

SUSTAINABILITY STATEMENT

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Economic	: Content Creation, Sourcing and Management
Economic	: Economic Performance
Economic	: Procurement Practices
Economic	: Anti-Corruption
Environmental	: Materials
Environmental	: Energy
Environmental	: Effluents and Waste
Social	: Employment
Social	: Occupational Health and Safety
Social	: Diversity and Equal Opportunity
Social	: Community Investment
Social	: Quality Education

Sustainability Statement (cont'd.)

AT A GLANCE

OUR PEOPLE



1,052
Employees

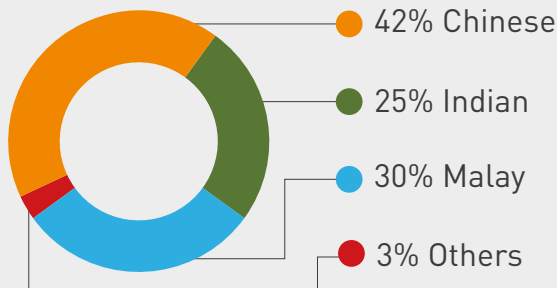


51%
Male



49%
Female

DIVERSITY



50%
women in senior management

OUR COMMUNITY



Provided
RM2.6mil
worth of medical supplies to
medical facilities nationwide



Donated
RM575,000
to 25 Malaysian charities



122
scholarships awarded via Star
Education Fund

OUR PRODUCTS AND SERVICES



100%
of newsprint for The Star is 'FSC'
certified or equivalent



The Star is printed on
100%
recycled newsprint paper



2,729
tonnes total reduction of
CO₂ emissions



38.82%
[2019 vs 2020] reduction in total
waste disposal



3,683,022 kWh
of solar energy generated from the
Rooftop Solar Generation project
since 2014

SUSTAINABLE DEVELOPMENT GOALS

ECONOMIC



ENVIRONMENTAL



SOCIAL



Sustainability Statement (cont'd.)

REPORTING PRACTICE OUR REPORTING APPROACH

ABOUT THIS REPORT

This report has been prepared in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements and in reference to the Global Reporting Initiative (GRI) Standards. With guidance from the GRI Standards, the report covers the following key principles:

- Stakeholder inclusiveness – Capturing stakeholders' expectations and concerns;
- Sustainability performance – Presenting key performance indicators within the wider context of sustainability;
- Material matters – Prioritising the key sustainability issues most relevant to our business; and
- Completeness – Reporting on all sustainability topics that are relevant to our Group and in alignment with content requirements.

SCOPE & BOUNDARIES

This report mainly covers Star Media Group Berhad and its print operations, which make up a substantial portion of the Group's business in terms of business and operations. Unless otherwise stated, it does not extensively cover the other companies operating within the digital, video-on-demand, radio, events and exhibitions segments as Star Media Group's focus is to primarily improve on its principal operations before advancing to other areas of the business.

In the coming years, we intend to expand the scope of this report to include the full suite of operations within the Group in order to provide more comprehensive coverage of the Economic, Environmental and Social (EES) matters that are material to our sustainability goals.

References to 'Star Media Group', 'the Company', 'the Group' and 'we' refer to Star Media Group Berhad and its subsidiaries.

REPORTING PERIOD

The Group follows an annual reporting cycle, and the period covered by this report covers the reporting period from 1 January 2020 to 31 December 2020.

OUR SUSTAINABILITY TOPICS

This report contains 11 sustainability topics, which have all been aligned with relevant GRI Standards for topic-level disclosures. This is with the exception of "Content Creation, Sourcing and Management" and "Employment", which we will strategise its alignment moving forward and with each of it deemed as a key topic that is central to our value creation model.

1. Content Creation, Sourcing and Management
2. GRI 201 Economic Performance
3. GRI 204 Procurement Practices
4. GRI 205 Anti-Corruption
5. GRI 301 Materials
6. GRI 302 Energy
7. GRI 306 Effluents and Waste
8. Employment
9. GRI 403 Occupational Health and Safety
10. GRI 405 Diversity and Equal Opportunity
11. GRI 413 Local Communities



Furthermore, the disclosures contained in this report are aligned with the United Nations Sustainable Development Goals (UN SDGs), as noted below:

Economic

1. Content Creation, Sourcing and Management – SDGs 8, 12 and 16
2. Economic Performance – SDG 8
3. Procurement Practices – SDG 12
4. Anti-Corruption – SDG 16

Environment

1. Materials – SDGs 12, 15
2. Energy – SDGs 7, 8, 12, 13
3. Effluents and Waste – SDGs 3, 6, 12

Social

1. Employment – SDGs 1, 4, 5 & 8
2. Occupational Health and Safety – SDGs 3, 8
3. Diversity and Equal Opportunity – SDGs 5 & 8
4. Local Communities – SDGs 1, 4, 8, 10, 11

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

The Group strives to institute sustainability across our supply chain so as to align our strategies towards identifying our business impacts on EES and its primary relevance within the chain. This is to ensure that we stay true in advocating sustainability beyond our organisation and continue to place high emphasis towards embedding more sustainable elements with external parties in our supply chain.

MEMBERSHIPS & ASSOCIATIONS

1. Member of Malaysian Newspaper Publishers Association (MNPA)
2. Member of Asia News Network (ANN)
3. Member of World Association of Newspapers and News Publishers (WAN-IFRA)
4. Member of Malaysian Press Institute (MPI)
5. Member of the Malaysian Retail Chain Association (MRCA)
6. Council member of Communications and Multimedia Content Forum of Malaysia (CMCF)
7. Member of Malaysia Advertisers Association (MAA)
8. Member of Commercial Radio Malaysia (CRM)
9. Member of Malaysian Digital Association (MDA)

AVAILABILITY

This report is made publicly available online via our website - www.starmediagroup.my

EXTERNAL ASSURANCE

In development of our approach towards sustainability reporting, we have maintained an internal assurance methodology for the disclosure of this year's Sustainability Statement. As the Group makes further traction within our sustainability journey, we will firmly consider the adoption of an external assurance for our disclosures in the near future.

FEEDBACK

We welcome your comments, thoughts and remarks, which may be directed to our headquarters. Level 15, Menara Star, 15, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan.

Tel : +603 -7967 1388

Fax : +603 -7954 6752

Email : investor-relations@thestar.com.my

Sustainability Statement (cont'd.)

A PROGRESSIVELY ROBUST APPROACH TO SUSTAINABILITY

DEAR STAKEHOLDERS,

We are pleased to share with you our fourth Sustainability Statement in line with the Main Market Listing Requirements put forth by Bursa Malaysia and our first Sustainability Statement to be written in reference to the globally recognised GRI Standards, the leading benchmark in sustainability reporting.

In a year that saw an unprecedented upheaval of the global and national economy, the importance of crafting and executing a comprehensive sustainability roadmap was certainly brought to the fore. After all, the company that has a clear grasp of the material matters that drive its sustainability will be best placed to mitigate unexpected threats to its viability.

As a news and media organisation with the capacity to shape the national zeitgeist through our content and platforms, we are cognisant of the fact that sustainability to us extends beyond ethical and environmentally responsible business practices. To us, building a sustainable future also means taking a leading role in providing opportunities for our people and communities to fulfil its potential.

In line with this, we are continually enhancing our efforts across the EES spectrum. Despite challenging circumstances in FY2020, we maintained significant progress in numerous key aspects of our organisation that provide a strong foundation for sustainable value creation. This Sustainability Statement will provide a detailed analysis of our overall approach to sustainability along with the key sustainability material matters towards which we have focused our resources during FY2020.

SHARING ECONOMIC VALUE

Star Media Group is continuously reviewing and improving its strategic direction and initiatives in order to ensure sustainable growth for our core business segments. In ever-changing and challenging economic and business environments, we strive to adopt progressive strategies that ensure we meet the evolving demands of our customers while simultaneously augmenting our revenue streams.

We acknowledge that the total marketplace ecosystem is important to the Group's sustainable growth. By virtue of us being a key player in the many different businesses that we are involved in, the Group's activities continue to have a tangible impact and create value for the many sectors, markets and communities in which we operate.

We are thus committed to engaging in initiatives that will help us to establish and nurture enduring and sustainable ties with our customers, suppliers, industry peers and other stakeholders in the marketplace. Furthermore, we are mindful of the need to maintain and enhance the quality, veracity and relevance of our news and content, given that our role as a national news leader is fundamentally correlated to our ability in achieving our economic goals.

MAKING A SOCIAL IMPACT

The Group has several diversified businesses through which we provide employment opportunities and establish meaningful collaborations with our customers, partners and the communities we operate in, but our social impact is broader than this alone.

As a pillar of society since our founding in 1971, we consider it our responsibility to take leadership positions in the things we do best. When it comes to education for instance, we desire to create initiatives that enhance English language education, train the next generation of journalists, and enable access to learning tools for those in underserved communities.

Furthermore, as one of Malaysia's most respected employers, we are committed to maintaining the highest standards in employment rights, occupational health and safety and workplace diversity. What we do in this regard not only improves the lives of our workforce, but also sets an important example within our local communities and our home country.

As such, the manner in which we give back to society goes beyond pure philanthropy. We are here for good, and we intend to do good while we are at it too.

OPERATING WITH AN ENVIRONMENTAL CONSCIENCE

In operating our businesses, we are, at all times mindful about sustainability from an environmental perspective and fully committed towards complying with all applicable environmental laws and regulations.

As part of our transformative efforts to protect the environment and minimise our carbon footprint, we have placed special emphasis on ensuring the efficient use of energy, adopting green energy policies and achieving best practices in sustainable waste management.

Our rooftop solar facility continues to be a symbol of our commitment towards sustainable green energy, while initiatives led by our Energy Management Team have helped us to optimally reduce our energy consumption. At the same time, we continue to advocate for the highest green and ethical standards from our material suppliers to reduce the carbon footprint of our printing activities.

IN CONCLUSION

In FY2020, we were delighted to be a new entrant to the FTSE4Good Bursa Malaysia Index (F4GBM). This is a reflection that our steadfast commitment to sustainability is being recognised at a national level and indicates that our work in this area will be held to account by investors and our stakeholders at large. While we have made positive strides forward throughout FY2020, we remain purposeful in setting forth a sustainability agenda that will expand and grow in tandem with our ambitions. Our shift to reporting with principal reference to the GRI Standards represents our commitment towards consistently enriching our sustainability roadmap while providing our stakeholders with a deeper understanding of the material matters pertinent to our long-term success.

Recognising the turbulent and ever-evolving media industry landscape kindled by the effects from the Covid-19 pandemic, we remained vigilant and determined in building on our robust approach towards sustainability. As we move forward into a new normal, the Group aspires to achieve further success in bringing positive impact to our stakeholders under all our sustainability matters. With that, this report aims to be informative and to deliver an objective and balanced view of our position and performance on the identified material matters for the year.

Sustainability Statement (cont'd.)

SUSTAINABILITY GOVERNANCE OUR SUSTAINABILITY GOVERNANCE STRUCTURE



Our sustainability directives stem from the head of our organisation, with the Board of Directors ("Board") setting the tone and maintaining responsibility for our overall business conduct. The Board works closely with key members of our management, empowering them to spearhead specific issues pertinent to the delivery of long-term value.

