

ABOUT KESM INDUSTRIES BERHAD

Listed on the Main Market of Bursa Malaysia, KESM Industries Berhad and its subsidiaries (“KESMI”) provide burn-in, testing and electronic manufacturing services to the semiconductor industry. Being the first company of its kind to be awarded the ISO 9001 certification, we constantly strive to achieve excellence in providing services to our customers.

ABOUT THE REPORT

This is KESMI’s second annual Sustainability Report for the period of 1 August 2018 to 31 July 2019 (“FY2019”). Where applicable, one year of historical performance data is also included for comparative purposes.

This report was prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – ‘Core’ option. The GRI Sustainability Reporting Standards have been deemed most suitable for KESMI’s sustainability reporting framework as the standards are recognised globally and are the most widely adopted global standards for sustainability reporting.



The scope of this report covers our Malaysia-based KESMI entities¹ and has been expanded this year to include our operation in Tianjin, China². These entities provide burn-in and testing services for semiconductors, and electronic manufacturing services.

External assurance has not been sought for this report, however KESMI may consider doing so as the sustainability reporting process matures over time.

STAKEHOLDER ENGAGEMENT

At KESMI, we understand that regularly engaging with stakeholders through multiple platforms is essential in understanding their key concerns and being responsive to their expectations. Table 1 below highlights our approach towards engaging key stakeholders who are most impacted by or impacting our business.





Table 1: KESMI’s Approach towards Stakeholder Engagement

Stakeholder group	Stakeholders’ expectations	Stakeholder management/ Response to stakeholder expectations	Engagement platforms	Frequency of engagement
Shareholders 	<ul style="list-style-type: none"> KESMI’s financial health and industry reputation 	<ul style="list-style-type: none"> Provide regular and timely updates about KESMI’s performance to enable shareholders to make informed investment decisions 	<ul style="list-style-type: none"> Press releases Announcements Media conference Annual report Annual General Meeting 	<ul style="list-style-type: none"> Periodic Quarterly Annual Annual Annual
Customers 	<ul style="list-style-type: none"> Service quality Timely delivery 	<ul style="list-style-type: none"> ISO 9001 certification ISO/TS 16949 certification 	<ul style="list-style-type: none"> Industry forums Customer satisfaction surveys Customer visits to our plants 	<ul style="list-style-type: none"> Once every one to two years Periodic As necessary

¹ KESM Industries Berhad, KESP Sdn. Bhd. and KESM Test (M) Sdn. Bhd.

² KESM Industries (Tianjin) Co., Ltd

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Stakeholder group	Stakeholders' expectations	Stakeholder management/ Response to stakeholder expectations	Engagement platforms	Frequency of engagement
Employees and outsourced workers 	<ul style="list-style-type: none"> Fair employment and well-being Training and development Occupational health and safety 	<ul style="list-style-type: none"> Implement non-discriminatory Human Resources (HR) policies Provide relevant trainings (safety and job specific) Provide deserving remuneration, welfare and benefits Compliance to Responsible Business Alliance (RBA)'s requirements³ 	<ul style="list-style-type: none"> Electronic updates and newsletters Trainings Annual performance appraisals Company events and staff get-togethers 	<ul style="list-style-type: none"> Periodic Periodic Annual Periodic
Contractors and suppliers 	<ul style="list-style-type: none"> Business opportunities Feedback on performance 	<ul style="list-style-type: none"> Conduct fair suppliers' screening process Conduct regular suppliers' evaluation process 	<ul style="list-style-type: none"> Project tenders Supplier evaluation meetings 	<ul style="list-style-type: none"> As necessary Periodic
Regulators 	<ul style="list-style-type: none"> Compliance to regulatory requirements 	<ul style="list-style-type: none"> Keeping abreast with the latest regulatory requirements 	<ul style="list-style-type: none"> Statutory reporting On-site inspections 	<ul style="list-style-type: none"> Periodic As necessary
Local Community 	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) initiatives Employment opportunities 	<ul style="list-style-type: none"> Participate in CSR activities Provide employment opportunities through our business 	<ul style="list-style-type: none"> CSR programmes Teaming with local technical institutions for job training 	<ul style="list-style-type: none"> Periodic Annual

³ Responsible Business Alliance (RBA) is a nonprofit comprising of electronics, retail, auto and toy companies committed to supporting the rights and well-being of workers and communities worldwide affected by the global electronics supply chain.

MATERIALITY ASSESSMENT

KESMI focuses on economic, environmental, social and governance (“EESG”) matters that critically affect our business operations and are of interest to both internal and external stakeholders. Following the first formal materiality assessment exercise in July 2017, five material matters were identified for KESMI. Based on our review, these matters remain relevant in this reporting period.

