

SUSTAINABILITY STATEMENT

AME Elite Consortium Berhad (“AME” or the “Group”) is pleased to present our inaugural Sustainability Statement for the financial year ended 31 March 2020 (“FY2020”), which outlines the framework set in place to instil sustainable principles across our operations.



SUSTAINABILITY STATEMENT (Cont'd)

The measures outlined are aimed at continuously strengthening our capabilities to provide industry-leading integrated industrial space solutions, as well as enabling sustainable growth. At the same time, we aim to uphold key tenets of conserving the environment and enhancing the lives of communities around us.

The scope of reporting involves the activities of the Group's operations and its subsidiaries, which are primarily engaged in four divisions: property development, property investment and management services, as well as construction and engineering.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) were adopted by United Nations (UN) Member States in 2015, as part of the 2030 Agenda for Sustainable Development. The SDGs, a collection of 17 global goals, is designed to be a blueprint to achieve a better and more sustainable future for all global citizens.

The Group has identified 8 out of 17 UN SDGs deemed relevant to the nature of our businesses, and are supporting the goals through:

- The application of building and engineering technologies to create modern industrial spaces that contribute towards socio-economic growth (SDG 8, 9, 11)

- Implementing green practices and elements in our operations towards supporting responsible and sustainable development (SDG 11, 12, 13)

- Promoting diversity, equality, and human rights in all levels of the organisation, fostering a safe and healthy work environment, as well as continuous education (SDG 3, 4, 5)



SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE STRUCTURE

The sustainability governance structure aims to combine sound leadership, growth strategies, as well as management controls, to implement and uphold sustainability principles across the organisation.

The Management provides strategic direction for the Group and considers its commitment towards a sustainability framework based on three pillars: economic, environmental and social (“EES”) considerations. The Management also oversees sustainability-related matters related to the Group and its performance, and with the support of key representatives from the four business divisions, implements the identified sustainability initiatives across the Group.

STAKEHOLDER ENGAGEMENT

It is imperative to engage with our stakeholders on a regular basis, to keep abreast of their latest needs, formulate sound strategies, and implement informed business decisions. We engage with different stakeholders to determine material sustainability matters:

Stakeholder	Material Issues	Engagement	Frequency
Employees	<ul style="list-style-type: none"> • Career development • Equal opportunity • Occupational health and safety 	• Training programmes	• Monthly/As needed
		• Educational programmes	• Monthly/As needed
		• Safety inspections	• Monthly
Customers	<ul style="list-style-type: none"> • Timely project delivery • Service quality 	• Satisfaction surveys	• Quarterly/As needed
Vendors/Suppliers	<ul style="list-style-type: none"> • Competitive pricing • Reliability • Ethics 	• Supplier assessment	• Annual/As needed
Regulators/ Certification Bodies	<ul style="list-style-type: none"> • Corporate governance • Regulatory compliance • Certifications 	<ul style="list-style-type: none"> • Audits • Presentations • Site visits 	• Quarterly/As needed
Local Communities	<ul style="list-style-type: none"> • Social development • Employment opportunities 	<ul style="list-style-type: none"> • Community charity events • Internships 	• As needed
Shareholders	<ul style="list-style-type: none"> • Corporate developments • Financial performance • Growth plans 	• Annual Report	• Annual
		• Annual General Meeting	• Annual
		• Fund/analyst briefing	• Quarterly/As needed
		• Investor relations website	• As needed
Media	<ul style="list-style-type: none"> • Brand image • Reputation • Corporate news 	<ul style="list-style-type: none"> • Interviews • Press Releases 	• Quarterly/As needed

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY ASSESSMENT

The Management has identified 10 key material matters pertinent to the Group that can be categorised under the EES pillars, and aligned them to the UN SDGs. We strive to pursue performance improvements in the identified areas, in addition to assessing potential risks arising from these issues and their respective mitigation measures.