Our Group Chief Executive Officer ("GCEO") manages and monitors sustainability-related matters within our organisation. This role includes reviewing and deliberating on sustainability issues and assessing risks which may impact our operations' EES sustainability as well as reporting on our sustainability performance to the Board. In overall, this responsibility is to support the Board in ensuring that all sustainability initiatives are implemented effectively and responsibly.

During FY2020, Star Media Group has taken its first steps towards an implementation of a Group Sustainability Roadmap, through the setting up of a Steering Committee, Working Group and Project Management Office ("PMO"). The setup combines the involvement and participation of key departments whose operations/scope have direct implications on the Group's sustainability performance. As part of our sustainability governance structure, this format is to provide the necessary support to our Board and top management while ensuring that we have dedicated the right and committed resource in aiding the Group throughout its sustainability journey.

Furthermore, as the Group's roadmap to sustainability continues to evolve, we endeavour to align existing key risk indicators ("KRI") with our sustainability material matters to present a more integrated and holistic view of our sustainability approach.

We hope to share further details of the aforesaid structure and framework in the next report.

CODE OF CONDUCT AND ETHICS

The Group has put in place a Code of Conduct and Ethics ("Code") for top management and employees that reflects our core values and culture. The Code sets forth the relevant guidelines in dealing with employees, customers and business associates, and sets out guidelines for conduct and ethics in the context of work environments, company assets, conflicts of interest and other such matters. The relevant policies guiding the practices and governance stipulated are in place and are updated whenever necessary to ensure they remain relevant to the Group's processes and in compliance with all relevant regulations.

WHISTLEBLOWING POLICY

In line with our efforts in conducting our operations in a responsible and transparent manner, the Group's Whistleblowing Policy provides a fair and objective platform for all parties to disclose any improper conduct while establishing the necessary procedures in handling such circumstances impartially.

In summary, all such concerns and communications made in good faith that discloses information that may evidence unethical activity are addressed to either the Head of Internal Audit or Chairman of the Audit Committee if the concerns cannot be resolved through the normal reporting lines and procedures. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation, as part of our on-going commitment to encourage such form of reporting.

Our full Whistleblowing Policy is available on the Star Media Group website at starmediagroup.my

ANTI-BRIBERY & CORRUPTION POLICY

The Board takes cognisance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009, which came into force on 1 June 2020, and acknowledges the importance of lawful and ethical behaviour in all its business activities. To further expand on our approach in establishing good governance, this policy is maintained to stipulate key measures and guided points for the Group to manage and address any risk or circumstances pertaining to bribery and corruption. Similarly, the policy which was developed in full compliance of all applicable laws and regulations, highly reflects on Star Media Group's zero-tolerance stance against all forms of bribery and corruption in all circumstances.

Our full Anti-Corruption Policy is available on the Star Media Group website at starmediagroup.my



Sustainability Statement (cont'd.)

STAKEHOLDER ENGAGEMENT EMPOWERING STAKEHOLDER INTERESTS

The voice of our stakeholders plays an integral role in our sustainability journey. As such, we concertedly engage with stakeholder groups to better understand their areas of interest and any concerns in relation to our business. Through our feedback channels and collaborative platforms, we are able to identify the material matters that are most pertinent to our stakeholders and craft our sustainability initiatives in alignment with these action areas.

Moving forward, the Group intends to implement a more structured approach towards stakeholder engagement, involving both internal and external stakeholders, in order to facilitate better outcomes.

Stakeholder	Engagement platforms	Frequency/ Status	Key interests	How Star Media Group addresses
Shareholders/ Analysts	- Regular shareholder communications/ announcements on Bursa Malaysia including quarterly financial results - Updates on Star Media Group's corporate website - Annual General Meetings/ Extraordinary General Meetings - Analyst briefings - Periodic engagements with equity analysts and fund managers - Annual Report and Circular/ Statement to shareholders - On-site visits to HQ, radio stations and printing plant	- Ongoing - Ongoing - Annual - Periodic - Periodic - Annual - Annual	- Group's business direction - Key corporate developments	- Quarterly and annual statement briefings - On-demand response to inquiries and meeting requests
Government/ Regulators and Policy Makers	- Virtual meetings and case studies - On-site visits to HQ, radio stations and printing plant - Attendance/participation in the Group's events	- Ongoing - Ongoing - Ongoing	- Regulation and compliance - Strong relationships - Public-private partnerships	Public-private partnerships
Customers (Business)	- Meetings, town hall sessions, roadshows, participation in exhibitions and networking lunches/dinners - Product presentations - On-demand requests - On-site visit to HQ and printing plant	- Ongoing - Ongoing - Ongoing - Ongoing	- Business direction - Procurement - Knowledge sharing - Safety procedures	- Data-driven solutioning - Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety'

Stakeholder	Engagement platforms	Frequency/ Status	Key interests	How Star Media Group addresses
Customers (Consumer)	- Qualitative and quantitative market research participation - Feedback sessions during events and exhibitions - Customer Service channels (Email and call centre) - Social media (Facebook, Instagram, LinkedIn, Twitter)	- Periodic - Ongoing - Ongoing - Ongoing	- The Star cover price cost vs no. of pages (content) - Content direction/ balanced reporting	- Stringent fact-checking processes - Refreshed editorial system - Responsive editorial direction
Suppliers and Industry Peers/ Partners	- Virtual meetings - Network gatherings - Product presentations - Participation in exhibitions	- At least once a year - At least once a year - At least twice a year - Ad hoc	- Business direction - Procurement - Knowledge sharing - Safety procedures	- On-site visit to HQ and printing plant - Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety'
Employees	- Regular communications via email blasts and monthly newsletter - Townhall - Union meetings	- Ongoing - At least twice a year - At least once a year	- Human capital development - Safety - Governance - Corporate developments	- Diverse workforce - Training and development programmes - Career planning and development - Code of Ethics - Refer Material Topic 'Occupational Health and Safety'
Local Communities	- Site visits to NGOs - Community-focused initiatives organised by the Group - Sponsorships/donations	- Ongoing - Ongoing - Ongoing	- Education - Social assistance - Funding - Publicity	- Education workshops and activities - Funding via Star Foundation - Medical Fund Programme - Wheelchair Programme - Awareness building through editorial campaigns - Refer Material Topic 'Local Community'

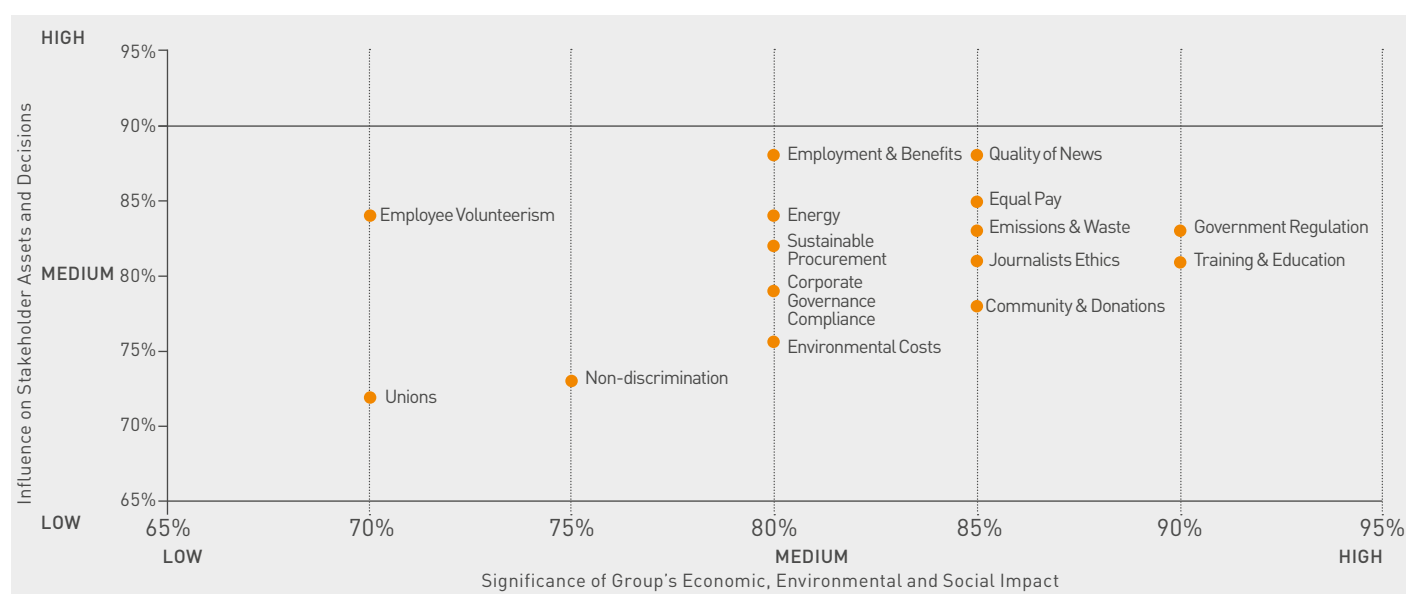
Sustainability Statement (cont'd.)

MATERIALITY MATRIX MAPPING OUR SUSTAINABILITY TOPICS

Star Media Group performed a general review on the Materiality Matrix for the current reporting period by taking into consideration developments of each key sustainability matter from the perspectives of stakeholders' concern and impact to its operations. The exercise was conducted based on the materiality matrix methodology outlined by the GRI Standards framework and leverages on the assessment carried out in FY2019. This is to ensure that the key sustainability matters as identified prior remained primary to Star Media Group, alongside the consideration of any additional disclosures which may be of priority during the current year.

A cross-analysis exercise was then conducted to develop the following matrix, mapping the sustainability matters against each topic's significance to stakeholders and its EES impact to the Group respectively.

MATERIALITY MATRIX



OUR SUSTAINABILITY TOPICS AND THEIR RELEVANT GRI TOPIC-LEVEL STANDARDS

Category	GRI Standards	Topic
Economic	-	Content Creation, Sourcing and Management
	GRI 201	Economic Performance
	GRI 204	Procurement Practices
	GRI 205	Anti-Corruption
Environment	GRI 301	Materials
	GRI 302	Energy
	GRI 306	Effluents and Waste
Social	-	Employment
	GRI 403	Occupational Health and Safety
	GRI 405	Diversity & Equal Opportunity
	GRI 416	Local Communities

SUSTAINABILITY TOPICS

CONTENT CREATION, SOURCING AND MANAGEMENT

PRESERVING OUR FIDELITY AS A MASS MEDIUM



WHY IT MATTERS

As a media company that purveys the preferred source of English news for Malaysians, content creation forms the foundation of our business. Consequently, the level of trust that our customers place in the veracity of our content continues to play a crucial role in driving our sustainability as a news leader. We therefore acknowledge the duty that rests upon our shoulders to ensure the content we produce and publish is accurate, credible and truthful. In sustaining our responsibility as a trusted news source, we must also continue to maintain our relevance, protect freedom of expression, provide greater accessibility to our content and maintain high standards of journalistic integrity.

