



# SUSTAINABILITY report



In line with the amendments to the Main Market Listing Requirements on sustainability reporting, issued by Bursa Malaysia Securities Berhad in October 2015, DRB-HICOM Berhad is proud to present our inaugural Sustainability Report.

## Reporting Period

1 January 2016 – 31 December 2016, unless specified.


## Coverage

The scope of reporting encompasses business sectors from Automotive, Services & Education, Property, Asset & Construction and Group Corporate Support Services. Group Corporate Support Services refers to the Group corporate divisions such as Group Financial Services, Group Strategic Communications, Group Internal Audit and more.

## References and Guidelines

- Global Reporting Initiative ("GRI") G4 Sustainability Reporting Guidelines
- Bursa Malaysia's Sustainability Reporting Guide

A full disclosure of the GRI Content Index is available for reference under the sustainability section of our corporate website at [www.drb-hicom.com](http://www.drb-hicom.com).



## 1. Message from Group Managing Director on DRB-HICOM's Sustainability Performance and Endeavours

As a business, our aim is to contribute positive returns for the benefit of our shareholders and stakeholders. However, as we seek to generate profits, we acknowledge the need to adopt sustainable initiatives in terms of protecting and preserving the environment ensuring positive social impacts; whilst ensuring Malaysia grows as a country as a result of our activities.

DRB-HICOM, in carrying out its business practices, must ensure that it adopts sustainability-centric activities to complement its endeavours towards protecting and conserving the resources that it utilises in its business operations.

Our commitment is that we will abide by globally-accepted sustainable practices in the course of doing business. It is through these practices that we will be able to build confidence amongst our stakeholders, which include our employees, our stakeholders and our customers.

This is not going to be achieved overnight but the fact is, we are taking steps to ensure that we employ sustainable practices across the Group. Eventually, we aim for DRB-HICOM to be recognised as an environmentally-friendly and sustainable brand.

Across our Group, there are already initiatives employed to improve sustainability. We are proud of these initiatives especially when innovation and technology forms the basis of the efforts. Throughout the Sustainability Report, we would present the various sustainability initiatives embarked on by the Group throughout the reporting period which have positively impacted various stakeholders.

We are a large and diversified group, and that alone presents some challenges. One of it is ensuring that the sustainability value is cascaded down across the Group, and the other is collecting data and information across the various facets of our businesses.

This report is a culmination of the effort to streamline the initiatives of the Group towards sustainability. It requires a Group-wide effort to look at the way we conduct our business, measure these efforts, determine the gaps and more importantly, identify and adopt measures to close these gaps.

Over time, we will enhance our sustainability indicators through the adoption of various initiatives. The conversion of waste to energy is one area where we hope we can excel in. Alam Flora is after all in the business of waste collection, and we have a duty to find ways on how we can convert the tonnes of waste that is produced by Malaysians daily into energy, or even into renewable alternatives through recycling.

## 2. Sustainability Strategy

DRB-HICOM is dedicated to protecting the environment, reducing the rate of accidents, promoting healthy living and developing human resource capability across the Group. The Group is establishing its sustainability strategies to create regional trust and credibility.

Our Group-wide strategy plan between 2017 and 2021 includes a total of three key targets. The priorities and principles shown below will govern the entire business practices and operations of the Group within its key four sectors: (1) Automotive, (2) Services & Education, (3) Property, Assets & Construction, and (4) Group Corporate Support Services. These strategic targets are;

- Environment – Reduction of energy consumption and waste generation by 8%;
- Safety and Health - Reduction of total number of incidents by 8%; and
- Capacity Building - Hiring competent safety and environmental personnel and provide training for such personnel.

We believe commitment and meeting these targets is essential for DRB-HICOM to achieve higher standards of sustainability.

Our Group Safety, Health and Environment ("SHE") Division has developed a database system called Integrated Reporting Occupational Safety, Health & Environment, or commonly known as IROSHE. It allows data collection and dissemination of information to the related SHE persons-in-charge and Head of Companies throughout the Group. Further to that, all information is reported to the Senior Management of DRB-HICOM on a quarterly basis.

### 3. Corporate Governance on Sustainability

DRB-HICOM's sustainability committee intends to set a strong foundation for the rigorous and innovative integration of sustainability principles across the Group.

The Board Risk and Sustainability Committee ("BRSC") oversees the risk management and sustainability functions to ensure efforts are aligned to the Group's long term business and environment strategy. Sustainability Steering Committee ("SSC") recommends the direction that aligns the sustainability targets to the overall goals of DRB-HICOM and prioritises key sustainability matters. Further, the Sustainability Working Committee (SWC) functions as a gatekeeper on all sustainability related information and performs assessments on sustainability related programmes.

Throughout this process, BRSC seeks to inform and inspire the DRB-HICOM community regarding sustainable development as a business tool as well as a powerful opportunity to positively impact the Group.

Shown below is the Group's Sustainability Reporting Organisational Chart.



**Chart 1 : Sustainability Reporting Organisational Chart**

## 4. Stakeholder Engagement

DRB-HICOM's success is a direct result of strategic planning and maintaining a long-term *bona fide* relationship with its stakeholders. DRB-HICOM evaluates its key business sectors and its supply chain, to understand how they affect the Group's stakeholders and the industry as a whole.

As one of Malaysia's leading conglomerates, DRB-HICOM believes in keeping a long-term committed engagement and transparent communication with its stakeholders. This focus on stakeholder engagement creates a synergistic opportunity for the Group to enter into global marketplace and expand beyond the nation's borders. **Table 1** displays the Group's stakeholders with their key sustainability-related topics and forms of engagement occurring throughout the year.










