alcom

Alcom Group Berhad
SUSTAINABILITY REPORT 2023

Embracing Sustainability, Expanding Our Horizons

SUSTAINABILITY MANAGEMENT

We, Alcom Group Berhad (collectively, the Group, the Company, us, we, or our), is pleased to present a comprehensive overview of our endeavours and initiatives in upholding the Environmental, Social and Governance (ESG) pillars into our business strategies and policies whilst summarising the range of our contributions to sustainability, interpreting the significance it holds for outlining the ways in which we aim to generate enduring value for our diverse stakeholders.

2023

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PREAMBLE — ABOUT THIS REPORT

References and Guidelines

This report has been developed in accordance with the GRI Standards and the third edition of the Sustainability Reporting Guide by Bursa Malaysia Securities Berhad. The GRI Content Index can be referred on pages 104 to 112.

The Greenhouse Gases (GHG) emissions were quantified using the GHG Protocol Corporate Standard, an international assurance standard developed by the World Business Council for Sustainable Development and the World Resources Institute. Additionally, the carbon footprint of products (CFP) portrayed in the report was calculated using ISO 14067:2018 standard.

Reporting Period

GRI 2-3

This report covers the Group's sustainability performance for the Financial Year 2023 (FY2023) from 1 January 2023 to 31 December 2023.

Publication Date: 26 April 2024

We welcome your thoughts and comments, which can be directed to:

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No. 3, Persiaran Waja,
Bukit Raja Industrial Estate, 41050 Klang,
Selangor Darul Ehsan, Malaysia

Reporting Scope

This report covers Alcom Group Berhad, including its major subsidiary, Aluminium Company of Malaysia Berhad. The report includes entities within the Manufacturing, Property Development, and Construction segments of the organisation. Specifically, the subsidiaries are Alcom Nikkei Specialty Coatings Sdn Bhd, AGB Land Sdn Bhd, EM Hub Sdn Bhd, AG Avenue Sdn Bhd, AGB Builders Sdn Bhd, and Alcom Dach&Wand Sdn Bhd.

Forward-Looking Statements Disclaimer

This report contains forward-looking statements relating to future performance where such statements are introduced based on current limitations and assumptions, which are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements. Such risks and uncertainties include, but are not limited to, changes in economic conditions, regulatory environment, technological developments, and other factors beyond our control. We undertake no obligation to update or revise any forward-looking statements, whether because of latest information, future events, or otherwise.

The achievement of sustainability goals and targets described in this report is dependent on a variety of factors, and actual results may differ materially from those anticipated. Investors and other stakeholders are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report.

Assurance Statement

This Sustainability Report has not been subjected to an assurance process.

STATEMENT FROM
CHAIRMAN

"

Our aim is clear: to set ourselves high and then do something impactful, making a difference to the environment.

"

Greetings and a warm welcome to our shared journey toward sustainability at Alcom Group Berhad. Your presence is important as we navigate through the exciting chapters of our commitment to innovation, quality, and environmental stewardship.

At Alcom Group Berhad, we are not just making aluminium; we are cultivating a sustainable culture. As Chairman, I visualise a future where sustainability is not just a practice but a culture - a way of life. Our journey goes beyond products; it is about fostering a mindset that values innovation, quality, and environmental stewardship.

The Board, with its unwavering support, is steering us toward a sustainable horizon. We are not just adapting to challenges; we are embracing a cultural shift, transforming each obstacle into an opportunity to embed sustainability into every facet of our organisation.

In our pursuit of a sustainable culture, the Board champions the integration of ESG goals, ensuring they become second nature to our operations. I am confident that, with your dedication, we will transition from mere sustainability initiatives to a comprehensive sustainable culture within our organisation.

Thank you, each one of you, for being architects of this cultural shift. Together, let's create a future where sustainability is not just a goal; it is the very essence of who we are.

Dato' Seri Subahan bin Kamal
Chairman
Alcom Group Berhad

STATEMENT FROM
GROUP CEO

"

As we strive for net gain by 2050, we're not just building a sustainable organisation; we are leaving a lasting legacy for generations to come — an inspiration for a future defined by sustainable impact.

"

Our respected and valued stakeholders,

In the pages that follow, I am delighted to present Alcom Group Berhad's Sustainability Report—a testament to our collective commitment to building a sustainable future. As we navigate through the environmental, social, and governance pillars, I invite you to explore the complete overview of our journey, accomplishments, and the roadmap ahead.

Our pursuit of sustainability has been anything but ordinary. Over the past year, we have meticulously crafted a mud map, providing a detailed plan for our initiatives. This document captures the essence of our sustainability efforts, revealing not only our achievements but also the hurdles we overcame and the exciting path we have charted forward. Sustainability, for us, is not merely a corporate obligation; it is a philosophy embedded in our daily operations and decision-making.

In the realm of environmental sustainability, our ambitious goal of achieving an 80% scrap usage sets us apart in the aluminium industry. This aim has not only positioned us as a global leader but has also initiated collaborations with European and U.S. partners who share our vision for circular economy. Initiatives like obtaining a scrap licence through partnerships with MIDA and SIRIM underscore our commitment to sustainability beyond borders.

Our social impact initiatives extend beyond the workplace, reaching into the communities we operate in. Safety, a basis of our corporate culture, is not confined to our facilities. We are actively engaging our workforce to impart safety awareness in local communities, fostering a culture of responsibility that exceeds organisational boundaries. Our long-standing CSR projects, particularly in mangrove planting, have evolved from shoreline preservation to contributing significantly to carbon capture to the enduring impact of sustainability initiatives over the years.

In governance and ethics, we are challenging the conventional approach. Safety is not just about statistics; it is about protecting lives. Our commitment goes beyond the numbers, emphasising the ethical imperative of our safety practices. This mindset shift is crucial, and it reflects our dedication to fostering a culture that values human lives above all else.

As we face challenges, one thing remains clear—the urgency of our mission. In the pursuit of sustainability, we are not just aiming for net zero by 2035; we are pushing ourselves further, aspiring for a sustainable net gain by 2050. This goal propels us to explore innovative technologies, from greening our power consumption with solar initiatives to venturing into hydrogen gas and carbon capture.

Our journey ahead is not without obstacles. Re-educating our workforce and supply chain partners is a critical challenge. Sustainability is not a numbers game; it is a collective responsibility that demands a mindset shift. As we lead this transformative change, we invite our stakeholders, from the Board of Directors to our customers, to join us. Let's embrace urgency, challenge norms, and contribute collectively to a sustainable future!

Thank you for being an integral part of our net gain journey.

Heon Chee Shyong
President cum Chief Executive Officer
Alcom Group Berhad

COMPANY
HIGHLIGHTS

ABOUT US

BUSINESS SECTOR

GRI 2-1, 2-2, 2-6

Alcom Group Berhad (AGB) is composed of manufacturing, property development and constructions segments . The two entities in the manufacturing segment are Aluminium Company of Malaysia Berhad (ALCOM) and Alcom Nikkei Specialty Coatings Sdn. Bhd. (ANSC). Our state-of-the-art facility in Bukit Raja Industrial Estate, Klang, Selangor, spans 29.97 acres, serving as the manufacturer of innovative products like fin stock, roofing solutions, and heavy-gauge foil.

alcom
ALCOM GROUP BERHAD

Aluminium Company of Malaysia Berhad

AGB Builders Sdn. Bhd.

AGB Land Sdn. Bhd.

Alcom Nikkei Specialty Coatings Sdn. Bhd.

Alcom Dach&Wand Sdn. Bhd.

AG Avenue Sdn. Bhd.

EM HUB Sdn. Bhd.

Established in September 2019 as a wholly-owned subsidiary of AGB, specialises in building construction.

Acquired by ALCOM in October 2019, participates in the supply, fabrication, and installation of architectural roof and facade cladding systems, as well as steel structures. This acquisition was made to enhance ALCOM's business growth in the roofing product.

AG Avenue, incorporated in 2022, focuses on construction, residential, and non-residential building developments.

Established in November 2017, focuses on developing industrial property projects, with its maiden project located at Kota Damansara, Selangor (EMHub).

COMPANY
HIGHLIGHTS

ABOUT US

GEOGRAPHICAL PRESENCE

GRI 2-1, 2-2, 2-6

The Group proudly extends its influence across the landscape, strategically positioning itself as a key player in the industry.

The registration of the Group with the Registration of Companies (ROC) reflects a unified administrative address, while acknowledging distinct geographical locations for each manufacturing, construction, and property development segment.

REGISTERED COMPANIES	
Aluminium Company of Malaysia Berhad *Registration No.: 196001000186 (3859-U)*	
Alcom Nikkei Specialty Coatings Sdn. Bhd. *Registration No.: 199001011899 (203469-H)*	
AGB Land Sdn. Bhd. *Registration No.: 201701040664 (1254837-T)*	No. 3 Persiaran Waja, Bukit Raja Industrial Estate, 41050 Klang, Selangor, Malaysia.
EM Hub Sdn. Bhd. *Registration No.: 201701041565 (1255738-A)*	
AG Avenue Sdn. Bhd. *Registration No.: 202201047420 (1493117-V)*	
AGB Builders Sdn. Bhd. *Registration No.: 201901032053 (1341383-K)*	
Alcom Dach&Wand Sdn. Bhd. *Registration No.: 201901011573 (1320901-M)*	

COMPANY
HIGHLIGHTS

ABOUT US

The Group's geographical presence in Malaysia.

B-01-16, EmHub, Persiaran Surian, Seksyen 3, Kota Damansara, 47810, Petaling Jaya, Selangor Darul Ehsan, Malaysia.

- AGB Land Sdn. Bhd.
- EM Hub Sdn. Bhd.
- AG Avenue Sdn. Bhd.

Office Suite No. T1-17-01, 8trium Tower, Bandar Sri Damansara, 52200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

- AGB Builders Sdn. Bhd.

No.3 Persiaran Waja Bukit Raja Industrial Estate, 41050 Klang, Selangor Darul Ehsan, Malaysia.

- Aluminium Company of Malaysia Berhad
- Alcom Nikkei Specialty Coatings Sdn. Bhd.

No.2 Pusat Perniagaan Bestari, Jalan Permata 1B/KS09, Taman Perindustrian Air Hitam 42000 Klang, Selangor Darul Ehsan, Malaysia.

- Alcom Dach&Wand Sdn. Bhd.

While our roots run deep in Malaysia, our global impact is felt through our diverse product offerings and strategic ventures. The Group's reach extends far beyond borders, with a focus on creating value on both local and international fronts incorporating Asia, Europe, Middle East and the United States. Our commitment to excellence knows no bounds as we continue to build a strong presence that reflects our dedication to innovation, sustainability, and customer satisfaction.

COMPANY
HIGHLIGHTS

PURPOSE

Mission

Advocate for responsible corporate practices and teaming up with other businesses to make a positive impact on sustainability.

Value

Vision

To achieve Net Zero by 2035 and attain a sustainable Net Gain by 2050, paving the way for a sustainable future.

Integrity	Commitment	Passion	Seamlessness	Speed
By always striving to act in a manner that is fair and honest, we adhere to the highest standards of integrity and professionalism in everything we do.	With integrity as our foundation, we are committed in doing whatever it takes to deliver value to all stakeholders by taking responsibility for our own actions and the collective actions.	We bring a definitive passion to our relentless pursuit of shared goals and objectives, an energetic sense of engagement that is evident in our great enthusiasm for cooperative performance.	We strive to think and work seamlessly by leveraging the value of our shared beliefs and best practices across functional, business, and geographic boundaries.	By responding to the needs of our customers and partners with focused urgency, we continuously seek to accelerate performance and shorten delivery timelines for optimum speed and efficiency.

COMPANY
HIGHLIGHTS

CERTIFICATIONS

GRI 2-22

The Group takes pride in its commitment to manufacturing excellence. We have been awarded prestigious certifications that emphasise our dedication to producing high-quality aluminium solutions. Our manufacturing processes comply with stringent industry standards, ensuring the delivery of products that meet and exceed expectations.

Quality Management System, ISO 9001: 2015

QUALITY SYSTEM
SIRIM
CERTIFIED TO ISO 9001: 2015
CERT. NO.: QMS 00222 / 00244

SIRIM QAS INTERNATIONAL

ALCOM excels with ISO 9001 standards, ensuring that customer needs and regulatory demands are exceeded through meticulous adherence to the Quality Management System and comprehensive documentation.

Environmental Management System, ISO 14001: 2015

ENVIRONMENTAL SYSTEM
SIRIM
UKAS MANAGEMENT SYSTEMS
014
CERTIFIED TO ISO 14001: 2015
CERT. NO.: EMS 00203 / 00204

ALCOM has attained ISO 14001 certification, indicating effective implementation of environmental management systems (EMS) and meeting all standard requirements. This globally recognised endorsement highlights our commitment to environmental stewardship.

Occupational Health and Safety Management System, ISO 45001: 2018

OH&S SYSTEM
SIRIM
CERTIFIED TO ISO 45001: 2018
CERT. NO.: OHS 00151 / 00152

SIRIM QAS INTERNATIONAL

ALCOM achieved ISO 45001 certification for Occupational Health and Safety Management Systems. This certification helps prevent work-related injuries and illnesses, while ensuring safe and healthy workplaces. It is applicable to organisations of all sizes and industries.

Bronze Medal of 2023 EcoVadis Sustainability Rating

BRONZE 2023 ecovadis Sustainability Rating

ALCOM has been awarded a Bronze rating by EcoVadis, placing us in the top 35% globally for sustainability and CSR practices. This recognition underlines our commitment to environmental stewardship, fair labour, ethical business conduct, and sustainable procurement.

Aluminium and Aluminium Alloys – Sheets and Coiled Sheets – Specification, MS 2040: 2007

MS
SIRIM
CERTIFIED TO MS 2040: 2007
CERT. NO.: 081612

SIRIM QAS INTERNATIONAL

ALCOM's Sheets and Coil Sheet are certified under MS 2040:2007. Product Certification Scheme for aluminium and aluminium alloys, assures customers of fast, comprehensive service and compliance with regulatory standards, ensuring superior product quality and safety.

As we move forward into 2024, we remain determined in our vision to pioneer sustainable practices, setting a benchmark for our industry and inspiring positive change.

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ECONOMIC PERFORMANCE

In FY2023, we anticipated post-pandemic recovery, with stable economies and sustained momentum. Prioritising supply chain resilience, adaptability, and unwavering commitment to sustainability for economic strength.

ECONOMIC
PERFORMANCE

TOTAL REVENUE

In the initial months of FY2023, we anticipated a continued recovery in the aftermath of the global pandemic in the previous years. The year began with a sense of adaptation to the ongoing changes in the way we work and live. With economies further stabilising, the momentum gained in the preceding year is expected to persist.

While production is anticipated to maintain an upward path, the lessons learned from the challenges of the previous years will guide us in navigating potential hurdles. Supply chain resilience and adaptability will remain key focal points as we work towards ensuring the sustainability and stability of our economic performance.

Continuing into FY2023, our dedication to economic resilience and sustainability stands firm. Drawing upon the insights gained from past experiences, we strive to cultivate a robust economic performance that not only adjusts to the evolving global landscape but also actively contributes to forging a sustainable and resilient future.

RESOURCE ALLOCATION FOR SUSTAINABILITY INITIATIVES

In the face of a challenging economic landscape marked by the remaining effects of the global pandemic, the Group remains resolute in its commitment to sustainability. Recognising the importance of contributing to the well-being of both the community and the environment, we have allocated a significant portion of our total revenue towards sustainability initiatives.

We are pleased to announce that, in this challenging year, a noteworthy portion of our resources (refer to Social - Local Communities) has been dedicated to initiatives benefiting the community and the environment. This highlights our belief that even in tough times, contributing to the well-being of society and minimising our environmental impact is not just a responsibility but a crucial part of our morale. As we go through the complexities of the current economic route, our dedication to sustainability remains the same, reflecting our commitment to creating a positive impact on the world around us.

ECONOMIC
PERFORMANCE

ECONOMIC CONTRIBUTION

ECONOMIC CONTRIBUTION TO LOCAL ECONOMIES (JOB CREATION, LOCAL PROCUREMENT)

In FY2023, our dedication to fostering economic contributions to local economies through job creation and local procurement continues to be a foundation of our corporate strategy. Building on the successes and lessons of the previous year, we are assured to enhance our initiatives in talent development and engagement.

Our renewed focus on training initiatives remains important, with a continued emphasis on sharpening both technical skills and leadership capabilities. By investing in the professional development of our workforce, we not only ensure their personal growth but also strengthen our ability to adapt to the dynamic challenges of the industry.

The trend observed over the three years, from FY2021 to FY2023, demonstrates a significant enhancement in both the number of individuals receiving training and the total hours of training provided.

In FY2021, 172 individuals received training, indicating an initial investment in employee development efforts. This number increased substantially in FY2022, rising to 323 individuals, and continued to grow in FY2023, reaching 368 individuals. The lower training performed in FY2021 was due to the post-pandemic recovery period, which saw disruptions and constraints on resources, limiting the ability to conduct the training. As conditions improved, the Group increased its investment in training, leading to significant growth in both the number of individuals trained and total training hours in FY2022 and FY2023. This steady rise in the number of individuals receiving training suggests a progressive emphasis on employee development and skill enhancement within the Group.

GROUP'S EMPLOYEE TRAINING

Total No. of Individual Received Training
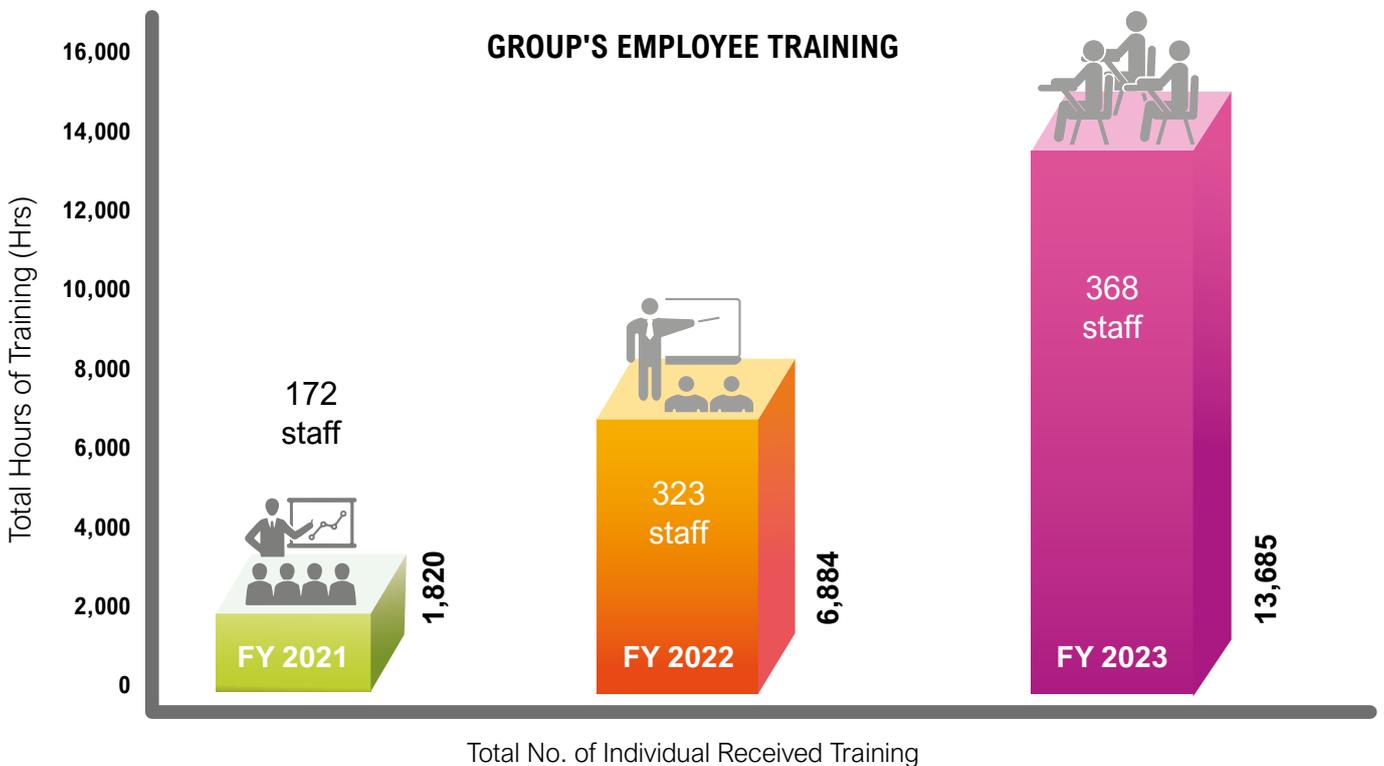
Similarly, there was a remarkable increase in the total hours of training provided over the same period. In FY2021, the total hours of training amounted to 1,820, indicating an initial level of investment in training programmes. This figure increased significantly in FY2022, reaching 6,884 hours, and doubled in FY2023, rising to 13,685 hours. This substantial escalation in training hours highlights a commitment to employee education and professional development initiatives within the Group.

ECONOMIC
PERFORMANCE

ECONOMIC CONTRIBUTION

The data reveals a clear and consistent trend of increased investment in employee training and development efforts over the three financial years, reflecting the Group's proactive approach towards encouraging and improving the skills and capabilities of its workforce.

Overall, these encompass a diverse range of training scopes, including safety, environmental awareness, and technical skill enhancement, aimed at continuously upgrading employees' capabilities and adapting to evolving industry demands. This highlights the growing commitment and engagement of our team members in skill development and learning opportunities within the Group.

As we reflect these data, we are encouraged by the growing commitment and engagement of our team members in skill development and learning opportunities within the Group. Looking ahead, we remain dedicated to fostering a culture of continuous improvement. We are committed to expanding and enhancing our training programmes to meet the evolving needs of our team members and ensure they are well-equipped for the challenges of the future. Increased participation in training from our team members can enhance our collective dedication to professional development. We are excited about the possibilities that lie ahead as we continue to invest in the growth and success of our team.

Additional details on the average training hours and further information regarding the Group's initiatives to enhance knowledge and skills can be found under the 'Social – Training & Education' section.

4

PRODUCT RESPONSIBILITY

ALCOM prioritises sustainability, emphasising product responsibility, ensuring quality, safety, and compliance through transparency, adherence to regulations, and continuous improvement.

PRODUCT
RESPONSIBILITY

QUALITY & SAFETY

In line with our commitment to sustainability and responsible business practices, Aluminium Company of Malaysia Berhad (ALCOM) places a strong emphasis on product responsibility. This section delves into our comprehensive approach to ensuring the quality, safety, and compliance of our products. By prioritising transparency, adherence to regulations, and continuous improvement, ALCOM aims to build trust among our stakeholders, fostering a culture of responsibility and accountability throughout our operations.

PRODUCT QUALITY & SAFETY

Our dedication to excellence extends to the quality and safety of our products. Rigorous quality assurance processes are integral to our operations, ensuring that our products not only meet but exceed industry standards. This commitment is fundamental to establishing trust with our customers and stakeholders.

In the manufacturing segment, the aluminium products stand out in extreme conditions, offering greater performance with the following key features:

Our aluminium products exhibit superior thermal efficiency, outstanding traditional steel by maintaining temperatures below 4°c. This ensures optimal performance in various applications, making our products a reliable choice for industries requiring efficient thermal management.

ALCOM's hydrophilic aluminium enhances cooling efficiency, effectively manages energy, reduces noise, and enhances user experience, setting our products apart for superior performance and comfort.

One of the remarkable properties of our aluminium products is their inherent durability, even without the need for additional coatings. This feature not only reduces maintenance costs but also contributes to the overall longevity of the products.

High Thermal Efficiency (< 4 °C Steel)

Excellent Hydrophilicity

Durable even without Coating

98% Recyclability

Corrosion Resistant

Most products manufactured by the Group are engineered to be highly corrosion-resistant. This quality ensures prolonged product life and reliability, even in harsh environmental conditions.

Emphasising the commitment to sustainability, our aluminium products boast an impressive 98% recyclability rate. This not only aligns with environmental goals but also highlights our dedication to responsible and eco-friendly manufacturing practices.

PRODUCT
RESPONSIBILITY

QUALITY & SAFETY

Additionally, ALCOM's aluminium coated finstock exhibits excellent hydrophilicity, contributing significantly to improved cooling efficiency. This unique feature enhances the performance of air conditioning systems, ensuring optimal cooling while efficiently managing energy consumption. The hydrophilic nature of our products not only improves cooling efficiency but also reduces ventilation resistance and noise in air conditioning units. This not only enhances the overall user experience but also makes ALCOM's products stand out in terms of performance and comfort.

Our product goes beyond cooling efficiency. With corrosion resistance and anti-mould features, it acts as a protective barrier within air conditioning systems. This prevents the direct blowing of harmful oxidised particles, safeguarding human health and ensuring the purity of the circulated air. The Group's commitment to product quality extends to prioritising human health. By preventing the circulation of harmful particles, our aluminium contributes to a healthier indoor environment, aligning with the highest standards of safety and well-being.

These quality attributes emphasise our commitment to delivering superior products that redefine the standards of excellence in the industry.