Figure 1: KESMI’s Materiality Assessment Process

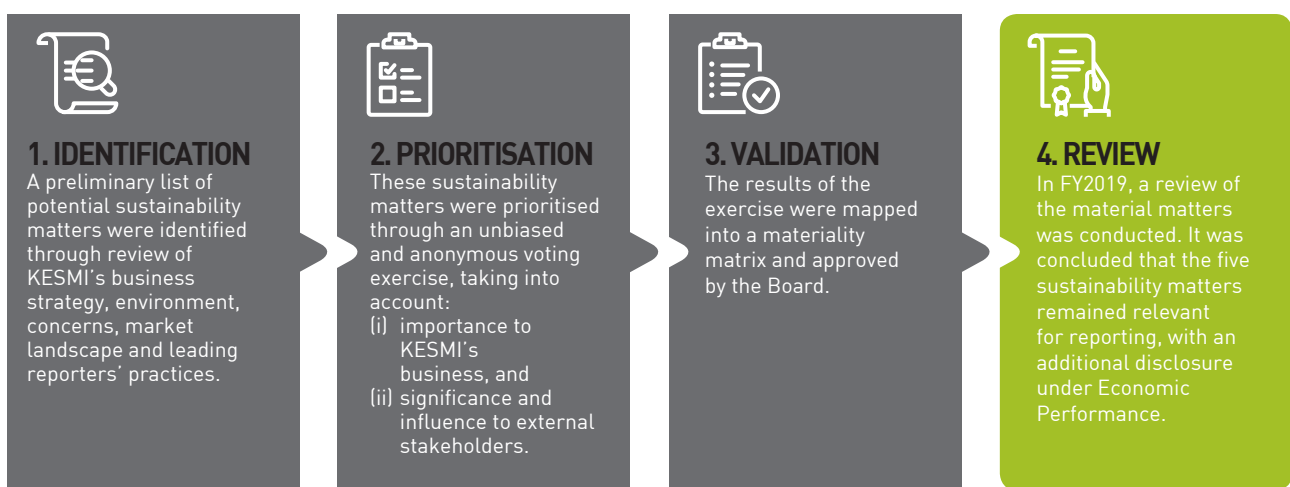
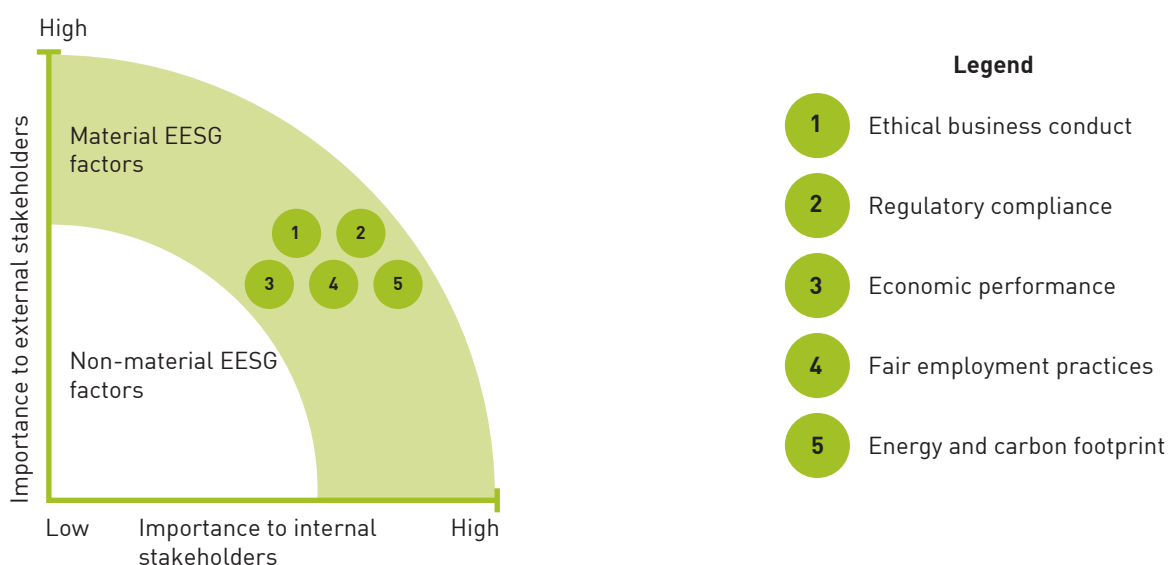


Figure 2: KESMI’s Materiality Matrix



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Table 2: KESMI's Material Sustainability Matters and Corresponding GRI Topics

No.	Material Sustainability Matters (in no particular order of importance)	Definition	GRI Topics
1	Ethical business conduct	Adherence to responsible business policies in terms of anti-corruption, anti-competitive behaviour and anti-trust	<ul style="list-style-type: none"> • GRI 205: Anti-Corruption
2	Regulatory compliance	Compliance with regulatory requirements, including but not limited to laws on the environment, labour, and health and safety	<ul style="list-style-type: none"> • GRI 307: Environmental Compliance • GRI 419: Socioeconomic Compliance
3	Economic performance	<p>Economic value contribution</p> <p>Sustain economic performance through responsible supply chain management</p>	<ul style="list-style-type: none"> • GRI 201: Economic Performance • GRI 204: Procurement Practices
4	Fair employment practices	Equal opportunities and treatment for all employees and workers	<ul style="list-style-type: none"> • GRI 401: Employment • GRI 406: Non-Discrimination
5	Energy and carbon footprint	Efficient use of energy to minimise the carbon footprint arising from our operations	<ul style="list-style-type: none"> • GRI 302: Energy • GRI 305: Emissions

SUSTAINABILITY GOVERNANCE AT KESMI

Figure 3: KESMI's Sustainability Governance Structure

Board of Directors and Executive Directors

At KESMI, directives for sustainability programmes are reviewed and approved by the Board and Executive Directors. This sets the tone for the sustainability agenda at the top. Local Management are tasked to implement and oversee these programmes while Heads of Departments regularly collect data and information on sustainability-related performance metrics.

Local Management

Subsequently, information on KESMI's sustainability progress is presented to senior management and the Board for review and calibration of existing sustainability policies and practices.

Heads of Departments

Data preparers from respective departments

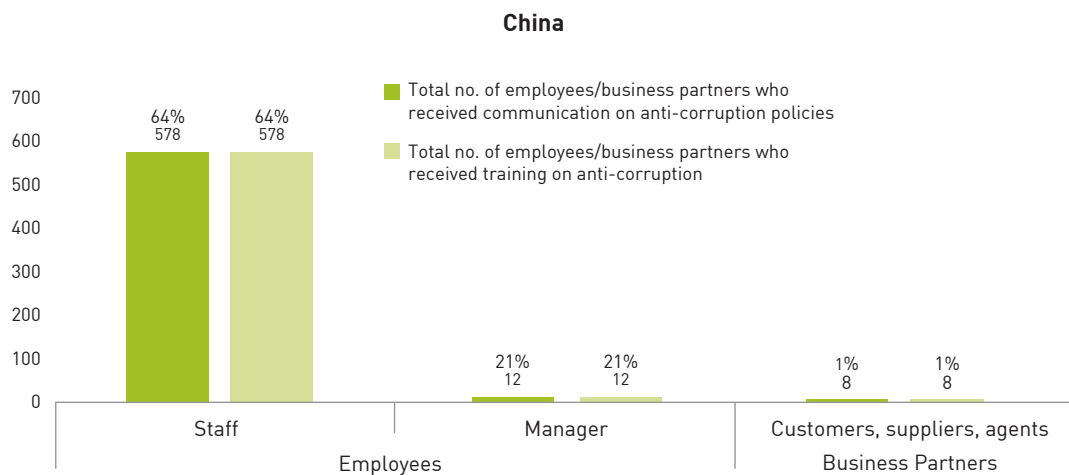
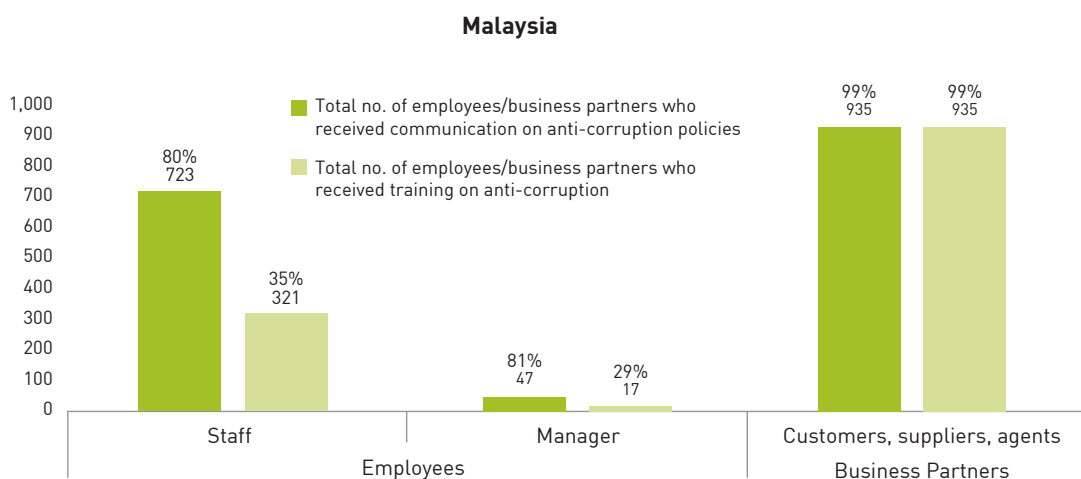
ENSURING THE HIGHEST STANDARDS OF ETHICAL BUSINESS CONDUCT

