



SUSTAINABILITY STATEMENT 2022

SUSTAINABILITY STATEMENT

SUSTAINABILITY DISCLOSURES

At CTOS, we take our commitment to sustainability seriously. We continuously strive to improve the quality of our sustainability disclosure year after year. Transparency is key, and we aim to share relevant data on our progress as well as the challenges we face in managing sustainability risks.



Reporting Period & Boundary

Our Sustainability Statement covers the period from 1st January 2022 to 31st December 2022 and includes all of CTOS' activities and initiatives across our operations. We have also addressed our top material topics that influence stakeholder decisions and directly or indirectly impact our business.

Reporting Standards

We have adhered to the following local and international standards and guidelines:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- Global Reporting Initiative (GRI) Standards (Reference)
- The ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies
- ISO 26000:2010 Guidance on Social Responsibility
- The United Nations Sustainable Development Goals (UN SDGs)

Assurance

In the spirit of promoting accuracy and credibility, the internal auditor has undergone an internal review of this Statement, which is consistent with Paragraph 6.2(e) of Practice Note 9, Main Market Listing Requirements (MMLR).

Point of Contact


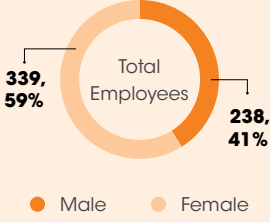





We welcome all feedback and comments on ways we can improve the quality of our sustainability statement. Please contact us at: 03-2722 8888.

SUSTAINABILITY STATEMENT

SUSTAINABILITY KEY HIGHLIGHTS

Our purpose is to empower consumers and businesses to make sound credit decisions confidently, leading to better financial health. By helping our customers make informed and sustainable credit decisions, we can achieve excellence in credit reporting while contributing to socio-economic progress.

In 2022, we have made significant progress towards our sustainability purpose within our four Sustainability Themes:

 <p>EMPOWERING OUR PEOPLE AND SMEs</p>	<p>2.47mil Individuals registered for CTOS self-check</p> 	<p>>450 Financial education roadshows and webinars conducted nationwide</p>
	<p>16.6mil Free CTOS Reports provided to Individual and SMEs</p> 	<p>Diversity, Equity & Inclusion</p>  <p>● Male ● Female</p>
	<p>+15 points Improvement in average credit score of Malaysians (From 663 in 2020 to 678 in 2022)</p>	
 <p>PROTECTING OUR ENVIRONMENT</p>	<p>Start Scope 1 & 2 tracking & monitoring from 2022</p> 	<p>Scope 2 2022 tCO₂ emission is 407.57, 2% below from 2019 Pre MCO level</p> 
 <p>EFFECTIVELY MANAGING COMPLIANCE AND RISKS</p>	<p>ZERO non-compliances</p> 	
 <p>ESTABLISHING TRUST IN DATA</p>	<p>ZERO breaches</p> 	<p>Devised a Three-Year Cyber Security Strategy to become an ISO 27001-certified organisation by 2025</p>

SUSTAINABILITY STATEMENT

AWARDS



▶ **World Digital Technology Corporate Excellence Award 2022**

▶ **Asia Corporate Excellence & Sustainability Awards 2022 (ACES)**

LEADERSHIP COMMITMENT

Dear Shareholders,

As a newly listed company, we are still in the early stages of our sustainability integration. We understand that we have a long road ahead, but we also know that sustainability is a journey, not a destination. Therefore, we will continue to improve our sustainability efforts each year to emerge as a sustainability leader in credit reporting.

In 2022, we have made significant progress in our sustainability journey. We have established a Sustainability Blueprint for CTOS, which is built on our purpose of empowering consumers and businesses to make sound credit decisions confidently, leading to better financial health. By helping our customers make informed and sustainable credit decisions, we can achieve excellence in credit reporting while contributing to socio-economic progress.

To further our sustainability mission, we are committed to financially educating local communities and enabling them to take control of their own credit health through our CTOS Care programme on financial inclusion, which has already delivered results. In addition, we are actively working to assess and reduce our greenhouse gas (GHG) emissions in order to protect the environment. We have set an ambitious target to reduce our emissions by 15% and are fully committed to achieving this goal.

As a firm believer of sustainability being a business imperative, we are currently integrating sustainability into our strategy and decision-making processes. The Board of Directors oversees all sustainability-related matters, ensuring consistency with our overall business strategy, which is communicated to the

entire company quarterly. The Audit and Risk Committee has delegated authority to implement sustainable practices based on guidance from the Board. Our management team discusses and approves all key sustainability matters, and each department head is responsible for operationalizing these initiatives. Our Group Head of Corporate Strategy & Planning serves as our ESG champion, accountable for the overall sustainability culture at CTOS.

In the year ahead, we will accelerate our sustainability efforts by conducting an in-depth materiality assessment with our external stakeholders. We are committed to using these insights to shape our strategies, policies, and programs and strengthen our integration of sustainability.

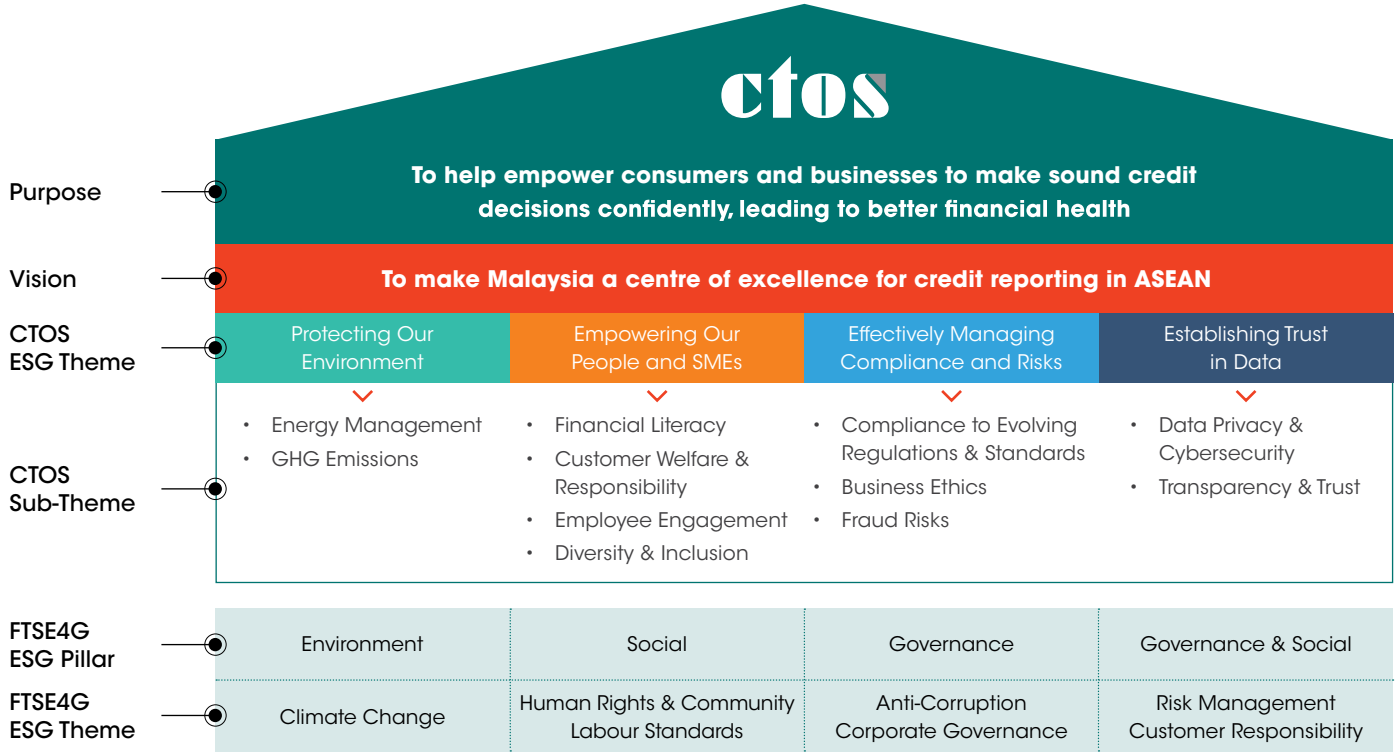
As a testament to our steady progress in sustainability, I am pleased to report that CTOS has been listed included as a constituent of both the FTSE4Good Bursa Malaysia (FTSE4Good) Index and FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index. This is an encouraging development, and has reinforced our team's drive in sustainability.

With that, I thank you for your support as we work towards building a more sustainable future for CTOS and our stakeholders.

Erick Hamburger
Group Chief Executive Officer
CTOS Digital Berhad

SUSTAINABILITY STATEMENT

Sustainability Blueprint for CTOS Digital



WHAT SUSTAINABILITY MEANS TO US

STAKEHOLDER ENGAGEMENT

By engaging with stakeholders, we can better understand their expectations and needs, and integrate their feedback and suggestions into its sustainability initiatives. This collaborative approach also helps to build trust and strengthen relationships with stakeholders, which is essential for the long-term success of our company. Ultimately, by engaging with its stakeholders, we improve the effectiveness and relevance of our sustainability programmes, and drive positive social, environmental, and economic impact.

FREQUENCY OF ENGAGEMENT

- O Ongoing
- D Daily
- M Monthly
- Q Quarterly
- A Annually
- T Twice a year

Stakeholders	Key Concerns	Our Objective	Engagement Platform
Shareholders & Investors	<ul style="list-style-type: none"> Business sustainability Shareholder and investor relations Shareholder returns Corporate Governance Strategic Growth Plans 	<ul style="list-style-type: none"> To secure financial capital required for operational commencement, business continuity and growth sustainability 	A Annual General Meetings (AGMs)
			A Conference and meetings
			D Website
			A Investors and analyst briefings, roadshows and forums

