GHL

GHL SYSTEMS BERHAD 199401007361 (293040-D)

INCORPORATED IN MALAYSIA

SUSTAINABILITY REPORT 2021

the ASEAN payment people

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A Message From Our Group Head of Legal Compliance & Sustainability

Dear Stakeholders,

It is with great honour that I present to you GHL Systems Berhad's ("GHL" or "the Group") first Annual Sustainability Report. This report presents an overview of the Group's efforts to address key economic, environmental, social, and governance issues.

FY2021 saw a major paradigm shift in priorities as countries and companies struggled to cope with COVID-19 and increased its focus on sustainable development. As a significant player in the ASEAN Payment Industry, we have adapted by implementing a Sustainability Framework that is aligned with the United Nations 2030 Sustainable Development Agenda. This framework reflects our commitment to run a responsible business that creates economic, social, and environmental value for all of our stakeholders.

As digitisation becomes more common, businesses must adapt to keep up with the latest payment trends. However, there are many small businesses that do not possess the capital to incorporate a digital payment solution into their operations. To help ease the transition towards a digital economy, we have developed a solution through our CARDit Product, that provides small businesses an avenue to use their business credit cards seamlessly in paying for their expenses, such as rental of their business premises and payment to their suppliers. We also provide in-kind and financial contributions to alleviate socio-economic hardships faced by underprivileged groups and elevate the quality of life for our surrounding communities.

Our employees are the critical foundation of GHL's success. We made significant progress towards maintaining a motivated and productive workforce through the establishment of our Gender Diversity and Labour & Human Rights Policies. These policies ensure a conducive working environment and an inclusive culture that values human rights with zero tolerance towards unethical labour practices at GHL. We also strengthened our commitment to safeguard the well-being of our employees across the Group by implementing a robust COVID-19 workplace policy and procedure.

As we continue our sustainability journey, we recognise the importance of identifying and addressing our environmental footprint. Being a key digital payment service provider, our primary focus is to combat climate change by reducing our operational carbon emissions. We implemented a Climate Change & Risk Policy which seeks to align ourselves with the Paris Agreement, committing the Group to achieve carbon neutrality by 2050 through renewable energy sourcing and carbon offsetting programmes.

In October 2021, GHL was accepted as one of the 54 members of the CEO Action Network (CAN). CAN is a closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity building, action and performance. Through a dedicated Working Group, workstreams and active members driving bespoke initiatives, CAN aspires to catalyse its members towards shaping future-ready and ESG-integrated business models and ecosystems.

We are committed to engage with various stakeholders including our supply chain partners, regulators and policymakers, government as well as our peers across various sectors to forge partnerships that are committed to responsible business practices and sustainable development.

Despite the challenges brought on by the COVID-19 pandemic, the Group as a responsible corporate citizen, remains committed to make a positive economic, environmental and social impact. Our team has worked tirelessly to fulfil our corporate goals and objectives. We are grateful for the dedication and zeal demonstrated by our management teams and employees in achieving our goals in 2021.

We look forward to advancing our sustainable development agenda to build a better tomorrow for our people and our planet.

Chong Kok Wai
Group Head of Legal Compliance & Sustainability

What We Do

Headquartered in Kuala Lumpur, Malaysia, GHL Systems Berhad is a leading payment service provider and merchant acquirer in the ASEAN region. Since our establishment in 1994, we have successfully expanded our business model to become a regional leader in the Fintech Payment Industry, with a footprint spanning six countries across Southeast Asia and Oceania. Guided by our corporate vision and mission, the Group has embedded Environmental, Social and Governance ("ESG") factors into our business strategy to create meaningful and long-term value for our stakeholders. As the global digitization trend continues to grow, GHL strives to meet the demands and expectations of our stakeholders by facilitating the digital transformation of businesses.

About the Report

Scope of reporting

Since our inaugural sustainability statement in FY2017, the Group has strived to expand and improve our sustainability practices, encompassing our operations' Environmental, Social, and Governance ("ESG") aspects. This year, we have taken further steps by reassessing and expanding our sustainability initiatives and establishing a series of sustainability KPIs to further improve accountability and included a year-on-year tracking of our progress.

This Report summarises our ESG approach towards our core pillars: Customer Growth, Sustainable Workforce and Community, Corporate and Business Integrity and Environmental Excellence.

Reporting Period

The disclosures in this statement are for the financial period of 1 January 2021 to 31 December 2021 ("FY2021").

Boundary and Standards

This statement contains disclosures from our ASEAN operations, inclusive of:

- GHL Malaysia
- GHL Philippines
- GHL Thailand
- GHL Indonesia
- GHL Australia

This Report has been prepared in accordance to the Bursa Malaysia's Sustainability Reporting Guide (2nd Edition), with reference to the Global Reporting Initiative ("GRI") Standards.

Feedback

We appreciate all feedback from stakeholders to further enhance our reporting and sustainability practices. Please direct any comments, questions, or suggestions to:

C-G-15, Block C, Jalan Dataran SD1,
Dataran SD, PJU 9,
Bandar Sri Damansara,
52200 Kuala Lumpur, Malaysia

Telephone : +603 – 6286 3388
Fax : +603 – 6280 2999
Email : enquiry@ghl.com

Sustainability Approach

Sustainability Values & Framework

To effectively embed sustainability within all elements of our business practice, we refreshed and updated our sustainability framework this year to better reflect our key focus areas and priorities.

The revised framework below demonstrates the interconnectedness of our four sustainability pillars, supported by our reporting practices, initiatives, targets, and a culture of shared accountability.

We also adhere to the collective commitments proposed by CAN to integrate sustainability throughout our business operations. The commitments are separated and categorised under three pillars: Governance, Environment and People. We aspire to meet these commitments by FY2023 and set an example as a leader in sustainability.

Sustainability Approach
Cont'd

Contribution to the United Nations SDGs

The United Nations Sustainable Development Goals ("UN SDGs") are a series of ambitious and wide-reaching global targets set out by the UN in 2015 as a pathway for achieving global sustainability for all. At GHL, we acknowledge that businesses are equally responsible for taking the steps to achieve global sustainability.

In support of the UN SDGs, we have adopted the four goals most closely aligned to our areas of operations, where we feel GHL can significantly contribute.

- Establishment of Labour & Human Rights and the Gender Diversity Policy
- High Potential Programme to identify and train skilled candidates for leadership positions
- Company guidelines and measures for flexible work arrangements

- Collaboration with Malaysian Digital Economic Corporation to share insights in the industry
- Introduction of the CARDit programme, designed to expand credit card payment options and thus improve cashflow in particular for Small and Medium Enterprises ("SMEs"), as well as individuals

- Establishment of Climate Change & Risk Policy
- Collaboration with Econinja on Greening Malaysia Programme 2021-2025 through tree and coral reef planting
- Transition to cloud computing to reduce operational carbon footprint
- Installation of office solar panels for renewable energy generation

- Adoption of numerous ethics and integrity policies such as the Anti-Money Laundering Policy, Anti-Bribery and Corruption Policy and Whistleblowing Policy
- Customer Due Diligence assessments conducted on all potential new customers by the Group's Risk Department
- A robust Cyber security system and policies are in place to protect customer data

Sustainability Approach
Cont'd

Key Performance Indicators

To further embed accountability within our sustainability practices, and to improve comparability between years of data, this year we established a series of key performance indicators ("KPIs") for measuring and tracking our ESG performance. The KPIs are aligned with our four sustainability focus areas. Of the four KPIs established, three (75%) were achieved while one (25%) remains in progress.

