



CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Group recognises the importance of being a socially responsible corporation that supports and contributes positively to a sustainable economy and the community where the Group operates. The Group's corporate social responsibility initiatives covered four (4) areas, namely, the workplace, the community, the market place and the environment.

OUR EMPLOYEES AND THE WORKPLACE

The Group has more than 10,000 employees across and outside Malaysia. As the employees are its key assets, the Group in recognition of the important role played by each of its employees continuously reviews the remuneration structure of its employees to ensure that the remuneration scheme is fair and equitable and always strives to be competitive in the respective markets.

The Group also ensures a safe, secure, healthy and conducive work environment and that its employees' well-being is taken care of especially for those working in the interior/remote areas of Papua New Guinea. The Group provides basic medical benefits to its employees and their families and strives to include hospitalisation which is currently for the senior staff only. In addition, certain companies in the Group also provide personal loan to their employees at interest rates lower than the market.

The Group encourages its staff to pursue continuous education programs for self improvement and to enhance productivity. The programs also serve to prepare employees for progression up the structured career path which the Group offers to all its employees. Training funds were set up by certain subsidiaries for continuous training and development programs whilst others had made statutory contributions to staff development funds, set up schemes to reimburse tuition fees and text books to employees pursuing approved academic courses. Contributions were made for recreation activities to promote staff interaction and bonding with the view to improve teamwork.

In the workplace, the Group has in place competitive remuneration and benefit packages to reward and retain the loyal and dedicated staff. The sales commission and incentive schemes which are in place in the organisation are constantly reviewed to motivate and recognise the achievers of the Group.

The subsidiaries in the South Pacific, namely W.R. Carpenter (South Pacific) Ltd ("the Fiji Group") and W.R. Carpenter (PNG) Limited ("the PNG Group") which operate in a multi-cultural society (in Fiji and Papua New Guinea respectively) practice gender equality for all employees as evidenced by the balanced number in male and female employees. The PNG Group has upheld its Child Labour policy established in February 2008 to eliminate harmful child labour in its operations. Whilst the Fiji Group has an Occupational Health and Safety ("OHS") Committee at all major premises to effectively deal with issues such as sexual harassment and work hazard at the work place.

The PNG Group has policies governing the welfare of its employees which include staff assistance schemes which are available to employees in financial difficulties and there is a group discount policy in place whereby all employees are entitled to discount on items and products purchased from any company in the PNG Group.



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CONTRIBUTION TO THE COMMUNITY

As a caring and responsible corporate citizen, the Company and its subsidiaries had continued with their support of charitable organisations and the environment preservation causes.

In its corporate social responsibility to the environment and the community, initiatives by MBF Cards continued via its MBF Gaia Visa card where 0.1% of Gaia cardholders' spending were contributed towards environment causes, the Budimas Gold MasterCard where 0.12% of every Ringgit charged to the Budimas cards went to the aid of the Budimas Charitable Foundation and the Xuan MasterCard card program whereby 0.1% of Xuan cardmembers spending were contributed to selected Chinese school education fund.

In maintaining and sharing our corporate value of “part of the whole” and to be in synergy with wider society, our MBf Bank Ltd (“MBf Bank”) in Tonga had undertaken to be a conscientious member of society. In meeting with these identified values, it participated and provided support to the following purpose designed activities in Tonga:

- Health Driven Programs - namely,
 - Annual Open Heart Operations
 - Annual AIDs Awareness
 - Annual Breast Cancer Awareness
- Tourism Driven Program - namely,
 - Annual National Tourism Festival Heilala Week (single largest festival in Tonga)
 - Youth Programs
- Social Awareness Programs - namely,
 - Women and Children Crisis Centre
 - Law Week
- Sports Programs - namely,
 - National Rugby League in Sydney
 - Tonga Defence Force (Bi-Annually Military Rugby Cup in Sydney)
 - Various Primary and Secondary School Sport Programs

MBf Printing Industry Sdn Bhd (“MBf Printing”) had supported the annual fund-raising activities for the under privileged children organised by one of its major customers, McDonald’s Malaysia. The company being in the food industry has stringent compliances imposed by its customers whom are major global market players and strong supporters of the CSR initiatives. For instance, MBf Printing is only permitted to buy its paper from selected suppliers who are in support of the environment protection. In addition, MBF Printing has to comply with stringent procedures and is subject to regular audits by its major customers with regards to employment practices, workplace protection and handling of products.

The Fiji Group was engaged in community projects and provided assistance to the underprivileged in society. It was the sponsor of the “All-Rounder Scholarship” scheme at the University of the South Pacific, which offered scholarships to students excelling in sports in the Pacific region and pursuing graduate studies at the University. Other major community and charitable projects continued in the year were donations to various charitable organisations and NGOs and the annual hosting of Christmas Festivities for the underprivileged children.

The PNG Group continued its practice of ensuring adequate supply of drugs and medical supplies to rural clinics and conducting health awareness campaigns to employees, dependants and surrounding local communities.



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THE MARKET PLACE

The Group maintains a high priority on customer satisfaction and strives to provide quality services to its customers at the most affordable prices. It believes in upholding the highest ethical standards in business policies, procurement and investment practices. The Group maintains its prescription to the four (4) dimensions of “quality” in its delivery of services to its customers, namely, timely response, empathy, assurance and warm approach.

MBf Printing maintained its procurement practices of appointing qualified suppliers who meet the following criteria:-

1. Produce food grade coated carton box board/paper board;
2. Subject direct raw materials to food sanitation standard; and
3. Use water base solvent and solutions.

The Fiji Group continued its strict code of conduct to ensure all dealings are done in an open and transparent manner whereas the PNG Group applied sound food quality principles to its food processing facilities. It upheld the Hazards and Critical Control Points (“HACCP”) certification for all its tea processing factories attained in 2008.

MBf Bank maintained its simplistic fee structure to promote affordable banking services to the wider society at grass root level. It continued to be the leading low cost leader in the banking industry in Tonga. MBf Bank continued to record sustainable growth which is a testimony of the positive market reception of its core values.

CONTRIBUTION TO THE ENVIRONMENT

The Group is supportive of all preventive measures by the local authorities in the protection of the local ecology. Its’ philosophy remains for its operations not to harm the environment but to preserve it to the best of its capability. Internally, the Group continued its environmental management efforts through waste management, energy savings and water conservation:-

- The Fiji Group had policies and practices on safe disposal of pollutants from the service stations and workshops whereas its Morris Hedstrom supermarket chain used bio-degradable and environmentally friendly shopping bags, instead of the normal plastic bags.
- The PNG Group’s Environmental Management System remained in place to check environmental conservation and had continued its waste recycling and energy conservation programs.
- MBf Bank participated and provided support to the local authorities in protecting the local ecology such as the various clean up programs by its Waste Authority.

This statement is made in accordance with the resolution of the Board of Directors dated 29 April, 2011.