



**CORPORATE
SUSTAINABILITY
REPORT
2018**

INTRODUCTION

How does a corporation sustain or even maintain its growth momentum in a world that is evolving at an increasingly fast pace and interdependent on so many other factors like technology changes, trade, environment, people and product innovations? A corporation may do well today but changes in any of the above factors may bring about a sudden loss of market, product obsolescence, and even its demise if it is neglected over time.

It is thus important for corporations to have a proper corporate sustainability plan which is able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

GDEX views corporate sustainability as a business approach that creates long-term consumer and employee value by developing a “green-based” strategy aimed toward the natural environment and taking into consideration every dimension of how a business operates in the social, cultural, and economic environment. This plan should also include strategies to build a company that fosters longevity through transparency, ethical practices and proper employee development.

While it is important to meet and deliver key performance indices (KPIs) targets and financial returns, it is equally important to formulate a Corporate Sustainability programme that can increase revenue, reduce waste and energy expenses, increase employee productivity and commitment and lessen strategic and operational risks. GDEX’s corporate sustainability plan is encapsulated in its four pillars of sustainability, that is, The Economy, The People, The Community and The Environment.

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I. THE ECONOMY

The express delivery business is not just about delivering documents or parcels. It is about connecting people with goods, services, ideas and technologies to create opportunities in the marketplace. To do so, we need to understand the economy around us – the social-political trends, geo-political trade and technological changes. Across East and West Malaysia, Singapore and Indonesia (through our strategic alliances), GDEX is making these connections which in turn generate jobs, foster economic prosperity and lifting communities to higher standards of living.

To ensure our business sustainability in this area, we focus on the following:

- Customers
- Suppliers, Vendors and Business Partners
- Government and Regulator
- Stakeholders and Investors



Customers

Delivering a positive customer experience is always at the top of our priority list. We constantly strive to connect our customers to their markets and thereby increase possibilities for their benefits. We

also ensure relevancy in our products and services by offering cost effective and innovative product packages and solutions, thus, ensuring timely and secured delivery to meet customer needs and satisfaction.

Besides providing reliable door-to-door delivery services of documents and/or parcels, we also provide express delivery service for special items such as time-sensitive and high value goods and other value added services such as risk management and insurance coverage.

For customers requiring comprehensive logistical and warehousing services, we provide customised logistics solutions where its services include security handling for high value items, managing mailroom operations and handling logistics and distribution arrangements.

Our freight forwarding and warehousing division is another important component in our drive to provide integrated logistical solutions to meet the evolving needs and requirement of our customers.

By using our nationwide transportation network, logistics expertise and the dedication of our team members, we hope to reduce risks and provide greater benefits to our customers.

Suppliers, Vendors and Business Partners

Our suppliers, vendors and business partners will always play a vital role in our business operations. While we enforce strict criteria in the selection and evaluation of our suppliers, vendors, agents and contractors to ensure they meet and comply with ISO Certification quality standards, we also expect them to continually keep abreast of all technological changes that have a positive impact on the products and services provided to the Group. We also conduct supplier evaluation exercise on a yearly basis to ensure suppliers meet the quality standards.

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Government and Regulator

We continue to actively engage with the regulatory authorities through the Association of Malaysian Express Carriers (AMEC) to fine-tune the long-term development of the express carrier industry, particularly in areas of education, road safety and orderly industry growth. We also gave inputs into the training and building of skills set to enhance the human resource aspect of the industry.

Our officials, representing AMEC, meet regularly with the authorities, in particular, the Malaysian Communications and Multimedia Commission (MCMC) to give inputs and ideas on how best to develop the industry.

We also liaised with other regulatory authorities such as Road Transport Department (JPJ), Safety and Health Regulators (DOSH), Malaysian Institute of Road Safety Research (MIROS) and Traffic Police Division in matters concerning our own road safety activities and other developments. Our annual road safety championship, for instance, has the endorsement of JPJ, DOSH, MIROS and the Traffic Police Department.



Stakeholders and Investors

We always prioritise our shareholders interests by ensuring the group is managed in a responsible, transparent and profitable manner with the required corporate governance and cost controls in place. We also ensure there is continued and sustainable growth with dividends to reward shareholders and attract potential investors.

Shareholders and potential investors are kept informed of latest developments through its investor relations website and official publications such as annual report, announcement of quarterly results and other important corporate announcement. We also organise regular briefings for investment analysts to update their knowledge and understanding of the Group.

As part of Bursa Malaysia's requirements, we are required to announce quarterly financial results and present an Annual Report for shareholders' approval at an Annual General Meeting.