SUSTAINABILITY STATEMENT

Stakeholders	Key Concerns	Our Objective	Engagement Platform
Government Bodies and Regulators	<ul style="list-style-type: none"> Regulatory Compliance Ethical Business Practices Health and Safety Practices Environmental management and compliance Cybersecurity 	<ul style="list-style-type: none"> To safeguard various licenses and permits to simply exist, operate and thrive 	<ul style="list-style-type: none"> O Continuous active engagement and consultations A Independent Engagement Survey
		<ul style="list-style-type: none"> To avert violations or breaches of relevant laws and standards that could result in fines, penalties, forfeitures or sanctions 	
Customers	<ul style="list-style-type: none"> Customer Engagement Customer Accessibility Customer Satisfaction Service Assurance Customer Training 	<ul style="list-style-type: none"> To acquire new and/or retain existing customers 	<ul style="list-style-type: none"> D Checkpoint call / face-to-face appointment D Multi-channel touchpoints
		<ul style="list-style-type: none"> To convert customers into repeat and long-standing customers by meeting customer requirements and expectations 	<ul style="list-style-type: none"> D Customer Onboarding D Regular meetings and day-to-day interactions A NPS Survey
		<ul style="list-style-type: none"> To capitalise on valuable customer feedback in achieving strategic, financial operational excellence 	<ul style="list-style-type: none"> O Response to customers from SLA Management M Credit Manager Training
Suppliers and Partners	<ul style="list-style-type: none"> Ethical Business Practices Sustainability in supply chain Company performance Continuous Value Creation 	<ul style="list-style-type: none"> To ensure delivery of products and services of the best value 	<ul style="list-style-type: none"> A Audit O Regular meetings and daily interactions
		<ul style="list-style-type: none"> To contribute to the development of capacities and capabilities of our business partners 	<ul style="list-style-type: none"> A Strategic dialogues Q Conferences and forums
		<ul style="list-style-type: none"> To support various national agendas 	
Employees	<ul style="list-style-type: none"> Employee engagement and work-life balance People learning and development Diversity and equality 	<ul style="list-style-type: none"> To build an innovative, creative, productive, diverse and inclusive workforce 	<ul style="list-style-type: none"> T Employee Engagement Survey
		<ul style="list-style-type: none"> To attract, develop and retain the best talents particularly among Malaysian citizens for our company's survival and sustainability 	<ul style="list-style-type: none"> O "WE CARE" activities
Local Communities	<ul style="list-style-type: none"> Accessibility for SMEs Financial literacy and inclusion Ethical Business practices Good governance 	<ul style="list-style-type: none"> To build diverse, inclusive, balanced, resilient and sustainable societies and economies that thrive and reflects on our social citizenship 	<ul style="list-style-type: none"> A Independent stakeholder engagement survey

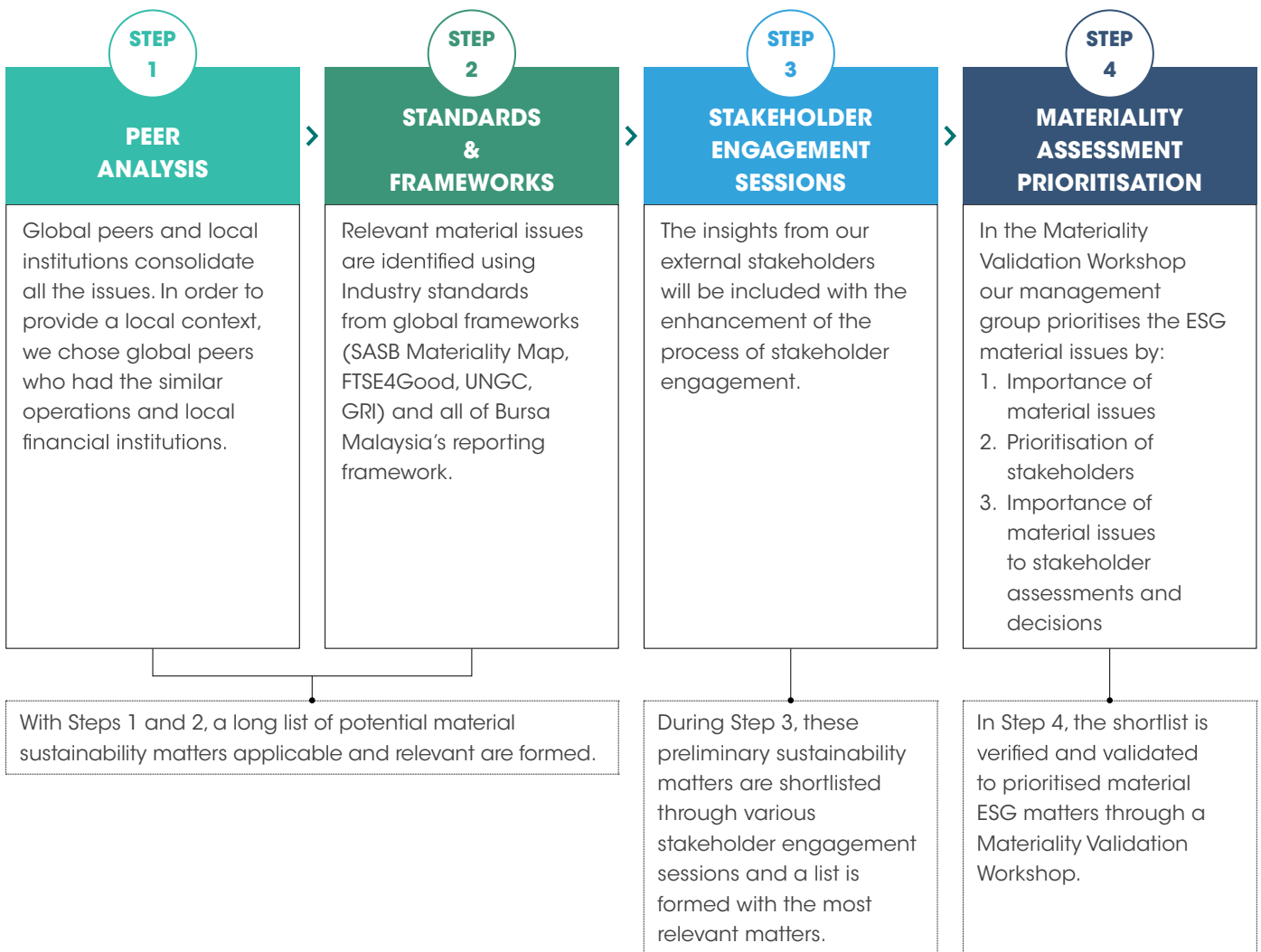
SUSTAINABILITY STATEMENT

MATERIAL MATTERS

We recognise the importance of identifying and addressing ESG issues that are most relevant to our business and industry. Through the application of materiality, we incorporate stakeholder feedback and expectations into our sustainability strategy. By prioritising the most material ESG issues, we can effectively allocate resources and focus our efforts where we will have the greatest impact.

Our current material matters are based on an assessment done in 2021. Given that this was our first materiality exercise, we limited our engagement solely with internal stakeholders. Future stakeholder engagement sessions in relation to the materiality assessment exercises will involve our external stakeholders for a more extensive, diverse and inclusive horizon.

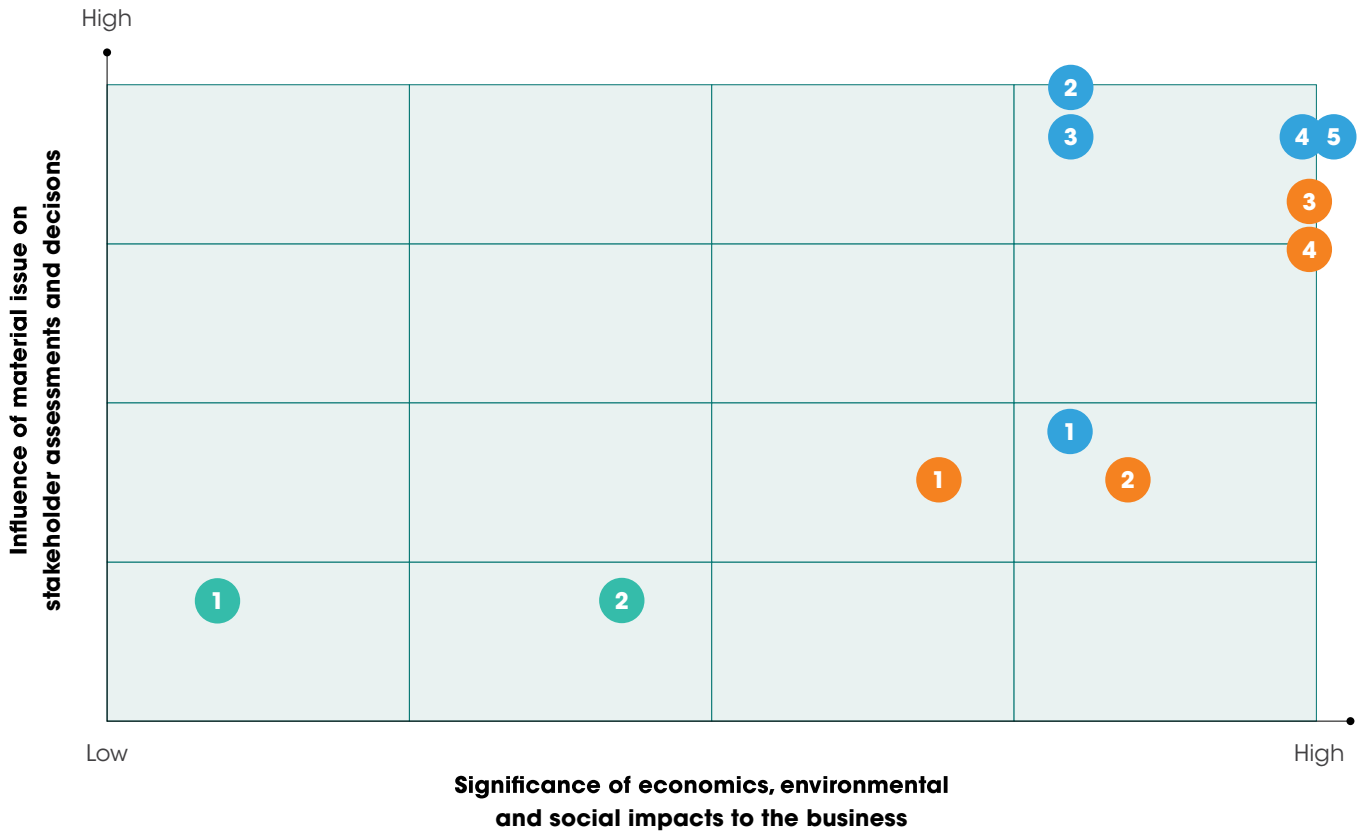
MATERIALITY METHODOLOGY



SUSTAINABILITY STATEMENT

Following our materiality assessment, we have identified the 10 material matters, as shown in the matrix below:

Materiality Matrix



ENVIRONMENT ▾

- 1 GHG Emission
- 2 Energy Management

SOCIAL ▾

- 1 Diversity & Inclusion
- 2 Employee Engagement
- 3 Financial Literacy & Inclusion
- 4 Customer Welfare & Responsibility

GOVERNANCE ▾

- 1 Fraud Risk
- 2 Transparency & Trust
- 3 Business Ethics
- 4 Compliance to Evolving Regulations & Standards
- 5 Data Privacy & Cybersecurity