PRODUCT RECALLS AND SAFETY INCIDENTS

ALCOM places a high priority on customer safety. In the unlikely event of a safety incident or product-related concern, our established product recall system allows us to respond swiftly and effectively. This proactive approach underscores our commitment to the well-being of those who choose our products.

PRODUCT LABELLING/CERTIFICATION AND INFORMATION

Compliance with Labelling Regulations

Our products strictly adhere to labelling regulations such as Green Building Product label from Malaysian Green Building Council as well as Eco-labelling mark from SIRIM QAS International, providing comprehensive information on product composition, usage instructions, and potential hazards. ALCOM is committed to staying informed about regulatory changes, ensuring that our labelling practices consistently meet and exceed industry standards.

Certification and Information Transparency

ALCOM actively pursues certifications attesting to the quality, safety, and sustainability of products. We believe in transparent communication, providing customers with clear and informative labels. These certifications highlight our commitment to ethical sourcing, environmental considerations, and adherence to safety standards.

CONTINUOUS IMPROVEMENT

In recognition of the evolving regulatory landscape and changing consumer expectations, ALCOM engages in continuous improvement initiatives. Regular reviews of our product quality, safety measures, and compliance procedures ensure that we remain at the forefront of industry standards, reinforcing our commitment to excellence.

STAKEHOLDER ENGAGEMENT

ALCOM values the perspectives of our stakeholders, including customers, regulatory bodies, and industry partners. We actively seek and respond to feedback, using it to enhance our product responsibility practices. This collaborative approach allows us to address concerns, implement improvements, and foster trust among our stakeholders.

ALCOM is dedicated to upholding the highest standards of product quality, safety, and compliance. Through proactive measures, transparent communication, and continuous improvement, we strive to deliver solutions that not only meet industry-leading benchmarks but also contribute positively to the safety and satisfaction of our customers and the broader community.

5

OUR COMMITMENT TO ESG

Guided by the dynamic ESG Working Group, the Group prioritises sustainability, promoting ESG principles. The Board formulates policies to mitigate environmental impact, enhance social well-being, and uphold governance standards, ensuring comprehensive ESG focus.

OUR COMMITMENT TO
ESG

ESG WORKING GROUP

CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-17, 2-22, 2-25, 2-26, 2-29, 3-1

Overview of the Board

The Board of Directors ("Board") of the Group demonstrates dedication to the principles and recommendations outlined in the Malaysian Code on Corporate Governance (MCCG). This commitment ensures that the Group maintains the highest standards of corporate governance, encompassing accountability and transparency. Such adherence is important in adopting long-term financial performance and sustainable growth. Moreover, the Board is aware of its fiduciary duty to shareholders and diverse stakeholders, thereby prioritising their interests in all corporate actions.

The Board exhibits a diverse composition, comprising an Independent Non-Executive Chairman, four Independent Non-Executive Directors, a President cum CEO, two Executive Directors, and an Alternate Director. Notably, the Chairman has no prior executive experience within the Group. Each director brings a wealth of expertise from various fields including accounting, corporate finance, legal, civil engineering, manufacturing, trading, property development, and investment.

In adherence to the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), the Board ensures that at least two Directors or one-third of its members, whichever is higher, are Independent Non-Executive Directors. With five Independent Non-Executive Directors on the Board, the Company guarantees a balanced representation to thoroughly examine and discuss management proposals, prioritising the long-term interests of all stakeholders.

Additionally, the Group affirms that none of the Directors on the Board have conflicts of interest with the Company. Furthermore, the Group ensures that no Directors have been convicted of any offence within the past 5 years or faced public sanctions or penalties from relevant regulatory bodies during the financial year 2023. This shows the Group's commitment to maintaining integrity and compliance with regulatory standards.

Moreover, the Nomination Committee (NC) conducts comprehensive evaluations of each individual Director to assess their suitability for the role. These evaluations encompass various criteria, including the Director's understanding of the Group's business requirements, risk management practices, and ability to handle conflict of interest situations. Additionally, the Committee evaluates the Director's contribution, performance, character, integrity, and professional conduct. It also assesses their capacity to critically challenge and ask significant questions, demonstrate commitment and due diligence, exhibit confidence in expressing opinions, actively participate in meetings, and maintain up-to-date training records.

This evaluation process ensures that Directors possess the necessary competencies to effectively manage conflicts of interest and uphold ethical standards within the organisation. By maintaining a Board composed of individuals with impeccable credentials and ethical standards, the Group mitigates the risk of conflicts of interest and raises a culture of transparency and accountability in its governance practices.

Roles and responsibilities of Chairman and President cum CEO

The roles of the Chairman and the President cum CEO are distinctly defined to ensure a balanced distribution of power, responsibilities, and accountability within the Board. The Chairman's duties encompass facilitating the smooth functioning of Board activities, promoting active engagement among Board members, and providing sufficient time for discussions on agenda items during meetings. Decision-making within the Board reflects a consensus derived from collective discussions rather than individual perspectives.

On the other hand, the President cum CEO assumes primary responsibility for the Company's day-to-day operational management, including the execution of policies and strategies approved by the Board. Additionally, the President cum CEO is tasked with relaying pertinent information regarding financial performance, market dynamics, and other relevant developments to the Board. His intimate knowledge of the Group's operations significantly contributes to the achievement of the organisation's overarching goals and objectives.

OUR COMMITMENT TO
ESG

ESG WORKING GROUP

Managing the Group's sustainability impacts

The Board is deeply committed to fostering sustainability in its operations. Generally, this commitment is reflected in initiatives with the aim of:

- Adhering to ethical and responsible practices to fulfil the expectations of our stakeholders.
- Acting as stewards of the environment by actively reducing carbon footprint and energy consumption. Our commitment to environmental issues extends beyond our own facilities to those of our stakeholders.
- Prioritising the health and safety of our employees, with a primary focus on their well-being. Additionally, our Group invests in the development of our personnel to enhance their skills and expertise.
- Contributing to the communities where we operate, as it is a fundamental principle of our Group to give back to the community.

The Audit and Risk Management Committee provides assistance to the Board to meet its oversight responsibilities in relation to the Company's sustainability policies and practices.

Nomination and Selection of the Board

The Nomination Committee (NC) of the Group, composed entirely of Independent Non-Executive Directors, oversees the selection and assessment of Directors. The NC's responsibilities include identifying and recommending candidates for new appointments to the Board. The NC meticulously considers various criteria such as the existing Board's size, balance, composition, skills, and diversity.

Additionally, it assesses candidates' qualifications, experience, character, professionalism, and alignment with independence criteria outlined in the MMLR of Bursa Securities. The NC also considers factors promoting boardroom diversity, including gender diversity. The Company's Constitution mandates the annual election of Directors, with one-third retiring from office at the Annual General Meeting (AGM) and being eligible for re-election. Any Director appointed during the year holds office until the next AGM and is then eligible for re-election.

The Board adopted a Board Diversity Policy with the aim of attaining a minimum of 30% female representation on the Board by 2023. However, as of the current assessment, female representation stands at 25%, falling short of the target. The Group remains committed to open communication with stakeholders, providing updates on the progress made towards achieving gender diversity goals. It is imperative to view gender diversity efforts as an ongoing journey of continuous improvement, with an initiative to promote diversity and inclusion at all levels of the organisation.

DIVERSITY OF THE BOARD IN FY 2023 (GENDER)

25%
75%

■ Female
■ Male
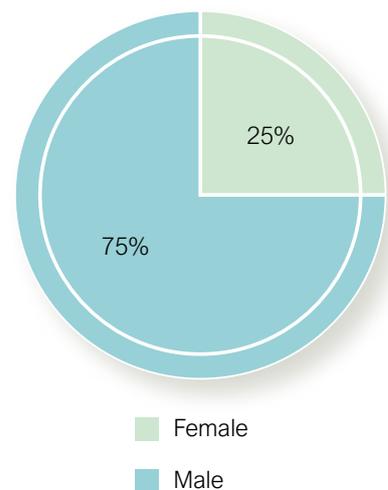
DIVERSITY OF THE BOARD IN FY 2023 (AGE)

25%
75%

■ <30   ■ >50
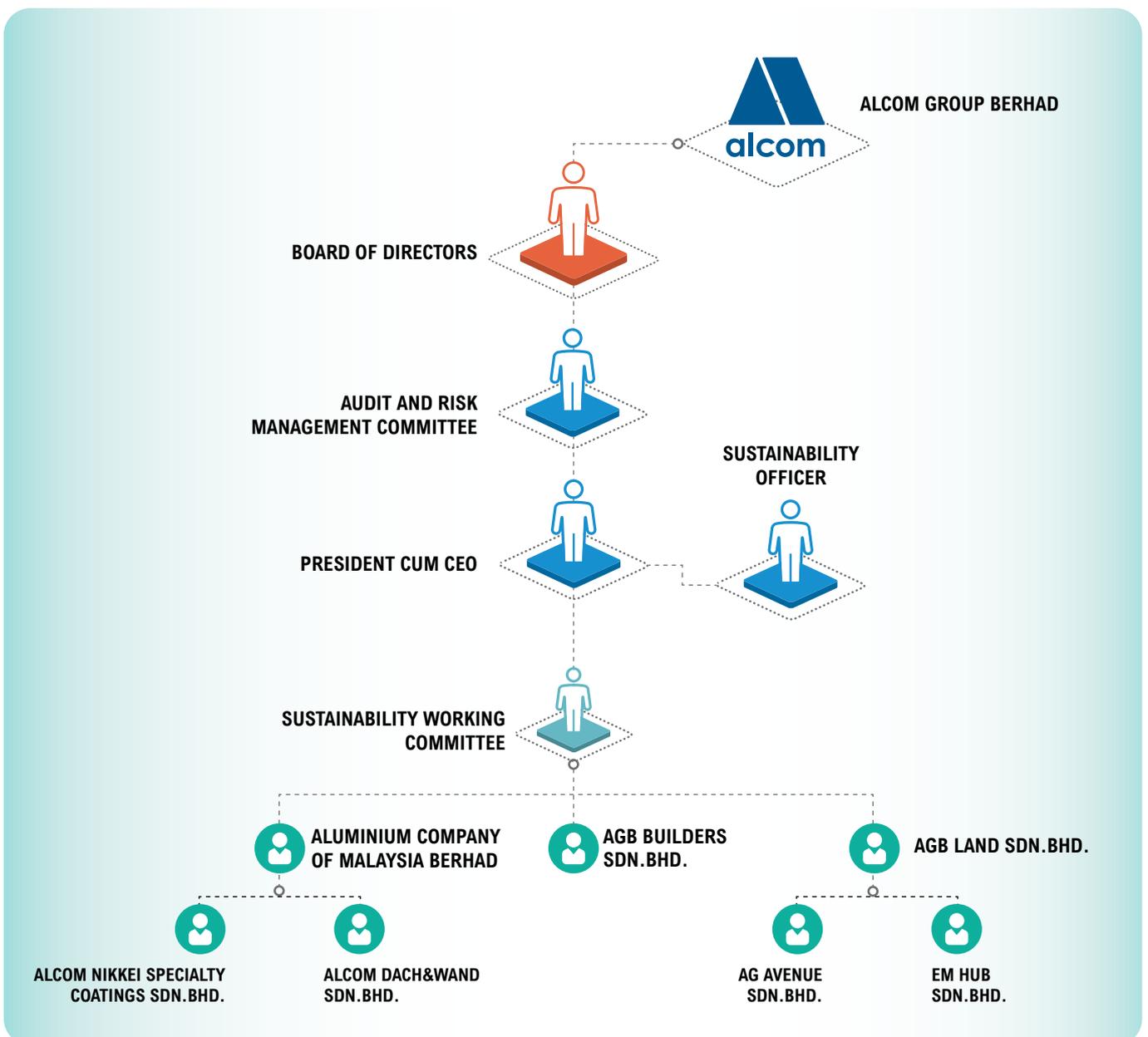■ 30-50
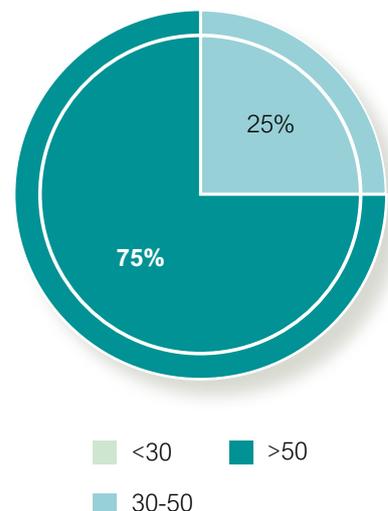
OUR COMMITMENT TO
ESG

ESG WORKING GROUP

ROLE OF ESG WORKING GROUP

At the heart of the Group's commitment to sustainability is the ESG Working Group, a dynamic force to promote environmental, social, and governance (ESG) principles across the organisation and its stakeholders.

With a focus on responsible corporate, the Board actively shapes policies, practices, and strategic decisions that not only mitigate environmental impact but also enhance social well-being and uphold the highest standards of governance.

The ESG Working Group operates as a collaborative and multidisciplinary force, strategically led by key stakeholders at various levels of the organisation. This structured approach ensures a comprehensive and integrated focus on ESG principles. The following chart illustrates the hierarchical composition and collaborative efforts of the ESG Working Group, highlighting the diverse expertise and perspectives that contribute to our commitment to sustainability.

OUR COMMITMENT TO
ESG

ESG WORKING GROUP

POSITION	ROLES AND RESPONSIBILITIES
Board of Directors	• Consider material sustainability matters. • Approve the sustainability plans and budget. • Approve sustainability strategies, policies and targets.
Audit and Risk Management Committee (ARMC)	• Evaluates the Group's sustainability performance to make sure that compliance and development obligations have been fulfilled. • Review the draft Sustainability Report and recommends to the Board for approval.
President Cum CEO	• Provides strategic oversight and support for the ESG Working Group. • Ensures alignment of sustainability efforts with overall business strategy and objectives.
Sustainability Officer	• Acts as the central coordinator and leader of the working group. • Oversees sustainability initiatives, collaborates with departmental representatives, and reports to the CEO and senior management. • Assists in strategy development, policy formulation, and providing specialised training.
Sustainability Working Committee	• Incorporate sustainability strategies and execute sustainability initiatives and programmes. • Provide regular updates on the performance of individual subsidiaries to both the Sustainability Officer

OUR COMMITMENT TO
ESG

ESG WORKING GROUP

Monitoring and Analysing Sustainability Reporting

Monitors and analyses sustainability reports, ensuring comprehensive insights into the ESG aspects of our operations. This proactive approach enables us to assess our impact, identify areas for improvement, and mark achievements.

Leading Formulation of Strategy and Action Plans

At the forefront of our sustainability initiatives, the Working Group leads the formulation of robust strategies and action plans. By aligning these plans with industry best practices and global standards, the Working Group sets the course for the Group's sustainable growth and resilience.

Coordinating Stakeholder and Board Engagement Sessions

These sessions serve as platforms for constructive sharing session, idea exchange, and alignment of sustainability goals. By fostering open communication, the Working Group ensures that diverse perspectives contribute to the evolution of our sustainability practices.

Reviewing Data Related to Sustainability Reporting

Thorough in their approach, the ESG Working Group reviews data related to sustainability reports. This includes the materiality matters, stakeholder perspectives indicator and carbon footprint assessment within the Group which ensure the accuracy and transparency of our sustainability disclosures.

Engaging with the Board to Review Reports

Engages with the broader organisational board to collaboratively review sustainability reports. This inclusive approach ensures that the entire leadership team is not only informed but actively participates in shaping the strategic direction of our sustainability efforts.

OUR COMMITMENT TO
ESG

STAKEHOLDER ENGAGEMENT

Towards the net gain journey, the ESG Working Group stands as a beacon, guiding the Company toward a future where sustainable practices are not just embraced but integrated seamlessly into every part of our operations.

These stakeholder engagement sessions serve as a basis in fostering collaboration and inclusivity within the Group's ecosystem. By actively involving key stakeholders at every level, from employees across parent and subsidiaries to valued vendors, suppliers, and esteemed Board of Directors, we ensure that diverse perspectives contribute to our sustainability journey. These sessions become vibrant forums where ideas are exchanged, insights are collected, and collective strategies are established, aligning everyone with our commitment to our goal.

OUR COMMITMENT TO
ESG

STAKEHOLDER ENGAGEMENT

	Purpose of Engagement	Engagement Platform	Key Concern	Response Actions
Employee (non-management, management, senior management)	• Collect valuable insights, feedback, and perspectives from key stakeholders to inform the content and priorities of the sustainability report. • Identify any concerns or issues raised by stakeholders related to the Group's sustainability practices.	• Physical Training Session • Digital Communication	• Carbon Emission • Implementation of Sustainability • Usage of Fuel Gas Consumption • Stakeholders' awareness • AI Technology • Usage of high electricity consumption • Recycling Initiatives • Data Gathering • Supplier Compliance with the Group's commitment • Circular Economy • Disposal of metal and scrap • Work Culture and Attitude • Waste Management • Safety • Cost and Skilled Labour • Technology Advancement • Supply Chain Management • Increase the number of sustainability training • Usage of petrol and diesel for transportation	**Carbon Emissions** • Quantify the carbon emissions per annum. • Invest in more renewable energy sources such as solar and virtual power plan (VPP) for mid-term goals. **Usage of Fuel Gas Consumption** • Use electricity in the production department for short-term goals. • Invest in more renewable energy sources such as solar and virtual power plan (VPP) for mid-term goals.

OUR COMMITMENT TO
ESG

STAKEHOLDER ENGAGEMENT

	Purpose of Engagement	Engagement Platform	Key Concern	Response Actions
Subsidiaries	• Ensure that employees in the Group's subsidiaries are well-informed about the sustainability report, its purpose, and its significance to the organisation's overall goals. • Encourage employees to actively engage with stakeholders to collect valuable insights, feedback, and perspectives that can inform the content and priorities of the sustainability report. • Enable employees to identify and report any concerns or issues raised by stakeholders related to the organisation's sustainability practices.	• Physical Training Session • Digital Communication	• Lack of support from management • Lack of resources • High consumption of energy • Training/education to employees • Construction waste • Carbon Emission • Green Building • Acceptability of the sustainability commitment • Recycling Initiatives • Machineries and material used • Number of manpower in construction segment • High usage of paper • Usage of diesel • Eco-friendly material used in construction segments.	**Stakeholders' Awareness** • Conduct stakeholders' awareness sessions through monthly town halls and dialogue sessions. • Provide educational materials related to sustainability, such as newsletters or interactive materials, through stakeholders' email and social media.

OUR COMMITMENT TO
ESG

STAKEHOLDER ENGAGEMENT

	Purpose of Engagement	Engagement Platform	Key Concern	Response Actions
Vendors/ Suppliers	• Emphasise the importance of sustainability and the sustainability report in the vendor or supplier relationships. • Explain how their collaboration and sustainable practices contribute to the Group's broader goals.	• Virtual Training Session • Digital Communication • Visits	• Carbon Emission • Air Pollution • Climate Change • Sustainable Resource Management • Youth Unemployment • Poverty • Transparency and Traceability in the Supply Chain • Energy Transition and Less Renewable Energy • Circular Economy • Diversity, Equity, and Inclusion • Educating the Public • Government Policy • Eco-Friendly Product Development	**Recycling Initiatives** • Educate employees and stakeholders on recycling practices by implementing training sessions specifically for waste management or distributing informative materials. • Collaborate with suppliers for sustainable materials. • Provide incentives for stakeholders who actively contribute to sustainability initiatives by implementing a points system.

OUR COMMITMENT TO
ESG

STAKEHOLDER ENGAGEMENT

	Purpose of Engagement	Engagement Platform	Key Concern	Response Actions
Board of Directors	• Share insights from stakeholder engagement activities to demonstrate that the organisation values input from diverse perspectives and actively engages with its stakeholders.	• Virtual Training Session • Periodic Meeting • Annual general meeting • Review and discuss ESG risks and opportunities that may impact the Group's long-term financial performance and reputation. • Provide the Board with a comprehensive overview of the Group's sustainability efforts, allowing them to fulfil their governance responsibilities related to sustainability.	• Influence on Scope 3 Emission • Climate-related Issues	**<u>Data Gathering</u>** • Conduct regular audits and verify the collected data related to sustainability. • Use software to keep and maintain the data.

OUR COMMITMENT TO
ESG

STAKEHOLDER ENGAGEMENT

	Purpose of Engagement	Engagement Platform	Key Concern	Response Actions
Regulators	• Access data and information relevant to sustainability report, which includes environmental impact data and compliance records. • Align sustainability and environmental initiatives with government-led efforts and legal requirements	• Email • Digital Presentation	• Occupational Safety & Health Accident Prevention • Resource of raw materials • Minimise the water usage • Employee well-being • Consistency in complying with environmental rules and regulations	**Circular Economy** • Educate the mindset of stakeholders about circular economy and the importance of the implementation within the Group. • Apply strategies to manage waste based on the waste management hierarchy.

While the implementation of these plans may take time, the collective efforts of everyone involved can turn the impossible into an achievable reality. By adopting a culture of commitment and collaboration, we make the way for transformative change that benefits not only the Group but also the environment and the communities we serve.

6

MATERIAL MATTERS

In this section, we concentrate on key ESG aspects for FY2023, giving priority to sustainability. A materiality assessment identified significant factors across Environmental, Social, and Governance perspectives.

MATERIAL
MATTERS
METHODOLOGY

Transitioning to this section, we move into the core elements of ESG, on what truly matters for sustainability and responsible business practices in FY2023.

We conducted the materiality assessment to identify the significant aspects with extensive impacts on our business and the Group from an Environmental, Social, and Governance perspective.
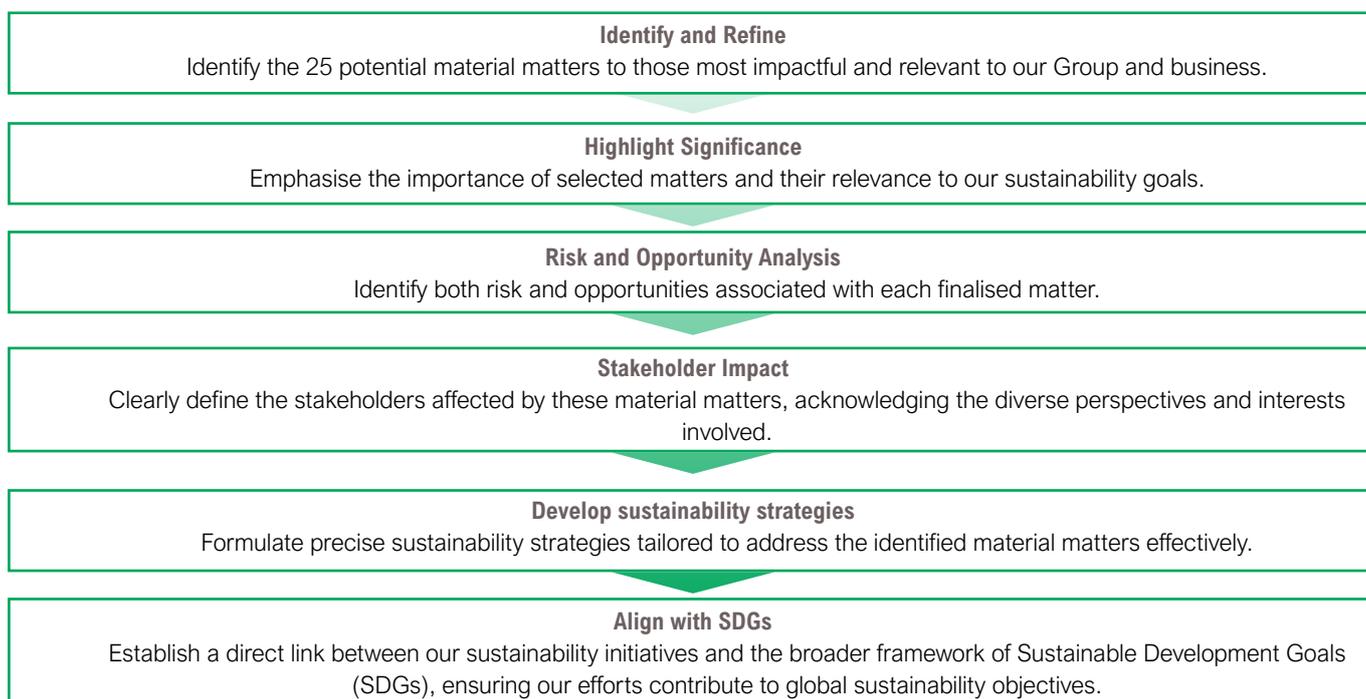
This involved input from a range of stakeholders, including non-management and management personnel, senior management, subsidiaries, vendors, suppliers, and the Board of Directors.

ENVIRONMENTAL (E)	SOCIAL (S)	GOVERNANCE (G)
• Biodiversity • Emissions • Effluents and Waste • Water • Energy • Environmental Compliance	• Employment • Rights of Indigenous People • Supplier Social Assessment • Diversity & Equal Opportunity • Training & Education • Labour/Management Relations • Forced or Compulsory Labour • Human Rights Assessment • Customer Privacy • Occupational Health & Safety • Local Communities • Security Practices	• Anti-Corruption • Economic Performance • Anti-competitive Behaviour • Market Presence • Tax • Procurement Practice • Indirect Economic Impact

These matters represent the essential pillars of E, S, and G. The subsequent subsections distinctly illustrate the methodology employed to assess the significance of matters to the Group and business.

