

CORPORATE GOVERNANCE REPORT

STOCK CODE : 8206
COMPANY NAME : Eco World Development Group Berhad
FINANCIAL YEAR : October 31, 2022

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	<p>The board of Directors ("the Board") is collectively responsible for the proper stewardship of the Group's business and ensuring the long term success of the Group as well as the delivery of sustainable value to its stakeholders by setting goals, policies and targets within a framework of prudent and effective controls which enables risk to be assessed and managed.</p> <p>The Board is guided by its Board Charter ("Board Charter") which outlines the duties and responsibilities of the Board and matters specifically reserved for the Board as well as to be delegated to Board Committees, the President/Chief Executive Officer ("CEO") and Management.</p> <p>The Board is assisted by 5 Board Committees, namely, Audit Committee ("the AC"), Nomination Committee ("the NC"), Remuneration Committee ("the RC"), Whistleblowing Committee ("the WC") and Investment Committee (collectively referred to as "the Board Committees").</p> <p>The Board assumes, amongst others, the following principal roles and responsibilities in discharging its leadership function and fiduciary duties:-</p> <p>(a) <u>Reviewing and adopting a strategic plan developed by Management</u></p> <p>The Board plays an active role in the formulation and development of the Group's strategy and monitoring its performance and implementation.</p> <p>Before the end of each financial year, the Board meets with Management to discuss the economic and property outlook as well as the Group's annual business plan and strategy for the</p>

	<p>ensuing financial year. The annual business plan sets out the Group's objectives which include performance targets and long-term goals of the business.</p> <p>At a Board meeting held on 26 October 2022, Management presented the Group's proposed business plan for financial year ("FY") 2023. The Board was briefed on the overall economic outlook, mainly on the property sector and its potential impact on Malaysia and on the Group as well as its Business Plan & Strategy for FY2023, together with the Group's budgeted financials, liquidity, cash flows, capital expenditure and manpower requirements.</p> <p>At this meeting, the Board discussed at length Management's views and assumptions underlying the business plan and finalised the goals and strategies to be adopted and ensured that the necessary resources would be in place for the Group to meet its objectives. After deliberations, the Board approved the proposed Group's Business Plan & Strategy for FY2023.</p> <p>(b) <u>Monitoring the conduct of business</u></p> <p>At its quarterly meetings, the Board monitors the conduct of the Group's business by reviewing a presentation by Management. The presentation usually includes the quarterly financial results, liquidity and other financial highlights, project and operations progress reports, market overview and sales outlook, land acquisition proposals, corporate proposals, related party transactions, sustainability reporting etc, so as to enable the Board to assess if targeted objectives are being met.</p> <p>The Board constantly provides guidance and constructive feedback to Management towards the achievement of the Group's objectives.</p> <p>During FY2022, the Board continued monitoring the impact of the Covid-19 pandemic, macroeconomic uncertainties, rising interest rates, escalation in construction costs and shortage of manpower on the Group's business. Discussions were held with Management to evaluate their impact on cash flows, financial results and business continuity and put in place mitigation plans as necessary.</p> <p>The Board also supported Management's decision to continue enhancing the Group's digital platform so as to improve engagement with prospective customers, expedite sales conversion, increase productivity and enhance the efficiency of daily operations.</p>
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	<p>(c) <u>Reviewing the adequacy and integrity of the management information and internal control systems and identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures</u></p> <p>The Board acknowledges its overall responsibility for the Group’s internal control and risk management systems to safeguard shareholders’ investment and the Group’s assets.</p> <p>During FY2022, the Board documented the Group’s risk appetite in the form of a Risk Appetite Statement to provide clearer guidance across the Group. The Board endorsed a Fraud Risk Assessment programme on various segments of the Group’s business.</p> <p>The Group’s risk parameters were revised to better reflect the Group’s risk appetite. The Risk Management Policy and Guideline (“RMPG”) Documents were also revised to incorporate elements of fraud risk management, with updated risk parameters based on the Risk Appetite Statement.</p> <p>Details of the Company’s internal control and risk management systems are set out in the Statement of Risk Management and Internal Control on pages 70 to 76 of the Annual Report 2022.</p> <p>(d) <u>Reviewing and adopting a strategic plan which supports long-term value creation and business sustainability</u></p> <p>The Board is aware of the importance of business sustainability and ensures that sustainability is embedded in the development of the Group’s strategies and annual plans, taking into account the economic, environmental, social and governance (“ESG”) aspects of business operations. These strategies seek to balance the needs and expectations of the various stakeholders such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the Group operates.</p> <p>The Sustainability Committee (established in FY2017) oversees the implementation of business sustainability practices within the Group.</p> <p>In FY2022, the Board endorsed the Sustainability Policy, the revised Sustainable Procurement Policy and enhanced the sustainability governance structure and leadership.</p> <p>The Board also endorsed a newly established ESG initiative i.e. the “EcoWorld Cares Architecture” to ensure that all activities initiated by the business units are aligned with the Group’s sustainability agenda. To demonstrate the Group’s commitment to climate change mitigation, the Board approved a new emission reduction key performance indicators (“KPI”), which is to reduce</p>
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	<p>Scope 2 emissions by 25% by 2025 and 30% by 2030 using FY2019 data as baseline, beginning with the emissions of the Group's head office located at Setia Alam, Selangor.</p> <p>Details of the Company's sustainability efforts are set out in the Sustainability Report 2022 as well as Sustainability Statement on pages 22 to 37 of the Annual Report 2022.</p> <p>(e) <u>Promoting a good corporate governance culture within the Group to ensure adherence to high standards of integrity, ethics and professional behaviour</u></p> <p>The Board is committed to conduct business responsibly and to achieve a high standard of corporate governance throughout the Group with the objective of safeguarding stakeholders' interests.</p> <p>The Board has adopted the following codes, policies and programmes to guide the actions and behaviour of Directors, Management and employees of the Group:-</p> <ul style="list-style-type: none"> • Directors' Code of Conduct and Ethics ("Code for Directors") • Code of Conduct and Business Ethics for Employees ("Code for Employees") • Whistleblowing Policy • Anti-Bribery and Anti-Corruption Policy ("ABC Policy") • Anti-Corruption Compliance Programme ("ACC Programme") <p>(f) <u>Succession planning</u></p> <p>The NC is entrusted by the Board with the responsibilities to oversee the selection and assessment of Directors and Board Committees as well as succession planning for Directors and Senior Management personnel.</p> <p>In FY2022, the Board approved the Performance Incentive Scheme and an inflationary wage adjustment for eligible employees which was aimed at long-term sustainability and rewarding, motivating and retaining employees.</p> <p>The work carried out by the NC in FY2022 is set out in the NC Report on pages 60 to 64 of the Annual Report 2022.</p> <p>(g) <u>Ensuring effective communication with stakeholders</u></p> <p>The Board maintains transparent and regular communication with stakeholders to facilitate understanding of each other's objectives and expectations.</p> <p>The Group adopts a policy of comprehensive, timely and continuing disclosure of information to stakeholders via effective communication channels. The Investor Relations Department</p>
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	<p>plays a critical role in facilitating investor-related activities to enable communication of the business and strategic direction of the Group.</p> <p>The “Investors & Media” section as well as other updates are available on the Company’s website at www.ecoworld.my to provide relevant information on the Group, such as annual reports, corporate presentations, corporate videos, sustainability reports, corporate governance reports, quarterly financial results, news, announcements, press releases and other pertinent information for easy accessibility by the public. The Board also views general meetings as ideal opportunities for the CEO to brief shareholders on the Group’s projects and developments.</p> <p>To encourage shareholders’ participation in general meetings amid the Covid-19 outbreak, the Company has live streamed its annual general meetings (“AGMs”) since 2020 where online remote voting was enabled. Information on AGMs and minutes of the meetings are also available on the Company’s website at www.ecoworld.my.</p> <p>The Company will continue to explore leveraging technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>As Chairman of the Board, Tan Sri Dato' Sri Liew Kee Sin ("Tan Sri Liew") assumes a leadership role on the Board.</p> <p>Tan Sri Liew was appointed as Non-Independent Non-Executive Chairman of the Board on 20 March 2015 and was re-designated as Executive Chairman on 1 April 2020.</p> <p>As can be seen from his profile set out on page 38 of the Annual Report 2022, Tan Sri Liew has had a successful career as a respected property developer for over 36 years. His years of experience has enabled him to provide valuable guidance to the other members of the Board as well as Management.</p> <p>Tan Sri Liew is a strong believer of good corporate governance. He works hand-in-hand with our founder, Tan Sri Abdul Rashid Bin Abdul Manaf, to set the tone from the top and guide Management in establishing and monitoring good corporate governance practices within the Group.</p> <p>As Chairman, he sets the board agenda and ensures that Board members receive complete and accurate information in a timely manner to enable robust and informed discussions to take place during Board meetings. Given his vast experience in the property sector, he is able to provide effective leadership for the Board to work constructively with Management to formulate strategies as well as address business operations, financial performance and risk management issues. He also sets the direction for the Group to provide effective, transparent and regular communication with stakeholders and ensures that their views are communicated to the Board as a whole.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied	
Explanation on application of the practice	:	To ensure balance of authority and power, the role of Chairman and CEO are held by 2 different individuals. The position of Chairman of the Board is held by Tan Sri Liew. The position of CEO is held by Dato’ Chang Khim Wah (“ Dato’ Chang ”). Dato’ Chang was appointed as CEO on 12 December 2013.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>		
Application	:	Applied
Explanation on application of the practice	:	<p>Since his appointment as Chairman of the Board, Tan Sri Liew has never been a member of the Audit Committee, Nomination Committee or Remuneration Committee. Neither has he attended any of the Board Committees meetings as invitee.</p> <p>The Board Charter has been updated to ensure that the Company continues to comply with this practice.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by 2 Company Secretaries, namely Ms. Chua Siew Chuan ("Ms. Chua") and Ms. Tan Ley Theng ("Ms. Tan").</p> <p>Both the Company Secretaries are qualified Chartered Secretaries under Section 235(2) of the Companies Act 2016. Ms. Chua is a Fellow while Ms. Tan is an Associate member of the Malaysian Institute of Chartered Secretaries and Administrators.</p> <p>The Company Secretaries each have more than 20 years of experience in corporate secretarial practice, with working knowledge across a diverse range of industries and government services. They currently also act as Company Secretaries of several other companies listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities").</p> <p>During FY2022, the NC reviewed the competency and performance of the Company Secretaries based on assessments by each Director on a confidential basis. The evaluation results were presented to the Board on 16 December 2022.</p> <p>By virtue of their experience, the Company Secretaries have been able to competently provide sound advice to the Board on matters relating to the powers, roles and responsibilities of Directors, compliance with corporate law, securities laws, listing requirements and the Malaysian Code on Corporate Governance ("MCCG").</p> <p>During the Board meeting held on 17 March 2022, Ms. Tan briefed the Directors on the key amendments to the Main Market Listing Requirements of Bursa Malaysia Securities ("MMLR") affecting directors' appointment and independence which were aimed at strengthening board independence, quality and diversity, and the actions required to be taken by the Board to address the amendments.</p>
Explanation for departure	:	

