

SUSTAINABILITY REPORT 2022

D&O

Greentech

D & O GREEN TECHNOLOGIES BERHAD

Registration No: 200401006867 (645371-V)



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CONTENTS

PAGE	CHAPTER
01	About This Report
02	Message from the Group Managing Director
04	About D&O
04	Our innovative products
05	Where we operate
05	Industry and membership associations
06	Sustainability at D&O
06	Sustainability governance
07	Our material matters
08	Stakeholder engagement
10	Environmental Sustainability
10	Our approach
11	Climate change
18	Water management
19	Waste and materials
20	Social Sustainability
20	Our approach
21	Diversity and inclusion
25	Learning and development
27	Human and labour rights
29	Occupational safety and health
31	Local communities
32	Good Governance
32	Our approach
32	Ethics and business conduct
34	Responsible supply chain
36	Group Performance Data 2020-2022
43	GRI Index

ABOUT THIS REPORT

D & O Green Technologies Berhad (“D&O” or “the Group”) is proud to present our second annual Sustainability Report. This report serves to share our sustainability performance with our stakeholder for the financial year reporting period of 1 January 2022 - 31 December 2022 (“FY2022”). In this report we will share our sustainability commitments, initiatives and performance on matters that are material to the Group’s business as well as its stakeholders.

This Report should be read together with the other contents in our FY2022 Integrated Report to provide a complete overview of our operations.

REPORTING FRAMEWORKS

This report has been prepared with reference to the new Global Reporting Initiative (GRI) Universal Standards (2021), FTSE Russell’s ESG Ratings and UN SDGs framework. The report meets the criteria of the Bursa Malaysia Main Market Listing Requirements on sustainability reporting and the FTSE4Good Bursa Malaysia Index.

REPORTING SCOPE AND BOUNDARIES

This report covers the operations of the Group in Malaysia only which comprises 100% of the Group’s production operation for the period 1 January 2022 to 31 December 2022 (unless otherwise stated). Where applicable, comparative data from the preceding year(s) have been included. In FY2022, Plant 2 in Melaka became partially operational and is reflected in all data and information.

NEW IN 2022

We have endeavoured to provide three-year performance data for the majority of relevant GRI disclosures and the detailed data can be found in our Group Performance Data tables at the back of this report. We have also begun to address Bursa Malaysia’s Enhanced Sustainability Reporting requirements as well as TCFD reporting.

ASSURANCE

We recognise the importance of assurance to provide our stakeholders confidence in our data and for our continuous improvement. As part of our commitment to ensure our data is accurate, our industrial effluent treatment system and air emission parameters have been externally assured. We are currently developing our internal reporting processes and will consider obtaining external assurance for all data reported in the future as our reporting matures.

FEEDBACK

We welcome any feedback or suggestions on this Report and our performance. Please forward any questions to Lee Han Yung at han-yung.lee@dominant-semi.com.

MESSAGE FROM THE GROUP MANAGING DIRECTOR

Dear Stakeholders,

I am pleased to present our Sustainability Report for the year ended 31 December 2022. At D&O, sustainability is the very essence of our business as we develop and manufacture new automotive LED lighting solutions. Our mission has always been aligned with creating a greener world and we are proud to share our journey with you towards a low-carbon economy.

From the Russia-Ukraine war, the rising cost of living and record-breaking extreme weather events, the world is grappling with the impacts that affect all facets of ESG. For us, this has culminated to various risks to our business such as increased transportation and raw material costs. As a company, we continue to do what we can to manage and mitigate any impact to our operations as well as identify opportunities where we can positively impact the world around us.

We also have a key focus on our water consumption and have a water recycling ratio target of 30% by 2024 and 50% by 2025, which will help to reduce our consumption of third-party water. To further aid our efforts, we are in the midst of installing a centralised rainwater harvesting system for our manufacturing plants that will help to save up to 1,100m³ of water a year.

Our employees are our greatest asset and we have always prioritised their wellbeing. Under our social efforts, we continue to support diversity and inclusion by actively recruiting young graduates and supporting a workforce comprised of more than 45% females. As part of our win-win approach towards work-life balance, which includes complying with local regulations for overtime hours (<104 hours of overtime a month), we implemented a two shift-three crews arrangement. We are proud to share that we had zero incidents of non-compliance with labour and human rights.

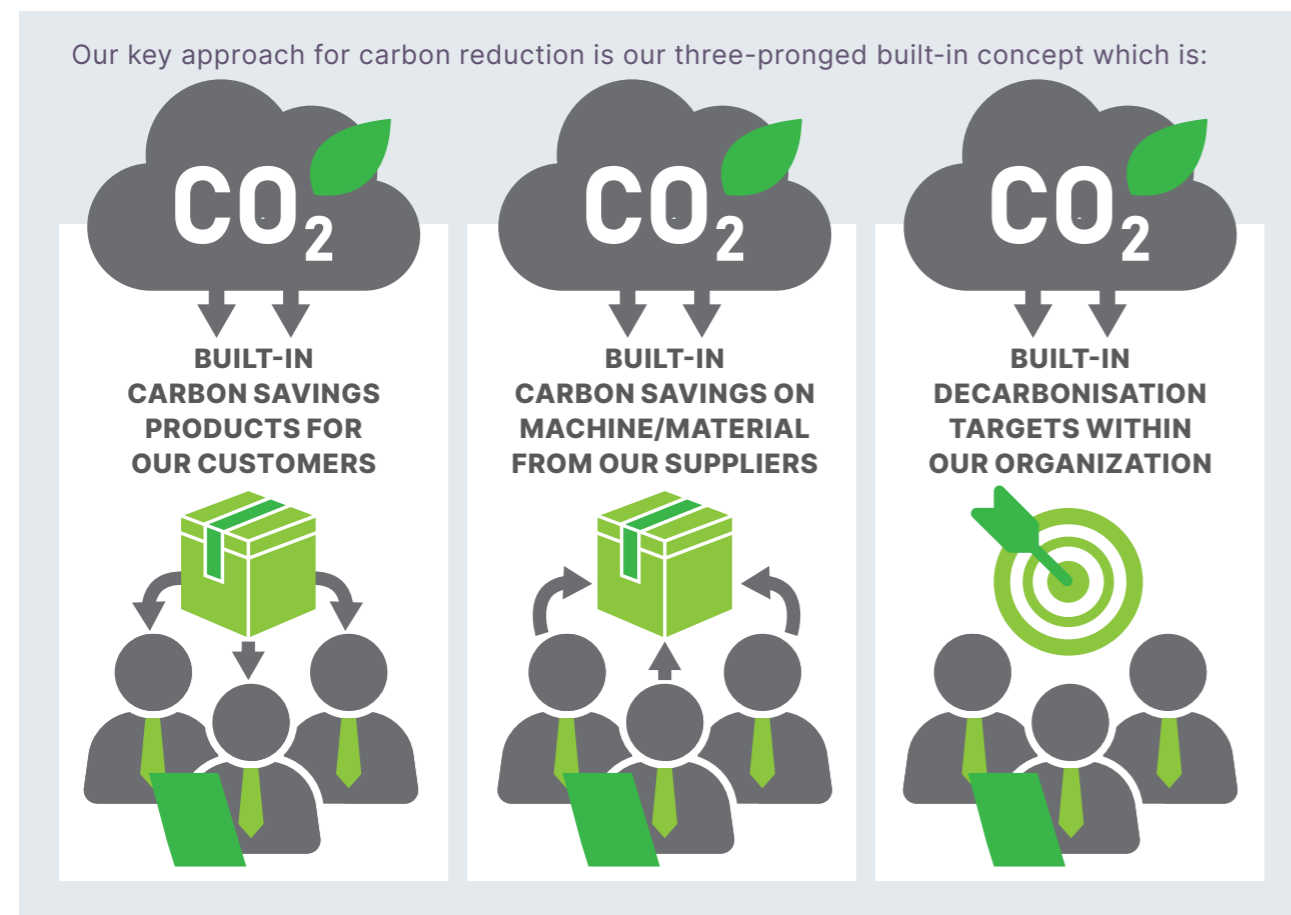
As we continue to grow, it is imperative we maintain our integrity and transparency in the way we conduct our business. Our zero-tolerance approach towards bribery and corruption ensures that all our employees conduct themselves responsibly and this has helped maintain our record for zero incidents of bribery or corruption. Additionally, we continue to engage with our suppliers to ensure compliance with specific regulations relevant to our industry such as IATF 16949, conflict minerals, Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances (RoHS).

One of the highlights for the year was our inclusion in the FTSE4Good Bursa Malaysia Index. The inclusion in the Index is a key step forward and reflects our efforts and commitments to be a more sustainable company. As we continue to improve our reporting processes, we will be looking to align our report with relevant local and global reporting frameworks to further improve our sustainability performance and build trust with our stakeholders.

We hope that this report provides all our stakeholders a good insight into our sustainability efforts and our future commitments. In the meantime, we will continue to work hard to deliver green and sustainable automotive lighting solutions. The journey is long, but with the support from all our stakeholders, we are certain that we will be able to create a more sustainable world for all of us. Thank you for your continued support.

Mr Tay Kheng Chiong
Group Managing Director

March 2023



To support this, we have a keen focus on product innovation. As our customers become increasingly focused on creating sustainable supply chains for their businesses, we are under pressure to deliver more sustainable raw materials. In 2022, we improved the design of some of our raw materials which has resulted in significantly less precious metals required, namely Palladium and Gold. We continue to identify opportunities for reducing our emissions and have installed rooftop solar systems for Plant 2 as well as planted trees around our facilities. All our initiatives have culminated in 1,623 tCO₂e being avoided in 2022. Moving forward, we will be exploring carbon offsets or carbon reduction options including participating in corporate green power arrangements with renewable energy power producers and electricity utility companies, which will enable us to achieve reductions in our emissions. We target to reduce 10% of our carbon emissions by 2025.

ABOUT D&O

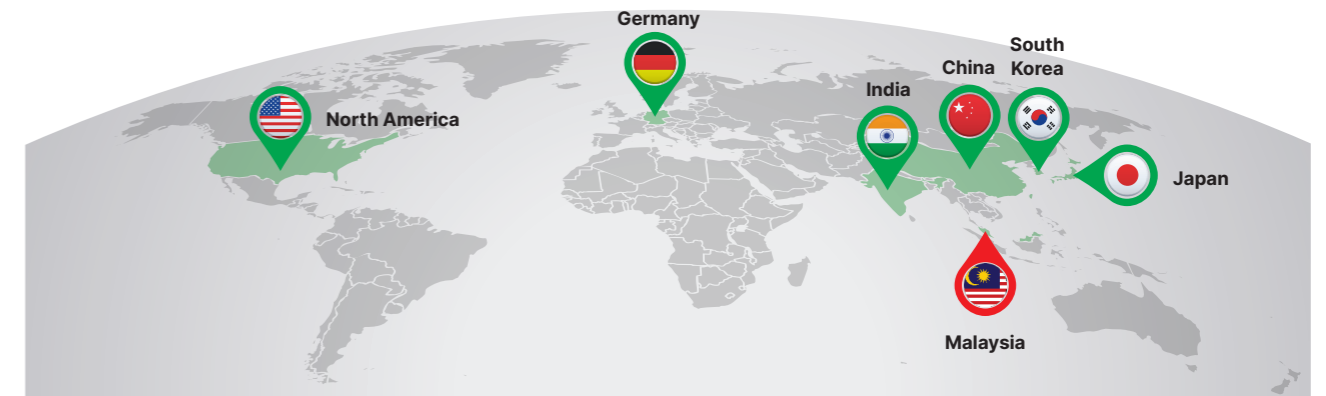
D&O, through its principal operating subsidiary, Dominant Opto Technologies Sdn Bhd (“Dominant Malaysia”), is a leading automotive Surface Mount Technology LED manufacturer for the global automotive industry. Established in 2000, Dominant Malaysia now has six global offices providing professional sales and technical support, as well as three R&D centres that lead our development of innovative products. Our major markets include China, Europe and North America.