OUR APPROACH

Governance and guidelines for content teams

Well-managed, empowered and motivated content teams represent the backbone of our sustainability in content creation. Strict and clear guidelines and standard operating procedures (“SOPs”) are provided to the content teams to support their delivery of accurate and credible news and content, including:

- Guidelines on house style, columnist and contributor selection and remuneration
- Adherence to core journalistic principles of double (or more) verification, fact-checking and the right of response
- At least two layers of copy-clearing and scrutiny before a piece is published, whether online or in print
- A senior team dedicated to the approval and extra vetting of sensitive stories
- Consultation with either the internal legal team or a retainer law firm for potential defamation lawsuits with relevant stories

The aforesaid are also complemented by our guided measures based on journalistic principles (protection of sources, not naming suspects in crime reports, etc.) and laws of the land (Child Act, etc.), along with constant consultation with civil society on potentially offensive terms and phrases.

Likewise, as outlined above, the numerous layers of scrutiny are in place to ensure high content quality while our tech team adopts best practices in providing accessibility for audiences that are differently-abled. With such guidelines, our operations function under a robust governance structure, whereby all decisions are made by the Content Department, or at times senior management, and executed by the Editorial Administrator.

Priority to gathering feedback

Relevance is key to the sustainability of any media outlet and feedback plays a crucial role in keeping our fingers on the pulse of society. Our teams utilise various avenues and platforms to obtain valuable feedback from readers, viewers and followers in order to adapt and improve on content direction or delivery. These channels include letters to the editor, social media, email, panel discussions, forums, conferences, market research and direct feedback during roadshows. Content issues are handled by the relevant desk head, while dedicated customer support channels attend to technical or other issues via phone or email.

Role of the Content Management Committee (“CMC”)

A fair and transparent content sourcing practice helps us maintain high levels of quality and reliability on our content channels. A Content Management Committee is thus tasked to oversee the responsible purchase of content for Dimsum Entertainment (i.e., video-on-demand offering) in accordance with our guidelines and policies. The CMC consists of Dimsum Entertainment’s content team and Chief Marketing Officer. Content is sourced by identifying global and regional trends, which are then adapted locally to meet the suitability and preferences of the local market.

Sustainability Statement (cont'd.)

ECONOMIC PERFORMANCE

SUSTAINABLE PROFITABILITY THROUGH QUALITY, DIVERSIFICATION & DIGITALISATION



WHY IT MATTERS

As a leading national media company, our primary role of keeping people informed and inspired through the quality of our content and services is intrinsically integrated with our charge to deliver sustainable profitability and growth to our stakeholders. We must therefore remain cognisant towards a variety of internal and external factors, such as operational, technological, social and marketplace developments, that may necessitate new strategic policies or impact our ability to create economic value in a robust and sustainable manner.

Our mission to enhance revenue streams via a multi-channel strategy is already bearing fruit with meaningful contributions from new income channels towards the Group's revenue in 2020. In order to drive value creation even further, especially in light of the turbulent media industry landscape, Star Media Group will maintain this process of enhancing sustainability via digital transformation, revenue diversification and the preservation of our unrivalled quality and credibility.

OUR APPROACH

Stringent overview of operational and financial performance

A comprehensive operational and financial review and oversight process is the cornerstone of any truly sustainable organisation. At Star Media Group, management reports are reviewed by the Group Chief Financial Officer ("GCFO") and submitted for review to the Board on a monthly basis. Quarterly Audit Committee & Board meetings provide an essential platform for the discussion and deliberation of key operational and financial related matters in a timely and efficient manner.

Strategic KPIs to monitor performance

Strict monitoring of our Key Performance Indicators ("KPIs") and regular reviews of our strategic performance help us stay on track in meeting objectives in our sustainability agenda, while allowing for adjustments to be made pre-emptively or as deemed necessary.

Overview of strategic and operational KPIs, but not limited to:

Print & Digital business	- Circulation volume of our print version and ePaper - Comparison of monthly revenue against budget - Monthly pageviews and unique visitors to our digital portals
Radio business	- Comparison of monthly revenue against budget - Ranking of our radio stations amongst all other Malaysian stations - Listenership growth in Sweep 1 and 2 every year

Continual assessment of the quality and delivery of our products and services

The better our grasp of the 'vox populi', the better able we are to meet the evolving needs of customers and ensure the sustainability of our products and services. To keep our pulse on the relevance and quality of our offerings, we conduct regular surveys with our subscribers and customers on content preferences, their likelihood to subscribe and feedback on the pricing of our packages. On a day-to-day basis, we engage with customers via social media platforms, call centres and emails to address any issues. Other forms of engagement include addressing promotional messages, subscription matters and feedback from customers. In line with our roadmap objectives, we are exploring the setting up of a live chat service in the near future.

Tapping on technology advancement and digital transformation

Despite the challenging market environment, the Group has continued to progress with its digital transformation initiatives to improve its costs and operational efficiencies. In March 2020, TheStar.com.my launched its paywall as part of the Group's monetisation strategies to diversify revenue streams. We have also launched a number of new digital products and platforms, which include TheStarMall, BeliLokal and our Suria mobile application, to provide greater value-added services to our audiences.

Besides leveraging upon the continuous growth of our database, we have also incorporated additional functionalities into our products and services, such as premium access content, newsletters and special features. The additional digital avenues and channels generated from these product extension activities puts the Group in an ideal position to fulfil the increasing demand from our clients for unique and customisable digital advertising solutions. Furthermore, our approach to embracing technology has also equipped us in navigating the restrictions during the Covid-19 pandemic, in which the Group managed to plan and execute a number of virtual fairs and virtual experiences in place of our regular physical events.

Bridging technological skill gaps to enable digital transformation

A future-ready workforce will play a significant role in ensuring long-term sustainability by enabling successful digital applications of our products and series. The Group has therefore prioritised the development and technological upskilling of its human resources by identifying the deficiencies between their existing skills and the required skills for optimal performance. These skill gaps are remedied through a variety of methods, including self-learning training courses and classroom-oriented programs, both physical and virtual.

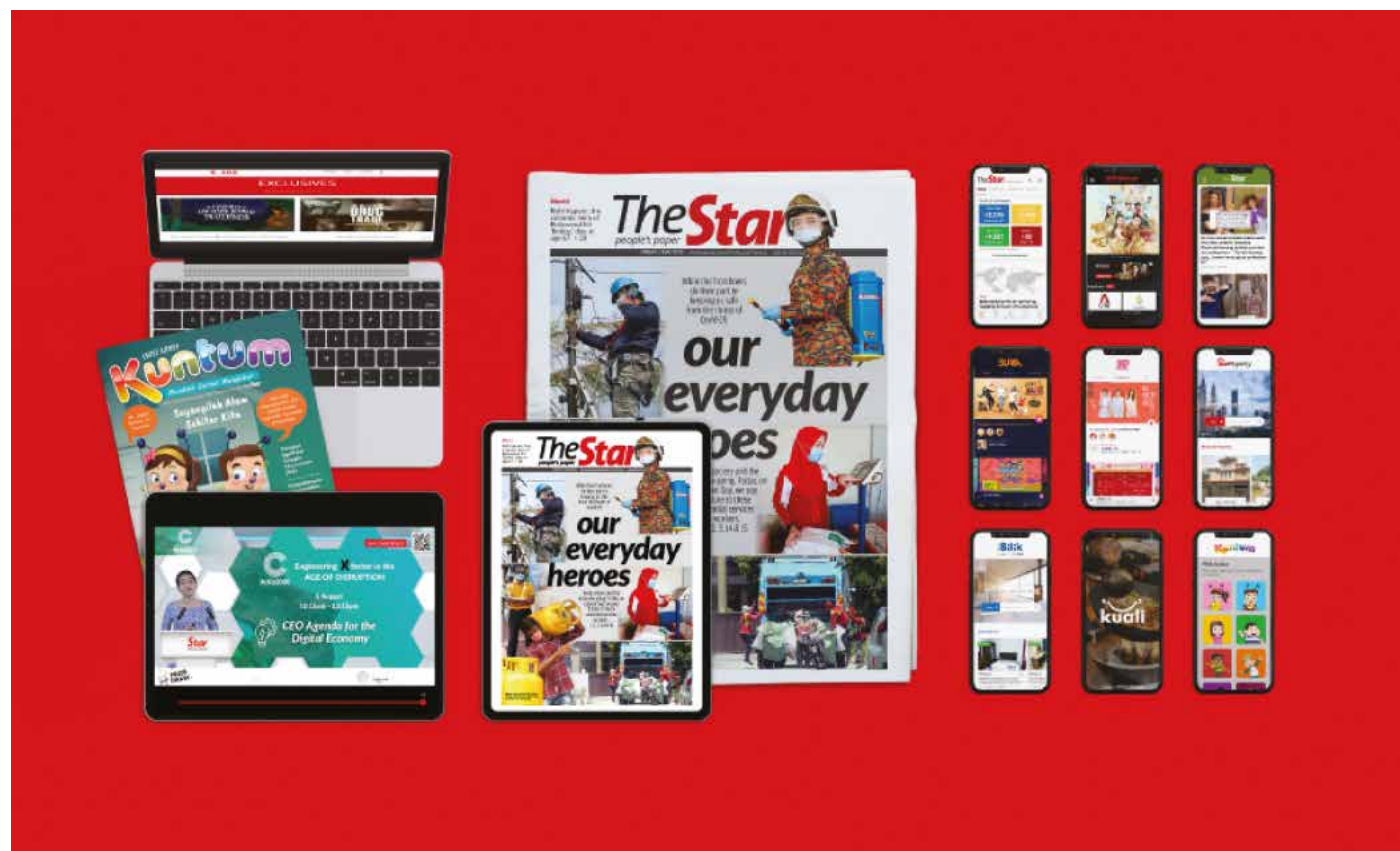
Measures to mitigate against the impact of Covid-19

The Covid-19 pandemic indirectly impugned Star Media Group's functional sustainability as social distancing and 'stay-at-home' directives impacted our day-to-day office and logistical operations. The Group has thus embarked on various cost control measures along with business restructuring efforts for certain units within the Group to re-strategise operations, placing emphasis upon manpower rationalisation and realignments to address regulations necessitated by the pandemic.

OUR PERFORMANCE

The Group's revenue for the financial year ended 31 December 2020 was RM196.42 million, a decline of 37.8% from RM315.93 million a year ago.

The Group recorded a loss after tax of RM19.79 million in FY2020 as compared to a profit after tax of RM5.72 million in FY2019. For further details, kindly refer to the economic performance of the Group in the Financial Highlights section of this report.



Sustainability Statement (cont'd.)

PROCUREMENT PRACTICES

DRIVING SUSTAINABILITY BY SUPPORTING THE LOCAL ECOSYSTEM



WHY IT MATTERS

Apart from reflecting our socially conscious ethos, we appreciate the importance of supporting local suppliers as a key strategy towards ensuring a sustainable supply chain, creating long-term goodwill amongst the local community and sustaining the economic ecosystem within which we operate. Our approach towards this topic is meaningful as we engage a significant number of suppliers in the course of doing business, from the purchase of raw materials to the production of marketing collaterals and the enlisting of consultancy services, amongst others.