**Table 1: Stakeholder Groups, Key Topics and Forms of Engagement**

Stakeholder	Key Topics	Forms of Engagement
<b>Employees</b>	<ul style="list-style-type: none"> <li>- Compensation benchmark</li> <li>- Career development</li> <li>- Employee welfare, safety, health and environment</li> </ul>	<ul style="list-style-type: none"> <li>- DRB-HICOM Talent Development Programme</li> <li>- Excellence Award and Scholarship Programmes</li> <li>- Code of Ethics and Business Practice ("COEBP")</li> <li>- Whistle Blower Policy</li> <li>- Dialogue with national and in-house unions</li> <li>- DRB-HICOM Safety, Health and Environment Council</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>- Pricing</li> <li>- Product quality</li> <li>- Support services</li> <li>- Inventory and supply commitment</li> </ul>	<ul style="list-style-type: none"> <li>- Website / social media</li> <li>- Marketing promotions and activation</li> <li>- Media conferences</li> <li>- Customer call centres</li> <li>- Consumer surveys</li> </ul>
<b>Investors / Strategic &amp; Joint-Venture Partners</b>	<ul style="list-style-type: none"> <li>- Group financial performance</li> <li>- Business strategy</li> <li>- Governance</li> </ul>	<ul style="list-style-type: none"> <li>- In-house, one-to-one and small group meetings with stakeholders</li> <li>- Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) of shareholders</li> <li>- Media briefings</li> <li>- Dialogue between the Group and Investors</li> <li>- Roadshows and teleconferences</li> </ul>
<b>Suppliers &amp; Contractors</b>	<ul style="list-style-type: none"> <li>- Service / product quality</li> <li>- Cost reduction / savings</li> <li>- Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>- Business negotiation on day-to-day basis</li> <li>- DRB-HICOM Group Procurement Policy ("GPP")</li> <li>- Vendor Development Program</li> </ul>
<b>Regulatory Agencies and Statutory Bodies</b>	<ul style="list-style-type: none"> <li>- Compliance with the relevant legislations and regulatory bodies</li> </ul>	<ul style="list-style-type: none"> <li>- Attending workshops and seminars organised by regulatory agencies to stay abreast of any regulatory requirements.</li> <li>- Pro-active engagement / consultation with the relevant regulatory bodies on corporate compliance matters</li> </ul>
<b>Local Communities / NGO</b>	<ul style="list-style-type: none"> <li>- Environment, communities and society issues where DRB-HICOM Group of Companies operate</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in and sponsorship of community service events / NGO events</li> <li>- Social and environmental contribution programme</li> <li>- Safety, health and environment campaigns</li> </ul>

## 5. Materiality Assessment

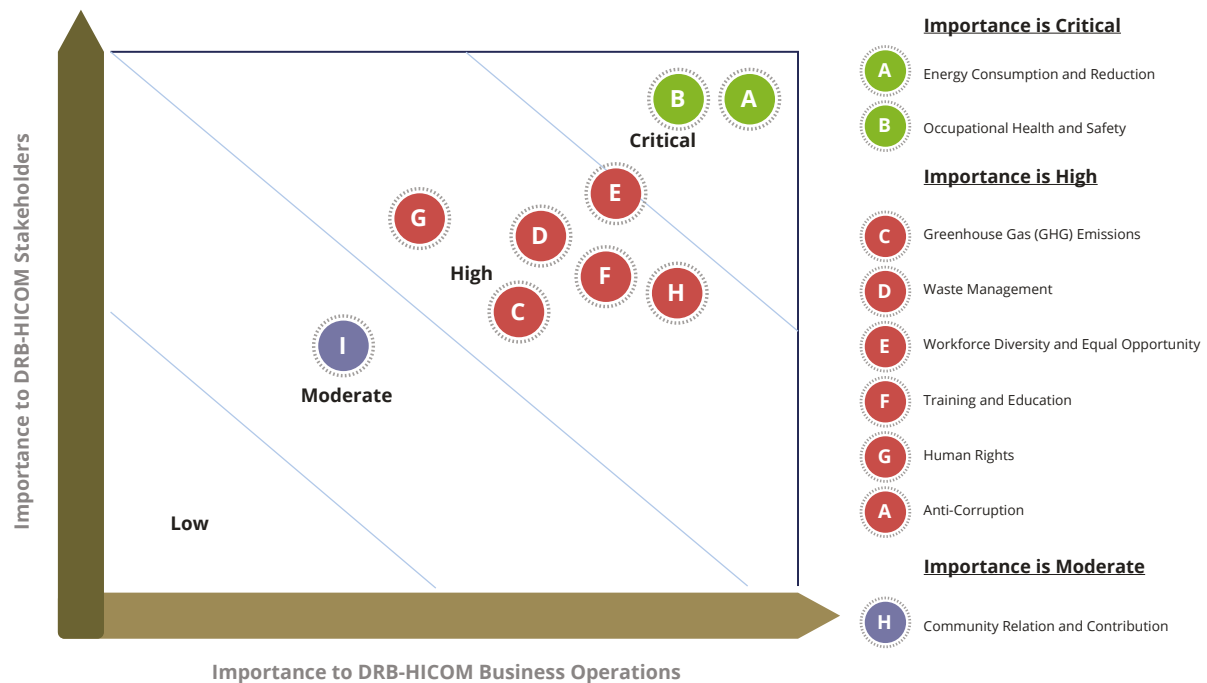
Materiality in the context of sustainability involves taking account of DRB-HICOM's Economic, Environmental and Social ("EES") impact assessments and the corresponding decisions of its stakeholders. The Group's sustainability strategy focuses primarily on the critical materiality issues of its business operations.

DRB-HICOM uses the Global Reporting Initiative ("GRI") G4 indicators, as listed below, to highlight the materiality issues that have a significant impact on its business and stakeholders.

-  Energy Consumption and Reduction (EN3 & EN6);
-  Greenhouse Gas (GHG) Emissions (EN15 & EN19);
-  Waste Management (EN23 & EN31);
-  Workforce Diversity and Equal Opportunity (LA1, LA12, LA13 & EC5);
-  Occupational Health and Safety (LA5 & LA6);
-  Training and Education (LA9 & LA10);
-  Human Rights (HR2, HR5, HR6);
-  Community Relation and Contribution (SO1); and
-  Anti-Corruption (SO4).

The materiality assessment process enables DRB-HICOM to chart out its sustainability matters thereby presenting a possibility for better business strategic performance in the short, medium and long term. The issues were prioritised based on a qualitative review of their significance to DRB-HICOM, and their importance to the stakeholders.

The materiality matrix below is a visual representation of the indicators in order of priority. This is a result of an extensive review and engagement from key internal stakeholders, including Senior Management conducted by an independent sustainability consultant.



## 6. Safety, Health and Environment (“SHE”) at the Workplace

### 6.1. SHE Policy and Organisation Chart

Safety, health and environment are DRB-HICOM’s core values. The Group makes it a priority to meet both internal and external compliance requirements and the expectations of the regulators, especially in matters relating to safety, health and environment. Effort is taken on the part of the organisation to uphold its safety, health and environment commitments and practices and to ensure no compromise is made in executing the same. To date, there are more than 150 SHE practitioners in the Group. The Safety, Health and Environment (“SHE”) Council is headed by the Group Managing Director with active participation from Senior Management of the Group. The Group SHE acts as secretariat to the council.