OUR INNOVATIVE PRODUCTS

D&O has a strong R&D focus to develop new and innovative products that meet the needs of our customers. Our comprehensive product portfolio ranges from low to high-intensity LEDs with a wide range of colour spectrum for interior and exterior applications. All our products are AEC-Q102 certified, ensuring our products are reliable and of high-quality.

EXTERIOR APPLICATION		INTERIOR APPLICATION		
NagaJo	SpicePlus SLES	DomiLED	Mini DomiLED	MiniPlus DomiLED
Power Right Angle DomiLED	Extreme Power DomiLED	S SpiceLED	PrimaxPlus	Right Angle DomiLED
Power DomiLED	PrimaxPlus Bi-Color	Right Angle Multi DomiLED	Multi DomiLED	seddLED
DomiLED		SpicePlus 3014	Power DomiLED	

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INDUSTRY AND MEMBERSHIP ASSOCIATIONS

- Intelligent Smart Embedded Alliance (ISELED)
- Malaysia Semiconductor Industry Association (MSIA)
- Automotive Electronics Council (AEC)

SUSTAINABILITY AT D&O

At D&O, sustainability is a key priority. We are embedding sustainable ESG practices across all areas of our operations and are focused on developing new, innovative and sustainable products for our customers.

As a LED-producer, D&O is naturally committed to contributing towards a greener future. Guided by our Sustainability Policy, we are determined to embed and strengthen ESG best practice principles across the Group to build a more sustainable future. The Sustainability Policy is grounded on the principles of the UN SDGs and sets out our approach towards implementing sustainability across the Group.

As a listed company, we have a clear responsibility to our shareholders and other stakeholders to continue growing in a sustainable manner. We have put in place clear governance structures, policies and processes to effectively manage sustainability within the company. ESG considerations are deeply embedded within our strategic decision-making processes and we are committed to ensuring our sustainability performance improves year-on-year.

As a testament of our efforts and progress towards being a more sustainable company, D&O was included as a new constituent on the FTSE4Good Bursa Malaysia Index in December 2022 with an improved score of 3.5 (out of 5). We are committed to maintaining comprehensive and transparent disclosure of our sustainability efforts to build trust among our stakeholders.

SUSTAINABILITY GOVERNANCE


We have a clear governance structure for sustainability, which outlines specific roles and responsibilities for the various levels of management. The Board of Directors is ultimately responsible for the overall sustainability performance of the Group. The Group Managing Director (“GMD”) holds monthly meetings with all the relevant Heads of Departments (“HODs”) to review sustainability progress and performance and discuss areas of improvement. HODs are required to identify and establish relevant sustainability targets and measure and monitor key sustainability metrics and KPIs on a monthly basis. An annual progress report is compiled by the finance department and presented to Board at the end of the year to provide an overview of the Group’s ESG initiatives across the year. For any urgent ESG matters, the Board will be updated during quarterly meetings through the GMD Report.



OUR MATERIAL MATTERS

The Group conducts a materiality assessment every year to ensure we are able to identify the most important risks and opportunities to our business. Our materiality assessment is informed through direct engagement with HODs and external stakeholders and sustainability issues are assessed against a detailed rating system based on various criteria such as impact to revenue, reputation and whether it presents a risk or opportunity.

In 2022, the assessment showed an upwards shift in significance across both axes of key social topics such as labour practices, human rights and compliance (Social). This is reflective of the current global and regional focus on ensuring fair labour practices and respecting human rights. Stakeholders also rated Product and Services Responsibility (Environmental), Energy Management and Water Management higher this year, signalling a focus towards a more environmentally-friendly organisation.



Further details on how we assess our material issues can be found in our Sustainability Policy which can be found online:

www.do.com.my/cdn/corporate/Sustainability%20Policy_Aug_2021.pdf

Scan this QR code to access the Sustainability Policy.



STAKEHOLDER ENGAGEMENT

We undertake a number of formal and informal stakeholder engagements across the year with our stakeholder groups. For some of our key stakeholders such as our customers, suppliers, financial institutions and employees, we do engage specifically on ESG matters and consider their feedback to be very important.

Stakeholder	Engagement methods	Frequency	Areas of stakeholder concern	Outcome of engagements
Customers	<ul style="list-style-type: none"> Regional sales offices and R&D Centre Key account management Participating in Worldwide Automotive Exhibitions Customer ESG survey and assessment 	<ul style="list-style-type: none"> Annually Ongoing 	<ul style="list-style-type: none"> Material and product quality/compliance Product pricing Product innovation/customisation Sustainable business practices 	<ul style="list-style-type: none"> Ensure all our direct materials comply to RoHS, REACH and Halogen regulations. Improve productivity, product yield and quality Implement multi source strategy to avoid single dependency and improve material cost competitiveness. Ensure our key material suppliers certified by IATF 16949 (automotive standard) and Quality System Procedure. Launch of new and innovative products that meet our customer requirements. Improve our sustainability practices, as a result, successfully included into Bursa FTSE4GOOD in 2022. Improve product/material design to reduce metal content through innovative R&D activities (cost reduction while environmentally friendly).
Employees	<ul style="list-style-type: none"> Employees' survey (Google forms) Employees' dialogue Annual appraisal Interactive event and gathering during festive season 	<ul style="list-style-type: none"> Annually Ongoing 	<ul style="list-style-type: none"> Employment benefits and career progression Occupational health and safety 	<ul style="list-style-type: none"> Improve employee benefits beyond statutory requirement. Strive to provide competitive and market rate remuneration. Organise training programmes that aligns with employees' career advancement. Frequent meeting by EHS committee to review and improve safety measures. As a result, maintained a low LTIFR over the last three years.
Government and Regulatory Bodies	<ul style="list-style-type: none"> Official report submission Public dialogue, public announcement Meetings and electronic mail system Government survey 	<ul style="list-style-type: none"> Annually Ongoing 	<ul style="list-style-type: none"> Compliance to all rules and regulations 	<ul style="list-style-type: none"> Adhere to laws and changes to regulations while ensuring strict compliance. No incidents of non-compliance with laws and regulations in 2022.

Stakeholder	Engagement methods	Frequency	Areas of stakeholder concern	Outcome of engagements
Local Community	<ul style="list-style-type: none"> Corporate social responsibility Meeting and press release 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Contribution to local community 	<ul style="list-style-type: none"> Engage local community by supporting various community groups, civil organisations and non-governmental organisations in cash and in kind. The Group prioritises local procurement wherever possible as well as prioritising employment of local workers.
Suppliers	<ul style="list-style-type: none"> Supplier's assessment and appraisal Sustainability survey and assessment Meetings, emails and quotations Supply chain sustainability commitment 	<ul style="list-style-type: none"> Annually Ongoing 	<ul style="list-style-type: none"> Business opportunities Compliance with sustainable business practices 	<ul style="list-style-type: none"> Continue receive quality products and services with competitive pricing from suppliers. Based on questionnaires to five direct material suppliers, representing almost half of the Group total spend, they fulfilled the Group ESG expectations for suppliers.
Shareholders & Investors	<ul style="list-style-type: none"> Annual report, general meetings, shareholders' dialogue meetings Analyst briefings, press release and public announcements 	<ul style="list-style-type: none"> Annually Quarterly Ongoing 	<ul style="list-style-type: none"> Financial performance and business direction Sustainable business practices 	<ul style="list-style-type: none"> Constantly update shareholders and investors about the Group's financial performance. In 2022, the Group's business continues to expand well despite lower worldwide automotive light vehicle sales. Engagement with investors and analysts at our quarterly earnings announcement. Improve reporting method by adopting integrated report and sustainability report.
Financial Institutions	<ul style="list-style-type: none"> Annual report, press release, public announcements Meeting, official submission, electronic mail system, sustainability survey and assessment 	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Sustainable growth Compliance to all laws and regulations 	<ul style="list-style-type: none"> Based on sustainability survey and assessment, the Group's principle bankers are generally satisfied on the Group's sustainability efforts. Bankers are satisfied with the Group's performance and they are willing to expand the current business with the Group.

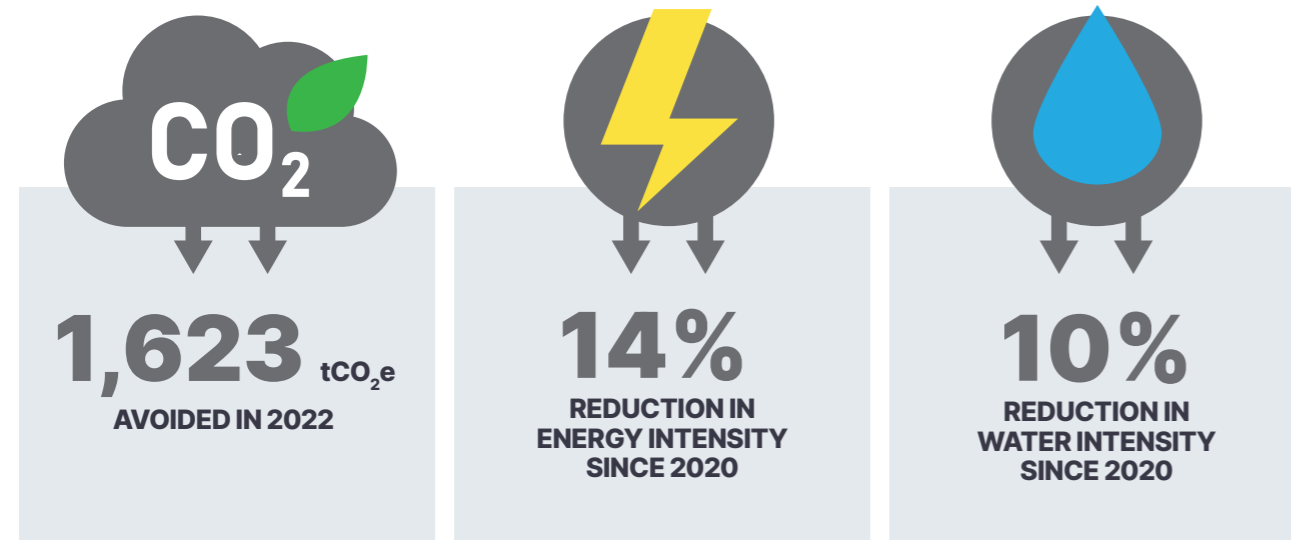
ENVIRONMENTAL SUSTAINABILITY

We are committed to environmental best practice and leading the development of innovative products and processes that reduce the environmental impact of the automotive LED industry.