In line with our definition of a local vendor being one whose business and manufacturing operations are based in Malaysia, we are proud to report that a significant majority of our suppliers are indeed local vendors. International suppliers have only been engaged when the required availability and capability could not be procured locally. Moving forward, we aim to continue the prioritisation of local businesses in our procurement policies while ensuring that appointed suppliers uphold and maintain high standards of quality and sustainability in the products and services they provide to the Group.

OUR APPROACH

The Group is guided by our comprehensive Procurement Policy, which sets the parameters for our ethical and transformative practices such as those outlined below.

Appointment of responsible suppliers

Suppliers who undertake business activities in a responsible and environmentally conscious manner possess a stronger likelihood of providing high quality products and services, thus providing the foundation for a long-term and sustainable business relationship.

The Group engages suppliers for numerous purposes, such as providing printing materials, delivering off-line events and promoting our digital market presence, amongst others. Wherever possible, we ensure our material suppliers engage in sustainable and environmentally responsible business practices and possess recognised international certifications.

- Newsprint supplies – Our newsprint supplies are exclusively sourced from sustainably-managed forests and from environmentally responsible mills. We ensure all mills are Forest Stewardship Council (FSC) certified (or equivalently accredited) and obtain their raw materials from well-managed forests or sustainable sources.
- Printing ink suppliers – We ensure that our printing ink suppliers are ISO14001 certified, which indicates that the organisation has incorporated mechanisms to reduce the environmental impact of its ink production.

Digitalisation of procurement processes

In staying abreast of technological trends in line with the Group's technology advancement initiative, we introduced the procurement automation system in 2018 to simplify and digitalise our procurement processes. The stage by stage implementation was completed with 100% adoption by the whole Group in 2020, where applicable.

The procurement automation system allows for paperless procurement procedures and provides online access to relevant procurement information for specific departments, the Group's Procurement Department as well as for relevant company subsidiaries. When remote working and on-boarding became a necessity in light of the Covid-19 pandemic, the procurement automation system proved to be an important tool in adapting to remote work and increasing overall procurement efficiency.

Decentralised and transparent procurement

Our procurement is decentralised with specialised guidelines and workflow charts established to enhance the efficiency of requisition requests initiated from departments. The Procurement Department facilitates the process and maintains visibility on overall procurement activities through the procurement automation system.

The process of sourcing suppliers may be initiated through the request for quotations (RFQ) exercise as well as open tender procedures (for large projects). To ease and support the procurement process, the team maintains a catalogue of suppliers that have been approved by the Group. The Group believes that this transparent and collaborative procurement policy will have a positive long-term impact towards efficiency and high-performance, both of which are key pillars in influencing a sustainable future.

Review, assess and enhance

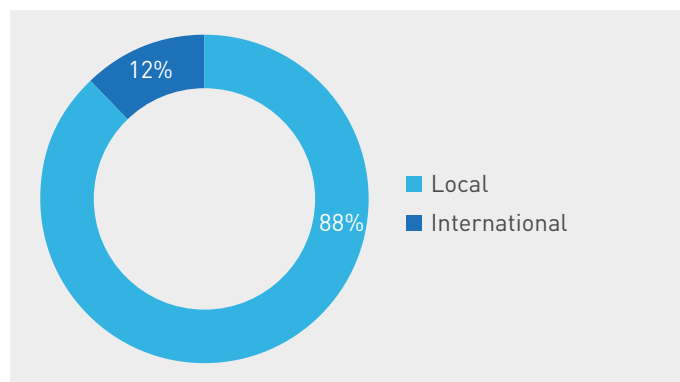
Our supplier-buyer relationships are regularly reviewed and improved upon to adhere with key best practices, while procurement practices are also reviewed during meetings that are periodically conducted at the Group's HQ. This ensures our policies remain responsive to external and internal stimuli, and ensures our suppliers continue to conduct the provision of products and services in a manner that is responsible and sustainable.

Assessment of suppliers' performance are carried out periodically by the Procurement Department, with active suppliers being assessed every six months and strategic and/or critical suppliers being subject to an internal quarterly review process. The assessment and evaluation process currently focus on major vendors who supply essential materials such as newsprint and ink.

OUR PERFORMANCE

Based on the procurement performance in FY2020, we are pleased to report that a total of 88% (441) of our 502 active vendors are local suppliers, with the remaining 61 vendors sourced from overseas.

Breakdown of Suppliers Sourced



ANTI-CORRUPTION

LEADING A ZERO-TOLERANCE STANCE AGAINST ACTS OF BRIBERY AND CORRUPTION



WHY IT MATTERS

Star Media Group's approach to robust governance recognises the importance of maintaining a highly principled and transparent approach in undertaking all of our business activities. Instances of corruption or acts of bribery may seriously undermine our credibility as a leader within the media industry and influence our ability to maintain long-term relationships with our trusted stakeholders.

We therefore maintain a zero-tolerance stance against any acts of bribery or corruption and stringently advocate a high level of ethical business conduct. Any in compliance with our regulations is earnestly investigated by the Group, with stern actions taken without leniency against offenders. Given our exposure as a public news entity, we are especially cognisant of our duty and responsibility to be a role model in such matters.

OUR APPROACH

The crux of our approach towards anti-corruption revolves around our Anti-Corruption Policy, which was developed in line with government requirements and industry-specific conditions.

Policy communication

Star Media Group ensures that our Anti-Corruption Policy is effectively communicated, both as our declaration to the public as well as to employees so that they may uphold the necessary standards. To this end, the policy is published on our corporate website as our publicly accessible declaration while a brief statement of the said policy is placed at strategic areas around the Group's premises for internal reference. Further to this, the policy is also constantly subjected to review and updates, where necessary, in line with changes of regulatory requirements and/or developments to our business approach or market. This is to ensure that this overarching framework remains intact and adequate for us to navigate our business environment.

Sustainability Statement (cont'd.)

Training and awareness

Trainings on the stipulated anti-corruption policy and measures are regularly conducted by the Group to ensure awareness and compliance. For FY2020, due to limitations imposed by protocols undertaken to curb Covid-19, virtual online trainings were provided to employees with access to online platforms (such as email, etc.). With priority placed at focusing our efforts on training our key employees, selection of employees for such trainings was made based on a risk assessment by the job function and nature of work of our employees.

The assessment which is to identify job scopes that are more exposed to the risk of bribery and corruption, was carried out by liaising collectively with relevant department heads. Employees who have completed the training were then required to acknowledge a declaration form which is managed and monitored by our Group People Department.

Other safeguards

Specific safeguards have also been put into place as precautionary measures when securing any formal engagement between the Group and other third parties. This includes the attachment of specific clauses on safeguarding the Group's corporate liability on matters surrounding bribery and corruption in all contracts with such parties, such as suppliers and vendors. Besides this, such parties are also communicated on the commitments of our Anti-Corruption Policy.

In addition, the Group's whistleblowing policy and procedures were also advocated to provide a secure means of communication for any issues pertaining to this improper conduct. Similarly, during FY2020, briefing on the Group's Whistleblowing Policy was also carried out for employees alongside the Anti-Corruption training, to update those who are already aware of the policy and educate any new employees.

OUR PERFORMANCE

Despite restrictions that prevented the Group from conducting trainings for our entire workforce on our Anti-Corruption Policy and relevant measures, we nevertheless managed to focus and educate a significant proportion of our staff in our approach. Moving forward, the Group aims for all our employees to complete the necessary Anti-Corruption trainings and pledge declaration.

MATERIALS

RESPONSIBLE USAGE OF RAW PRINTING MATERIALS



WHY IT MATTERS

As Malaysia's leading English daily, a significant print run of The Star newspaper is undertaken each and every day. Thus, the Group remains mindful of the impact that our printing processes may potentially have on the environment and have put stringent policies in place to guide our procurement of raw materials. Our eco-conscious approach towards material sourcing and full compliance towards all applicable environmental laws and regulations play a crucial role in ensuring the sustainability of our relationships with suppliers, government regulators as well as the public at large, as we set a guiding example in our role as industry leaders.

OUR APPROACH

Under the purview of the Print Production and Print Admin Department, the following key measures and guidelines have been put in place to monitor and manage responsible raw material utilisation.

Printing on 100% recycled newsprint paper

The Star newspaper continues to be printed on 100% recycled newsprint paper, meeting the ISO 12647-3 requirements for best print results. This ISO 12647 which governs graphic technology standards, with its subdivision 3 – Coldset Offset (Newspaper Production), pertains to guidelines specific to our processes, ensuring that we maintain the necessary qualities in our printing process and we uphold the use of recycled sources of material.

In line with this approach, our Print Admin also performed a measurement of the LAB value of the newsprint during the testing period. This additional measure is to ascertain that the paper characteristics meet the standards set by WAN-IFRA.

Minimising press run wastage

The Print Production department maintains a close working relationship with newsprint manufacturers to procure the most efficient products in order to minimise press run wastage. Annual KPIs on waste are set and then used to measure annual performance. Such engagement is to provide timely and key feedback to these suppliers whenever a pertinent issue is to be addressed. In the event of newsprint quality issues that are deemed severe and to have caused downtime or affected print quality, the Production Department will escalate the complaint to the Procurement Department for them to raise and address the matter with the manufacturer in question. All these are to ensure that efficiency of resource utilisation is maintained and wastage is kept to the utmost minimal.

Usage of eco-friendly ink

The Group sources ink from responsible manufacturers that are in stringent compliance with the ISO 2846-2 standard. The standard specifies the colour and transparency to be produced by inks intended for four-colour coldset web offset printing when printed under specified conditions on a printability tester. It also describes the test method to ensure conformance and quality in line with our strict requirement. Additionally, we do keep in touch with ink suppliers to stay abreast on the latest formulations that could prove to be more cost effective or environmentally friendly.

Monitoring the efficiency of raw material utilisation

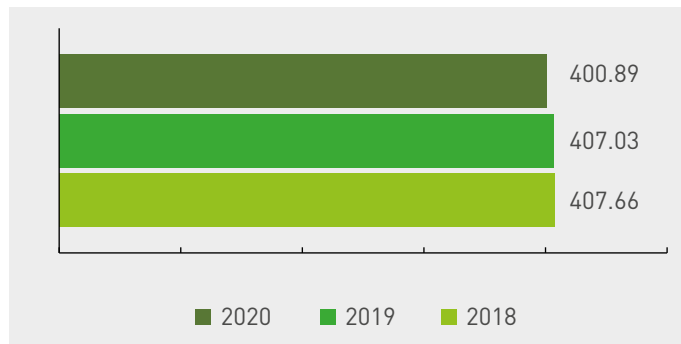
Raw materials such as recycled newsprint are tracked and monitored based on quantity input into production, output (end-product) generated, and any waste or defects produced during the production process. Where the potential for additional efficiency is identified, measures are undertaken to enhance our policies and processes to enhance sustainability. This is exemplified with our move to 42gsm newsprint in 2016, which significantly increased our yield per kilogram.