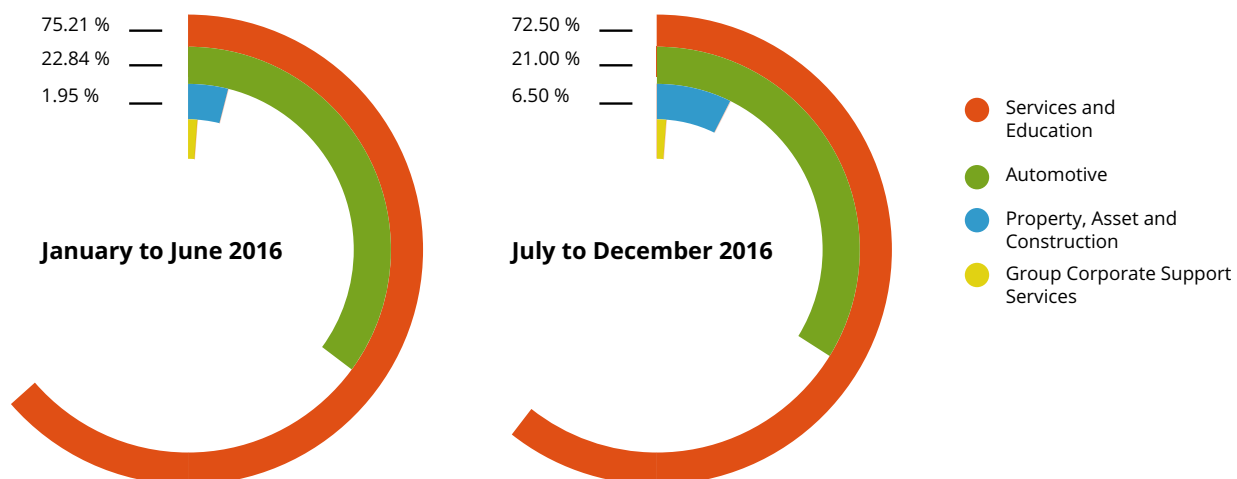


**Chart 2 : Key Principles of Safety, Health and Environment (“SHE”) at DRB-HICOM**

The Group’s SHE policy focuses on four key principles: Compliance, Prevention of Pollution, Communication and Continuous Improvement. Compliance ensures that the organisation adheres to all legislative and regulatory requirements, code of conduct, and best practices. Prevention of Pollution identifies and implements green practices in the workplace to minimise and prevent pollution. Communication is an effective tool the Group uses to disseminate the SHE policy and to engage with all stakeholders within DRB-HICOM companies. The fourth principle, Continual Improvement reduces the potential hazards, risks and impact to the environment and to health and safety.

### 6.2. Sectoral Breakdown of Occupational Incidents

**Chart 3** below depicts the Group’s incident rate across four sectors - Automotive, Services & Education, Property, Asset & Construction and Group Corporate Support Services - from January to June 2016 and from July to December 2016, respectively.



**Chart 3 : Occupational Incidents by Sector**

As at December 2016, the Services & Education sector registered the highest incident rate at 73% while the Automotive sector had the second highest incident rate of 21%, followed by Property, Asset & Construction with 6.5%. No incident was reported by Group Corporate Support Services throughout the reporting period.

### 6.3 Emergency Preparedness and Response

The Group established DRB-HICOM Emergency Assistance Team ("D-HEAT") as part of its emergency response plan. The idea of establishing the team was mooted by the Chairman of DRB-HICOM in the wake of floods in Pahang and Kelantan in the last quarter of 2014.

D-HEAT has undergone various training under the supervision of Jabatan Bomba dan Penyelamat Shah Alam Seksyen 15, specifically by Special Tactical Operation and Rescue Team of Malaysia (STORM) and Multi-Skill Team (MUST). The list of training includes high angle rope rescue, emergency rescue medical services, dark smoke gallery with Self Contained Breathing Apparatus (SCBA) and Offensive Indoor Fire Fighting.

By arranging training with Jabatan Bomba dan Penyelamat Malaysia, DRB-HICOM seeks to comply with national standards on fire safety. Furthermore, it instils the need for personal and organisational accountability for health and safety across all companies within the Group.



## Case 1:



### Safety and Environmental Success Story of POS Malaysia

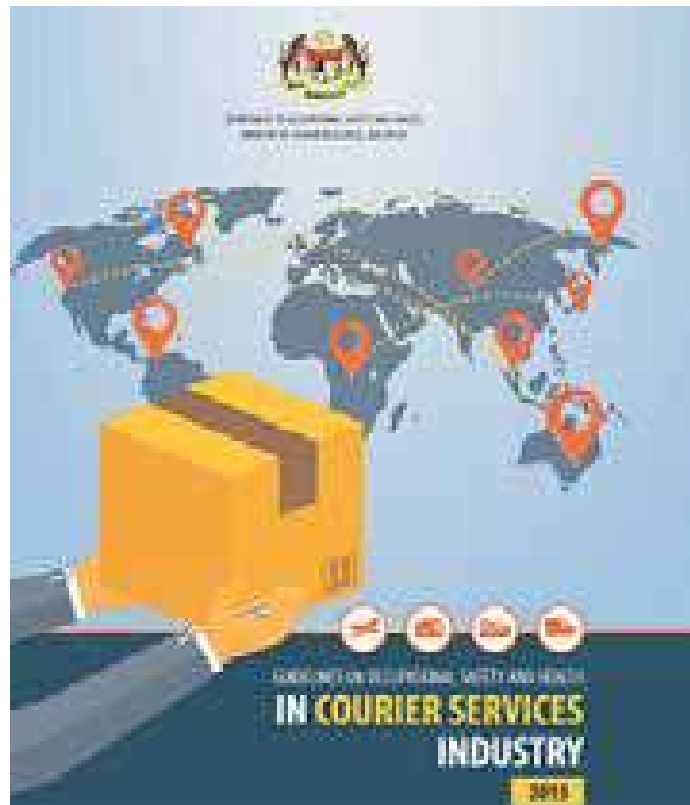
#### Safety and Environmental Success Story

As a responsible corporate citizen, POS Malaysia has taken primary responsibility in implementing several continuous activities to increase health and safety awareness among employees and workforce as well as provide training to them. Below are the continuous activities provided by POS Malaysia:

1. Programme for “Pergi Balik Kerja dengan Selamat” with PERKESO Bentong for advocating the importance of on-the-road safety ;
2. Vehicle checking for lorries in Kuantan;
3. Lectures on health and road safety for motorcyclists in Sabah;
4. Workshops for safety and health in Small Medium Industries in Sibu, Sarawak ;
5. First Aid programmes organised by Red Crescent Club in Kuching, Sarawak; and
6. Health Awareness programmes organised by Integrated Green Medical Centre.

Furthermore, POS Malaysia promotes road safety by providing safety training videos, coordinating monthly Occupational Safety and Health (“OSH”) campaigns, setting up a road safety task force for the management of vehicle drivers, reviewing the training module and safety briefings.

POS Malaysia also collaborated with the Department of Occupational Safety and Health (“DOSH”) to produce the Guidelines on OSH in the Courier Services Industry. This Guideline provides information and recommendations on the management of OSH in this industry in compliance with the Occupational Safety and Health Act 1994, Act 514.







## Case 2:

### SHE Improvement Activities and Programmes of CTRM

#### CTRM Safety and Health (SHE) Improvement Activities and Programmes

CTRM has implemented several SHE improvement activities and programmes, which includes:

- Training for working at height;
- Exhibition and talk for employees' benefit and compensation;
- Blood donation drives;
- Safety handling of chemicals by National Institute of Occupational Safety and Health ("NIOOSH");
- Training for unsafe acts and workplace conditions by Department of Occupational Safety and Health ("DOSH");
- Training for respirator fit test and hearing protection by 3M; and
- Exhibition and talk for unsafe acts and conditions on the road by Jabatan Keselamatan Jalan Raya ("JKJR").