OUR APPROACH

The Group recognises the importance of sustainable development and the impacts that our industry has on the environment. The process of manufacturing certain product components is very energy- and water-intensive and requires a high-input of materials and resources. As such, we prioritise the way we manage our natural resources to mitigate our environmental impact. We comply with all environmental guidelines and regulations and strive to reduce our carbon footprint, conserve water, reduce waste generation and source our materials responsibly. Our environmental principles are further detailed in our Sustainability Policy that can be found on our website.

Dominant Malaysia, the manufacturing arm of the Group, is ISO 14001:2015 certified and has a formal Environmental Policy that details its environmental commitments. All environmental initiatives are led by the GMD and EHS Committee with the assistance from a qualified EHS Officer. Progress on initiatives and all environmental metrics are tracked and reported on a monthly basis to the management. We also have a dedicated team to manage risk and compliance for environmental requirements and are pleased to report no incidents of environmental non-compliance for FY2022.



CLIMATE CHANGE

Globally, climate change has fast become a priority for companies and governments alike. As one of the top five automotive LED producers in the world, D&O has an immense opportunity to shape the way the industry responds to climate change. We are highly cognisant of our contribution to climate change through our emissions and use of natural resources. However, semiconductors and LEDs are also integral to meeting global climate goals as they enable significant advances in vital technology sectors such as clean energy, transportation and construction.

While we monitor and manage our energy consumption and emissions to mitigate our climate change impact, we also continue to observe the evolving economic and policy environment with regards to climate change and remain vigilant in understanding the risks and opportunities to our business. As we operate in Malaysia, we look to support the country's goals, which include becoming carbon neutral by 2050. Malaysia is also a signatory to the Paris Agreement which aims to keep global warming well below 2.0°C above pre-industrial levels.

In this respect, since 2020, we have taken steps to address the TCFD recommendations and align our processes to be able to identify and report on climate-related financial disclosures.



TCFD REPORT

We have enhanced our TCFD report this year to identify climate-risks and opportunities and the potential impacts in the short and long-term.

Risk/ Opportunity	Expected impact	Risk impact level			D&O's response
		Short-term (1-3yrs)	Medium-term (3-5yrs)	Long-term (>5yrs)	
Transition Risks					
Regulatory risks	New developments in regulations to disclose climate-related information for regulatory bodies and stock exchange aimed to transition to a low-carbon economy.	Low	Low	Low	We will ensure compliance to regulatory disclosure requirements.
Technology and market risks	Transition to a low-carbon economy means adaptation to new technology and opportunities from a low-carbon economy.	Low	Medium	Medium	Our LED products are environmentally friendly by nature. Our R&D division continues to innovate and develop new products that contribute to a low-carbon economy. We are exploring options to reduce the group's carbon footprint such as: <ul style="list-style-type: none"> • Participate in corporate green power arrangements with renewable energy power producers and electricity utility companies. • Invest into energy saving equipment. • Improve production process to reduce energy consumption and wastage.
Reputational risks	As stock exchanges place greater emphasis on climate-related risk, investors dedicate greater attention to companies on sustainability factors.	Low	Medium	Medium	We are included into FTSE4GOOD index in 2022 and the Group is committed to improve our sustainability practices.

Risk/ Opportunity	Expected impact	Risk impact level			D&O's response
		Short-term (1-3yrs)	Medium-term (3-5yrs)	Long-term (>5yrs)	
Physical Risks					
Fires and droughts	Fire and drought as a result of climate change will impact the Group operations thus impacting business operations.	Low	Medium	High	D&O has implemented water recycling in our operations and is in the process of increasing water recycling capacity and installing a rainwater harvesting system.
Atmospheric temperature change	Climate change will increase likelihood of severe weather events, floods and drought and may impact our operations.	Low	Medium	High	Both of our plants are built 3ft above ground to minimise flood impact, if any. We are also working closely with a local state investment promotion agency to ensure that the public facility such as water pump is in good condition.
Opportunities					
Resource efficiency	Customer expectations are shifting towards improving automotive lighting design applications to reduce resource consumption.	High	High	High	Continue to improve our products to meet customers resources efficiency target including product miniaturisation and Smart Embedded Digital Driver LED (seddLED).
Energy sources	Increased adoption of Electric Vehicles ("EV") will utilise more LEDs compared to internal combustion engine vehicles.	High	High	High	We are one of the few automotive LED manufacturers globally that is capable of providing a full spectrum of products, from low to high brightness intensity, encompassing both interior as well as exterior automotive lighting applications.
Markets and products	Market will move towards adoption of a low carbon economy by adopting low carbon generation products such as EV, LEDs, solar, etc.	High	High	High	Identification of opportunities in new markets and products related to the low carbon economy. For example, our seddLED supports customers in lighting application design simplification while prolonging EV battery life span.

OUR INITIATIVES

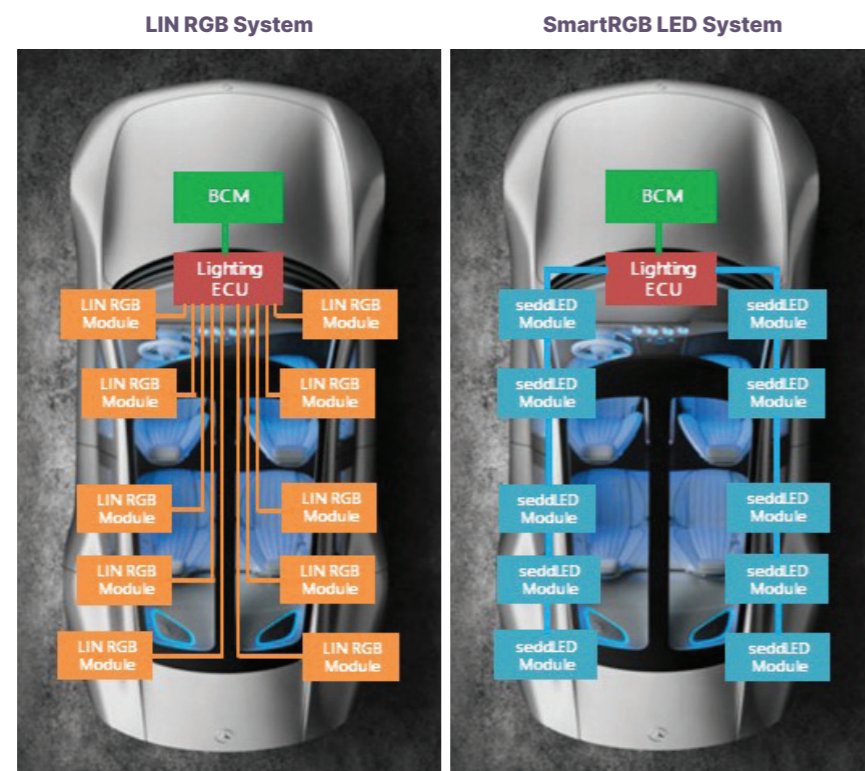
Our approach to reducing our energy consumption and emissions is guided by our three concepts for built-in carbon savings. Through all our initiatives this year, we have avoided an estimated 1,623 tCO₂e.

1. Built-in carbon-saving products for customers

In line with our Group’s mission to contribute towards a greener world through innovative products, we continue to develop new products that combine market practicality with environmental benefits.

One of these products is the SpicePlus 2520 LEDs which are designed for rear combination lamps and turn signals and are smaller and slimmer than its predecessors. Measuring 2.5 x 2.0 x 0.7mm, the smaller product has saved approximately 200kg of copper and 300kg of plastic (based on total sales in 2022) and has reduced associated carbon emissions by approximately one tonne. SpicePlus 2520 is also able to luminate with the lowest thermal resistance in the market and maintain a higher luminous flux for a longer duration, which will help reduce the power consumption of a car.

In addition, the rate of Smart Embedded Digital Driver LED (seddLED) sales globally has increased nearly three times in 2022, contributing to 18 tonnes of CO₂ avoided. Our seddLED is the world’s first digital LED which combines RGB LED, LED Driver and advanced ISELED® communication protocol integrated into a single package. The embedded phase shift function is able to spread the energy consumption of RGB LEDs over time, resulting in peak energy reduction. At the same time this design simplifies and reduces raw material usage and overall weight for lighting connectivity as it requires 50% less cables.

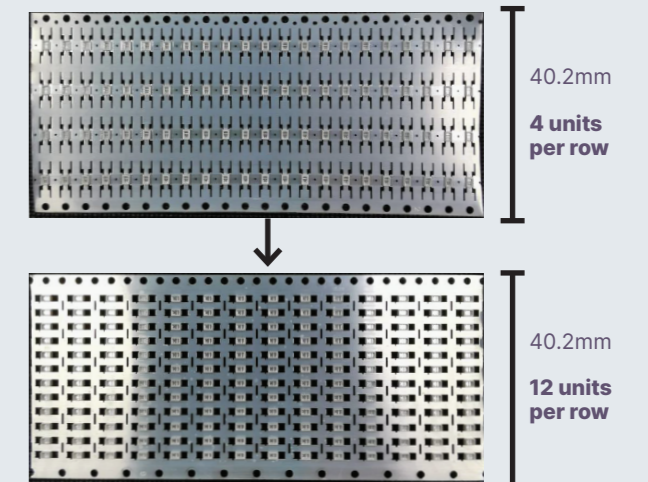


2. Built-in carbon-savings from machines/materials from suppliers

We are always exploring new methods for improving our operational processes to reduce our emissions. In this aspect we have implemented a number of process and product improvements that have helped to reduce associated emissions. This includes:

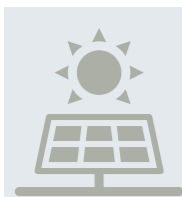
- **Replacing full plating with selective plating**
We have transitioned to using selective plated leadframes for selected products which has 40kg and 19kg respectively. This is equivalent to an estimated 1,541 tCO₂e avoided versus using full plated leadframes.

- **Switching to high density leadframes**
By redesigning and increasing the density of the leadframes, we have been able to produce more units with the same amount of materials. This was applied to selected products in 2022 and has reduced wastage by 13.9 tonnes and an equivalent 32 tCO₂e avoided if normal leadframes were used.



3. Built-in decarbonisation target

Apart from our products and manufacturing processes, we also try to reduce our emissions through other means. This includes installing solar power, reducing our water consumption and planting trees around our facilities.



Solar

In July 2022 we completed the installation of an 82 kWp rooftop solar system for Plant 2 which has an annual generation of 102,000 kWh and will help to avoid 68 tCO₂e annually. Meanwhile, we are conducting feasibility studies to install a 250 kWp (approximately) rooftop solar system for Plant 1 and increase the capacity of Plant 2's system by 495 kWp. If all the installations are completed, we expect a yearly emissions avoidance of approximately 610 tCO₂e.