Sustainability Statement (cont'd.)

OUR PERFORMANCE

With regards to our performance on material utilisation, we recorded a newsprint yield of 400.89 pages/kg for FY2020. For a representation of our three years' performance, please refer to the chart below:

NEWSPRINT YIELD 2018 - 2020 (PAGES PER KG)



Percentage of newspapers printed on recycled newsprint

100%

ENERGY

REDUCING CONSUMPTION, ENHANCING PRODUCTION



WHY IT MATTERS

Energy efficiency and the use of renewable energy sources continues to play a significant role in the sustainability framework of Star Media Group. Although our use of electricity is significant, given our daily newspaper print runs and large offices, we are pleased to be a net energy producer via our innovative rooftop solar generation project that was launched in 2014. Our pioneering and mindful approach to responsible energy consumption and management supports our sustainability goals not merely by having a positive impact on the environment and communities in which we operate, but also via the creation of an alternative and reliable revenue stream for the Group.

OUR APPROACH

Our rooftop solar generation project

Led by the Facilities Department (with a solar chargeman assigned to manage and monitor the system), our 500kWh rooftop solar plant is a beacon of our commitment towards energy sustainability. Energy generated by the solar generation project is sold back to the grid (i.e. to TNB) entirely at 100% of the market energy rate. This undertaking was one of our key measures in ensuring that we fully advocate and support such renewable energy source initiatives, pioneering a major step forward in sustainability within our industry and beyond.

General energy efficient initiatives

In addition to this, we also endeavour to optimise our energy consumption. Among the holistic energy initiatives undertaken by the Group throughout the reporting year, are:

- Upgrading of traditional fluorescent tube lighting to LED lighting – a total of 33 street lighting (i.e. lamp posts) within the compound of our production plant at Star Media Hub were replaced with LED bulbs in FY2020.
- The use of energy efficient devices, such as inverted air-conditioner models, to replace beyond-repair units.
- The posting of notices at strategic locations to promote energy savings within our offices and premises.

Energy monitoring and management

Leading our ambition to utilise energy efficiently, the Group also developed a dedicated Energy Management Team. The team is tasked with monitoring and assessing the Group's energy utilisation and recommend additional energy conservation initiatives where applicable. From their role, the following initiatives were undertaken in FY2020, among others:

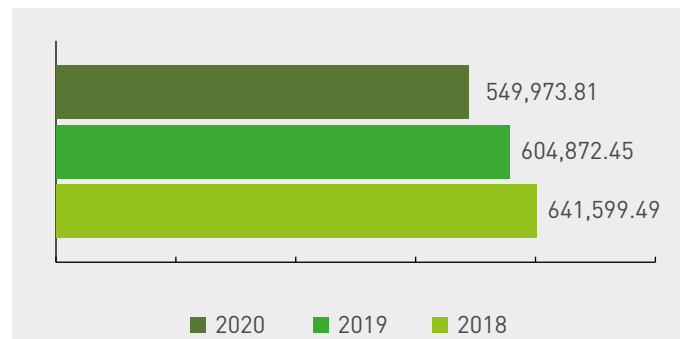
- Operating hours for air compressors were revised to a shorter period (from 2pm to 2am). This has resulted in average savings of 7,230 kWh/month since July 2020.
- We upgraded our chiller system to a more energy-efficient unit as well as instituting a change to its operating hours, which now runs from 5pm to 2am. This resulted in average savings of 33,200 kWh/month since its implementation in April 2020.

Besides, this Energy Management Team is also supported by the Facilities Department (for Star Media Hub) and the Building and Property Services Team (for Menara Star). These departments/teams are responsible for monitoring and managing overall energy consumption and conservation initiatives at each designated location as well as aligning its efforts with coordinators from various sections of our operations.

OUR PERFORMANCE

From our efforts in ensuring efficient energy consumption, the Group managed to achieve the following key performance. Moving forward, we will continue to monitor our electricity consumption in a periodic manner as well as to oversee our energy savings in a broader manner from all key energy conservation initiatives.

Solar Yield 2018-2020 (RM)



Solar initiatives
gross revenue

RM
549,973.81

Total reduction
of CO₂ emission
from TNB Grid
system

345.01
tonnes

Total kWh
Solar energy
generated

465,606
kWh

Total energy
saved from
energy
conservation
initiatives

40,430
kWh/month
(Average)

Sustainability Statement (cont'd.)

EFFLUENTS AND WASTE

ADOPTING PROACTIVE WASTE MANAGEMENT STRATEGIES FOR ENVIRONMENTAL SUSTAINABILITY



WHY IT MATTERS

Paper is one of our core mediums of communication, and it is our responsibility to ensure that printing does not lead to a major source of waste. As approaches to mitigate waste from printing plants have improved, we have developed strategies that promote energy efficiency, green energy and sustainable waste management across our operations, generating the twin outcomes of reducing the amount of waste we produce as a result of our business activities, and minimising the environmental impact of the waste that we do produce. The practices we have put in place reflect our commitment to sustainability from an environmental perspective.

OUR APPROACH

Ensuring compliance with all environmental laws and regulations

Managing waste and effluents starts by complying with all applicable environmental laws and regulations. Our commitment to environmental compliance can be seen in the formation of our Environment Performance Monitoring Committee (EPMC), whose responsibilities include managing all matters relating to waste within our operations. The EPMC (which meets on a quarterly basis or as and when required) and its supporting roles are established in compliance with the latest Guidelines for Self-Regulation as mandated by the Department of Environment (DOE). The structure established enables the Group to have a common point of support to ensure that we constantly stay abreast of the latest requirements and initiate actions in a timely and effective manner.

Proficient waste management practice

For scheduled waste, we have a designated person who is tasked to manage and oversee the extraction, safekeeping and disposal of such waste. Proper scheduled waste storing and monitoring practices are in place within the Group in line with the reporting process which is performed via DOE's Electronic Scheduled Waste Information System (ESWIS). In general, such wastes are kept in covered containers, labelled and stored in access-restricted areas to safeguard from any potential spillage, misappropriation or unauthorised access.

Accordingly, all our scheduled waste is collected, stored and disposed of by contractors licensed by the DOE as per the requirements of the Environment Act. All waste is disposed of within 180 days from when the scheduled waste is first generated. As for our general waste, it is disposed by licensed and experienced contractors in line with accepted best practices in waste management.

Adopting recycling practices across the organisation

Wherever possible, we always opt to send our waste for recycling. For our production plants, recyclable waste generated from the printing process such as printing plates, press spoilage, newsprint brown wrappers or side covers, end cores, paper stripping and test run spoilage are disposed to designated recycling vendors/centres. Based on our stipulated procedures, all recyclable products are segregated and stored separately with its quantities measured in weight. Upon collection of such wastes by licensed recycling contractors, the items will be weighed again for monitoring purposes prior to subsequent removal from the company's premises.

Besides this, we also encourage any other means of reusing items which would otherwise have been disposed of as waste. This is exemplified at our printing plant whereby cloths which have been tainted with ink or chemicals are collected and sent to an appointed contractor for cleaning. It is then subsequently returned and re-used by the production team at the printing plant. Such efforts showcase our constant willingness to consider and adopt any new or alternative means of reusing or repurposing a potential waste product.

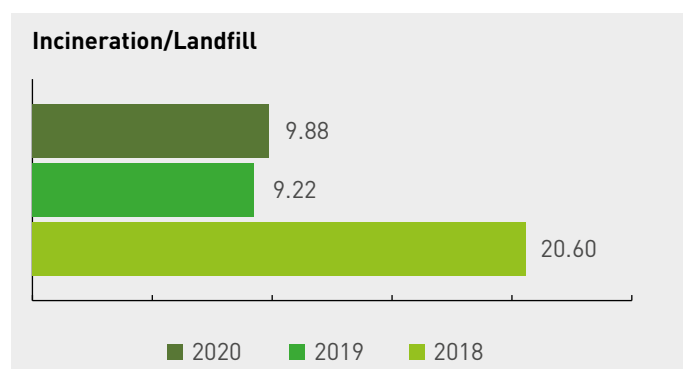
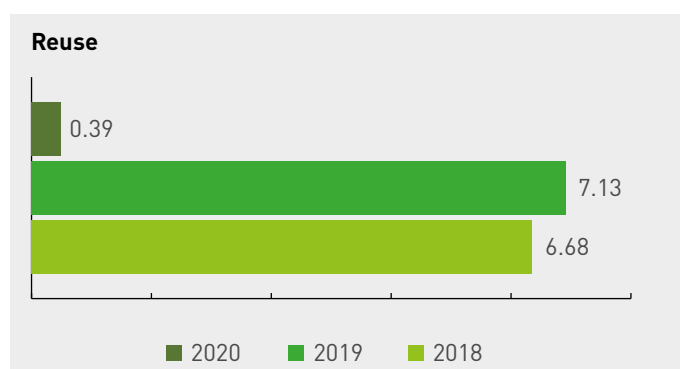
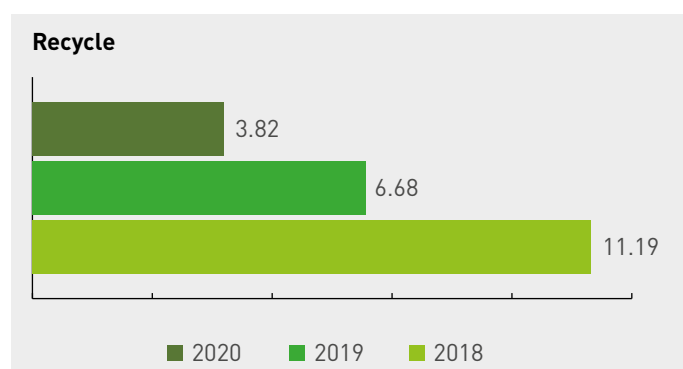
OUR PERFORMANCE

For the current reporting period, our performance in managing waste is reflected as below.

Total Waste by Scheduled Waste Categories

Waste Category	Waste Code	Total Waste Generated (MT)		
		FY2018	FY2019	FY2020
E-Waste	SW110	0.19	0.22	-
Sludge from WWTP	SW204	3.67	5.69	-
Spent lubricating oil	SW305	2.25	1.51	0.19
Spent non-halogenated organic solvents	SW322	18.76	7.20	5.44
Containers contaminated with scheduled waste	SW409	0.44	0.41	0.39
Used rags and filters	SW410	8.94	5.17	3.63
Spent activated carbon	SW411	1.65	1.80	1.66
Ink waste	SW417	2.57	1.03	2.78
Total		38.47	23.03	14.09

Total Scheduled Waste by Disposal Composition (MT)



No. of accidents
relating to
scheduled waste
in FY2020

Zero

Sustainability Statement (cont'd.)

EMPLOYMENT

SAFEGUARDING THE WELLBEING OF OUR MOST VALUABLE ASSET – OUR PEOPLE



WHY IT MATTERS

For Star Media Group, our people are our most valuable resource. They drive our distinctive perspective as a media company, are our public face, and embody our values and approach to value creation through their everyday work. Through comprehensive employee benefits, extensive training opportunities, alignment with collective bargaining agreements and more, we place focus on retaining our best employees by providing opportunities for career and personal development. We believe that this results in a more motivated, productive and innovative workforce, enhancing our sustainability from a business standpoint.