Corporate and Business Integrity	
100% of staff to complete annual training on the Anti-Bribery and Corruption Policy	Achieved
Customer Growth	
To maintain a Net Promoter Score, with a target of above 50% by FY2025	Achieved
Environmental Excellence	
To achieve 50% reduction in carbon emissions by 2030	In-Progress
Sustainable Workforce and Community	
To conduct 4 Corporate Social Responsibility ("CSR") programmes throughout reporting period.	Achieved

Sustainability Governance Structure

We instituted a robust sustainability governance structure to assess our risks and opportunities as well as to incorporate the sustainability agenda throughout the Group. We also reorganised our corporate governance structure during this reporting period to allow for a more effective implementation of sustainability initiatives in the future.

The Board of Directors ("the Board") lies at the apex of our governance structure and is ultimately accountable for the Group's sustainability strategies. The Board is assisted by the Group CEO who reviews and recommends to the Board all sustainability-related data that are collected and compiled by the Sustainability Committee ("SC").

The SC is headed by the Chief Sustainability Officer ("CSO")/Group Head of Legal, Compliance & Sustainability and comprises the Heads of Departments ("HOD") who are responsible for managing the Group's sustainability initiatives. The SC is further assisted by the Sustainability Working Groups which implements the initiatives at an operational level.

Stakeholder Engagement

Clear and transparent communication with our stakeholders is the key to build trusting and long lasting partnerships. We continuously engage our key stakeholders to stay abreast of their primary concerns and interests. The feedback we receive allows us to revise and/or develop business strategies and decisions that ensure the best possible outcome for both the Group and our valued stakeholders.

Stakeholder Group	Areas of Interest	GHL's engagement
Employees	• Career Development Opportunities • Diversity and Inclusion • Equitable Pay and Remuneration • Work-Life Balance and Employee Well-being	• Open Dialogues • Staff Engagement Activities • Whistleblowing Policy • Management Trainee Program • Monthly Management Meetings • Skills Development and Training Opportunities • Events and Functions
Shareholders/ Investors	• Group Financial Performance • Long-Term Business Strategy • Key Corporate Development • Corporate Governance • ESG Strategy and Performance	• Annual General Meeting • Investor Updates and Briefings • Annual Reports • Corporate Website • Announcement on Bursa Securities website
Regulators/ Government	• Regulatory Compliance • Cyber Security • Anti-Money Laundering • Customer Due Diligence • Card Scheme /BNM/TPA/Banks Compliance • Climate Change	• Dialogues with Regulatory Bodies/ Government • Quarterly/Annual Reporting • Attending Seminars by Regulatory Bodies/Government • Compliance Assessment/ Audit by External Auditors • Engagement with Central Banks of respective countries
Customers	• Product/service pricing and quality • User convenience • Improved customer experience • Product and service knowledge	• Launch of new products in the markets • Customer oriented solutions • Customer meetings, exhibition and roadshows • Training for merchants/customers

Stakeholder Engagement
Cont'd

Stakeholder Group	Areas of Interest	GHL's engagement
Local Community	• Reaching out to ethical business conduct • Community welfare • Addressing social obligations	• Social media • Corporate website • Corporate Social Responsibility activities • Press releases
Media	• Financial and market performance • Industry trend and corporate issues • Product and service marketing	• Social media • Corporate website • Press releases
Suppliers	• Sustainable procurement practices • Vendor price and reliability • Transparent tender process	• Anti-Bribery and Corruption Policy applicable to suppliers and third parties • Fair tendering processes

Materiality Assessment

To ensure that the Group's sustainability initiatives are driven by best practices, a materiality assessment is conducted annually to enable us to address key sustainability issues in a holistic manner. Our methodology is guided by Bursa Malaysia's Sustainability Reporting Guidelines and the GRI Standards, and comprises three key steps in the formation of the materiality matrix.

Mapping our Material Matters

For this reporting period, we identified a total of 19 material sustainability matters, up from 14 in FY2020. The increase in the number of material topics is attributed to the inclusion of new material matters, namely Climate Change, Waste Management, Water Stewardship and Supply Chain Management. We also separated Technology & Innovation and Product & Service Quality into two distinct topics to provide better focus.

Our 19 material matters have been categorised according to the Group's four sustainability pillars, as presented below:

Material Sustainability Matter	Description	Stakeholders	Sustainable Development Goals
Corporate Business and Integrity			
Customer Data Privacy	Proper handling and storage of sensitive personal information provided by customers	• Customers	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Cyber Security	Protection of computer systems and networks from data theft or cyber-attacks	• Regulators/ Government	
Anti-Money Laundering Policy	The Group's commitment to prevent suspicious activities relating to money laundering or terrorist financing	• Regulators/ Government • Shareholders/ Investors	
Anti-Bribery and Corruption Policy	The Group's commitment towards preventing employee misconduct within business operations	• Regulators/ Government • Employees	

Materiality Assessment
Cont'd

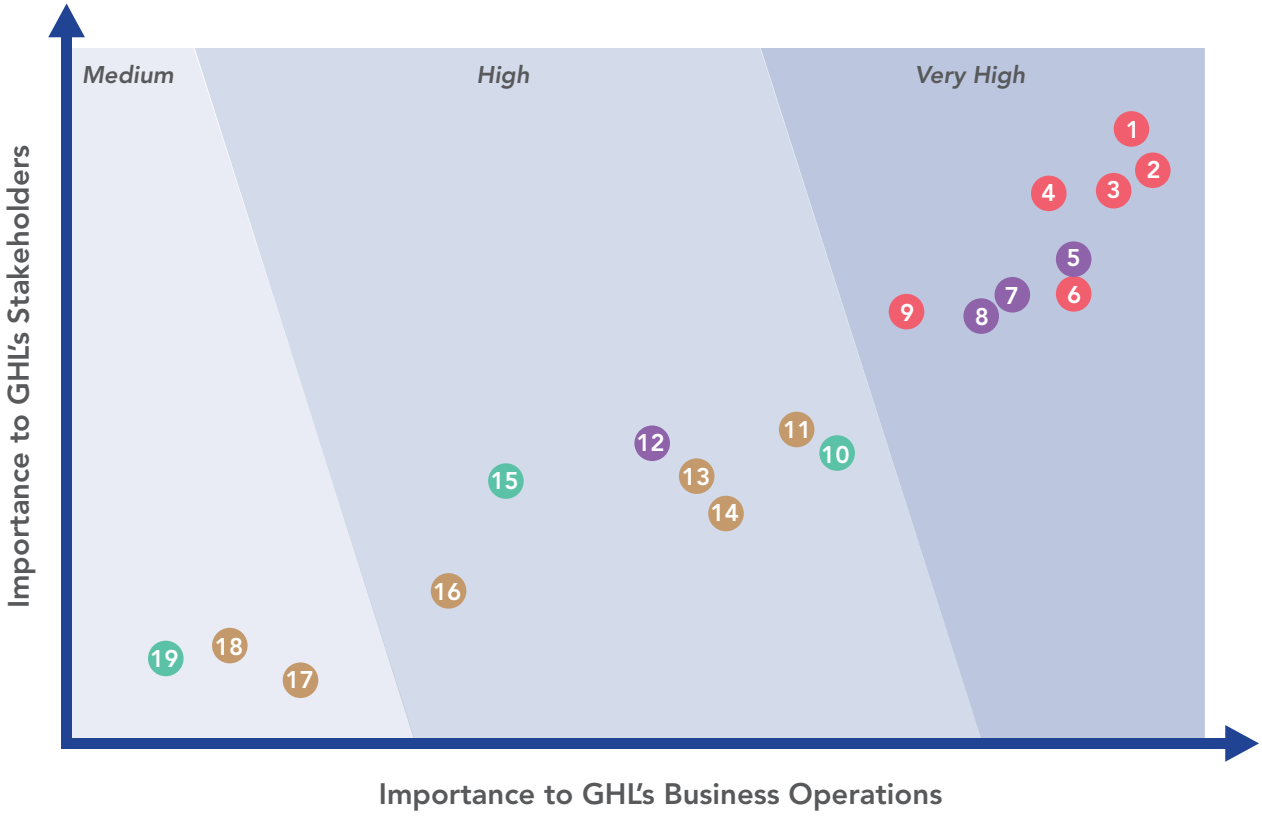
Material Sustainability Matter	Description	Stakeholders	Sustainable Development Goals
Corporate Business and Integrity			
Whistleblowing Policy	Mechanism for employees to raise their concerns in case of improper acts or violation of code of conduct	• Employees	
Customer Due Diligence	The processes used to collect and evaluate relevant information about potential customers	• Customers	
Customer Growth			
Customer Experience	The impression or perceptions customers have about the GHL brand	• Customers	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Technology and Innovation	Introduction of new products or processes that significantly enhance customer experience when using GHL products or services	• Customers	
Product and Service Quality	The ability of the Group to meet or exceed customer expectations and maintain high customer satisfaction	• Customers	
Customer Empowerment Event	Provision of necessary tools and resources for customers to make informed decisions	• Customers • Media	
Sustainable Workforce and Community			
Employee Diversity and Inclusivity	Initiatives in place to promote non-discriminatory practices across the Group	• Employees	8 DECENT WORK AND ECONOMIC GROWTH
Conducive Workplace	Work environment that increases employee motivation and safeguards their well-being	• Employees	
Talent Attraction and Retention	Employee benefits that allow the Group to recruit talented new hires	• Employees	
Human Capital Development	Training and programmes that allow employees to acquire the necessary skills and knowledge for enhanced productivity	• Employees	
Supply Chain Management	The consideration for ESG criteria when engaging supply chain partners	• Suppliers	
Corporate Social Responsibility	Financial and non-financial contribution to support the well-being of surrounding communities and underprivileged groups	• Local Community • Employees • Media	
Environmental Excellence			
Climate Change	Corporate effort to reduce carbon emissions due to business operations	• Regulators/ Government • Shareholders/ Investors	13 CLIMATE ACTION
Waste Management	The proper handling of unwanted by-products generated from business operations	• Regulators/ Government • Local Community	
Water Stewardship	The utilisation of water resources in a responsible and sustainable manner	• Local Community	