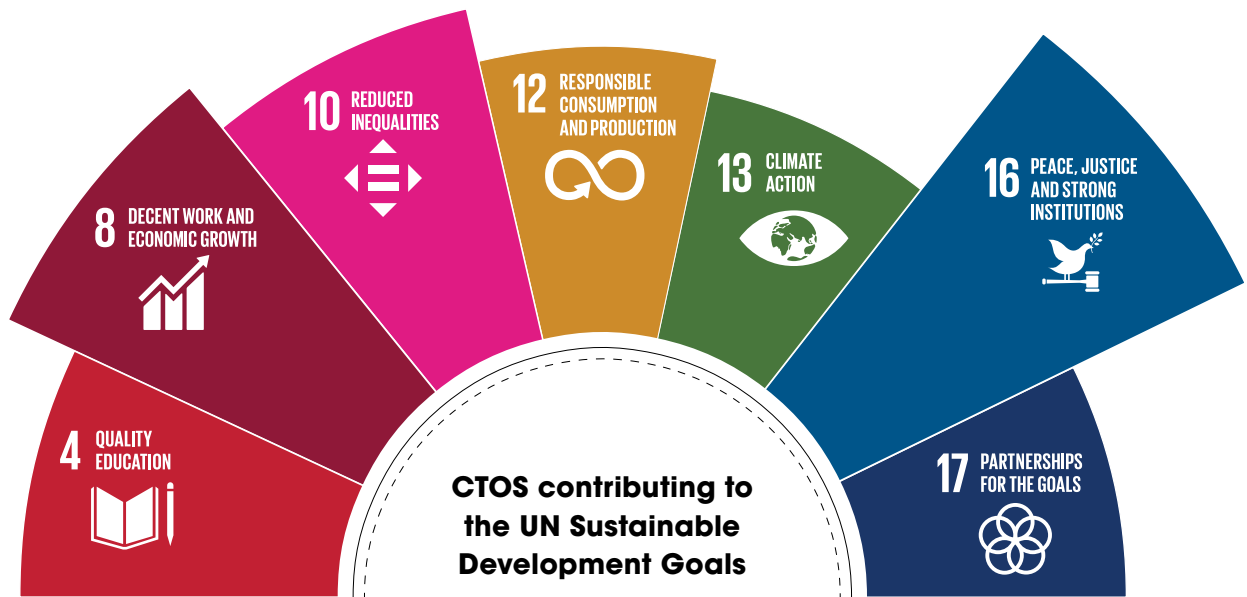
In 2022, we streamlined our material matters for clarity purposes. Since there was a strong relationship between and small overlap in content, we have merged two material matters: GHG emission & Energy Management. The new material matter is named Climate Action, in line with the Sustainable Development Goals of the United Nations, under which we will report about all our emissions as well as our energy management.

SUSTAINABILITY STATEMENT

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a call for action to promote prosperity while protecting the planet. As CTOS, we are committed to contribute to the SDGs and have collectively selected the top SDGs priorities. Our key SDGs are listed below.

CTOS Key SDGs



These seven SDGs were selected as our top priority based on the impact we make as a company towards our sustainability themes and material matters. Our sustainability theme 'Empowering our People and SMEs' creates impact on SDG 4 Quality Education, SDG 8 Decent Work and Economic Growth, SDG 10 Reduced Inequalities, SDG 16 Peace Justice and Strong Institutions, and SDG 17 Partnerships For The Goals. Particularly in our material matter 'Financial Literacy' which brings the biggest impact on all these SDGs. We contribute to society by using our core business strength. We are dedicated to educating consumers and businesses regarding their financial health and credit risks, as well as facilitating access to financial products and services, particularly for underbanked or unbanked communities. By offering high quality education for all, we contribute to













SDG 4 Quality Education which contributes to a wealthier society and therefore additionally makes impact on SDG 8 Decent Work and Economic Growth. By offering these services for free or at an affordable price for underbanked or unbanked communities, we contribute to SDG 10 Reduced Inequalities. Furthermore, an impact is also made on SDG 17 Partnerships for the Goals by us working alongside non-profit organisations.

Within our sustainability theme 'Protecting our Environment' we focus specifically on SDG 13 Climate Action, while contributing to SDG12. Our commitment is to reduce the direct and indirect GHG emissions that are linked to our operations covering Scope 1, 2 and 3 emissions.








SUSTAINABILITY STATEMENT

MANAGEMENT APPROACH TO SUSTAINABILITY

The following table defines the qualified Sustainability Themes and Material Sustainability Matters in more detail. Furthermore it shows which SDGs are impacted by each Material Matter.

Sustainability Themes	Description	Material ESG Matters	Definition	Refer to respective page for each theme	SDGs
Environment					
 <p>Protecting our Environment</p>	Continued monitoring of CTOS' environmental footprint and impact to reduce GHG emissions, whilst also enhancing energy efficiency	Climate Action	<p>Environmental impacts associated with energy consumption. It addresses the management of energy efficiency, intensity, and energy mix, from sources such as data centres and offices</p> <p>The release of direct and indirect greenhouse gases that are linked to the company's operations, covering Scope 1, 2 and 3 emissions.</p> <p>Scope 1 includes direct Greenhouse Gas (GHG) emissions from sources that are owned or controlled by the company (e.g., combustion in entity- owned vehicles).</p> <p>Scope 2 are indirect GHG emissions from the generation of purchased energy (e.g., purchased electricity in offices).</p> <p>Scope 3 emissions are all other indirect GHG emissions from the company's value chain</p>	Pg 44	 
Social					
 <p>Empowering our People and SMEs</p>	CTOS continues to build an engaged and diverse workforce, whilst simultaneously considering customer welfare and the development of local SMEs	Financial Literacy & Inclusion	Educating consumers and businesses (including SMEs) regarding their financial health and credit risks, as well as facilitating access to affordable financial products and services, particularly for underbanked or unbanked communities	Pg 47	    
		Customer Welfare & Responsibility	Providing services to customers that are aligned with societal expectations, ensuring a smooth customer experience, and listening and responding to customer feedback. This also includes treating customers fairly in the conduct of our business, as well as providing them with accurate, adequate and easily understood information on the services they receive	Pg 49	
		Employee Engagement	The cultivation of stronger connections with employees (commonly measured by the level of employee satisfaction and commitment to the company) through team bonding activities, employee gatherings, and the investment in and development of a talent pool of employees and leadership	Pg 50	 
		Diversity & Inclusion	Diversity refers to a mixed and balanced representation of workers in the organisation, in regard to race, gender, ethnicity, religion and other group identities; Inclusion refers to a workplace where there are equal opportunities for contribution and influence	Pg 52	

SUSTAINABILITY STATEMENT

Sustainability Themes	Description	Material ESG Matters	Definition	Refer to respective page for each theme	SDGs
Governance					
 Effectively Managing Compliance and Risks	Building a culture that emphasises proper business conduct, in line with comprehensive compliance to the relevant regulations and standards, as part of the enterprise's risk management framework	Compliance to Evolving Regulations & Standards	Constant review and maintenance of compliance with fast-changing acts, enactments, rules, regulations, bylaws, standards and best practices in any jurisdiction that are relevant and applicable to the company	Pg 54	
		Business Ethics	The ethical conduct of business which includes the management of risk associated with corruption, fraud, bias, misrepresentation, conflicts of interest, negligence and other factors with an ethical component. It also extends to ensuring the organisation's values, principles, standards and norms of behaviour (e.g., code of conduct and code of ethics) are developed and implemented	Pg 56	
		Fraud Risks	The management of risks arising from fraudulent activities arising at each stage of the customer lifecycle, such as identity theft in the loan origination or credit application process	Pg 57	
 Establishing Trust in Data	Governing data management capabilities and continuing to comply with relevant standards for information security	Data Privacy & Cybersecurity	The provision of complete and accurate disclosure of business activities, data handling, data use and other material matters in order to maintain trust and facilitate productive discussions between the company and its stakeholders	Pg 59	
		Transparency & Trust	The management of customer data confidentiality, mitigation of data breach risks, protection of personal data from unauthorised access or attacks that are aimed for exploitation of the information. This includes a company's approach to collecting data, obtaining consent, and managing user expectations regarding how their data is used	Pg 61	

SUSTAINABILITY STATEMENT

GOVERNANCE STRUCTURE

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability plays an important role throughout our governance systems and processes. Our Board takes overall accountability for the management of all risks and opportunities, including all ESG related risks such as climate change. Therefore, ESG-based KPIs are assigned to the leadership team by our CEO and our Head of Corporate Strategy & Planning. All departments' heads are assigned to specific sustainability responsibilities to drive ESG implementation across all levels.

FREQUENCY >		
B Bi-weekly	M Monthly	Q Quarterly
LEAD	RESPONSIBILITY	FREQUENCY
Group Head of Corp Strategy & Planning	Update on the progress & highlights on key concerns	B
Group CEO	Align Key Metrics	M
Risk Management Committee (RMC)	Review Key Sustainability Matters Progress	Q
Audit and Risk Committee (ARC)	Review Key Sustainability Matters Progress	Q
Board of Directors	Review Key Sustainability Matters Progress	Q
Other C-level & Head of Departments	Develop a list of sustainability responsibilities as additional tasks for each committee, department, and other business division leaders to drive ESG implementation company-wide across all levels	

SUSTAINABILITY RISK MANAGEMENT

Sustainability is a key component to effective risk management that allows us to proactively deal with emerging sustainability risk. In the long run, we can better protect our stakeholder value and business performance. ESG matters are integrated in our existing risk management system, thus enabling us to future-proof our business. Additionally, quarterly risk management reporting is carried out on a regular basis with our Audit Risk Committee (ARC). Both the ARC as well as the Risk Management Committee (RMC) review the progress on our key sustainability matters each quarter.



SUSTAINABILITY STATEMENT

DRIVING IMPACT IN THE INDUSTRY



We are passionate about establishing ourselves as an industry Thought Leader. Part of this commitment includes contributing to the Association of Credit Reporting Agencies (ACRA), which represents the Malaysian credit reporting industry and fosters engagement and cooperation among key stakeholders to develop a professional, competitive, and dynamic industry in Malaysia. We do not just sit on the sidelines either. We are actively involved in discussions on key regulatory changes, industry best practices, technological advancements, and cyber risks that affect the credit reporting industry in Malaysia.

We also take the lead in high-impact initiatives, such as promoting financial literacy and improving access to financing. Our collaborations with various stakeholders, including government agencies, non-governmental organizations, banks and financial institutions, and industry associations, allow us to drive positive change and make a meaningful impact in our industry.

CREATING VALUES

At the core of our business lies a commitment to sustainability. Our objective is to create value by optimising our impact on the environment and stakeholders, while ensuring good governance across all our operations. We pursue strategies that address our material topics and measure their impact, so that we can constantly improve our performance.

In the pages ahead, we dive deeper into our sustainability performance across four key themes and their associated material matters.