KESMI upholds the highest standards of ethics throughout its operations to sustain honest interactions between personal and professional parties, and to competently manage conflicts of interests.

KESMI implements policies on ethical business conduct matters and has a zero-tolerance approach towards corruption and unethical business practices. The policies awareness training is provided to all employees across the organisation to ensure they are aware of the company's stance on the matter. Taking reference from RBA Code of Conduct (the "Code"), KESMI has in place a Business Ethics Policy that sets out the values, principles, standards and norms of behaviour expected of our employees and in business dealings. All newly hired employees undergo mandatory training as part of our orientation module, which briefs them on the Code's stringent requirements.

Anti-corruption policies and procedures have been communicated to our Board members, employees and business partners, while also receiving the necessary training (Figure 4).

Figure 4: Number and percentage of employees and business partners that KESMI's anti-corruption policies and procedures have been communicated to and receiving training in FY2019



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01 Whistleblower Policy

The policy applies across all our Plants and overseen by our Plant Manager with the following objectives:

- To encourage employees to confidently raise genuine concerns about possible improprieties
- Provide ways for employees to raise concerns and receive feedback on any actions taken as a result
- Reassure employees that they will be protected from possible reprisals or victimisation

02 Code of Conduct

The policy outlines the principles that ensure the humane treatment of all employees, respect for the environment and its welfare, and operates in full compliance with applicable laws, rules and regulations of the countries in which we operate.

03 Grievance Handling Policy

This Grievance Handling Policy was established for problems to be solved at the lowest corporate level possible, in the interests of industrial efficiency and stability in performance. Grievances include any violations or threats on fair and humane treatment such as prohibition of sexual harassment, abuse (mental, physical or verbal), coercion, corporal punishment, etc.

04 Business Ethics Policy

Our anti-corruption and anti-bribery policies are encapsulated within our Business Ethics Policy.


- The company disallows any employee to be associated with illegal cartel activities, illicit price-fixing, deception and undesirable social behaviour, customers or vendors that offer rebates, commissions, and other forms of illegal remuneration.
- Employees are required to fully disclose any conflicts of interest. Employees are also disallowed from giving or accepting any gifts, which might improperly influence the normal business relationship with any supplier or customer. All company business dealings are based on "fair deal" basis. All employees shall refrain from providing or accepting bribe and kick-backs.

05 Purchasing Policy

The Purchasing Policy sets clear guidelines on maintaining ethical relations with vendors and suppliers while acting with integrity throughout all procedures related to the purchasing activities of the company.

All employees have access to multiple resources to convey their grievances and report unethical behaviour, such as a phone helpline and a designated email address. In certain cases, employees are encouraged to approach and consult with their respective managers and superiors in-charge, or the Human Resources manager. We will enforce strict disciplinary action against any violation of the Business Ethics Policy, to the extent of termination of employment.



As a testament to our efforts at maintaining high standards of corporate governance, there were zero cases of corruption reported in FY2019. This is consistent with our record of having reported zero incidents or cases associated with corruption in FY2018 and FY2017.

Focus Area	Perpetual Target	FY2019 Performance
Ethical Business Conduct	0 confirmed cases of corruption within KESMI	Achieved 

STRICT COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS

Guided by our Code, we are fully committed to ensuring that compliance to all applicable laws and regulations is at the core of KESMI's operations. Our tone on regulatory compliance is clear and set from the top, taking a zero-tolerance approach to fraud, corruption, bribery and violation of any local laws and regulations in Malaysia and China.

KESMI aims to keep abreast of the latest regulatory requirements in each country to ensure 100% compliance with all applicable laws and regulations, which we have continued to achieve in FY2019.

Focus Area	Perpetual Target	FY2019 Performance
Regulatory Compliance	0 confirmed cases of non-compliance with environmental laws and regulations	Achieved 
	0 confirmed cases of non-compliance with socioeconomic laws and regulations	Achieved 