Materiality Assessment
Cont'd

Materiality Matrix

The prioritisation of our 19 material sustainability matters is demonstrated in the matrix below which outlines the ranking of each material matter based on its importance to GHL's business operations and to the stakeholder groups.

For FY2021, material topics under the Corporate and Business Integrity pillar ranked 'Very High', highlighting their significance to the Group and the stakeholders.



Corporate and Business Integrity

1. Customer Data Privacy
2. Cyber Security
3. Anti-Money Laundering Policy
4. Anti-Bribery and Corruption Policy
6. Whistleblowing Policy
9. Customer Due Diligence

Customer Growth

5. Customer Experience
7. Technology and Innovation
8. Product and Service Quality
12. Customer Empowerment Event

Environmental Excellence

10. Climate Change
15. Waste Management
19. Water Stewardship

Sustainable Workforce and Community

11. Conducive Workplace
13. Talent Attraction and Retention
14. Employee Diversify and Inclusivity
16. Human Capital Development
17. Corporate Social Responsibility
18. Supply Chain Management

For FY2021, our reporting approach reflects improvements in management of our material sustainability matters by consolidating them under the **four sustainability pillars**. We aim to enhance our sustainability disclosures to be more transparent to our stakeholders.

Corporate and Business Integrity

At GHL, we integrate ethics and integrity into everything we do. We maintain good corporate governance practices and standards, and ensure strict compliance with all relevant laws and regulations in our operating jurisdictions. Our commitment to integrity is the basis for the long-standing trust of our customers and other stakeholders and is supported by our comprehensive range of policies and procedures.

Customer Data Privacy

The Group's Privacy Statement encompasses all aspects of customer data privacy, and outlines our responsibilities and commitments for effective data handling. Formulated in accordance with the Malaysian Personal Data Protection Act ("PDPA") 2010, with oversight from the Board of Directors, the Statement is reviewed and modified by the Group Head of Legal & Compliance as and when necessary.

To ensure transparency in business operations, our corporate website, www.ghl.com, contains a dedicated Privacy Statement section, and pertinent clauses are also included in the contractual agreements with our business partners.

In February 2021, our e-pay system suffered a data leak that occurred in a defunct part of the e-pay online reload and bill payment collection system (E.V.E.). As a stand-alone system, the E.V.E. was not directly connected to any other GHL systems and servers; hence, the breach did not impact our other e-pay businesses and operations. Our Information Technology ("IT") team was swift to identify and rectify the source of the data leak and users were immediately advised to perform the necessary action to preserve their data.

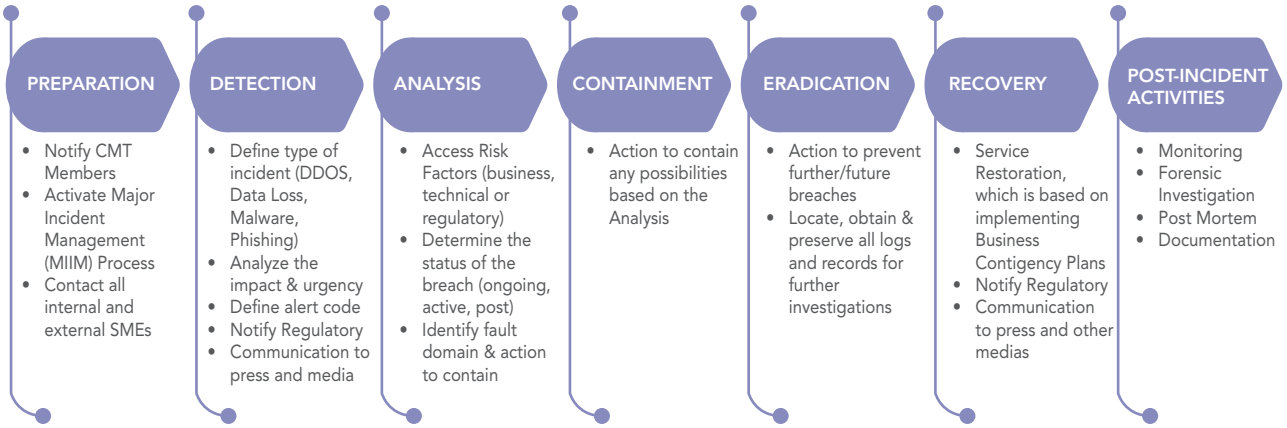
To remain transparent to all our stakeholders, we publicly disclosed the data breach incident in The EDGE newspaper. In addition, we engaged with relevant industry regulators on our lessons learnt from the incident. Corrective measures have been taken to prevent the recurrence of similar incidents.

Cyber Security

As a responsible payment processor, GHL Systems Berhad strictly complies with the Payment Card Industry Data Security Standard ("PCI-DSS"), a compliance programme set by the Payment Card Industry Security Standards Council ("PCISSC"). To ensure utmost protection against data misuse and to preserve cardholder information, GHL's compliance is verified through an annual certification and assessment process.

Cyber security and data protection is managed by our dedicated team of IT professionals led by our Group Chief Technology Officer. The team has expert knowledge in IT compliance, cyber security and cyber resilience. Our cyber security effort is guided by several policies and procedures, including our Business Continuity Plan and Disaster Recovery Plan to ensure that we are resilient against any cyber-attacks.

We have established a comprehensive playbook to help us identify and handle suspected cyber security threats or breaches.



