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# Sustainability Addendum

*Updated July 2023*



# Protecting Our Environment - Climate Change

Indicator	Type	Description
ECC01	Qualitative	<p>Climate change impact including carbon dioxide ("CO2") / greenhouse gas ("GHG") emissions – Policy or commitment statement to:</p> <p>a) Address the issue</p> <p>b) Reduce or avoid the impact or improve efficiency</p> <p>We understand the importance of being accountable for our 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.</p> <p>To progressively reduce our emissions, we have established short to medium-term carbon reduction targets to support the transition towards a low carbon economy:</p> <ul style="list-style-type: none"> <li>Reducing Scope 2 emissions by 15% by 2025, from 2022 levels</li> <li>Having carbon offset for Scope 1 and 2 emissions gradually over the 5 years in operations only</li> <li>Reducing Scope 3 emissions by 15%, by 2030</li> </ul> <p>As we progress on our sustainability journey, we will introduce long-term carbon reduction targets, with the ambition of achieving Net Zero by 2050.</p> <p>Refer to pages 44 and 45 of the 2022 Annual Report for details.</p>

Indicator	Type	Description			
ECC14	Quantitative	Three years of total operational GHG emissions data (Scope 1 & 2) is disclosed			
The breakdown is as follows:					
Total emission	(tCO <sub>2</sub> e)				
	2020	2021	2022	As of 31 July 2023	
Scope 1	1.30	0.50	0.82	0.32	
Scope 2	396.37	323.61	407.57	230.43	
Refer to page 45 of the 2022 Annual Report for FY2022 details.					

## Protecting Our Environment - Climate Change *(continued)*

Indicator	Type	Description
ECC38	Qualitative	<p>Short term (up to 5 years) quantitative targets to reduce GHG emissions (which could include Scope 1 and / or Scope 2 and / or Scope 3):</p> <p>a) Unquantified, process targets</p> <p>b) Quantified targets <i>(Details of quantified targets will be recorded)</i></p>
<p>To progressively reduce our emissions, we have established short to medium-term carbon reduction targets to support the transition towards a low carbon economy:</p> <ul style="list-style-type: none"> <li>Reducing Scope 2 emissions by 15% by 2025, from 2022 levels</li> <li>Having carbon offset for Scope 1 and 2 emissions gradually over the 5 years in operations only</li> <li>Reducing Scope 3 emissions by 15%, by 2030</li> </ul> <p>Refer to pages 45 and 46 of the 2022 Annual Report for details.</p>		

Indicator	Type	Description
ECC39	Qualitative	<p>Long term (more than 5 years) quantitative targets to reduce GHG emissions (which could include Scope 1 and / or Scope 2 and / or Scope 3):</p> <p>a) Unquantified, process targets</p> <p>b) Quantified targets <i>(Details of quantified targets will be recorded)</i></p>
<p>As CTOS progresses in the sustainability journey, we will explore long-term quantitative carbon reduction targets. At present, we are looking towards achieving Net Zero by 2050.</p> <p>We hope to disclose time-bound climate targets in the near future.</p> <p>Refer to pages 45 and 46 of the 2022 Annual Report for details.</p>		

## Protecting Our Environment - Climate Change *(continued)*

Indicator	Type	Description
ECC43	Qualitative	<p>Recognition of climate change:</p> <ul style="list-style-type: none"><li>a) As a relevant risk and / or opportunity to the business</li><li>b) Discloses time horizon (short / medium / long term) of risk / opportunity</li></ul> <p><i>Refer to <a href="#">scope of emissions</a> for further details on Scopes 1, 2 and 3.</i></p>
<p>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. We have embarked on value creation activities for FY2022, i.e., reducing electricity consumption, reducing GHG emission, improving waste management and promoting a “green culture” in our offices.</p> <p>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 prioritise 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 Task Force on Climate-Related Financial Disclosures (“TCFD”) disclosures, metrics and targets, and Science Based Targets initiative (“SBTi”) commitments.</p> <p>Refer to pages 45 and 46 of the 2022 Annual Report for details.</p>		