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>An annual calendar of Board meetings, Board Committees meetings and the AGM is circulated in advance of each new year in order to facilitate planning by the Directors.</p> <p>Notices of meetings are circulated at least 7 clear days prior to the date of Board and Board Committees meetings except for special meetings convened to discuss urgent matters.</p> <p>Board papers are required to be circulated at least 5 clear days prior to the date of Board meetings, except for those comprising financial statements which are required to be circulated at least 4 clear days prior to the date of Board meetings.</p> <p>In line with its green initiative to reduce paper usage, the Group implemented a paperless board portal for Board and Board Committees meetings in June 2020. With this board portal, Directors are able to access meeting materials digitally and on the go.</p> <p>Draft minutes of Board and AC meetings are required to be circulated within 4 weeks from the meeting dates for comments. Action items identified during Board and AC meetings are highlighted for follow-up action by Management.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied								
Explanation on application of the practice	:	<p>The Board is guided by a Board Charter which clearly defines the respective roles and responsibilities of the Board, Board Committees, individual Directors and Management, as well as sets out matters reserved for the Board.</p> <p>Directors are expected to commit sufficient time to discharge their duties and responsibilities. In order to keep Directors updated on latest developments, knowledge and skills to effectively discharge their duties, each Director is required to undergo the mandatory accreditation programme under the auspices of Bursa Malaysia Securities and other relevant training courses or seminars on a regular basis.</p> <p>The training programmes and seminars attended by the Directors during FY2022 are set out below:-</p> <table><tr><th>Director</th><th>Programme</th></tr><tr><td>Tan Sri Abdul Rashid Bin Abdul Manaf</td><td><ul style="list-style-type: none">• Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know• Values as a Source of Competitive Advantage• Workshop on Integrated Reporting with Special Focus Areas</td></tr><tr><td>Tan Sri Dato' Sri Liew Kee Sin</td><td><ul style="list-style-type: none">• Sharing Session on Sustainability Journey• Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know</td></tr><tr><td>Dato' Leong Kok Wah</td><td><ul style="list-style-type: none">• TCFD 101: Getting Started with climate-related financial reporting• TCFD 102: Building experience in climate-related financial reporting</td></tr></table>	Director	Programme	Tan Sri Abdul Rashid Bin Abdul Manaf	<ul style="list-style-type: none">• Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know• Values as a Source of Competitive Advantage• Workshop on Integrated Reporting with Special Focus Areas	Tan Sri Dato' Sri Liew Kee Sin	<ul style="list-style-type: none">• Sharing Session on Sustainability Journey• Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know	Dato' Leong Kok Wah	<ul style="list-style-type: none">• TCFD 101: Getting Started with climate-related financial reporting• TCFD 102: Building experience in climate-related financial reporting
Director	Programme									
Tan Sri Abdul Rashid Bin Abdul Manaf	<ul style="list-style-type: none">• Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know• Values as a Source of Competitive Advantage• Workshop on Integrated Reporting with Special Focus Areas									
Tan Sri Dato' Sri Liew Kee Sin	<ul style="list-style-type: none">• Sharing Session on Sustainability Journey• Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know									
Dato' Leong Kok Wah	<ul style="list-style-type: none">• TCFD 101: Getting Started with climate-related financial reporting• TCFD 102: Building experience in climate-related financial reporting									

		<ul style="list-style-type: none"> • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • Workshop on Integrated Reporting with Special Focus Areas
	Dato' Chang Khim Wah	<ul style="list-style-type: none"> • Abusive Customer Panel Discussion 2022 • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • Sustainability and Profitability* • Developing and Financing Green Housing in Asia
	Liew Tian Xiong	<ul style="list-style-type: none"> • Fraud Risk Awareness • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • AON HR Conference: The Talent War - How to attract and retain staff in challenging market^ • Selangor Industrial Park Expo (SPARK) 2022 Real Estate Insights in Selangor, Present and Future*
	Tang Kin Kheong	<ul style="list-style-type: none"> • 2022 Malaysian Budget • The Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committee • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • LED 1 - Listed Entity Director Essentials • Corporate Governance & Remuneration Practices for the ESG World
	Dato' Haji Obet Bin Tawil	<ul style="list-style-type: none"> • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know
	Dato' Noor Farida Binti Mohd Ariffin	<ul style="list-style-type: none"> • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know
	Low Mei Ling	<ul style="list-style-type: none"> • The Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committee • Perspectives from businesses on their net zero journeys by HSBC and Climate Governance Malaysia • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • Property and Construction Sector Roundtable Series 2022 by Climate

		Governance Malaysia and the CEO Action Network
	Lim Hiah Eng (Mrs. Lucy Chong)	<ul style="list-style-type: none"> • Invest Malaysia Series 3: Sustainability Growth • Invest Malaysia 2021 Virtual Series 4 IMKL 4.0: Renewable Energy - Decarbonising Malaysia • CGS-CIMB 14th Annual Malaysia Virtual Corporate Day 2022 • MIA Virtual Conference Series: Women of Substance Symposium 2022 • TCFD 101: Getting Started with climate-related financial reporting • MIA Digital Month 2022-Week-1: Leading the Digital Transformation of the Accounting Profession • 30% Club's Diversity, Equity & Inclusion (DEI) Conversation: Elevating Investability • CPD Certified Climate disclosure training programme • The Great Re-Invitation: Thriving in the Age of the Human' in conjunction with Maybank's International Woman Day Celebration • TCFD 102: Building experience in climate-related financial reporting • MIA Acc Tech Conference 2022: Digital Agility: Stay ahead of the Curve • Invest ASEAN 2022 • Malaysia Healthcare Day • 30% Club's Diversity, Equity & Inclusion (DEI) Conversation: Getting on Board • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • Capital Market Director Programme
	Sar Sau Yee	<ul style="list-style-type: none"> • Mandatory Accreditation Program for Directors of Public Listed Companies • TCFD 101: Getting Started with climate-related financial reporting • TCFD 102: Building experience in climate-related financial reporting • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • An Afternoon with Bursa Malaysia: ESG – Perspective of a PLC and Regulator • A Conversation with Our Regulator - Bank Negara Malaysia

