemployment, promote diversity, develop talent, and build sustainable communities. Our strategy aligns with government efforts to boost youth employment and demonstrates our commitment to social responsibility and economic development.

Percentage of employees by age group and employee category	Unit of measure	FY2021	FY2022	FY2023
Senior Management				
Under 30	%	0.00	0.00	**0.00**
Between 30-50	%	55.56	52.38	**52.60**
Above 50	%	44.44	47.62	**47.40**
Middle Management				
Under 30	%	6.45	5.68	**8.30**
Between 30-50	%	85.48	80.68	**84.40**
Above 50	%	8.07	13.64	**7.30**
Engineer/ Executive				
Under 30	%	53.87	56.89	**52.20**
Between 30-50	%	43.10	40.64	**45.00**
Above 50	%	3.03	2.47	**2.80**
Non-executive/ Technical Staff				
Under 30	%	33.71	35.98	**41.70**
Between 30-50	%	57.14	58.48	**54.70**
Above 50	%	9.15	5.54	**3.60**

Percentage of employees by gender and employee category				
Senior Management				
Male	%	88.89	90.48	**89**
Female	%	11.11	9.52	**11**
Middle Management				
Male	%	83.87	79.55	**81**
Female	%	16.13	20.45	**19**
Engineer/ Executive				
Male	%	70.69	69.26	**67**
Female	%	29.31	30.74	**33**
Non-executive/ Technical Staff				
Male	%	81.71	80.62	**82**
Female	%	18.29	19.38	**18**

SI 8

Respect Human Rights

Base Year:

FY2020

0 Number of Incidents.

100% Compliance

100% Compliance

Target:

FY2024

Achieve zero incidents of unfair harassment, bullying and/or unlawful discrimination practices including gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of worker, etc

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.

Committed compliance and meet and/or exceed the minimum wage / meet living wage in each country of operations.

Progress:

FY2023

0 Number of Incidents.

100% Compliance

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 recognise the need for human rights initiatives not only within Kelington, but also across the entire supply chain.

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 organisation. 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	Audits	Actions
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.	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. Our Sustainable Supply Chain Working Group engages with our suppliers and subcontractors to create awareness on Kelington's expectations. We evaluate and prioritise the findings from the audits, understand their challenges in complying to our guiding principles and form action plans to manage the compliance risk.	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 FY2023, 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.