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STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE ECONOMY: The Marketplace		
Customers	<ul style="list-style-type: none"> • Service Satisfaction • Innovative Offerings • Security Protection • Customer Service Profit • Customer Appreciation 	<ul style="list-style-type: none"> • Customer Survey • Feedback on GDEX Website, Facebook & Twitter • Enhanced Liability Coverage • Refresh Through Campaigns/Promotions Events Sponsorship (MIA conference, festive customer appreciation) • After Sales Service
Suppliers, Vendors & Business Partners	<ul style="list-style-type: none"> • Supplier Evaluation • Integrators Collaboration • Agents & Contractors • Suppliers Code of Conduct 	<ul style="list-style-type: none"> • Compliance with ISO Standards • Yearly supplier evaluation • Agent Workshop • Co-load for international delivery • Visitation to Suppliers Factories/Plants
Government & Regulator	<ul style="list-style-type: none"> • Licensing • Courier Industry Development Plan • Courier Industry Rules & Regulations • Courier Industry Code of Practice • Personal Data Protection Act 2010 • Goods and Services Tax • E-commerce Development Plan • Safety and Health Campaigns 	<ul style="list-style-type: none"> • Seminar/conference • Participation through AMEC with MCMC • Customer Awareness through website, • Staff awareness through seminar & training • Participation with MITI and MDEC • Visitation to Government Agencies • Participation with DOSH, JPJ, MIROS, PDRM, JKJR (Jabatan Keselamatan Jalan Raya).
Stakeholders & Investors	<ul style="list-style-type: none"> • Corporate Governance • Shareholders' Interests • Investor Relations 	<ul style="list-style-type: none"> • Annual Report • Announcements to Bursa Malaysia • Annual General Meeting and Extraordinary General Meeting • Dividends • Investor Relations Website • Analyst Briefing and Roadshows

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II. THE PEOPLE

The workplace is where we nurture and develop our human capital. It is where we train and groom our 4,000 plus workforce to enable them to handle responsibilities in an effective and efficient manner. We strive to ensure that our people work in a safe, inclusive environment where there are enough incentives and room for continued career development through the following programmes and activities:

Training

We provide regular and structured training to all levels of staff, from incoming recruits to front-line service staff, couriers, drivers, supervisors right up to middle and senior executives. Our Pembangunan Sumber Manusia Berhad (PSMB) certified trainer works closely with management to plan rigorous training programmes that enhance the professional as well as interpersonal skills and knowledge of our employees.



Our Multimedia Remote Learning programme, launched in 2011, has undergone numerous upgrades and improvements to reflect the latest teaching and learning techniques. This programme enables our training to reach our vast network in all parts of the Peninsular and East Malaysia. In the process, it has raised the number of training hours to an average of 30,000 hours from 20,000 hours previously and reduce training costs substantially.



We also send our executives to attend specialised management seminars and participate in workshops and industry exhibitions so that they are kept abreast of latest development and changes in the logistics industry. The programmes attended included the Unclaimed Moneys Act, Personal Data Protection Act, Risk Management & Management Seminars and MFRS 9 & 15 Accounting Standards organised by the relevant agencies.



GDEX Academy for education and on-the-job Training

GDEX aims to be the express carrier of choice for future generations of Malaysians. To strengthen this objective, the group has introduced a GDEX Academy for school or college leavers to experience first hand proper training in express delivery. This Academy, to be manned by certified operational personnel in the Group, will enable students to familiarise themselves with actual on-the-job logistics and express delivery operations, and in the process, prepare them for a career in the express delivery industry.

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Network Conference and Teambuilding

We organised a one day network conference annually where executives from supervisors level onwards, come together from all over the country to share their work experience and to be briefed on the Group's plans and directions going forward. It is also a time for bonding and re-affirming their commitment and solidarity to the Group's vision and mission.

We place great importance in affirming our people with activities like team-building and motivational workshops to build their knowledge, interpersonal skills and confidence. Every year, the management organised a 3-day teambuilding workshop where executives from various departments get together for activities that foster team-spirit and creativity.

We also organised events like annual dinners, long service award ceremonies and festive gatherings to appreciate and recognise the efforts of our people as well as foster a family spirit and a sense of belonging for our staff.

Safety, Health and Security

Building an inclusive workplace means looking after the welfare, health and safety aspects of our employees. We do not compromise on this area. Through our Safety and Health Committee, we continue to ensure safety measures to minimize accidents at the workplace. The committee also carried out other safety-related activities such as fire drills for the entire workforce and defensive driving contests for the drivers to fine-tune and enhance their driving skills. Our Road Safety championships is organised for our motor-cycle couriers and truck drivers to showcase their driving skills with an eye on road safety. This annual event is endorsed by Jabatan Pengangkutan Jalan (JPJ), Malaysian Institute of Road Safety (MIROS) and the Traffic Police Division. We are committed to maintain a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influence due to internal or external conditions. Security cameras are placed in strategic locations to deter such disruptive forces. We also employ external security force to provide 24-hour security services for the entire premises.