Recycling water

We have reduced our water consumption by recycling water in our operations. In 2022 we recycled 64,000 m³ of water, which is equivalent to an avoidance of 23 tCO₂e.



New hostel

We purchased a new hostel closer to our manufacturing facilities in Melaka. This will help to improve labour living conditions and at the same time reduce our emissions related to employee transport by about 68 tCO₂e/year from 2023 onwards.



Planting trees

We planted 108 new trees around our facilities and hostel, which brings the total number of trees around our facilities and hostel to 308. Based on studies, once fully grown, the trees are estimated to absorb 3 tCO₂e/year.

ENERGY

In 2022 our energy intensity increased slightly as compared to 2021 as our production capacity was under-utilised. As part of our commitment to reducing energy consumption, we conducted an energy audit to identify areas for improvement. The audit identified six key energy saving measures that we will look to implement over the next three years, which will contribute to over 2.9 million kWh in electricity consumption savings and RM861,000 in cost savings annually. We also estimate that these six measures will help reduce our emissions by 1,847 tCO₂e.

During the year, we installed a Variable-Speed Drive ("VSD") air compressor in Plant 2, which will help to save up to 35% in energy compared to using a non-VSD compressor and reduce emissions by 749 tCO₂e annually.

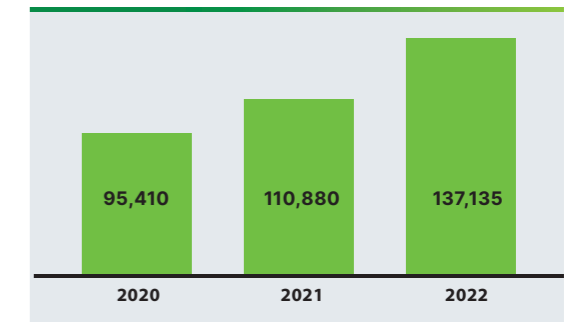
In 2023, we plan to carry out a number of energy-saving projects such as installing auto-running control for air compressors and vacuum pumps, converting split air-conditioning units to air handling units (AHUs) and implementing a data logger for monitoring our electricity consumption.

EMISSIONS

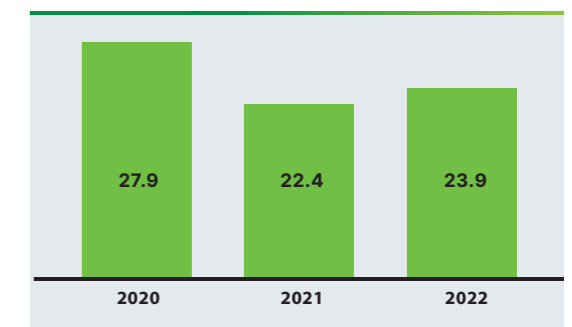
In FY2022, our total emissions were 41,876 tCO₂e. The majority of our emissions come from our energy consumption (Scope 2) due to the energy-intensive nature of our operations. The expansive nature of Scope 3 emissions has made it challenging for us to fully capture our Scope 3 emissions. For the year under review, we calculated four Scope 3 categories and will continue to further assess the possibility of calculating our emissions in the remaining categories. Although our emissions increased from last year, our overall emissions intensity has reduced year-on-year as a result of our initiatives to reduce energy and emissions across our operations. Moving forward, we will be identifying further operational efficiency initiatives that we can implement to reduce our carbon emissions.

We also strictly monitor our air emissions from our production facility as some of these gases can cause harm to human health if emitted in large amounts and some are also considered indirect GHGs (e.g. sulfur oxides). We have scrubber systems that help to filter the emissions and ensure that it complies with the Malaysian Environmental Quality (Clean Air) Regulations. Annual tests are carried out by an independent accredited laboratory and in FY2022, the results were in compliance with the Department of Environment (DoE) regulations.

Energy consumption
GJ



Energy intensity
GJ / 1 million production loading pieces



Our solar rooftop system has helped reduce our emissions by 50 tCO₂e (from February to December 2022).

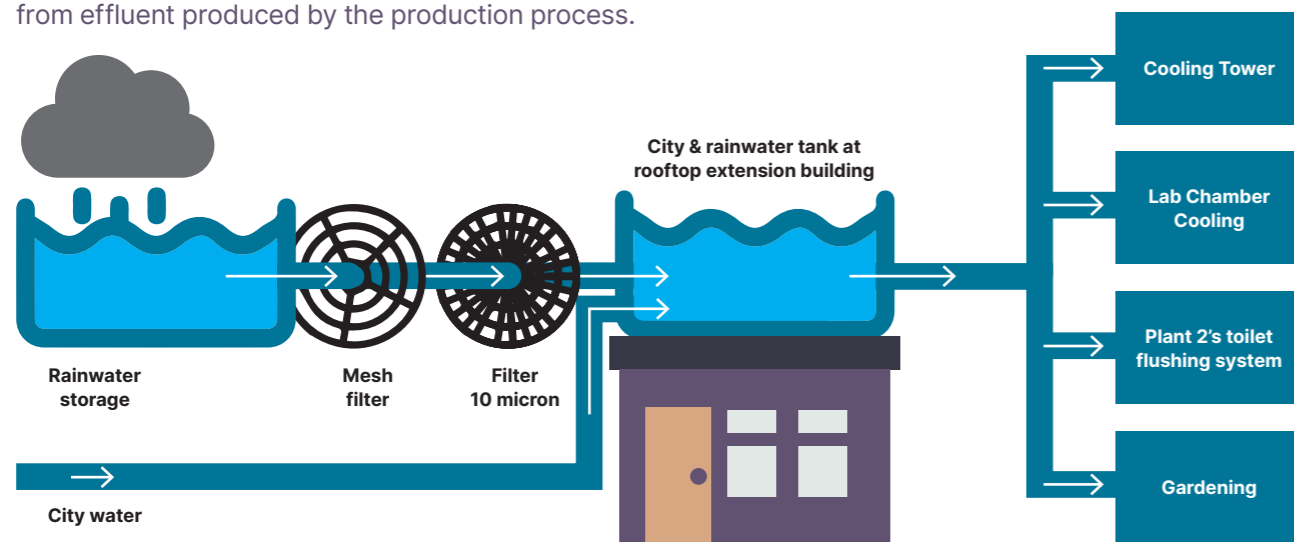
Emissions (tCO ₂ e)	2021	2022
Scope 1	35	47
Scope 2	20,463	25,249
Scope 3	16,429	16,580
Total Emissions	36,927	41,876

Emissions Intensity (tCO ₂ e)	2021	2022
per RM1 million revenue	45.2	42.6
per 1 million production loading pieces	7.5	7.3

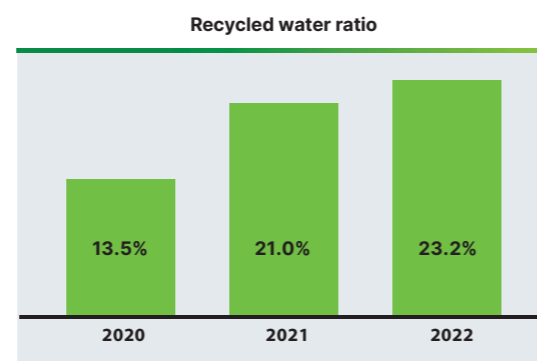
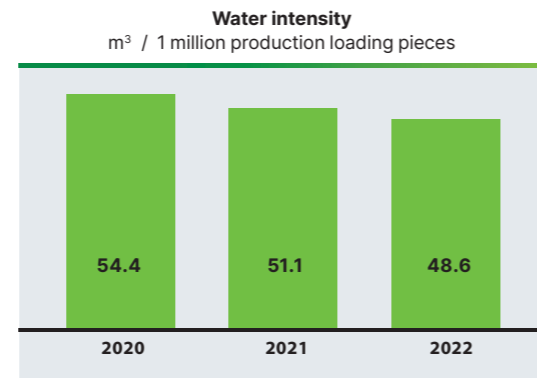
WATER MANAGEMENT

Water is a key component of the production process for LEDs. A significant amount of water is required throughout the production process where water is required to cleanse the products after plating and sawing. Water also acts as a cooling agent to ensure the sawing blade does not overheat. All our water is sourced from the local municipal supply.

We have worked to continuously identify ways to conserve water and improve efficiency across our operations. Our total water withdrawal in 2022 was 278.7 thousand m³ which was more than 2021 due to ongoing works to expand our capacity. However, through our efforts in recycling and reusing effluent from the production process, we have managed to improve our water intensity by 5%. The manufacturing building has adopted water recycling practices by retrofitting a filtration system to treat the water used in the manufacturing process. This filtered water is now being repurposed for various other purposes such as the flushing system in washrooms within the factory, gardening and regulating the temperature of the heat control system used in product liability testing. The cooling tower has also been retrofitted to use 50% treated clean water generated from effluent produced by the production process.



Through these processes, we achieved a 23.2% recycled water ratio, which is a 2.2% improvement from 2021, but falls short of the 30% target we had set ourselves. Achieving this target was dependent on the installation of a rainwater harvesting system for the Plant 2 extension building. However, the completion of the extension building has been delayed until Q1 2023. As a result, we have extended the target to achieve the 30% recycled water ratio target to 2024. In order to achieve this, we are looking to complete the installation of a rainwater harvesting system for the Plant 2 extension building by 2023 and, together with Plant 1, we will have a total combined capacity of 341 m³ and is estimated to save up to 1,100 m³ of water per year based on the current water catchment capacity. The filtered water from the rain harvesting system will have the same quality and usage purposes as the current recycled water and we estimate that this will contribute to an avoidance of 0.4 tCO₂e/year.

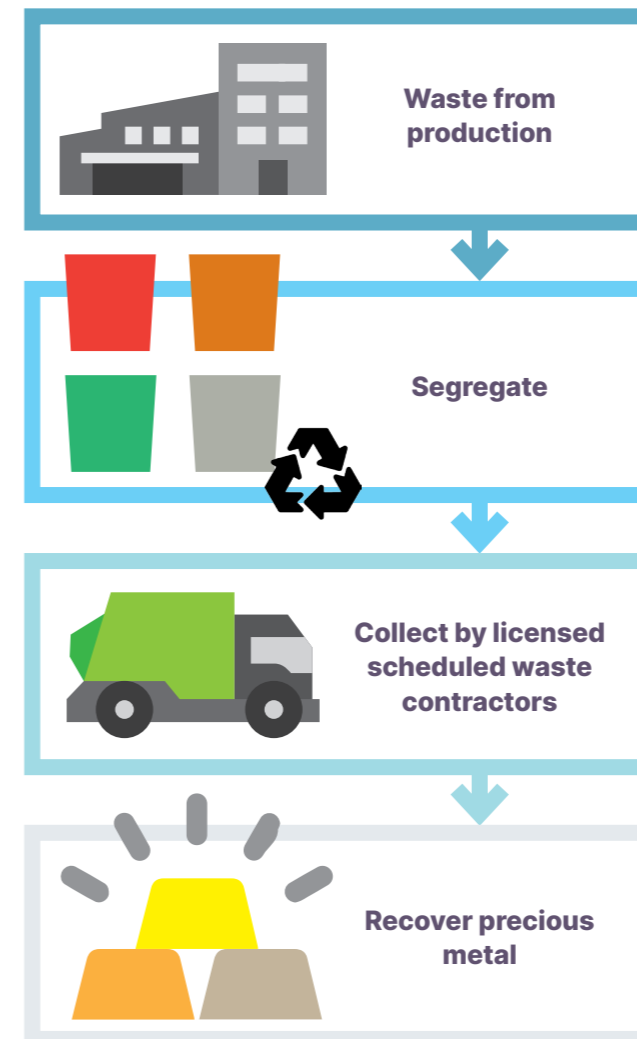


The effluents produced from the production process are discharged into the public drainage system. We are committed to ensuring that all effluents are treated before being discharged and have invested in a Real-time Chemical Oxygen Demand System (COD) that will automatically stop the release of treated effluent if COD measurements exceed our internal control limit of 170 mg/l. We also have an in-house laboratory to enable daily testing of the effluent's key parameters. In 2022, we met all the regulatory requirements for effluent parameter limits as set by the DoE.