	Dato' Seri Rosman Bin Mohamed	<ul style="list-style-type: none"> • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • Let's Talk with Tan Sri Nazir Razak – Towards a Better Malaysian Political Economy • 18th Malaysia International Halal Showcase – Knowledge Hub^ • Global & Malaysia Economic Outlook Challenges and Prospects for 2023
	Datuk Heah Kok Boon	<ul style="list-style-type: none"> • Understanding Sustainability and Climate Risks: A Series of Webinars to Future-proof your business • 30% Club's Diversity, Equity & Inclusive (DEI) Conversations: Elevating Investability • War and Sanctions: The Collateral Damage on ASEAN • Ergonomics in the Workplace • Non-Housing Accommodation • Sustainability and Its Impact on Organisations: What Directors and Senior Management Need to Know • MIA Webinar Series: Managing Whistleblowing and Conducting Effective Internal Corporate Investigations • Advocacy Sessions for Directors and Senior Management of Main Market Listed Issuers • Developing and Financing Green Housing in Asia • Global CFO Forum 2022

* As speaker

^ As panelist/moderator

The Board Charter is subject to review as and when required and is amended in accordance with the requirements of the Group and in alignment with the best practices recommended in the MCGG, provisions in the MMLR as well as any new regulations that may have an impact on the Board's responsibilities.

The Board Charter was reviewed and revised on 26 October 2022 to be in line with the MCGG, amendments to the MMLR and the revised Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia.

The Board Charter is available on the Company's website at www.ecoworld.my.

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board together with Senior Management oversees the Group's adherence to high standards of integrity, ethics and professional behaviour. To this end, the Board has established policies and procedures to guide Directors and employees that engender integrity, transparency and fairness.</p> <p>The Code for Directors and the Code for Employees (collectively "The Codes") have been in place since 2014. The Code for Directors was reviewed and revised on 26 October 2022 to incorporate the recommended practices set out in the revised Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission Malaysia whereas the Code for Employees was last revised in FY2020 to incorporate the elements of the ABC Policy.</p> <p>The ACC Programme, as guided by the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009, was implemented on a Group-wide basis in FY2020. The ACC Programme is reviewed by the AC annually to assess the effectiveness of the anti-corruption efforts implemented by the Group.</p> <p>Any queries regarding the Company's anti-bribery and anti-corruption compliance matters can be addressed to the Company's Integrity Team at integrityteam@ecoworld.my.</p> <p>The Codes and the ABC Policy which were approved by the Board in 2019 are available on the Company's website at www.ecoworld.my.</p> <p>The Codes and the ABC Policy are reviewed periodically as and when required to ensure that the standards of professional behaviour are updated and continue to be relevant.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board delegates to the WC the responsibility of protecting the interest of the Group and its stakeholders. The WC investigates all complaints received about alleged misconduct, and takes the necessary actions and reports to the Board. The WC is guided by written procedures for dealing with complaints received from whistleblowers.</p> <p>The Whistleblowing Policy was revised in FY2022 as recommended by the WC to reflect the changes in the composition of the WC.</p> <p>The Whistleblowing Policy and the Terms of Reference (“TOR”) of the WC are available on the Company’s website at www.ecoworld.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>Sustainability is the Group's No #1 Core Value. The Board, together with Management, is committed to driving sustainability on the ESG front, both within the Group's operations and the communities that the Group serves.</p> <p>The Group adopts a 3-tier sustainability governance structure which is helmed by the Board with clear roles and responsibilities at Board, senior and middle management levels. This has enabled the sustainability agenda to be effectively embedded into the Group's operating and decision-making processes.</p> <p>The Board reviews and endorses the Group's sustainability roadmap on an annual basis and approves the key ESG focus areas and KPIs based on clear commitments, goals, targets and action plans which are set at the start of each financial year.</p> <p>EcoWorld's climate and sustainability strategies are anchored by a materiality assessment and measured through the Group's ESG performance. Additionally, risks and opportunities are continually identified throughout the Group's value chain in the short-, medium- and long-term. In FY2022, climate and environmental risks were included into the Group's Enterprise Risk Management ("ERM") framework.</p> <p>The Sustainability Committee, led by three Executive Directors with input from an Independent Director, is entrusted by the Board to drive the implementation of the Group's sustainability goals and initiatives, and to report progress to the Board on a half-yearly basis. Membership of the Sustainability Committee includes key Senior Management personnel covering all business and support functions across every region of operations. This ensures the sustainability agenda is prioritised Group wide.</p>

	<p>The Sustainability Committee is supported by three separate councils (Environmental & Governance Council, Green & Operations Council and Social Council) to assist in monitoring the implementation status of ESG initiatives and achievement of KPIs.</p> <p>The Company has been a member of the United Nations Global Compact Malaysia & Brunei (“UNGCMYB”) since April 2021. To demonstrate commitment towards ESG initiatives, the Group has been actively engaging with UNGCMYB with the aim of improving its attainment of United Nations Sustainable Development Goals (“UNSDG(s)”) and increasing its knowledge and collaboration with others in the ESG sphere.</p> <p>The vision, mission and brand core values of the Group reflect its commitment towards achieving the United Nations’ sustainable development agenda and set the direction for the Group’s sustainability strategy and focus areas.</p> <p>In FY2022, upon recommendation from the Sustainability Committee, the Board endorsed the following initiatives:-</p> <ul style="list-style-type: none"> • Formalised the Sustainability Policy to ensure that the Company’s strategies, plans and procedures were aligned with the Company’s sustainable development. • Revised the Sustainable Procurement Policy (established in 2020) that sets out the Group’s objectives and encourages its supply chain partners to provide eco-friendly solutions and materials. • Enhanced the Board’s oversight on sustainability matters and improved the Group’s sustainability governance structure and leadership by inviting an Independent Director to be a member of the Sustainability Committee. <p>This provides greater assurance to the Board that the effects, risks and opportunities of climate change as well as broader corporate governance and social responsibility considerations are effectively incorporated into the Group’s decision-making processes as part of the overall sustainability governance of the Group.</p> <p>During its meeting held on 16 December 2022, the Board also endorsed the following initiative and target as recommended by the Sustainability Committee:-</p> <ul style="list-style-type: none"> • The newly established initiative i.e. “EcoWorld Cares Architecture” to streamline the Group’s contributions towards the 5P’s (People, Planet, Prosperity, Peace & Partnership) of the Sustainable Development Goals (“SDG(s)”). This will form the pillars and foundation of the Group’s ESG efforts to guide and align all of the Group’s initiatives with the overarching sustainability agenda.
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	<ul style="list-style-type: none"> • A new emissions reduction KPI, which is to reduce Scope 2 emissions by 25% by 2025 and 30% by 2030 using FY2019 data as a baseline, beginning with the emissions of the Group's head office located at Setia Alam, Selangor. <p>The Group's efforts on sustainability and commitment to excellence have won several accolades over the years. Most recently in December 2022, the Company won the SDG Ambition Benchmark 9: Land Degradation Neutrality Including Zero Deforestation at the UNGCMYB Sustainability Performance Awards 2022.</p> <p>Details of the Group's sustainability governance framework, initiatives, material sustainability matters, key risks and opportunities mapped against material sustainability matters and KPIs, are set out in the Sustainability Report 2022 as well as Sustainability Statement on pages 22 to 37 of the Annual Report 2022.</p>	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders (including but not limited to employees, customers, investors, regulators, contractors & suppliers, media and non-governmental organisations) regularly through various channels.</p> <p><u>Sustainability Report</u></p> <p>The Sustainability Report, which elaborates on the Group's sustainability journey, the UNSDGs, sustainability governance framework, KPIs, material sustainability matters, approaches and efforts, is prepared on annual basis to enable a better understanding of the Group's aspirations and achievements on sustainability.</p> <p>The Sustainability Report is available on the Company's website at www.ecoworld.my as well as the website of Bursa Malaysia Securities.</p> <p><u>Awareness and training programmes, press releases and conferences, engagement sessions</u></p> <p>The Group organises dialogues and sessions to promote ESG awareness to its employees, business associates and communities. Regular updates of the Group's sustainability journey and numerous activities are organised for EcoWorld's communities to highlight the Group's collective responsibility in this important area and encourage positive action to be taken. This also serves to keep its stakeholders informed of matters relating to sustainability, to increase their awareness of the Group's sustainability efforts and to obtain their support and cooperation on sustainability initiatives.</p> <p><u>Sustainability section on the Company's website</u></p> <p>A section on sustainability is available on the Company's website at www.ecoworld.my to provide further information on the Group's commitments towards the SDGs, the Group's sustainability governance structure, policies and sustainability reports. The information is easily accessible by the public.</p>