OUR APPROACH

Looking at our approach towards recognising the value of our employees, the Group has consistently planned and undertook initiatives which will better safeguard the wellbeing and welfare of our employees. With that, our efforts to commit on the following remained steadfast in the current year.

Supporting balanced lifestyles through employee benefits

We have consistently placed a renewed focus on ensuring that the benefits and growth opportunities afforded to our staff remained at market-leading standards. Our commitment to ensuring that a rewarding career stands next to a fulfilling and balanced life outside the confines of work has also helped us in determining our approach towards leave allocation, medical assistances and other welfare benefits. This is in addition to the commitment in our minimum wage, which is kept at RM1,500 per month, in excess of the federally mandated minimum wage of RM1,200 per month.

Our determination in ensuring employee's benefits also persisted when we look at providing further assistance to new parents among our employees. In addition to our allocated maternity leave of 90 days and paternity leave of 3 days, we also provide an assistance allowance of RM1,000 for all new mothers as well as provide nursing facilities at our offices. This is to ensure that care is also extended to our employees' loved ones.

Listening to our employees

Throughout our history, we have maintained strong collaborative relationships with the National Union of Journalists Malaysia (NUJM) and the National Union of Newspaper Workers (NUNW), ensuring that our employees' interests are addressed and that we maintain a conducive and safe workplace. This commitment to listening to our employees is extended to our grievance mechanism that provides established channels for grievances to be lodged, addressed and resolved efficiently.



Growing human capital through continuous professional development

Our numerous long service awards given out every year are evidence of our ability to provide a working environment that is collegial, engaging and ultimately rewarding in the long-term. Regardless of their tenure, all employees should look upon their time with us as a period of personal and professional growth.

To achieve this, customised training and development opportunities are provided to all employees to suit the demands of their role and empower the acquisition of new and transformative skillsets. A detailed training needs analysis conducted by our Group People department facilitates this process, while evaluation exercises are conducted at the conclusion of all training programmes to gauge the relevance, quality and effectiveness of training module content. This iterative approach to training and development enables increased talent retention and employee satisfaction, which in turn leads to sustainable positive bottom line results.

OUR PERFORMANCE

We acknowledged that FY2020 brought significant challenges across our business divisions. With operations negatively impacted by the Covid-19 pandemic, we took the difficult but necessary decision to carry out a headcount exercise that affected 135 employees (62 in the first exercise and 73 in the second exercise). This was not a decision taken lightly as we have always considered our employees a key and vital extension of our organisation. From that exercise, all affected employees received a full severance package in addition to direct assistance provided from our Group People department (for those requested) with their Employment Insurance System (EIS) application, a financial scheme by PERKESO that assists retrenched individuals until they find new employment.

Looking beyond this, our gratitude towards our employees in bridging the gap between our performance and aspirations as an organisation will continue to encourage us to work tirelessly in contributing back to our workforce in all forms and manner. As we acknowledged the fact that improvements are always available within our actions, we appreciate the understanding and determination of our employees in the course of growing together with Star Media Group as a whole.

Total workforce headcount by entity

Entity	Headcount	% of total
Star Media Group Berhad	746	70.9%
SMG Business Services Sdn. Bhd.	131	12.5%
Star Media Radio Group Sdn. Bhd.	22	2.1%
Star Rfm Sdn. Bhd. (988)	50	4.8%
Rimakmur Sdn. Bhd. (Suria)	32	3.0%
SMG Entertainment Sdn. Bhd. (Dimsum)	37	3.5%
StarProperty Sdn. Bhd.	18	1.7%
I.Star Ideas Factory Sdn. Bhd.	12	1.1%
I.Star Events Sdn. Bhd.	4	0.4%
TOTAL	1052	100%

Total number of recipients of long service award (15 years/25 years)

15 years: 27 pax

25 years: 23 pax

Number of learning hours across training initiatives

6,778 learning hours

Number of employees trained

285

Number of trainings (internal & external) conducted

50 courses

Sustainability Statement (cont'd.)

OCCUPATIONAL HEALTH AND SAFETY

ENSURING SAFETY, ENABLING TALENT TO SHINE



WHY IT MATTERS

As one of Malaysia's longest-standing and most storied employers, we know that our continued success is down to our knowledgeable, dedicated and committed workforce. Sustaining the talent at our disposal is about more than providing opportunities for career advancement and growth; it is about ensuring a safe and hazard-free environment within which work can take place. To do this, we continually seek improvement in our occupational health and safety practices, underscored by our commitment to being a highly trusted and respected employer within our industry.

OUR APPROACH

We aim to stand for industry-leading standards in occupational health and safety by implementing a three-pronged approach that focuses on:

- compliance with leading occupational health and safety standards;
- strong governance structures; and
- stringent control measures and procedures.

Collectively, these three pillars form a comprehensive occupational health and safety management system that enables big picture oversight of our initiatives in relation to our objectives, while also facilitating the creation of workplace-specific policies and action plans.

Ensuring compliance with leading standards

The Group strives to comply with all safety, health and environmental standards and certifications as required by law, including the following primary Acts, among others:

- Occupational Safety and Health Act 1994 (OSHA);
- Environmental Quality Act 1974 and its regulations;
- Fire Services Act 1988; and
- Factories and Machinery Act 1967.

In particular, as the leading health and safety requirement within Malaysia, OSHA forms the basis of many of our occupational health and safety control measures and procedures. Using OSHA as a reference point, our processes have been refined throughout the Group's history to optimise health and safety standards in the context of our work environments and achieve improvements in performance. Besides, our health and safety management system is also developed based upon Malaysia Standard (MS)

1722:2011 Occupational Safety and Health Management Systems. This ensures that our measures not only comply with applicable regulations but further adhere to enhanced standards of best practice.

Adopting stringent control measures and procedures

With our workforce spread over multiple jurisdictions and work environments, maintaining a set of stringent control measures and procedures is vital. All high-risk activities that our employees engage in are governed by safe operational procedures as derived from our Hazard Identification, Risk Assessment and Risk Control (HIRARC) exercises. Such measures also extend to external parties, as for instance, all contractors are required to submit their safe work methods and attend safety briefings conducted by our health and safety representatives before they commence their work.

As one of our core businesses involves work at printing plants, fire safety is a key area of focus. Our measures in this area include installation of water sprinklers, placement of fire extinguishers, fire hydrants, and fire alarm systems at all workplaces. The equipment and system are maintained regularly by appointed third-party and original equipment manufacturer (OEM) suppliers to ensure that their functionality are constantly maintained at optimal levels.

Similarly, the functionality and safety of heavy machinery equipment (i.e. hoisting systems and pressurised vessels) within the Group printing plants are inspected on an annual basis as part of its renewal of the DOSH certification. This is assisted by an external consultant which is appointed by the Group to advise and act as a liaison with DOSH officials during the annual inspection process.

Regular health and safety trainings are also mandated as an essential aspect of our management system. Although the majority of trainings were kept on hold due to the Covid-19 pandemic in FY2020, these trainings are usually conducted throughout the year and include:

- noise hearing protection training;
- chemical safety training (carried out once every 2 years);
- scheduled waste training; and
- safety inductions for new employees and third parties such as contractors (for whom a permit to work will only be issued after induction is completed).

During the current year, the Group managed to successfully conduct a noise risk assessment exercise with the assistance of a third-party consultant. In recognising the importance of protection from harmful noises, the exercise led to our efforts in updating our noise mapping chart and the installation of a noise haven booth, which is to provide an important acoustic refuge within our production areas.

Enforcing strong governance structures

All control measures, procedures and trainings are governed by our three Occupational Safety and Health (OSH) committees, which function as joint worker-management committees and are strategically based at our offices in Menara Star and Star Media Hub. OSH committees are responsible for managing, investigating and addressing all incidents, accidents, near misses and property damages across the Group.

As per OSHA requirements, we have established OSH committees for all workplaces that have 40 employees and more, allowing a strong degree of flexibility to receive feedback from employees at specific workplaces and develop measures to cater to their needs. In meeting our previously stated goal, we are pleased to have attained a 50/50 split in representation on all OSH committees between management and employees during FY2020.

To execute workplace-specific measures set by the OSH committees, two Emergency Response Teams (ERT) are currently based at Menara Star and Star Media Hub. ERTs are tasked with monitoring, managing and acting upon all emergency health and safety matters on site as well as assisting with the implementation of any new health and safety measures. In order to achieve their role, a representative of the site relevant ERT is invited to participate in all OSH committee meetings. At present, we are in the process of revamping the organisation of both ERTs due to recent changes in manpower across our workplaces.

Standing up to Covid-19

As the Covid-19 pandemic evolved into a truly global scourge, we were quick at establishing a task force to provide dedicated aids and support for the Group in navigating through its onslaught impact. The task force would oversee and manage specialised measures designed to ensure our employees' health and wellbeing during these extraordinary times.

The main scope of responsibilities for the task force included:

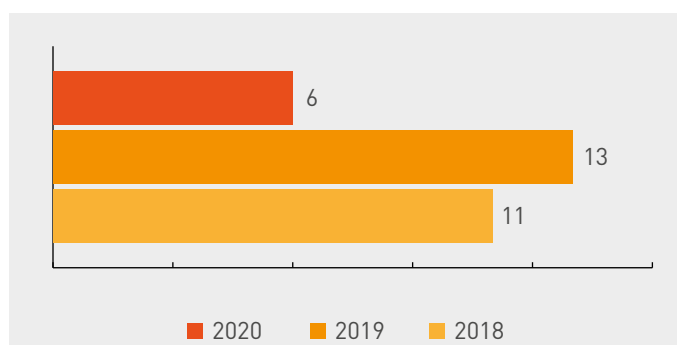
- actively monitoring and updating all employees on any news and key information pertaining to the pandemic from a global perspective, national landscape and state/local level;
- managing the provision of personal protective equipment (PPE) (such as masks, gloves, sanitizers etc.) for "our frontliners" (i.e., employees identified by Heads of Departments as having a higher risk of exposure due to the nature of their work); and

- performing rigorous internal contact tracing and testing should any employees or internal parties test positive for Covid-19; and etc.

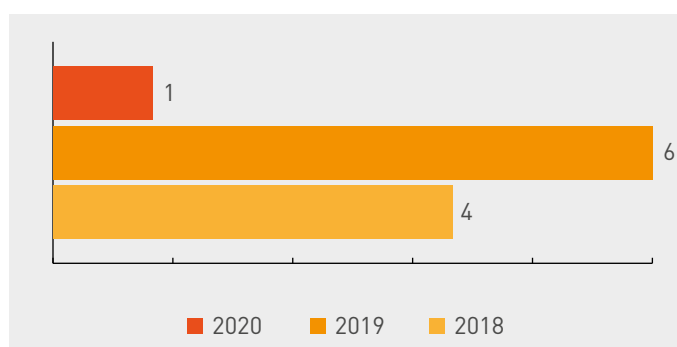
OUR PERFORMANCE

With consideration of the after-effects from the on-going pandemic, Star Media Group treats health and safety as one of the most serious matters across our operations. From our efforts in sharing knowledge to learning from experiences, we hope to constantly achieve exceptional performance pertaining to health and safety. As for our current year's performance, please be guided by the following:

Number of Accidents/Incidents



Total Lost Time Injuries/Man-Days



Percentage of management representation within OSH Committee

50%

Sustainability Statement (cont'd.)