METHODOLOGY

Employing strategic approach across multiple steps, ensuring comprehensive risks and opportunities which are relevant to the Group and business. The process includes:

Identify and Refine
Identify the 25 potential material matters to those most impactful and relevant to our Group and business.

Highlight Significance
Emphasise the importance of selected matters and their relevance to our sustainability goals.

Risk and Opportunity Analysis
Identify both risk and opportunities associated with each finalised matter.

Stakeholder Impact
Clearly define the stakeholders affected by these material matters, acknowledging the diverse perspectives and interests involved.

Develop sustainability strategies
Formulate precise sustainability strategies tailored to address the identified material matters effectively.

Align with SDGs
Establish a direct link between our sustainability initiatives and the broader framework of Sustainable Development Goals (SDGs), ensuring our efforts contribute to global sustainability objectives.

MATERIAL
MATTERS

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MATERIALITY MATRIX

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Materiality, as defined by the Global Reporting Initiative (GRI), guides our focus on issues that have extensive governance, environmental, and social implications.

In this section, we explore the key aspects that have been identified as material through a thorough assessment process, considering both potential impact on our business and its significance to the stakeholders.

WHAT MATTERS TO US?

Influence on Stakeholder Assessments and Decisions

Significance of the Group's Environmental, Social and Governance Impacts

Environmental	Social	Governance
1. Energy	7. Occupational Health & Safety	19. Anti-corruption
2. Emissions	8. Customer Privacy	20. Anti-competitive Behaviour
3. Effluents and Waste	9. Supplier Social Assessment	21. Indirect Economic Impacts
4. Water	10. Diversity & Equal Opportunity	22. Procurement Practice
5. Environmental Compliance	11. Forced or Compulsory Labor	23. Tax
6. Biodiversity	12. Employment	24. Economic Performance
	13. Training & Education	25. Market Presence
	14. Rights of Indigenous People	
	15. Human Rights Assessment	
	16. Security Practices	
	17. Labor/Management Relations	
	18. Local Communities	

MATERIAL
MATTERS

MATERIALITY MATRIX

Creating our Group's materiality matrix involves looking at two (2) key aspects:

1. **Influence on Stakeholders (X-axis):** This shows how much our actions affect what stakeholders think and decide. It reflects the impact and dependencies of our industry on the environment, society, and the governance.

2. **Significance of our Impacts (Y-axis):** This indicates how important our governance, environmental, and social actions are, especially in terms of credit impact for our industry.

Now, let's look at the different parts of our matrix:

Within this matrix, we employ a three-tier categorisation - moderately material, highly material, and extremely material - to offer a subtle understanding of the varying degrees of influence and significance associated with each factor. This approach allows us to understand the varying degrees of influence and significance associated with each factor, guiding our sustainability efforts effectively.

Transitioning to the subsequent subsection, where we will delve deeper into each of the identified matters, examining their importance, associated risks, and opportunities across each pillar of environmental (E), social (S), and governance (G).

By breaking down each matter into its E, S, G components, we can gain a comprehensive understanding of how our actions impact the environment, society, and governance. This in-depth analysis will not only shed light on the significance of each factor but also let us identify potential risks and opportunities associated with our governance practices, environmental initiatives, and social engagements.

Environment

Matters	Why is it important?	Risk	Opportunities
Biodiversity	Preserving the environment and protecting animal rights are crucial for the Group to operate sustainably and responsibly, as the Group's operations rely on natural resources	• Potential risk related to regulatory compliance that would lead to operational disruptions and reputational damage	• Compliance with environmental regulations set by the Department of Environment • Accessing new markets that offers sustainable products in order to shift to low-carbon economy
Emissions	Transitioning to cost-saving and clean energy sources is crucial for the Group to reduce greenhouse gas emissions.	• Poor market penetration and competitiveness for European markets due to the Carbon Border Adjustment Mechanism (CBAM) • Negatively contribute to climate crisis	• Invest in more renewable energy sources such as solar and virtual power plan (VPP) for mid-term goals. • Prioritising energy efficiency to reduce electricity consumption
Effluent and waste	Improved waste and effluent management can lead to cost savings and improved operational efficiency for the Group.	• Reduction of recycling initiatives in our company • Improper waste management could lead to regulatory risks rising operational costs and contamination	• Apply strategies to manage waste based on the waste management hierarchy • Educate employees and stakeholders on recycling practices by implementing training sessions specifically for waste management or distributing informative materials • Collaborate with suppliers for sustainable materials • Provide incentives for stakeholders who actively contribute to sustainability initiatives by implementing a points system

MATERIAL
MATTERS

MATERIALITY MATRIX

Matters	Why is it important?	Risk	Opportunities
Water	Water is an essential resource and its management is crucial for the Group's operations. Additionally, access to clean water and sanitation is crucial for basic needs of the Group's employees.	• Lack of water risk management plan and water risk assessment to mitigate risk associated with water scarcity, quality and availability • Lack of access to clean water and sanitation is a violation of human rights and could lead to exposure to health risk	• Adoption of water risk management plan and regular water risk assessment • Increase accessibility of clean water and sanitation to employees especially in construction sites such as ensuring several portable toilets to be made available for employees on site
Energy	Efficient energy consumption is crucial to promote the Group's environmental stewardship and reduce greenhouse gases emitted by the Group	• High electricity consumption • Energy-efficient upgrades could lead to operational disruptions	• Implement an energy management system to monitor and optimise energy usage • Foster culture of energy conservation with our employees • Conduct regular energy consumption audits to identify potential areas for reduction • Invest in more renewable energy sources such as solar and virtual power plan (VPP) for mid-term goals
Environmental compliance	The Group's compliance to laws and regulations related to environment is crucial to the Group's financial performance and ensuring long-term sustainability	• Exposure to penalties and lawsuits that could potentially lead to operational setbacks	• Implement an environmental management system (EMS) to streamline compliance efforts • Conduct regular risk assessments to identify potential environmental risks

Stakeholder Impacts

Employees, subsidiaries, vendors, and suppliers

SDGs

MATERIAL
MATTERS

MATERIALITY MATRIX

Social

Matters	Why is it important?	Risk	Opportunities
Employment	Attracting and retaining employees is important to reduce employee turnovers and ensure continuous improvement for business continuity of the Group	• High employee turnover could lead to decrease in productivity and increase in cost for recruitment and training • Disruption to our operations and business continuity	• Develop work positive culture that aligns with employees' values and lifestyle • Ensure career growth opportunities are available for our employees • Ensure our employees' achievements and milestones are recognised and awarded
Rights of indigenous people	Indigenous people have the right to self-determination, autonomy, and cultural preservation, which are fundamental human rights recognised by international law. Protection of these rights would ensure the Group's operation do not negatively impact their communities.	• Potential to face reputational risk and regulatory risk	• Engagement and participation from indigenous people for improved decision-making processes that could potentially affect their lives • Establishing initiatives to address social issues related to rights of indigenous people
Supplier social Assessment	Allow the Group to assess potential risks and opportunities from the supply chain and ensure their suppliers meet their social and environmental standards.	• Exposure of the Group to potential reputational damage and potential operational disruptions such as shortage, delays or quality issues from supply chain disruptions.	• Conduct risk assessment for potential social or environmental risks which could include assessing supplier performance.
Diversity & Equal Opportunity	• Crucial to ensure employee retention and enhance employee engagement and to enhance inclusive decision-making • Ensuring equal access and opportunities for the Group's employees to create positive impact and increase productivity	• Potential regulatory risks related to discrimination or unfair labour practices • Decrease in employee engagement which could lead to lower productivity and higher turnover • Decrease in productivity and create negative impact on employees and working environment	• Attract and retain diverse talent with wide range of perspective and experience for our company that would enhance decision making and innovation • Attract and retain diverse gender for wider range of perspective and experience • Increase employee engagement to identify inequalities • Review accessibility of employees to resources available in our company

MATERIAL
MATTERS

MATERIALITY MATRIX

Matters	Why is it important?	Risk	Opportunities
Training & Education	• Crucial to ensure reduction in employee turnover and increase productivity in the Group • Encourage career growth to ensure employee retention and increase the Group's productivity	• Decrease in productivity, innovation and creativity • Potential risk to high turnover rates which will lead to increase cost in recruitment and training • Potential risk to increase in employee turnover and decrease in employee retention	• Organise employee engagement surveys to identify areas for improvement • Plan company outings that would promote team building and communication • Provide equal opportunities for employees for career growth
Labour/ management relations	Ensure sustainable and responsible operations that could enhance ESG performance and create long-term value for stakeholders	• Reduction in productivity and increase in employee turnover • Potential disruptions from supply chain, causing delays, shortage and quality issues	• Increase in employee engagement to take into consideration employee's perception on decision-making processes • Provide training for employee on effectively managing labour/ management relations • Review and improve existing labour practices and standards to ensure occupational safety and health • Implementing human rights due diligence to help our company address potential human rights risks and impacts
Forced or compulsory labour	Ensuring the Group's employees are compensated fairly and without discrimination.	• Exposure to potential penalties and lawsuits • Lead to dissatisfaction of employees that could lead to low productivity and high turnover rate	• Regular internal audits to review and address pay inequities and labour discrimination
Human rights assessment	The Group ensures human rights protection as our moral and ethical obligations and reduces potential legal, financial, and reputational risks.	• Exposure to regulatory risks and lawsuits with not complying with human rights protection laws	• Engage with our company's stakeholders to identify and address human rights concerns • Conduct human rights training within our organisation for awareness • Implementing human rights due diligence to help our company address potential human rights risks and impacts

MATERIAL
MATTERS

MATERIALITY MATRIX

Matters	Why is it important?	Risk	Opportunities
Customer privacy	The Group prioritise safeguarding our consumer's and employee's personal information to create trust and reduce potential risks.	• Low safeguarding of data would lead to information leakage and expose our company to fines and penalties • Exposure to data theft and tempering	• Review current safeguarding protocol for data privacy and security and improving areas that could cause potential risk • Upgrading data software with extensive safeguarding protocol
Occupational Health & Safety	Health and safety are important to the Group to ensure legal compliance and, moral and ethical obligations	• Potential exposure of employees and consumers to health risk • Exposure to potential lawsuits and penalties.	• Review and improve existing health and safety policies within the Group • Increase frequency of health and safety training
Local communities	Engagement with local communities ensure the Group's operation does not negatively impact communities and ensure sustainable and responsible operations	• Exposure to potential risks to reputational damage and potential legal risks related to environmental and social issues.	• Increase in community engagement to understand and help resolve social issues that are relevant to community • Increase support for philanthropic initiatives that benefit local communities, such as donating to local charities or sponsoring community events to create positive relationship with communities and stakeholders as well as increase ESG performance
Security practices	Ensure safe business environment in the Group and efficiency in handling security related issues	• Potential exposure to issues on security threats	• Regular assessment and update on security policies • Preparation on response plan for potential security compromises • Providing comprehensive training to employees to ensure understanding and implementation security best practices

Stakeholder Impacts

Employees, subsidiaries, vendors, and suppliers

SDGs

MATERIAL
MATTERS

MATERIALITY MATRIX

Governance

Matters	Why is it important?	Risk	Opportunities
Anti-corruption	Adhering to anti-corruption in the Group is important to mitigate potential regulatory risk and, promote transparency and accountability for the Group's stakeholders and consumers	• Exposure to regulatory risk and reputational damages • Expose to financial impact cause by penalties and operational disruptions	• Review and enhance our Group's current anti-corruption policies • Conduct corruption risks assessment to identify potential risks and mitigation
Economic Performance	Ensure consumer confidence for the Group and increase the Group's profitability	• Disruption of operations from sustainability strategy implementation	• Implementation of strategic planning to ensure no disruption for our operations
Anti-competitive behaviour	Crucial for the Group to reduce potential market power abuse and ensure consumers' choices are not limited	• Potential legal consequences and reputational damage • Expose to high possibility of loss of market share	• Conduct anti-competition training to identify potential anti-competitive practices and develop strategies to mitigate or eliminate • Establish clear ethical guidelines and protocols that are effectively communicated to all employees, promoting a culture of ethics within the organisation
Market presence	Creating market presence helps the Group in customer attraction and the Group's brand visibility	• Expose to potential failure in developing a clear marketing strategy	• Maintain strong and good reputation to attract and increase market share
Tax	Crucial to ensure the Group's compliance with tax regulations and the Group's contribution to economic development	• Expose to financial risks from penalties for tax evasion	• Enhance tax management system • Stay informed about tax laws and regulations
Procurement Practice	To ensure strategic management of supply chain and reduce the Group's cost and manage risks	• Potential of poor vendor sourcing and onboarding that would lead to increased costs and reduced quality	• Evaluate supplier performance regularly to ensure they're meeting our demands at competitive rates • Utilising Procurement Technology that helps offers better visibility into the procure-to-pay cycle and their procurement processes
Indirect economic impact	For better understanding of economic effects of the Group's operations and help with maximising the Group's economic impact	• Suffer loss from both microeconomic impacts and macroeconomic impacts	• Internalisation of externalities such as pollution or social cost by incorporating them into pricing strategies • Diversifying supply chains to reduce risk of supply chain disruption

Stakeholder Impacts

Employees, subsidiaries, vendors, and suppliers

SDGs

7

ENVIRONMENTAL

We prioritise environmental preservation by integrating eco-friendly practices, focusing on waste reduction and renewable resources, and leading in environmental stewardship.

ENVIRONMENTAL

EMISSIONS

The Group is deeply committed to preserving and protecting the environment for current and future generations. We recognise the urgent need for sustainable practices that minimise our ecological footprint while promoting the well-being of our planet. Recognising the importance of sustainability in today's world, we are taking proactive steps to integrate eco-friendly practices into our operations. From reducing waste and energy consumption to exploring renewable resources and eco-conscious materials, every decision we make is guided by our commitment to minimise our environmental impact. Through innovation, collaboration, and continuous improvement, we strive to be leaders in environmental stewardship, working tirelessly to mitigate climate change, conserve natural resources, and foster a healthier, more sustainable world for all.

CARBON EMISSION MITIGATION EFFORTS

GRI 305

Our Initiatives

Greenhouse Gas (GHG) emissions are monitored in accordance with established guidelines, including those outlined by the Intergovernmental Panel on Climate Change (IPCC), GHG Protocol, and ISO 14064-1 Greenhouse gases, Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals.

Within this reporting, the annual emissions arising from ALCOM considers three categories of emissions based on the following:

> **Scope 1: Direct emissions that occur from sources that are controlled or owned by an organisation. Within ALCOM, Scope 1 emissions are direct emissions arising from fuel consumption which includes diesel, natural gas, and petrol consumption.**
>
> **Scope 2: Indirect emissions arising from purchased electricity. The total electricity consumption within the operational boundary of ALCOM.**
>
> **Scope 3: Indirect emissions resulting from activities from assets not owned or controlled by the reporting organisation. Within this reporting, categories considered are Category 1: Purchased goods and services, Category 6: Business Travel, Category 7: Employee Commuting, and Category 9: Downstream Transportation and Distribution.**

Additionally, in 2023, ALCOM furthered its commitment by undertaking the quantification of the product carbon footprint (PCF) for its products, including Aluminium Foil & Fin stock, Aluminium Coil and Sheet, Aluminium Roofing and Cladding Sheet, and ANSC Aluminium Coated Fin. This endeavor adheres to the established guidelines outlined in ISO 14067:2018, which govern the assessment of Carbon Footprint of Products, signifying our Group's dedication to understanding and mitigating the environmental impact associated with its product offerings.
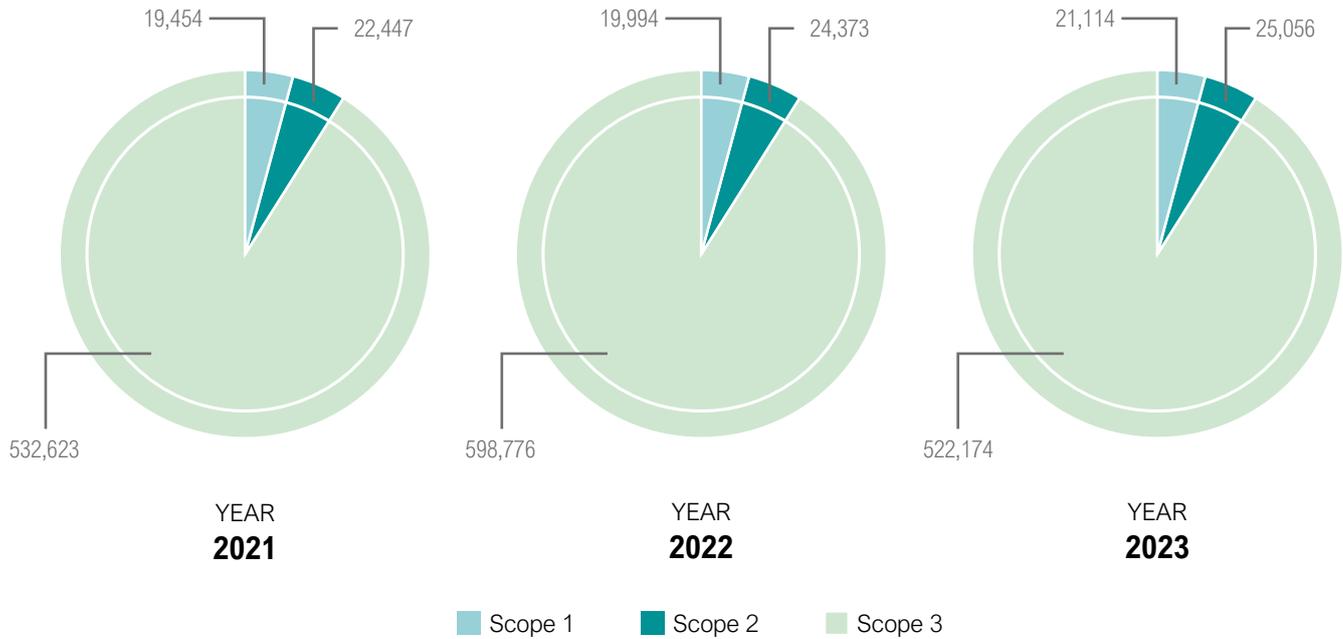
ENVIRONMENTAL

EMISSIONS

THE GROUP-EMISSIONS IN 2021 - 2023 (tCO$_2$e)

19,454	22,447
532,623	

YEAR 2021

19,994	24,373
598,776	

YEAR 2022

21,114	25,056
522,174	

YEAR 2023

■ Scope 1   ■ Scope 2   ■ Scope 3

The emissions breakdown for the Group in 2021 showed Scope 1 at 19,454 tCO$_2$e and Scope 2 at 22,447 tCO$_2$e, reflecting the direct and indirect emissions from owned or controlled sources. In 2022, Scope 1 was 19,994 tCO$_2$e and Scope 2 was 24,373 tCO$_2$e, indicating a slight increase in both categories. The pie charts represent the distribution of emissions based on respective scopes for the year 2023. Notably, Scope 3 emissions contribute to 91.9% of total emissions. Scope 1 and Scope 2 represent 3.7% and 4.4% respectively.

ENVIRONMENTAL

EMISSIONS
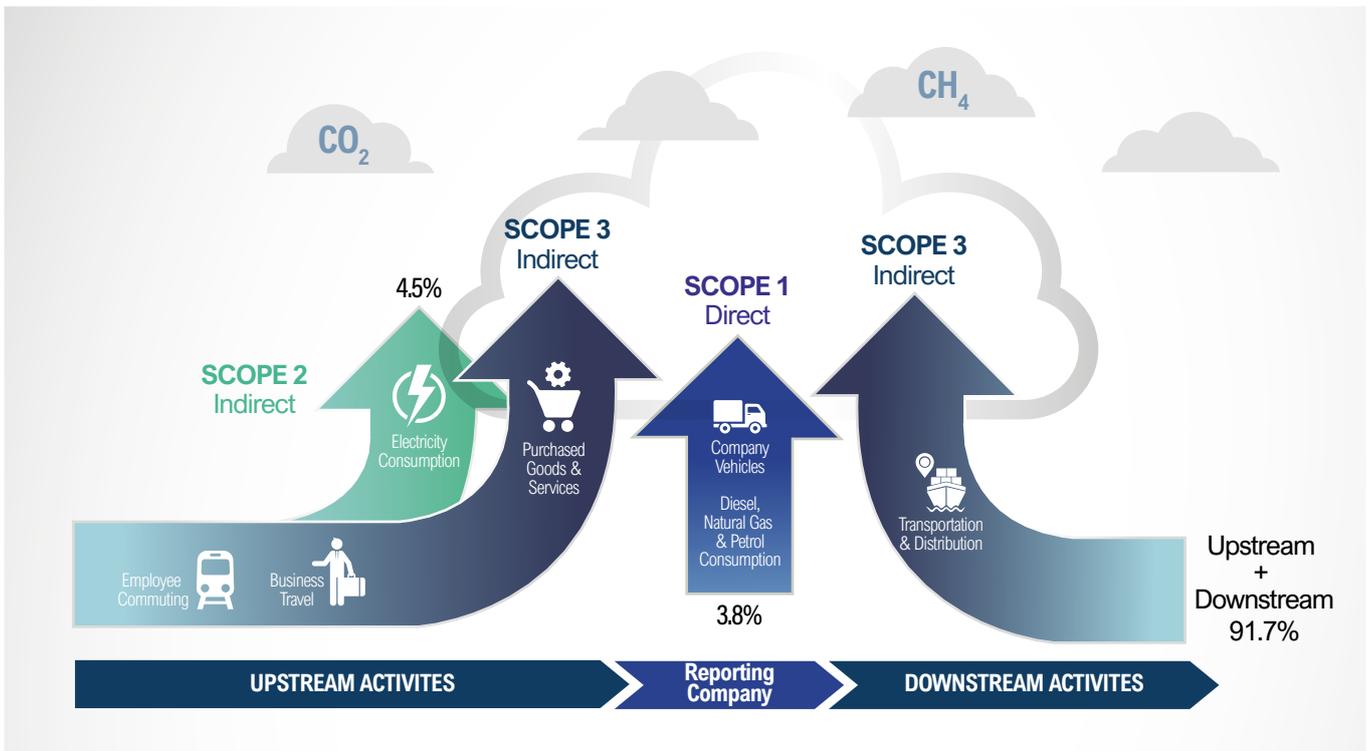
The annual emissions arising from ALCOM will take into account three (3) categories of emissions as above.

Exploring further, the infographic illustrates the emission breakdown for the year 2023, with a significant focus on Scope 3 emissions, which dominate the distribution at 91.7% indirect emissions associated with activities beyond direct operational control, such as supply chains, transportation, and product use. This dominance highlights the considerable environmental impact arising from these external activities.

In contrast, Scope 1 and Scope 2 emissions together constitute a marginal 8.3% of the total emissions during this period. Scope 1 emissions involve direct emissions from owned or controlled sources, such as fuel combustion in company vehicles and company facilities, while Scope 2 emissions represent indirect emissions from the consumption of purchased electricity. Despite their relatively smaller contribution compared to Scope 3, monitoring and reducing Scope 1 and Scope 2 emissions remain crucial for the Group to mitigate the carbon footprint and bolster sustainability efforts.
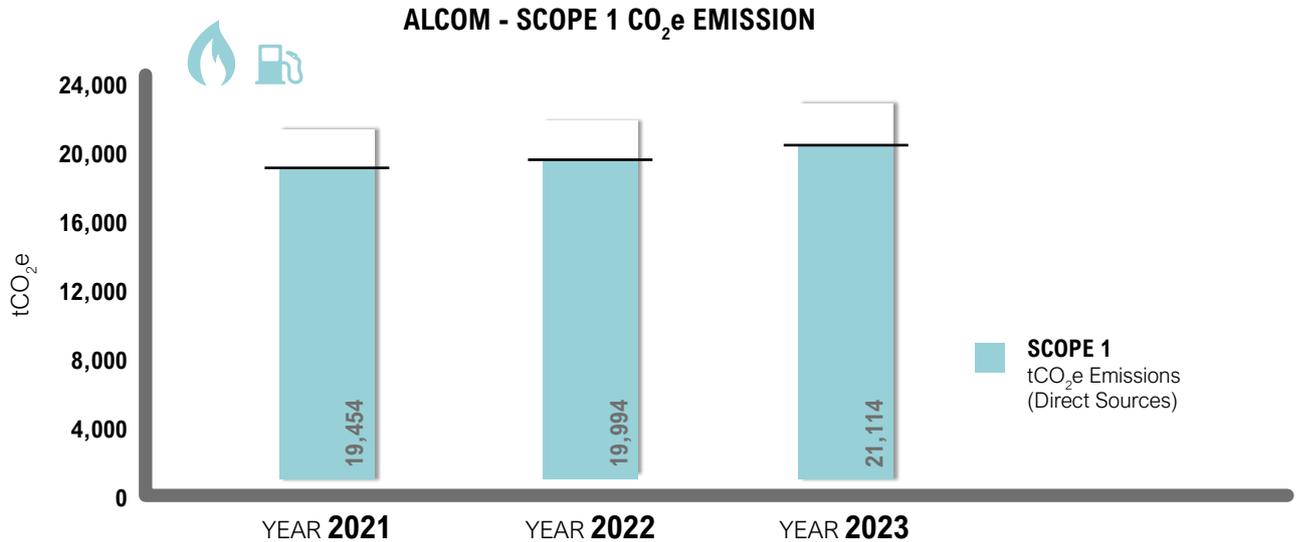
ENVIRONMENTAL

EMISSIONS

a)   Scope 1 – ALCOM: Emissions from Direct Sources

GRI 305-1

The graph below represents the value of emissions measured during 2021, 2022 and 2023 from ALCOM.