	<p><u>Dissemination of information by the Sustainability Committee and its councils</u></p> <p>The Sustainability Committee and its three councils namely Environmental & Governance Council, Green & Operations Council and Social Council, lead the Group's internal communication via the conduct of meetings and townhall sessions. This serves to ensure all level of employees are kept informed of the Group's ESG initiatives, plans and targets that align with the broader sustainability agenda. Information is also disseminated through online portals and emails to keep the Group updated on the latest initiatives and objectives.</p> <p>Further details on the Group's communication with stakeholders in relation to ESG are disclosed under Stakeholder Engagement section of the Sustainability Report 2022 on pages 23 to 25.</p>	
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied
Explanation on application of the practice	:	<p>In previous years, the Board received half-yearly updates from the Sustainability Committee on the ESG initiatives undertaken by the Group, key observations, KPIs, targets, regulatory recommendations, etc., in relation to sustainability matters.</p> <p>In FY2022, the frequency of the updates by the Sustainability Committee has increased to three times a year to enable the Board to be better informed of the sustainability issues of the Group and its business.</p> <p>To further enhance the Board's oversight on sustainability matters of the Group, the Board, had on 15 September 2022, endorsed the recommendation by the Sustainability Committee to appoint an Independent Director to be a member of the Sustainability Committee. The enhanced structure provides greater assurance to the Board that the effects, risks and opportunities of climate change as well as broader corporate governance and social responsibility considerations are effectively incorporated into the Group's decision-making processes as part of the overall sustainability governance of the Group.</p> <p>The list of matters reported in FY2022 by the Sustainability Committee to the Board are set out in Practice 4.5 of this Corporate Governance Report.</p> <p>The Board via the Management also receives regular updates on sustainability matters issued by the regulators. To further keep abreast with the latest development, the Directors attended several training sessions in FY2022 on sustainability matters as set out under Practice 2.1 of this Corporate Governance Report.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		

Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC, on 17 November 2022, revised the Directors’ evaluation forms to include a review of the performance of each individual Director, as well as the Board as a whole, in addressing the Group’s material sustainability risks and opportunities.</p> <p>As for the performance evaluation of Senior Management, it was agreed that ESG performance will be introduced in their performance evaluation for FY2023 via new KPIs which will incorporate assessments on ESG elements.</p> <p>The above initiatives are also in line with the revised Directors’ Remuneration Policy and C-Suite Remuneration Policy approved by the Board which integrate the ESG element in setting the remuneration of the Executive Directors and Senior Management personnel in the C-Suite category (“C-Suite Management Personnel”).</p> <p>With effect from FY2023, the contributions and performance of Executive Directors and C-Suite Management Personnel to the achievement of the Group’s sustainability goals will be embedded into the performance evaluation and KPIs that are linked to their remuneration.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The Sustainability Committee was established in FY2017 to oversee the implementation of business sustainability practices within the Group.</p> <p>Dato' Chang, the CEO of the Group was appointed as the Chairman of the Sustainability Committee on 14 September 2017 to lead and drive the Group's ESG agenda through:-</p> <ul style="list-style-type: none">• developing sustainability policies;• reviewing and approving sustainability related internal guidelines; and• overseeing the implementation of sustainability initiatives. <p>The Board endorses the Group's sustainability roadmap on an annual basis. Key ESG focus areas and KPIs with clear commitments and action plans were set based on operational goals and targets agreed upon at the start of each financial year.</p> <p>In FY2022, the Sustainability Committee reported the following matters to the Board:-</p> <ul style="list-style-type: none">• Updates on the Group's commitments to the UNSDGs with adoption of 1 new UNSDG.• The results from the Materiality Assessment for FY2022 and Materiality Reassessment.• Updates on the sustainability initiatives.• The enhanced sustainability governance structure & leadership.• Recognition of 2 additional ESG risks (Cyber Security and Climate & Environmental).• Updates on ESG rating pursuant to FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index.• FY2022 Sustainability KPI review.• The enhanced climate-resilience reporting to include Scope 3 emissions (employee commute) and a new emissions reduction target.

	<ul style="list-style-type: none"> • Commencement of reporting in accordance with the Taskforce on Climate-Related Disclosures (“TCFD”) guidelines. • Adoption of the new ESG initiative, “EcoWorld Cares Architecture” which streamlines the Group’s efforts to achieve the SDGs based on the 5P’s (People, Planet, Prosperity, Peace & Partnership). • The reporting framework and approach of the Sustainability Report for FY2022. • Sustainability awards. • The enhanced value creation for stakeholders through digitalisation.
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Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC is tasked with the following responsibilities to ensure that the Board comprises an appropriate mix of skills, knowledge, experience, independence, competencies and diversity:-</p> <ul style="list-style-type: none">• ensure that the composition of the Board and Board Committees adhere to the MMLR, the MCCG, the Company's Constitution ("Constitution") and any relevant regulations;• consider and recommend to the Board potential candidates to be appointed as Directors based on the criteria set out in the Directors' Fit and Proper Policy ("Fit & Proper Policy");• ensure that every Director is subject to retirement at least once every 3 years and assess the performance and contribution of the retiring Director before recommending the re-election to the Board for approval by the shareholders;• assess annually, the independence of each Independent Director; and• assess annually, the structure, size and composition of the Board as well as the effectiveness of the Board as a whole and each Director individually. <p>At the Company's 48th AGM held on 24 March 2022, Dato' Idrose Bin Mohamed ("Dato' Idrose"), who had served as an Independent Non-Executive Director for 8 years and 3 months retired from the Board in accordance with Article 126 of the Constitution and did not seek re-election.</p> <p>On 1 April 2022, Datuk Heah Kok Boon ("Datuk Heah"), an Executive Director, resigned from the Board so as to enable the Board to comprise a majority of Independent Directors.</p> <p>Following the above departures from the Board, the NC reviewed the composition of the Board and Board Committees and recommended the appointment of Dato' Seri Rosman Bin Mohamed ("Dato' Seri Rosman") to the Board as an Independent Non-Executive Director and a member of the AC.</p>