Furthermore, an in-house clinic was set up for the benefit of CTRM employees. This allows CTRM to provide faster on-site medical treatment, reduces cost of out-patient treatment and increases staff productivity.



## 7. Environment

### 7.1. Environmental Policy and Management

DRB-HICOM has been proactive and committed to protecting and improving the environment surrounding the Group's operations. Sustainable green practices have been embedded within its operations to ensure that business is profitable for the shareholders as well as have a minimal impact on the environment. Several policies are in place to fortify and strengthen the protection of the environment in all aspects of its operations. They include the Safety, Health, & Environment ("SHE") Policy and Enterprise Risk Management Policy.

We are committed to achieve a better environment and are guided by the following regulations:

- Environment Quality Act 1974;
- Factories and Machinery Act 1967;
- Road Transport Act 1987;
- Local Government Act 1976;
- Street, Drainage and Building Act 1974; and
- Fire Services Act 1988

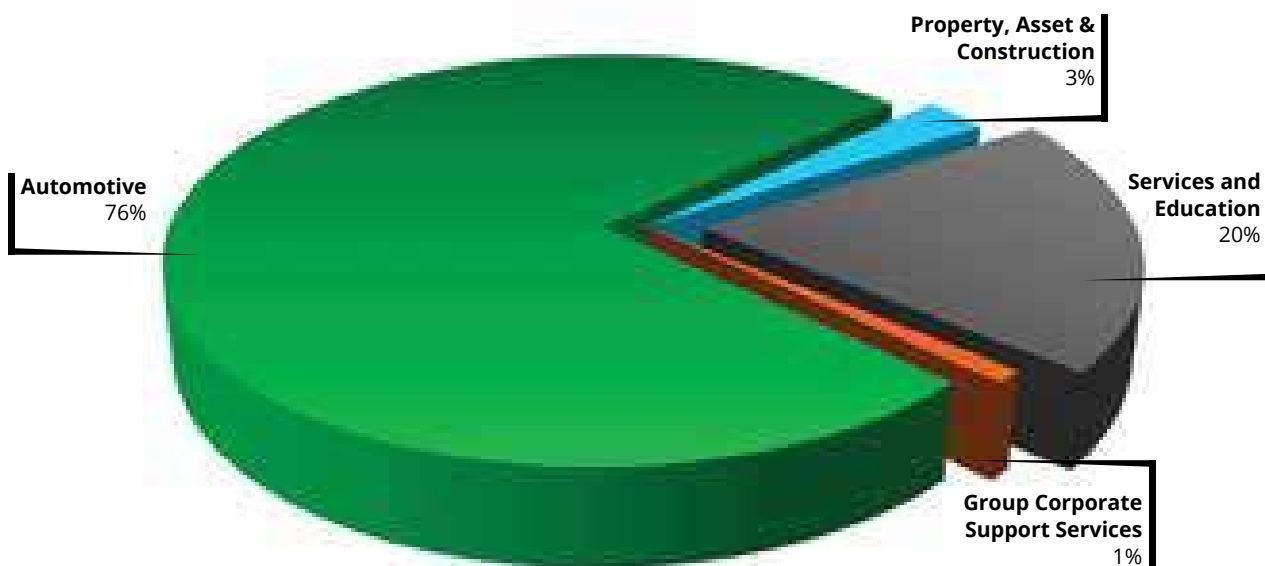


DRB-HICOM's Enterprise Risk Management ("ERM") plays a significant role in identifying environmental risks in order to reduce the environmental impacts from the company's operations. The environmental risks were measured and prioritised using the Risk Assessment Matrix with regard to significance and probability of occurrence of the risk. Risk assessment coupled with risk indicators allows effective measurement and tracking of strategic controls as well as action plans identified in the corporate risk register.

### 7.2. Energy Consumption and Greenhouse Gas Emission

The total energy consumption of DRB-HICOM Group of Companies in 2016 was 384 million kWh, equivalent to 284,544 tonnes CO<sub>2</sub>.

**Chart 4** shows the breakdown of total energy consumed (kWh) based on various sectors, which was collected nationwide covering all subsidiaries of the Group.



As at 31 December 2016

**Chart 4 : Percentage Distribution of Energy Consumption (kWh)**

The Automotive industry involves equipment and facilities that are energy intensive. The energy consumption of PROTON itself took up 47.2% of the total energy usage. To mitigate the high energy usage, the PROTON Green Initiatives was established in FY2016 with the objective of reducing the utility costs for PROTON plants and offices.

Several initiatives have been implemented and are underway in the four main PROTON manufacturing plants. Thus far, the PROTON Green Initiatives programme has achieved a total electricity bill reduction of RM 10 million in FY2016 and further reduction of RM 5.9 million between April to December 2016.