SUSTAIN ECONOMIC PERFORMANCE THROUGH RESPONSIBLE SUPPLY CHAIN MANAGEMENT

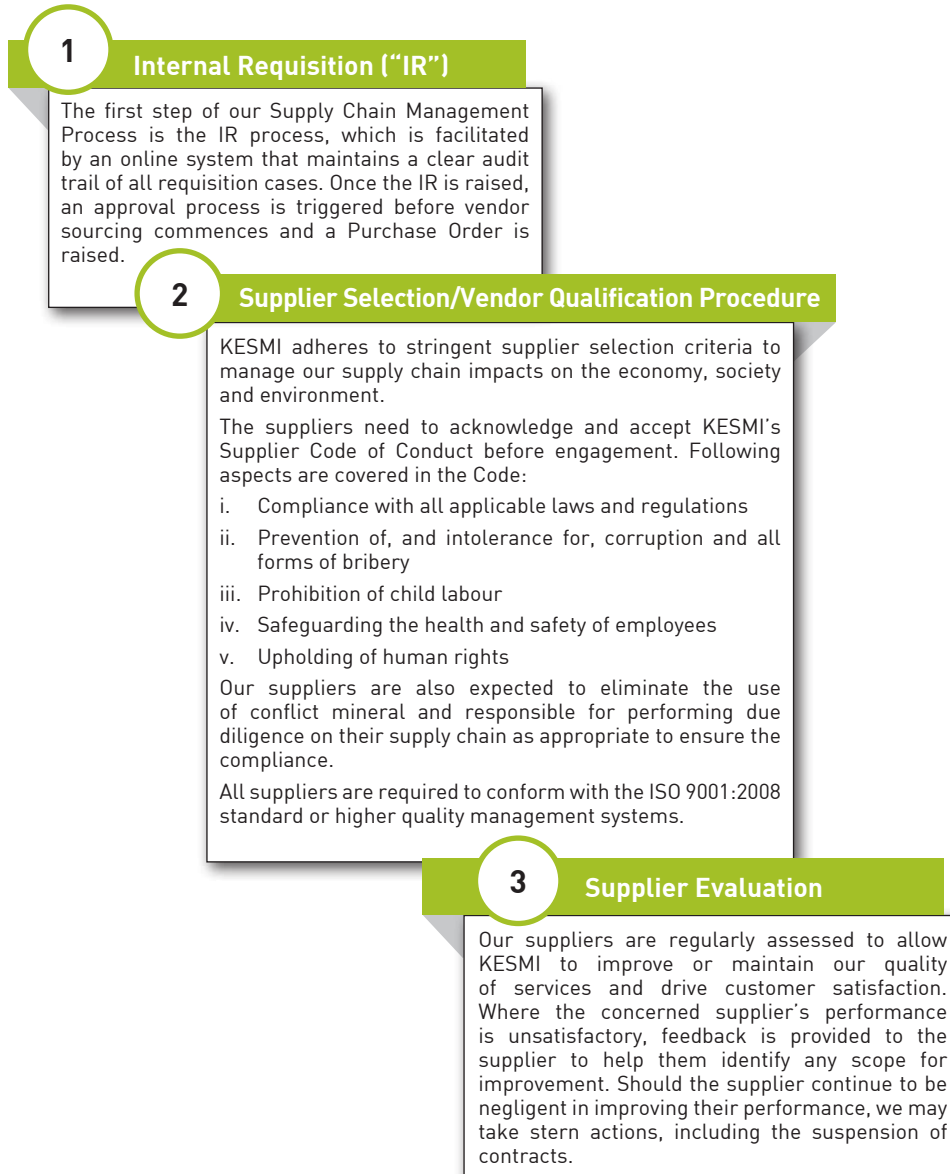
KESMI recognises that responsible supply chain management is key to the company's economic performance and competitiveness. This allows us to reduce business disruption risks, ensure consistent quality and improve cost-effectiveness as well as production efficiency in line with our mission statement to ensure that our customers' specifications and expectations are always met.

With close engagement with our suppliers, we are also able to reinforce our commitment to the environment and local communities where we operate. Towards this end, we prioritise working with local suppliers, which has the benefits of enhancing sourcing efficiency due to shorter lead time, while also bringing positive impacts to local economies through economic development and job opportunities.

Our robust Three-Step Supply Chain Management Process details our procedures in supplier management.

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Figure 5: KESMI's Three-Step Supply Chain Management Process



Reinforcing our commitment for purchasing from local suppliers and contractors, KESMI has consistently maintained that at least 50% of its purchases are sourced locally. In FY2017, the percentage of purchases sourced from locally registered companies was 74%, which increased to 80% in FY2018. In FY2019, we have upheld this commitment of supporting local businesses, sourcing 69% of purchases from locally registered companies.

Focus Area	Perpetual Target	FY2019 Performance
Responsible Supply Chain Management	At least 50% of all purchases are sourced locally ⁴	Achieved

⁴ Local purchases refer to purchases made (except for production machineries) from locally registered companies, which supply trade and non-trade goods and services.

CREATING AND DELIVERING DIRECT ECONOMIC VALUE

In FY2019, KESMI generated more than RM300 million in terms of total revenue. This is distributed across all our various stakeholders – shareholders, suppliers and contractors, employees and outsourced workers, capital providers and governments, sharing economic value across our value chain. Faced with economic uncertainties arising from the new global political order, KESMI's revenue declined from the previous year, resulting in lower economic value being retained for FY2019.

Table 3: Economic Value Generated, Distributed and Retained in FY2019 and FY2018⁵

Economic Value Generated (RM'million)	FY2019	FY2018
Revenue	307	350
Economic Value Distributed (RM'million)		
Operating costs	(124)	(118)
Employee wages and benefits	(104)	(113)
Payments to providers of capital	(12)	(9)
Payments to governments (taxes)	(4)	(5)
Economic Value Retained (RM'million)	63	105

Further details on our economic performance can be found on pages 63 and 68 to 69.

BUILDING A STRONG WORKFORCE & FAIR WORKPLACE

KESMI'S EMPLOYEE & WORKER PROFILE

In FY2019, we were supported by a total of 967 employees and 1,347 workers. These workers comprise outsourced operators directly involved in production activities, interns and suppliers.

Over 90% of our employees are employed under permanent contract and all employed on a full-time basis, enabling their professional development and growth of their career with us. We have maintained our gender-diverse identity as a company, with a well-balanced ratio of male and female employees in our organisation for FY2019. Moreover, over 77% of our employees are People's Republic of China ("PRC") nationals and Malaysians, in line with our commitment to invest in, and develop local economies. The following charts show our employee demographics by gender and region⁶, as well as our worker demographics by type.

⁵ FY2018 figures include all companies within KESMI.

⁶ KESMI's employees are grouped under the employment categories of "direct labour", "exempt", "non-exempt" and "manager". Exempt employees refer to foreign employees who are eligible to perform certain short-term work activities in China and Malaysia. Non-exempt employees refer to those entitled for overtime work.