## 2A. Empowering Our People & SMEs - Human Rights and Community

Indicator	Type	Description
SHR03	Qualitative	<p>Statement of principles or process by which community investments are made:</p> <ul style="list-style-type: none"> <li>a) Covering defined focus areas</li> <li>b) Community investment focus area(s) linked to the company's business strategy</li> </ul>
<p>Two focus areas are:</p> <ul style="list-style-type: none"> <li>Financial literacy – 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. Refer to pages 47 and 48 of the 2022 Annual Report for details.</li> <li>Customer welfare and responsibility - Continuous development of local small and medium enterprises. Refer to pages 49 and 50 of the 2022 Annual Report for details.</li> </ul>		

Indicator	Type	Description
SHR04	Qualitative	<p>Policy addresses children's rights, other than child labour through:</p> <ul style="list-style-type: none"> <li>a) Evidence of support for children's rights in company operations or through programmes</li> <li>b) Policy or commitment statement on children's rights, such as commitment to the Children's Rights and Business Principles</li> </ul>
Refer to SHR21 for response.		

## 2A. Empowering Our People & SMEs - Human Rights and Community *(continued)*

Indicator	Type	Description		
SHR05	Quantitative	Commitment to local employment and / or sourcing: a) Comment on local employment / sourcing b) Clear commitment		
Diversity and Inclusion is identified as a material ESG matter to us. At CTOS, we prioritise the sourcing of local talents, taking into consideration the required skillsets and availability of such skillsets in the talent marketplace.				
The breakdown is as follows:				
Category	FY2022		As of 31 July 2023	
	Total	Percentage	Total	Percentage
Malaysian	560	97%	556	97%
Non-Malaysian	17	3%	16	3%

Indicator	Type	Description
SHR06	Qualitative	Addresses freedom of expression through: a) Having a statement / policy b) Being a member of a relevant industry initiative such as the Global Network Initiative
CTOS ensures compliance with applicable laws in relation to freedom of expression. In support of this principle, mechanisms in place include CTOS' Whistleblowing Policy as well as the Code of Business Conduct and Ethics (which is expected to be formalised by end of 2023).		

## 2A. Empowering Our People & SMEs - Human Rights and Community (continued)

Indicator	Type	Description
SHR16	Qualitative	<p>Mechanisms to facilitate employee engagement and involvement with charitable partners:</p> <ul style="list-style-type: none"> <li>a) Evidence of recognising volunteering</li> <li>b) Specific foundations, targets, structures set up</li> </ul>
<p>Between January 2022 and July 2023, the Company was involved in the following CSR events:</p> <ul style="list-style-type: none"> <li>In December 2022, some 100 families at <i>Kampung Orang Asli Sungai Rasau Hilir, Puchong</i> received food provisions amounting to RM30,000 from the Company. This initiative was held in collaboration with The Human and Nature Development Society, with over 50 volunteers from the Company distributing food aid and engaging in fun activities with kids at Kampung Sungai Rasau Hilir. The Company also gave away pre-packed lunches and a scrumptious buffet to some 500 people in the indigenous community as a part of the program of the day.</li> <li>In January 2023, the Company arranged a Chinese New Year visit to <i>Pertubuhan Kebajikan Orang Tua Cacat dan Kurang Upaya, Taman Connaught</i> to spread festive cheer to the local residents. The Company presented the charitable organisation with a cash donation of RM20,000 as well as essential goods amounting to RM5,000.</li> </ul> <p>At the Company-level, we are cognisant of the need to engage with charitable partners and as part of our 3-year roadmap.</p>		

Indicator	Type	Description
SHR17	Quantitative	Total amount of corporate or group donations / community investments made to registered not-for-profit organisations.
Refer to SHR16 for response.		

## 2A. Empowering Our People & SMEs - Human Rights and Community *(continued)*

Indicator	Type	Description
SHR21	Qualitative	<p>Public commitment to respect and support the protection of internationally proclaimed human rights:</p> <ul style="list-style-type: none"><li>a) The company's commitment includes reference to international human rights instruments, including those contained within the International Bill of Human Rights</li><li>b) The company has made a specific commitment to apply either the United Nations' Guiding Principles on Business and Human Rights or the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises</li></ul>
By end of 2023, CTOS will revise its Code of Business Conduct and Ethics, to underline its commitment on upholding human rights, prevention of modern slavery and respect for individual.		