PROTECTING OUR ENVIRONMENT

- M1 Climate Action 44**

EMPOWERING OUR PEOPLE AND SMEs

- M2 Financial Literacy 47**
- M3 Customer Welfare & Responsibility 49**
- M4 Employee Engagement 50**
- M5 Diversity & Inclusion 52**

EFFECTIVELY MANAGING COMPLIANCE AND RISKS

- M6 Compliance to Evolving Regulations & Standards 54**
- M7 Business Ethics 56**
- M8 Fraud Risks 57**

ESTABLISHING TRUST IN DATA

- M9 Data Privacy & Cybersecurity 58**
- M10 Transparency & Trust 60**

SUSTAINABILITY STATEMENT

PROTECTING OUR ENVIRONMENT

M1 Climate Action

Why Is It Important

Climate change poses one of the greatest threats to humanity, and reducing greenhouse gas (GHG) emissions and limiting global temperature rise are essential to mitigating the risk of climate disasters that threaten social well-being and economic development. Our business is exposed to two types of climate risks:

Physical	Transitional
Major disruption and losses due to the physical damages incurred by extreme weather events.	Reputational, compliance or market challenges stemming from the global transitions towards a low-carbon economy.

Reducing GHG emissions is key to mitigating both types of risks. In addition to reducing risk, it also improves efficiency, cost-effectiveness and competitiveness. It is imperative that the whole world drastically reduces carbon emissions to avoid the devastating effects of climate change. As a company, we have a responsibility to lead by example and align with the global climate agenda to protect our stakeholders and ensure the long-term sustainability of our business.



What is Our Approach

At CTOS, we are committed to reducing our environmental impact while actively seeking ways to create positive change. We understand the importance of being accountable for our greenhouse gas (GHG) emissions and have taken a comprehensive approach to monitor and report them, including the voluntary scope 3 alongside mandatory scope 1 and 2. This demonstrates our strong dedication to GHG management and sustainability practices.

To kickstart our journey, we have implemented a "Going Green" initiative to address our carbon footprint. Our ultimate goal is to be an organization that contributes to the United Nations' Sustainable Development Agenda. Although we are still in the early stages of our sustainability journey, we remain dedicated to achieving this goal. To guide our efforts, we have developed a sustainability blueprint for 2022-2025 that integrates sustainability practices into our operations.

As part of our climate action efforts, we are focused on reducing our emissions according to the following three scopes:

SCOPE 1
Includes direct GHG emissions from sources owned or controlled by the company, such as combustion in entity-owned vehicles.
SCOPE 2
Includes indirect GHG emissions from the generation of purchased energy, such as purchased electricity used in offices.
SCOPE 3
Includes all other indirect GHG emissions from the company's value chain. While we have not yet begun measuring this scope in 2022, we are planning to start these measurements in 2023.

SUSTAINABILITY STATEMENT

To progressively reduce our emissions, we have established short to medium-term carbon reduction targets to support the transition towards a low carbon economy:

- Reducing Scope 2 emissions by 15% by 2025, from 2022 levels
- Having carbon offset for Scope 1 and 2 emissions gradually over the 5 years in operations only
- Reducing Scope 3 emissions by 15%, by 2030

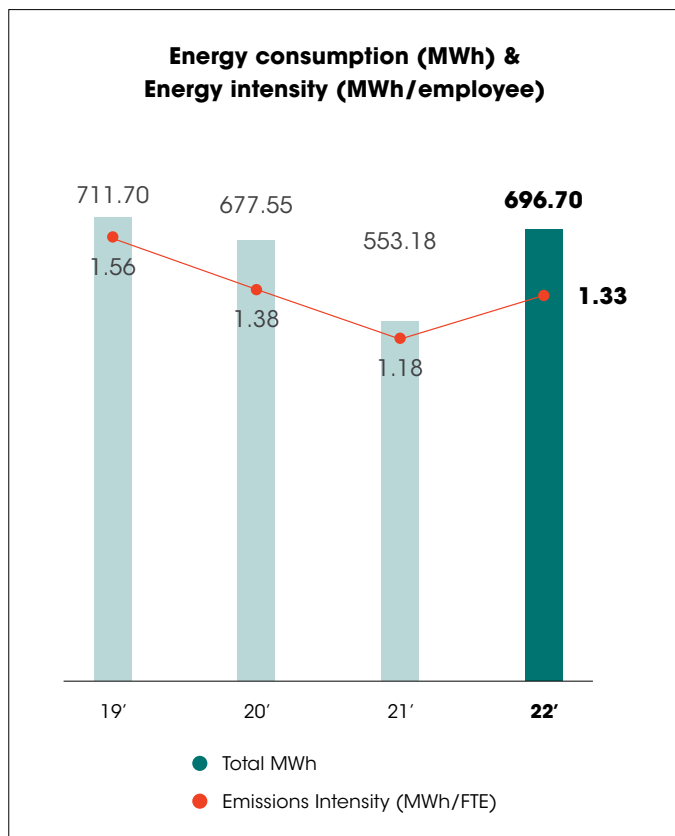
As we progress on our sustainability journey, we will introduce long-term carbon reduction targets, with the ambition of achieving Net Zero by 2050.

Value Creation in 2022

1. Reduce electricity

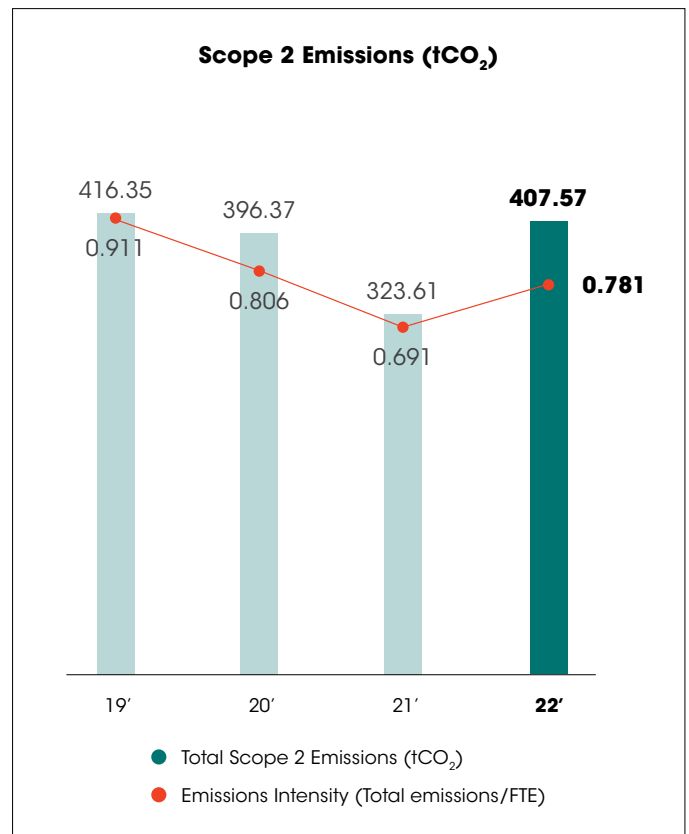
Since 2019, we have been monitoring our Scope 2 emissions, beginning with our energy consumption. We have been tracking all energy used by our facilities on a monthly basis.

Our data shows that our energy usage has increased slightly in 2022 compared to 2021, as we have transitioned from working from home to the office. However, we are committed to reducing our overall energy consumption to achieve our carbon targets.



2. GHG Emission

Through our efforts in 2022, we have achieved a reduction of 3% in overall Scope 1 and Scope 2 carbon emissions compared to our 2019 baseline:



Additionally, our carbon emissions per employee were lower compared to our 2019 baseline, despite the lifting of movement restrictions. This has strengthened our determination to achieve the lowest possible emissions per employee at CTOS.

Total Emissions (tCO ₂ e)	2019	2020	2021	2022
Scope 1	3.36	1.30	0.50	0.82
Scope 2	416.35	396.37	323.61	407.57

SUSTAINABILITY STATEMENT

3. Waste Management

What We Did	Results/Achievements
Recycling	<ul style="list-style-type: none"> • “Paper Day Campaign” was promoted across CTOS Offices nationwide to instil the importance of recycling. • All paper required will be shredded and extended to vendors for recycling on a monthly basis where vendors will collect from our office for recycling of papers. • All the used printer cartridges are returned back to the vendor to ensure that these items do not end up in landfills. • Instalment of waste disposal bins to manage the waste efficiently and incorporate training programmes to educate staff on how to reduce the volume of waste.
Reduce paper	<ul style="list-style-type: none"> • Mandatory printing procedure whereby printing is only allowed when necessary and approved via e-signature. • Default printer setting where we have adopted printing on both sides to reduce carbon footprint. • Use papers Certified with the Programme for the Endorsement of Forest Certification (PEFC) to promote sustainable forest management. • Install hand dryers for employees to reduce the usage of hand paper towels in the office.

4. Green Culture

Plants are placed throughout our office to promote a “green culture”. This aims to raise green awareness for employees while also creating a more natural and warm work environment.

5. Moving Forward

In 2023, we will take significant steps to achieve our goals. We will develop a comprehensive GHG inventory for Scope 1 and Scope 2 emissions, implement a strategy and action plan based on our Group-wide ESG metrics, and prioritize environmental management. Our focus will be on developing a Roadmap towards achieving Net Zero impact, reporting our progress to the Carbon Disclosure Project, and supporting the transition to a low-carbon economy. Additionally, we are considering introducing TCFD disclosures, metrics and targets, and SBTi commitments.

SUSTAINABILITY STATEMENT

EMPOWERING OUR PEOPLE AND SMES

M2 FINANCIAL LITERACY

Why Is It Important

It has always been our vision to make Malaysia a centre of excellence for credit reporting in ASEAN, and we aim to empower more Malaysians to achieve sustainable credit wellbeing through increased financial literacy levels. A robust financial literacy rate in Malaysia will lead to better financial inclusion, which results in the wellbeing of its citizens and in turn, will help the nation achieve economic growth and sustainable development.

Our goal is to empower individuals and businesses in Malaysia to take charge of their credit health while improving their financial literacy through educational programmes. We are committed to ensuring that Malaysians, regardless of their background or financial standing, have the tools and knowledge to make informed financial decisions, leading to greater financial inclusion and stability in Malaysia.

What is Our Approach

We are dedicated to promoting financial literacy and empowering individuals and businesses with the knowledge and skills they need to make informed financial decisions. Our programs are specifically designed to positively impact and strengthen links

with the local community and indigenous people in the areas where we operate.

We understand the importance of educating consumers and small to medium-sized enterprises (SMEs) about their financial health and credit risks. We provide access to affordable financial products and services, with a particular emphasis on underbanked and unbanked communities.

To achieve our goal of enhancing financial literacy, we have several ongoing initiatives in place under the CTOS Cares umbrella. They are designed in alignment with the United Nations' Sustainable Development Goals i.e., Reduced Inequalities, Quality Education and Decent Work and Economic Growth.

The programme has a two-fold approach:

1. Providing local communities with necessary tools and knowledge as part of the core of the business
2. Improving their financial awareness through educational programs.

Our primary focus is to provide self-check convenience to our customers while offering a range of tools such as credit scoring, advisory services, guidance, and know-how. This includes educating our customers on what affects their credit score and providing them with the necessary information and resources to improve it.

Our commitment to promoting financial literacy reflects our dedication to being socially responsible and having a positive impact on society. We believe that by educating individuals and businesses about financial literacy, we can create a more financially savvy and secure community.