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Figure 6: KESMI's Employee Demographics by Gender and Region in FY2019

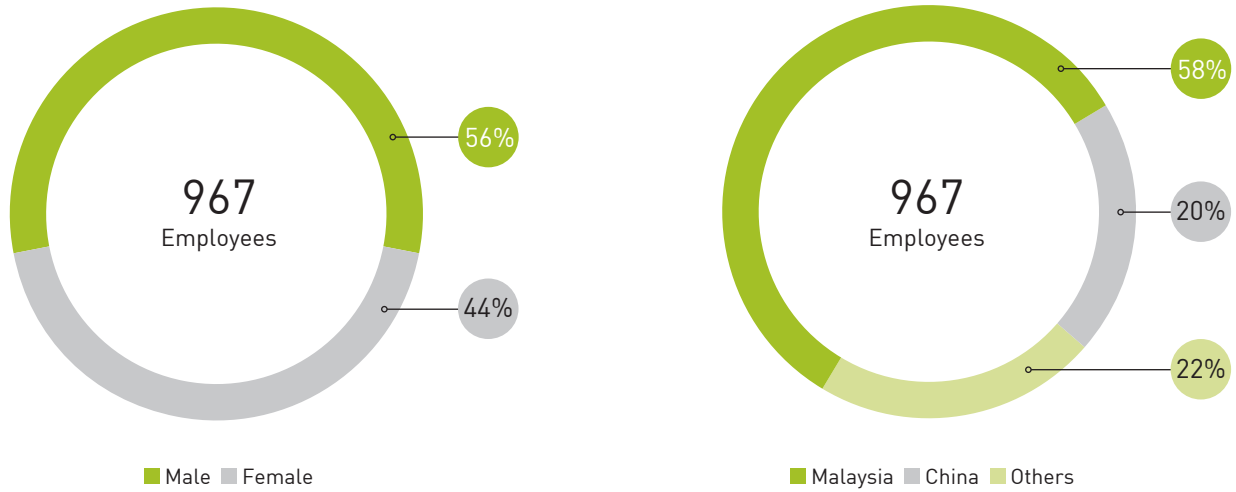
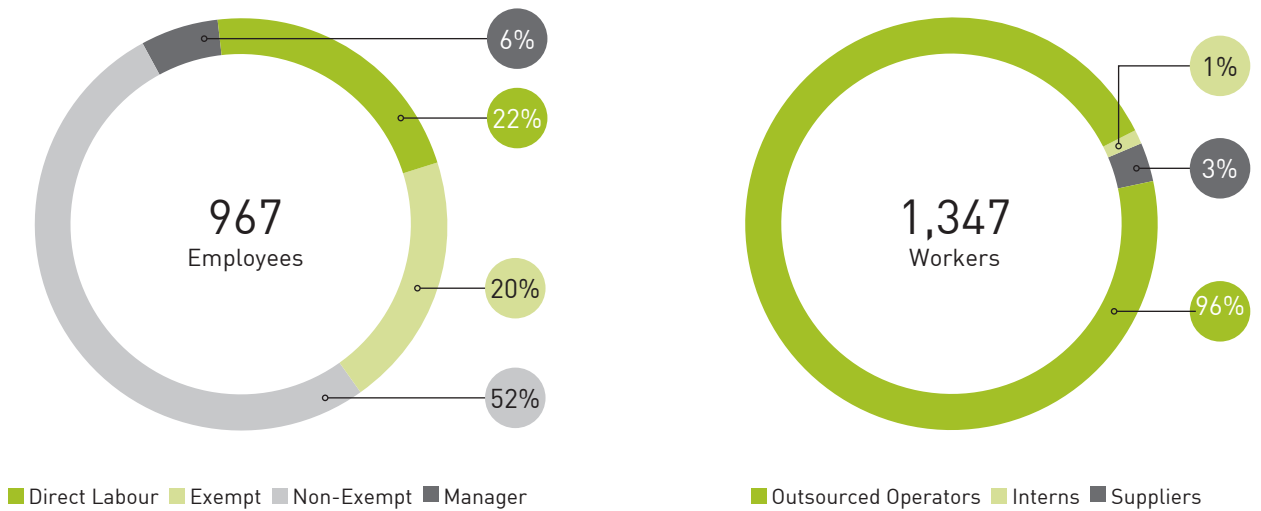


Figure 7: KESMI's Employee and Worker Demographics in FY2019



In FY2019, our new hires stood at 199 employees, a 58% decrease from FY2018 and saw a turnover of 296 employees, a 39% decrease from the FY2018 turnover figure. This reflects the strong trust placed in us by our employees and is a testament to our fair employment practices.

Figure 8: KESMI's Hires by Gender and Age Group in FY2019

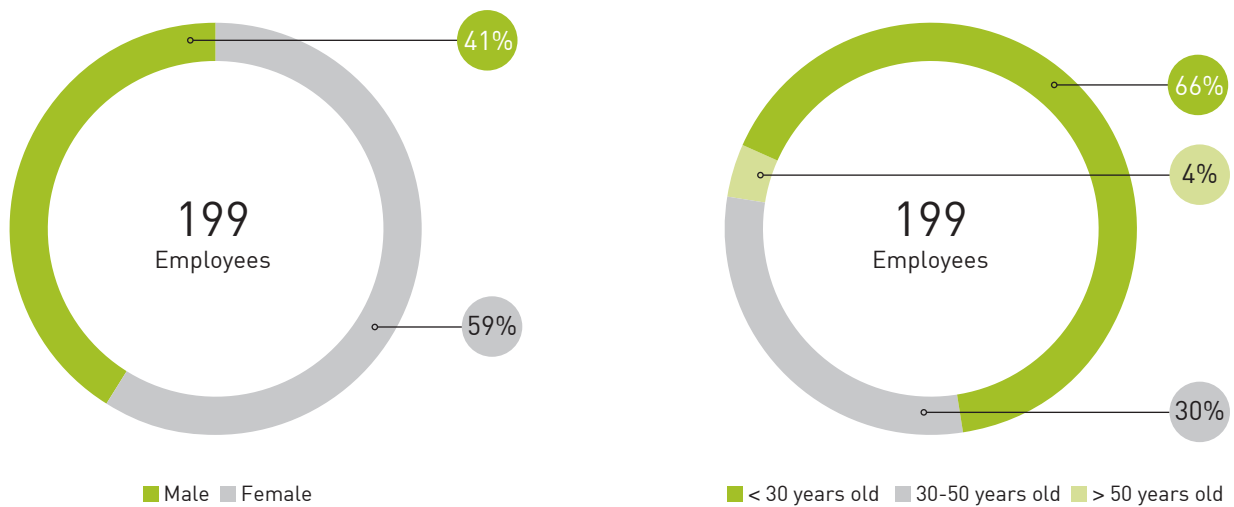
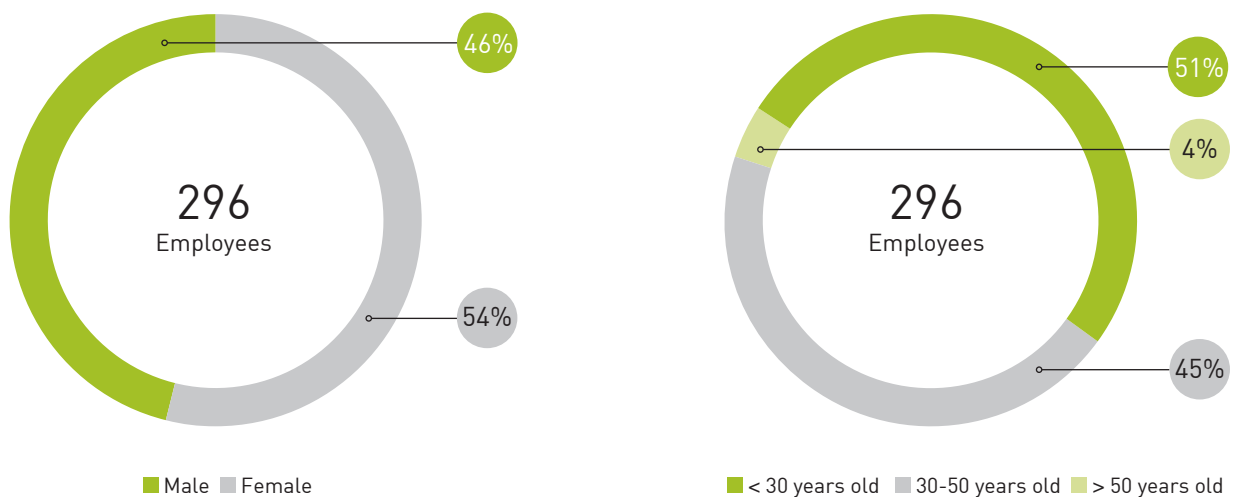