## 2B. Empowering Our People & SMEs - Labour Standards

Indicator	Type	Description
SLS03	Qualitative	<p>In relation to non-discrimination, company:</p> <ul style="list-style-type: none"> <li>a) Addresses non-discrimination / equal opportunity in general disclosures</li> <li>b) Publishes a separate Policy / Principles / Code covering at least five of: <ul style="list-style-type: none"> <li>i. Race</li> <li>ii. Religion</li> <li>iii. Gender</li> <li>iv. Age</li> <li>v. Sexual orientation</li> <li>vi. Disabilities</li> <li>vii. Nationality</li> </ul> </li> </ul>
<p>CTOS is an equal opportunity employer and does not discriminate against race, ethnicity, religion, nationality, gender or disability. Human Resources continuously review its practices to improve workforce diversity, equal opportunities, or reduce discrimination which covers all these aforementioned aspects. Refer to page 52 of the 2022 Annual Report for details.</p>		

Indicator	Type	Description
SLS05	Qualitative	<p>Policy or statement supporting the right to freedom of association that:</p> <ul style="list-style-type: none"> <li>a) Refers only to compliance with local law on freedom of association</li> <li>b) Covers the respect for or support of the right to freedom of association</li> </ul>
<p>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. Refer to the <i>Corporate Governance</i> section of the corporate website for details.</p>		

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description
SLS06	Qualitative	Policy or statement supporting the right to collective bargaining that: a) Refers only to compliance with local law on collective bargaining b) Covers the respect for or support of the right to collective bargaining
Not applicable – there is no employee union for credit reporting agencies.		

Indicator	Type	Description
SLS07	Qualitative	Policy / Principles / Code addressing the elimination of excessive working hours, which: a) Focuses on compliance with local law on working hours / overtime b) Focuses on specifically reducing excessive working hours
CTOS ensures fair labour standards within the Group. For example, CTOS has in place an overtime policy that applies for those working 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.		

Indicator	Type	Description
SLS08	Qualitative	Policy or statement supporting the right to a minimum or living wage, which: a) Focuses on compliance with minimum wage b) Commits to exceed minimum wage / meet living wage
CTOS ensures fair labour standards within the Group. For example, CTOS pays above minimum wage for all its employees (per the Minimum Wage Order 2022). Meanwhile, temporary staff who undergo internships with CTOS receive allowances that have been benchmarked against companies of similar size, background and industry.		

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description
SLS11	Qualitative	<p>Policy supporting the community addressing:</p> <ul style="list-style-type: none"> <li>a) The employment of under-privileged groups, including those from deprived backgrounds, having poor social status and with no formal education or qualifications</li> <li>b) Youth unemployment initiatives, apprenticeships or graduate placements</li> </ul> <p>We are an equal opportunity employer, with a strict policy against any forms of discrimination. CTOS and all of our subsidiaries do not discriminate against race, ethnicity, religion, nationality, gender or disability. This non-discriminatory approach is also reflected in our hiring policy, where under-privileged groups and those from deprived backgrounds are not discriminated against. All available positions are posted in broad reaching media / channels, with the English language used as the main language of communication for job postings.</p> <p>SPM holders (high-school graduates with experience) are considered for selective positions. Currently, we provide internships and fresh graduate programs which are open to all education institutions.</p>

Indicator	Type	Description
SLS12	Qualitative	<p>Company policy on labour standards is:</p> <ul style="list-style-type: none"> <li>a) Communicated globally to employees</li> <li>b) Translated into relevant languages</li> </ul> <p>As part of our belief in protecting the wellbeing of our employees, employees are briefed during the onboarding process on the Group's Code of Business Conduct and Ethics and relevant Group policies. These policies are available in English.</p> <p>Employees have also been advised to reach out to Human Resources if assistance or clarification is required. Additionally, CTOS will revise its Code of Business Conduct and Ethics by end of 2023.</p>

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description
SLS16	Qualitative	<p>Companies have taken action to improve workforce diversity, equal opportunities, or reduce discrimination, including those based on:</p> <ul style="list-style-type: none"> <li>a) Race</li> <li>b) Religion</li> <li>c) Gender</li> <li>d) Age</li> <li>e) Sexual orientation</li> <li>f) Disabilities</li> <li>g) Nationality</li> </ul>
<p>We are an equal opportunity employer, with a strict policy against any forms of discrimination based on race, ethnicity, religion, nationality, gender, age 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. Additionally, we take workplace bullying very seriously, where our employees have access to a confidential reporting channel and a whistleblowing point of contact for harassment and hostility at the workplace.</p> <p>Human Resources continuously review its practices to improve workforce diversity, equal opportunities, or reduce discrimination.</p> <p>Refer to page 52 of the 2022 Annual Report for details.</p>		