**Table 2** shows the list of initiatives and achievements attained from the four manufacturing plants of PROTON.

**Table 2: Initiatives towards Excellent Cost Savings, Energy Savings and CO<sub>2</sub> Reduction**

No.	Manufacturing Plant	On-Going Initiatives	Achievements
1	Perusahaan Otomobil Nasional Sdn Bhd (PONSb)	<ul style="list-style-type: none"> <li>➤ Improvement of compressed air operation's efficiency and energy conservation</li> <li>➤ The compressed air pressure was reduced from 7 bar to 6.3 bar</li> <li>➤ Optimisation of painting shop operation</li> <li>➤ Improvement of lighting and air-conditioner operation temperature and hours</li> <li>➤ Awareness campaign (Setup of banner, bunting and signage across the plants)</li> </ul>	<ul style="list-style-type: none"> <li>⚡ Energy saving of 2,465,764 kWh</li> <li>⚡ Cost saving of RM 715,000</li> <li>⚡ Greenhouse Gas emission reduction of 1,793 tonnes CO<sub>2</sub></li> <li>⚡ Energy saving of 1,398 kWh per car</li> </ul>
2	PROTON Tanjung Malim Sdn. Bhd. (PTMSB)	<ul style="list-style-type: none"> <li>➤ Rectification of compressed air leakages</li> <li>➤ During no-production weekend, only utilise 1 compressor instead of 2 units</li> <li>➤ The compressed air pressure was reduced from 7 bar to 6 bar</li> <li>➤ The replacement of vortex coolers with force convection fan system for control panels for more useful and efficient heat transfer</li> <li>➤ Awareness campaign (Setup of banner, bunting and signage across the plants)</li> </ul>	<ul style="list-style-type: none"> <li>⚡ Energy saving of 11,384,816 kWh</li> <li>⚡ Cost saving of RM 3.3 million</li> <li>⚡ Greenhouse Gas emission reduction of 8,277 tonnes CO<sub>2</sub></li> <li>⚡ Energy saving of 1,505 kWh per car</li> </ul>
3	PROTON Casting Plant	<ul style="list-style-type: none"> <li>➤ Reschedule of furnace operation and sequencing for Maximum Demand charges savings</li> <li>➤ The compressed air supply pressure was reduced from 7 bar to 6.3 bar</li> <li>➤ Optimisation of chiller operation schedule</li> <li>➤ Replacement of metal halide to Light Emitting Diode (LED) bulbs for energy saving and reduction of maintenance costs</li> <li>➤ Awareness campaign (Setup of banner, bunting and signage across the plants)</li> </ul>	<ul style="list-style-type: none"> <li>⚡ Energy saving of 3,471,017 kWh</li> <li>⚡ Cost saving of RM 1.46 million</li> <li>⚡ Greenhouse Gas emission reduction of 2,523 tonnes CO<sub>2</sub></li> <li>⚡ Energy saving of 2,546 kWh per tonnes</li> </ul>
4	PROTON Centre of Excellence (COE)	<ul style="list-style-type: none"> <li>➤ Optimisation of chiller operation schedule and operation of only 1 chiller during weekends</li> <li>➤ Limitation of number of Air Handling Unit (AHU) operations during weekend and optimisation of indoor temperature operation at 24 °C</li> <li>➤ A switch of Tariff (C2-&gt;C1) and the application of Off Peak Tariff Rider (OPTR) for Maximum Demand charges savings.</li> <li>➤ Awareness campaign (Setup of banner, bunting and signage across the plants)</li> </ul>	<ul style="list-style-type: none"> <li>⚡ Energy saving of 1,287,185 kWh</li> <li>⚡ Cost saving of RM 469,000</li> <li>⚡ Greenhouse Gas emission reduction of 936 tonnes CO<sub>2</sub></li> </ul>

As at 31 December 2016

DRB-HICOM recognises the risk of climate change and the contribution of the automotive sector towards the emission of greenhouse gases (GHGs). The Group has implemented various initiatives to reduce its contribution to GHG emissions. The Government of Malaysia is signatory to the Kyoto Protocol and the GHG reduction initiatives undertaken by the Group are in line with the requirements of the protocol.

## 7.3. Waste Management

### 7.3.1. Overview of Alam Flora

Alam Flora is the country's leading waste management company and offers diverse quality services related to the environment including integrated facility management, waste management and recycling. It presently handles more than 2,500 tonnes of solid waste daily. In the area of recycling, Alam Flora manages 135 tonnes of scrap per day, equivalent to 42,000 tonnes annually.

### 7.3.2. Buy Back Centre

The first Buy Back Centre (BBC) in Kuala Lumpur was officially launched on 11 May 2016. It functions as a one-stop centre to buy back used items from the public at market price and at the same time spreading the awareness of recycling. Among the materials that were collected by BBC are mixed papers and bottles, UHT packaging, iron cans and scrap, aluminium cans, computers, and used cooking oil.



To date, Alam Flora operates in 8 BBCs around Kuala Lumpur and Putrajaya which have collected a total of 560 metric tonnes since the first BBC was established.

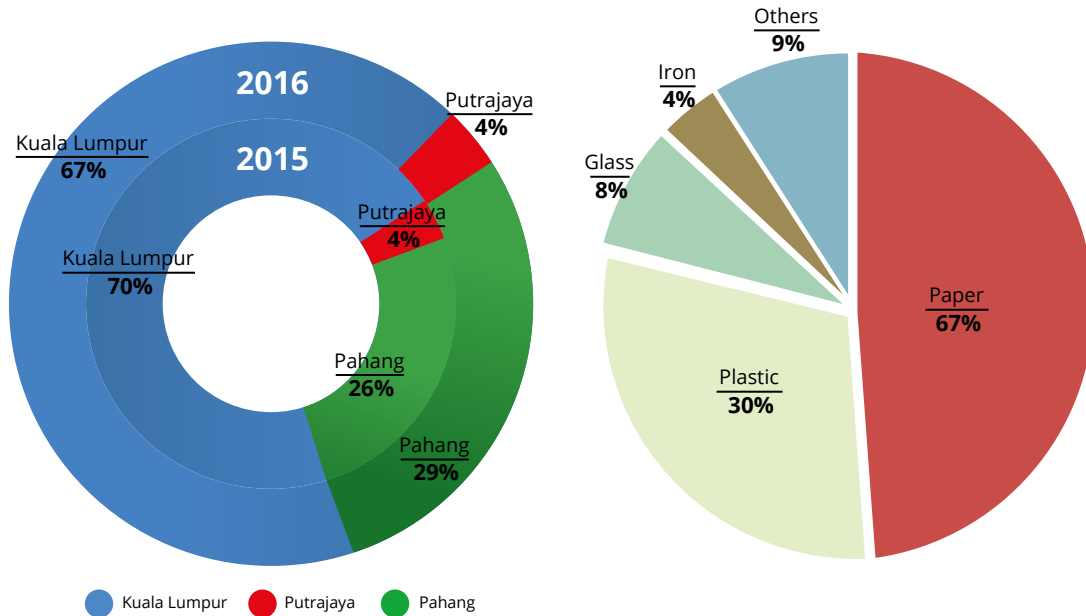
### 7.3.3. Separation @ Source by Alam Flora

In 2015 and 2016, a total of 940,828 and 882,906 tonnes of waste were collected by Alam Flora, respectively. Separation @ Source (S@S) is a programme established under the enforcement of Act 672 Federalisation of Solid Waste Management. Its objective is to encourage households to separate recyclables and non-recyclables.



**Chart 5** shows the total waste collected and managed by Alam Flora together with the types of waste collected via S@S during the reporting period from April 2016 till December 2016 for Kuala Lumpur, Putrajaya, and Pahang.

**Chart 5 : Total Waste Collected and Processed in 2015 and 2016**



## 8. Human Capital Development

### 8.1. Group Policy and Governance

DRB-HICOM strongly endorses the collective bargaining system to ensure a mutually beneficial economic and social relationship between the employers of the Group and trade unions. The collective agreement helps to clarify the rights and responsibilities of the Company and its employees, to achieve success for both the Company and its employees.

Total Union Members in DRB-HICOM Group	25,230
Total Number of Unions	30
Total Companies in DRB-HICOM with Unions	26

As at 31 December 2016

The Whistle Blower policy outlines its commitment towards enabling employees and other stakeholders to confidently raise concerns regarding any wrongdoing or malpractice without fear of reprisal. This policy promotes a culture of honesty, ethical behaviour, good corporate governance and transparency within the Group and ensures there is no discrimination or harassment.

Corruption is unacceptable to the organisation and the Group strictly forbids bribes to be offered or accepted by any party. DRB-HICOM introduced a Code of Ethics and Business Practice as a policy and this was communicated clearly to all its employees. This serves as guidelines for employees on how to conduct business in a professional manner at all times and to engage with stakeholders

in a transparent, appropriate and fair manner. The Code covers pertinent issues including tardiness, honesty, integrity and relationship between employees and stakeholders.