DIVERSITY AND EQUAL OPPORTUNITY

CREATING EQUITY AND PROMOTING INCLUSION IN OUR WORKING ENVIRONMENT



WHY IT MATTERS

At Star Media Group, we treat diversity and equal opportunity as a key organisational priority and understand the impact that an inclusive working environment has on day-to-day productivity and resilience against setbacks alike. Our actions in promoting diversity and equal opportunity in our workplaces are therefore reflective of the importance we place on bringing the best out of our employees. By standing for meritocracy in every aspect and division of our business, we provide a pathway for our talent to rise to the top, simultaneously strengthening our reputation as a strong employer in the market. Both outcomes have a profound effect on the long-term value that we can generate for our people and society at large.

OUR APPROACH

Our approach to diversity and equal opportunity is based first and foremost on treating everyone fairly and equally, regardless of their age, gender, race, religion, nation of origin, sexual orientation, political and any other affiliations. This commitment is enshrined at all levels of our operations.

Fair recruitment and career advancement policies

Our recruitment policy supports our principle that all candidates should be treated equally. Potential new hires are assessed based on their merit and suitability to the role in question, and strict evaluation criteria governs the process. Likewise, candidates for promotion are assessed using a well-established framework that precludes preferential treatment and the use of non-performance-based criteria. The effect of these longstanding policies can be seen in our diverse cohorts at both the employee and governance levels.

Customised and merit-based training initiatives

Employee training is a key determinant of business sustainability. However, if allocated based on non-merit based factors, it can also entrench discrimination within an organisation to the detriment of employees and the business as a whole. Mindful of this potential blind spot, we have consciously adopted an approach to training that determines allocation based on the employee's specific work-based circumstances, such as the results of performance appraisals and the need to acquire new skillsets based on technological advancements or in line with career development. This unbiased approach to training needs analysis is governed by our Group People department and improves our ability to provide our talent with the resources they need to grow, regardless of who they are.

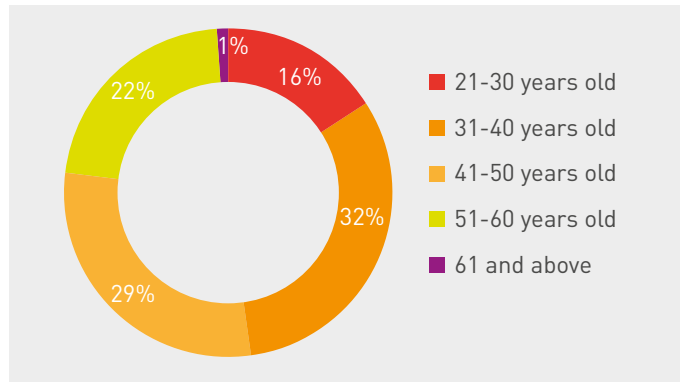
Established procedures and policies to report discrimination

Mindful of the fragmented nature of our business, with different divisions operating in isolation to one another and often in different parts of the country, upholding systems that allow our employees to highlight potential practices that are contrary to our ethics and code of conduct is key. Our Whistleblowing Policy and grievance mechanism provide important avenues for employees to report incidents or issues related to unfair treatment or discrimination, with issues escalated to the Head of Internal Audit or Chairman of the Audit Committee if the issue cannot be resolved through the normal reporting lines and procedures. The whistleblower's identity is kept confidential throughout the process.

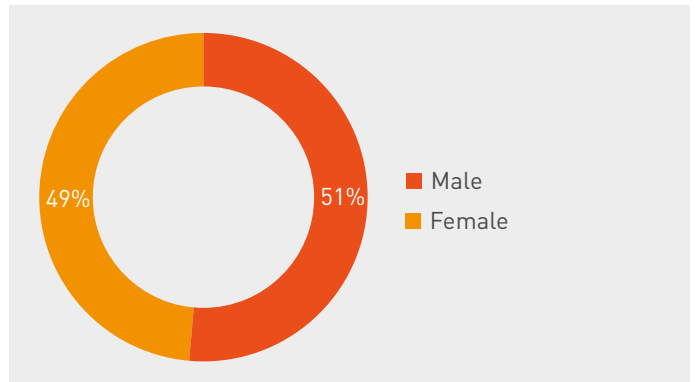
OUR PERFORMANCE

In line with our efforts to steer our employment practices towards adhering to the highest standards of professionalism and ethics, Star Media Group will remain vigilant and aim towards eliminating any forms of discrimination at all corners of our operations. In overall, a diverse workforce by age, gender and ethnicity reflects our belief in equality of opportunity and is a central component of a fair and well working environment.

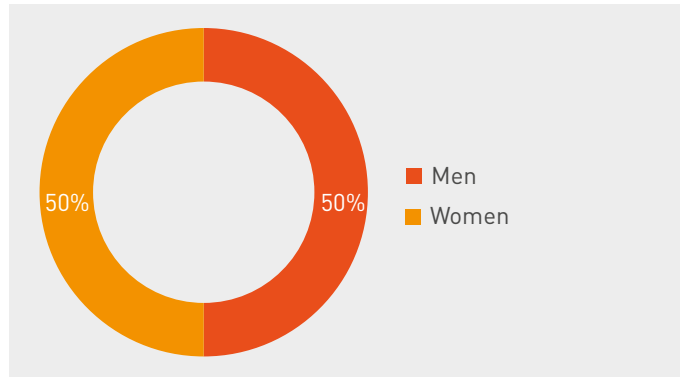
Workforce Age Composition



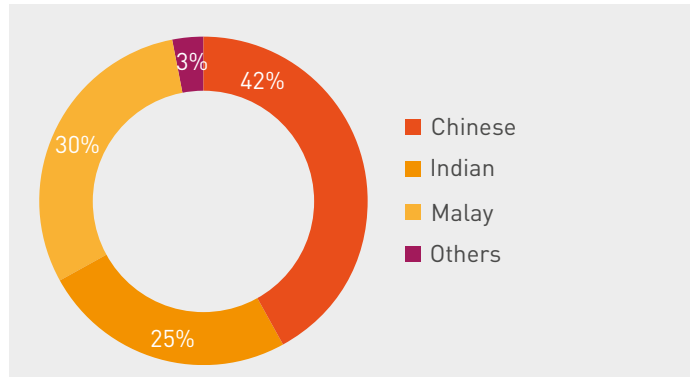
Employee Gender Composition



Women in Senior Management



Workforce Ethnicity Composition



Sustainability Statement (cont'd.)

COMMUNITY INVESTMENT

STRENGTHENING OUR PILLAR IN THE COMMUNITY



WHY IT MATTERS

While Star Media Group's primary role is to inform, educate and inspire, our work has also allowed us to develop a first-hand understanding of the plight of society's most disadvantaged and underserved. As 'The People's Paper', we are in a position to build awareness and facilitate meaningful change on these issues. Through our community initiatives and investments, we are extending assistance and contributing to improvements in quality of life for many Malaysians, enabling lasting change to lives and livelihoods across the country. To us, being a pillar of the community is about more than pure philanthropy. It's about ensuring that no one gets left behind.

OUR APPROACH AND PERFORMANCE

Our community investments are spearheaded by Star Foundation, the charitable arm of our Group. Established in 2004, the foundation raises, receives and administers funds for social causes, aimed at delivering meaningful initiatives with lasting outcomes to a diverse group of beneficiaries. The foundation is governed by a Board of Trustees who meet at least twice a year to review and approve applications for donations, with all applications processed and vetted by the Star Foundation team. Some of the key programmes supported by the foundation during the year are detailed below.



Supporting NGOs

Star Foundation provides financial support to local non-governmental organisations (NGO) to assist them with operating expenses, upgrading facilities and developing social welfare programmes. A total of RM575,000 was donated to 25 NGOs in FY2020, covering the following areas:

Access to basic needs and infrastructure	1 NGO
Health and wellbeing	2 NGOs
Community welfare and development	15 NGOs
Environmental protection	1 NGO
Education	6 NGOs

Wheelchair Programme

Since 2017, the Wheelchair Programme has donated wheelchairs to individuals and NGOs in need of urgent mobility support. A total of 11 wheelchairs were donated in FY2020, bringing our all-time total to 211 units.



Medical Fund Programme

It is part of our considerations that underprivileged individuals can find themselves in situations where they are unable to fulfil the need of urgent medical care and support. Leveraging on the wide reach of our platforms, the Medical Fund Programme helps to remedy this unfortunate reality by canvassing donations and rallying support from the public. The programme receives donations from the general public and corporates as well as contributions from the Group to support each eligible case. In total, four surgeries, all for children 7 years old and under, were funded in FY2020, at a total cost of RM153,555.

Our Covid-19 initiatives

The Covid-19 pandemic has caused disruptions across the country, and brought about great impact on the frontlines, in our hospitals and medical facilities. With these facilities at their greatest ever capacity and frontliners stretched to their limits, we established the Star Frontliners Initiative, organising donations and contributions to ease their burden, wherever possible. Some of the outcomes of the initiative included:

- raising over RM2.6 million, including a RM1 million contribution from Star Foundation, to provide much needed medical supplies to 34 hospitals and 15 state health departments. Purchase and distribution of medical items were done in close consultation with the Malaysian Ministry of Health.
- donating RM100,000 to three Sabahan NGOs to support communities in Sabah severely affected by the pandemic, with funds used to address food supplies, health and medical needs.



Sustainability Statement (cont'd.)

Star Golden Hearts Award

Since 2015, we've shone the spotlight on ordinary Malaysians who make extraordinary contributions to society. In partnership with Yayasan Gamuda, the Star Golden Hearts Award invites Malaysians to nominate exemplary individuals or organisations for their selfless social work in making Malaysia a better place. Recipients represent a wide range of social causes from environmental conservation to special needs youth skills training; digital inclusion initiatives to holistic educational strategies. The one commonality is a shared desire to empower individuals and communities to be their best. In FY2020, the sixth edition of the award recognised ten winners from over 500 nominations, with two winners being bestowed with the coveted Gamuda Inspiration Award.



#StandTogether Campaign

Thanks to the tireless efforts of our award-winning R.AGE team, we've become progressively more aware of the prevalence and severity of school violence and bullying in Malaysia. In 2017, we launched the #StandTogether campaign with property developer SP Setia to address the issue at a national level.