Indicator	Type	Description
SLS21	Qualitative	<p>In relation to instances of labour standards non-compliance, the company:</p> <ul style="list-style-type: none"> <li>a) Discloses the number of incidents but not how they dealt with them, or that no instances occurred</li> <li>b) Has disclosed specific action taken regarding non-compliance specifying the types of incidents, or that no instances occurred</li> </ul>
<p>In relation to instances of labor standards non-compliance, we have recorded zero incident in 2022. Refer to page 52 of the 2022 Annual Report for details.</p>		

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description
SLS24	Quantitative	Full time staff voluntary turnover rates
CTOS tracks voluntary turnover rates as one of the ways in measuring the overall health and stability of the company. In FY2022, the average attrition rate is 3.2%, an improvement of 0.1% from FY2021. Refer to page 52 of the 2022 Annual Report for details.		

Indicator	Type	Description		
SLS25	Quantitative	Percentage of employees that are contractors or temporary staff		
The following table summarises the breakdown, for FY22:				
Category	FY2022		As of 31 July 2023	
	Total	Percentage	Total	Percentage
Contract	69	12%	37	6%
Permanent	508	88%	535	94%
Refer to page 52 of the 2022 Annual Report for FY2022 details.				

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description			
SLS26	Quantitative	Amount of time spent on employee development training to enhance knowledge or individual skills: a) Total hours as a company, or b) Average hours per employee			
The breakdown is as follows:					
Total employees trained		Total training hours	Average training hours / employee		
FY2022	As of 31 July 2023	FY2022	As of 31 July 2023	FY2022	As of 31 July 2023
577	445	16,733	9,532	29	21
Refer to page 52 of the 2022 Annual Report for FY2022 details.					

Indicator	Type	Description
SLS29	Qualitative	Employee personal development training to enhance abilities to individual skills, including: a) Policy or commitment statement to provide employee personal development training b) Detailed description of the personal development training that is provided
<p>We have a comprehensive learning and 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 to build cybersecurity awareness, and also on-the-job competency training to cater to our employees' further development.</p> <p>The Company also provides training and mentoring programs to help our employees develop the skills and competencies needed for their desired career paths. In addition, the average training hours per employee in FY2022 increased threefold, from FY2021. Refer to pages 51 to 52 of the 2022 Annual Report for details.</p>		

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description
SLS30	Qualitative	<p>The company addresses bullying and / or harassment:</p> <ul style="list-style-type: none"> <li>a) Providing a confidential reporting channel or whistleblowing system</li> <li>b) Manager training on handling of reports or instances of bullying or harassment</li> </ul> <p>The Code of Business Conduct and Ethics emphasises CTOS' zero-tolerance over harassment, threat and violence. Additionally:</p> <ul style="list-style-type: none"> <li>• The whistleblowing email address is available in the Whistleblowing Policy and on the corporate website.</li> <li>• The internal audit function is responsible in managing any whistleblowing report received.</li> </ul> <p>Additionally, awareness program to improve managers' abilities on handling of reports and instances of bullying and harassment will be established by end of 2023.</p>

Indicator	Type	Description
SLS32	Quantitative	<p>Percentage of global staff with a disability</p> <p>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 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. Nevertheless, we did not have any employee with disabilities in between January 2022 and July 2023.</p>

## 2B. Empowering Our People & SMEs - Labour Standards *(continued)*

Indicator	Type	Description		
SLS33	Quantitative	Percentage of women in the global workforce		
The breakdown is as follows:				
Category	FY2022		As of 31 July 2023	
	Total	Percentage	Total	Percentage
Male	238	41%	298	52%
Female	339	59%	274	48%
Refer to page 52 of the 2022 Annual Report for FY2022 details.				