MATERIAL MATTERS

No.	Material Sustainability Matters	Relevant Stakeholders	Relevant SDGs
ECONOMIC			
1	Economic Performance	Employees, Shareholders	
2	Quality Projects and Services	Customers	 
3	Procurement and Supply Chain	Vendors, Suppliers	 
ENVIRONMENTAL			
4	Environmental Compliance and Management	Regulators, Community	  
5	Energy Consumption	Regulators, Community	
6	Waste Management	Regulators, Community	
SOCIAL			
7	Diversity and Equal Opportunity	Employees	
8	Occupational Health and Safety	Employees, Customers	
9	Employee Development	Employees	
10	Community Development	Community	

SUSTAINABILITY STATEMENT (Cont'd)



Aerial view of i-Park@Indahpura

ECONOMIC

Economic Performance

We recognise our responsibilities to our stakeholders to drive sustainable and long-term growth in our business and financial performance, at the same time creating more employment and economic opportunities for the local communities.

In FY2020, the Group recorded higher revenue of RM380.3 million compared to RM339.0 million in FY2019, while net profit attributable to owners of the company rose to RM64.1 million from RM47.3 million in FY2019. In adherence to our dividend policy, we have also declared an interim dividend amounting to RM12.8 million for FY2020, which will be payable to our shareholders in August 2020.

WE WILL CONTINUE TO PURSUE SUSTAINABLE GROWTH BY EXECUTING OUR LONG-TERM GROWTH STRATEGIES THAT TAKES INTO CONSIDERATION THE VARIOUS GOALS OF OUR STAKEHOLDERS.



Cycling lane at i-Park@Senai Airport City

SUSTAINABILITY STATEMENT (Cont'd)

Quality Products and Services

Ensuring customer satisfaction through providing quality products and services is key to our business success. We continuously seek ways to keep abreast of latest industry trends in the areas of industrial park development and management, in addition to adopting construction and engineering best practices. To this end, we adopt building technologies that allow us to enhance our capabilities, quality, work practices, and market competitiveness.

Our in-house industrialised building systems ("IBS"), comprising steel fabrication and pre-cast concrete facilities, enable us to deliver quality building structures of small to large sizes with quicker completion of projects, according to the stringent requirements of our clients. This is made possible by using highly mechanised technology in a controlled environment, thereby supporting our capabilities to achieve greater design flexibility, efficiency, and quality control.

Additionally, supported by a dedicated and specialised design team, we employ value engineering in the design process for our projects, in addition to complying with the Quality Assessment System in Construction (QLASSIC) certification and assessment criteria. These capabilities not only allow us to deliver high quality and efficient services and projects, but also enhance our competitiveness and capabilities to participate in higher-value and technically-complex projects.

WE ALSO PERIODICALLY AND PROACTIVELY CONDUCT INTERNAL AUDITS ON OUR CONSTRUCTION AND DEVELOPMENT ACTIVITIES TO IDENTIFY POTENTIAL RISK AREAS AND OPPORTUNITIES FOR IMPROVEMENTS.



i-Park@Indahpura Grand Entrance

Procurement and Supply Chain

We strive to ensure robust procurement capabilities and a reliable supply chain. We work closely with our suppliers, contractors, and other service providers, to ensure conformance to internal procedures, as well as adherence to high standards in the areas of sourcing quality, fair and competitive pricing, and reliability of supply.

We also have in place a strict anti-bribery and anti-corruption policy to ensure fair practice and adherence to applicable laws, rules and regulations. Additionally, as we aim to contribute to the development of the local economy where possible, we procure most of our materials and equipment from local suppliers, constituting 99.5% of related purchases in FY2020.

ENVIRONMENTAL

Environmental Compliance and Management

The planning, development, and management of our i-Park industrial parks are aligned to sustainability principles to promote a green, healthy, and comfortable environment for our clients.

We strive to uphold Green Building Index (GBI) standards spanning all aspects of the development, where we integrate sustainable site planning and management, efficient use of natural resources, environmental quality, and compliant materials and sourcing. Our i-Park projects also retain a high percentage of green areas to promote a nature-oriented working and living environment for our clients, with approximately 15% to 20% of our industrial parks designated as green areas.