ALCOM - SCOPE 1 CO_2e EMISSION
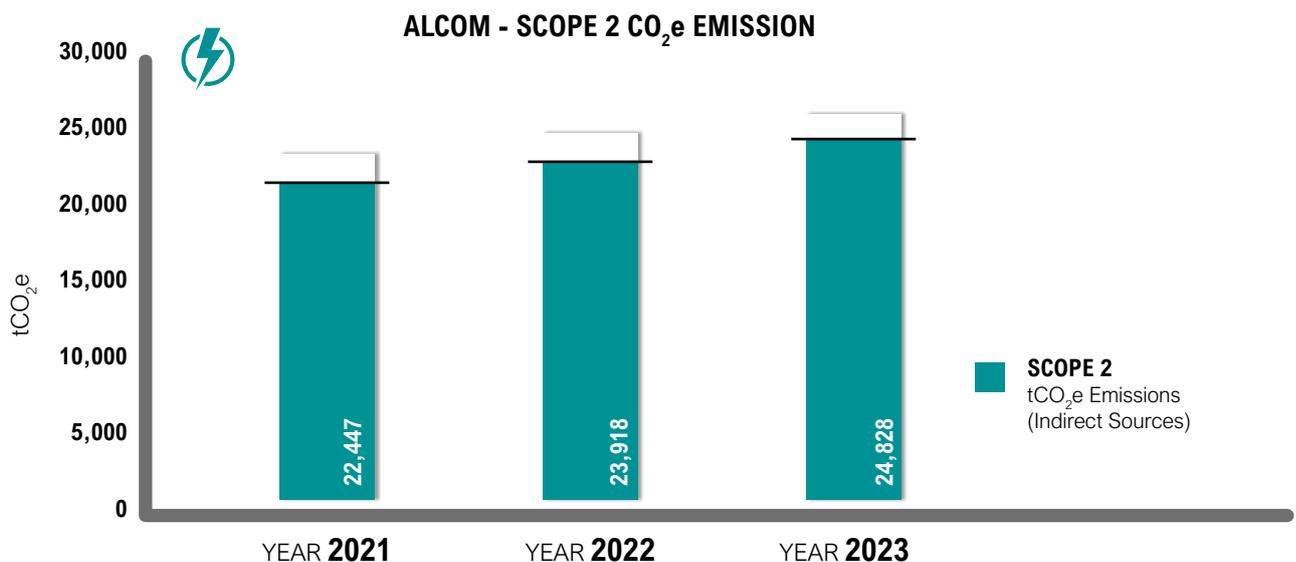
SCOPE 1
tCO_2e Emissions
(Direct Sources)

Scope 1 emissions encompass all emissions directly produced from activities within ALCOM's control, primarily stemming from fuel consumption, including **diesel and natural gas usage** across ALCOM'S own facilities and manufacturing processes. In 2021, the organisation's total Scope 1 emissions amounted to **19,454** tCO_2e, increasing slightly to **19,994** tCO_2e in 2022, and increased **5.6%** to **21,114** tCO_2e in 2023.

b)   Scope 2 – ALCOM: Emissions from Indirect Sources

GRI 305-2

The graph below represents the value of Scope 2 emissions measured during 2021, 2022 and 2023 from ALCOM.

ALCOM - SCOPE 2 CO_2e EMISSION

SCOPE 2
tCO_2e Emissions
(Indirect Sources)

From the graph above, Scope 2 emissions released in 2022 from ALCOM was reported to be **23,918 tCO_2e** which resulted in an **6.6%** increase from the year 2021.

ENVIRONMENTAL

EMISSIONS

External factors such as fluctuations in market demand or the implementation of new technologies within the industry could have influenced the manufacturing segment's energy needs and consequently contributed to the rise in indirect emissions associated with purchased electricity. Addressing and understanding these factors are crucial for ALCOM to develop effective strategies to mitigate its environmental impact and promote sustainable energy practices within its operations.

c)   Scope 3 Emissions – Indirect Emission

ALCOM - SCOPE 3 CO$_2$e EMISSION
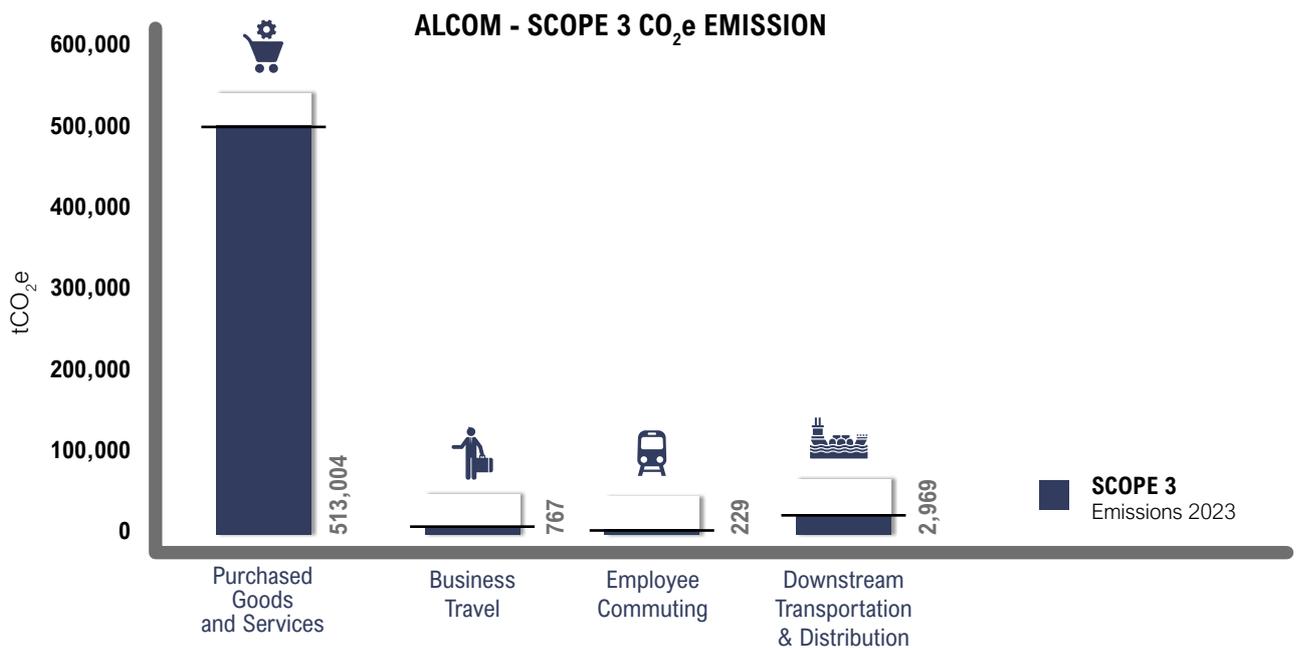
ALCOM embarked on the process of quantifying Scope 3 emissions in Category 1: Purchased Goods and Services, Category 6: Business Travel, Category 7: Employee Commuting and Category 9: Downstream Transportation and Distribution in the year 2023 at 513,004 tCO$_2$e, 767 tCO$_2$e, 229 tCO$_2$e and 2,969 tCO$_2$e respectively, marking the year 2023 as the baseline for Scope 3 emissions and a significant step towards a more comprehensive understanding of ALCOM environmental impact. The bar graph provided above visually illustrates the specific emissions quantified for each respective category, shedding light on the nuances and magnitudes of environmental contributions associated with business travel and employee commuting within the organisation during the specified period. This initiative underscores our Group's commitment to transparency and proactive measures in addressing its carbon footprint across diverse operational facets. The Group is committed to address the high emissions generated from Category 1: Purchased Goods and Services by planning on increasing purchase and use of scrap metal in the manufacturing segment.

ENVIRONMENTAL

EMISSIONS

Product Carbon Footprint

Product Carbon Footprint (PCF) of the manufacturing segment's products are quantified based on data from the year 2022. The details of PCF profiles for all four products manufactured in the manufacturing plant in Klang are summarised in the chart below.

Products Carbon Footprint

YEAR **2022**

ALCOM Foil and Fin Stock production has a notable carbon footprint of **10.06 tCO$_2$e/mt**. This comes from different sources like carbon in the products' energy use, waste, water, packaging, and product distribution. One reason for emissions is the high carbon content in the aluminium ingots, which is 16 kgCO$_2$e per kilogram.

ALCOM Coil and Sheet, has a PCF of **9.25 tCO$_2$e/mt**. This reduction is attributed in part to a unique feature: the product undergoes fewer passes through the cold mill, leading to decreased emissions. Like ALCOM Foil and Fin Stock, the primary factor contributing to emissions is the inherent carbon content of the raw materials.

The product carbon footprint of **ALCOM Roofing and Cladding Sheet** production is measured at **8.85 tCO$_2$e/mt**, with emissions originating from multiple sources such as manufacturing, water usage, packaging, and product transportation. Coating processes are also excluded from the carbon footprint assessments.

For **ANSC Coated Fin** production, the final product's carbon footprint is measured at **15.45 tCO$_2$e/mt**, accounting for emissions from various sources. ANSC's operations involve both ALCOM Foil and Finstock and semi-finished material, with the use of ALCOM Foil and Finstock adding complexity to the carbon footprint. Specifically, the carbon footprint of the ALCOM Foil and Finstock is **10.06 tCO$_2$e/mt**, contributing to a total carbon footprint of **85,607 tCO$_2$e** across multiple processes. Importantly, around 70% of material input emissions stem from the embodied carbon of the coil material. These findings highlight the intricate carbon footprints within aluminium production stages, emphasising the need for informed sourcing and optimised production processes to reduce emissions and promote sustainability in the industry.

ENVIRONMENTAL

EMISSIONS

Increase initiatives related to emission reduction	ALCOM is steadfast in its dedication to strategise and execute emission reduction initiatives aimed at fostering sustainability within its operations. Through meticulous planning and proactive implementation, we endeavour to showcase the tangible benefits of these initiatives over the upcoming reporting years. This commitment extends beyond immediate gains, as we aim to demonstrate the enduring positive impacts on our company's operations, ensuring long-term sustainability and substantial reductions in emissions.
Solar Project in Kuala Kangsar	ALCOM has actively participated in a notable solar project situated in the region of Kuala Kangsar. This solar endeavour boasts an impressive capacity of 29.868 megawatts, marking a substantial investment in renewable energy infrastructure.

FUTURE PLANS
GRI 305-5

As we look ahead to the future, ALCOM is dedicated to pioneering innovative solutions and implementing ambitious strategies to reduce our carbon footprint and mitigate climate change. Guided by our commitment to environmental stewardship, we are embarking on a journey towards even greater sustainability. Our future for emission reduction is rooted in a comprehensive approach that encompasses every facet of our operations, from production processes to supply chain management and beyond. Through a combination of cutting-edge technology, strategic partnerships, and a continuous pursuit of efficiency, we aim to not only meet but exceed our sustainability goals. By embracing sustainable practices and fostering a culture of continuous improvement, we are confident in our ability to create a brighter, more sustainable future for generations to come. Below explains our plans to reduce emissions here in ALCOM.

" **ALCOM leads in sustainability, striving to cut emissions and combat climate change.** "
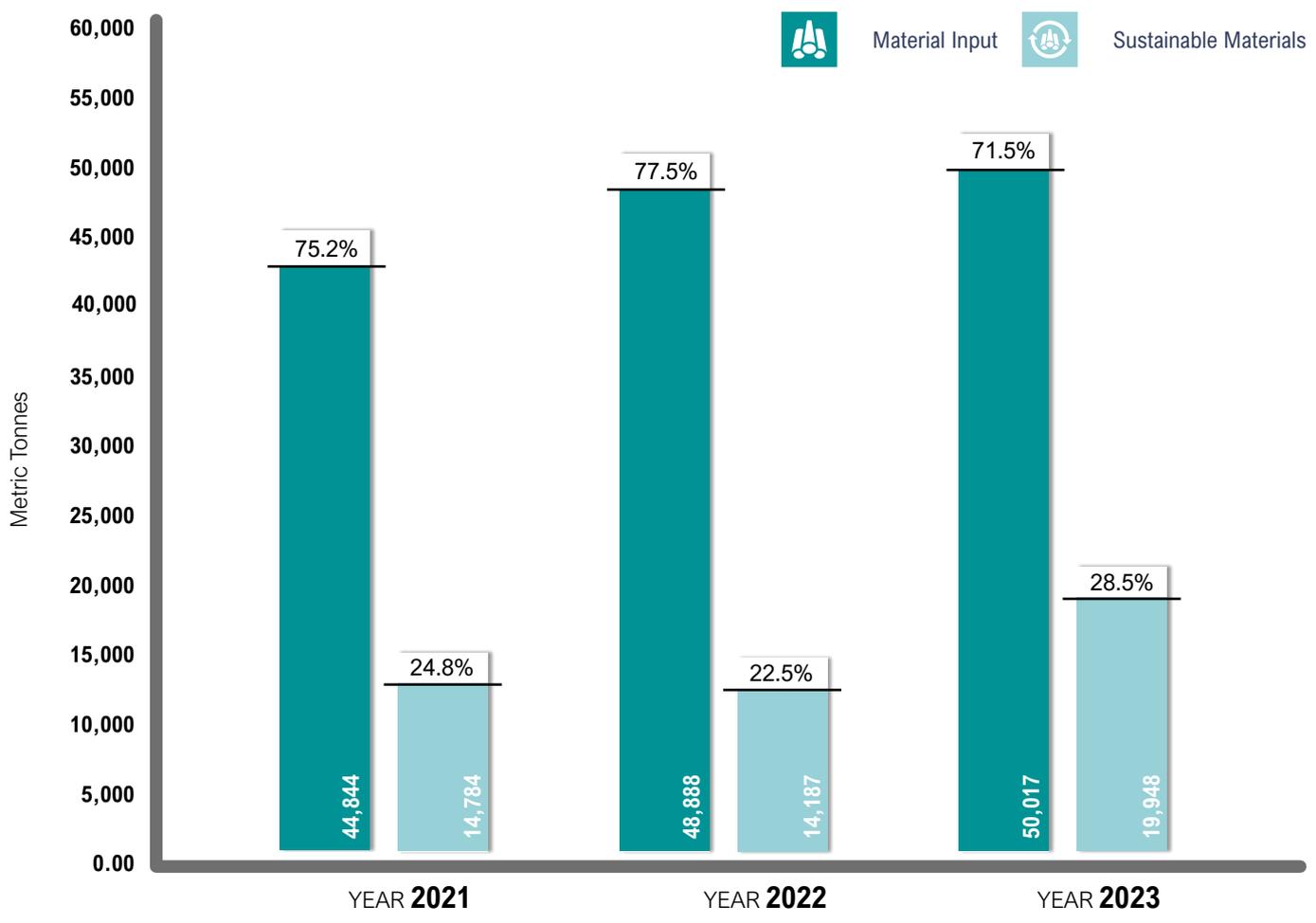
ENVIRONMENTAL

MATERIALS GRI 301

OUR INITIATIVES

Since 2017, ALCOM has been consistently dedicated to integrating a minimum of 50% recycled content into its products, a pivotal step in its mission to produce environmentally friendly, greener aluminium. This initiative, while noble in its aim, presents a delicate balancing act, necessitating a harmonious blend of sustainable metal sourcing practices with the fulfilment of critical business imperatives. Striking this equilibrium has proven to be an ongoing challenge, as any concessions on product quality or reliability are adamantly eschewed. Nonetheless, the manufacturing segment remains resolute in its commitment to uphold the highest standards of sustainability while delivering products of uncompromising excellence to its valued customers.

OUR PERFORMANCE

ALCOM : MATERIAL INPUT & SUSTAINABLE MATERIALS

	Material Input	Sustainable Materials
YEAR **2021**	44,844 (75.2%)	14,784 (24.8%)
YEAR **2022**	48,888 (77.5%)	14,187 (22.5%)
YEAR **2023**	50,017 (71.5%)	19,948 (28.5%)

Metric Tonnes

a)　Materials Input: ALCOM

The graph above offers a visual depiction of ALCOM's aggregate material input. Specifically, it highlights the quantity of material input for the years 2021, 2022 and 2023, with **44,844 mt** recorded for 2021, **48,888 mt** for 2022 and **50,017 mt** for the year 2023. This data underscores the evolving demands and dynamics within the manufacturing operations, serving as a crucial reference point for assessing trends and informing strategic decision-making processes moving forward.

ENVIRONMENTAL

MATERIALS

b)   Sustainable Materials

The manufacturing segment of the Group has prioritised the utilisation of recycled materials, particularly metal scraps sourced from various processes. Additionally, ALCOM integrates other sustainable materials such as boxes, paper cores, pallets, and returned packing materials into its operations. The graph above provides a visual representation of the quantity of sustainable materials employed within the manufacturing segment, highlighting commitment to environmentally responsible practices.


FUTURE PLANS

ALCOM is dedicated to upholding its commitment to sustainability by prioritising the utilisation of eco-friendly materials throughout its production. This includes continuance of sourcing sustainable materials. Additionally, we continuously seek out innovative materials with lower environmental impacts and exploring environmentally friendly options. By carefully selecting sustainable materials, we aim not only to reduce our environmental impact but also to inspire positive change within the industry and contribute to a more sustainable future.

ALCOM priorities eco-friendly materials, promoting sustainability in production.
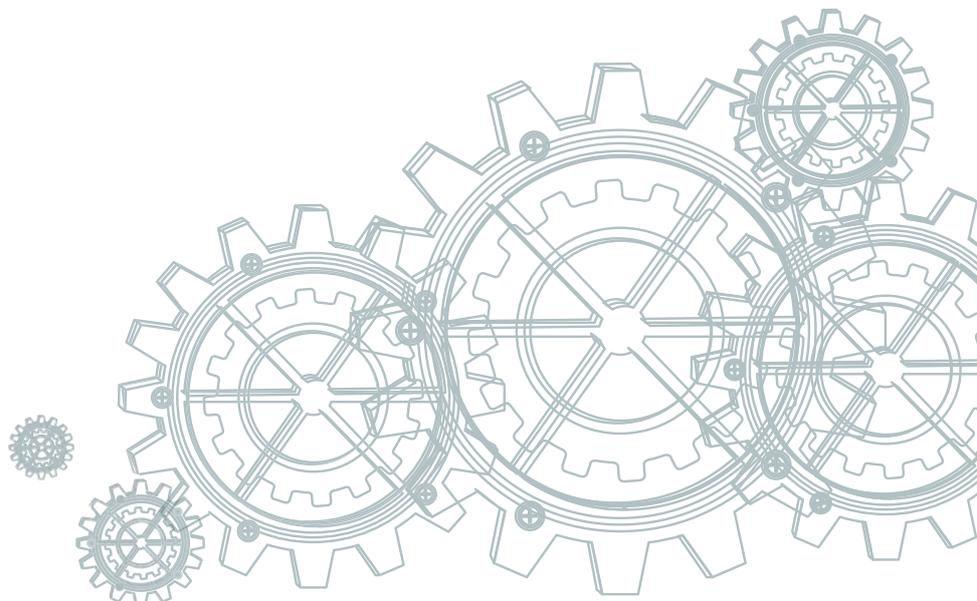
ENVIRONMENTAL

EFFLUENT AND WASTE GRI 306

OUR INITIATIVES

Waste management of the Group involves comprehensive recycling initiatives, ensuring that most of the generated waste undergoes recycling and is appropriately managed in accordance with its specific waste category.

Waste is meticulously stored and appropriately labelled in a designated area assigned for temporary waste storage. This carefully organised space serves as a crucial intermediate step before the waste is dispatched for additional treatment and proper disposal. During this interim phase, emphasis is placed on maintaining stringent standards for storage, ensuring the efficient categorisation and identification of waste types, thereby facilitating a streamlined and responsible waste management process.

In addition, the Group has organised training sessions focused on Schedules Waste Management for designated personnel responsible for overseeing and executing waste management protocols. These training initiatives are designed to enhance the understanding and proficiency of the personnel in handling scheduled wastes, fostering a culture of environmental stewardship and regulatory compliance within the organisation. The training not only covers the proper procedures for waste handling but also emphasises the importance of adhering to legal requirements and industry best practices, contributing to a comprehensive and well-informed approach to waste management throughout the Company.

OUR PERFORMANCE

GRI 306-2

GROUP : WASTE GENERATED

Total Waste Generated by The Group (mt)
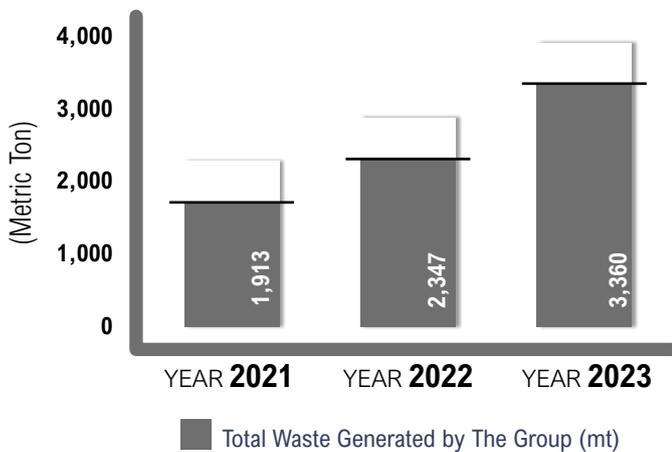
a) Total Waste Generated by The Group

The graph on the left shows the total waste generation of the Group. The increase in 2023 was mainly due to clearing of the constructions site upon completion of the EmHub project.

b) Total Waste Generated: ALCOM

The graph on the right illustrates the waste generation trends for the years 2021, 2022, and 2023. Notably, there was a substantial increase of **17.4%** in waste generated from 2021 to 2022, primarily attributed to the heightened production levels resulting from the melting and casting maintenance in 2022.

ALCOM : TOTAL WASTE GENERATED

Total Waste Generated (mt)

ENVIRONMENTAL

EFFLUENT AND WASTE GRI 306

c) ALCOM : Hazardous Waste Generation

The graph on the right shows the amount of hazardous waste generated by ALCOM in the year 2021, 2022 and 2023. There was a 14.8% increase from 2021 to 2022 at **1,413 mt** and **1,622 mt** respectively due to increase in production for casting.

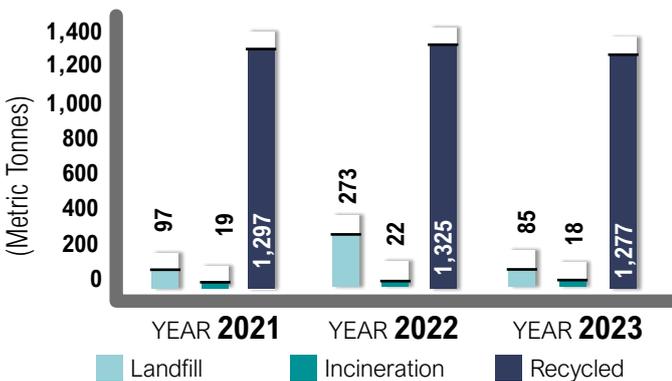**ALCOM : HAZARDOUS WASTE GENERATED**

d) ALCOM : Non-Hazardous Waste

The graph on the right shows the amount of non-hazardous waste generated by ALCOM in the year 2021, 2022 and 2023. There was a 25% increase from the year 2021 to 2022. However, there was a slight increase of 4.6% from 2022 to 2023
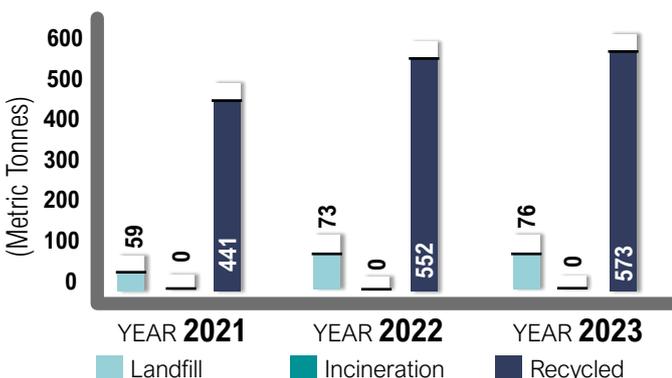
ALCOM : N0N-HAZARDOUS WASTE GENERATED

e) End of Life Treatment of Waste: ALCOM

The recycling rates for hazardous waste in the years 2021, 2022, and 2023 were **92%**, **82%**, and **92%** respectively, highlighting a consistent emphasis on recycling practices within those periods. Conversely, a smaller proportion of hazardous waste, amounting to **7%**, **17%**, and **6%** for the corresponding years, were directed to landfills. Additionally, only a marginal fraction, accounting for 1% each year, underwent incineration as a disposal method. These figures highlight the manufacturing segments's commitment to sustainable waste management practices, with recycling being the predominant method for handling hazardous waste.