Corporate and Business Integrity
Cont'd

Anti-Money Laundering Policy

As a Fintech Payment service provider, it is essential for GHL to assess and address any potential risks relating to financial crime. In 2019, we implemented our Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Policy. This comprehensive Policy outlines our commitment to protect the business from financial crimes. The roles and responsibilities of the employees, the senior management, and the Board of Directors are defined in the Policy. In addition, preventative measures to avoid money laundering risk and the procedures to address suspected breach are described in the document. The template and standard procedures for reporting any suspicious transactions are likewise documented in the Policy. To ensure proper execution, GHL's Anti-Money Laundering Policy also outlines the consequences in case of non-compliance.

To ensure policy compliance, all GHL staff will undergo training, and priority is given to frontline employees who are customer-facing and are responsible for establishing business relationships. This group of employees are trained to conduct customer due diligence and detect suspicious behaviour and transactions. The Policy can be viewed on the Investor Relations section of our website.

Policy monitoring and review are periodically conducted by the Group's Legal and Compliance Department, with corresponding Board oversight. In compliance with the Policy, additional periodic internal audits are conducted and supported by an annual external audit. No risk areas or incidents of non-compliance were reported at this year's audit.

Anti-Bribery and Corruption Policy

GHL's Anti-Bribery and Corruption Policy ("ABC Policy") which was implemented in 2018 is currently under review to ensure that it remains aligned with Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") and with the Group's business needs. The ABC Policy includes clear definitions of bribery and other corrupt practices such as facilitation payments, giving and receiving of gifts and hospitality, political contributions or favours, and sponsorships and donations. It also delineates the process for incident management and the consequences of non-compliance.

An annual training on the ABC Policy is conducted to refresh the employees knowledge and understanding of the policy and to ensure that their day-to-day actions are reflective of GHL's ethical standards. All third-parties with whom we engage, are required to sign a declaration of integrity that indicates compliance with our policy. Our Group-wide onboarding process, includes a comprehensive assessment of all proposed third party arrangements, including the potential for corruption risk. This assessment is applicable for all subsidiaries of GHL. Currently, none of our operational areas have been assessed as high risk.

In June 2021, all GHL Malaysia employees, including the Board of Directors, received MACC training as part of a wider training programme. It included training on anti-bribery, anti-money laundering and the Counter-Terrorism Funds Act.

As of this reporting period, there were no reportable incidents of corruption recorded and no fines, penalties, or settlements were issued.

Whistleblowing Policy

To reinforce our commitment to protect the Group from fraudulent practices and misconduct, we established the Whistleblowing Policy in 2018. The Policy encourages employees and third parties to notify the Board on concerns regarding integrity or misconduct, including suspected criminal offence, unfair treatment, misuse of confidential information, or receiving of kickbacks. Confidentiality is emphasised and any whistle-blower who reports an incident in good faith will be afforded protection from retaliation. Policy awareness among employees is facilitated through informative flyers circulated via emails and posted on the notice boards in our offices.

The Whistleblowing Policy has been translated into the local language of countries of operation, to ensure comprehension by all staff. No complaints for misconduct were lodged on our whistleblowing channel this reporting period.

Corporate and Business Integrity
Cont'd

Customer Due Diligence

To assess the risks of doing business with potential customers, the Group established a Know-Your-Customer due diligence ("CDD") procedure for customer identification and background check.

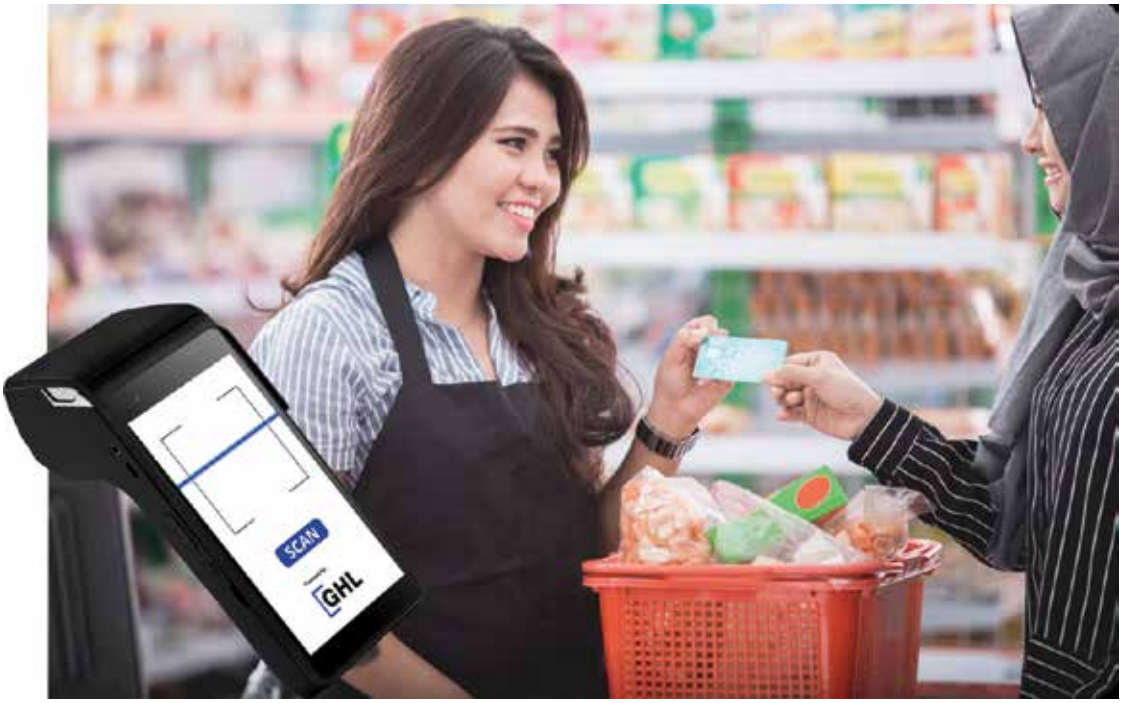
As a matter of policy, GHL refrains from dealing with customers who do not meet the CDD requirements. The standardised assessment is conducted by the Group's Risk department and also covers existing customers to reduce the risk of potential fraud or chargeback.

The CDD process is conducted every time the Group establishes a business relationship with a new party. Information collected includes identity documentation (for individuals), ownership information (for businesses), and source of funds or wealth in cases where the customer is assessed as high risk. Any potential customer who is unwilling to provide the requested information is flagged as suspicious and the business relationship will not proceed.

This year, our internal audit team reviewed the CDD process for our E-payment subsidiary. The assessment uncovered a potential risk area where business registration documents were not collected for potential customers. The process was promptly amended to ensure business registration documents are collected and filed for all customers.

Customer Growth

One of the Group's Core Values, Customer is the Boss, drives us to continue providing excellent service to our customers. Our focus on customer experience and engagement is combined with delivery of high-quality and innovative products. The result is high levels of customer satisfaction which translates into long-term value for our business and our stakeholders.



Customer Experience

A superior customer experience is essential in achieving high rates of customer loyalty and satisfaction. We strive to be available to our customers at all times via telephone, email, and self-service digital channels.

With the goal of establishing a user-friendly and intuitive tool for our customers and merchants, we launched our online Merchant Portal - GHL Intelligent Support Assistant ("GISA") in 2020. The tool offers self-help service to our customers through a Live Chat application with Artificial Intelligence ("A.I."). The A.I. Chatbot is capable of responding to basic customer enquiries, reducing our dependence on call centres. GISA is also useful in collecting customers' feedback on our services.

Customer Growth
Cont'd

To improve user experience, we upgraded the Merchant Portal with an enhanced dashboard, making it easier to locate payment verification and view payment transaction details.