Figure 9: KESMI's Turnover by Gender and Age Group in FY2019







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FAIR EMPLOYMENT PRACTICES

KESMI sees its people as its greatest asset. We strive to provide equal opportunities for all employees in an environment that enables them to develop professionally and promotes their well-being.

At KESMI, the suite of policies overseen by the Human Resources department help ensure the fair employment and well-being of our employees and workers. These detailed policies also assure our employees and workers of the necessary grievance mechanisms in place.

Table 4: KESMI's Policies on "Fair Employment Practices"

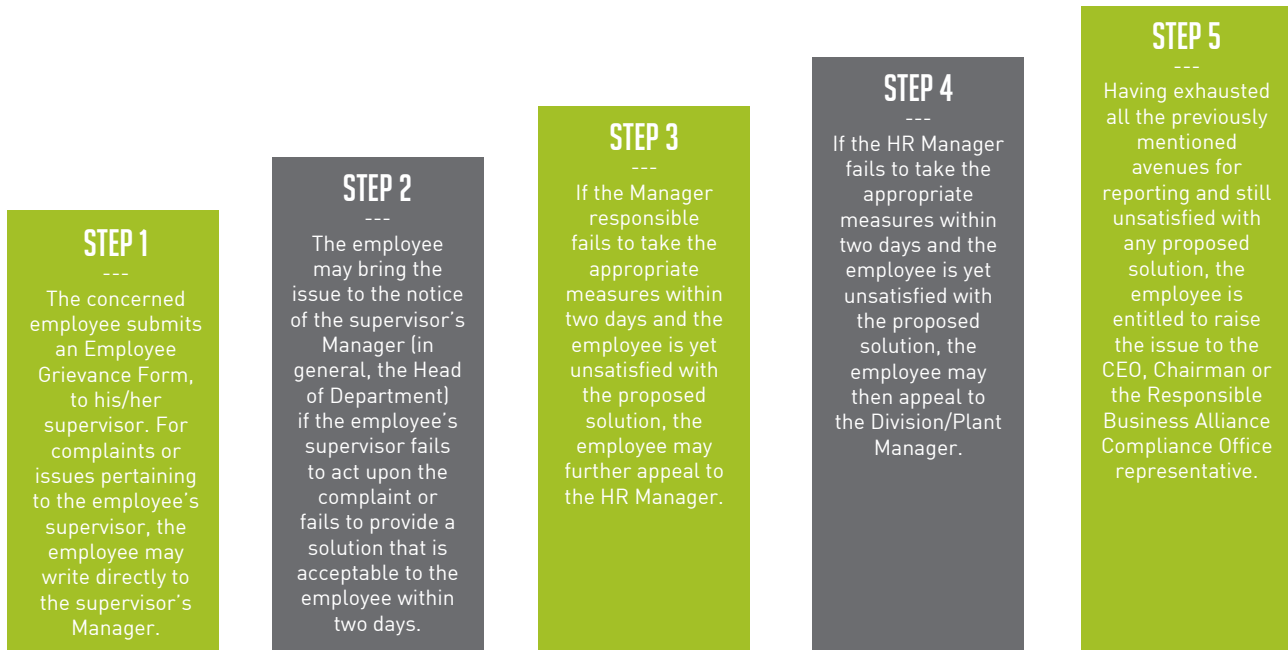
Name of Policy	Policy Description
Recruitment and Selection Policy 	Provision of equal opportunities for all terms and conditions of employment, including but not limited to recruitment, selection and placement of all qualified applicants and employees, without any discrimination based on race, colour, religion, gender, age, sexual orientation, gender identity and expression, ethnicity or national origin, covered veteran status, protected genetic information, disability, pregnancy, political affiliation, union membership and marital status.
Grievance Procedures/ Mechanism 	Employees are encouraged to report their grievances without fear of reprisal or retaliation should they feel unfairly treated. The grievance mechanism can be initiated through a telephone, text, fax, suggestion boxes and e-mail. Our foreign workers can submit their grievance in their native language to avoid miscommunication and encourage them to speak up. The HR department will appoint a translator to assist in collecting information, conducting investigations and providing solutions.
Labour & Human Rights Standards 	To make a statement of our corporate social responsibility (CSR) commitment and compliance to the Code. KESMI is committed to ensure that labour and human rights practices are incorporated into our business functions. We respect diversity, non-discrimination and freedom of expression among our employees. We constantly aim to provide a safe, healthy and conducive environment for our employees, customers, vendors and shareholders as part of our business strategy and operating initiatives. This policy is also available in Mandarin Chinese for the ease of understanding and benefit of employees at our Tianjin facility.
Benefits Policy 	In its effort to create a productive and encouraging working environment for all employees, KESMI has in place a Benefits Policy. This policy details all the benefits allotted to our employees: medical benefits, public holidays, service awards, annual salary review, gifts on occasions, etc.