Team-building sessions and induction programmes continuously highlight the importance of Integrity, Decorum, Innovation, Excellence, Transparency, Teamwork and Quality. The “No Gift Policy” in DRB-HICOM prohibits employees from receiving gifts from external parties. This practice exhibits and upholds the values of dignity, integrity, and professionalism in all its business dealings. DRB-HICOM also engages with the Malaysian Anti-Corruption Commission (MACC) to mitigate corruption across the Group.

### 8.2. Human Capital of the Group

Standing as one of Malaysia’s leading conglomerates, DRB-HICOM believes in the strength, commitment and quality of its 58,110 employee workforce. With regard to the Malaysian Labour Law, DRB-HICOM complies with the Minimum Wages Order, 2016 and takes a strong stance against child and forced labour and other improper labour practices, in accordance with the Malaysian Employment Act 1955.

The Group strongly practices and values diversity and inclusiveness where all employees are treated fairly regardless of gender and racial diversity.

**Chart 6** shows DRB-HICOM workforce distribution in all business sectors.

**Chart 6 : DRB-HICOM Workforce Distribution**

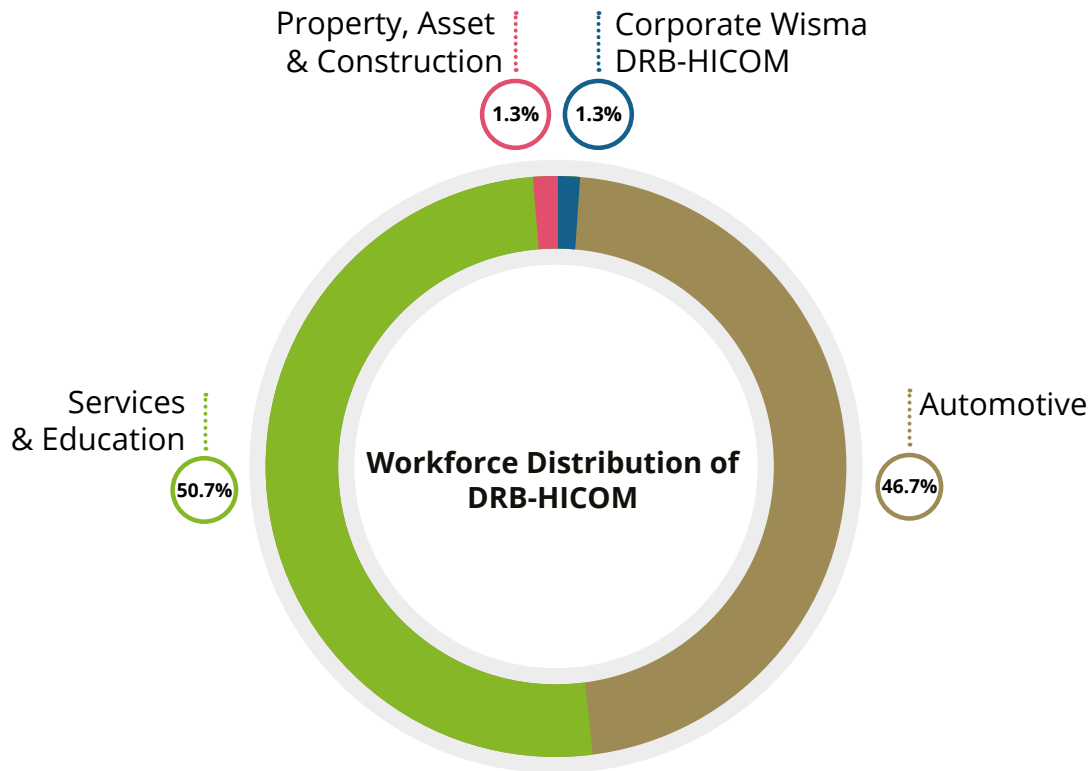


Chart 6.1 : DRB-HICOM Workforce Distribution by Sectors as at 31 December 2016

**Workforce Breakdown by Age Group**

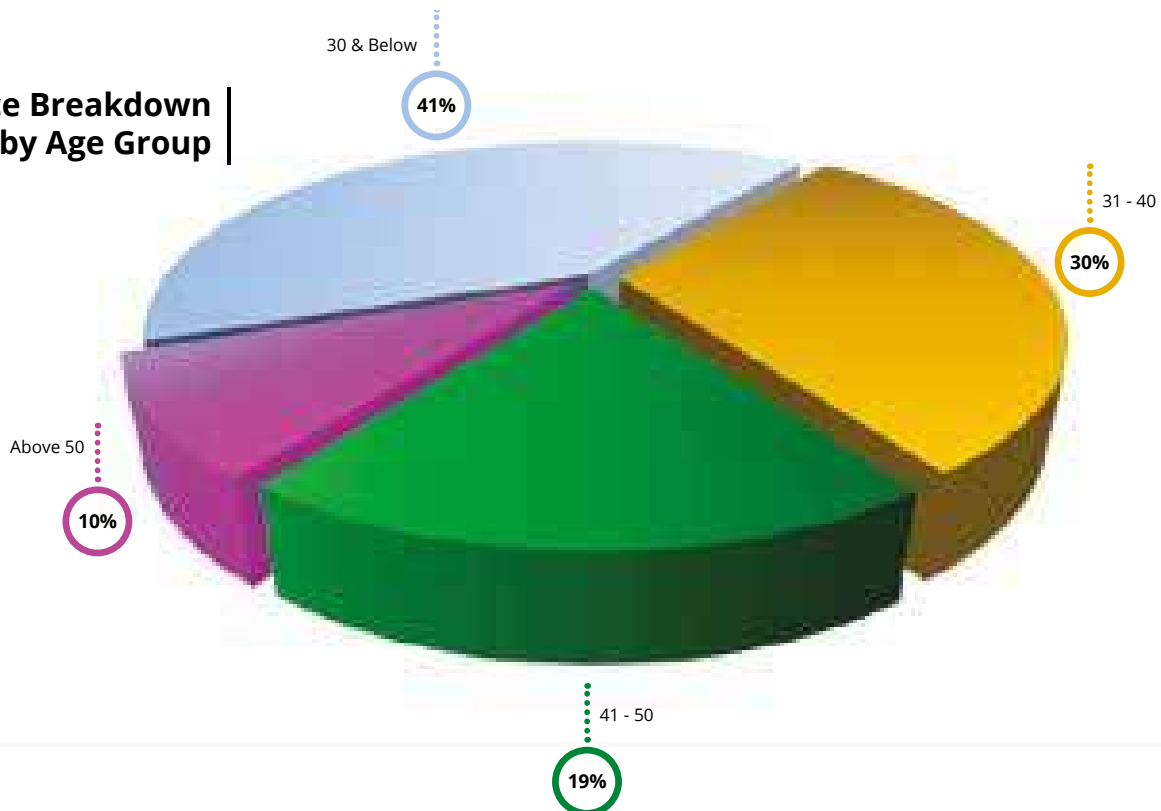
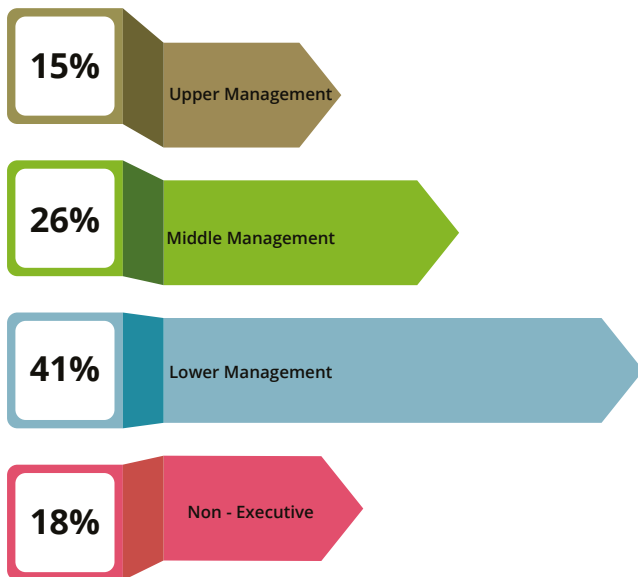