We maintain regular monitoring of our customer feedback through customer surveys and measurement of our Net Promoter Score ("NPS"). Calculated annually based on data received from customer feedback, the NPS ensures we continue to provide excellent service.

Net Promoter Score	
FY2020	49%
FY2021	90%

New customers are engaged monthly via our Welcome Calls during which we also collect feedback to determine their satisfaction level with the services provided by our Merchant Sales Officers and installers. In addition to providing a Terminal User Guide, our new customers are also briefed on the basics of terminal use and where relevant, on fraud prevention.

Technology and Innovation

As a Fintech Payment company, it is imperative for us to remain at the forefront of innovation and new technologies that will benefit our customers. This year, we launched our CARDit programme, designed specifically to enable small and medium enterprises ("SMEs") to transition from their traditional cash transactions. CARDit is a system that enables cardholders to use credit cards to pay merchants or third party suppliers and/or service-providers that traditionally do not accept credit cards, by utilising credit limit.

CARDit benefits SMEs as it allows utilisation of credit cards for transactions that typically require bank transfer, such as rent or payments to suppliers, thus improving business cash flow. Credit card holders continue to earn reward points as they would for a normal credit card transaction.

Customer Growth
Cont'd

Product and Service Quality

To maintain the high quality of our products and services, we conduct regular internal quality audits and independent audits as required. Our audits identified no quality issues for FY2021.

Regular review of merchant experience is also conducted to gauge our service quality. Any indication that our merchants have become inactive (i.e., have not processed transactions for two months or more) prompts our team to reach out to the particular merchants to determine how we can be of any assistance.

We also complete a monthly Service-Level Agreement ("SLA") Report for our bank partners, detailing our progress against terminal fault calls which we endeavour to respond to within four hours of receiving the call. In the last two years, we have been tracking the number of terminal fault calls received against the total number of terminals in operation to derive the fault call ratio. We constantly strive to reduce this number.

Fault Call Ratio	
FY2020	1.82%
FY2021	1.46%

Customer Empowerment Event

Financial literacy remains one of our prime focus areas in customer empowerment. Each year, we hold events and collaborations aimed at equipping our customers with the knowledge they need in order to succeed.

For FY2021, COVID-19 restrictions continued to limit our capability to hold in-person engagement sessions. Nevertheless, we embraced the technology of digital communication to continue to engage with our customers and stakeholders as much as possible.

Sustainable Workforce and Community

We strive to create an inclusive culture to encourage a sense of belonging in a diverse workforce. Initiatives were implemented to build a constructive relationship with our local communities and suppliers. By putting people at the heart of what we do, we aim to bring value to our stakeholders through effective engagement activities with our employees and communities.

Employee Diversity and Inclusivity

Our strength lies in the diversity of our nearly 1000-strong workforce which operates efficiently across six countries. We recognise the value that diversity can bring in terms of life experiences, cultural knowledge and unique perspectives. Guided by the Group's core values and Gender Diversity Policy, we remain committed to maintaining an inclusive and cohesive workforce.

Legend: Male Female

Gender Diversity in FY2021

Employees

Male	Female
61.8%	38.2%
561	347

Board of Directors

Male	Female
66.7%	33.3%
6	3

Age Breakdown in FY2021

Below 30 years

Male	Female
54.5%	45.5%
180	150

31 to 50 years

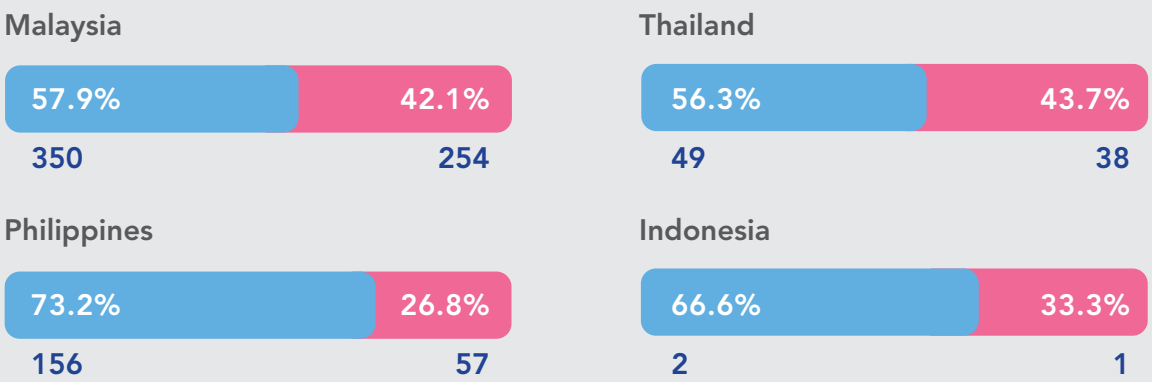
Male	Female
65.4%	34.6%
355	188

Above 51 years

Male	Female
65.7%	34.3%
23	12

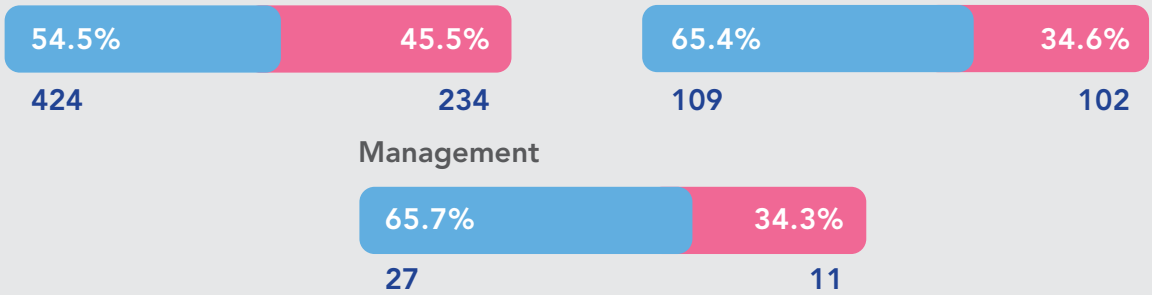
Sustainable Workforce and Community
Cont'd

Country Breakdown in FY2021



**GHL Australia consist of only 1 male employee.*
***The Group's Singapore operations is managed through GHL Malaysia*

Employment Breakdown in FY2021



A comprehensive diversity and inclusion training programme is embedded into the onboarding process for new employees to further reiterate a positive and inclusive workplace culture. Discrimination training is also provided to reinforce the message that harassment and prejudice will not be tolerated within the Group.

To foster respect and open-mindedness for other cultures, GHL Malaysia organised a Kolam Competition in the spirit of Deepavali celebrations. A total of 24 employees of Malay, Indians and Bumiputera ethnicity participated in six groups, where creative use of design and colours led to the creation of beautiful artworks.

Employees are encouraged to report any incidence of discrimination or harassment that may occur within the Group. Our Human Resources department will take prompt action to investigate and resolve any reported issues. In this reporting period, zero incidents of discrimination were recorded at GHL.

Sustainable Workforce and Community
Cont'd

Conducive Workplace

A conducive work environment is crucial for a productive workforce. In FY2021, the Board approved the Labour & Human Rights Policy to strengthen our commitment to a fair and safe workplace. The policy is available on our corporate website and is communicated to all employees in English or Malay. In line with international labour standards, the policy addresses the following:

- Child Labour
- Forced Labour
- Minimum Wage and Benefits
- Working Hours
- Right to Freedom of Association and Collective Bargaining

Our initiative to maintain a motivated workforce extends beyond company policies. Virtual Coffee and Townhall sessions were conducted regularly to engage with employees. The sessions present employees an opportunity to discuss workplace conditions and to voice out any grievances to GHL's management. Additionally, we organised weekly Wellness Sessions to provide employees with advice on healthy life-style choices.