### 3A. Effectively Managing Compliance & Risks - Anti-Corruption

Indicator	Type	Description
GAC01	Qualitative	<p>Bribery – Policy or commitment statement:</p> <ul style="list-style-type: none"> <li>a) Addresses countering bribery</li> <li>b) Specifies countering at least 2 different forms of bribery related activities</li> </ul>
<p>The Company has adopted a zero-tolerance approach against all forms of bribery and corruption. Employees who refuse to pay bribes or participate in acts of corruption will not be penalised even if such refusal may result in losing business. The forms of bribery are defined in the Anti-Bribery and Corruption Policy, which is available on the <i>Corporate Governance</i> section of the corporate website for reference.</p>		

Indicator	Type	Description
GAC02	Qualitative	<p>Anti-corruption - Policy or commitment statement:</p> <ul style="list-style-type: none"> <li>a) Addresses anti-corruption</li> <li>b) Specifies countering relevant forms of corruption (e.g., money laundering, obstruction of justice, etc.)</li> </ul>
<p>Refer to GAC01 for response.</p>		

Indicator	Type	Description
GAC03	Qualitative	<p>Board has oversight of anti-corruption policy:</p> <ul style="list-style-type: none"> <li>a) Covers elements / types of corruption including bribery</li> <li>b) Covers anti-corruption comprehensively</li> </ul>
<p>One of the duties and responsibilities of the Audit and Risk Committee is to review the adequacy of the processes and systems in place across the Company or Group to ensure compliance with all laws, regulations and rules established by all relevant regulatory bodies, including, but not limited to the Malaysian Anti-Corruption Commission. Refer to the <i>Corporate Governance &gt; Terms of Reference</i> section of the corporate website for details.</p> <p>Additionally, bribery and corruption risks (including the management of whistleblowing channel) are monitored and reported to the Audit and Risk Committee on a quarterly basis. Refer to page 57 of the 2022 Annual Report for details.</p>		

### 3A. Effectively Managing Compliance & Risks - Anti-Corruption *(continued)*

Indicator	Type	Description
GAC04	Qualitative	Due diligence of new business partners addresses corruption by: a) Covering elements / types of corruption including bribery b) Covering anti-corruption comprehensively
We continue to integrate good ethics into our business through by focusing on key areas, such as due diligence on third parties that are linked to our business operations and activities.		

Indicator	Type	Description
GAC05	Qualitative	Confidential or anonymous whistle-blowing mechanism for staff covers: a) Elements / types of corruption including bribery b) Anti-corruption comprehensively
The whistleblowing mechanism for staff is detailed in the Whistleblowing Policy. This policy was recently revised on 26 May 2023, and CTOS will continuously review this policy and communicate any changes with relevant parties, to be in line with good practices. Refer to the <i>Corporate Governance</i> section of the corporate website for details.		

Indicator	Type	Description
GAC07	Qualitative	Communication of anti-corruption policy to all employees covers: a) Elements / types of corruption including bribery b) Anti-corruption comprehensively
Since 2022, the Company has implemented anti-bribery and corruption awareness programmes and communications to employees and other stakeholders. Periodic awareness sessions are being conducted, during new employee onboarding process (i.e., monthly basis) and the Company townhalls (i.e., semi-annually). By doing so, we create more anti-bribery and corruption awareness, including the mechanism to report bribery and corruption concerns.		

### 3A. Effectively Managing Compliance & Risks - Anti-Corruption *(continued)*

Indicator	Type	Description
GAC08	Qualitative	<p>Training for staff on the anti-corruption policy covers:</p> <ul style="list-style-type: none"> <li>a) Elements / types of corruption including bribery</li> <li>b) Anti-corruption comprehensively</li> </ul>
<p>Since 2022, the Company has implemented anti-bribery and corruption awareness programmes and communications to employees and other stakeholders. Annual refresher for employees are made mandatory using our online learning platform.</p>		

Indicator	Type	Description
GAC09	Qualitative	<p>Corruption risk assessment for company operations covers:</p> <ul style="list-style-type: none"> <li>a) Elements / types of corruption including bribery</li> <li>b) Anti-corruption comprehensively</li> </ul>
<p>The Group has also hired an external counsel to conduct a gap analysis on its anti-bribery and anti-corruption practices; the results of this exercise include the development of new procedures (as well as revisions to existing ones) that are expected to promote the highest levels of integrity and ethics amongst the Group's employees. Refer to page 92 of the 2022 Annual Report for details.</p>		

Indicator	Type	Description
GAC10	Qualitative	<p>Procedures are in place to address corruption in operations that are assessed to be 'high risk' covering:</p> <ul style="list-style-type: none"> <li>a) Elements / types of corruption including bribery</li> <li>b) Anti-corruption comprehensively</li> </ul>
<p><i>Refer to GAC09 for response.</i></p>		