In the years 2021, 2022, and 2023, the recycling rates for non-hazardous waste were all **88%** respectively, reflecting a consistent commitment to recycling practices over the reporting period. The remaining portion of non-hazardous waste for each year, which were all **12%** respectively, was diverted to landfill disposal. These statistics show the manufacturing segments's ongoing efforts to prioritise environmentally responsible waste management practices, with a strong emphasis on recycling as the primary method for handling non-hazardous waste.

ALCOM: END OF LIFE FOR HAZARDOUS WASTE

ALCOM: END OF LIFE FOR NON-HAZARDOUS WASTE

ENVIRONMENTAL

EFFLUENT AND WASTE GRI 306

FUTURE PLANS

Looking ahead, the Group is committed to strengthening their environmental initiatives related to effluent and waste management by:

Collaborating with suppliers for sustainable materials.
Collaborating with suppliers for sustainable materials involves working closely with them to source environmentally friendly materials, communicate sustainability goals, assess material sustainability, and innovate for improved environmental performance throughout the supply chain.

Providing incentives for stakeholders who actively contribute to sustainability initiatives by implementing a points system.
Implementing a points system for sustainability incentivises stakeholders to engage in environmentally responsible actions by assigning points to their contributions towards predefined sustainability goals. Stakeholders earn rewards based on their accumulated points, fostering engagement, and driving progress towards sustainability objectives.

Adopting of circular economy strategies
Adoption circular economy principles to minimise waste generation and maximise the value of materials throughout their lifecycle. This involves designing products for longevity, repairability, and recyclability, as well as implementing closed-loop systems for material recovery and reuse.

> **ALCOM is committed to enhancing effluent and waste management by collaborating with suppliers for sustainable materials, implementing a points system for stakeholder rewards, and adopting circular economy strategies.**

# ENVIRONMENTAL

WATER GRI 303

OUR INITIATIVES

Within the manufacturing segment, the water utilisation strategy encompasses the sensible use of two distinct sources: **tap water and tube well water**. Water sourced from both tap and tube wells is instrumental in the meticulous surface cleaning of aluminium coils before the coating process, ensuring the highest standards of product quality and efficiency in manufacturing practices. This dual-source approach underscores the manufacturing segment's commitment to sustainable water management and resource optimisation throughout its manufacturing operations.

In strict adherence to the **Environmental Quality (Industrial Effluent) Regulations of 2009**, the manufacturing segment ensures compliance with Standard B for the discharge of effluents. This commitment involves meticulous attention to the prescribed regulations and benchmarks set forth in the environmental framework. The manufacturing segment takes proactive measures to uphold environmental standards, implementing rigorous monitoring and control mechanisms to meet or exceed the stipulated criteria for industrial effluent discharge. By aligning with Standard B of mentioned regulation, the manufacturing segment demonstrates its dedication to responsible environmental practices and contributes to the preservation and protection of water quality, reinforcing its commitment to sustainability and regulatory compliance.

OUR PERFORMANCE

a)   The Group Water Consumption

The bar graph provided below visually represents the total water usage of the Group over the specified time. Specifically, it highlights that water consumption amounted to **82.6 ML in 2021**, increased to **133.4 ML in 2022**, and further rose to **134.6 ML in 2023**.

THE GROUP - TOTAL WATER CONSUMPTION
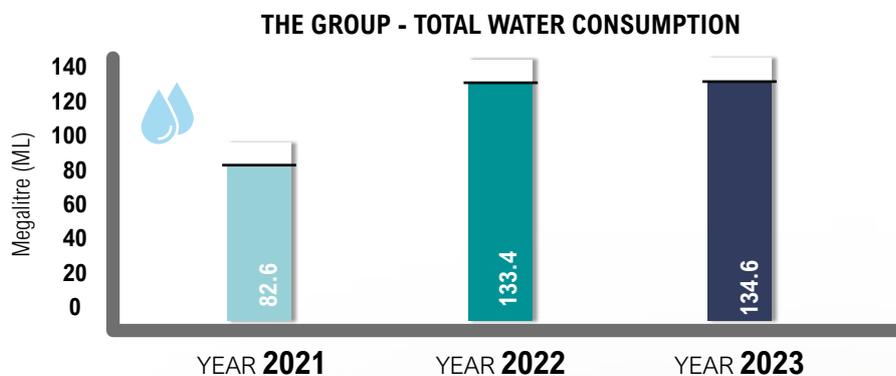
b)   Water Consumption: Manufacturing Segment

GRI 303-1

The graph depicted below provides a visual representation of water consumption measured in megalitres. It is segmented into three distinct categories: ALCOM Municipal Water, ALCOM Ground Water, and ANSC Municipal Water. This division serves to clarify and compare the water consumption patterns across different water sources utilised by ALCOM and ANSC.

WATER CONSUMPTION OF ALCOM AND ANSC
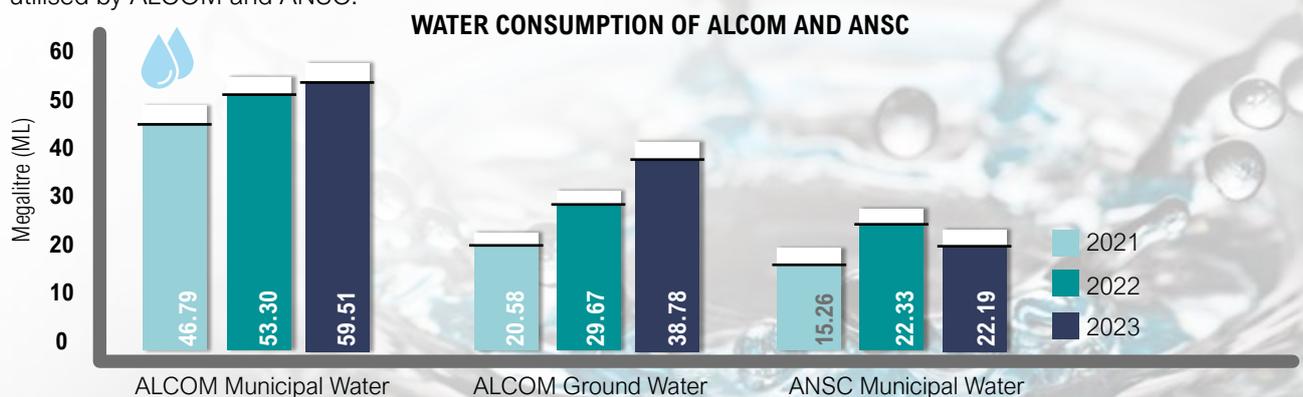
ENVIRONMENTAL

WATER GRI 303

c) **Water Recycled and Reused: Manufacturing Segment**

GRI 303-3

The graph below illustrates the percentage of water recycled from the total water consumed. It reveals a modest increase of 16.67% in the proportion of water recycled from the year 2022 to 2023. This upward trend indicates a gradual improvement in our water recycling efforts, reflecting our ongoing commitment to sustainable water management practices.

WATER RECYCLED

YEAR **2021**	YEAR **2022**	YEAR **2023**
5.0	3.3	3.85
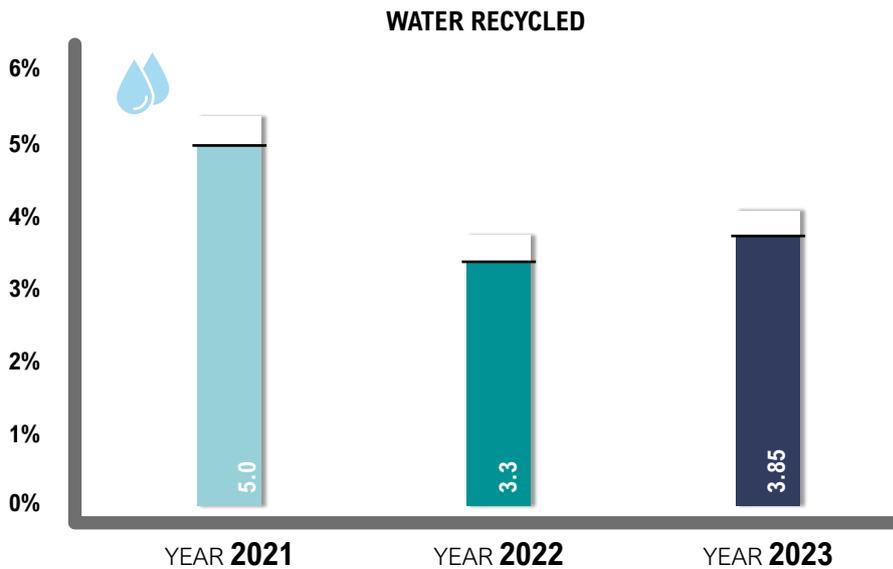
FUTURE PLANS

Adoption of water risk management plan and regular water risk assessment
The adoption of a water risk management plan involves identifying, assessing, and mitigating potential risks related to water availability, quality, and usage. By regularly conducting water risk assessments, the Group can monitor changes, implement tailored mitigation strategies, and ensure proactive stewardship of water resources, thus enhancing operational resilience and sustainability.

Implementation of water usage efficiency
By measuring water intensity through measuring the amount of water used per unit of production output, ensuring to minimise waste and promote sustainable water management practices.

"

Implementing water risk management and efficiency plans, including regular assessments and rainwater harvesting, enhances sustainability and operational resilience.

"

ENVIRONMENTAL

ENERGY GRI 302

OUR INITIATIVES

In FY 2022 , a strategic initiative was undertaken to limit electricity consumption by implementing sustainable solutions. A pivotal aspect of this initiative involved the installation of small-scale solar panels specifically designed for street lighting applications. Furthermore, to enhance energy efficiency in industrial settings, high bay LED lighting systems were introduced. This dual approach not only aligns with the Group's commitment to environmental responsibility but also underscores its dedication to adopting cutting-edge technologies that contribute to energy conservation. Through the deployment of these solar panels and LED lighting solutions, the Group continues to make strides in reducing its carbon footprint and advancing its sustainable practices in line with contemporary energy conservation standards.

OUR PERFORMANCE

GRI 302-1

a) **Total Energy Consumption of the Group**

GROUP'S TOTAL ENERGY CONSUMPTION
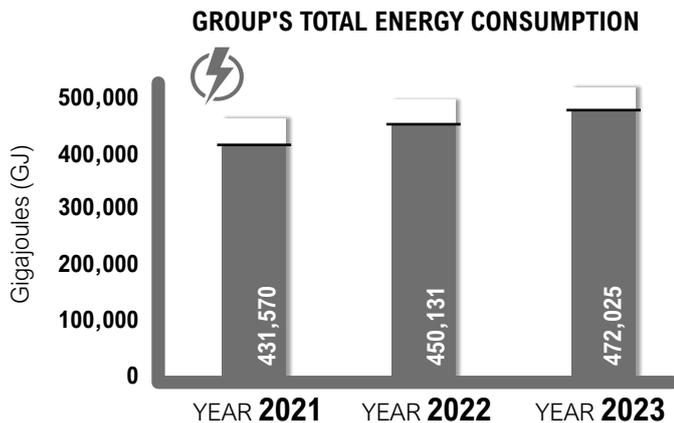
The graph provides a visual representation of the Group's total energy consumption for the year 2021, 2022 and 2023. It shows an increase in the Group's energy consumption, with **431,570** gigajoules (GJ) in 2022, increasing to **450,131** gigajoules (GJ) in 2022, and **472,025** gigajoules (GJ) in 2023.

b) **Total Electricity Consumption of the Group**

The graph provided presents a visual representation of the Group's electricity consumption. It shows a steady increase in the Group's electricity usage over the years, starting from **103,601 GJ** in 2021, rising to **112,490 GJ** in 2022, and further increasing to **115,642 GJ** in 2023.

GROUP'S TOTAL ELECTRICITY CONSUMPTION

ALCOM : TOTAL ELECTRICITY CONSUMPTION
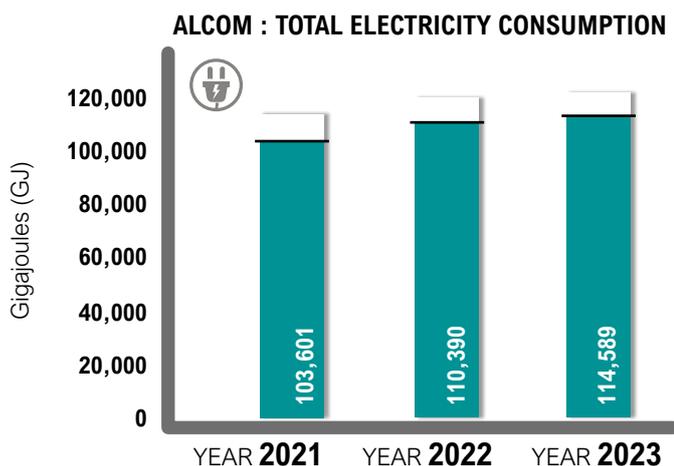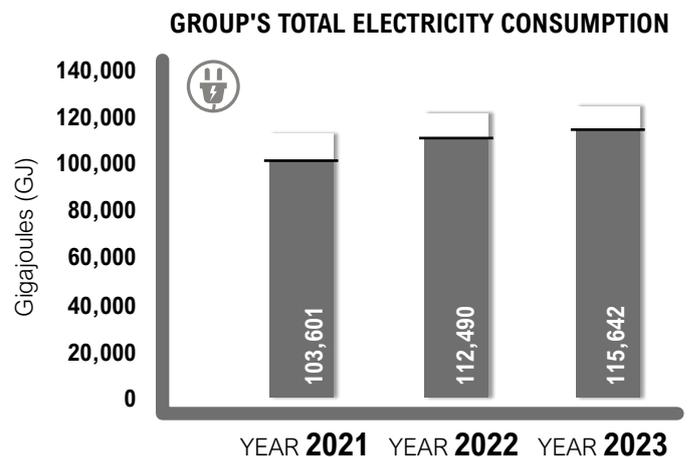
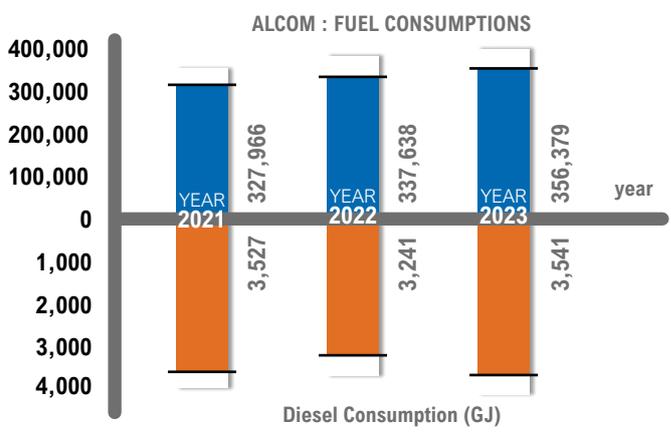**c)** **Total Electricity Consumption: ALCOM**

The graph provides a visual representation of ALCOM's electricity consumption, measured in gigajoules. It indicates a consistent upward trend in electricity usage from 2021 through 2023. Specifically, there was a notable increase of 6.55% from 2021 to 2022, followed by a further rise of 3.80% in 2023.

ENVIRONMENTAL

ENERGY GRI 302

d)   Fuel Consumption: ALCOM

The fuel consumption at ALCOM consists of natural gas and diesel. The consumption in 2021 was **327,966 GJ** and **3,527 GJ** respectively. In 2022, the consumption of natural gas amounted to **337,638 GJ**, while in 2023, it increased to **356,379 GJ**. Conversely, diesel consumption was recorded at **3,241 GJ** and **3,541 GJ** for 2022 and 2023 respectively.

ALCOM : FUEL CONSUMPTIONS

	YEAR 2021	YEAR 2022	YEAR 2023
Natural Gas (GJ)	327,966	337,638	356,379
Diesel Consumption (GJ)	3,527	3,241	3,541

e)   Electrical Energy Consumption Reduction

GRI 302-4

ALCOM has taken proactive steps to reduce energy consumption by initiating an ambitious solar power project situated in Kuala Kangsar. With a robust capacity of **29.9 megawatts**, this project signifies a significant investment in renewable energy infrastructure, marking a pivotal moment in the Group's journey towards sustainability. Beyond its immediate benefits in curbing energy usage, this initiative holds promise as a potential carbon offset solution in the future, further solidifying the Group's commitment to sustainability and environmental stewardship.

By harnessing the abundant solar resources available in the region, ALCOM not only reduces its reliance on fossil fuels but also contributes to the transition towards a low-carbon economy. This forward-thinking approach not only aligns with ALCOM's core values but also sets a precedent for responsible corporate citizenship within the industry, inspiring positive change and fostering a brighter, more sustainable future for generations to come.

FUTURE PLANS

Utilise solar power, aiming to harness the abundant and renewable energy.
Reducing reliance on traditional fossil fuels and mitigating environmental impact through sustainable energy practices.

Implementing energy management systems (EnMS)
Implementing energy management systems (EnMS) involves integrating technology and processes to monitor, control, and optimise energy use across the Group's facilities and operations. EMS helps identify energy-saving opportunities, improve efficiency, and reduce costs by providing real-time data, automated controls, and performance tracking.

Employee Engagement and Training
To engage employees in energy conservation efforts through awareness campaigns, training programmes, and incentives for energy-saving behaviours. This includes educating employees on the importance of energy conservation, providing training on energy-efficient practices, and encouraging participation in energy reduction initiatives.

"
Using solar power reduces reliance on fossil fuels, implementing energy management systems, and involving employees in energy conservation efforts.
"

ENVIRONMENTAL

ENVIRONMENTAL COMPLIANCE GRI 307-1

OUR INITIATIVES

The Group is committed to maintaining the highest standards of environmental responsibility and sustainability. We affirm that, to the best of our knowledge, we are in full compliance with all applicable environmental laws and regulations. Our commitment extends to proactive measures aimed at minimising our environmental impact, promoting conservation, and continually improving our environmental performance. We regularly monitor and assess our operations to ensure alignment with established environmental standards, and we are dedicated to fostering a culture of environmental stewardship within our organisation.

The Group has carried out several EHS compliances, such as:

- The Group has carried out **Boundary Noise Levels Measurement for 2023** and the results shows the Group is below permissible level as stated under **Guidelines for Environmental Noise Limits and Control" Third Edition 2019**.
- The Group is also committed to complying with **Environmental Quality (Scheduled Wastes) Regulations, 2005** for scheduled waste management.
- Assessment of EHS **Pollution Control Equipment Management**
- Assessment of EHS Roll Grinder Wastewater Treatment Plant Procedure under **Standard B which is listed in the Third Schedule of the Environmental Quality Act 1974.**
- **Measurement of Dust Particulate Concentration (Malaysian Standard 1596:2003) and Dark Smoke Observations,** complying with **Environmental Quality (Clean Air) Regulations 2014**

OUR PERFORMANCE

Fines and non-monetary sanctions for non-compliance with enviro nmental laws and/or regulations	0

FUTURE PLAN

Regulatory Compliance Monitoring
To monitor and ensure compliance with local, national, and international environmental regulations relevant to its operations. This includes staying abreast of regulatory updates, conducting regular audits, and implementing measures to address any non-compliance issues promptly.

Stakeholder Engagement
To engage with stakeholders, including employees, local communities, regulators, and NGOs, to solicit feedback, address concerns, and foster collaboration on environmental compliance initiatives. This includes regular communication, stakeholder consultations, and participation in multi-stakeholder forums and partnerships.

Continuous Improvement and Reporting
Commitment to continuous improvement in environmental compliance and will regularly monitor, evaluate, and report on its performance. This includes setting measurable targets, tracking key performance indicators, and transparently reporting progress in its sustainability reports.
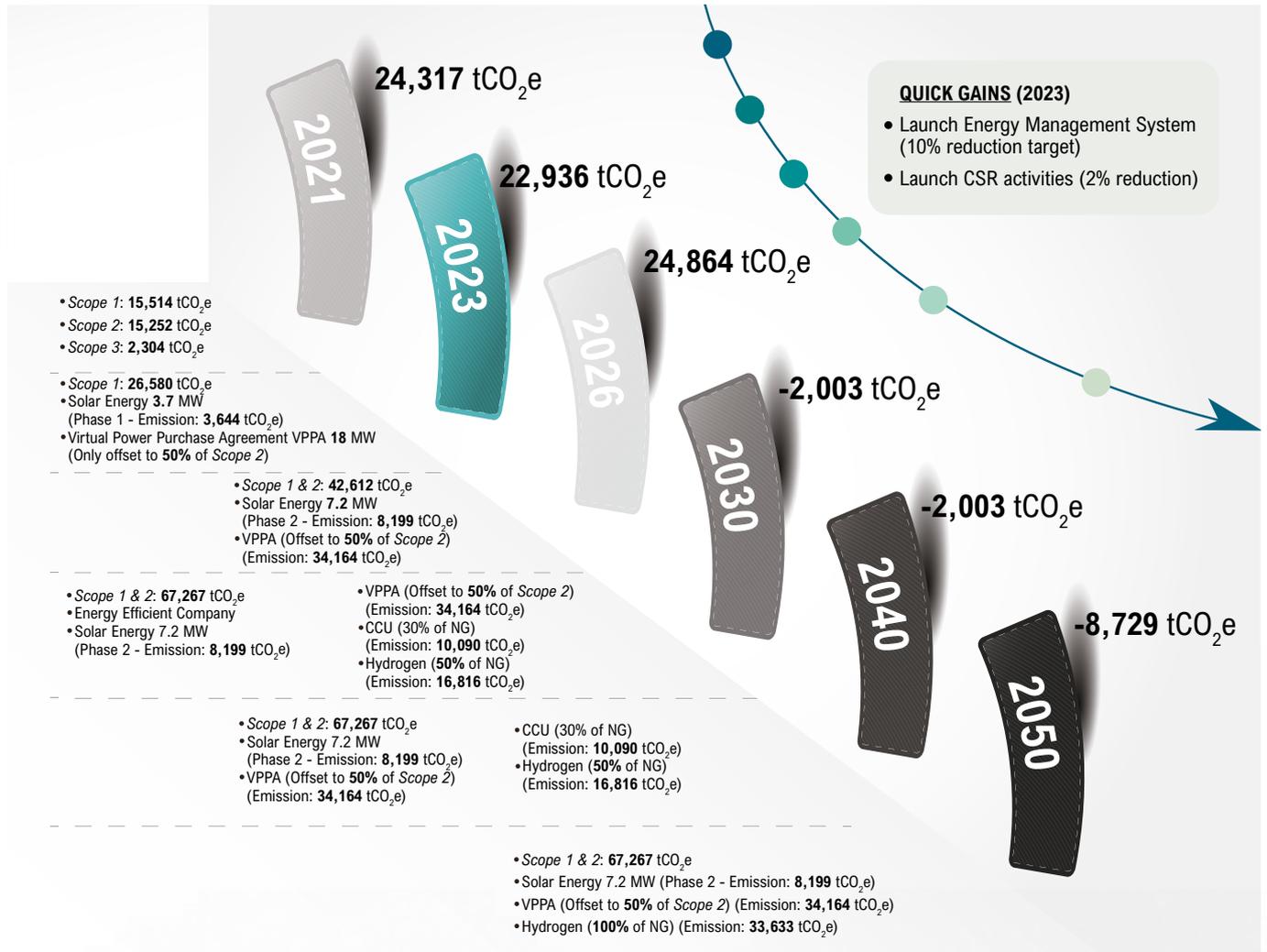
> **Monitoring regulatory compliance ensures adherence to environmental laws, while stakeholder engagement fosters collaboration, and continuous improvement involves setting targets and reporting performance."**
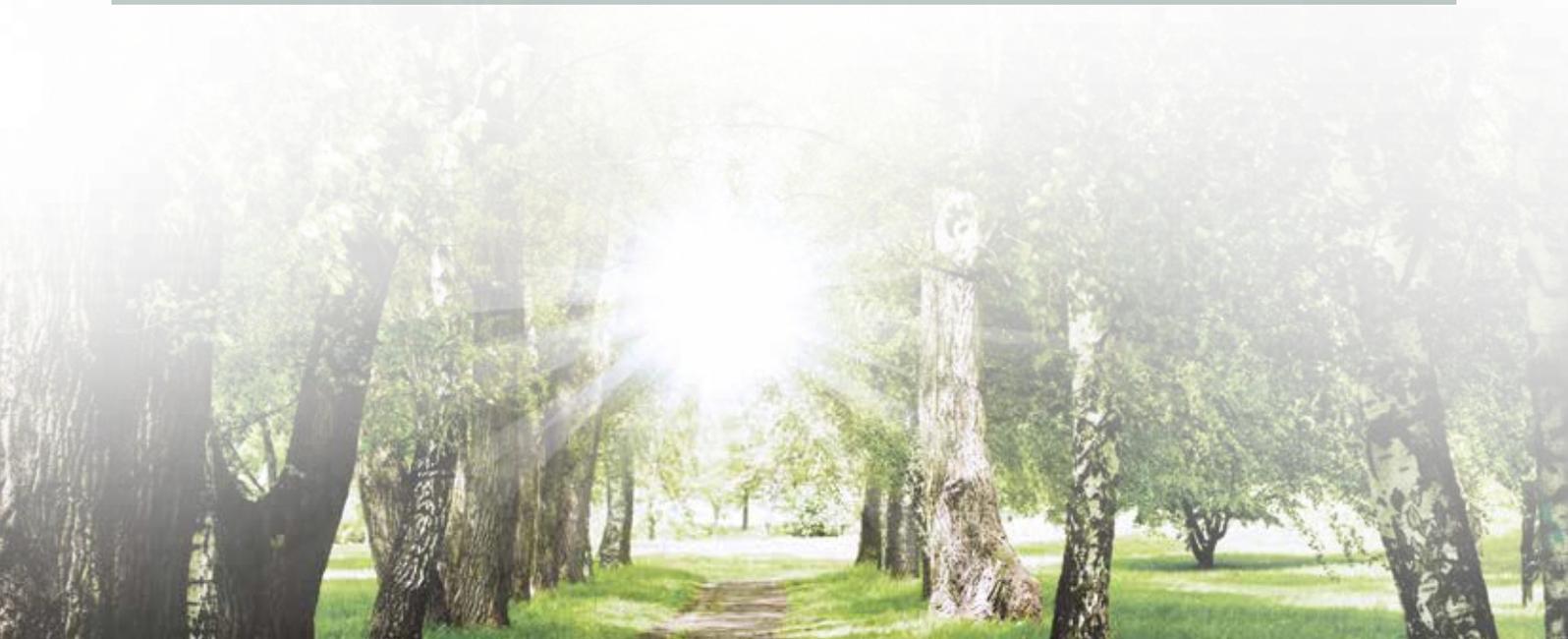
ENVIRONMENTAL

In line with our commitment to sustainability, the manufacturing segment has embarked on the development and implementation of a net gain strategic plan, illustrated below. This strategic plan outlines our emission reduction targets for the next 30 years, reflecting our dedication to environmental stewardship and long-term sustainability goals.