	<p>As part of the process leading to Dato’ Seri Rosman’s appointment, the NC:-</p> <ul style="list-style-type: none">interviewed Dato’ Seri Rosman in addition to reviewing his background, qualifications, experience and his ability to strengthen the Board profile and bring independent and objective judgement to the Board as a whole; andreviewed, assessed and recommended changes to the composition of the Board Committees, having considered the mix of skills, experience and diversity required in the Board Committees. <p>The compositions of the Board Committees incorporating changes since the previous year, are disclosed in page 3 of the Annual Report 2022.</p> <p>On 17 November 2022, the NC ascertained that the following Directors were subject to retirement at the forthcoming 49th AGM of the Company in accordance with Article 126 and Article 123 of the Constitution.</p> <table><tr><th>Retiring Director</th><th>Directorship</th><th>Length of Service as at date of 49th AGM</th></tr><tr><td>Tan Sri Abdul Rashid Bin Abdul Manaf (“Tan Sri Abdul Rashid”)</td><td>Founder & Non-Independent Non-Executive Director</td><td>9 years and 4 months</td></tr><tr><td>Dato’ Chang</td><td>Executive Director, President & CEO</td><td>9 years and 5 months</td></tr><tr><td>Mr. Tang Kin Kheong (“Mr. Tang”)</td><td>Independent Director</td><td>9 years and 4 months</td></tr><tr><td>Dato’ Haji Obet Bin Tawil (“Dato’ Haji Obet”)</td><td>Independent Director</td><td>8 years and 7 months</td></tr><tr><td>Dato’ Seri Rosman</td><td>Independent Director</td><td>9 months</td></tr></table> <p>Mr. Tang and Dato’ Haji Obet have indicated their intention to retire and not to seek re-election at the 49th AGM, in line with Practice 5.3 of the MCCG, which does not encourage independent directors to serve for more than nine years.</p> <p>The NC has reviewed and assessed the performance of each of the remaining Retiring Directors, namely, Tan Sri Abdul Rashid, Dato’ Chang and Dato’ Seri Rosman, who have offered themselves for re-election at the 49th AGM.</p> <p>Based on the review and assessment, the NC was satisfied with the performance and contributions of the remaining Retiring Directors and recommended to the Board that the necessary resolutions for their re-election be tabled at the 49th AGM.</p>	Retiring Director	Directorship	Length of Service as at date of 49 th AGM	Tan Sri Abdul Rashid Bin Abdul Manaf (“ Tan Sri Abdul Rashid ”)	Founder & Non-Independent Non-Executive Director	9 years and 4 months	Dato’ Chang	Executive Director, President & CEO	9 years and 5 months	Mr. Tang Kin Kheong (“ Mr. Tang ”)	Independent Director	9 years and 4 months	Dato’ Haji Obet Bin Tawil (“ Dato’ Haji Obet ”)	Independent Director	8 years and 7 months	Dato’ Seri Rosman	Independent Director	9 months
Retiring Director	Directorship	Length of Service as at date of 49 th AGM																	
Tan Sri Abdul Rashid Bin Abdul Manaf (“ Tan Sri Abdul Rashid ”)	Founder & Non-Independent Non-Executive Director	9 years and 4 months																	
Dato’ Chang	Executive Director, President & CEO	9 years and 5 months																	
Mr. Tang Kin Kheong (“ Mr. Tang ”)	Independent Director	9 years and 4 months																	
Dato’ Haji Obet Bin Tawil (“ Dato’ Haji Obet ”)	Independent Director	8 years and 7 months																	
Dato’ Seri Rosman	Independent Director	9 months																	

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied																
Explanation on application of the practice	:	<p>The Board currently comprises 12 directors, with a majority of Independent Directors, as follows:-</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>Number</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Executive Directors</td> <td>3</td> <td>25%</td> </tr> <tr> <td>Independent Non-Executive Directors</td> <td>7</td> <td>58%</td> </tr> <tr> <td>Non-Independent Non-Executive Directors</td> <td>2</td> <td>17%</td> </tr> <tr> <td>Total</td> <td>12</td> <td>100%</td> </tr> </tbody> </table> <p>Following the retirement of Mr. Tang and Dato' Haji Obet at the 49th AGM (as explained above under Practice 5.1), the number of Independent Directors would be reduced to 5, which is 50% of the total number of Directors on the Board. The Board will endeavour to restore the number of Independent Directors in due course, such that they form the majority on the Board and comply with Practice 5.2.</p>		Designation	Number	Percentage	Executive Directors	3	25%	Independent Non-Executive Directors	7	58%	Non-Independent Non-Executive Directors	2	17%	Total	12	100%
Designation	Number	Percentage																
Executive Directors	3	25%																
Independent Non-Executive Directors	7	58%																
Non-Independent Non-Executive Directors	2	17%																
Total	12	100%																
Explanation for departure	:																	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>																		
Measure	:																	
Timeframe	:																	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	<p>With the exception of Mr. Tang, none of the Independent Directors have served on the Board for more than 9 years.</p> <p>Mr. Tang, our Senior Independent Non-Executive Director, would have served for 9 years 4 months by 30 March 2023, being the date of the 49th AGM.</p> <p>Mr. Tang, who is due for retirement at the 49th AGM in accordance with Article 126 of the Constitution, has indicated his intention not to seek for re-election.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>Equality, diversity and inclusion are fundamental to the culture and core values of the Group and are aligned with the Group's commitment to the SDGs approved by the United Nations.</p> <p>In line with the Group's commitment towards creating equality, diversity and inclusion in the workplace, the Board adopted a policy on Equality, Diversity & Inclusion ("EDI Policy") on 16 June 2022 to replace the Board Diversity Policy.</p> <p>At the same Board meeting, the Board also adopted a Fit & Proper Policy which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment or re-election of Directors. It serves as a guide to the NC and the Board in conducting the necessary assessment to ensure that candidates have the necessary character, experience, integrity, competence and time to effectively discharge their role before they are appointed to the Board.</p> <p>Both the EDI Policy and the Fit & Proper Policy are available on the Company's website at www.ecoworld.my.</p> <p>The Board has delegated to the NC the responsibility for assessing candidates for appointment to the Board and making recommendations to the Board on the appropriate Board size and composition, with the ultimate decision being made by the Board as a whole.</p> <p>To ensure that Directors are able to devote sufficient time to serve on the Board effectively, they are required to disclose their directorships in other companies (including private companies, public companies, both listed and not listed, as well as not-for-profit organisations) to the NC for assessment of their time commitment.</p> <p>In assessing candidates for Senior Management positions, the Board and the NC take into account the challenges and opportunities faced by</p>

	the Group, the leadership needs of the Group, and the candidate's technical capabilities, experience, professional qualifications and potential for appointment to the Board in future. The Group ensures that women candidates are sought and considered in the recruitment exercise. Presently women make up 49% of the Senior Management team.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	As provided by the Board Charter, in identifying candidates for appointment as Director, the Board does not solely rely on recommendations from existing Board members, Senior Management or major Shareholders. The Board may utilise independent sources to identify suitably qualified candidates, not limited to source from a Directors' Registry, open advertisements and independent search firms.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	<p>The profiles of the Retiring Directors who are standing for re-election at the forthcoming 49th AGM are set out in the Board Profiles on pages 38, 39 and 43 of the Annual Report 2022.</p> <p>The recommendation of the Board on the proposed re-election of the Retiring Directors are set out in the explanatory notes to the Notice of the 49th AGM of the Company.</p> <p>The Annual Report and Notice of the 49th AGM are available on the Company's website at www.ecoworld.my as well as the website of Bursa Malaysia Securities.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	The NC is chaired by Mrs. Lucy Chong who is an Independent Director.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The Board currently comprises 12 Directors, of which 4, or 33% of the Board are women. Upon the retirement of Mr. Tang and Dato’ Haji Obet at the forthcoming 49 th AGM, the percentage of women Directors on the Board will increase to 40%.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board had adopted an EDI Policy on 16 June 2022 to replace the existing Board Diversity Policy.</p> <p>The information on the EDI Policy is disclosed in the NC Report on page 61 of the Annual Report 2022.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: <p>Since October 2021, there has been 2 departures from the Board, namely Dato' Idrose (retirement) and Datuk Heah (resignation). 2 new Directors were appointed to replace them, namely, Ms. Sar Sau Yee and Dato' Seri Rosman. Additionally, 2 current Directors will be retiring from the Board at the forthcoming 49th AGM, namely, Mr. Tang and Dato' Haji Obet and their replacements are currently being sought.</p> <p>As the Board is undergoing a period of refreshment, the Board was of the view that the engagement of independent experts to perform a formal and objective Board evaluation should be deferred until the composition of the Board has been stabilised.</p> <p>As an alternative, the NC continues to undertake internally the annual assessment and evaluation of the Board, Board Committees, Independent Directors and individual Directors.</p> <p>The assessments and evaluations are carried out by way of self- and peer-evaluation through the completion of questionnaires on a confidential basis. The questionnaires, drafted by the NC with the assistance of the Company Secretaries, are updated annually to continuously engage the Directors' perspectives on fresh and relevant areas and to ensure that they continue to be pertinent to the requirements of the Board and the Group.</p> <p>The following 5 evaluation forms are used:-</p> <ul style="list-style-type: none">(i) Independent Director's Self-Assessment Checklist;(ii) Director's Self Performance Evaluation;