WASTE AND MATERIALS

Our products comply to the RoHS Directive, REACH Regulations, Halogen and customer requirements. At sourcing stage, we ensure that all the materials we source comply with these regulations. As a result, our final products do not contain hazardous or toxic substances exceeding the allowable limit and are 100% recyclable. We have a dedicated person that ensures all waste generated from production is segregated and disposed appropriately and a licensed scheduled waste contractor collects this waste for further treatment and recycling.

PRODUCTION WASTE RECOVERY



In an effort to reduce office operations waste, we implement continuous awareness programmes on recycling and reducing the use of paper and single-use plastics. We promote the use of reusable cutlery and provide recycling bins for recyclables, which are taken to recovery centres.

In 2022, our waste generation was much higher than the past two years. This reflects the fact that the majority of our employees were working from home for most of 2020 and 2021, which resulted in less non-hazardous waste being produced. Our inventory also increased significantly this year, which creates some waste streams which are recyclable in nature. In 2021, the Movement Control Order (MCO) in Malaysia caused a backlog in the disposal of hazardous waste and this rolled over into the disposal data for 2022. Without the backlog disposal, our hazardous waste for 2022 would only increase marginally despite a higher production volume.

Waste Generation (Tonne)	2020	2021	2022
Hazardous Waste	281.5	205.1	303.3
Non-hazardous Waste	203.9	282.1	437.2
TOTAL WASTE	485.4	487.2	740.5

SOCIAL SUSTAINABILITY

We are committed to fostering a safe, inclusive and healthy workplace and investing in the development of our people. Our commitment to best practice social principles extends to our suppliers and the communities in which we operate, ensuring that we continue to have a positive impact in our interactions.

OUR APPROACH

Our employees form the very core of our business. They are essential in the development and manufacturing of our products and therefore, the long-term success of the company. As such, we have always placed a strong focus on creating a fair and respectful work environment, where all our employees are treated equally. We invest in engaging with our employees and their professional development to build a strong foundation where employees feel valued and happier. Our commitments are detailed in our Sustainability Policy, which provides guidance on the social principles that the Group abides by and is applicable to our employees, business partners, customers and suppliers.

We have more than 2,700 employees across our global operations and look to hire locally wherever possible. We are proud to report that 87% of our workforce are local and 13% are foreigners who are part of our production operations in Melaka. We participate in job roadshows to improve local employment and this year we secured 60 applicants through roadshows. We also help to shape the careers of future generations by providing career talks and collaborating with universities. In 2022, we had 48 trainees who were studying for their Diploma or Degree across various engineering courses such as electrical, mechanical, computer and technological engineering. Through the trainee programme, we provide these students an opportunity to gain hands-on experience in an industry that is relevant to their studies and develop the skills of the next generation.

COLLABORATION WITH THE FACULTY OF ELECTRICAL & ELECTRONIC ENGINEERING TECHNOLOGY (FTKEE), UNIVERSITI TEKNIKAL MALAYSIA MELAKA (UTeM)

In 2022, we signed a Memorandum of Understanding (MOU) with FTKEE, UTeM to undertake a number of collaborative initiatives to enhance their students' learning and our employees' skills. The initiatives will begin in 2023 and will include:

1. Work-Based Learning

Students have the opportunity to be placed in various departments on a rotation basis across a period of one year.

2. Master's Project Plan

Enabling Master's students to undertake a research project in collaboration with D&O as part of their degree.

3. Employee upgrading

Employees who meet the relevant criteria will be eligible for further education and be certified with Sijil Kemahiran Malaysia ("SKM") Level 2&3 at a shorter time frame or Diploma Kemahiran Malaysia through National Dual Learning System conducted in-house by UTeM lecturers. As the course will be conducted in our office, employees will have the comfort of familiarity with our learning environment.

DIVERSITY AND INCLUSION

2,733
EMPLOYEES

88%
AGED 40 YEARS
& BELOW

46%
FEMALE EMPLOYEES

The Group values the benefits that a diverse workforce provides and is committed to creating an inclusive and supportive work environment that is free from discrimination. A diverse workforce helps to build a resilient business that makes better decisions and boosts creativity and innovation. We take a zero-tolerance approach to any forms of discrimination including gender, age, race, nationality, sexual orientation, religion and disability. This is embodied in our formal Code of Ethics and Conduct and Human Resource Policy which outlines our expectations for acceptable behaviour and our commitment to compliance with relevant laws and regulations. All employees are made aware of all our policies during orientation and updated on any changes as and when required.

This approach starts from our hiring process where all hiring decisions are solely merit-based, which ensures a level-playing field. We also proactively look to provide job opportunities for Persons with Disabilities (*Orang Kurang Upaya* or OKU) and work with local OKU organisations to help find opportunities within the Group. We had a target to have ten OKU employees by the end of 2022 and ended the year with six OKU employees. To further support OKU's within our organisation, we provide reserved vehicle parking spaces as well as special elevators. This is also extended to expectant mothers and anyone with mobility issues. To support mothers to return to work, the Group provides special rooms for nursing mothers. We also recently allocated a bigger prayer room for our Muslim employees.

Management pays close attention to gender diversity at D&O and are proud to report that 46% of all employees are females and comprise 22% of managerial positions. This has been relatively consistent with previous years and the Group will continue to promote and encourage the hiring of females for management and leadership roles should a position and suitable candidate become available.

We are particularly focused on nurturing our younger employees, with 88% of our workforce aged 40 years old and below. It is especially important in an industry such as ours to be able to attract and retain young employees as they bring new, innovative ideas and ways of working that will lead to the future success of our business. Investing in this generation of employees will also help secure our talent pipeline for more senior roles in the future and better meet the needs and expectations of our customers and stakeholders.



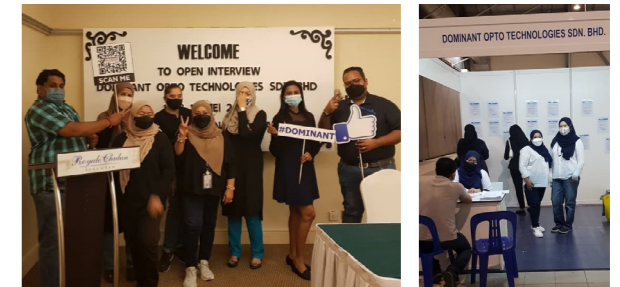
EMPLOYEE ENGAGEMENT

At D&O, we take a holistic approach to employee engagement. We know that an engaged workforce is more productive and resilient and one that will be more driven to achieving the company's goals. To support this, we have specific touchpoints and initiatives along our employees' journey with us, even during the recruitment process.



Recruitment

- Ensure fast and efficient recruitment process to maintain engagement.
- HR involved in the Group's business planning process to improve transparency and mindfulness when searching for candidates.



New employees

- Employee Welfare Officer available to assist with onboarding and enhance sense of belonging.
- Weekly meeting between Employee Welfare Officer and new hires (Teh Tarik Session) in order to better retain employees.



Existing employees

- Reasonable pay scale beyond statutory requirements. We also implemented a special allowance for Production Executives and Engineers who are on shift.
- Increment in Letter of Guarantee for Group Hospitalisation Benefit to RM5,000.
- Increased the overtime rate for all production operators and assistant engineers.
- Share option for eligible employees (Executives & above).
- Long service award for production factory operators only. For every two years of service, operators will receive an additional month of salary. Operators who are foreigners will receive one additional return air ticket to their home country every two years on top of the additional month of salary.

Apart from that, full-time employees receive additional benefits such as free gym memberships and access to medical benefits. We do not have any part-time or contract employees, therefore all our employees are treated equally.

To maintain engagement over the year, we also try to organise team events and activities. This year we organised inter-company sports competitions, team lunches and had a few get-togethers for key festive seasons.



Bowling Tournament



Gym



LEARNING AND DEVELOPMENT

At D&O, we recognise that our people are our most valuable asset. To ensure individual and organisational success, we prioritise the training and development of our human resources as a key investment strategy. The Group places a strong focus on learning and development as we believe that continuous self-improvement is imperative for employees to feel engaged and empowered. We help employees develop their full potential by emphasising performance enhancement and providing opportunities for employees to access relevant training programmes to their current or future job functions. This helps us to also manage our succession planning by ensuring our best talents are equipped to handle the next stage of their career with us. All of our employees receive yearly performance reviews as part of our internal processes to ensure that our employees have the opportunity to receive and provide feedback on their performance as well as discuss their career development.

In 2022, we made a target to achieve 8,000 hours of training, which would have brought it close to the training hours at pre-pandemic levels. We managed to clock in 8,800 hours of training, providing various training opportunities across the year.

Training programmes	Description
Orientation	A one-day orientation is provided for all new employees, which serves as a welcoming and introductory process into our company. The Human Resource Department is responsible for managing the orientation day, which covers various topics such as Company Culture, Employee's Rights, Confidentiality, Organisational Structure, Products, Quality and Environmental Policies, Policies, Rules and Regulations, Anti-Bribery and Corruption, Fair Competition, Safety, Compensation, and Benefits.
On-boarding training	<p>Direct labour Theoretical- and practical-on-the-job training is provided for all newly hired direct labour on topics such as product familiarisation and application, SOPs, safety practices, etc.</p> <p>Indirect labour On-the-job training for three months is conducted by immediate supervisors to ensure all production and safety requirements are met.</p>
Yearly Training Plan	There are four main categories of training programmes that make up our Yearly Training Plan – Quality, Sustainability, Technical and Non-Technical Trainings. Employees undertake training on a needs identification-basis depending on their job functions and roles. We also offer opportunities to undertake complementary skills and knowledge training such as Problem Solving and Decision Making and Effective Communication Skills.
Career Development Programme ("CDP")	The CDP provides our Operators with opportunities to advance their career path to the level of Junior Technicians. The CDP not only attracts and retains effective personnel within our organisation but also optimises our human resources, improves morale and motivation levels, reduces employee turnover and promotes a balanced "promotion from within" policy.
Industrial Internship Programme	This initiative allows students to gain hands-on experience and exposure to real work situations whilst they continue their studies. By undergoing industrial training, students can develop their awareness of workplace behaviour, appreciate the practical application of their academic program, work alongside professional mentors, and build their interpersonal skills.