### 3A. Effectively Managing Compliance & Risks - Anti-Corruption *(continued)*

Indicator	Type	Description
GAC11	Qualitative	<p>Process for intermediaries (including contractors or agents):</p> <p>a) Corruption risk assessment or procedures to address corruption for intermediaries</p> <p>b) Anti-corruption policy is communicated to intermediaries</p>
<p>We have taken steps to strengthening our existing policies for third party management. This includes reassessing our process for conducting risk-based assessments on all third-party organisations, 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 are also in the midst of enhancing checks on the third-party organisation's anti-bribery programme for higher risk transactions. Refer to pages 60 and 61 of the 2022 Annual Report for details.</p> <p>Additionally, a process is in place to communicate the Anti-Bribery and Corruption Policy to intermediaries via engagement / appointment letters and contracts.</p>		

Indicator	Type	Description
GAC12	Quantitative	Disclosure of total amount of political contributions made
Not applicable – CTOS has not contributed to any donation or sponsorship related to politicians or political parties.		

Indicator	Type	Description
GAC13	Quantitative	Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy / policies
<p>At CTOS, we take compliance towards anti-corruption policies seriously. Between 1 January 2022 and 31 July 2023, there was zero non-compliance with anti-corruption policies, and as such, we recorded zero dismissals and zero staff disciplined. We also recorded zero fines, penalties and / or settlements relating to bribery and corruption.</p>		

Indicator	Type	Description
GAC14	Quantitative	Disclosure of cost of fines, penalties or settlements in relation to corruption
<p>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. Refer to page 57 of the 2022 Annual Report for details.</p>		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance

Indicator	Type	Description
GCG01	Qualitative	Separate Non-Executive Chair and CEO: a) Separate Non-Executive Chair and CEO, where Chair is not independent OR their independence is not declared b) Separate Non-Executive Chair and CEO, where Chair is independent
The Group CEO is Erick Hamburger Barraza and the Board Independent Non-Executive Chair is Dato' Noorazman Abd Aziz. Refer to the <i>Leadership</i> section of the corporate website for details.		

Indicator	Type	Description
GCG02	Qualitative	Disclosure of details about Directors: a) Expertise b) Other Directorships
Details of Board Directors, including the Alternate Director, have been disclosed in pages 21 to 27 of the 2022 Annual Report.		

Indicator	Type	Description
GCG03	Quantitative	Number of Board Directors
As of July 2023, there are 7 Board Directors (including the Alternate Director). Refer to pages 21 to 27 of the 2022 Annual Report for details.		

Indicator	Type	Description
GCG04	Quantitative	Number of independent Directors on the Board
As of July 2023, 4 out of 6 (67%) Board Directors are independent (not including the Alternate Director). Refer to pages 21 to 27 of the 2022 Annual Report for details.		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG05	Quantitative	Number of women on the Board
As of July 2023, 3 out of 6 (50%) Board Directors are female. Refer to pages 21 to 27 of the 2022 Annual Report for details.		

Indicator	Type	Description
GCG06	Qualitative	Commitment to gender diversity on the Board: a) Statement of support b) Targets in place to improve gender ratio
<p><b>As of July 2023, the gender ratio is 50:50.</b> Nomination to the Board takes into consideration that the Board has appropriate size and a balanced composition with a diverse mix of skills, knowledge, qualifications, experience, age, cultural background, and <b>gender diversity</b> in order to ensure its effectiveness in discharging its duties. The tenure of each director is reviewed by the Nomination and Remuneration Committee and annual re-election of a director is contingent upon satisfactory evaluation of the director's performance and contribution to the Board as well as the result of Fit and Proper Criteria Assessment.</p> <p>Refer to page 67 of the 2022 Annual Report for details.</p>		

Indicator	Type	Description
GCG07	Qualitative	Board addresses: a) Conflicts of interest b) Related party transactions
Matters relating to conflict of interest as well as related party transactions are within the mandate of the Audit and Risk Committee, as set out in the Terms of References. Refer to the <i>Corporate Governance &gt; Terms of Reference</i> section of the corporate website for details.		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG08	Qualitative	Periodic evaluation of Board effectiveness: a) Review with no clear timeframe b) Evaluation with a clear timeframe (e.g., annually or other set period)
All the Directors had completed the Director's Qualification Declaration as well as the Director Fit and Proper Criteria Declaration in accordance with the Directors' Qualification, Fit and Proper Policy. According to the declarations received, all the Directors met the fit and proper criteria.  Refer to page 72 of the 2022 Annual Report for details.		