Furthermore, we maintain an Environment Management Plan Report to monitor waste and effluent management of our industrial parks and to take remedial action where appropriate. We also keep track of air quality and effluents at our industrial parks in accordance with regulatory standards, and report any discrepancies to the Ministry of Environment in a timely manner.

Energy and Water Consumption

We recognise the importance of energy and water efficiency in our day-to-day operations to achieve more sustainable utilisation of resources.

The industrial buildings at our i-Parks, which are designed to GBI requirements, promote greater use of natural lighting and ventilation, rainwater harvesting, reusing of water from detention ponds for the upkeep of landscaping, amongst various other practices that help to conserve natural resources.

The used water from the testing and commissioning of pump flow systems is recycled for reuse, thereby eliminating the discharge of used water into the environment.

SUSTAINABILITY STATEMENT (Cont'd)



Rainwater Harvesting Tank at i-Park's Factories

Additionally, the use of IBS in our construction and engineering operations, help to reduce energy and water usage in the construction process due to the high mechanisation.

Other ongoing initiatives include the use of solar powered spotlights to reduce energy usage at our construction sites, in addition to the implementation of energy-saving practices at our offices. We would continue to seek ways to enhance energy efficiency across our business operations.

In FY2020, we entered into a joint venture to provide solar energy solutions as part of our engineering services offerings, which would aid our efforts in improving the energy efficiency of our industrial parks and clients.

Materials and Waste Management

We apply sustainable practices in the selection and usage of materials for our projects, including favouring the adoption of eco-friendly materials and emphasising sourcing materials from domestic and regional suppliers. Additionally, the use of IBS in our construction process helps reduce materials wastage, an advantage of its controlled environment.



Use of precast building component reduces resource usage

We also employ comprehensive waste management efforts to reduce our footprint and impact on the environment. We strive to reduce and recycle construction waste at our operations, and engage qualified waste disposal companies to dispose our waste responsibly and through regulated channels.

SOCIAL

Diversity and Equal Opportunity

We strive to uphold the diversity of our workforce, and provide an inclusive and equal opportunities space for all employees regardless of age, gender, race, religion, and values.

As at FY2020, we have a total of 372 local employees, of which 68% are male and 32% are female.

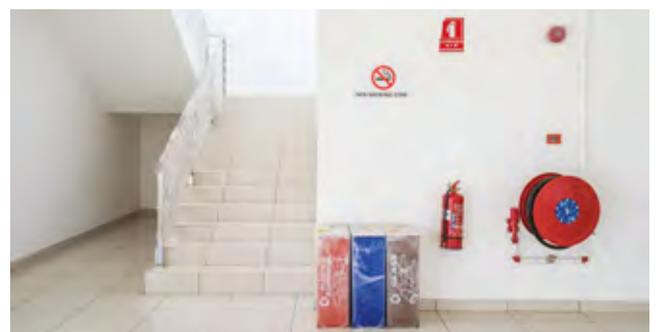
In terms of breakdown by role, the number of senior management constituted 3% of our workforce, managerial roles made up 12%, executives at 30%, while non-executives amounted to 55%.

Occupational Health and Safety

The health and safety of our employees are of utmost importance. We provide continuing education and training to our construction and engineering personnel to maintain high levels of safety at the work sites. On average, each of our construction and engineering personnel participates in four hours of monthly training in health and safety-related workshops and/or training programmes in FY2020. Additionally, our construction and engineering divisions are certified to OHSAS 18001 Occupational Health and Safety Management System, and adopt stringent internal Key Performance Indicators to ensure zero injuries in the workplace.

All employees are also granted adequate insurance for personal accidents, in addition to medical insurance in the event of hospitalisation and surgical requirements. With continuous emphasis on stringent safety practices, we recorded zero Lost Time Injury and 808,382 safe manhours in FY2020, while there were 15 near-miss incidents which were subsequently assessed and remedied.

Additionally, in light of the COVID-19 pandemic, the Group has implemented disease prevention protocols such as social distancing and changes to work arrangements to safeguard the health and safety of all employees. We have also ensured that all foreign workers employed at our construction and engineering segments have undergone COVID-19 testing. These changes were complemented with COVID-19 educational programmes and distribution of face masks and sanitisers.