Chart 6.2 : DRB-HICOM Workforce Distribution by Age Group as at 31 December 2016

DRB-HICOM has a comparatively young workforce with 41% of total workforce below the age of 30 and 30% between the ages of 31 to 40. We believe in nurturing young top talents within the Group and at the same time ensuring a sustainable talent pool for our future business growth.

### 8.3. Gender Diversity



As at 31 December 2016

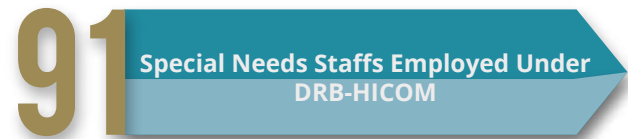
**Chart 7 : Gender Equality in DRB-HICOM**

We encourage equal opportunity for all employees without any gender or racial discrimination. The Group values diversity and inclusiveness and employees are treated with respect regardless of gender and racial diversity. From **Chart 7** above, female employees comprises 15% and 26% in upper and middle management respectively while female workforce in the lower management roles stood at 41%. However, as the nature and work scope in the non-executive roles are mostly labour intensive, they are mostly occupied by male employees.

Group Human Capital acknowledges the contribution brought on by the female employees in DRB-HICOM by organising various activities in conjunction with International Women's Day on an annual basis. One of the campaigns conducted was Pinktober Day on 26 October 2016 in conjunction with the Breast Cancer Awareness Month. Group Human Capital collaborated with Pink Ribbon Deeds (PRIDE) Foundation to raise awareness on breast cancer through talks by certified medical practitioners. On Pinktober Day, employees were also urged to show their support by wearing pink attire and pink ribbons.

Other activities held during the reporting period include health and wellness care talk, seminar on child autism and special needs awareness for children.

### 8.4. Special Needs Staff under DRB-HICOM



As at 31 December 2016

At present, DRB-HICOM employs a total of 91 employees with special needs throughout our Group. With special needs employees and other stakeholders in mind, dedicated car parks and ramp facilities have been provided at all entry points in most of the buildings where DRB-HICOM businesses operate in.

This makes it more convenient for employees and stakeholders with special needs. Accessible-friendly toilets are also built on each floor to accommodate employees who are physically challenged.

8.5. Talent and Competency Building

The Group has a comprehensive talent development programme with the aim to create talent pools at all levels. The initiative consists of a series of programmes starting from Management Trainee Programme for fresh graduates up until the top level Leadership Development Programme which aims to groom DRB-HICOM's future leaders. **Chart 8** below shows the various talent programmes devised by Group Human Capital across the Group.