Some of the training provided this year under the yearly training plan included:

- Chemical Spillage
- Effective Customer Service & Complaints Management
- Electro-Static Discharge (ESD)
- Ergonomics at the Workplace
- First Aid & CPR
- IATF 16949:2016 Interpretation & Application / Requirements
- ISO 14001:2015 - Environmental Management Systems Auditor/Lead Auditor Training Course
- Radiation Safety Awareness
- Risk-based thinking for supply chain
- Safety & Health Awareness



We also run an annual competition for employees to present new project ideas that will help improve our operations. Winning ideas are taken on board by management and implemented accordingly. This year we had 12 submissions that provided ideas ranging from production yield improvement to Internet of Things applications.

HUMAN AND LABOUR RIGHTS

The Group is committed to respecting human rights and aims to provide working conditions that upholds the fundamental rights and freedoms of our employees. We comply with all applicable laws and regulations in the countries we operate and are guided by our Human Resource Policy and Code of Ethics and Conduct Policy. These policies are aligned with international human rights principles contained within the International Bill of Human Rights, wherever possible.

Our Policies Set Out our Commitments Across a Number of Principles:

No discrimination

We have a zero-tolerance stance to all types of discrimination and harassment, including gender, sexual harassment, sexual orientation, race, religion, ethnicity, nationality, age, political affiliation, disability or marital status. The Group communicates our expectations to all new and existing employees through our Human Resource Policy. We also create awareness about discrimination and sexual harassment during orientation training and through bulletin boards. We have a formal Whistleblowing Policy that enables anyone to report incidences of discrimination. Alternatively, we have also employed Employee Welfare Officers as an alternate channel for production workers to report any grievances or provide feedback.

No forced or child labour

All types of modern slavery are strictly prohibited and this also applies to our contractors and suppliers. We ensure that all our foreign employees have legal work permits and are given a contract of employment that states that they are entitled to the same benefits as local employees. All foreign employees have freedom of movement and the Group does not withhold any foreign employee's passport/work permit.

Providing a safe and healthy workplace

We create favourable working conditions, guaranteeing social security and safeguarding our employee rights. One of the key areas of focus for our operations is the number of working hours. Employees are given the choice to work overtime and do so voluntarily. To ensure employees do not work more than 104 overtime hours per month, we have adopted a shift system where only two of the three crews will work, giving one crew sufficient rest between shifts. The current hostels for employees are certified fit for occupation by the Department of Labour Malaysia. To reduce travelling time and improve living conditions, we also purchased a new hostel only 1.2km away from our Plant in Melaka. In 2022, we began renovating this hostel to provide better living conditions. This new hostel is able to house 550 employees after renovations are complete.

Freedom of association

Employees have the right to join or form trade union of their own choosing and to bargain collectively. In 2022, a union was formed through the Electronic Industry Employees' Union Southern Region Peninsular Malaysia. The union will enable employees to participate and negotiate benefits and improve conditions in the workplace. We are currently negotiating the contents of the collective bargaining agreement and aim to have it in place by 2023.

Fair pay and benefits

Compensation and benefits are competitive and above the minimum requirements stated by law.



OCCUPATIONAL SAFETY AND HEALTH

The safety and health of our employees is crucial to the long-term sustainability of our operations. We work hard to keep our employees safe, healthy and free from injuries and diseases by ensuring that there are proper procedures and tools to carry out the work safely.

OSH Management System

We have a formal Occupational Safety and Health (OSH) Policy and comply with the Occupational Safety and Health Act 1994, and Factories & Machinery Act 1967 (and its orders and regulations). Our OSH management system covers all our workers and service providers who are on any of our sites. All our safety commitments and expectations are also applicable to contractors, visitors and communities who are impacted by our operations. Our OSH management system is audited by the Department of Occupational Safety and Health Malaysia as well as our customers who conduct supplier audits.

Employees receive OSH training during orientation and are subsequently provided specific OSH training depending on their role. As Covid-19 still presents a risk to our employees' health, we have maintained strict protocols to ensure that we minimise any potential spread of the virus. This includes wearing masks in the production plant as well as self-quarantining if found to be COVID-positive.

To maintain and promote a safe and healthy workplace, we have an Environment, Health and Safety Committee ("EHS Committee") that is comprised of representatives from both Management as well as employees. The Committee meets periodically and is responsible for eliminating hazards, reducing safety and health risks, promoting a safe and healthy workplace and continuously identifying ways to improve the OSH management system. Our qualified safety and health officer supports the implementation of safety and health rules and helps identify any potential safety risks.

Some of the key OSH risks in our operations are exposure to hazardous substances as well as noise. The plant also performed OSH risks performance measurement and monitoring such as Chemical Health Risk Assessments (CHRA), Noise Assessments and Chemical Exposure Monitoring.

Incident management

In the event an incident has occurred, we have a clear process and procedure for incident management. Employees are required to report any incidents immediately to EHS via email, phone call and/or Whatsapp. Supervisors are required to make a formal report to EHS as soon as possible and EHS is then required to notify the nearest Department of Occupational Safety and Health office for any serious injury or dangerous occurrence. Once a formal report has been received by the EHS team, an investigation will be carried out together with respective supervisors to identify the root cause. Corrective and preventive action will be taken to prevent the incident from occurring again.

The Group encourages any concerns with regards to unsafe working environments to be raised to the EHS department as it is an opportunity to improve our procedures. Any employee who raises any concerns are protected from reprisals by our Whistleblowing Policy.

With support from Human Resources, employees are engaged across the year with various OSH awareness programmes to ensure they are aware of their responsibilities to carry out their duties in a safe manner.

OSH trainings (by third party trainers) and activities carried out in our plant in 2022

- Ergonomics at the Workplace
- ISO 14001:2015-related training
- First Aid team training by Malaysia Red Crescent Association
- Annual BOMBA (firefighting) training for emergency response and firefighting team members
- Workplace Chemical Spillage Team Simulation
- Hostel Fire Safety Training
- Health Campaign, including blood and organ donation, health check and awareness and safety equipment demonstration



OSH performance

There were no fatalities or high-consequence work-related injuries in the year under review. There were eight recordable work-related injuries and three recordable work-related ill-health incidents. The main types of injuries and ill-health include minor injuries to fingers as safety procedures were not being followed, slips and falls and ergonomic issues.

LOCAL COMMUNITIES

The Group is committed to supporting our local communities to nurture a long-term relationship. Our key base of operation is in Melaka and one of our main initiatives is an annual donation of RM50,000 to a school in Melaka to support underprivileged children and general school expenses. We also provided donations to a number of other initiatives related to flood support, sports and disabilities. During a family day in July 2022, employees and their families participated in a beach clean-up to help beautify the surrounding area in Pantai Puteri Melaka. The Group also held a health awareness campaign in September 2022 in collaboration with Melaka General Hospital and a private hospital where employees had an opportunity to give back to the community by donating blood and opting in to be an organ donor. A total of 141 pints of blood was collected and 30 new organ donors were registered.



Family Day: Beach Clean-up



GOOD GOVERNANCE

We uphold the highest standards of ethics and integrity and are committed to operating responsibly through strict compliance with laws and regulations and transparent communication with stakeholders.

OUR APPROACH

As one of the global leaders in this industry, good governance is not just an expectation, but is essential for the sustainability of our business. We comply with the highest standards of ethics and integrity and have in place a number of policies and frameworks that ensure all our employees, business partners and suppliers conduct themselves responsibly. This includes our Code of Ethics and Conduct Policy, Whistleblowing Policy and Anti-Bribery and Corruption Framework (“the Framework”), which are publicly available on our website and embedded across all levels of our organisation and with our external stakeholders as well. These form the foundation of our approach and commitment towards good governance and enhancing long-term shareholder value.

ETHICS AND BUSINESS CONDUCT

The Group has a zero-tolerance approach towards bribery and corruption. The Framework establishes relevant procedures, policies and controls to ensure that there is no bribery, corruption and gratification in any form in our operations. The Framework is applicable to all Business Associates such as contractors, consultants and agents. To ensure that all our stakeholders are familiar with the Framework, all our employees are briefed on the Framework during orientation and suppliers are asked to familiarise themselves with the Framework and other corporate policies during contract negotiations.

There are clear governance structures, roles and responsibilities with regards to managing bribery and corruption. The Anti-Bribery Corruption Committee (“ABCC”) comprises of HODs from Finance, Purchasing, Sales and HR and they are responsible for reviewing and investigating any incidents reported as well as discussing any matters related to the management of bribery and corruption within the Group. The ABCC meet at least once a quarter.

We have a Whistleblowing Policy that is publicly available on our website which details our approach towards whistleblowing and the way in which all cases will be handled. All employees and stakeholders are encouraged to raise any incidents of misconduct including, but not limited to, fraud, bribery, theft, non-compliance, discrimination and sexual harassment or other improper behaviour. All reports made are confidential and all whistleblowers are protected from any potential reprisals arising from the investigation. We periodically test the effectiveness of the whistleblowing channel and monitor the response speed of the Audit Committee. Every quarter, the Anti-Bribery and Corruption Committee (“ABCC”) meets to discuss any incidents reported and identify areas for improvement.

Stakeholders are able to report any incidents through a number of channels:

1. Advice Channel

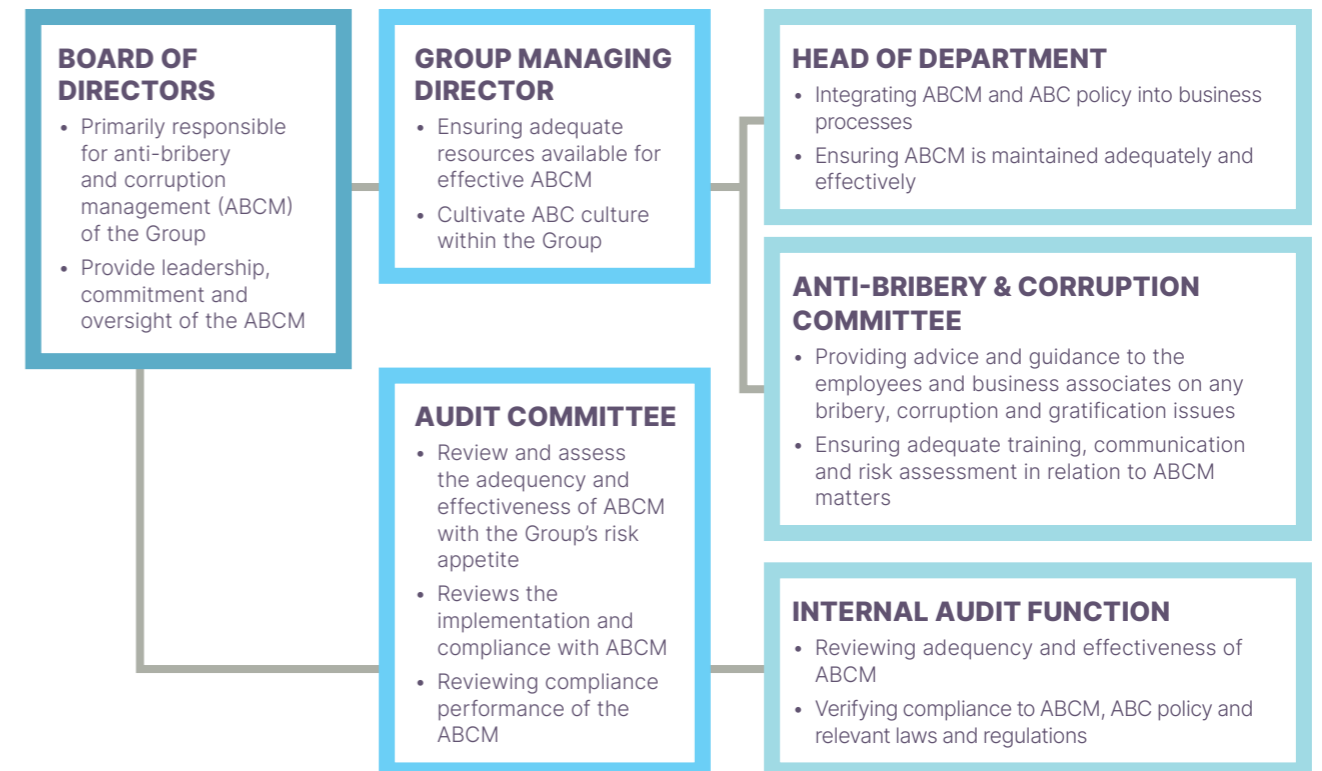
The Advice Channel comprises of the ABCC members. Anyone can raise an issue or speak with a member of the ABCC for advice and all issues would be discussed within the ABCC and raised to the GMD and AC if required.

2. Speak-up Channels

- **ABC Management incident reporting channel**

Incidents raised through this channel will be investigated by members of the ABCC. If any incident is related to the department of an ABCC member, the relevant ABCC member will not be involved in the investigations. The ABCC ensures the identity of any informer is protected as per our Whistleblowing Policy and will be protected from any reprisal. Progress and results of the investigation is reported to the GMD and AC as well as any action plans to rectify and resolve the problem.

In the event that any member of the ABCC has committed any alleged wrongdoing, the informer can report genuine wrongdoings to other members of the ABCC, GMD or AC.



- **Whistleblowing Channel**

The Whistleblowing Channel provides informers an opportunity to raise concerns directly to the Audit Committee at auditcommittee@do.com.my. Any emails sent to this address will be automatically forwarded to respective AC members.

In 2022, there were no incidences of bribery and corruption and the Group did not make any political contributions or incur any related fines.

RESPONSIBLE SUPPLY CHAIN

We are cognisant of our contribution to ESG impacts globally through our supply chain. We export more than 90% of our products to over 40 countries and it is therefore very important to ensure that we manage ESG impacts in our supply chain, from the sourcing to export stage.

Where possible, we try to source our goods and services locally. In 2022, local procurement equated to 24% of the Group's total purchases. Due to the nature of our products, many of the components and raw materials can only be found in certain countries and are considered rare. The major materials used by the Group are leadframes, wafer chips, phosphor, gold wire as well as packaging materials. The majority of our leadframes and wafer chips are imported from Taiwan and China.

During product design stage, our R&D team will ensure all materials and components supplied by vendors have a Certificate of Compliance ("CoC") and/or Safety Data Sheet ("SDS"). We also take conflict minerals compliance very seriously and our EHS team is responsible for ensuring all imported materials comply with all conflict mineral regulations. Direct material suppliers are required to declare their compliance with conflict mineral regulations and samples of raw materials purchased are sent to a third-party laboratory on an annual basis to ensure compliance with REACH and RoHS as well as ensuring they are halogen free.

	2020	2021	2022
Percentage spent on local suppliers	20% (RM89.1 million)	22% (RM167.8 million)	24% (RM234.7 million)

We have set high standards for our internal operations and also have high expectations for our key suppliers. We define key suppliers as our leadframe and wafer chip direct material suppliers, which comprise almost half of our total spend. We actively seek to work with suppliers that are committed to sustainability and who are open to engaging with us to enhance their ESG standards.

Selection stage

- Key suppliers must be IATF 16949 certified which requires them to have an Employee Code of Ethics and Conduct, Anti-Bribery Policy and Whistleblowing Policy. This certification needs to be renewed every three years and is audited by a licensed certification body. Upon renewal, a copy of the certificate is required to be provided to our Purchasing Department.
- Suppliers are assessed on environmental aspects such as possession of ISO 14001 certification, environmental policy and compliance to RoHS and REACH.
- Suppliers must enter into a Quality Assurance Agreement and commit to maintain ISO9001 certification.

Components to be included in key suppliers' code of ethics and conduct on employees:

- Respects all forms of human and labour rights, personal dignity and privacy
- Elimination of all forms of forced labour
- Non-discrimination on the basis of gender, race, socio-economic status, age, marital status and family circumstances to ensure equality and fairness in terms of employment
- Fair working conditions, compensation, benefits, training, performance evaluation and opportunities for advancement
- Full compliance with the laws, rules and regulations of the country in which suppliers are operating including but not limited to employees' working hours, minimum or living wage and prohibition of child labour
- Right to collective bargaining
- Effective and appropriate complaint mechanisms for labour rights grievances

Existing suppliers

- Dominant has a formal Procurement Policy, Quality Assurance Policy and Anti-Bribery and Corruption Framework which helps to manage ESG matters.
- Annual assessments through questionnaires are carried out on key suppliers to ensure full compliance with the IATF requirements. This year we sent a questionnaire to five direct material suppliers, representing 48% of total spend, to gauge their level of compliance with our ESG expectations for suppliers. We were satisfied that all five suppliers met our minimum requirements.
- Dominant established expectations for Supply Chain Management on Sustainability and all existing and new suppliers were sent a formal letter notifying them of our environmental and social expectations. All suppliers were required to sign and return the form or provide any form of assurance confirming that they will comply with the expectations.
- Existing key suppliers are re-assessed every three years to monitor their IATF 16949 and ISO 14001 status.

Components of the Supply Chain Management on Sustainability:

- Human Rights – unlawful discrimination, working hours, wages and benefits, no child labour, safety and health
- Business Ethics and Conduct – business integrity, disclosure of information, fair business, advertising and competition, confidentiality and privacy, anti-money laundering, export controls and economic sanctions, conflict of interest, intellectual property
- Environment – energy consumption and greenhouse gas emissions, water quality and consumption, waste reduction, material management

GROUP PERFORMANCE DATA 2020-2022

ENVIRONMENTAL

Energy	Unit measurement	2020	2021	2022
Total energy consumption	GJ	95,410	110,880	137,135
Energy intensity	GJ/million production loading	27.9	22.4	23.9

Emissions	Unit measurement	2021	2022
Scope 1	tCO ₂ e	35	47
Scope 2	tCO ₂ e	20,463	25,249
Scope 3	tCO ₂ e	16,429	16,580
Category 1	tCO ₂ e	11,083	10,254
Category 4	tCO ₂ e	149	166
Category 7	tCO ₂ e	1,025	2,099
Category 9	tCO ₂ e	4,172	4,061
Total Emissions	tCO ₂ e	36,927	41,876
Emissions intensity	tCO ₂ e / million production loading pieces	7.5	7.3

Air Emission Assessment Results (Scrubber)

Parameter	DOE limit (mg/m ³)	2020	2021	2022
Total Particulate Matter (TPM)	50	3.91-4.04	3.15-3.64	2.68-3.95
Sulfuric Acid Mist (including SO ₃) as SO ₂	5	0.051-0.063	0.036-0.055	0.017-0.031
Nitric Acid	30	0.037-0.072	0.069-0.073	0.051-0.063
Toluene	100	0.047-0.050	<0.001-0.068	<0.001-0.048
Trisiloxane with Acetone	150	<0.001	<0.001	<0.001-0.005
1-Chloro-2, 3-epoxypropane	5	<0.001	<0.001	<0.001
Metals (Tin, Potassium Hydroxide, Sodium Hydroxide, Barium)	5	<0.001-1.600	0.268-2.637	0.391-1.187

Note: DOE limit refers to Malaysian Environmental Quality (Clean Air) Regulations 2014 under fifth schedule Regulation 15.

Water	Unit measurement	2020	2021	2022
Total city water withdrawal	'000 m ³	185.9	252.9	278.7
Water intensity	m ³ /million production loading pieces	54.4	51.1	48.6

Industrial Effluent Treatment System (IETS) Assessment

Parameter	Unit measurement	Standard B	2020	2021	2022
pH Value	mg/L	5.5-9.0	6.8-7.8	6.8-7.7	6.6-7.7
BOD5 at 20°C	mg/L	50	8-44	2-46	3-40
COD	mg/L	200	46-123	8-173	19-164
Suspended Solids	mg/L	100	4-14	4-23	12-22
Oil & Grease	mg/L	10	1-2	<1-4	<1-3
Colour	ADMI	200	13-54	5-45	3-27

Note: Standard B means Malaysian Environment Quality (Industrial Effluent Regulations 2009), Standard B Limits refer into any other inland waters or Malaysian water.

Waste	Unit measurement	2020	2021	2022
Hazardous waste				
Recovery	Tonnes	273.0	195.5	289.4
Reuse	Tonnes	8.5	9.6	13.7
Incinerate	Tonnes	-	-	0.2
Total	Tonnes	281.5	205.1	303.3
Non hazardous waste				
Recycle	Tonnes	37.5	54.4	77.3
Landfill	Tonnes	166.4	227.7	359.9
Total	Tonnes	203.9	282.1	437.2
TOTAL WASTE	Tonnes	485.4	487.2	740.5

SOCIAL

Total number of employees	2020	2021	2022
At the end of the year	1,651	2,318	2,733

Total workforce by gender and age group at year end	2020		2021		2022	
	No.	%	No.	%	No.	%
Aged 30 years and below						
Male	263	15.9	696	30.0	951	34.8
Female	584	35.4	726	31.3	754	27.6
Aged 31-40 years						
Male	210	12.7	261	11.3	347	12.7
Female	337	20.4	329	14.2	346	12.6
Aged 41-50 years						
Male	117	7.1	143	6.2	149	5.5
Female	94	5.7	116	5.0	129	4.7
Aged 51 years and above						
Male	27	1.7	29	1.2	39	1.4
Female	19	1.1	18	0.8	18	0.7
Total male	617	37.4	1,129	48.7	1,486	54.4
Total female	1,034	62.6	1,189	51.3	1,247	45.6
TOTAL	1,651	100.0	2,318	100.0	2,733	100.0

Total workforce by employment type at the end of the year	2020		2021		2022	
	No.	%	No.	%	No.	%
Full time	1,651	100.0	2,315	99.9	2,733	100.0
Part time	0	0.0	3	0.1	0	0.0