	<p>(iii) Board and Board Committees Performance Evaluation; (iv) Audit Committee Performance Evaluation; and (v) Audit Committee Member's Self-Performance Evaluation.</p> <p>The Board and Board Committees are assessed as a whole, while Directors are assessed individually. A scoring mechanism is used to provide respondents with context.</p> <p>The criteria for Director's self-performance covers areas such as contributions to matters discussed, roles and responsibilities and overall quality of input to Board effectiveness.</p> <p>During the NC meeting held on 17 November 2022, the NC reviewed and where necessary, revised the forms used to evaluate the performance of Independent Directors, individual Directors and Board and Board Committees in order to align them with the MCCG, the MMLR, the Fit & Proper Policy and the revised Board Charter.</p> <p>For Board and Board Committee assessments, the criteria include structure and composition, operation, roles and responsibilities as well as Board governance.</p> <p>Independent Directors are assessed based on their relationship with the Group and whether they have been involved in any significant transactions with the Group. In assessing their independence, the Board considers the individual Independent Directors' ability to exercise independent judgement at all times and based on the criteria set out in the MMLR.</p> <p>The evaluation results for FY2022 were presented to the Board on 16 December 2022.</p> <p>During the aforesaid Board meeting, the Board reviewed the evaluation results and concluded that:-</p> <ul style="list-style-type: none"> • It was satisfied with the level of independence demonstrated by the Independent Directors and their ability to provide unbiased, impartial and objective opinions during meetings and to act in the best interest of the Group. • All Directors were of the view that each of them had performed their respective roles and functions effectively and responsibly. • The Directors were satisfied with the performance of the Board as a whole. • Each Director was satisfied with each other's contribution in terms of sharing their insights and actively participating in Board and Board Committees discussions. • The AC, NC, RC and WC have discharged their roles and responsibilities as per their TOR. • The Board was generally satisfied with its current size, composition as well as the mix of skill sets.
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Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure	:	The Board will adopt the recommendation to appoint independent experts to facilitate objective and candid Board evaluation once the Board composition has stabilised.	
Timeframe	:	Others	As and when appropriate.

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has in place a Directors' Remuneration Policy and a C-Suite Remuneration Policy for C-Suite Management personnel.</p> <p>The objective of these remuneration policies is to set the appropriate levels of remuneration that allow the Group to attract and retain talented and well-qualified people in line with the Group's long-term business strategies. Both the remuneration policies are periodically reviewed by the RC to ensure their effectiveness and continued relevance.</p> <p>Upon recommendation by the RC, the Board, on 26 October 2022, approved the revised Directors' Remuneration Policy and C-Suite Remuneration Policy which incorporates the ESG element as an additional measurement to determine the level of remuneration to commensurate with the recommendation by the MCCG.</p> <p>The revised Directors' Remuneration Policy and the C-Suite Remuneration Policy are available on the Company's website at www.ecoworld.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has a RC to assist on matters relating to the remuneration of Directors and C-Suite Management personnel. The RC is charged with the duties of developing, establishing and implementing competitive remuneration policies and packages for Directors and C-Suite Management personnel.</p> <p>The RC engaged an external consultant to conduct a benchmarking study on the level of Non-Executive Directors' remuneration in FY2019. From the results of the study, the RC formulated and approved a revised remuneration structure for Non-Executive Directors which reflects their level of responsibilities, experience required and time demanded to discharge their duties and responsibilities.</p> <p>The composition and the work carried out by the RC to discharge its duties for FY2022 are set out in the RC report on pages 65 and 66 of the Annual Report 2022.</p> <p>The RC has written TOR to set out the authority, roles and responsibilities of the RC, which is available on the Company's website at www.ecoworld.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	

Timeframe	:		
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Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	<p>The details of the Directors' remuneration received in FY2022 are set out on pages 53 and 54 of this Corporate Governance Report.</p> <p>The fees paid to Non-Independent Non-Executive Directors and Independent Directors were related to their services rendered in FY2021. Hence, no fees were paid to Dato' Seri Rosman, who was only appointed on 16 June 2022.</p> <p>The remuneration received by the Executive Directors in FY2022, including Datuk Heah who is the Chief Financial Officer of the Group, was in respect of their executive roles in the Group. Datuk Heah resigned as an Executive Director and was appointed as Alternate Director to Tan Sri Liew on 1 April 2022.</p>

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Tan Sri Abdul Rashid Bin Abdul Manaf	Non-Executive Non-Independent Director	166.4	16.0	0	0	78.9	0	261.3	0	0	0	0	0	0	0
2	Tan Sri Dato' Sri Liew Kee Sin	Executive Director	0	0	0	0	0	0	0	0	27.9	2,546.6	18,983.1	1,783.3	0	23,340.9
3	Dato' Leong Kok Wah	Non-Executive Non-Independent Director	128.0	16.0	0	0	125.4	0	269.4	0	0	0	0	0	0	0
4	Dato' Chang Khim Wah	Executive Director	0	0	0	0	0	0	0	0	27.9	2,222.6	136.6	47.8	0	2,434.9
5	Liew Tian Xiong	Executive Director	0	0	0	0	0	0	0	0	25.9	873.4	48.6	0	0	947.9
6	Tang Kin Kheong	Independent Director	204.8	34.0	0	0	0	0	238.8	0	0	0	0	0	0	0
7	Dato' Haji Obet Bin Tawil	Independent Director	140.8	20.0	0	0	0	0	160.8	0	0	0	0	0	0	0
8	Dato' Noor Farida Binti Mohd Ariffin	Independent Director	192.0	34.0	0	0	0	0	226.0	0	0	0	0	0	0	0
9	Low Mei Ling	Independent Director	166.4	28.0	0	0	0	0	194.4	0	0	0	0	0	0	0
10	Mrs. Lucy Chong	Independent Director	128.0	16.0	0	0	0	0	144.0	0	0	0	0	0	0	0
11	Sar Sau Yee	Independent Director	10.7	12.0	0	0	0	0	22.7	0	0	0	0	0	0	0
12	Dato' Seri Rosman Bin Mohamed (Appointed on 16 June 2022)	Independent Director	0	2.0	0	0	0	0	2.0	0	0	0	0	0	0	0
13	Datuk Heah Kok Boon (Resigned as	Executive Director	0	0	0	0	0	0	0	0	16.5	914.8	56.1	7.2	0	994.6

	Director and appointed as Alternate Director to Tan Sri Dato' Sri Liew Kee Sin on 1 April 2022)															
14	Dato' Idrose Bin Mohamed (Retired on 24 March 2022)	Independent Director	204.8	28.0	0	0	0	0	232.8	0	0	0	0	0	0	0
15	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure													
Explanation on application of the practice	:														
Explanation for departure	:	The Board has decided not to disclose the top five Senior Management personnel’s remuneration on a named basis due to personal security concerns on the part of the personnel involved. Further, such detailed disclosure is not favourable to the Group as talent poaching is common in the property industry.													
		As an alternative, the Group has disclosed the remuneration received by its top five Senior Management personnel in bands of RM50,000 and the number of persons in each band, as follows:													
		<table><tr><th>Total Remuneration in Bands of RM50,000</th><th>No. of Key Senior Management personnel</th></tr><tr><td>RM1,200,001 to RM1,250,000</td><td>1</td></tr><tr><td>RM1,000,001 to RM1,050,000</td><td>1</td></tr><tr><td>RM950,001 to RM1,000,000</td><td>1</td></tr><tr><td>RM900,001 to RM950,000</td><td>1</td></tr><tr><td>RM700,001 to RM750,000</td><td>1</td></tr></table>	Total Remuneration in Bands of RM50,000	No. of Key Senior Management personnel	RM1,200,001 to RM1,250,000	1	RM1,000,001 to RM1,050,000	1	RM950,001 to RM1,000,000	1	RM900,001 to RM950,000	1	RM700,001 to RM750,000	1	
	Total Remuneration in Bands of RM50,000	No. of Key Senior Management personnel													
	RM1,200,001 to RM1,250,000	1													
RM1,000,001 to RM1,050,000	1														
RM950,001 to RM1,000,000	1														
RM900,001 to RM950,000	1														
RM700,001 to RM750,000	1														
	The remuneration of Senior Management personnel is benchmarked against other property development companies to ensure that their remuneration commensurate with the scope of work, responsibilities, performance against KPIs as well as the Group’s performance.														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
Measure	:	The Board will continue to review the application of this practice from time to time and consider the appropriateness of such disclosure.													
Timeframe	:	Others	As and when appropriate.												