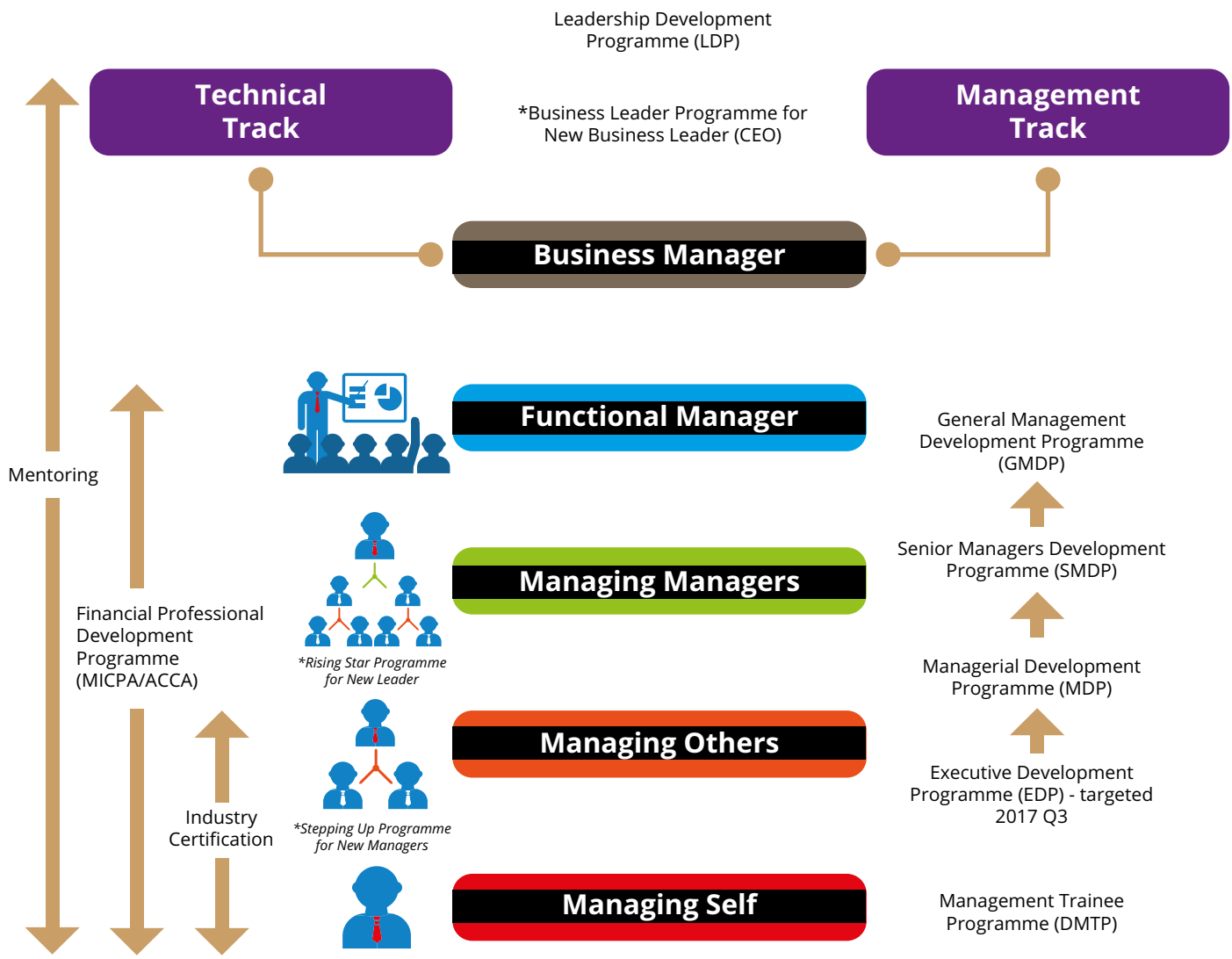
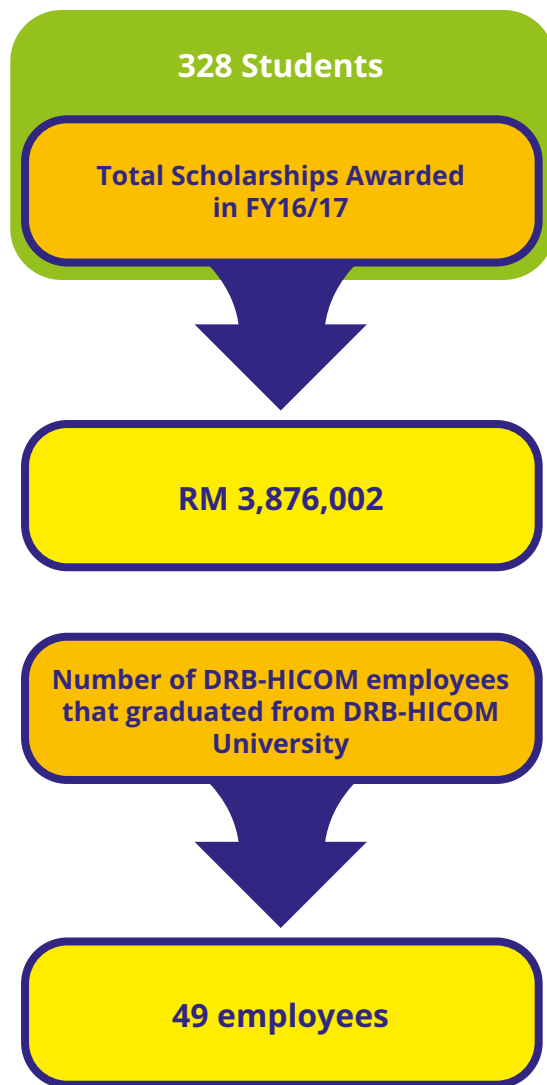


Chart 8 : DRB-HICOM Talent Development Programme

Please refer to page 135 for the results of the programmes conducted in this financial year.





As at 31 December 2016

The employees' career development programme is important for both employees and the future of DRB-HICOM. In FY2017, we have invested RM16.8 million in training and education and this amount enabled us to provide more than 1 million quality training hours. This translates to an average of 17 training hours per employee. The goal is to help them become better workers and to equip them with the skills they need to manage themselves and their teams.

	Investment in Training and Development	Total Staff Training Hours
FY2016	RM 12.6 Million	1,195,496
FY2017	RM 16.8 Million	1,023,606

As at 31 December 2016

## 9. Local Community Engagement and Social Contributions



### Umrah Packages for Paralympic Medal Winners

DRB-HICOM sponsored the Malaysian Paralympians with a 12 days Umrah Package as recognition for their performance at Rio Paralympics 2016. The 23 member group consists of the Paralympians and their family members, media and accompanying officers from MSN.



### Safety and Health Campaign

A Safety and Health campaign was organised for Warga to conduct free dental screening, internal body toxicity analysis, spine and joint analysis, bone density check, heart diseases and back pain consultation in the two day event. The National Blood Centre and 133 volunteers from DRB-HICOM Berhad together with neighbouring subsidiary companies registered for the blood donation and managed to collect 54.85 pints of blood for the public.



### Developing Skills for the Underprivileged

DRB-HICOM initiated the Heart Project, a programme aimed at developing the skills of underprivileged children with the objective of nurturing the nation's youth in creating a better future for students through education. Underprivileged children were offered scholarships to Akademi Saga, a vocational training academy to equip these youths with employable skills. DRB-HICOM also sponsored four SBJK students with full scholarships in Automotive Workshop Practices & Engine Cooling System Rectification Work at the Akademi Saga. It is a 12-month course in automotive training which focuses on nurturing future technicians by providing them with essential technical skills.



### Road Safety Campaign and Vehicles Inspections

PUSPAKOM collaborated with the Road Safety Department on Road Safety Campaigns in conjunction with the festive season to share information with the local communities on the importance of road safety. PUSPAKOM also offered free voluntary vehicle inspection to private vehicle owners prior to Hari Raya Aidilfitri, having successfully inspected a total of 1,383 vehicles in 2016.



### Sahabat DRB-HICOM

Sahabat DRB-HICOM is our very own volunteer programme, organised to instil the spirit of volunteerism amongst our staff to improve the life of those in need. These volunteer programmes not only reflect positively on the Group, it also provides an avenue for our staff to develop new skills and improve socialisation by helping those in need via social work in various communities.

In 2016, 171 sahabat DRB-HICOM contributed 1,768 volunteering hours in programmes such as Bubur Lambuk Sahabat DRB-HICOM, Ziarah Ramadan, Aidilfitri bersama Al-Fikrah, Deepavali Celebration, Chinese New Year Celebration, Ziarah Ramadan and many more.



### Ziarah Ramadhan

This programme is part of Program Harapan which was first organised in 2013. The programme includes a shopping trip and buka puasa event with less fortunate children. The tradition continues this year as we visited 40 Asnaf families in Pekan and Selangor and provided assistance in the form of groceries and cash. The recipients are nominated by the Lembaga Zakat Selangor and Majlis Ugama Islam Pahang.



### Qiamullail Bersama Muaf

The programme is to instil the spirit of togetherness and forge better relationships amongst our Warga and the Muaf community and bring us closer to Allah SWT in the spirit of the holy month of Ramadhan.



### DRB-HICOM Back To School Programme

The Back to School Programme celebrates its second anniversary this year, continuing its objective to provide financial aid for selected Warga DRB-HICOM and schools for the upcoming school term. For year 2016/17, 68 Warga (with income below RM3,000) with a minimum of two schooling children were selected to receive the aid, which amounted to 169 students. On top of that, 70 children from SJKT Glenmarie also received the aid.