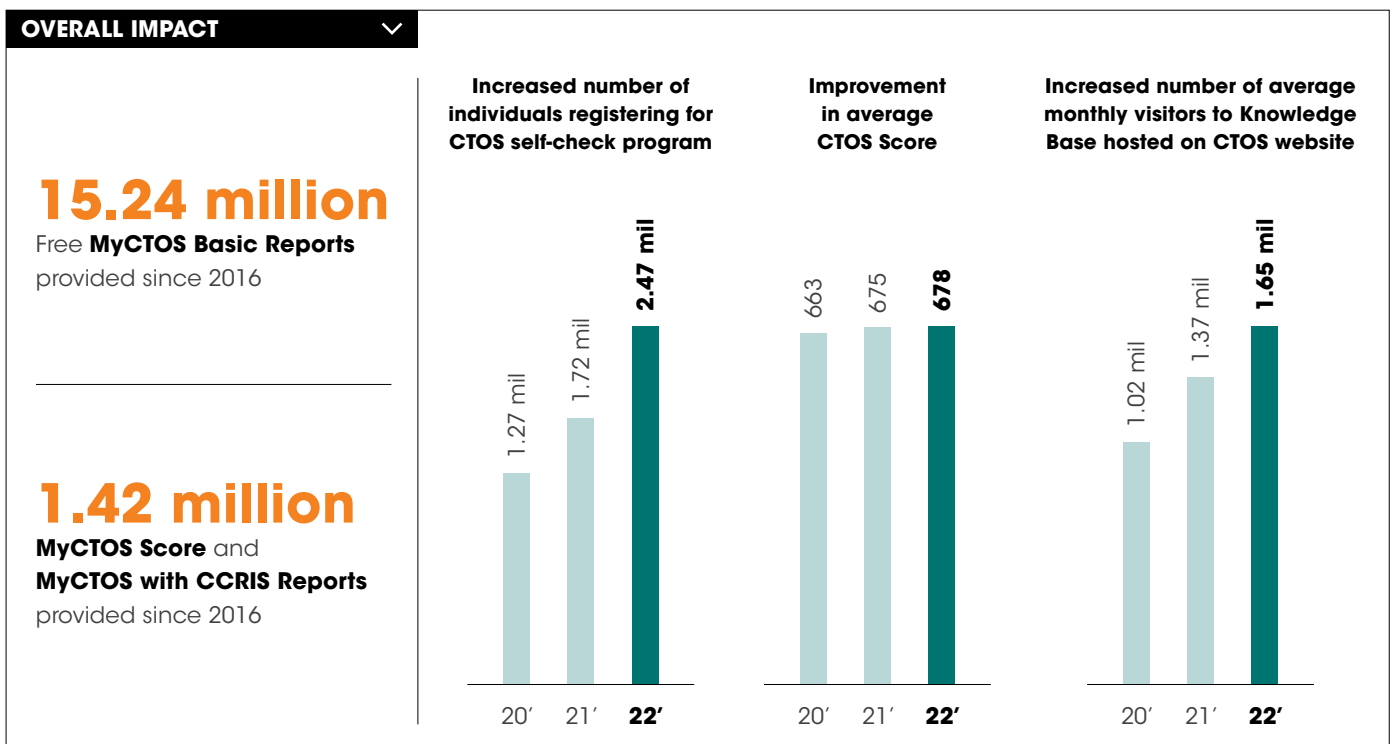
➤ Our primary focus is to provide self-check convenience and increase credit health awareness.

SUSTAINABILITY STATEMENT

Value Creation in 2022

Focus Areas	What We Do
Provide FREE & paid Reports	We have provided more than 15.24 million free MyCTOS Basic Reports and over 1.42 million free MyCTOS Score and MyCTOS with CCRIS reports to consumers and businesses alike, to encourage them to take charge of their credit health.
Financial Education Programs through Media	We offer integrated financial education programs, online and offline, year-round, to promote financial education and inclusion. Our content is available through newspapers, magazines, e-news, e-magazine platforms, TV, radio, YouTube, and all our social media channels.
Educational Content for readerships	Our website's Knowledge Base contains a vast array of educational content related to credit health, scoring, finances, budgeting, and more. Over 600,000 monthly visitors benefit from the resources, and we expect the number to grow as more consumers access credit health and financial education.
Roadshows and Webinars	We've conducted 400+ financial education roadshows and webinars nationwide, in partnership with Bank Negara Malaysia, the Ministry of Finance, the Employee Provident Fund, the Credit Counselling and Debt Management Agency, the Ministry of Housing and Local Government, the Private Pension Administrator Malaysia, the Social Security Organization, Bursa Malaysia, various government agencies, banks, and property developers. These initiatives aim to empower consumers to enhance their financial management skills and improve their credit health and personal finances. We also hosted 24 webinars that cater to SMEs.
Partnerships	We partner with the Creador Foundation via its non-profit financial literacy platform Multiply to provide regular financial education content across our social media channels. This partnership gives consumers access to a broad range of tips and tools to manage their personal finances.

Through these initiatives, we provide consumers with the opportunity to learn, engage, and strengthen their financial management skills, empowering them to improve their credit health and personal finances.



SUSTAINABILITY STATEMENT

M3 CUSTOMER WELFARE AND RESPONSIBILITY



Why Is It Important

Social responsibility drives us to discover and satisfy the needs of our customers in ways that also provide for society's well-being. As an agent of change in the community, we have a role in ensuring the continuous development of our local Small to Medium-Sized Enterprises (SMEs). We must foster a responsive customer culture that emphasises our responsibilities towards the customer's welfare, as we establish an emotional connection between our users and our brand.

Acting in the best interests of our customers ensures we consistently meet their needs, building our reputation as a trusted and responsible organisation. This means protecting our customers' rights and delivering solutions that improve their lives. Failure to meet these high standards could result in damage to CTOS's corporate reputation and business performance. However, when done correctly, it can assist us in attracting and retaining a strong customer base, thereby contributing to our long-term growth and success.

What is Our Approach

We value our customers and strive to provide them with the best possible service. We begin by actively listening to their needs and expectations to ensure that our services align with their requirements. Our goal is to create a seamless and satisfactory experience for every customer, and we take their feedback seriously. We are committed to treating our customers fairly in all aspects of our business and providing them with regular updates and information. To monitor our performance, we conduct an annual Net Promoter Score (NPS) survey, which allows us to gather valuable feedback that we channel to our product team to continuously improve our offerings.

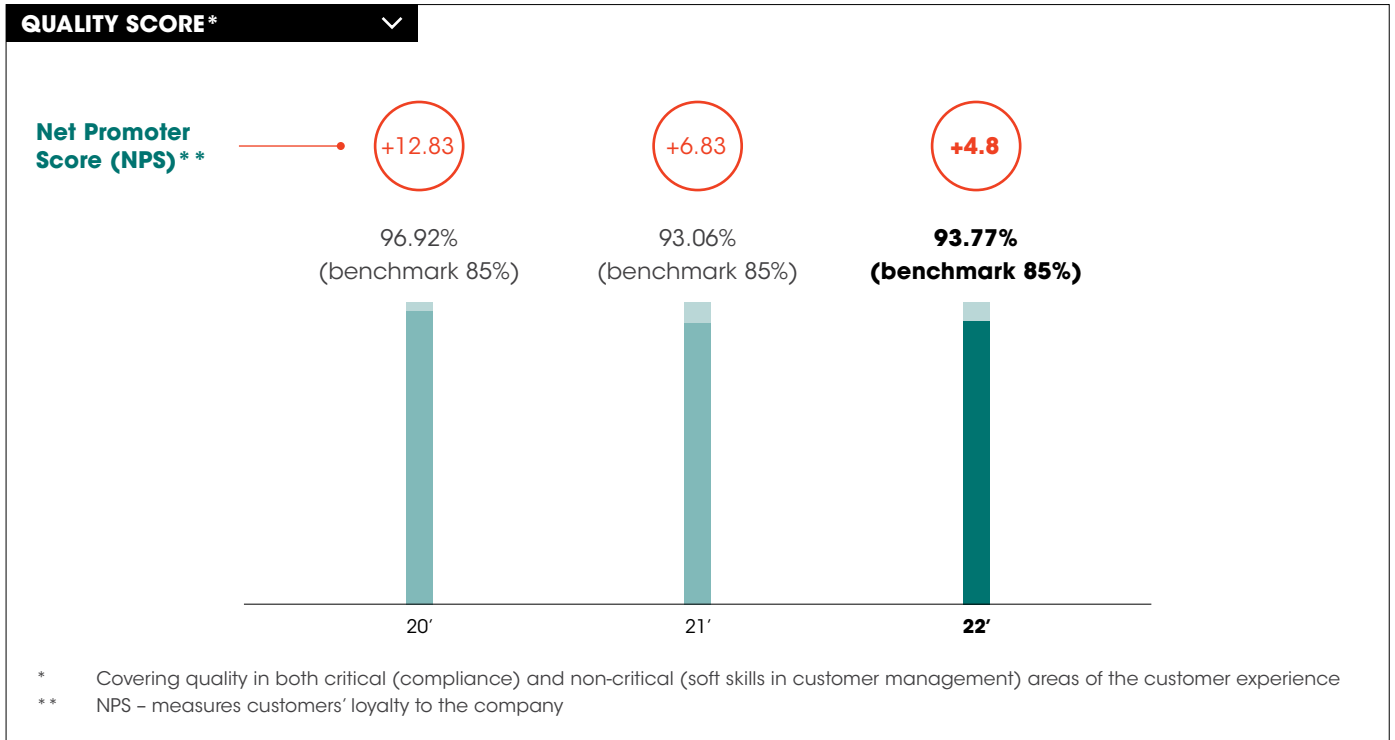
Value Creation in 2022

Throughout the year, we continued to empower our customers through regular engagements as well as integrate digital solutions into our customer journey. To support this, we employed different methods of customer engagement techniques to ensure we can truly support our customers with the products and services they need to excel in their business.

What We Did	How It Creates Value
Conducted checkpoint calls and offered face-to-face customer support across the six regions in which we operate.	It allows us to form closer and more personal bonds with our customers, and build genuine relationships with them.
Actively conducted both online and face-to-face credit manager training for all of our support staff for our Software as a Service (SaaS) online credit management platform that we offer to our SME customers.	Due to the breadth of the end-to-end services, our employees needed to be exposed to as many variables and situations to be able to provide the most professional, all-rounded service to our customers.
Continue multiskilling our agents to optimise cost and increase productivity.	Ensure customer enquiries through multi channels attended on timely manner.
Increased our efforts to enforce quality monitoring assessments for our customers.	These assessments ensure the accuracy and consistency delivered to customers.

SUSTAINABILITY STATEMENT

As part of our continuous improvement process, we benchmark the quality of our customer service against industry best practices, in which we have significantly exceeded in 2022.