Encourage Recycle, Reuse, Reduce

SUSTAINABILITY STATEMENT (Cont'd)

Employee Development

The Group views employee engagement and satisfaction as highly important factors to the Group's long-term success, and engages in a culture of equal opportunity, gender equality, and non-discrimination.

We emphasise on promoting an environment where our employees are not only valued and fairly rewarded, but are also granted ample opportunities to excel in their careers. We thus offer regular training and education for our employees to grow their skill sets and consequently enhance their contribution to the Group.



Recreational Park encourage work life balance

Selected education and training programmes in FY2020

Programme	Provider	Department
Occupational Health & Safety Management System (OHSMS) Internal Awareness	In-house training by Group Quality System Manager	Finance, Contract, Project, Quality Assurance & Quality Control (QAQC) and Health, Safety & Environment (HSE)
ISO 45001: 2018 Awareness Training Occupational Health & Safety Management System	Tri-Eqsh Management Consultants (M) Sdn. Bhd.	All Departments
Quality Management System (QMS) Awareness Training	In-house training by Group Quality System Manager	Finance, Contract, HSE, Production, Project, Purchasing, QAQC, Sales and Marketing.
Majlis Anugerah Keselamatan & Kesihatan Pekerjaan Negara 2019	Department of Occupational Safety and Health Malaysia (DOSH)	HSE and Project
Kursus Scaffolding Inspection	Akademi Binaan Malaysia (ABM)	HSE
Employment Act	MICLOH Consulting Group Sdn Bhd	Human Resource and Administration
Revit MEP Essential & Revit Architecture Essential Training	Reliant Design Solutions Sdn. Bhd.	Contract
Green Development and Innovation	Malaysia Green Building Council (MalaysiaGBC)	Business Development
Effective Sales Negotiation & Overcome Resistance	FMM Institute (Centre for Professional Development)	Sales and Marketing
Industry Engagement Building Information Modelling (BIM) Programme	Construction Industry Development Board (CIDB)	Project
2020 Budget and Tax Conference	Ernst & Young Tax Consultants Sdn. Bhd.	Finance
Seminar Jelajah BIM, Mycrest, Qlassic dan Infrastar 2019	CIDB	QAQC

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Community Development

As a responsible corporate citizen, we strive to bring value to and enhance the lives of the local communities around us. Annually, we engage in various Corporate Social Responsibility (CSR) programmes, which may encompass the areas of public welfare, public services and security, environment conservation, as well as education and development.

EVERY YEAR, WE ALSO OFFER INTERNSHIPS TO UNIVERSITY STUDENTS ENROLLED IN ENGINEERING AND CONSTRUCTION PROGRAMMES, IN ORDER TO PROVIDE THEM WITH INDUSTRY EXPOSURE AND ENHANCE THEIR SKILL SETS. IN FY2020, THERE WERE 44 INTERNSHIP ROLES GRANTED TO STUDENTS AND RECENT GRADUATES WITH AN AIM TO PROVIDE INDUSTRY EXPERIENCE AND TO SUPPORT THEIR PROFESSIONAL DEVELOPMENT.



Sponsorship for Iskandar Malaysia Social Hero Awards 2019



Sponsorship for Johor Amateur Golf 2019



Cash donation to Foon Yew High School (Seri Alam) school foundation

Selected CSR activities in FY2020

Activity	Month/Year
Sponsorship for Iskandar Malaysia Social Hero Awards 2019	April 2019
Sponsorship for Johor Amateur Golf 2019	July 2019
Sponsorship for poor families in Senai	October 2019
Kiwanis Down Syndrome Foundation (Klang)	October 2019
Cash donation to Foon Yew High School (Seri Alam) school foundation	February 2020

CONCLUSION

The Group's sustainability-led approach to drive business growth is aimed at incorporating sound and responsible practices that would bring greater value to all our stakeholders in the long term.

We would strive to continuously enhance our sustainability initiatives towards achieving greater business sustainability and financial performance, in addition to bringing positive transformation to industries and the communities around us.