Indicator	Type	Description
GCG09	Qualitative	Disclosure of: a) Board Committee(s) b) Their Charters, terms of reference or equivalent
The Corporate Governance Overview Statement for the FYE 31 December 2022 disclosed the Board Committees of the Company. Refer to pages 63 to 81 of the 2022 Annual Report for details.  Additionally, The Board Charter and the Terms of Reference for each Board Committee are available on the corporate website. Refer to the <i>Corporate Governance</i> section of the corporate website for details.		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG10	Qualitative	Disclosure of number of times the Board / each committee have / has met per annum: a) The Board b) Each committee
Throughout 2022, the Board held 13 meetings, the Nomination and Remuneration Committee held 3 meetings, and the Board Investment Committee held 4 meetings. Refer to pages 63 to 81 of the 2022 Annual Report for details. Additionally, the Audit and Risk Committee held 8 meetings. Refer to page 82 of the 2022 Annual Report for details.		

Indicator	Type	Description
GCG11	Qualitative	Disclosure of the attendance rate: a) For some individual Board / committee members, or average attendance rates b) Of all individual directors at both Board and committee level
<i>The disclosure of Board members' attendance to relevant Board / Board Committee meetings are available and disclosed accordingly. Refer to pages 63 to 82 of the 2022 Annual Report for details.</i>		

Indicator	Type	Description
GCG14	Qualitative	Disclosure of fixed and variable remuneration for: a) Senior Executives included in the company's remuneration disclosures b) Non-executive Board members
Both Board Directors' remuneration as well as the Group's Senior Management remuneration have been disclosed. Refer to pages 76 and 77 of the 2022 Annual Report for details.		



### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG19	Quantitative	Annual General Meeting (“AGM”): Number of days between the date of notice and date of meeting
The 2023 AGM was held on 26 May 2023. The notice was issued by the Company Secretary on 26 April 2023, 30 days before the date of the meeting. Refer to the <i>Investor Relations &gt; Shareholders Meeting</i> section of the corporate website for details.		

Indicator	Type	Description
GCG21	Qualitative	Shareholders have the right to vote on executive remuneration: a) Evidence of shareholders voting in the AGM b) The right to vote annually is explicitly covered in a company policy
In CTOS, shareholders have the right to vote on executive remuneration. This is covered under Clause 84 and 93(2) of the Company’s constitution, dated 26 March 2021. This constitution is available on the <i>Corporate Governance &gt; Constitution</i> section of the corporate website, for reference.  The evidence of shareholders voting in the AGM is available in the minutes of the AGM. Refer to the <i>Investor Relations &gt; Shareholders Meeting</i> section of the corporate website for details.		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG22	Qualitative	<p>Shareholders have the right to vote on Director appointments and dismissals:</p> <ul style="list-style-type: none"> <li>a) Evidence of shareholders voting in the AGM</li> <li>b) The right to vote annually for election / re-election of all directors is explicitly covered in a company policy</li> </ul> <p>In CTOS, shareholders have the right to vote on Director appointments and dismissals. The Company's constitution provides for the right to vote for appointment (Clause 91), re-appointment (Clause 76(c)), and removal (Clause 91) of a Director. This constitution is available on the <i>Corporate Governance &gt; Constitution</i> section of the corporate website, for reference.</p> <p>Similarly, the evidence of shareholders voting in the AGM is available in the minutes of the AGM. Refer to the <i>Investor Relations &gt; Shareholders Meeting</i> section of the corporate website for details.</p>

Indicator	Type	Description
GCG26	Qualitative	<p>Disclosure of voting results:</p> <ul style="list-style-type: none"> <li>a) In a limited manner</li> <li>b) In a detailed manner</li> </ul> <p>The 2023 AGM was held on 26 May 2023. The voting results are available in Appendix II of the minutes of the AGM. Refer to the <i>Investor Relations &gt; Shareholders Meeting</i> section of the corporate website for details.</p>

Indicator	Type	Description
GCG27	Qualitative	<p>Remuneration for senior executives included in the company's remuneration disclosures:</p> <ul style="list-style-type: none"> <li>a) Includes long-term incentives or mechanisms</li> <li>b) Incorporates ESG performance</li> </ul> <p>The Senior Management remuneration disclosures in the 2022 Annual Report did not include long-term incentives or mechanisms and ESG Performance as they were not applicable.</p>

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG40	Qualitative	Claw-back or malus provision exists for remuneration: a) Applies to CEO b) Applies to CEO and to one or more senior executives
CTOS currently does not apply malus provision for the remuneration of its CEO and its senior executives.		