M4 EMPLOYEE ENGAGEMENT

Why Is It Important

In the pursuit of achieving sustainability, we believe that having an engaged workforce is vital for continuous growth and success towards our stakeholders and business. Thus, fostering holistic engagements with our employees help to promote positive working relationships across all departments. In return, it improves our overall productivity and enable employers to focus on higher-value activities and business development. When employees are highly invested in their job, they work harder because they like what they do and believe in their value to the company.

Employees are truly the most trusted voice of our company. High employee engagements have evidently made our employees feel satisfied with their impact in CTOS. By focusing on our employee's wellbeing, we can create higher employee performance and satisfaction that directly increases long-term employee retention. Overall, employee engagement is one of the core business objectives which maintains our company's morale towards stakeholders.



At CTOS, we understand that empowering our employees is instrumental to serving our clients and local communities better. By investing in its employees' knowledge and skills, CTOS is not only improving its service delivery but also contributing to the overall financial literacy of local communities.

SUSTAINABILITY STATEMENT

What is Our Approach

It is important for us to build an engaged workforce and employee capabilities through a conducive and facilitative working environment. We focus on a sustainable yet optimal commitment of our employees to invest in an environment in which employees continuously develop their talents and use them in the most optimal manner. We position our people at the heart of our company while empowering and inspiring them to constantly hone their talents and broaden their knowledge and competencies.

A culture of continuous learning also promotes high employee engagement. That is why at CTOS, we have a comprehensive learning & development framework to ensure that all employees receive continuous, regular, and adequate training. Some examples of our learning and development work include refresher and onboarding training on company-wide policies, training in the areas of risk and technology development in order to build cybersecurity awareness, and also on-the-job competency training to cater to our employees' further development.

Additionally, we comply with relevant labour laws on working hours / overtime and ensure fair labour standards within the Group, and we strictly adhere to paying employees above national minimum wage. This is supported by an overtime policy that applies to all employees beyond standard hours (as defined in the Employment Act 1955). CTOS further promotes work-life balance by implementing work automation, process improvement and resource planning to reduce excessive working hours. We also respect the rights for non-executives, trade workers and/or general employees to participate or form trade unions provided for under the National Union of Commercial Workers (NUCW).

Value Creation in 2022

1. Employee Well-Being

We invested in both approached by implementing various initiatives to elevate our employee culture and developing the knowledge and skills of our employees:

Focus Area	What We Did
Collaboration	<ul style="list-style-type: none"> Established teambuilding activities and taskforces, including seasonal festive celebrations and staff engagement activities throughout the year through our "WE CARE" activities and our biannual dinners held once in two years.
Development	<ul style="list-style-type: none"> Created professional development programmes including trainings for our employees. Provided product training for all new employees, where they are taught about CTOS' suite of products and services. This training enables them to provide valuable insights to clients who may be unfamiliar with credit reporting and scoring services. Upskilled our employees through a compulsory training on how to read a credit report and sign up for CTOS self-check service. This self-check enables employees to experience first-hand what it is like to pull their own credit report, understand their own credit health status and help others too.
Health	<ul style="list-style-type: none"> Organised monthly engagement, medical screening and health activities.
Recognition of High Performance	<ul style="list-style-type: none"> Recognised high performance of our employees.
Management KPI	<ul style="list-style-type: none"> Set employee engagement as a KPI for management performance to ensure employees needs are integrated into decision-making.

SUSTAINABILITY STATEMENT

2. Providing Fulfilment at Work

CTOS provides flexible working arrangements and are supportive of our employees engaging with and/or volunteering in charitable organisations. We provide leave for charitable commitments on a case-by-case basis. At a company-level, we are cognizant of the need to engage with charitable partners and as part of our 3-year roadmap, we target to design and implement our own bespoke Employee Volunteerism CSR Program in 2023. We will also establish targets to monitor and measure our progress in engaging our employees in charitable activities.

	2021	2022
No. of non-compliances to labour standards	0	0
Employee attrition rate	3.3%	3.2%
Percentage of permanent employees	97.6%	88%*
Total training hours for employees	4,594	16,733
Average training hours per employee	9	29

* Lower % of permanent employees due to more interns

M5 DIVERSITY AND INCLUSION (D&I)

Why Is It Important

At CTOS, we believe in creating a working environment free of discrimination, harassment, victimisation. This means every individual must be treated equally and with respect, irrespective of their age, gender, religion, backgrounds and cultural values. An inclusive culture embraces differences and enhances the connection between our employees. Diversity within our company creates an environment in which people can develop themselves which contributes to the quality of our services.

Providing a workplace that prioritises diversity and inclusion will enable us to continue to build an environment without any barriers to entry and career advancement, an environment that is purely based on equal opportunity and merit. While we need to provide a conducive working environment that practices equality and fosters an all-inclusive spirit among our employees, it is equally imperative for us to cultivate an inclusive and diverse talent pool that forms the foundation of any successful business. Therefore, with a diversified and inclusive workforce, we are able to create a more innovative, resilient and sustainable organisation.



What is Our Approach

We are an equal opportunity employer, with a strict policy against any forms of discrimination based on race, ethnicity, religion, nationality, gender or disability. We do not discriminate when it comes to employment or pay. We believe we can encourage our employees to thrive and gain access towards unlocking and developing their full potential, by providing our employees with a fair and inclusive working environment. We take workplace bullying very seriously. Our employees also have access to a confidential reporting channel and a whistleblowing point of contact for harassment and hostility at the workplace. This is communicated and made readily available on our website for the accessibility of employees and other relevant stakeholders.

Policies & Guidelines

Fit and Proper Policy

Code of Business Conduct and Ethics

Whistleblowing Policy

SUSTAINABILITY STATEMENT

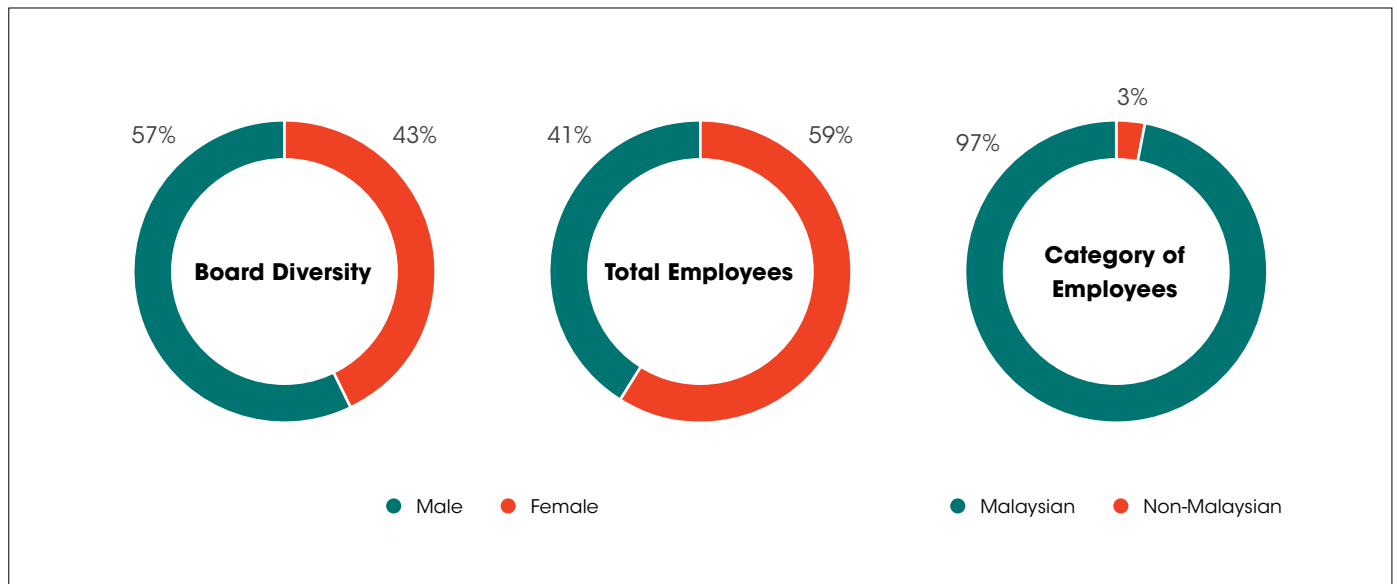
Value Creation in 2022

Throughout the year, we implemented various programmes and initiatives designed to empower our employees, as well as create a nurturing and inclusive work environment.

<p>a. Designed flexible working arrangement:</p>	<p>b. Encouraged participation of all workers in company-wide activities:</p>	<p>c. Increased equal career progression opportunity for everyone:</p>
<p>We understand that our employees have diverse personal and professional responsibilities, and we strive to provide a flexible work environment that accommodates their needs. We offer various flexible working arrangements, such as telecommuting, flexible hours, and job sharing, to ensure that our employees can achieve work-life balance while delivering quality work.</p>	<p>We value the participation of all our employees in company-wide activities and events. We encourage everyone to share their ideas, opinions, and perspectives, and we ensure that all voices are heard and considered. We believe that diversity and inclusivity are essential to fostering innovation and creativity, and we celebrate our differences as a strength.</p>	<p>We believe in providing equal opportunities for career advancement to all our employees. We have established a merit-based system that rewards performance, skills, and experience, rather than gender, ethnicity, or any other factors. We provide training and mentoring programs to help our employees develop the skills and competencies needed for their desired career paths.</p>
<p>d. Offered equal training and development for everyone:</p>	<p>e. Established a "We Care" (Engagement and Health programme) for everyone:</p>	
<p>We understand that our employees have diverse personal and professional responsibilities, and we strive to provide a flexible work environment that accommodates their needs. We offer various flexible working arrangements, such as telecommuting, flexible hours, and job sharing, to ensure that our employees can achieve work-life balance while delivering quality work.</p>	<p>We value the participation of all our employees in company-wide activities and events. We encourage everyone to share their ideas, opinions, and perspectives, and we ensure that all voices are heard and considered. We believe that diversity and inclusivity are essential to fostering innovation and creativity, and we celebrate our differences as a strength.</p>	

Diversity & Inclusion Data

Throughout the year, we implemented various programmes and initiatives designed to empower our employees, as well as create a nurturing and inclusive work environment.



SUSTAINABILITY STATEMENT

EFFECTIVELY MANAGING COMPLIANCE AND RISKS

M6

COMPLIANCE TO EVOLVING REGULATIONS AND STANDARDS



Why Is It Important

At CTOS, compliance with laws, regulations, and industry standards is of utmost importance. As a company, we are subject to a wide range of regulations in areas such as data privacy, corporate governance, employment, and taxes. Failure to comply with these regulations could result in legal and reputational consequences, leading to damage and fines. Furthermore, regulatory changes may lead to additional costs and a potential loss of expertise. Ensuring compliance is essential to protect our customers' data and our business in the long run.

What is Our Approach

We foster a culture that values compliance with laws and regulations. We regularly review our processes against changes in law and regulations to ensure compliance.