KESMI is committed to upholding human rights and responsible labour practices, by advocating diversity, non-discrimination and compliance to all applicable health and safety laws and regulations. This commitment applies not only to our employees, but also outsourced workers.

To ensure the fair and timely payment of wages to our foreign workers, approximately 3% of pay slips addressed to outsourced workers employed at each of our suppliers' or contractors' companies are audited by KESMI on a quarterly basis. On detecting any inconsistencies, these companies are required to repay the outstanding wage amounts to their respective workers in the subsequent payroll cycle.

The HR department at KESMI also conducts regular dialogue sessions to provide our employees with a platform to freely convey their grievances, concerns, feedback and suggestions. KESMI's grievance mechanism has been outlined in Figure 10.

Figure 10: KESMI's Five-Step Employee Grievance Mechanism



As a result of our fair and inclusive employment practices as well as continuous employee engagement, there were zero complaints from our employees to the regulatory authorities on unfair employment practices within our organisation.

Focus Area	Perpetual Target	FY2019 Performance
Fair employment practices	0 complaints from employees to regulatory authorities pertaining to unfair employment practices	Achieved

Moving ahead, we aim to maintain this record by keeping our policies updated and relevant.

PROTECTING THE ENVIRONMENT

KESMI aims to nurture a better environment and contribute to the national targets for the environment in the countries we operate in by optimising energy consumption and reducing our carbon footprint. Electricity is our main source of energy, and is used for our business operations such as manufacturing operations, lighting, air-conditioning and elevators.

Towards this end, our Environmental Management System 2000 Policy covers all plants within one of our operating entities in Malaysia, while other operating entities in Malaysia and China are each guided by two policies: (1) Energy Efficient Management Policy, which provides guidelines on maintaining and improving the management of electrical energy across our plants and (2) Energy Policy, which covers all buildings, processes and operations. This includes a commitment to reduce our total electrical energy consumption yearly, embark on cost-effective energy efficiency improvements and retrofits, as well as conduct awareness campaigns and training programmes for staff.

While the Tianjin pilot Emission Trading System that is currently in force does not yet cover the semiconductor and electronics manufacturing industry, we are committed to achieving national reduction targets by consuming energy efficiently and in line with the objectives of our Policy.

In FY2019, we consumed 86.2 GWh of electricity, more than our consumption in FY2018 due to the inclusion of a new entity in scope. However, when considering similar reporting scope ("Like-for-Like", i.e. inclusion of Tianjin operations), there was a 5.7% decrease in energy consumption from FY2018 to FY2019. A corresponding trend was observed in our Scope 2 emissions. This significant decline in our consumption and subsequently, our emissions, can be attributed to our effective energy-saving initiatives which are in progress of implementation.

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Figure 11: KESMI's Electrical Energy Consumption

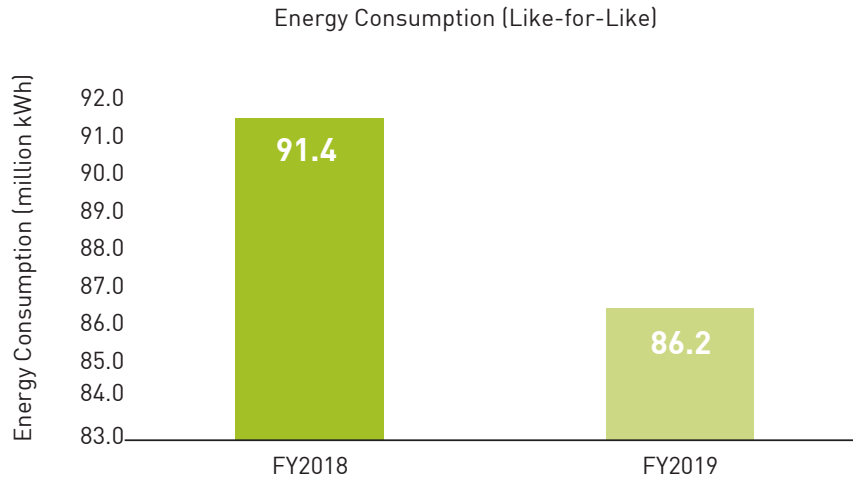
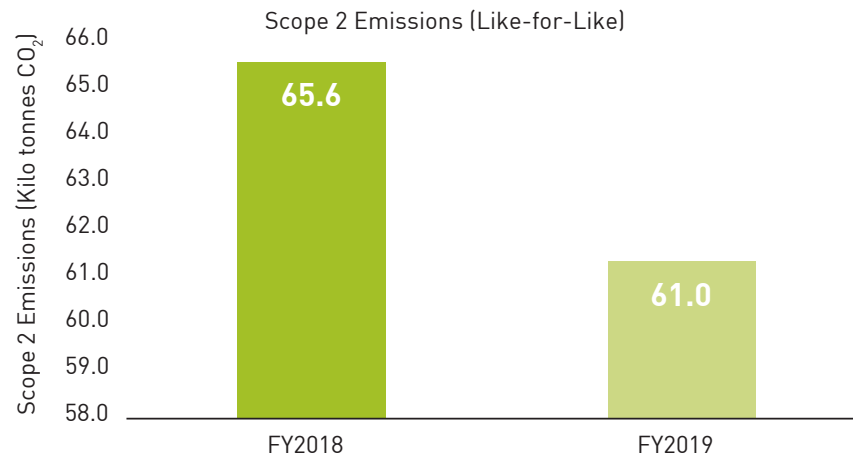


Figure 12: KESMI's Scope 2 (Indirect) Emissions⁷



In FY2019, we optimised the cooling capacity required in certain sections of our Malaysia operations by adjusting the cooling water flow rate, allowing us to shut down two cooling fans. This resulted in estimated energy savings of 3,960 kWh per month.

We also changed the current T8 fluorescent lights to LED lighting tubes in Tianjin in the pursuit of optimising energy and reducing our carbon footprint. With the implementation of LED lighting, we expect savings in 114,245 kWh of power consumption per year and cost savings of RMB83,567 per year.