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the AC is Mr. Tang, who is not the Chairman of the Board.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	<p>On 26 October 2022, the Board approved revisions to the TOR of the AC and the External Auditors Assessment Policy (“EAA Policy”) to reflect the requirement for a former partner of the external audit firm to observe a cooling-off period of at least 3 years before being appointed as a member of the AC.</p> <p>The revised EAA Policy and the TOR of the AC are available on the Company’s website at www.ecoworld.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>It is the duty of the AC to annually assess the suitability, objectivity and independence of the external auditors to safeguard the quality and reliability of audited financial statements, as set out in its TOR which is available on the Company's website at www.ecoworld.my.</p> <p>The Board has adopted an EAA Policy which sets out the guidelines and procedures to be undertaken by the AC to discharge its responsibility for assessing the suitability, appointment, independence and performance of the external auditors.</p> <p>On 26 October 2022, the Board approved revisions to the EAA Policy to align with the MCCG to strengthen the practices on the assessment of the suitability of external auditors. A copy of the EAA Policy is available on the Company's website at www.ecoworld.my.</p> <p>During its meeting held on 17 November 2022, the AC assessed the suitability, effectiveness and independence of its external auditors, namely Messrs Baker Tilly Monteiro Heng PLT ("BTMH").</p> <p>During the aforesaid meeting, the AC deliberated on each criterion set out in the evaluation form which covered areas such as calibre, quality of processes and services, competency and commitment, independence and objectivity, audit scope and planning, fees, communication and interaction and adequacy of experience as well as resources. The AC also referred to the information in BTMH's Annual Transparency Report as part of the assessment.</p> <p>The AC met with representatives from BTMH on 15 December 2022 to finalise its assessment. The AC concluded that it was satisfied with the independence and performance of BTMH and accordingly recommended the re-appointment of BTMH as the external auditors of the Company for the ensuing year.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	All 4 members of the AC are Independent Directors. The composition of the AC is set out in the AC Report on page 56 of the Annual Report 2022.

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is satisfied that the AC members possess the necessary skills to discharge its duties and are financially literate, competent and have the ability to understand matters under the purview of the AC including the financial reporting process. The profile of the AC members is set out in the Annual Report 2022.</p> <p>The AC members attend training programmes and seminars to keep themselves abreast of relevant developments in standards and practices in accounting and auditing, listing requirements, corporate law, risk management and changes in the business environment.</p> <p>Details of the training programmes and seminars attended by the AC members during FY2022 are set out under Practice 2.1 of this Corporate Governance Report.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established a risk management framework that outlines the Group's risk management system, defines Management's responsibilities and sets out the risk appetite and risk tolerance of the Group. The framework is incorporated into the RMPG.</p> <p>The RMPG embeds the Group's system of risk management and internal control into an ERM framework which establishes the context of the Group's business. It sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication in order to provide reasonable assurance regarding the achievement of the Group's objectives.</p> <p>The Board has delegated the overall responsibility for the adequacy and integrity of the Group's risk management and internal control framework to the AC. The AC is supported by the Risk Management Committee ("RMC"), Group Corporate Governance ("GCG") and the Integrity Team.</p> <p>The RMC and GCG ensure that the implementation of the RMPG is properly carried out throughout the Group by Management. The RMC conducts annual review on the Group's risk parameters to ensure that changes in circumstances or risk appetite are fairly reflected in the risk parameters.</p> <p>The Integrity Team is responsible for the effective operation of the ACC Programme.</p> <p>During FY2022, the Board issued the Group's Risk Appetite Statement and conducted the Fraud Risk Assessment programme.</p> <p>The Group's Risk Appetite Statement forms an integral part of the Group's ERM framework which sets the tone for risk taking as well as to provide direction in assessing whether the Group was operating within acceptable risk limits in achieving its strategic objectives. Accordingly, the Group's risk parameters were revised to better reflect the Group's risk appetite and the RMPG Documents were also revised to incorporate elements of fraud risk management, with updated risk parameters and Group's Risk Appetite Statement.</p>

	Details of the risk management framework and internal control systems are set out in the Statement of Risk Management and Internal Control on pages 70 to 76 of the Annual Report 2022.			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td> <td></td> </tr> </table>		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The Group’s risk management and internal control framework are disclosed in the Statement of Risk Management and Internal Control set out on pages 69 to 76 of the Annual Report 2022.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function is performed in-house by GCG. GCG is an independent function within the Group to assess the adequacy of internal controls and to monitor if the established controls are operating as intended by applying standards on internal auditing promulgated by the Institute of Internal Auditors (“IIA”).</p> <p>Functionally, GCG reports directly to the AC whom the GCG team has unrestricted access to. Administratively, GCG reports to Senior Management.</p> <p>All internal auditing activities are guided by the Internal Audit Charter which defines the roles and responsibilities, scope of work, independence and objectivity of the internal audit function. The Internal Audit Methodology serves as a guide to the internal audit team to ensure uniformity of approach in undertaking internal audit engagements.</p> <p>The Internal Audit Charter was reviewed in FY2021 to ensure it is aligned with the IIA’s International Professional Practices Framework (“IPPF”).</p> <p>GCG adopts a risk-based approach to carry out its activities based on an internal audit annual plan approved by the AC. The AC reviews annually the adequacy of the scope, functions and resources of GCG to ensure that the responsibilities of GCG can be fully discharged. During FY2022, there was no undue limitation experienced by GCG on its authority to access records, assets and personnel of the Group in the performance of its work.</p> <p>The internal audit annual plan for FY2022 was prepared based on a risk-based approach considering materiality of transactions and balances, management concerns (including company risk profiles), regulatory requirements and an evaluation of past audit results. The plan was reviewed and approved by the AC on 15 September 2021. The AC subsequently on 16 March 2022, approved a revision to the plan after considering the Group’s results for FY2021 and the Group’s business plan for FY2022.</p>

	<p>The AC ensures that the responsibilities of GCG are properly discharged through:-</p> <ul style="list-style-type: none"> • reviewing the adequacy of the scope, functions, competency and resources of GCG; • reviewing the annual internal audit plan, processes and the results of all internal audit assignments undertaken and ensuring that appropriate actions are taken by Management in accordance with audit recommendations; • reviewing the budget and ensuring sufficient resources are allocated to GCG; • ensuring that GCG is independent of the activities it audits and that the head of GCG reports functionally to the AC directly; • appraising the performance of GCG on an annual basis; and • reviewing the appointment or termination of senior GCG staff members. <p>On 15 June 2022, the AC noted the results of the Quality Assurance and Improvement Program (“QAIP”) undertaken by GCG in accordance with the requirements of the IIA’s Internal Auditing Standards. The QAIP consisted of ongoing quality monitoring and periodic self-assessment.</p> <p>For FY2022, GCG personnel attended training and sharing sessions, which covered technical skills, industry-based know-how and soft skills to continually improve their competencies.</p> <p>On 17 November 2022, the AC completed its annual assessment of GCG and was satisfied with the overall performance of GCG in FY2022.</p> <p>The functions and work of GCG for the FY2022 are set out in the AC Report on page 59 of the Annual Report 2022.</p>
Explanation for departure	:
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
Measure	:
Timeframe	:

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The head of GCG, Mr. Jeff Lee Choong Yin, has more than 20 years of internal and external audit experiences. He is a permanent affiliate of the Association of Chartered Certified Accountants (“ACCA”) and a professional member of the IIA Malaysia. He is assisted by 3 internal audit personnel who are degree holders and/or professionals from related disciplines with years of working experience ranging from 3 to 15 years.</p> <p>The head of GCG and the team are independent from the operational activities of the Group and they do not hold management authority and responsibility over the operations that internal audit covers in its scope of work. Each GCG team member declares on an annual basis that they are free from any conflict of interest or any relationships which could impair their objectivity and independence in carrying out their duties.</p> <p>GCG carries out its work according to the code of ethics and standards set by professional bodies, primarily consistent with the IIA’s International Standards for IPPF and where applicable, reference is made to the standards and statements issued by other international accounting and auditing organisations.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p><u>Effective Communication with Stakeholders</u></p> <p>The Company recognises the value of transparent and effective communication with the investment community and aims to build long-term relationships with shareholders and investors through appropriate channels for disclosure of information.</p> <p>The Company mainly communicates with shareholders, other stakeholders and the public through press releases, press conferences, timely announcements and disclosures made to Bursa Malaysia Securities.</p> <p>As far as possible, the Company leverages on technology to broaden its channel of dissemination of information, to enhance the quality of engagement with shareholders.</p> <p>The notice of the 48th AGM was sent via email to shareholders with known valid email addresses and via post to shareholders without valid email addresses.</p> <p><u>Annual Report</u></p> <p>The annual report is a key communication channel between the Company and its shareholders and other stakeholders. It provides insightful explanations about the Group's performance, operations, prospects as well as activities undertaken by the Group.</p> <p><u>Corporate Website</u></p> <p>The Company's website www.ecoworld.my serves as another communication platform. The website comprises dedicated sections that provide stakeholders with detailed information on corporate, business, governance and sustainability related matters. It also incorporates an Investors & Media section which provides all relevant information on the Group such as annual reports, corporate presentations, company announcements (including the quarterly results), press releases, corporate governance reports, sustainability</p>

reports as well as minutes of AGMs, including a summary of the questions and answers raised during the AGMs. All the information is easily accessible by the public.