We maintain strict compliance with the local labour regulations in countries where we operate. The Group assesses the risk of labour misconduct to be low due to the nature of the Fintech industry. No incidents of non-compliance with labour standards were reported in FY2021.

Employee Engagement in the 'New Normal'

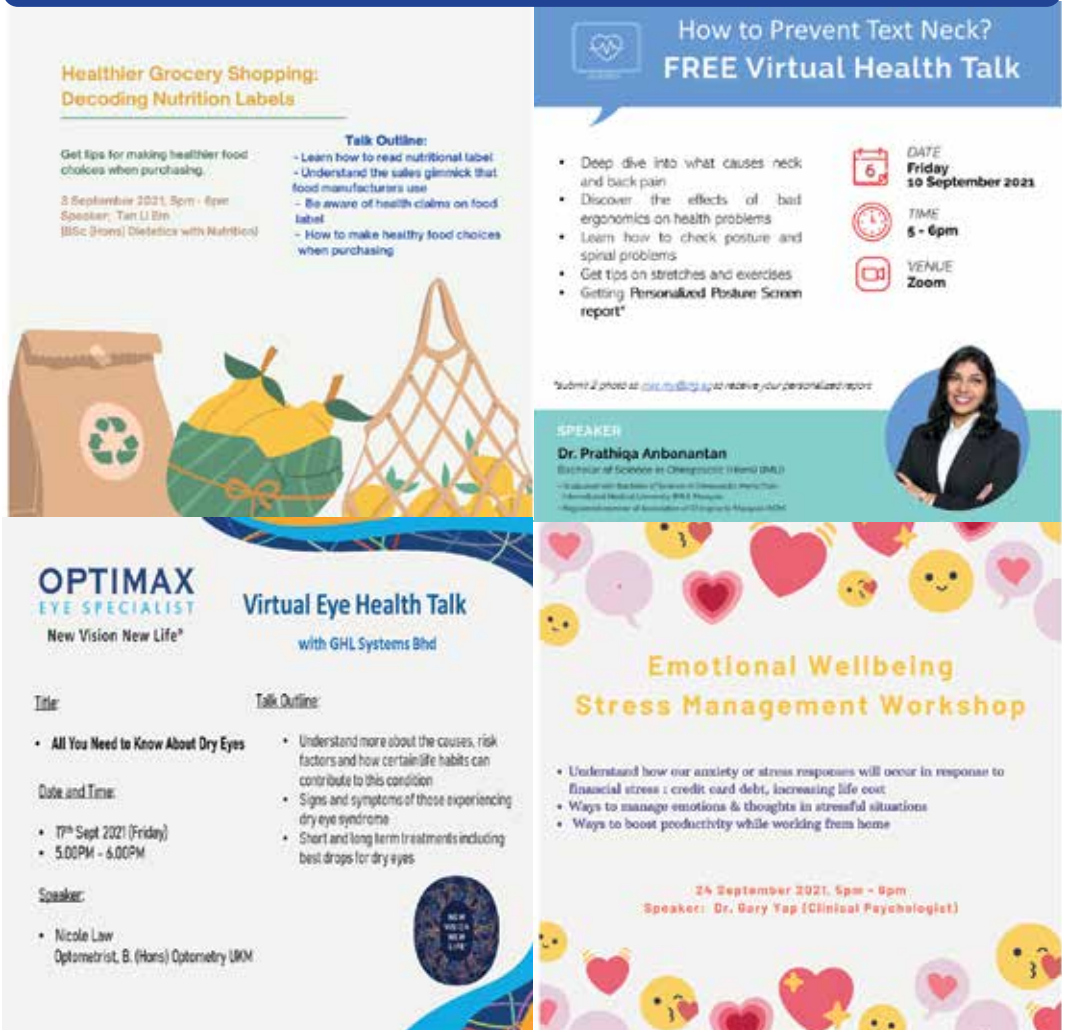
Workplace safety took on a new meaning in 2021. We established a comprehensive policy and guidelines to curb the spread of COVID-19 in the workplace. To safeguard the health of our workforce, work-from-home arrangements were instituted, leveraging on the Group's robust digital infrastructure and online solutions.

In conjunction with International Workers Day, we distributed a total of 663 giftboxes to employees across the Group. The gift boxes consisted of food items and delectable that promote healthy eating and lifestyle.

To boost the morale of GHL employees who experienced feelings of isolation during the trying times, our Human Resource ("HR") department organised the GHL Wellness Month in September 2021. Capitalising on our digital communication system, engagement efforts were curated to focus on caring for the employees' physical and mental well-being. Four virtual workshops were conducted over the course of this campaign, with a total of 173 participants from Malaysia, Indonesia, Philippines and Thailand in attendance. Our employees not only acquired essential knowledge to remain mentally and emotionally fit, they also learned to take ownership of their physical health.

Sustainable Workforce and Community
Cont'd

GHL Wellness Month Workshops



Talent Attraction and Retention

As a trustworthy employer that values our workforce, we endeavour to recruit, retain and remunerate our employees in a fair and equitable manner. Our recruitment and promotion processes promote equal pay for equal work regardless of the candidate's gender, age, ethnicity, culture or socio-economic background, in line with our Gender Diversity Policy. Meritocracy is emphasised when hiring employees for key positions.

We acknowledge that our employees are our greatest asset, and we strive to implement initiatives which encourage employee productivity. Guided by our Labour and Human Rights Policy, we provide fair remuneration to all employees in conformity with relevant local regulations on minimum wage. We also provide competitive employee benefits that differentiate our business from competitors.

Sustainable Workforce and Community
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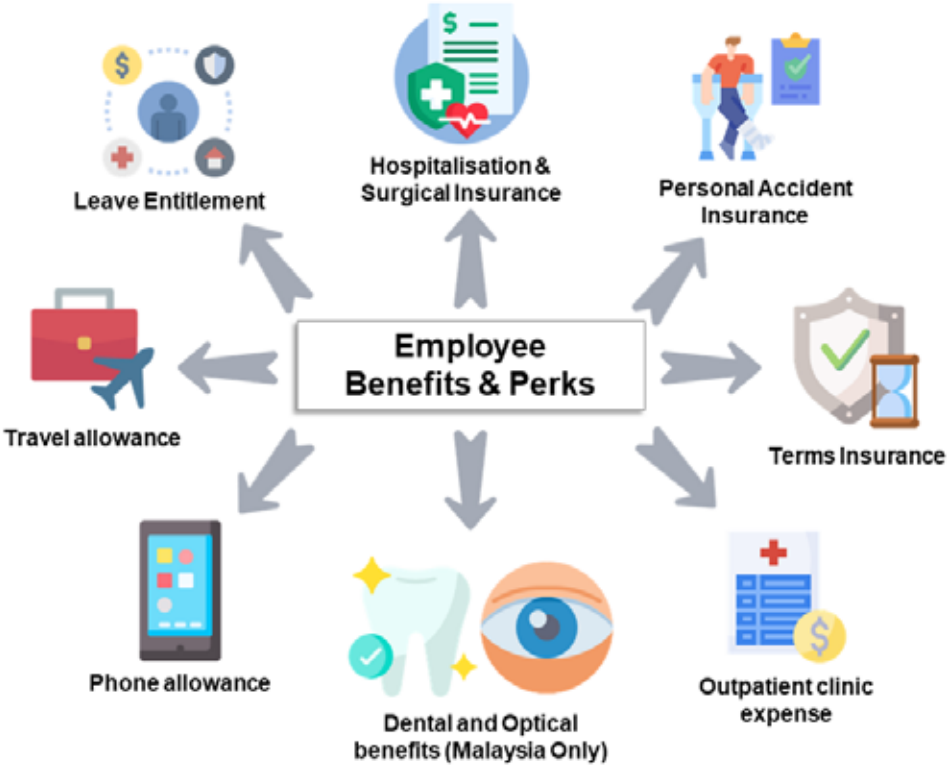


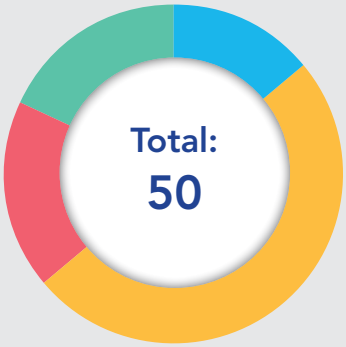
Due to our efforts, we have been successful in retaining talented employees within the Group. In FY2021, we achieved a new hire rate of 25% and a turnover rate of 21%. A total of seven male and seventeen female employees took parental leave, all of whom returned to work at GHL after their leave ended.