The Compliance Strategy within the Group is developed based on the Board setting the tone from the top of zero tolerance towards any business non-compliance with regulatory and statutory requirements. The Compliance Strategy focused on the following key areas:

- Systematic review of monitoring and evaluation of regulatory requirements.
- Adoption of a "Preventive rather than reactive" approach.
- Raising awareness through education and engagement.

By adhering to this approach, we ensure that we remain compliant and protect our customers, employees, and business.

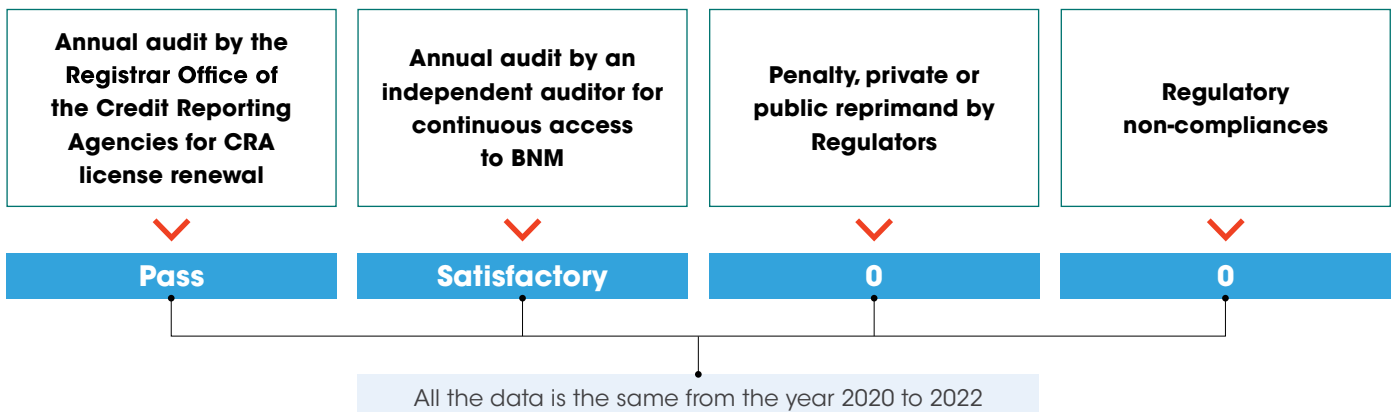
SUSTAINABILITY STATEMENT

Value Creation in 2022

In building a strong compliance culture within CTOS, we continued to implement various initiatives and programmes throughout the year:

Focus Areas	What We Did
Education, engagement and awareness-raising initiatives	<ul style="list-style-type: none"> Educated and raised awareness among a total of 577 employees through various initiatives. Conducted mandatory employee training on the Credit Reporting Agencies Act, PDPA, ABAC, and cybersecurity, followed by an exam to ensure comprehension. Distribute quarterly Regulatory newsletters to external parties, including CTOS subscribers. Delivered a half-yearly risk assessment awareness newsletter to the Board of Directors, Senior Management, and employees. Provided periodic reminders during town hall meetings by the Group Chief Executive Officer on the company's zero tolerance towards ABAC, setting the tone from the top. Send periodic cybersecurity newsletters to promote cyber resilience and provide updates on new or amended regulations.
Review and update on new regulations and amendments to existing regulations	<ul style="list-style-type: none"> Conducted a gap and impact analysis on regulation changes, presenting the findings to the Board of Directors and Senior Management. Established a task force and committee to implement changes related to regulation amendments. Validated and tested internal processes and applications, tightened business processes to mitigate compliance risks.
Tighten business processes to mitigate compliance risk	<ul style="list-style-type: none"> Enhanced the necessary requirements regarding submission of documentation for credit check review. Implemented a risk-based approach to customer segmentation and raised awareness on security standards.
Raise information security standards	<ul style="list-style-type: none"> Commenced the ISO27001 implementation to establish robust information security management. Introduced new SOP to perform sophisticated security assessment such as compromise assessment, red teaming or breach and attack simulations on regular basis.
Regular engagement with Regulators	<ul style="list-style-type: none"> Clarify and align new digital processes during meetings to ensure continued compliance. Implemented initiatives to improve financial literacy for Malaysians. Implemented initiatives to grow the credit reporting industry in Malaysia.

Through our strong compliance and regulatory culture, we have consistently reported zero non-compliances for the past three years, as well as passed our annual audits by the Ministry of Finance (MOF) and Bank Negara Malaysia.



SUSTAINABILITY STATEMENT

M7 BUSINESS ETHICS



Why Is It Important

Ethics and integrity are fundamental to any business. Without a strong set of ethics, a business can run afoul of relevant laws and regulations, encounter financial pitfalls and moral dilemmas. Companies that practice questionable ethics may also experience a decrease in stock price and severed business partnerships, which can affect profitability. In addition, business ethics contribute to improved customer and stakeholder loyalty. It cultivates trust and builds our reputation as a responsible organisation, which strengthens branding and revenue and therefore improves overall improve profitability.

What is Our Approach

Integrity is essential and one of the core values of CTOS. We encourage our employees to carry out their daily responsibilities above and beyond compliance with laws and regulations. Ethical behaviour will increase employee performance, job satisfaction, organisational commitment and trust from key stakeholders. We take our social responsibility as an employer and make sure all our employees work in a healthy and safe environment. Working ethically and ensuring high standards of integrity are key to business sustainability and resiliency.

We have currently established mechanisms such as CTOS’ Whistleblowing Policy, Anti-Bribery and Corruption Policy, Code of Conduct and Human Resources’ Open Door Policy, which are available to both internal and external stakeholders. These policies provide a formal mechanism for any grievances to be raised, including human rights, while guaranteeing confidentiality/anonymity. At onboarding training, all employees are required to study and acknowledge these policies, thus fostering a strong culture of integrity and ethics.

We are committed to work with affected parties when/where human rights have been impacted to remedy the impacts caused or contributed. Additionally, we apply principles of the Global Reporting Initiative (GRI), United Nations Global Compact (UNGC) and the United Nations Guiding Principles on Business and

Human Rights into our business operations. As practice, human rights policy training is covered under Code of Conduct during onboarding training, which is applicable to all staff.

In the future, we will explore aligning our human rights commitments to include reference to international human rights instruments, including those contained within the International Bill of Human Rights, such as but not limited to Convention on the Elimination of All Forms of Discrimination against Women, Convention on the Rights of the Child, Convention on the Rights of Persons with Disabilities etc.

We are in the midst of establishing oversight responsibility and resources to ensure respect for human rights. The Audit Risk Committee and Risk Management Committee currently have oversight responsibility of human rights issues. Day-to-day responsibilities lie with our Human Resources and respective Heads of Departments who oversee compliance with our Code of Business Conduct and Ethics.

Additionally, CTOS is strictly against and opposed to child labour. We ensure strict compliance within our operations with Children’s Rights as per the Child Act and the Children and Young Persons (Employment) Act. As we aim to apply principles of the Global Reporting Initiative (GRI), United Nations Global Compact (UNGC) and the United Nations Guiding Principles on Business and Human Rights in the future, we will also explore opportunities to support children’s rights in our operations or programmes.

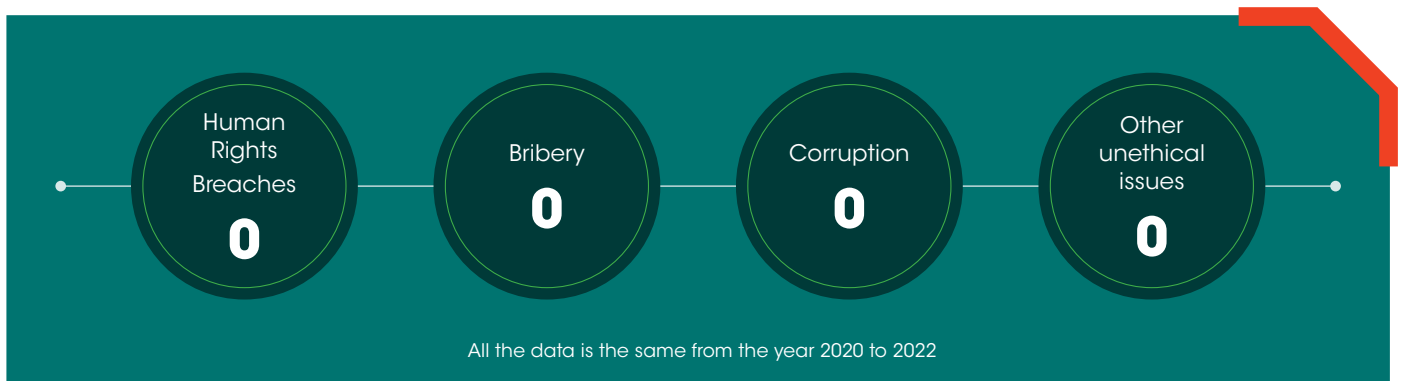
SUSTAINABILITY STATEMENT

Value Creation in 2022

Throughout the year, we continued to integrate good ethics into our business through by focusing on the key areas:

Focus Areas	Our Approach
Anti-Corruption Practices	Tightening ABC (Anti-Bribery and Corruption) P&P and framework and review of DOA.
Whistleblowing	Monitored misconduct via a whistleblowing channel (internal and external), with employees encouraged to report bribery and corruption concerns promptly.
Awareness	Implemented Anti-Corruption and Bribery awareness programmes and communications to employees and other stakeholders, which are performed on an annual basis. By doing so, we create more awareness on the reporting of bribery and corruption concerns.
Risk monitoring	Monitored corruption and bribery risks and reported it via ARC on a quarterly basis.
Performance Management	Reinforced behaviour expectations by setting clear links of integrity to their performance management.
Due diligence of third parties	Conducted due diligence on all third parties linked to our business operations and activities.

In the past three years, we consistently recorded zero cases of human rights breaches, bribery, corruption or unethical issues, with zero related fines and penalties. This reflects our team’s commitment to upholding the highest standards of ethics and integrity.



M8 FRAUD RISKS



Why Is It Important

We are dedicated to establishing an ethical business culture that emphasises proper conduct and management of potential risks to our business. Our top priority is combatting fraud risks to safeguard our stakeholders. Effective fraud prevention not only reduces financial losses but also aligns with our company's values. By valuing fraud prevention highly, our stakeholders, including employees, are encouraged to embrace the same values.




We adhere to comprehensive regulations and standards and prioritise implementing an enterprise risk management framework to address potential risks. Any fraudulent activities, such as identity theft in the loan origination or credit application process, are strategically investigated at CTOS. Our risk management practices ensure that materiality issues related to compliance and risk management are well-reported and deliberated in our annual Audit & Risk Committee ("**ARC**") meetings. This reinforces our commitment to maintaining a culture of integrity and transparency at CTOS.