Focus Area	Perpetual Target	FY2019 Performance
Energy and carbon footprint	2% reduction in year-on-year energy consumption	Achieved 5.7% reduction ✓

Other initiatives we have implemented include upgrading to newer, more energy-efficient models of compressors for our air-conditioning units as well as installation of digital temperature controllers. Moving forward, we aim to further improve our energy performance by specifically increasing the desiccant dryer cycle duration at our plants. KESMI management is in the process of organising a feasibility study to identify opportunities through which we can further optimise our energy consumption and efficiency.

⁷ The Electricity Grid Emissions Factors ("GEF") used in the calculation of Scope 2 Emissions for FY2018 and FY2019 have been obtained from the Institute for Global Environmental Strategies ("IGES") 2019 database. The Scope 2 Emissions figure for FY2018 has been revised due to an update in the Malaysia GEF (0.653 kgCO₂/kWh). The FY2019 figures include KESMI's China operations with the North China GEF (for Tianjin) being 1.042 kgCO₂/kWh.

GRI CONTENT INDEX

Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Organisational Profile		
102-1	Name of the organisation	About KESM Industries Berhad (page 33)
102-2	Activities, brands, products, and services	Management Discussion and Analysis (page 5)
102-3	Location of headquarters	Malaysia
102-4	Location of operations	Management Discussion and Analysis (page 5)
102-5	Ownership and legal form	Management Discussion and Analysis (page 5); Annual Report (page 70)
102-6	Markets served	About the Report (page 33)
102-7	Scale of the organisation	Management Discussion and Analysis (page 5)
102-8	Information on employee and other workers	Building a Strong Workforce & Fair Workplace (pages 41-43)
102-9	Supply chain	Sustain Economic Performance Through Responsible Supply Chain Management (pages 39-40)
102-10	Significant changes to the organisation and its supply chain	There have been no significant changes to our supply chain.
102-11	Precautionary principle and approach	Annual Report (pages 29-32). KESMI does not specifically address the principles of the precautionary approach. However, our management is risk-based.
102-12	External initiatives	We take references from Responsible Business Alliance's Code of Conduct
102-13	Membership of associations	Malaysian Employers Federation; The Free Trade Zone, Penang Companies' Association
Strategy		
102-14	Statement from senior decision-maker	CEO/Chairman message (pages 2-3)
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Ensuring the Highest Standards of Ethical Business Conduct (pages 37-38)
Governance		
102-18	Governance structure	Sustainability governance at KESMI (page 36)

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Disclosure		Reference(s) or Reasons for Omission
General Disclosures		
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholder Engagement (pages 33-34)
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements. Nonetheless, KESMI respects the rights of its employees to join or form a labour union.
102-42	Identifying and selecting stakeholders	Stakeholder Engagement (pages 33-34)
102-43	Approach to stakeholder engagement	Stakeholder Engagement (pages 33-34)
102-44	Key topics and concerns raised	Stakeholder Engagement (pages 33-34)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report (page 101)
102-46	Defining report content and topic boundaries	Materiality Assessment (pages 35-36)
102-47	List of material topics	Materiality Assessment (pages 35-36)
102-48	Restatements of information	Scope 2 emissions for FY2018 have been restated due to updates to national Grid Emission Factors.
102-49	Changes in reporting	Expansion of scope to include KESM Industries (Tianjin) Co., Ltd and inclusion of additional disclosure.
102-50	Reporting period	About the Report (page 33)
102-51	Date of most recent report (if any)	FY2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@sunright.com
102-54	Claims of reporting in accordance with the GRI Standards	About the Report (page 33)
102-55	GRI content index	GRI Content Index (pages 47-50)
102-56	External assurance	About the Report (page 33)
Material Topic: Economic performance		
Management Approach		
103-1	Explanation of the material topic and its boundary	Sustain Economic Performance Through Responsible Supply Chain Management (pages 39-40)
103-2	The management approach and its components	Sustain Economic Performance Through Responsible Supply Chain Management (pages 39-40)
103-3	Evaluation of the management approach	Sustain Economic Performance Through Responsible Supply Chain Management (pages 39-40)

Disclosure		Reference(s) or Reasons for Omission
Material Topic: Economic performance		
Economic Performance		
201-1	Direct economic value generated and distributed	Creating and Delivering Direct Economic Value (page 41)
Procurement Practices		
204-1	Proportion of spending on local suppliers	Sustain Economic Performance Through Responsible Supply Chain Management (pages 39-40)
Material Topic: Energy and carbon footprint		
Management Approach		
103-1	Explanation of the material topic and its boundary	Protecting the Environment (pages 45-46)
103-2	The management approach and its components	Protecting the Environment (pages 45-46)
103-3	Evaluation of the management approach	Protecting the Environment (pages 45-46)
Energy Consumption		
302-1	Energy consumption within the organisation	Protecting the Environment (pages 45-46)
Material Topic: Fair Employment Practices		
Management Approach		
103-1	Explanation of the material topic and its boundary	Fair Employment Practices (pages 44-45)
103-2	The management approach and its components	Fair Employment Practices (pages 44-45)
103-3	Evaluation of the management approach	Fair Employment Practices (pages 44-45)
Employment		
401-1	New employee hire and employee turnover	KESMI's Employee & Worker Profile (pages 41-43)
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Fair Employment Practices (pages 44-45)

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Disclosure		Reference(s) or Reasons for Omission
Material Topic: Ethical business conduct		
Management Approach		
103-1	Explanation of the material topic and its boundary	Ensuring the Highest Standards of Ethical Business Conduct (pages 37-38)
103-2	The management approach and its components	Ensuring the Highest Standards of Ethical Business Conduct (pages 37-38)
103-3	Evaluation of the management approach	Ensuring the Highest Standards of Ethical Business Conduct (pages 37-38)
Anti-Corruption		
205-2	Communication and training about anti-corruption policies and procedures	Ensuring the Highest Standards of Ethical Business Conduct (pages 37-38)
205-3	Confirmed incidents of corruption and actions taken	Ensuring the Highest Standards of Ethical Business Conduct (pages 37-38)
Material Topic: Regulatory compliance		
Management Approach		
103-1	Explanation of the material topic and its boundary	Strict Compliance with All Applicable Laws and Regulations (page 39)
103-2	The management approach and its components	Strict Compliance with All Applicable Laws and Regulations (page 39)
103-3	Evaluation of the management approach	Strict Compliance with All Applicable Laws and Regulations (page 39)
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Strict Compliance with All Applicable Laws and Regulations (page 39)
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Strict Compliance with All Applicable Laws and Regulations (page 39)