Total workforce by gender and employment category at year end	2020		2021		2022	
	No.	%	No.	%	No.	%
General staff						
Male	551	33.4	1,063	45.9	1,403	51.3
Female	1,010	61.2	1,168	50.4	1,223	44.8
Manager						
Male	53	3.2	54	2.3	67	2.5
Female	23	1.4	20	0.9	23	0.8
Senior Manager						
Male	13	0.8	12	0.5	16	0.6
Female	1	<0.1	1	<0.1	1	<0.1
TOTAL	1,651	100.0	2,318	100.0	2,733	100.0

Total workforce by age group and employment category at year end	2020		2021		2022	
	No.	%	No.	%	No.	%
General staff						
Aged 30 years and below	843	51.1	1,421	61.3	1,705	62.4
Aged 31-40 years	509	30.8	561	24.2	654	23.9
Aged 41-50 years	172	10.4	210	9.1	223	8.2
Aged 51 years and above	37	2.2	39	1.7	44	1.6
Manager						
Aged 30 years and below	4	0.2	1	<0.1	0	0.0
Aged 31-40 years	35	2.1	27	1.2	37	1.4
Aged 41-50 years	31	1.9	41	1.8	46	1.7
Aged 51 years and above	6	0.4	5	0.2	7	0.3
Senior Manager						
Aged 30 years and below	0	0.0	0	0.0	0	0.0
Aged 31-40 years	3	0.2	2	<0.1	2	<0.1
Aged 41-50 years	8	0.5	8	0.4	9	0.3
Aged 51 years and above	3	0.2	3	0.1	6	0.2
TOTAL	1,651	100.0	2,318	100.0	2,733	100.0

Total workforce (local vs foreign)	2020		2021		2022	
	No.	%	No.	%	No.	%
Local	1,127	68.3	1,871	80.7	2,388	87.4
Foreign	524	31.7	447	19.3	345	12.6
TOTAL	1,651	100.0	2,318	100.0	2,733	100.0

New employee hires by gender and age group	2020		2021		2022	
	No.	%	No.	%	No.	%
Gender						
Male	50	28.2	911	59.5	1,370	59.4
Female	127	71.8	620	40.5	937	40.6
TOTAL	177	100.0	1,531	100.0	2,307	100.0
Age Group						
Aged 30 years and below	134	75.7	1,297	84.7	1,948	84.4
Aged 31-40 years	26	14.7	181	11.8	312	13.5
Aged 41-50 years	15	8.5	51	3.3	44	1.9
Aged 51 years and above	2	1.1	2	0.2	3	0.2
TOTAL	177	100.0	1,531	100.0	2,307	100.0

Employee turnover by gender and age group	2020		2021		2022	
	No.	%	No.	%	No.	%
Gender						
Male	133	33.0	132	38.7	431	58.7
Female	270	67.0	209	61.3	303	41.3
TOTAL	403	100.0	341	100.0	734	100.0
Age Group						
Aged 30 years and below	239	59.3	209	61.3	598	81.5
Aged 31-40 years	109	27.0	100	29.3	111	15.1
Aged 41-50 years	36	9.0	24	7.0	16	2.2
Aged 51 years and above	19	4.7	8	2.4	9	1.2
TOTAL	403	100.0	341	100.0	734	100.0
ANNUAL TURNOVER RATE		22.7		17.2		29.1

*Rate of turnover by category is calculated by dividing the turnover by the total turnover for 2022. Annual turnover rate is calculated by dividing total turnover by the average number of employees across the year.

Total training hours completed by gender and employment category at year end	2020		2021		2022	
	No.	%	No.	%	No.	%
General staff						
Male	552	22.9	744	30.2	4,432	50.3
Female	744	30.8	744	30.2	2,832	32.1
Manager						
Male	676	28.0	552	22.4	952	10.8
Female	296	12.3	120	4.9	536	6.1
Senior Manager						
Male	144	6.0	288	11.7	36	0.4
Female	-	0.0	16	0.6	24	0.3
TOTAL MALE HOURS	1,372	56.9	1,584	64.3	5,420	61.5
TOTAL FEMALE HOURS	1,040	43.1	880	35.7	3,392	38.5
TOTAL TRAINING HOURS	2,412	100.0	2,464	100.0	8,812	100.0

Average training hours by gender and employment category	2020	2021	2022
General staff			
Male	1.00	0.70	3.16
Female	0.74	0.64	2.32
Manager			
Male	12.75	10.22	14.21
Female	12.87	6.00	23.30
Senior Manager			
Male	11.08	24.00	2.25
Female	-	16.00	24.00
TOTAL MALE HOURS	2.22	1.40	3.65
TOTAL FEMALE HOURS	1.01	0.74	2.72
TOTAL AVERAGE HOURS	1.46	1.06	3.22

Annual total compensation ratio	2020	2021	2022
Highest-paid individual : Median annual total compensation for all employees	23:1	44:1	21:1

*Note: The ratio for 2021 is disproportionately higher due to employee stock options being paid out to the highest paid individual.

Work-related injuries	2020		2021		2022	
	No.	Rate	No.	Rate	No.	Rate
All employees						
Fatalities as a result of work-related injury	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0
Recordable work-related injuries	3	0.76	2	0.37	8	0.86
Workers who are not employees but whose work and/or workplace is controlled by the organisation						
Fatalities as a result of work-related injury	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0
Recordable work-related injuries	0	0	0	0	0	0

*All injury rates are calculated based on one million hours worked.

Work-related ill health	2020	2021	2022
All employees			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	3
Workers who are not employees but whose work and/or workplace is controlled by the organisation			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0

GOVERNANCE

	2020	2021	2022
Confirmed incidents of corruption and action taken	0	0	0
Confirmed incidents of non-compliance with laws and regulations	0	0	0
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0
Total number of substantiated complaints received concerning breaches of customer privacy categorised by:			
• complaints received from outside parties and substantiated by the organisation;	0	0	0
• complaints from regulatory bodies			
Total number of identified leaks, thefts, or losses of customer data	0	0	0

GRI INDEX

Disclosure	Description	Where It Can Be Found	Page	Omissions
GRI 2: GENERAL DISCLOSURES				
2-1	Organisational Details	About D&O	04	
2-2	Entities included in the organisation's sustainability reporting	About this report	01	
2-3	Reporting period, frequency and contact point	About this report	01	
2-4	Restatements of information	About this report	01	
2-5	External assurance	About this report	01	
2-6	Activities, value chain and other business relationships	About D&O	04-05	
2-7	Employees	Group Performance Data	38-40	
2-8	Workers who are not employees	Group Performance Data	n/a	
Governance				
2-9	Governance structure and composition	Integrated Report	25-31	
2-10	Nomination and selection of the highest governance body	Integrated Report	39-40	
2-11	Chair of the highest governance body	Integrated Report	25	
2-12	Role of the highest governance body in overseeing the management of impacts	Integrated Report	32, 46	
2-13	Delegation of responsibility for managing impacts	Sustainability at D&O	06	
2-14	Role of the highest governance body in sustainability reporting	Sustainability at D&O	06	
2-15	Conflicts of interest	Integrated Report	34-35, 39-40	
2-16	Communication of critical concerns	Sustainability at D&O	06	
2-17	Collective knowledge of the highest governance body	Integrated Report	42-43	
2-18	Evaluation of the performance of the highest governance body	Integrated Report	40	
2-19	Remuneration policies	D&O Corporate Website, Corporate Governance: Board & Key Senior Management Remuneration Policy		
2-20	Process to determine remuneration	Integrated Report	41	
2-21	Annual total compensation ratio	Group Performance Data	41	2-21b
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from the Group Managing Director	02-03	
2-23	Policy commitments	Good Governance	32-35	
2-24	Embedding policy commitments	Good Governance	32-35	
2-25	Processes to remediate negative impacts	Social Sustainability, Good Governance	27, 29, 32-33	
2-26	Mechanisms for seeking advice and raising concerns	Social Sustainability, Good Governance	27, 32-33	

Disclosure	Description	Where It Can Be Found	Page	Omissions
2-27	Compliance with laws and regulations	Group Performance Data	42	
2-28	Membership associations	About D&O	05	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Sustainability at D&O	08	
2-30	Collective bargaining agreements	Human and Labour Rights	27	
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics	Sustainability at D&O	07	
3-2	List of material topics	Sustainability at D&O	07	
3-3	Management of material topics	Sustainability at D&O	07-08	
TOPIC MANAGEMENT DISCLOSURES				
GRI 201: Economic Performance				
201-1	Direct economic value generated and distributed	Integrated Report	16-17	
GRI 204: Procurement Practices				
204-1	Proportion of spending on local suppliers	Responsible Supply Chain	34	
GRI 205: Anti-corruption				
205-3	Confirmed incidents of corruption and action taken	Ethics and Business Conduct; Group Performance Data	33, 42	
GRI 206: Anti-competitive behaviour				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Group Performance Data	42	
GRI 302: Energy				
302-1	Energy consumption within the organisation	Group Performance Data	36	
302-4	Reduction of energy consumption	Environmental Sustainability	14-17	
302-5	Reductions in energy requirements of products and services	Environmental Sustainability	14-17	
GRI 303: Water and Effluents (2018)				
303-3	Water withdrawal	Group Performance Data	36	
GRI 305: Emissions				
305-1	Direct (Scope 1) GHG emissions	Group Performance Data	36	
305-2	Energy indirect (Scope 2) GHG emissions	Group Performance Data	36	
305-3	Other indirect (Scope 3) GHG emissions	Group Performance Data	36	
GRI 306: Waste (2020)				
306-3	Waste generated	Group Performance Data	37	
GRI 401: Employment				
401-1	New employee hires and employee turnover	Group Performance Data	39-40	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement	23	

Disclosure	Description	Where It Can Be Found	Page	Omissions
GRI 402: Labour Management Relations				
402-1	Minimum notice periods regarding operational changes	Diversity and Inclusion	21	
GRI 403: Occupational Health and Safety (2018)				
103-1/2/3	Management approach <ul style="list-style-type: none"> • 403-1 Occupational health and safety management system • 403-2 Hazard identification, risk assessment, and incident investigation • 403-3 Occupational health services • 403-4 Worker participation, consultation, and communication on occupational health and safety • 403-5 Worker training on occupational health and safety • 403-6 Promotion of worker health • 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 	Occupational Safety and Health	29-30	
403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health	29	
403-9	Work-related injuries	Group Performance Data	41	
403-10	Work-related ill-health	Group Performance Data	41	
GRI 404: Training and education				
404-1	Average hours of training per year per employee	Group Performance Data	41	
404-2	Programs for upgrading employee skills and transition assistance programmes	Learning and Development	25	404-2b
404-3	Percentage of employees receiving regular performance and career development reviews	Learning and Development	25	
GRI 405: Diversity and equal opportunity				
405-1	Diversity of governance bodies and employees	Group Performance Data	38-39	
GRI 406: Non-discrimination (TBC)				
406-1	Incidents of discrimination and corrective actions taken	Human and Labour Rights	28	
GRI 413: Local communities				
413-1	Operations with local community engagement, impact assessments and development programs	Local Communities	31	
GRI 418: Customer privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Group Performance Data	42	

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