Human Capital Development

To encourage lifelong learning and professional growth among our talent pool, soft skills and technical training programmes are facilitated based on consultations between management and employees as well as job requirements.

COVID-19 may have caused disruptions in our personal and work life, but we have invested in innovative solutions to enable remote learning opportunities in conjunction with physical training sessions for our staff. Utilising GHL's digital expertise, we ensure that our employees have access to quality content which would otherwise be limited in the new normal.

Training programmes conducted:



Soft Skills	14%
Technical Skills	50%
Managerial & Leadership	18%
Compliance Training	18%

Sustainable Workforce and Community
Cont'd

We maintained the High Potential ("HIPO") programme established in FY2020 to identify and support the growth of potential staff for key leadership positions. All eligible employees in the Group receive year-end performance appraisal, and prospective individuals were selected based on their merit and initiative. The HIPO candidates undergo an accelerated development programme to prepare them for greater roles and responsibilities.

Our talent pool is constantly replenished with interns and fresh graduates from various universities. This initiative not only allows us to discover new talents who are familiar with GHL operations but also injects fresh perspective for products and solutions that are critical in the fintech industry. Mentoring the interns also doubles as leadership training for our senior employees, especially for new managers who graduated from the HIPO programme.

Our efforts in capacity building have translated into a skilled and professional workforce that can compete in the evolving tech industry. In FY2021, we recorded the following achievements:

Total Training Hours
4,302 hours Group-wide

Average Training Hours
4.74 per employee

20 employees (MY, PH, TH, ID) onboarded the 1-year HIPO Programme

2 university graduates interned with GHL

Supply Chain Management

We believe that our commitment to sustainable development must extend to our supply chain. Establishing a proper supply chain management is crucial for a transparent assessment of our suppliers as well as alignment to our sustainability values. In 2021, the Group Procurement team ensured minimal disruption to GHL's needs by continuously monitoring and planning for essential supplies as well as maintaining continuous engagement with our supply chain partners.

We regularly conduct supplier assessment of the Group's product and service providers. For this purpose, we apply the GHL Standards, which look for competitive pricing, quality and compliance with regulations. Additional Service Level Agreements are applied for outsourced services. All criteria and expectations are appended in the contracts which must be acknowledged by the suppliers before they are awarded the contract.

To build a resilient supply chain, we support local suppliers which account for 95% of awarded contracts. The remaining 5% is accounted for by the payment terminals which are manufactured overseas.

Sustainable Workforce and Community
Cont'd

Corporate Social Responsibility ("CSR")

Our dedication to sustainability integration is strengthened through our joint efforts with fellow members of CAN to create an ecosystem for sustainable businesses. CAN focuses on advocacy for sustainability-related policies and the transfer of skills and knowledge through workshops sessions and collective commitments.

COVID-19 has had a significant impact on communities worldwide, which disproportionately affected underprivileged groups. As a responsible corporate citizen, GHL exercises its corporate responsibility through collaboration with local non-governmental organisations ("NGOs") to address community needs.

We have our flagship programme "Support Our Merchants & Care for Community" which is focused on raising donations to support GHL Merchants and local NGOs amidst the COVID-19 pandemic. The programme acts as "a" CSR donation fund to purchase items from GHL-affiliated merchants who were affected by COVID-19. The donation fund also aims to alleviate the burden faced by NGOs, by providing daily essential items and electronic goods for charitable organisations through monetary and in-kind donations.

In addition to partnering with NGOs, in FY2021 we contributed funds to the Forest Research Institute Malaysia ("FRIM") as part of our commitment to conserve our natural rainforest. Five staff members also participated in a tree-planting activity organised by FRIM. Moving forward, we hope continue to promote this environmental agenda as we believe our conservation efforts offer inherent value to the community.

Sustainable Workforce and Community
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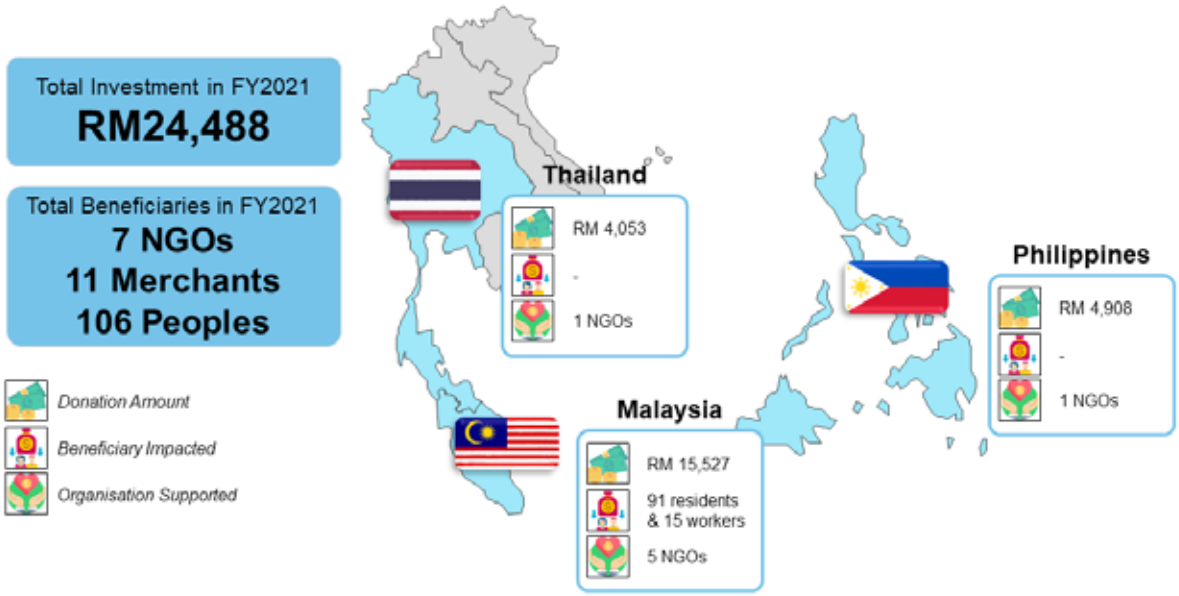


	NGOs	Donation Amount
GHL Malaysia		
1	AiyiDe Old Folks Home	RM 3,000.00
2	Sunteck Handicapped Welfare Home	RM 3,000.00
3	Pertubuhan Kebajikan Anak Yatim Mary	RM 3,151.50
4	Forest Research Institute Malaysia ("FRIM")	RM 5,000.00
5	Woo & Meow Animal Shelter Organisation	RM 1,375.50
GHL Thailand		
6	Pankan by Yuvabadhana Foundation	RM 4,053.00
GHL Philippines		
7	Kythe Foundation	RM 4,908.00

Environmental Excellence

We are committed to manage our environmental footprint and provide opportunities to help advance environmental protection. Our commitment involves actions focused on mitigating our carbon emission, managing consumption of natural resources such as water, enhancing our waste management practices and engaging partners across our value chain to build resilience to climate change.