24,317 tCO_2e — 2021

22,936 tCO_2e — 2023

24,864 tCO_2e — 2026

-2,003 tCO_2e — 2030

-2,003 tCO_2e — 2040

-8,729 tCO_2e — 2050

QUICK GAINS (2023)
- Launch Energy Management System (10% reduction target)
- Launch CSR activities (2% reduction)

- *Scope 1*: **15,514** tCO_2e
- *Scope 2*: **15,252** tCO_2e
- *Scope 3*: **2,304** tCO_2e

- *Scope 1*: **26,580** tCO_2e
- Solar Energy **3.7** MW (Phase 1 - Emission: **3,644** tCO_2e)
- Virtual Power Purchase Agreement VPPA **18** MW (Only offset to **50%** of *Scope 2*)

- *Scope 1 & 2*: **42,612** tCO_2e
- Solar Energy **7.2** MW (Phase 2 - Emission: **8,199** tCO_2e)
- VPPA (Offset to **50%** of *Scope 2*) (Emission: **34,164** tCO_2e)

- *Scope 1 & 2*: **67,267** tCO_2e
- Energy Efficient Company
- Solar Energy 7.2 MW (Phase 2 - Emission: **8,199** tCO_2e)

- VPPA (Offset to **50%** of *Scope 2*) (Emission: **34,164** tCO_2e)
- CCU (30% of NG) (Emission: **10,090** tCO_2e)
- Hydrogen (**50%** of NG) (Emission: **16,816** tCO_2e)

- *Scope 1 & 2*: **67,267** tCO_2e
- Solar Energy 7.2 MW (Phase 2 - Emission: **8,199** tCO_2e)
- VPPA (Offset to **50%** of *Scope 2*) (Emission: **34,164** tCO_2e)

- CCU (30% of NG) (Emission: **10,090** tCO_2e)
- Hydrogen (**50%** of NG) (Emission: **16,816** tCO_2e)

- *Scope 1 & 2*: **67,267** tCO_2e
- Solar Energy 7.2 MW (Phase 2 - Emission: **8,199** tCO_2e)
- VPPA (Offset to **50%** of *Scope 2*) (Emission: **34,164** tCO_2e)
- Hydrogen (**100%** of NG) (Emission: **33,633** tCO_2e)

ALCOM NET GAIN STRATEGIC PLAN

8
SOCIAL

Our social sustainability commitment begins with a diverse workforce, ensuring fairness and equal opportunities. We promote diversity, maintain positive labour/management relations, and prohibit forced labour.

SOCIAL

ENGAGING OUR PEOPLE
GRI 2-7, 201-3, 401-1, 401-2, 402-1, 405-1, 412-1

OUR INITIATIVES

Employment

The Group's commitment to social sustainability begins with the fundamental aspect of employment, extending across various operational sectors, including manufacturing, construction, and property development. Our workforce is strategically diverse, encompassing individuals across different genders, employment types (full-time, part-time, contract), and regions, with hiring practices continually evolving to prioritise fairness and equal opportunities.

To address the risk of forced or compulsory labour within manufacturing operations, the Group has implemented several measures. Employees adhere to a standard 40-hour workweek across shifts, with compensation provided for Saturday work as outlined in the Staff Handbook 2023. Additionally, allowances are made for Muslim male employees to attend Friday prayers, ensuring respect for religious practices. Overtime work is specifically regulated in accordance with the Employment Act, 1955, ensuring fair remuneration for additional hours worked.

While the organisation does not currently identify any countries at risk, these operational practices underscore our commitment to maintaining ethical standards and safeguarding against incidents of forced or compulsory labor. Through ongoing diligence and adherence to regulatory guidelines, we strive to promote a workplace environment that upholds human rights and fosters dignity for all employees and suppliers.

Diversity & Human Rights

Diversity and equal opportunity are integral to our organisational values. Through regular assessments, we gauge progress and identify areas for improvement in promoting diversity and ensuring equal opportunities for all employees. Simultaneously, we conduct thorough human rights assessments across our operations, aligning with international standards. These assessments help identify and mitigate potential human rights risks, ensuring the protection and upholding of the rights of our diverse workforce.

Labour / Management Relation

Positive and collaborative labour/management relations are pivotal for The Group. Our Collective Agreement with the Metal Industry Employees' Union (MIEU) establishes a framework promoting fair labour practices, including negotiations on wages, benefits, and working conditions. To foster an open dialogue, regular communication channels are established between labour and management, ensuring that employee concerns and perspectives are considered in decision-making processes.

The Group strictly prohibits forced or compulsory labour across its operations and supply chains. Processes are in place to assess and mitigate the risk of forced labour, ensuring that all employees engage voluntarily and are provided with fair and just working conditions. Regular audits and assessments identify and address any potential issues related to forced labour, with corrective actions taken promptly to uphold our stringent policies.

Apart from that, in labour management relations, the Group adheres to a minimum notice period of four (4) weeks for significant operational changes. Town Hall meetings are conducted each quarter to facilitate open dialogue and address any concerns or updates. However, in the case of major issues that occasionally arise within the Group, such as unforeseen events or emergencies, the notice period is reduced to one week before the event (ad hoc), allowing for rapid and decisive action while still prioritising transparency and communication with all stakeholders involved.

SOCIAL

ENGAGING OUR PEOPLE
GRI 2-7, 201-3, 401-1, 401-2, 402-1, 405-1, 412-1

OUR PERFORMANCE

The Group's commitment to performance excellence is underscored by the dedication to creating a thriving and supportive work environment. With a workforce comprising 531 employees, our commitment to diversity and inclusivity is evident in our gender-balanced composition and the breakdown of employment types, including full-time, part-time, and contract positions across various regions.

Total No. of Employee in 2023
531

16%   **84%**

Female: **85**   Male: **446**

Staff Category		
Non-executive / Technical Staff	**309**	
Executive	**148**	
Management	**74**	

Employee by Age

154	<30
266	30 - 50
111	>50

Directors by Age

2	30 - 50
6	>50
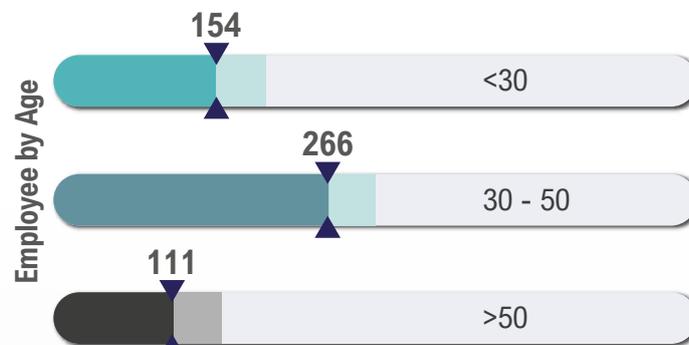
Female **2**   Male **6**

SOCIAL

ENGAGING OUR PEOPLE
GRI 2-7, 201-3, 401-1, 401-2, 402-1, 405-1, 412-1

Our holistic approach to performance management extends to the transparent disclosure of turnover rates, encompassing both voluntary and involuntary departures. This commitment to transparency enables us to proactively analyse and address any significant turnover, thereby continuously improving our employee experience.

Central to our performance ethos is the recognition that employee well-being is foundational to organisational success. The manufacturing segment of the Group provides a comprehensive array of benefits, including health and wellness programmes designed to foster physical and mental well-being. Our dedication to the long-term financial security of our employees is evident in the robust retirement plans we offer. Moreover, our commitment to fair and favorable working conditions is enshrined in the Collective Agreement established between the manufacturing segment and MIEU. This agreement ensures fair wages, benefits, and reasonable working hours, emphasising our dedication to sustaining a harmonious work environment.

Our benefit:

- **Medical Benefits**
- **Insurance Reimbursement**
- **Dental Claims**
- **Optical Claims**
- **Sport Subsidy**
- **Handphone Allowance**
- **Mileage Claim**
- **Retirement Benefit**
- **Paid Study Leave**
- **Allowances (OT Meal, Outstation, Shift, Heat, Mid-Day Meal, Morning, Transport)**
- **Bonus**
- **Condolence Expenses**
- **School Academic Excellence Award**
- **Educational Assistance Scheme**
- **Long Service Award**
- **Annual Incentive Payment (AIP)**

Another benefit of our initiatives is the provision for married male employees to take up to seven consecutive days of paid paternity leave for each confinement, up to five confinements, irrespective of the number of spouses.

SOCIAL

ENGAGING OUR PEOPLE
GRI 2-7, 201-3, 401-1, 401-2, 402-1, 405-1, 412-1

Celebration of Hari Raya 2023
Filled with loads of fun and excitement, the manufacturing segment's team of the Group celebrated Hari Raya 2023.

Retirement and Birthday Party
The manufacturing segment of the Group celebrated the dedication and birthday of Mr. SK Loh, who served the company for 34 years.

In the manufacturing segment, one of the retirement benefit plans is the Gratuity Scheme, which is provided to confirmed employees in service before 1 April 2013 who reach the age of fifty-five (55). The quantum of payment shall be 50% of the employee's last drawn monthly base salary for every year served.

This scheme is important to appreciate the dedication and loyalty of employees who have served the company for many years, offering them financial security and recognition for their commitment.

SOCIAL

ENGAGING OUR PEOPLE
GRI 2-7, 201-3, 401-1, 401-2, 402-1, 405-1, 412-1

Women's Day Celebration
The manufacturing segment of the Group celebrated Women's Day with its female employees.

Glam Night Annual Dinner
After 3 years of awaiting, employees of the Group had fun, joy and excitement in their annual dinner
themed "Glam Night" in January 2023.

To further support our workforce, our Staff Handbook for Management Staff acts as a guide, articulating policies and practices related to working conditions. The handbook reflects our commitment to two-way communication, enabling open dialogue and understanding between management and staff. This approach empowers our employees with the knowledge and tools necessary to excel in their roles and contribute to the overall success of our organisation. The Group's performance is not only measured by business outcomes but also by the well-being and satisfaction of our valued employees, and our comprehensive initiatives continue to propel us towards excellence in all facets of our organisational performance.

SOCIAL

ENGAGING OUR PEOPLE
GRI 2-7, 201-3, 401-1, 401-2, 402-1, 405-1, 412-1

FUTURE PLAN

Employment
- Diversity Initiatives: Launch targeted initiatives to enhance diversity in recruitment processes, ensuring a broad representation of talent at all levels.
- Skill Development Programmes: Implement skill development programmes to foster professional growth, enabling employees to take on new challenges and advance in their careers.

Diversity & Human Rights
- Continuous Monitoring: Establish a continuous monitoring system for diversity metrics and human rights compliance, enabling real-time adjustments to ensure ongoing improvement.
- Training Programmes: Develop training programmes aimed at raising awareness among employees about the significance of diversity and human rights, fostering a culture of inclusivity and respect as outlined in the Human Rights, Diversity, and Inclusion Policy of 2023.

Labour/Management Relation
- Enhanced Communication Channels: Strengthen communication channels between labour and management, encouraging regular dialogues and feedback sessions to address concerns promptly.
- Training for Management: Provide training for management personnel on effective communication and conflict resolution, fostering a positive and collaborative work environment.
- Supply Chain Due Diligence: Expand efforts to ensure that our supply chain partners adhere to the same stringent policies against forced labour, conducting thorough due diligence to identify and rectify any potential issues.
- Employee Education: Develop educational programmes for employees on recognising and reporting signs of forced labour, empowering them to be vigilant and contribute to a safe working environment.

Additionally, we aim to enhance transparency by portraying the following metrics: the total count of employees eligible for parental leave, the precise number of employees availing themselves of parental leave benefits, the retention rate of employees twelve months post their return to work subsequent to parental leave, and the cumulative number of employees rejoining the workforce following parental leave in previous reporting periods, all of which reaffirm our commitment to maintaining a fair and supportive workplace environment.

These future plans underscore the Group's commitment to continuous improvement in social sustainability. By proactively addressing diversity, human rights, labour or management relations, and preventing forced labour, we aim to foster a workplace culture that values inclusivity, fairness, and ethical practices. These initiatives align with our broader sustainability goals and reinforce our dedication to responsible business practices in the years ahead. Additionally, we aim to enhance a culture of fairness not only within our Group but also across our stakeholders, including suppliers, investors, and customers, ensuring that our commitment to ethical principles passes throughout our entire network.

> **The Group's employment strategy incorporates targeted diversity initiatives, skill development, continuous monitoring of diversity metrics, diversity and human rights training, and improved communication channels**

SOCIAL   RIGHTS OF INDIGENOUS PEOPLE GRI 411-1

OUR INITIATIVES

Recognising the potential impact that our projects can have on indigenous communities, our initiatives are designed to promote inclusivity, respect cultural diversity, and ensure that our operations do not adversely affect the well-being of the indigenous groups.

The Group prioritises community engagement, inclusivity, and sustainability in its construction projects. Through early collaboration with indigenous communities in the planning stages, we ensure their voices are central to decision-making, conducting thorough impact assessments to minimise disruption to traditional land use practices. Additionally, our sustainable construction practices align with indigenous values, emphasising responsible resource use and minimising environmental impact.

OUR PERFORMANCE

Maintaining positive community relations, we have received no reports of adverse impacts on indigenous communities, and we prioritise open communication to promptly address any concerns. In terms of compliance with indigenous rights standards, we take pride in having zero recorded incidents related to potential infringements throughout our construction projects. Regular audits are conducted to ensure adherence to international standards and best practices, showcasing our steadfast commitment to legal and ethical construction operations. These accomplishments underscore our holistic approach to construction, where respect for indigenous rights and ethical practices remains at the forefront of our operations.

FUTURE PLAN

In moving forward, The Group reaffirms its dedication to the rights of indigenous peoples in the context of activities below:

• Education and Training Programmes: Collaborate with indigenous communities to develop education and training programmes that build construction-related skills, fostering sustainable livelihoods.

• Legal Advisory Services: Establish programmes providing legal support and advisory services to indigenous communities, ensuring their rights are protected during construction projects.

• Community Empowerment Initiatives: Launch initiatives that empower indigenous communities economically and socially, leveraging the benefits generated by construction activities for long-term well-being.

SOCIAL

SUPPLIER SOCIAL ASSESSMENT GRI 414-1

OUR INITIATIVES

We extend our values to our supply chain through strategic initiatives in supplier social assessment, emphasising sustainability and ethical practices. The correlation between the supply chain and procurement functions of the Group highlights the importance of integrating sustainable practices into purchasing management and contracting processes.

Over FY2022 and FY2023, the Group has undertaken several initiatives to promote sustainability within its supply chain. In FY2022, the Group focused on green procurement and value for money in its engagement with suppliers. Annual supplier assessments were conducted to ensure alignment with sustainability goals. Additionally, stringent screening processes were implemented to verify supplier compliance with relevant laws, regulations, and sustainable practices. This emphasis on sustainable procurement practices was aimed at securing long-term financial benefits and enhancing market competitiveness.

Building on these efforts, in FY2023, the Group implemented the ALCOM Sustainable Procurement Policy. This comprehensive framework guides procurement activities towards responsible sourcing practices, aligning with our corporate values and legal obligations. The policy emphasises integrity, anti-corruption measures, and stakeholder engagement, reinforcing our commitment to ethical procurement practices.

Through these initiatives, we strive to enhance a sustainable and responsible supply chain, mitigating risks, and contributing to the long-term viability of our business operations. Additionally, the Group's initiatives toward a sustainable supply chain emphasise its commitment to environmental stewardship, social responsibility, and regulatory compliance, reinforcing our dedication to ethical and responsible business practices:

Supplier Audit and Evaluation Annual Assessment

The Group conducted annual assessments focusing on reviewing standards compliance and planning corrective actions where necessary. Suppliers were provided with checklists for self-audit or on-site audit processes to ensure adherence to sustainability standards.

Integration of Social and Environmental Clauses into Contracts

Contracts with suppliers, particularly for maintenance services, included clauses integrating environmental, health, and safety (EHS) standards. These clauses aimed to ensure safe and sustainable execution of contracted work.

Contractor's EHS Code of Conduct

A comprehensive safety plan was developed and integrated into contractor agreements, emphasising compliance with safety protocols and procedures. Non-compliance could result in termination of contracts.

Overall, these initiatives portrayed the Group's proactive stance towards promoting sustainability, accountability, and safety within its supply chain. By integrating sustainability considerations into supplier evaluations, contractual agreements, and contractor engagements, the Group is taking concrete steps towards achieving its sustainability objectives and fostering a culture of responsibility and compliance throughout its supply chain ecosystem.

SOCIAL   SUPPLIER SOCIAL ASSESSMENT GRI 414-1

OUR PERFORMANCE

The basis of our performance lies in the adherence to our Supplier Code of Conduct, where our suppliers consistently demonstrate high levels of compliance, fostering a shared commitment to ethical and socially responsible practices. Maintaining transparent communication channels with our suppliers, we encourage open discussions on social sustainability matters to ensure mutual understanding and collaboration.

Our proactive approach to social impact mitigation is evident in the absence of reported instances of significant social issues within the supply chain, showcasing the effectiveness of our mitigation measures. To further fortify our commitment, we have implemented continuous monitoring systems, enabling us to promptly address any emerging social sustainability challenges. These accomplishments underscore our dedication to upholding high ethical standards and promoting a socially responsible supply chain that aligns with our values and principles.

FUTURE PLAN

Our ambitious future plans encompass a strategic focus on Supplier Capacity Building, where we aim to expand and enhance training programmes for our suppliers. This initiative seeks to empower our suppliers with the necessary knowledge and skills to effectively uphold and promote social responsibility standards. Additionally, we envision fostering a culture of Collaboration for Continuous Improvement through joint initiatives with our suppliers. By engaging in collaborative efforts, we aim to address shared social sustainability goals, fostering a sense of shared responsibility throughout the supply chain.

Supplier Compliance with EHS Code of Conduct*
As of the reporting period, **38%** of total suppliers in the manufacturing segment have signed the EHS Code of Conduct, slightly below the target percentage. Efforts are underway to increase this to **68%** by the next reporting period for all the segments within the Group.
Supplier Performance Rating
Plans are underway to implement a performance rating system for suppliers based on criteria such as quality, delivery, price, service, payment terms, value, and EHS compliance. This system aims to incentivise high performance and address underperformance effectively.
Supplier Sustainability Procurement Checklist
Checklist focusing on environmental, social, and governance (ESG) aspects was introduced to assess supplier sustainability initiatives. The target is to cover 50% of total suppliers through CSR assessments.

* Table displays the total number of suppliers who signed the EHS Code of Conduct for the manufacturing segment in FY2023.

	ALCOM	ANSC	Total
Total Supplier	323	146	**469**
Total Supplier Signed	189	96	**285**
			38%

Emphasising the importance of innovation for social impact, we encourage our suppliers to explore new practices and technologies that contribute positively to communities and social well-being. Through these forward-thinking plans, the Group strives to set new benchmarks in supplier social responsibility, creating a sustainable and socially conscious supply chain for the benefit of all stakeholders involved. Further progress and enhancements are anticipated in subsequent reporting periods.

SOCIAL

TRAINING & EDUCATION GRI 404-2

OUR INITIATIVES

Aligned with our commitment to social responsibility and community well-being, we channel our efforts towards education and skill development initiatives that contribute to social progress. In our Employee Training programmes, we prioritise Professional Development, implementing ongoing training to enhance employees' skills and knowledge, fostering continuous growth and career advancement.

In the scope of Community Education Initiatives, we actively collaborate with local educational institutions to support community education, providing resources and mentorship programmes.

Furthermore, we incorporate Sustainable Education Practices into our initiatives. Environmental Education is seamlessly integrated into our training programmes, promoting awareness, and understanding of sustainable practices among both employees and community members.

ESG Series:

As stakeholders of the Group, employees are required to provide feedback on materials to the Group through online assessments upon the short training.

SOCIAL

TRAINING & EDUCATION GRI 404-2

Employees of the Group participate in fostering sustainability in their working cultures.

SOCIAL

TRAINING & EDUCATION GRI 404-2

AI and sustainability Seminar:

On September 30, 2023, the manufacturing segment inquired deep into the future of architecture and sustainability, exploring the transformative power of AI in our industry.

Social Responsibility Modules are embedded in our training curriculum, emphasising ethical business practices and fostering community engagement. Our commitment to Women Empowerment is manifested through promoting gender equality and providing equal opportunities for career advancement. These multifaceted initiatives underscore our dedication to holistic education, skill development, and social responsibility, striving to create a positive impact on individuals and communities alike.

SOCIAL

TRAINING & EDUCATION GRI 404-2

OUR PERFORMANCE

Employee Development

In our pursuit of Employee Development, our focus on Skills Enhancement has yielded commendable results. Notable improvements in employee skills and competencies have been observed, contributing significantly to increased productivity and heightened job satisfaction across our workforce. This commitment has created an environment where employees, including women, experience tangible growth and professional development. Employee Satisfaction Surveys further affirm the success of our training programmes, with participants consistently providing positive feedback, attesting to the meaningful impact on their professional journey.

In FY2023, there were 84 training sessions conducted to upgrade the skills of our employees.

The average number of hours of training participated in by employees during FY2023 is summarised below.

GROUP'S AVERAGE TRAINING HOURS BY GENDER
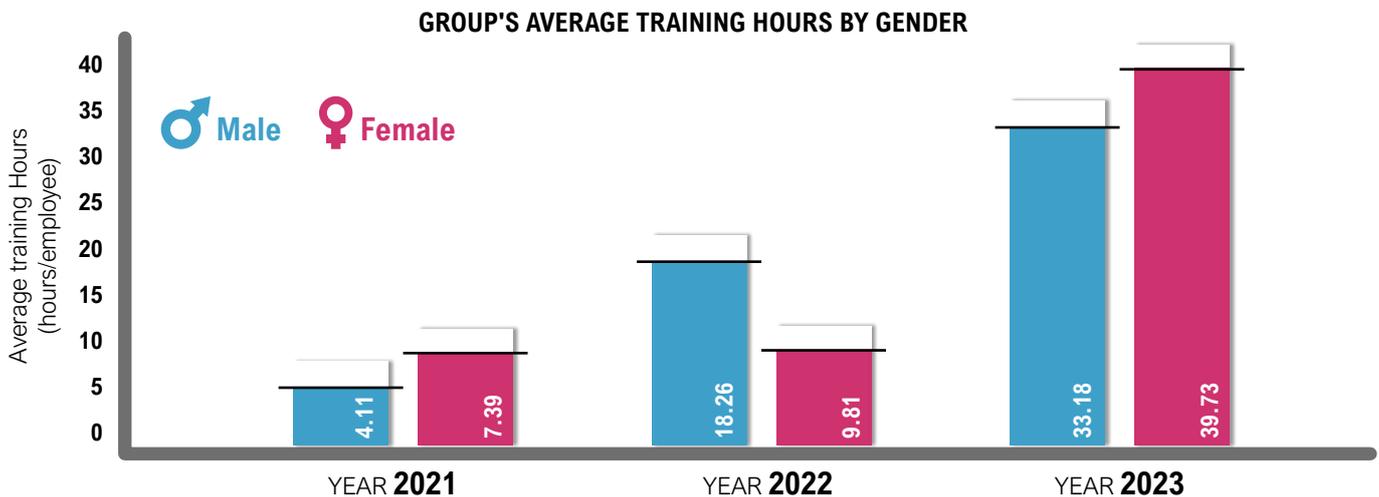
It is notable that the average training hours between 2021, 2022, and 2023 demonstrates an increase for both male and female employees. In 2021, male employees received an average of 4.11 hours of training, while female employees received an average of 7.39 hours. By 2022, there was a substantial increase in training hours for both genders, with males averaging 18.26 hours and females averaging 9.81 hours. This trend continued in 2023, with male employees receiving an average of 33.18 hours of training and female employees receiving an average of 39.73 hours. Overall, the data indicates a consistent rise in average training hours for both male and female employees over the three-year period, reflecting the Group's ongoing efforts to prioritise employee development and skill enhancement.