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STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE PEOPLE: The Work-place		
<p>Employee</p>	<ul style="list-style-type: none"> • Human Capital Development • Corporate Headquarters & Network Branches • Health & Wellness • Safety & Security • GDEX Academy 	<ul style="list-style-type: none"> • Quarterly Newsletter • Weekly Operational Briefs • Training • Teambuilding Activities • Operational Safety and Health Committee • Corporate Events • Staff Interaction Subsidy • Staff Assistance Scheme • Driving Competition • Fire Drills • Hotel & Accommodation • Shuttle Bus service • Network Conference



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III. THE COMMUNITY

We continued to engage the Community through various social and educational activities. Our approach to social responsibility, however, is evolving. Instead of merely giving hand outs to the needy and less fortunate, we are striving to create opportunities for the needy to become more self-reliant. That means, instead of providing the needy with a fish to eat everyday, we are teaching them how to use a fishing rod to catch a fish to meet their own survival.

This is evident in our new “Kampung By GDEX”, a community-based programme launched together with the Malaysian Communications and Multimedia Commission (MCMC) and three other parties to promote and stimulate E-commerce activities in the rural areas.

The “Kampung By GDEX” initiative entails GDEX providing express delivery solutions to rural small businesses and entrepreneurs to promote their products to bigger market places. This is done by creating special packaging products which can only be found at 15 selected Malaysia Internet Centers - in Selangor (4), Negeri Sembilan (5) and Melaka (6). All these selected Malaysia Internet Centers are appointed as GDEX Re-Seller Agency. The special price offered for the products will assist these business owners and entrepreneurs to increase their earnings.

With the current rapid growth of E-commerce activities, both in the main cities and the rural areas, we plan to open more One-Stop Centers in the rural areas to allow the villagers to have easy access to E-commerce and express delivery services. Indirectly, through the products and services offered, this can further spur the courier service industry in Malaysia. At the same time, the rural people can sell their products easier and faster.

As part of our social and humanitarian programme, our CSR team continues to conduct annual visits to several orphanages, handicapped homes and orang asli community, especially during the festive season to bring some cheer and much needed goods such as foodstuff, toys and educational items to the disadvantaged children.

We also continued our internship programme to provide students with an opportunity to work with GDEX during their semester breaks.

Our Group is committed to natural disaster relief programmes whereby our GDEX trucks stand ready to deliver emergency aid, food and water rations to victims of natural disasters. A case in point was the East Coast Monsoon floods in 2015 where we ferried emergency food rations and water to stranded flood victims on the East Coast.



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STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE COMMUNITY:		
	<ul style="list-style-type: none"> • CSR Involvement • Education • Community Support & Development • GDEX Foundation • “Kampung By GDEX” • Kuching E-commerce Hub 	<ul style="list-style-type: none"> • Internship Programme • Annual Blood Donation • Donation to orphanage, Orang Asli community, Old Folks Home • Aid for disaster relief (east coast flood, Nepal earthquake) • Fund for welfare of the poor, needy and under-privileged, & protection of environment • Rural entrepreneurship programme • Job opportunities for Sarawakians

IV. THE ENVIRONMENT

We continued to use our expertise in efficiency to fine tune and minimise our environmental footprint, especially in the use of fossil fuels and carbon emissions. While Malaysia has yet to switch to the more environmentally friendly electric vehicles as a means of transportation, we are looking at alternative means such as bio-diesel, hybrid vehicles to minimize our fuel usage and carbon emissions. We continued to fine tune and enhance the integration of our ISO-14001:2015 Environmental Management System with our ISO 9001:2015 Quality Management System which enabled us to strengthen our environment-friendly activities in areas of waste disposal and reduction of carbon emissions.

We have a purpose-built waste disposal shed where all petroleum and lubricant waste are stored and systematic disposed according to a scheduled waste disposal programme.

We also embarked on a programme to reduce the carbon footprints of our 1000-odd vehicles by replacing the old equipment with catalytic converters that are more fuel-efficient and emits less carbon. For instance, we replaced our one-tonne and three-tonne city trucks with lighter and more fuel efficient vans that are suited to city driving, enabling us to save on fuel and reduce carbon emissions. For the long haul sector, we are using more 40-foot container trucks that are fuel efficient and can carry four times the load of the smaller trucks.

We continued with our 3R (Reduce, Reuse and Recycle) initiatives which brought significant cost savings in electricity, fuel and stationery. Our staff is encouraged to go on-line for their correspondence and reports to minimize paper usage. They are also constantly reminded to switch off all electrical appliances when not in use. Our truck drivers are also instructed to switch off their engines to reduce idling and conserve fuel. Such efforts go a long way in inculcating a culture of saving and thrift and in the process, support our campaign against waste and environmental degradation.

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STAKEHOLDER	KEY ENGAGEMENT AREA	METHOD OF ENGAGEMENT
THE ENVIRONMENT:		
	<ul style="list-style-type: none"> • Carbon Emission • Proper Maintenance of Vehicles • Scheduled Waste Disposal • 3R (Reduce, Reuse, Recycle) • ISO Certification 	<ul style="list-style-type: none"> • Adopting latest fuel & carbon emission technology • Repair and maintenance workshop • Purpose – built waste disposal shed • ISO 9001:2015 (Quality Management System) • ISO 14001:2015 (Environmental Management System)