Investor Relations

The Investor Relations Department plays a critical role in facilitating investor-related activities to enable better understanding of the business and strategic direction of the Group. Discussions, interviews and dialogues are held with fund managers, financial analysts, shareholders and the media to convey information about the Group's performance, corporate strategies and other matters affecting shareholders' interests.

During the year under review, the Group held regular meetings with investors, fund managers and research analysts, and conducted quarterly analyst briefings in December 2021, March, June and September 2022.

The following were the key investor-related activities held during FY2022:

Month	Key Investor Relations Activities
January 2022	Investor roadshow, Kuala Lumpur
March 2022	Investor roadshow (virtual conference)
Throughout FY2022	Site visits & regular meetings with institutional investors, fund managers and analysts

General Meetings

The Board also views general meetings as ideal opportunities to communicate with shareholders where the CEO briefs shareholders on the Group's projects and development. The meeting provides a forum for dialogue and interaction between the Board and shareholders, both individual and institutional.

The Company has been holding virtual AGMs since 2020. The proceedings at these virtual AGMs are streamed live with online remote voting enabled.

While the Company endeavours to provide as much information as possible to its shareholders and the investment community, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

Stakeholders may forward any queries to the Company via email to corp@ecoworld.my.

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board acknowledges that the MCCG encourages the adoption of integrated reporting based on a globally recognised framework to improve the quality of information available to investors and promote greater transparency and accountability.</p> <p>Recognising that integrated reporting is a journey which requires cross functional efforts, the Company has since FY2020 gradually built upon the necessary processes and systems to support the development towards integrated reporting.</p> <p>The introduction of a value creation model and classification of content according to the 6 types of capitals, namely, Financial, Manufactured, Human, Intellectual, Nature and Social and Relationship, as prescribed by the International Integrated Reporting Council framework, marked the beginning of the Group's journey towards full-fledged integrated reporting.</p> <p>In an effort to gradually adopt integrated reporting, the Board has been endorsing the enhancement of the Sustainability Report yearly since 2020 by including new elements or reinforcing existing elements of integrated reporting.</p> <p>On 16 December 2022, the Board had further endorsed the Sustainability Report for FY2022 whereby a dedicated section on TCFD was included.</p>
		<p>The Board is of the view that the current disclosures and dissemination of information with detailed narratives of the Group's financial and non-financial information to our various stakeholders are sufficient for making informed decisions.</p> <p>The annual report which contains comprehensive financial and non-financial information such as financial performance, future prospects,</p>

	President’s Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Statement of Risk Management and Internal Control provides sufficient information to enable investors to make informed decisions.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	The Company will take steps to adopt integrated reporting based on a globally recognised framework.
Timeframe	:	OthersBy FY2023

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The Company has already applied this practice since FY2018 and the 28-day notice period has been embedded into its Board Charter since FY2018.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company's 48th AGM held on 24 March 2022 was live streamed with remote participation by shareholders.</p> <p>All Directors were present, either physically at the broadcast venue or remotely via the online meeting facilities, to respond to any questions put forth during 48th AGM of the Company.</p> <p>The minutes of the 48th AGM are published on the Company's website at www.ecoworld.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>The Company has been holding virtual AGMs since 2020. Shareholders have been able to participate remotely via live streaming webcast and to vote in absentia using the Remote Participation and Voting facilities ("RPV").</p> <p>The 48th AGM of the Company was live streamed using RPV provided by SS E Solutions Sdn. Bhd. ("SSES") via its online meeting platform, namely Securities Services e-Portal ("SSeP") at https://sshsb.net.my/.</p> <p>Shareholders who wish to submit the form of proxy electronically were given the option to submit through SSeP.</p> <p>A step-by-step administrative guide was issued to assist shareholders on the registration, appointment of proxy, participation and voting using the RPV. The administrative guide was also published in the Company's website at www.ecoworld.my to encourage shareholders' participation.</p> <p>The Company notes that the security, integrity and data privacy of the SSeP platform and its applications are vital to avert cyber threats.</p> <p>The Company has received written confirmation from SSES that an independent assessment and application control review on the input, processing and output control, management of security activities, security administration, data encryption of the SSeP was last conducted in 29 April 2020 with satisfactory results. This assessment remains relevant as at the date of this Corporate Governance Report.</p> <p>SSES has also confirmed that the SSeP is hosted on AIMS Data Center, a secure site at an accredited data centre which meets ISO standards. In addition, its database is housed behind a network firewall which undergoes periodic maintenance, is constantly protected against virus and malware and is able to achieve the highest system efficiency.</p>

Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.

Application	:	Applied
Explanation on application of the practice	:	<p>Prior to the 48th AGM, shareholders, their proxies or corporate representatives were allowed to submit questions electronically by email to eservices@sshbsb.com.my. During the AGM, they were also allowed to submit questions in the form of typed texts through a text box within the SSeP on a real time basis.</p> <p>During the 48th AGM, questions posed by shareholders and proxies were read out and answered verbally by the CEO, Dato' Chang. In the interest of time, similar questions were identified, combined and dealt with as one. The answers were recorded in the minutes of the 48th AGM which are available on the Company's website at www.ecoworld.my.</p> <p>During the aforesaid meeting, in addition to answering questions posed by shareholders, the CEO also gave a presentation to shareholders on the performance and outlook of the Group, touching on the following areas:-</p> <ul style="list-style-type: none">• Updates on the Group's sales performance for FY2021 and for the 4 months ended 28 February 2022;• Overview of the Group's products and market strategies;• Overview of the Group's digital transformation;• Updates on the Group's key financial highlights for FY2021;• Highlights on the Group's new launches;• Overview of the Group's efforts on ESG matters as well as awards and accolades received by the Company in 2021; and• Management's outlook for the next financial year. <p>In addition to the AGM, shareholders may forward any queries to the Investor Relations of the Company via email to ir@ecoworld.my.</p>

Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

Application	:	Applied
Explanation on application of the practice	:	<p>As mentioned under Practice 13.3, the 48th AGM of the Company was held virtually using RPV provided by SS E-Solutions Sdn. Bhd. via its online meeting platform, the SSeP at https://sshbsb.net.my/.</p> <p>To ensure a smooth broadcast of the general meeting, the Company conducted a “Dry Run” prior to the 48th AGM to ensure that the required infrastructure, equipment and proper settings were in place for seamless meeting proceedings.</p> <p>Team members from the Group’s Digital Technology Services Department were on standby to provide technical support at the broadcast venue throughout the 48th AGM. After the conclusion of the 48th AGM, discussions were held internally with the working group to review the quality of the live streamed meeting for improvement in future.</p> <p>To encourage shareholders’ participation at the 48th AGM, an administrative guide on the procedures to register, participate and vote remotely via the RPV was issued to shareholders together with the notice of the 48th AGM.</p> <p>To ensure interactive participation by shareholders at the 48th AGM, shareholders, their proxies and corporate representatives were allowed to submit questions prior to the 48th AGM or during the meeting where they were able to view the live streaming of the 48th AGM, and vote remotely through the RPV. A video on the online voting module of the RPV was also played during the 48th AGM.</p> <p>Questions submitted by shareholders or proxies were read out and responded verbally during the meeting by the CEO.</p>

	The poll voting results of the 48 th AGM were displayed on the live streaming screen while it was announced by the independent scrutineer.			
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:	<table border="1"> <tr> <td></td><td></td></tr> </table>		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>		
Application	:	Applied
Explanation on application of the practice	:	The minutes of the 48 th AGM, including the questions raised during the meeting and the answers provided, were uploaded onto the Company’s website at www.ecoworld.my on 9 May 2022, which was no later than 30 business days after the 48 th AGM.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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