GROUP'S AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY
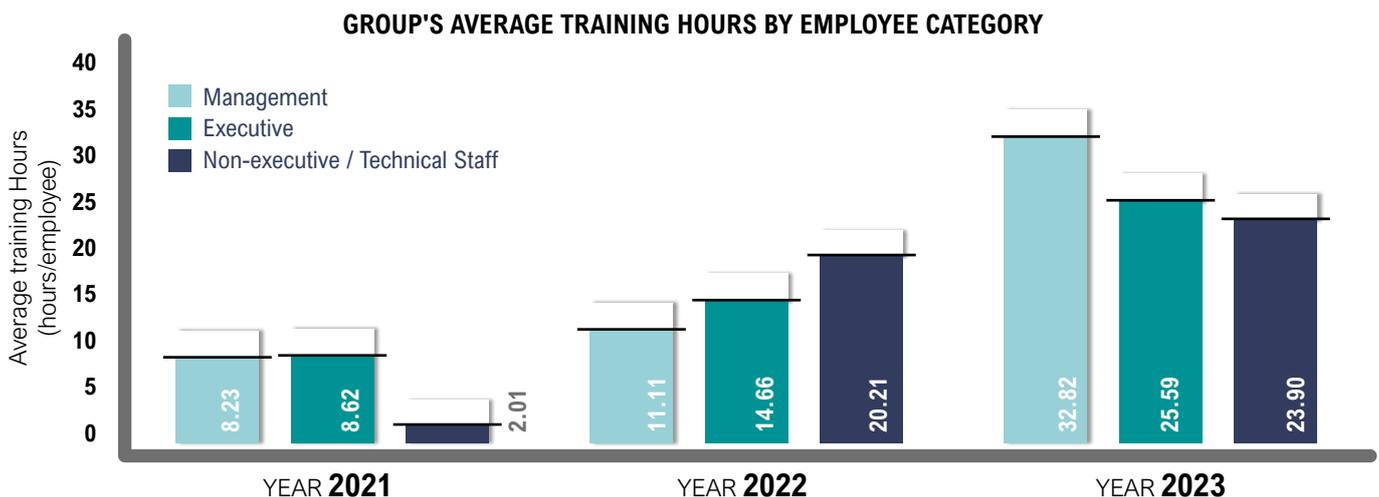
SOCIAL

TRAINING & EDUCATION GRI 404-2

The data reveals a notable trend in average training hours across different employee categories, particularly in 2023. Management saw a remarkable surge in training hours, escalating from 11.11 hours in 2022 to a substantial 32.82 hours in 2023. This significant increase suggests a heightened emphasis on skill development and training initiatives for managerial personnel, driven by the Group restructuring and industry demands. Executives also experienced a notable shift in training investment, where it increased from 14.66 hours in 2022 to 25.59 hours in 2023.

Non-executive and technical staff portrayed a rise in training hours, rising from 20.21 hours in 2022 to 23.90 hours in 2023. This increase emphasises a strategic focus on upskilling or reskilling technical staff to adapt to evolving job requirements and technological advancements. Overall, the data reflects a concerted effort towards enhancing employee skills and capabilities across all levels of the Group, with distinct fluctuations in training investments among different employee categories in 2023.

The Leader-Manager Working Workshop:

The manufacturing segment conducted a workshop to evolve every manager into an impactful leader.

SOCIAL

TRAINING & EDUCATION GRI 404-2

Community Engagement

Our dedication to Community Engagement has brought about positive transformations. Through successful collaborations with local educational institutions, we have facilitated Increased Access to Education for community members. This collaboration has empowered individuals with valuable knowledge and skills, transcending socio-economic barriers. Moreover, our efforts in providing Skills Training for Local Communities have resulted in community members reporting enhanced employability and increased access to Employment Opportunities. This highlights our commitment to creating positive pathways for community members, including women, towards sustainable employment and economic empowerment.

Architectural Talk:

The manufacturing segment held an Architectural Talk for the brilliant students of the Bachelor of Science in Architecture (Honours) programmes at Tunku Abdul Rahman University of Management and Technology

Moreover, the Group places vital importance on the continuous development and empowerment of its workforce through comprehensive training and ongoing education initiatives. These efforts encompass a wide array of transition assistance programmes, including internal training courses, financial support for external education opportunities, and the provision of time off periods with assured reintegration into the workforce. Moreover, recognising the basic value of its human capital, the Group remains committed to facilitating career transitions resulting from retirement, termination, or impairment by offering pre-retirement planning, retraining opportunities, and specialised assistance fit to individuals' needs.

Furthermore, to ensure optimal performance and career growth, the Group conducts annual performance appraisals for all employees. Each employee's performance is evaluated based on their achievements, with a weighted assessment of their competency level across key attributes such as integrity, commitment, speed, seamlessness, and passion. This evaluation also highlights the competencies developed throughout the year, reflecting their career progression. For non-management and technical employees, evaluation criteria include quality, productivity, safety, cooperation among colleagues, and attendance. In FY2023, 100% of employees, regardless of gender or category, underwent performance evaluations, highlighting the importance placed on individual development and organisation success.

This dedication underlines the Group's commitment to nurturing a skilled, adaptable, and resilient workforce capable of meeting the evolving demands of the industry while ensuring the continued success and sustainability of the organisation.

SOCIAL

TRAINING & EDUCATION GRI 404-2

FUTURE PLAN

The Group envisions an expansion of our efforts in training and education, reinforcing our unwavering commitment to social empowerment through two key focuses below:

Lifelong Learning Initiatives
In our commitment to fostering a culture of continuous learning, we aim to encourage employees to engage in Lifelong Learning Initiatives. This initiative not only supports ongoing professional development but also instil a sense of curiosity and adaptability within the organisation. Additionally, recognising the significance of digital skills in the contemporary job market, we are considering to planning to introduce Digital Literacy Programmes. These programmes will equip both employees and community members with essential digital skills, ensuring they remain adept and competitive in an evolving technological landscape.

Community Scholarship Programmes
Our dedication to supporting education in underserved communities finds expression in the consideration of launching the Education Sponsorships. Through scholarship programmes, we aim to empower talented individuals, providing them with the necessary resources to pursue academic excellence. Furthermore, our focus on STEM Education Initiatives underscores our commitment to preparing individuals for emerging industries. By concentrating on science, technology, engineering, and mathematics (STEM) education, we aspire to contribute to the development of a skilled workforce equipped for the challenges and opportunities of the future.

The Group aims to expand training efforts, focusing on Lifelong Learning Initiatives and Digital Literacy Programmes, alongside Community Scholarship Programmes.

SOCIAL

CUSTOMER PRIVACY GRI 418-1

OUR INITIATIVES

In recognition of the growing importance of customer privacy in today's digital landscape, the Group places a high priority on initiatives that ensure the protection of customer data. Our comprehensive approach to customer privacy reflects our commitment to ethical business practices and responsible stewardship of sensitive information.

Continuously reviewing and updating related policies ensures alignment with the latest regulations and industry best practices. Acknowledging the vital role of employee awareness, regular training sessions are conducted to emphasise the significance of customer privacy and promote adherence to data protection policies.

Our commitment to Transparent Privacy Communication is reflected in the provision of clear and concise privacy notices to customers. These notices outline the processes of data collection, processing, and protection, fostering transparency and building trust. Maintaining accessible communication channels for customer inquiries further enhances transparency and strengthens the bond of trust.

The Group ensures Secure Data Handling Practices by implementing encryption protocols for customer data during transmission and storage, minimising the risk of unauthorised access. Regular internal and external audits are conducted to assess the effectiveness of data security measures, allowing prompt identification and resolution of any vulnerabilities.

OUR PERFORMANCE

In terms of Incident Response and Resolution, we consistently demonstrate a prompt and transparent response to any privacy incidents, ensuring affected customers are promptly informed, and appropriate remedial actions are swiftly taken. Leveraging incident learnings is integral to our commitment to continuous improvement, allowing us to enhance data protection measures continually.

In terms of Customer Feedback and Satisfaction, our efforts are validated by the positive feedback received from customers regarding the clarity and effectiveness of our privacy communications. This positive response significantly contributes to overall customer satisfaction. Furthermore, we prioritise Privacy Preference Management by implementing mechanisms that empower customers to easily manage their privacy preferences. This ensures that our customers have control over the use of their personal data, reinforcing our commitment to transparency and customer-centric privacy practices.

In accordance with our commitment to transparency and safeguarding customer privacy, we are pleased to report that the Group has not received any substantiated complaints concerning breaches of customer privacy from external parties or regulatory bodies. Additionally, there have been no identified leaks, thefts, or losses of customer data. We remain dedicated to upholding the highest standards of data security and privacy protection for our valued customers.

FUTURE PLAN

Our future plans include the integration of emerging technologies with a focus on Privacy by Design, ensuring data protection is foundational in the development of new technologies and services. Additionally, we will explore the potential of blockchain technology to enhance data security and customer privacy in transactions and data sharing. To provide customers with enhanced privacy controls, we plan to develop and implement more granular privacy settings, giving them greater control over how their data is utilised. Educational campaigns will be launched to inform customers about the importance of privacy controls and guide them on effective usage.

"Our future plans integrate emerging technologies, prioritising Privacy by Design for data protection. This includes exploring blockchain for enhanced security and customer privacy."

SOCIAL

OCCUPATIONAL SAFETY & HEALTH
GRI 403-1, 403-2, 403-3, 403-5

OUR INITIATIVES

Our Occupational Health and Safety Management System emphasises the Group's commitment to providing a safe and secure working environment for all employees. Recognising the importance of safeguarding the health and safety of our workforce, we adhere to strict measures outlined in our Environmental Health and Safety (EHS) Management framework.

Under this framework:

The Group acknowledges its responsibility to ensure a safe working environment, continually assessing and implementing measures to uphold occupational health and safety standards.

Essential safety and protective clothing are provided to employees where deemed necessary to mitigate workplace hazards.

The active involvement and compliance of employees are vital to the success of occupational health and safety initiatives. It is imperative that all employees adhere closely to established regulations and environmental schemes.

Adequate training and guidance on the proper use of safety equipment are provided to all employees, enhancing their ability to mitigate risks effectively.

Non-compliance with health, safety, and environmental regulations may result in disciplinary action as per Group policies.

Employee feedback and suggestions regarding occupational health, safety, and environmental concerns are welcomed and carefully considered.

SOCIAL

OCCUPATIONAL SAFETY & HEALTH
GRI 403-1, 403-2, 403-3, 403-5

In the manufacturing segment, our EHS team, led by the EHS Unit Manager, works in tandem with a Senior EHS Coordinator and an Environmental Engineer to oversee safety protocols. Similarly, in the construction segment, the Safety Manager spearheads EHS activities at construction sites. Additionally, a Safety Committee, mandated by the Occupational Safety and Health (Safety and Health Committee) Regulations 1996, has been established. Chaired by the Plant Director in manufacturing, this Committee assembles quarterly, comprising representatives from managerial and floor levels across manufacturing units, ensuring comprehensive oversight and collaboration in maintaining occupational health and safety standards.

Moreover, hazard identification, risk assessment, and incident investigation are core components of our comprehensive safety management system, overseen by the Behavioural Accident Prevention Process (BAPP) and supplemented by routine inspections.

Under the BAPP framework, our focus lies in proactively identifying potential hazards, assessing associated risks, and promptly investigating any incidents that occur. This process allows us to address underlying factors contributing to incidents and implement effective preventive measures to mitigate future risks.

Additionally, our regular inspections play a crucial role in maintaining a safe working environment. Conducted at various workplace settings, including offices, production sites, and workshops, these inspections are thorough and systematic, aiming to identify both routine and non-routine hazards. By applying the hierarchy of controls, we prioritise eliminating hazards and minimising risks to ensure the well-being of our employees. These inspections also serve as proactive measures to ensure compliance with safety regulations and standards.

Regular inspections serve as proactive measures aimed at identifying potential hazards, evaluating regulatory compliance, and cultivating a culture of safety.
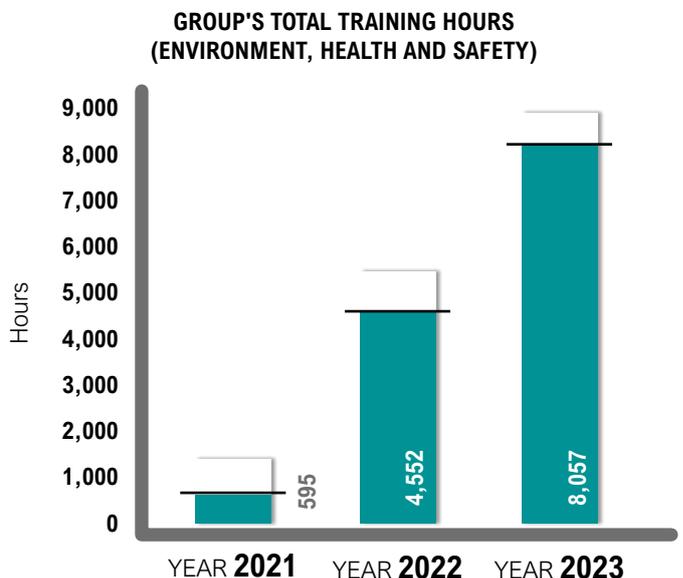
SOCIAL

OCCUPATIONAL SAFETY & HEALTH
GRI 403-1, 403-2, 403-3, 403-5

In addition to our commitment to comprehensive safety measures, we prioritise ongoing training to ensure the continuous development and preparedness of our workforce. Our Comprehensive Safety Training Programmes encompass regular sessions that educate employees on safety protocols, emergency procedures, and the correct utilisation of protective equipment. Employees working in high-risk areas receive specialised training to enhance their safety awareness. Furthermore, our training initiatives extend to Occupational Safety and Health (OSH) programmes, covering essential topics such as:

- 7 Safety Absolutes
- Authorised Entrant and Standby Person for Confined Space
- Basic Occupational First Aid (BOFA)
- Basic Rules of EHS & Safety Absolute
- Chemical Handling Training
- Chemical Spill Response Management
- Chlorine Training
- Electrical Safety
- Forklift Training
- Hazard Identification Risk Assessment Risk Control (HIRARC) HIRARC/DC 2.0 Software

- Hearing Loss Prevention and Audiometric Testing
- Hot Work Permit Training
- Housekeeping & 5S
- Lockout Tagout (LOTO) Training
- Machine Guarding Training
- Safety Working Procedures with X-Ray Instrumentation
- Scheduled Waste Management Training
- Serious Injury Fatality (SIF)
- Working at Height (WAH) Training

These training sessions have been conducted for 265 employees in FY2023, equipping them with the necessary knowledge and skills to maintain a safe and healthy work environment.

The data illustrates a notable upward trend in training hours from 2021 to 2023, indicating a substantial increase in safety training activities. The comparatively low training hours in 2021 likely reflect the impact of the post-pandemic landscape on the Group's operations. As businesses adapted and safety concerns strengthened, there was a significant surge in training hours in 2022, driven by efforts to catch up on missed opportunities and implement new safety protocols. This trend continued into 2023, suggesting a sustained commitment to enhancing workplace safety standards and addressing evolving safety challenges within the organisation.

**GROUP'S TOTAL TRAINING HOURS
(ENVIRONMENT, HEALTH AND SAFETY)**

Year	Hours
YEAR 2021	595
YEAR 2022	4,552
YEAR 2023	8,057

SOCIAL

OCCUPATIONAL SAFETY & HEALTH
GRI 403-1, 403-2, 403-3, 403-5

Moreover, proactive safety measures are further emphasised through comprehensive hazard identification and risk assessment processes, which address potential safety issues before they escalate, while emergency response planning ensures that all employees are well-prepared for various workplace scenarios. Our Health and Wellness Initiatives demonstrate our commitment to employee well-being, with regular health check-ups and screenings offered for early detection of health issues, ensuring a robust and healthy workforce. Additionally, mental health support programmes provide resources and counseling services to employees facing occupational stressors.

We also prioritise the confidentiality of workers' personal health-related information by entrusting such information to the HR department, ensuring it remains inaccessible to external parties. Through proactive safety measures, comprehensive health and wellness initiatives, and strict confidentiality protocols, we strive to ensure the well-being and security of our workforce, fostering a culture of care, trust, and resilience within our Group.

OUR PERFORMANCE

In terms of Incident Reduction, there is a decrease in workplace incidents and accidents, signaling the efficacy of our implemented safety measures. Encouraging a culture of timely incident reporting has been pivotal, enabling swift corrective actions and prevention of future occurrences.

Employee engagement in safety practices is a key focus, with high participation rates observed in safety programmes and initiatives. This indicates that our employees actively engage in maintaining a safe workplace, contributing to a positive safety culture.

To further enhance our safety practices, we have implemented employee feedback mechanisms, providing channels for employees to share insights. This real-time feedback ensures continuous improvement, allowing us to adapt and evolve our safety measures based on valuable insights from those on the front lines.

FUTURE PLAN

In our future plans for Technological Integration for Safety, we aim to explore the implementation of smart technologies, including wearable devices and sensors, to enhance real-time monitoring and response capabilities. Additionally, our commitment extends to implementing Digital Training Platforms, making safety training more accessible and interactive for employees. Recognising the importance of mental health, our future plans involve the expansion of Mental Health Programmes, including awareness campaigns and support initiatives, fostering a workplace culture that prioritises employees' mental well-being. Furthermore, we intend to provide training for employees to become Mental Health First Aiders, creating a supportive environment for colleagues facing mental health challenges.

" Our future plans for Technological Integration for Safety involve exploring smart technologies such as wearable devices and sensors for real-time monitoring. "

SOCIAL

SECURITY PRACTICES GRI 410-1

OUR INITIATIVES

Security initiatives at our Group encompass a comprehensive framework that addresses physical, digital, and personnel security measures to ensure a resilient and protective environment. In terms of physical security measures, we implement robust access control systems to secure our physical premises, restricting unauthorised entry and prioritising the safety of employees and assets. State-of-the-art surveillance system are installed to monitor and secure key areas, acting as a deterrent against potential security threats.

Cyber Security Awareness Day (16 Jun 2023)
Employees from various backgrounds actively participating in cybersecurity initiatives. Together, we strive to promote education, share best practices, and empower everyone to protect themselves against cyber threats.

OUR PERFORMANCE

The Group's commitment to security is demonstrated through the successful execution of our performance metrics. Our physical security measures have demonstrated effectiveness, with robust access control systems ensuring the safety of our physical premises and state-of-the-art surveillance system deterring potential threats. In the realm of cybersecurity protocols, our deployment of advanced technologies such as firewalls and encryption has proven effective in safeguarding digital assets. Regular security audits further enhance our cybersecurity posture by identifying vulnerabilities and implementing preventive measures against potential cyber threats. The focus on personnel security training is evident in our ongoing security awareness programmes, educating employees on risks, best practices, and reporting procedures. The organisation of regular emergency response drills ensures our workforce is well-prepared for various security scenarios. Collectively, these performance metrics underscore our commitment to maintaining a secure environment across physical, digital, and personnel domains, reflecting our dedication to the safety and well-being of our employees and assets.

FUTURE PLAN

As part of our strategic future plans, we are dedicated to enhancing our security framework to ensure the protection of both our assets and personnel. Recognising the importance of upholding human rights principles within our security operations, we intend to incorporate formal training related to human rights policies and their application to security protocols. This initiative will ensure that our security personnel are equipped with the knowledge and skills necessary to uphold human rights standards while fulfilling their duties. By integrating human rights training into our security practices, we demonstrate our commitment to fostering a safe and respectful environment for all individuals within our Group.

SOCIAL

LOCAL COMMUNITIES GRI 413-1

OUR INITIATIVES

Powering ESG: Planting a Sustainable Future

Over the span of decades, our mangrove planting initiatives have evolved beyond merely safeguarding offshore areas and preventing erosion. Our mission has transcended environmental preservation; it is a call to action for stakeholders to give back to our planet.

The narrative of mangroves has taken an innovative turn, especially in light of their remarkable environmental impact—capturing and storing carbon dioxide. Beyond their role in preventing erosion, these resilient ecosystems play a crucial part in mitigating climate change by acting as carbon sinks. This means our extensive mangrove planting project not only contributes to the environment by preventing coastal erosion but also actively helps combat climate change by capturing and storing carbon.

In essence, our planting efforts extend beyond the ranges of environmental conservation; they have profound social implications.

Building on our commitment to environmental sustainability and social responsibility, the 'Powering ESG' initiative marks a significant pace towards a more sustainable future. On September 30, 2023, the team participated on a remarkable journey, engaging in a Mangrove Planting Activity at Tanjung Karang, Selangor.

With 40 participants from the manufacturing segment of the Group actively involved for 4 hours, we have collectively planted the seeds of change, fostering a more sustainable and resilient ecosystem.

SOCIAL

LOCAL COMMUNITIES GRI 413-1

Blood Donation Campaign: A Vital Commitment to Community Well-being

In December 2023, the Group commitment to social responsibility reached new heights with a remarkable Blood Donation Campaign, a testament to the organisation's dedication to giving back to local communities. This initiative not only showcases the Group's commitment to corporate social responsibility but also highlights the profound impact that a united workforce can have on community well-being.

The Blood Donation Campaign organised by the Group's manufacturing segments stands as a shining example of the organisation's proactive efforts to make a positive impact on the communities it serves. This initiative aligns with the social pillar of sustainability reporting, demonstrating a genuine concern for the well-being of local residents and a commitment to creating a lasting positive effect.

The success of the campaign was driven by the enthusiastic participation of the Group's employees, who transformed into real-life superheroes by generously contributing the gift of life. The engagement of employees in such initiatives not only reflects a strong sense of community within the organisation but also shows the willingness of the workforce to go above and beyond in support of a shared cause.

The campaign's accomplishment created a ripple of impact that extends far beyond the immediate act of blood donation. The Group recognises the profound and far-reaching effects of such initiatives, touching lives in ways that may not be fully grasped, highlighting the importance of continued efforts to make a positive impact in the community and beyond.

It emphasises the crucial role the organisation plays in actively contributing to the well-being of the communities it operates in, showcasing the importance of corporate social responsibility and sustainability in action.

SOCIAL

LOCAL COMMUNITIES GRI 413-1

Sheltering Dreams: Empowering Communities Through Reroofing Initiatives

In December 2023, the Group demonstrated its commitment to community welfare through a significant initiative in Muadzam Shah. The project involved supporting a reroofing endeavour at a local school, addressing the urgent need for a cooler and safer learning environment for approximately 30 'Orang Asli' children and 2 teachers. By sponsoring aluminium-roofing sheets, the Group effectively mitigated the issue of extreme heat caused by damaged roofing, improving the learning environment of the students. This endeavour not only highlights the Group's dedication to community well-being but also strengthens its belief in corporate social responsibility and sustainability.

Furthermore, the Group actively encourages stakeholders to participate in raising awareness about the importance of community support, emphasising the collective effort required to make a meaningful difference. Through this inclusive approach, the initiative not only enhances its impact but also nurtures a sense of shared responsibility within the community. By addressing critical needs and promoting a conducive learning environment, the Group exhibits its integral role as a responsible corporate citizen, deeply invested in the welfare and prosperity of the communities it serves.

The manufacturing segment with its latest CSR initiative. We are proud to support a reroofing project at a school at Muadzam Shah, an endeavor to make a positive impact in our local community.

SOCIAL

LOCAL COMMUNITIES GRI 413-1

Empowering the Community: Contribution to Yayasan Canone Kianjoo

As part of our commitment to corporate Environmental, Social, and Governance (ESG) principles, the Group, through Em Hub Sdn Bhd, is delighted to announce a significant contribution of RM2 million to Yayasan Canone Kianjoo. This contribution underscores our dedication to supporting local community initiatives aimed at uplifting the underprivileged segments of society.

The primary objective of our contribution is to support the B40 group, including the poor and the destitute, in their endeavours to access tertiary education, medical treatments, and necessary expenses. We recognise the challenges faced by these individuals and are committed to providing them with the necessary resources to improve their quality of life and opportunities for a better future.