The #StandTogether campaign is collaborative in nature, drawing upon the resources and knowledge of UNICEF and other parties, and endorsed by the Malaysian Ministry of Education. It focuses on encouraging kindness amongst youth through programmes run during National Kindness Week, which was from 21 to 27 September 2020. These programmes included:

- Kindness Workshops: Free online gatherings for students with interactive games and activities to improve their empathy skills, as well as surprise appearances from #StandTogether celebrity ambassadors.
- Kindness Challenge: A fun and memorable way to learn about kindness and empathy, run through an interactive WhatsApp chatbot which sends daily "Kindness Missions" to participants over five days.
- Kindness Leadership Programme: A nationwide programme that guides students to become advocates for kindness and empathy in their schools and communities by providing resources, mentorship and financial grants. Students who completed the Leadership Programme were able to pitch for RM1,000 in grant funding to run kindness projects in their schools.



Even as the Covid-19 pandemic restricted Kindness Week to online-based experiences in FY2020, the response was more than we could have anticipated. With over 8,000 registrations from schools across the country, more than 243,000 video views and recognition by the United Nations as one of 10 case studies highlighted in a global report on tackling violence, the performance of this programme for the year was truly remarkable. Other notable outcomes include:

- over 2,000 students were engaged through #StandTogether celebrity engagement content and webinars via UNICEF's #KitaConnect network on Telegram.
- 3,119 participants attended 18 Kindness Workshops online.
- 870 people registered for the Kindness Challenge chat bot.
- 14 Celebrity Kindness Ambassadors were recruited for the causes, while two VIP industry leaders pledged their support.

Sustainability Statement (cont'd.)

QUALITY EDUCATION

USING OUR REACH AS A MEDIUM FOR EDUCATIONAL CHANGE



WHY IT MATTERS

At Star Media Group, we treat diversity and equality as a key focus area of our community efforts for decades, and education sits at the nexus of many of our sustainability objectives. By helping to nurture future generations to become well informed, thirsty for knowledge and highly literate in English, it drives sustained demand for the English content that we provide. On the other side of the coin, our efforts to promote journalism as a career path will help maintain the quality of our work in the long term. Looking beyond our business and its direct impacts, education is a rising tide that lifts all boats, and we consider it our responsibility to take a leading role in enhancing education accessibility and outcomes for Malaysians.

OUR APPROACH AND PERFORMANCE

Our educational initiatives can be divided into three broad themes, namely:

ACCESS TO QUALITY EDUCATION FOR ALL

- Star Education Fund
- Star Education Fair
- Kuntum magazine & workshops

ADVOCATING ENGLISH LITERACY

- Newspaper-in-Education ("NiE") Programme
- English for Better Opportunities ("EBO") Campaign

PROMOTING JOURNALISM AS A SUSTAINABLE CAREER PATH

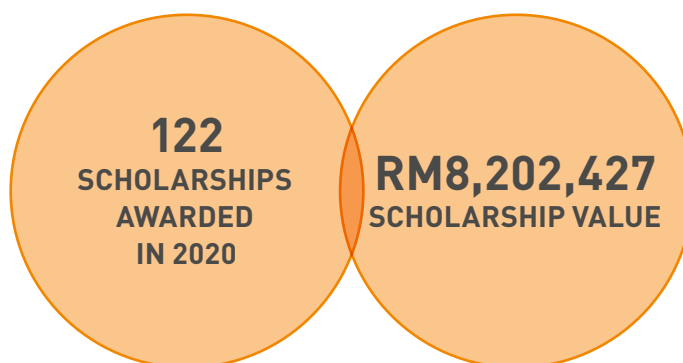
- BRATs
- Editorial internships

Individual programmes and initiatives are aligned and developed under each of these themes, many of which the Group has supported and upheld for more than 20 years.

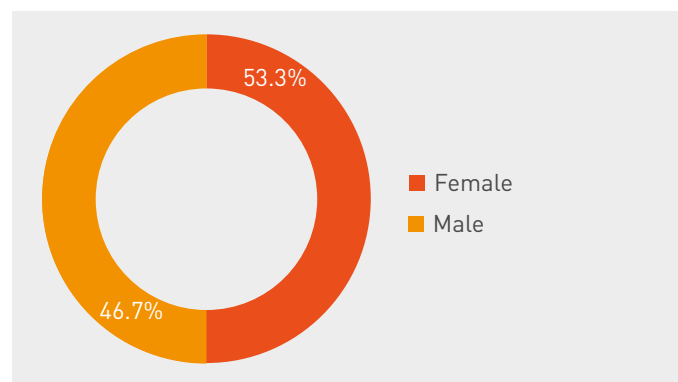
Star Education Fund

In operation since 1994, the Star Education Fund provides scholarships to students aged 17 to 25 years old, enabling young talents to become scholars and successful professionals in their chosen field of study. The fund is managed by a dedicated unit which strives to ensure that a wide variety of disciplines offered by credible institutions are available under the programme, ranging from diploma-level to professional certifications covering both arts and science subjects. The unit also reviews all applications according to predefined guidelines to promote fair and equitable distribution of scholarships.

For FY2020, the Fund awarded scholarships to 122 students amounting to RM8.2 million scholarship value. This was carried out in collaboration with private tertiary institutions, with the Group currently maintaining partnerships with 30 institutions.



Gender Breakdown of 2020 Recipients





NiE and Step Up programmes

Newspapers are an excellent and underutilised educational delivery tool as they reach a large cross-section of society and are a useful medium for reading and comprehension. Through our NiE and Step Up programmes, we have long been using newspaper pull-outs as a means to reach secondary and primary level students respectively, delivering content that is interactive, curated by experienced English language specialists and in accordance with the national syllabus of Malaysia. Further to this, both programmes are fully endorsed by the Malaysian Ministry of Education.

The NiE pullout also contains a special section called Earn Your Band 6 (now called Earn Your Band 5+ in line with the new grading system implemented by the Malaysian Examination Board) which provides dedicated content to help students preparing to sit for the Malaysian University English Test (MUET). In addition to exam tips and strategies, candidates are also encouraged to submit their essays for evaluation by in-house MUET specialists, providing them a vital source of feedback prior to the big day.

Unfortunately, during FY2020, a decision was made by the Group to postpone the publication of Step Up issues for our targeted primary level students due to the various restrictions caused by the Covid-19 pandemic. Focus was then shifted to our NiE programme, largely due to our consideration of the accessibility of secondary students to online platforms as required for the revamped delivery method of such programme. Hence, the publication of NiE remained at 20 copies throughout FY2020.

Nurturing the next generation of journalists

Quality journalism is the bread and butter of how we create value as an organisation, and we strive to do everything we can in supporting young people who see their future in this rewarding profession.

BRATs is our very own teen journalism campus, gathering aspiring journalists in a specific city or location three times a year for a specialised programme that teaches them skills related to interviewing, video production, photography, social media and everything they need to know about a career in journalism. BRATs is all about learning journalism skills on the ground, and has contributed towards the development of numerous public figures in the media and entertainment industries.

BRATs also serves as a gateway for students between 15 and 20 years to break ground and gain actual work experience with, or have their works published by The Star. Outstanding articles produced by students under the programme are published within the NiE pullout, while candidates who show the most potential are given an opportunity to serve as an editorial intern with the Group, in which they are tasked to shadow senior journalists as they go about their daily job routines. Nonetheless, these editorial internships have been temporarily put on hold during FY2020 owing to the impacts of the Covid-19 pandemic. We accepted a total of 50 students to be a part of the BRATs programme for FY2020.

As we forge forward towards exploring alternative means and platforms to bolster this programme, we stay committed to giving the best opportunities for all aspiring journalists; both to enable the ambition to thrive and as a means to ensure the continuing vitality of this industry.

Supporting frontliners with Kuntum Bersamamu

In line with our educational initiatives during the Covid-19 pandemic, we extended a helping hand with the complimentary contribution of Kuntum, our educational magazine, to the families of frontliners (i.e. firefighters, police and healthcare workers.) In total, we distributed 22,150 copies across 39 various drop points all over Malaysia.



Sustainability Statement (cont'd.)

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURES	PAGE REFERENCE
ORGANISATIONAL PROFILE		
GRI 102-1	Name of the organisation	Cover Page
GRI 102-2	Activities, brands, products and services	21 - 25
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GRI 102-4	Location of operations	188 - 189
GRI 102-5	Ownership and legal form	13
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GRI 102-7	Scale of the organisation	68
GRI 102-8	Information on employees and other workers	68
GRI 102-9	Supply chain	69 & 82
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GRI 102-11	Precautionary Principle or approach	34
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GRI 102-14	Statement from Senior Decision-Maker	16 - 19 & 72 - 73
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GRI 102-19	Delegating Authority	74 - 75
GRI 102-20	Executive-level responsibility for economic, environment and social topics	74 - 75
GRI 102-21	Consulting stakeholders on economic, environmental and social topics	76
GRI 102-22	Composition of the highest governance body and its committees	74 - 75
GRI 102-23	Chair of the highest governance body and its committees	74 - 75
GRI 102-24	Nominating and selecting the highest governance body	74 - 75
GRI 102-25	Conflict of interest	There were no conflicts of interest noted during the year
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	74 - 75
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GRI 102-28	Evaluating the highest governance body's performance	74 - 75
GRI 102-29	Identifying and managing economic, environmental and social impacts	74 - 75
GRI 102-30	Effectiveness of risk management processes	74 - 75
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GRI STANDARDS	DISCLOSURES	PAGE REFERENCE
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GRI 102-43	Approach to stakeholder engagement	76
GRI 102-44	Key topics and concerns raised	76
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GRI 102-46	Defining report content and topic Boundaries	70
GRI 102-47	List of material topics	70 & 78
GRI 102-48	Restatements of information	No restatements during the year
GRI 102-49	Changes in reporting	70
GRI 102-50	Reporting period	70
GRI 102-51	Date of the most recent report	70
GRI 102-52	Reporting cycle	70
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GRI 102-54	Claims of reporting in accordance with the GRI Standards	70
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GRI 102-56	External assurance	71
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GRI 103-3	Evaluation of the management approach	79
-	Content creation, sourcing and management	79
TOPIC: ECONOMIC PERFORMANCE		
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GRI 103-3	Evaluation of the management approach	81
GRI 201-1	Direct economic value generated and distributed	81
TOPIC: PROCUREMENT PRACTICES		
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GRI 103-3	Evaluation of the management approach	82 - 83
GRI 204-1	Proportion of spending on local suppliers	83
TOPIC: ANTI-CORRUPTION		
GRI 103-1	Explanation of the material topic and its Boundary	83
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Sustainability Statement (cont'd.)

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GRI 205-2	Communication and training about anti-corruption policies and procedures	84
TOPIC: MATERIALS		
GRI 103-1	Explanation of the material topic and its Boundary	85
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GRI 103-3	Evaluation of the management approach	85
GRI 301-1	Materials used by weight or volume	86
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GRI 103-3	Evaluation of the management approach	86 - 87
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GRI 302-2	Reduction of energy consumption	87
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GRI 103-2	The management approach and its components	88
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GRI 306-2	Waste by type and disposal method	89
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GRI STANDARDS	DISCLOSURES	PAGE REFERENCE
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GRI 103-3	Evaluation of the management approach	96 - 99
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GRI 103-2	The management approach and its components	100 - 101
GRI 103-3	Evaluation of the management approach	100 - 101
GRI 413-1	Operations with local community engagement, impact assessments and development programs	100 - 101