Climate Change

The issue of climate change has gathered momentum in countries and companies worldwide, and GHL is no exception. We have established a Climate Change & Risk Policy in FY2021 that addresses the Group's commitment to achieve low-carbon operations in line with the Paris Agreement. The Group's climate change action plan is driven by our Sustainability Committee, with regular updates provided to the Board for endorsement and oversight. We will continue to seek measures to reduce our carbon footprint as we aspire to achieve Net-Zero emissions by 2050.

We recognise the need for collaborative action to combat climate change. GHL has collaborated with other business leaders through CAN to advocate for affirmative climate actions and discuss opportunities for the private sector in achieving climate goals.

Climate change has been incorporated into the Group's business strategy, where potential climate impacts are identified and addressed in our Crisis Management Strategy Policy. We are committed to contribute to carbon reduction as we operate in a region that is vulnerable to the impacts of climate change such as floods, bushfires and hurricanes, which will potentially impact our business.

ECONINJA

Sijil Penghargaan

Sijil ini dianugerahkan kepada

GHL SYSTEMS BERHAD

kerana telah menaja penanaman 300 pokok dalam menjayakan

PROGRAM PENGHIJAUAN MALAYSIA 2021-2025

yang telah dilaksanakan di Kompartmen 8, Hutan Simpan Ayer Hitam Utara, Muar Johor

pada 1 Januari 2022

To realise our long-term goal of carbon neutrality by 2050, we took considerable strides in implementing our carbon reduction strategy. A key component of our effort includes partnering with Econinja on the Greening Malaysia Programme 2021-2025 to sequester carbon through tree and coral reef planting. Approximately 300 trees and 50 m2 of coral reefs were planted in FY2021, with our offset performance tracked through Econinja.

Our digital services are reliant on energy consumption, which constitutes the vast majority of our operational greenhouse gas ("GHG") emissions. During the year in review, we commenced transition of our workload from on-premise data centres to cloud-based solutions via Amazon Web Services ("AWS"). This supports our climate related efforts as cloud computing is more energy efficient. Additionally, AWS has committed to renewable energy purchases to power their cloud servers, reducing dependence on fuel-based grid electricity.

Environmental Excellence
Cont'd

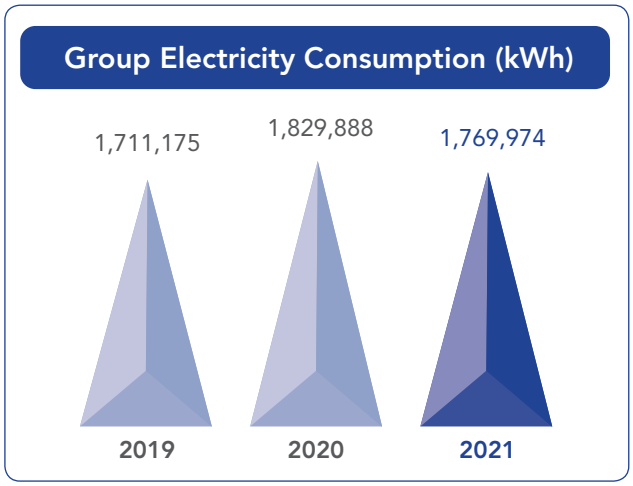
Reduction in Carbon Footprint

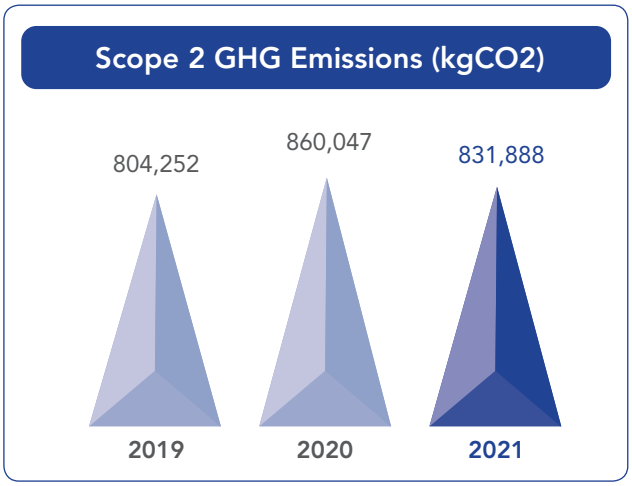
6.2 Tonnes in total emissions saved

- **4.6 Tonnes** from renewable energy
- **1.6 Tonnes** from cloud computing

We have also begun installing photovoltaic solar panels on our office buildings to increase renewable energy generation and to decrease our reliance on grid electricity. Currently, this initiative is being piloted at our headquarters, and we hope to expand it across the Group in the coming years.

The Group recorded a reduction in overall energy consumption this year, largely due to our offices operating with minimal staff as a result of COVID-19 restrictions.





Environmental Excellence
Cont'd

Waste Management

The amount of office waste generated by GHL was negligible in FY2021 as most of our operations were conducted online. This was compounded by our remote-working arrangement where domestic office waste was further reduced compared to previous years.

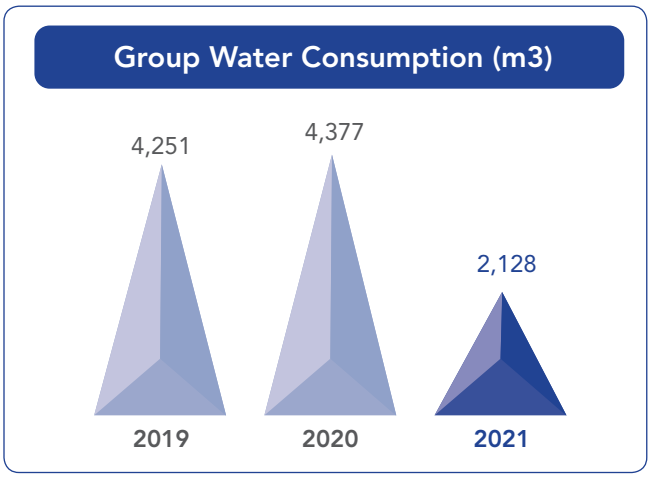
The majority of our waste generation resulted from our Malaysia, Thailand and Philippines operations. The primary waste recorded were electronic waste ("e-waste") from obsolete terminals that can no longer be used in our operations. Our formal company procedure is to ensure obsolete terminals are disposed in a responsible manner.

We recognise that partnership with the specialised disposal authority is crucial to the safe transportation and disposal of hazardous waste. Across our countries of operations, qualified contractors or agencies are appointed for the management and recovery of e-waste, in adherence to each respective national regulation and industry best practices. The collected e-waste will be shredded and utilised in concrete mixture to serve as a partial replacement to coarse aggregates.

Water Stewardship

Water is primarily used as a cooling agent in our servers and for domestic use in our office buildings. We remain cognizant of the issue of water security in water scarce regions such as Australia. The Group's water-related risks are negligible as the size of our Australia operations is minimal, and our other operations are not located in water-stressed regions.

Our annual water consumption is tracked across our office building in all countries we operate in. In FY2021, the Group's total water consumption amounted to 2,128 m3. However, this figure is not reflective of typical consumption as our offices were minimally staffed due to the Group's remote working arrangements.



Conclusion

We have made significant strides in integrating ESG into the Group's business strategy through the establishment of our Sustainability Framework. With the rise of ESG investments, fintech companies play a key role in the transition towards a sustainable economic model. Moving forward, we will continue to strengthen our sustainability commitments to become an ESG-centric company that brings innovative financial solutions and long-term value to all.

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