Indicator	Type	Description
GCG42	Qualitative	Does the company provide for one share one vote for all company meeting resolutions?
Clause 63(3) of the Company's constitution provides that, subject to any rights or restrictions for the time being attached to any class or classes of shares on a vote by way of poll, every member who is present in person or by proxy or by representative of member shall have one vote for each share or stock the member holds. This constitution is available on the <i>Corporate Governance &gt; Constitution</i> section of the corporate website, for reference.		

Indicator	Type	Description
GCG44	Qualitative	Financial expertise on the audit committee: a) At least one independent financial expert on the audit committee b) A majority of independent financial experts on the audit committee
Currently, only the Audit and Risk Committee's Chairperson is a member of the Malaysian Institute of Accountants. The other two members of the Audit and Risk Committee are lawyers by profession. Refer to pages 21 to 27 of the 2022 Annual Report for details.		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG46	Qualitative	There is a fully non-executive Audit Committee or Audit Board with: <ul style="list-style-type: none"> <li>a) At least half independent members</li> <li>b) All independent members</li> </ul>
All 3 members of the Audit and Risk Committee (i.e., Nirmala Doraisamy, Lynette Yeow and Su Puay Leng) are Independent Non-Executive Directors. Refer to the Company's announcement in Bursa on 26 May 2023 (Reference number: <a href="#">C02-24052023-00012</a> ) for details.		

Indicator	Type	Description
GCG47	Qualitative	There is a fully non-executive Remuneration Committee with: <ul style="list-style-type: none"> <li>a) At least half independent members</li> <li>b) All independent members</li> </ul>
All 3 members of the Nomination and Remuneration Committee (i.e., Lynette Yeow, Nirmala Doraisamy and Loh Kok Leong) are Independent Non-Executive Directors. Refer to the Company's announcement in Bursa on 26 May 2023 (Reference number: <a href="#">C08-24052023-00021</a> ) for details.		

Indicator	Type	Description
GCG48	Qualitative	In relation to executive remuneration, the company discloses: <ul style="list-style-type: none"> <li>a) High level principles only</li> <li>b) A detailed process for setting remuneration</li> </ul>
High level principles are provided in the Directors' Remuneration Policy, which is available in the corporate website. Refer to the <i>Corporate Governance</i> section of the corporate website for details.		

### 3B. Effectively Managing Compliance & Risks - Corporate Governance *(continued)*

Indicator	Type	Description
GCG49	Qualitative	<p>Disclosure and Nature of fees paid to the auditor:</p> <p>a) Audit and non-audit fees are separately disclosed</p> <p>b) Amount of audit fees exceeds the amount of non-audit fees in the last fiscal year</p>
The audit and non-audit fees are disclosed separately on page 83 of the 2022 Annual Report. Statutory audit fees and fees for audit related services amounted to 77% of total fees paid to the auditor.		

Indicator	Type	Description
GCG50	Quantitative	Percentage of women on the Executive committee or equivalent.
<p>Specifically for Board Committees, the percentages are as follows:</p> <ul style="list-style-type: none"> <li>• 100% for Audit and Risk Committee. Refer to the Company's announcement in Bursa on 26 May 2023 (Reference number: <a href="#">C02-24052023-00012</a>) for details.</li> <li>• 67% for Nomination and Remuneration Committee. Refer to the Company's announcement in Bursa on 26 May 2023 (Reference number: <a href="#">C08-24052023-00021</a>) for details.</li> <li>• 33% for Board Investment Committee. Members of this committee are Su Puay Leng, Dato' Noorazman Abd Aziz and Loh Kok Leong. Refer to the Company's announcement in Bursa on 26 May 2023 (Reference number: <a href="#">GA1-24052023-00037</a>) for details.</li> </ul>		

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