SUSTAINABILITY STATEMENT

Additionally, we comply with the Federal Constitution and other relevant labour laws with regards to freedom of association. Although we do not restrict the right to freedom of association for its employees, employees shall not hold any position in a political party, in line with CTOS' Code of Business Conduct and Ethics and Whistleblowing Policy.

What is Our Approach

To build an effective anti-fraud strategy, we carry out several measures to promote fraud risks prevention, detection and investigation.

 <p>Prevention</p> <ul style="list-style-type: none"> • Perform strict SOP customer sign-ups • Set Anti-Bribery & Corruption policies 	 <p>Detection</p> <ul style="list-style-type: none"> • Review customer sign-ups regularly • Perform B2B assessment 	 <p>Investigation</p> <ul style="list-style-type: none"> • Perform routine audit checks • Report potential fraud risks to the Board
---	--	---

As of 2022, our approach has been effective in detecting potential anomalous or fraudulent activities in our business.

ESTABLISHING TRUST IN DATA

M9 DATA PRIVACY & SECURITY



Why Is It Important

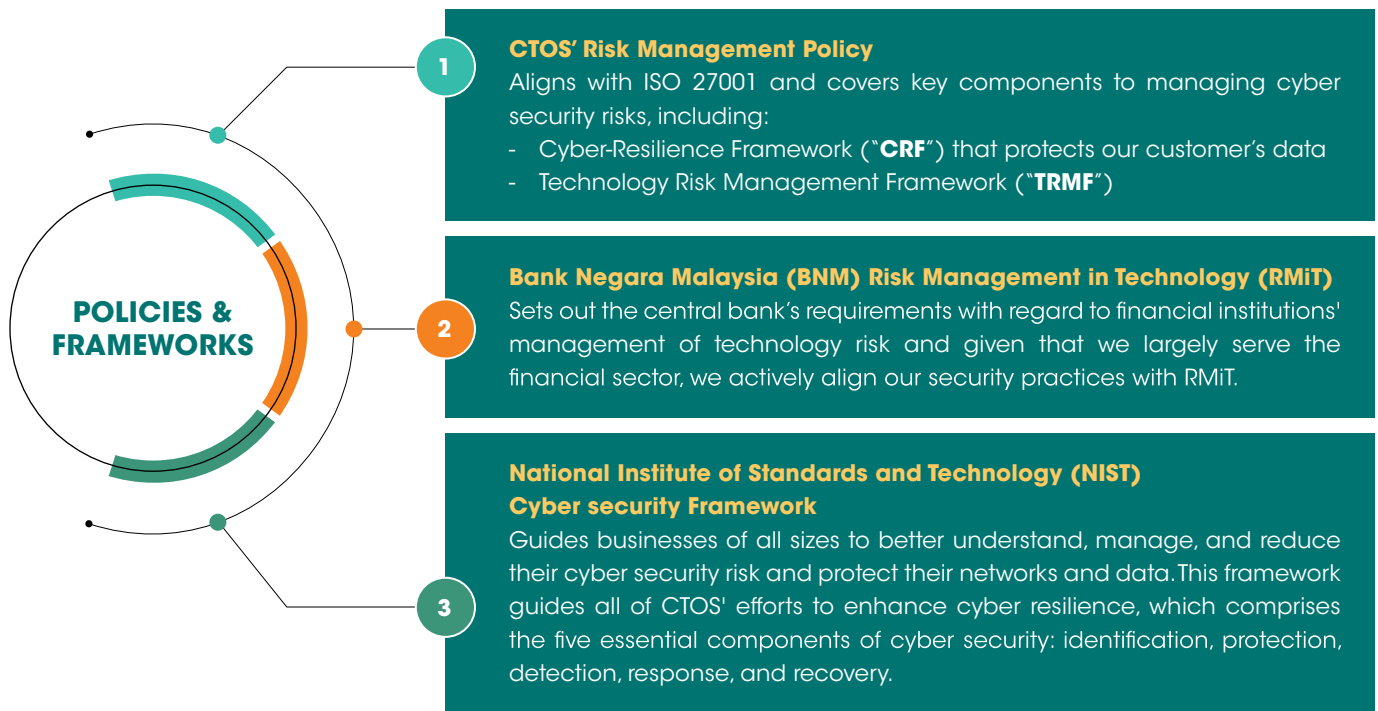
Given the nature of our business, any attack on our system can result in severe consequences. We possess critical information within our system that, if breached, may negatively impact our customers. This includes potential financial losses, identity thefts or leaking of sensitive information. Therefore, it is our corporate responsibility to safeguard the data entrusted to us by our customers and other stakeholders. Additionally, attacks on our systems may also disrupt our business. Because we operate in a digital environment, potential cyber security issues may halt our operations and activities until the problem is resolved. This can have a significant impact on our financial performance, as well as our ability to serve customers. Therefore, as Malaysia's leading credit reporting agency and a provider of data and digital services, safeguarding our customers data and privacy is fundamental to the sustainability of our business.

What is Our Approach

At CTOS, we define privacy and security as the provision of complete and accurate disclosure of business activities, data handling, data use and other material matters to maintain trust and facilitate productive discussions between us and our stakeholders. Our cyber security posture, which is underpinned by people, processes, and technology, is aligned with industry best practises and regulatory requirements, and is designed to withstand cyber-attacks and enhance cyber resilience.

Our management team has devised a Three-Year Cyber Security Strategy that was rolled out in January 2023 that serves as a guiding principle to achieve the end-state. One of the key objectives under the Strategy is to become a ISO 27001 certified organisation by 2025. The strategy is governed by a variety of policies and frameworks, both internal and external to the organisation, such as:

SUSTAINABILITY STATEMENT



In addition to the adoption of frameworks above, we have implemented sophisticated mitigation mechanisms, such as continuous vulnerability management, managed detection and response for endpoints, security operations centre, multi-factor authentication, data loss prevention and micro-segmentation of network. We have also implemented a comprehensive cyber security awareness programme that includes regular phishing simulations throughout the year for all employees. A robust governance process is also in place to help us identify risks in technology operations and project management, ensuring regular reviews by the Board of Directors and Senior Management.

Value Creation in 2022

In 2022, our company put in place a number of sophisticated countermeasures to improve our cyber security. These included continuous vulnerability management, managed detection and response (MDR) for endpoints, a security operations centre (SOC), data loss prevention (DLP), and micro-segmentation of the network. Together, these measures made us much more resistant to cyber-attacks and better prepared to respond to them.

Implementation of countermeasure	Risk Mitigation
Continuous vulnerability management	Continuous vulnerability management let us keep an eye on our systems and applications and find any possible flaws. This let us quickly patch and fix any problems before attackers could take advantage of them. This proactive approach helped to monitor and manage the overall attack surface of our systems, making it harder for threat actors to get in.
Managed detection and response (MDR) for endpoints	MDR for endpoints helped make sure that any attempts to break into our systems were quickly found and dealt with. By keeping an eye on endpoint activity in real time, we were able to spot and stop any suspicious activity, making it less likely that a breach would be successful.
Security operations centre (SOC)	The SOC gave us a central place to watch for and respond to cyber events and potential incidents. This made it possible for us to handle any network alerts quickly and effectively.
Data loss prevention (DLP)	DLP helped us intercept and stop the unauthorised transfer of sensitive data from inside the company to outside world. This decreased the chance of data leakages and made sure that our customers' data was safe.
Micro-segmentation of the network	Lastly, micro-segmenting the network helped improve our security by breaking it up into smaller, more secure pieces. This made it harder for attackers to move laterally and helped us contain any possible security breaches to a smaller and limited radius.

SUSTAINABILITY STATEMENT

Overall, these measures have made us much more resistant to cyber-attacks and better prepared to deal with them. By being proactive about cyber security, we have greatly reduced the chance that an attack will be successful and made sure that our systems, data, and customers will continue to be safe.

As a testament to our robust and resilient cyber security system, we continue to maintain a record of zero validated security breaches.



M10 TRANSPARENCY AND TRUST



Why Is It Important

As Malaysia's leading credit reporting agency, our customer's trust is significantly important for us to manage their data effectively. It is our duty to provide credible data for our customers that will assist them to make better informed decisions. We recognise that our stakeholders need accurate information to make informed decisions about our strategies, outcomes, and effectiveness. This is why transparency is critical for our company. We are committed to being entirely transparent to all parties, as we understand that transparency helps build trust in our business operations. Our customers trust us to manage their data effectively, and we are committed to maintaining that trust.

We firmly believe that transparency and trust play a vital role in ensuring the sustainability of our business growth. By being transparent and demonstrating our integrity, we are able to foster long-term relationships with our stakeholders, which is essential for the continued success of our business. Therefore, we will continue prioritising transparency and honesty in all our operations to ensure we remain a trusted partner to all our stakeholders.

What is Our Approach

To ensure that we maintain the trust of our stakeholders, we have implemented a number of measures to promote transparency and protect our customers' data. First and foremost, we handle all customer data with the utmost confidentiality. We understand that our customers trust us to protect their personal information, and we take that responsibility very seriously. To mitigate the risks of data breaches, we protect personal data from unauthorised access and defend against attacks that aim to exploit our information.

We also provide sufficient and effective external communication through our official website, service offerings, and vendor agreements. By doing so, we can ensure that there is no room for miscommunication and that all parties share the same expectations.

SUSTAINABILITY STATEMENT

KEY APPROACH	IMPACT
Implement monitor trackers	Ensure the completeness of our data
Undertake Investor Relations activities domestically and overseas	Assist investors to make a fair valuation and assessment of the company's prospects
Perform periodic audit by specialised third party consultants and professionals	Ensures business specific compliances such as financial and accounting, anti-bribery and anti-corruption
Perform consistent reviews by internal and external auditors	Ensure adequate risk management of internal controls activities

Value Creation in 2022

At CTOS, we take the security of our data and compliance with regulations seriously. With this in mind, we have implemented a number of key initiatives to ensure that we maintain the highest levels of security and compliance in all our operations. One of our top priorities has been enhancing the security of our data and protecting it against unauthorised access. To achieve this, we've implemented multifactor security measures to safeguard against any potential threats and protect the transfer of data to our subscribers.

We have also taken major steps to strengthen our existing policies for third party management. This includes reassessing our process for conducting risk-based assessments on all third-party organizations, with a keen eye for potential red flags such as past integrity issues, pre-existing or potential business relationships with CTOS, or affiliations with public officials. We also enhanced checks on the third-party organization's anti-bribery programme for higher risk transactions.

In addition, we implemented quarterly updates to our Audit and Risk Committee (ARC). These periodic updates provide our Board with a comprehensive overview of our compliance and risk management matters on a regular basis. We've also included sustainability matters as part of the quarterly update to the ARC to provide the Board greater oversight of our long-term sustainability initiatives and commitments.

As we move forward, we will continue to prioritize the security of our data and compliance with industry best practices to maintain our position as a trusted partner to our customers and stakeholders. At CTOS, we remain committed to maintaining the highest levels of compliance and risk management standards across all our operations.