Yayasan Canone Kianjoo shares our vision of creating sustainable impact by addressing the immediate needs of vulnerable communities while also laying the foundation for their long-term well-being. Through this partnership, we aim to empower individuals and families to break the cycle of poverty and build a brighter future for themselves and future generations. Their dedication to providing support and resources aligns perfectly with our values and goals for social responsibility. Together, we can make a meaningful difference in the lives of the underprivileged and contribute to building a more equitable society.

This initiative reflects our ongoing dedication to corporate social responsibility and our mission to create a better world for all.

OUR PERFORMANCE

The Group demonstrated a profound commitment to social responsibility by contributing more than RM2 million in various community initiatives, impacting over countless lives. This financial dedication reflects the organisation's dedication to making a positive impact beyond business operations, embodying the principles of corporate citizenship and community support.

Community	FY2022	FY2023
Amount investment in community (RM)	0	2,019,990.80
Number of beneficiaries of community investment	0	5,588

By openly sharing the financial commitment made in FY2023, the Group emphasises transparency and accountability. The organisation invites stakeholders to recognise the significance of its financial investment, fostering trust and demonstrating a sincere commitment to making a positive difference in the communities it serves.

SOCIAL

LOCAL COMMUNITIES GRI 413-1

FUTURE PLAN

As the Group looks towards the future, a key pillar of its strategic vision is the ongoing commitment to invest in projects that contribute to the well-being of local communities. This commitment is not only an extension of the organisation's corporate responsibility but also a testament to its dedication to creating positive, lasting impacts beyond business operations.

Comprehensive Impact Assessment	Stakeholder and Local Community Engagement
Integral to our future projects is the implementation of comprehensive impact assessments. These assessments, covering both social and environmental aspects, will serve as a tool to measure both the actual and potential impacts of the projects. This commitment to transparency and accountability will be portrayed for public disclosure, allowing stakeholders to understand the organisation's dedication to minimising negative effects and maximising positive contributions.	A basis of the Group's future initiatives is a strong and ongoing engagement with local communities. By conducting stakeholder engagement and actively seeking insights from community members, the organisation aims to understand their expectations and needs. This process, conducted in early planning stages and during operations, establishes open lines of communication between the organisation and key stakeholder interest groups in the community.
Preventing Negative Impacts and Addressing Vulnerability	**Early Planning and Timely Decision-Making**
The initiatives undertaken by the Group in giving back to the community will serve as a proactive measure to prevent negative impacts on local communities. By understanding the vulnerabilities of these communities, the organisation can tailor its projects to address specific needs and concerns, thereby creating a positive, mutually beneficial relationship.	Stakeholder engagement during early planning stages empowers the Group to consider the views of community stakeholders in its decision-making processes. This approach fosters collaboration and ensures that potential impacts on local communities are addressed in a timely and responsible manner, demonstrating the organisation's commitment to ethical and sustainable business practices.

In the pursuit of a future marked by sustainable community investment, comprehensive impact assessment, and stakeholder engagement, we reaffirm our commitment to be a more responsible corporate citizen in FY2024. By actively involving local communities in decision-making processes, the organisation seeks to create a positive and harmonious relationship that reflects its dedication to social and environmental stewardship.

> **The Group commits to investing in projects for local community well-being, reflecting its dedication to corporate responsibility and sustainable community investment.**

9

GOVERNANCE

At Alcom Group Berhad, we firmly combat corruption with zero-tolerance policies, meeting regulatory requirements, and proactively mitigating corporate liability.

GOVERNANCE

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ANTI-CORRUPTION
GRI 205-1, 205-3

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OUR INITIATIVES

Our responsibility to combat corruption at our Group goes beyond mere words - it is established in the principle of our operation. Adhering to a zero-tolerance policy on corrupt practices, we plainly state that any form of corruption will not be tolerated within our Group. Taking this commitment, a step further, we are resolute in implementing stern actions to eliminate all activities related to bribery and corruption.

The Integrity & Anti-Corruption Policy, a foundation of our governance framework, is not just a regulatory requirement but a proactive measure undertaken to minimise the Group's exposure to corporate liability. Alcom Group Berhad has diligently embraced the guidelines set by the Governance, Integrity, and Anti-Corruption Centre, aligning our practices with the statutory provisions outlined in Section 17A of the Malaysian Anti-Corruption Commission Act 2009, effective since June 1, 2020.

We recognise that a vigilant and engaged stakeholder community is essential to our anti-corruption efforts. Therefore, we actively encourage stakeholders to voice their concerns regarding corruption through our dedicated **Whistleblower channel**. This open communication channel reflects our commitment to transparency and highlights the importance we place on collaborative efforts in ensuring a corruption-free environment.

By instilling a thoughtful understanding of and firm adherence to our Code of Conduct and Integrity & Anti-Corruption Policy, our initiative to anti-corruption is further strengthened through an ongoing risk management process for each quarter. This comprehensive approach involves identifying, analysing, evaluating, monitoring, and managing the principal risks faced by the Group in its pursuit of business objectives.

To ensure the effectiveness of our internal controls and compliance with policies and procedures, our Internal Auditors conduct regular reviews. These assessments cover selected areas within the manufacturing, property development, and construction segments, aiming to validate the adequacy and effectiveness of our internal control systems.

In expressing these initiatives, Alcom Group Berhad not only meets its legal obligations but surpasses them, fostering a corporate environment that is resilient, transparent, and committed to the highest standards of integrity.

OUR PERFORMANCE

Total percentage of operations assessed for risks related to corruption:	100%
Confirmed incidents of corruption and actions taken	0

GOVERNANCE

ANTI-CORRUPTION
GRI 205-1, 205-3

FUTURE PLAN

Our plan is to reaffirm the anti-corruption efforts in FY2024, recognising that the fight against corruption is an ongoing journey that requires continuous awareness and proactive measures. In alignment with this commitment, we have a comprehensive plan to conduct specialised training sessions for our governance bodies, including the Board of Directors, Audit and Risk Management Committee, and other relevant bodies within our Group.

Anti-Corruption Training	
Objectives of the Training	• Increase external awareness among our governance bodies. Participants will be equipped with the latest insights into global and regional anti-corruption trends, regulations, and best practices.
	• Enhance the skills and knowledge related to risk assessment, detection, reporting mechanisms, and the implementation of anti-corruption policies and procedures.
	• Emphasise the importance of fostering a culture of integrity at all levels of the organisation
Importance to Stakeholders	

Enhanced Corporate Reputation	Reduced Legal and Reputational Risks	Alignment with Sustainable Goals

The anti-corruption training programme for governance bodies in FY2024 not only addresses legal obligations but goes beyond, serving as a strategic initiative to foster a culture of integrity and responsibility. This, in turn, contributes to the sustainable growth and prosperity of the Group while meeting the expectations of our diverse stakeholder community.

GOVERNANCE

ANTI-COMPETITIVE BEHAVIOUR GRI 206-1

OUR INITIATIVES

The Group is dedicated to fostering a business environment that thrives on integrity, fairness, and healthy competition. Our dedication to ethical business practices is not only a basis of our corporate identity but also an essential element in contributing to sustainable and responsible governance. In line with this principle, we have established a comprehensive set of initiatives to combat and prevent anti-competitive behaviour within our organisation.

As part of our proactive approach, the Group unequivocally rejects engaging in any practices that could be construed as anti-competitive. This include but is not limited to activities such as price-fixing, bid-rigging, and market allocation. Our stringent stance against such behaviour reflects our commitment to upholding the principles of fair competition, thereby contributing to a level playing field in the marketplace.

To ensure the continual alignment of our practices with antitrust laws and regulations, we conduct regular internal audits. These audits serve as a vigorous mechanism to review our business practices, identify any potential areas of concern, and take corrective actions promptly. By proactively addressing any signs of anti-competitive behaviour within our organisation, we demonstrate our firm commitment to compliance and ethical conduct.

Recognising the importance of fostering a culture of transparency and accountability, we have established mechanisms that empower our employees to confidentially report any concerns related to anti-competitive behaviour. Encouraging a culture of whistleblowing not only serves as an early-warning system but also underscores our effort to addressing potential issues internally before they escalate, thereby safeguarding the ethical fabric of our operations.

In our pursuit of excellence, we go beyond internal introspection. The Group actively studies and benchmarks best practices from peer industries, drawing inspiration from successful strategies employed by companies such as Novelis Inc. Implementing proven methods from similar sectors not only enriches our understanding but also positions us to adopt strategies that promote healthy competition, ultimately contributing to a sustainable and responsible business ecosystem.

Through these measures, the Group is prepared to not only meet but exceed the expectations of our stakeholders in the pursuit of sustainable and ethical business practices.

OUR PERFORMANCE

In FY2023, the Group achieved an exemplary milestone in the realm of anti-competitive behaviour. Notably, there were zero legal actions related to anti-competitive behaviour, violations of anti-trust regulations, or breaches of monopoly legislation during this period.

No. of legal actions related to anti-competitive behaviour and violations of anti-trust and monopoly legislation	0

This commendable outcome emphasises the effectiveness of our proactive initiatives and the framework we have in place to prevent and address any potential lapses in ethical conduct. By maintaining a clean slate in legal actions related to anti-competitive behaviour, the Group has not only safeguarded its reputation but has also demonstrated the success of our multifaceted approach toward fostering fair and competitive business practices.

GOVERNANCE

ANTI-COMPETITIVE BEHAVIOUR GRI 206-1

FUTURE PLAN

Moving forward, the Group will remain vigilant and proactive in our approach, to sustain and surpass these high standards, ensuring that our business practices continue to serve as a beacon of ethical conduct and responsible governance within the industry. Our pledge to stakeholders is one of continued transparency, accountability, and the pursuit of excellence in all aspects of our operations.

Apart from that, we are determined to enhance our ethical business practices and compliance with Malaysia's competition legislation. The regulatory framework, as outlined in the Competition Act 2010 and the Competition Commission Act 2010, serves as a foundation for our future initiatives. Building on our existing efforts, we present a strategic roadmap that aligns with the provisions of the legislation and demonstrates our proactive stance towards fair competition :

Develop internal policies aligning with guidelines provided by the Malaysia Competition Commission (MyCC)
- Regularly review and update internal policies to align with guidelines provided by the Malaysia Competition Commission (MyCC), ensuring a proactive approach to changes in regulatory expectations.
- Establish internal mechanisms to monitor and respond to any updates or revisions in the MyCC guidelines promptly.

Enhanced Compliance Training
- Roll out comprehensive training programmes to educate employees on the intricacies of Malaysia's competition laws, ensuring a deep understanding of both the Competition Act 2010 and the Competition Commission Act 2010.
- Foster a culture of compliance by integrating practical examples and case studies relevant to our industry, emphasising the implications of anti-competitive behaviour.

Proactive Review of Agreements
- Institute a rigorous review process for all agreements, both horizontal and vertical, to assess their compliance with the Chapter One Prohibition of the Competition Act 2010.
- Implement the self-assessment mechanisms to evaluate whether agreements fall within the permissible bounds of the legislation, considering factors such as market share and potential anti-competitive effects.

Close Monitoring of Industry Developments
- Establish mechanisms to stay informed about sector-specific guidelines related to anti-competitive behaviour, especially in industries such as manufacturing, property development and construction.
- Participate in industry forums and collaborate with peers to share insights and best practices.

GOVERNANCE

ANTI-COMPETITIVE BEHAVIOUR GRI 206-1

As we dive into FY2024, the Group is committed to not only meeting the requirements of Malaysia's competition legislation but also setting new benchmarks for ethical business conduct within our industry. Through these strategic initiatives, we aim to sustain our position as a responsible corporate entity contributing to the establishment of a fair and competitive business environment in Malaysia.

In FY2024, we're committed to maintaining ethical standards and complying with Malaysia's competition legislation, ensuring transparency, accountability, and fair competition.

GOVERNANCE

MARKET PRESENCE GRI 2-20, 202-2

OUR INITIATIVES

We illustrate key definitions that portray the contours of our operational landscape, with aims to provide stakeholders with a comprehensive understanding of our organisational dynamics.

Senior Management

Within the framework of our corporate governance, 'senior management' aligns with guidelines from the Corporate Governance Guide by Bursa Malaysia. A member of the senior management team denotes an individual with the highest level of management responsibility and decision-making authority within the company. This encompasses, as a rule of thumb, the chief executive officer (who is not a director), other members of the C-suite, or direct reports to the chief executive officer. This definition establishes clarity in identifying key decision-makers within our organisational hierarchy.

Local

The term 'local' in the context of our operations within Malaysia pertains to activities, operations, or entities situated within the boundaries of the country. This includes, but is not limited to, activities at the state level or within federal territories. Clearly defining 'local' provides stakeholders with a precise understanding of the geographical scope of our initiatives, emphasising our effort to contribute to the local landscape.

Significant Locations of Operation

This encompasses key geographical areas where each segment of our business conducts its respective activities, including manufacturing, property development, and construction. This definition enables stakeholders to grasp the strategic positioning of our operations, emphasising the importance of these locales to our organisational activities and objectives.

Our senior management assumes a role within the sustainability governance structure, operating as the **Risk Management Working Group**. In this capacity, they lead initiatives aimed at:

Development of Comprehensive Sustainability Policies

Senior management takes the lead in formulating robust sustainability policies, guiding our ethical, environmental, and social practices.

Transparent Reporting

Regular updates to the Board on sustainability plans and progress, presented through comprehensive quarterly reports, ensure transparency and accountability in our sustainability efforts.

Implementation Oversight

Oversee the effective implementation of sustainability strategies, policies, and initiatives across all operational dimensions, embedding sustainability into our daily activities.

Internal Guidelines Approval

Thorough reviews and approval of internal sustainability guidelines guarantee alignment with organisational objectives and industry best practices.

GOVERNANCE

MARKET PRESENCE GRI 2-20, 202-2

In determining remuneration packages for our senior management personnel, the Group's evaluation process considers:

Individual Responsibilities and Contributions
The unique responsibilities, skills, and contributions of each senior management member are carefully assessed to ensure fair and equitable remuneration.

Competitiveness and Talent Retention
Remuneration packages are benchmarked against industry standards to attract and retain executive talents, fostering a high-caliber leadership team crucial for the sustained success of the Group.

The remunerations are as follows:

Senior Management personnel*	FY2022 Group (RM'000)	FY2023 Group (RM'000)
Salaries	2,448	2,547
Allowances	-	-
Bonuses	1,037	949
Other emoluments	-	-
Benefit-in-kind (company motor vehicle, petrol expenses, insurance, phone bill)	126	120

* Remuneration of the top 5 Senior Management personnel of the Group.

Through these initiatives, we aim to not only define and uphold clear governance structures but also to embed sustainability and fair remuneration practices at the core of our organisational principles, fostering trust and confidence among our stakeholders.

OUR PERFORMANCE

We are pleased to highlight that, in alignment with our strategic vision, 100% of our senior management team comprises individuals sourced entirely from the local community, a percentage that remains consistent with our commitment in FY2022.

Percentage of senior management at significant locations of operation that are hired from the local community	100% (8)

This accomplishment aligns seamlessly with our strategic vision of fostering a workforce that reflects the diversity and richness of the communities in which we operate. By recruiting 100% of our senior management locally, we emphasise our dedication to nurturing and employing the talent pool within our immediate surroundings.

The decision to build our senior management team from the local community not only strengthens our connection with the socio-economic organisation of the regions we operate in but also reflects our belief in empowering local talent to assume leadership roles. This approach contributes not only to the professional growth of individuals but also to the overall socio-economic development of the communities we call home.

GOVERNANCE

SUSTAINABLE PROCUREMENT AND ECONOMIC IMPACT GRI 203-1, 204-1

OUR INITIATIVES

We, thoroughly manage our supply chain with a commitment to sustainability, responsibility, and ethical practices. This is achieved while strictly adhering to our Integrity & Anti-Corruption Policy. Our supplier selection process goes through stringent screening to ensure alignment with relevant laws, regulations, and sustainable practices. Regular assessments and product quality inspections further ensure compliance and promote responsible sourcing.

Sustainable procurement practices are not just a necessity; they are a strategic choice that positions us for long-term financial benefits, sustainable growth, and enhanced competitiveness in the market.

Job Creation and Business Opportunities

Our focus on delivering innovative and cost-effective solutions is not just a business strategy; it is a growth catalyst that extends beyond our immediate operations. This emphasis creates a ripple effect, generating job opportunities and fostering business growth for local suppliers and contractors.

Local Economic Growth

The indirect economic impact of our practices extends beyond our immediate operations, positively influencing local economic growth. Our efforts to create job and increase business opportunities directly contribute to the prosperity of the communities where we operate.

Technology and Process Improvement

Aligned with our dedication to continuous improvement, we leverage technology and refine processes to foster growth and achieve operational excellence. Examples of our commitment include planning the use of hydro-ingot for raw materials, showcasing our environmental responsibility. Additionally, we are currently in the planning stage of implementing Carbon Capture and Utilisation in our manufacturing segment, starting with a pilot study, highlighting our initiatives to sustainable practices.

Our innovative approach does not just meet regulatory requirements; it sets a new standard for responsible business practices. At Alcom Group Berhad, we are not just adapting to change; we are driving it, ensuring a sustainable and impactful future for both our operations and the communities we serve.

OUR PERFORMANCE

In FY2023, Alcom Group Berhad's manufacturing segment contributed 15% of its procurement budget towards local suppliers in significant locations of operation.

The percentage allocation for local suppliers in the manufacturing segment decreased from 17% in 2021 to 15% in both 2022 and 2023. Despite the decrease in percentage, the absolute value spent for local suppliers increased in FY2023, over RM78 million.

GOVERNANCE

SUSTAINABLE PROCUREMENT AND ECONOMIC IMPACT GRI 203-1, 204-1

ALCOM : SPENDING ON SUPPLIERS

RM (000)

| YEAR 2021 | YEAR 2022 | YEAR 2023 |

- Spending on Local Suppliers: 84,750 (2021), 77,130 (2022), 78,130 (2023)
- Spending on Foreign Suppliers: 422,888 (2021), 436,850 (2022), 450,836 (2023)

■ Spending on Local Suppliers   ■ Spending on Foreign Suppliers
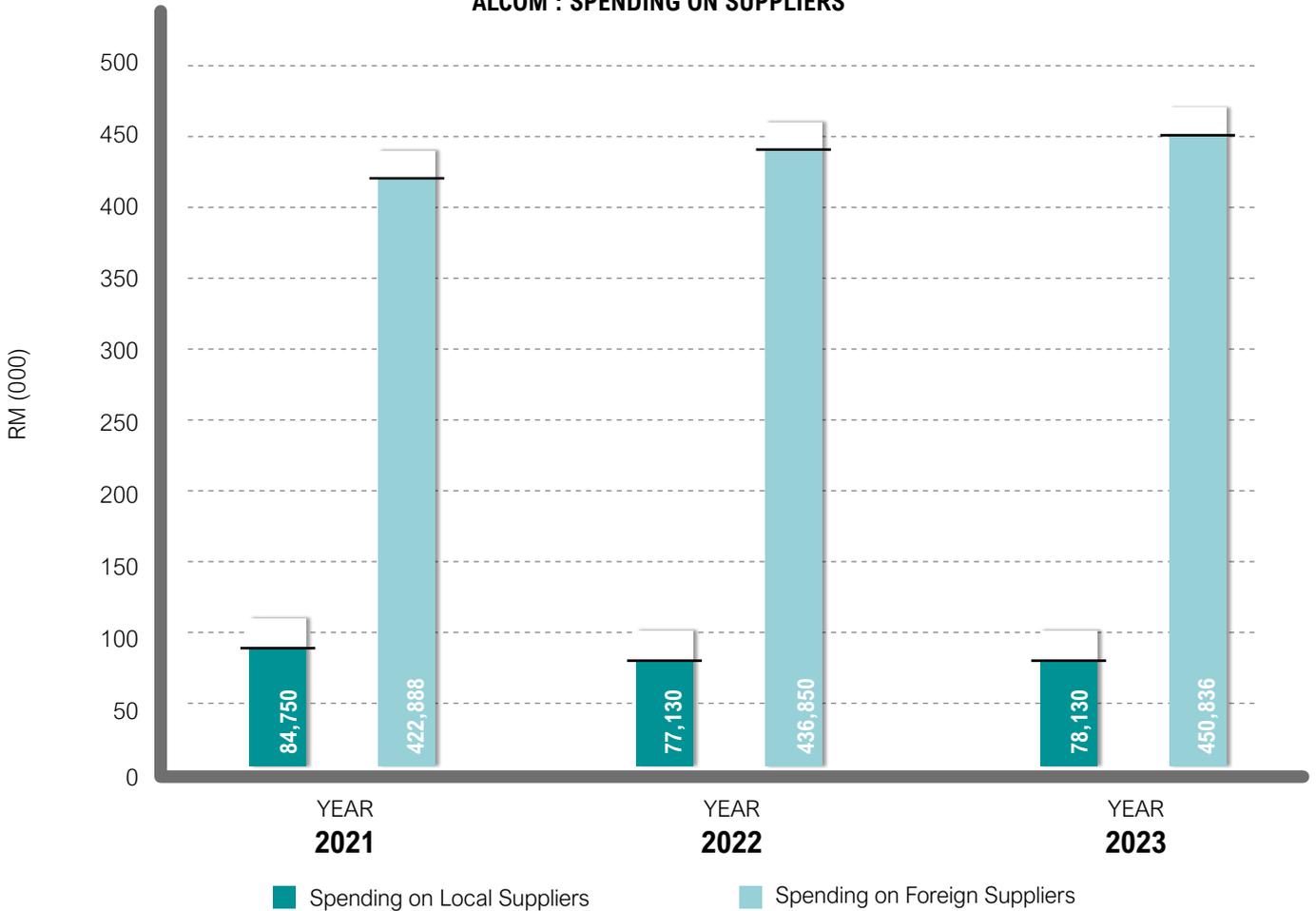
Proportion of spending on Suppliers - ALCOM (FY2023)

15%

85%

■ Spending on Local Suppliers

■ Spending on Foreign Suppliers
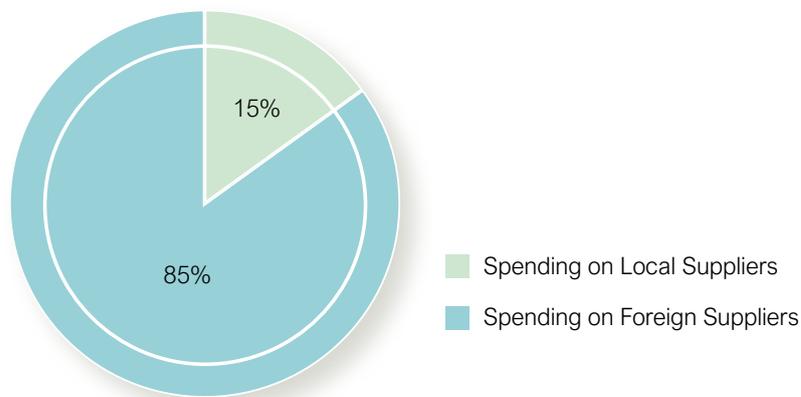
While there has been a decrease in percentage terms from the previous years, the absolute value spent on local suppliers remains substantial, demonstrating the Group's ongoing dedication to fostering local economies. This adaptive approach ensures the optimisation of procurement strategies, aligning with the Group's sustainable and resilient operational goals within the manufacturing segment.

GOVERNANCE

SUSTAINABLE PROCUREMENT AND ECONOMIC IMPACT GRI 203-1, 204-1

FUTURE PLAN

Another initiative aimed at one of our stakeholders, specifically our suppliers, involves developing an 11 action plans with clearly defined metrics to achieve objectives in the upcoming, mid-term, and long-term years. This strategic approach emphasises our dedication to encouraging mutually beneficial relationships with our suppliers while ensuring accountability and continuous improvement in our supply chain practices.

Action Plan 01

Local Supplier Engagement

- Short-term goals (by 2024): Increase local vendor spending to 50%. This applies to all materials and services that are available for offer by local suppliers.
- Mid-term goals (by 2026): Increase local vendor spending to 75%.
- Long-term goals (by 2030): Achieve 100% spending on local vendors.

Action Plan 02

Vendor Code of Conduct Compliance

- Short-term (by 2024): Achieve 30% vendor adherence to Code of Conduct.
- Mid-term (by 2026): Increase to 50% vendor adherence to Code of Conduct.
- Long-term (by 2030): Attain 100% vendor adherence to Code of Conduct.

Action Plan 03

Grievance Mechanism Enhancement

- Short-term (by 2024): Extend the mechanism to include vendors and refine for user-friendliness.
- Mid-term (by 2026): Achieve a significant increase in the use of the mechanism by vendors and employees.
- Long-term (by 2030): Establish the mechanism as a best-practice model for industry-wide adoption.

Action Plan 04

Social/Environmental Clauses in Contracts

- Short-term (by 2024): We aim to include relevant social and environmental clauses in at least 75% of all new contracts signed.
- Mid-term (by 2026): Our goal is to increase this inclusion to 90% of new contracts.
- Long-term (by 2030): We aspire to achieve the inclusion of these clauses in 100% of all new contracts.

GOVERNANCE

SUSTAINABLE PROCUREMENT AND ECONOMIC IMPACT GRI 203-1, 204-1

Action Plan 05

Vendor Annual Assessment

- Short-term (by 2024): Our objective is to conduct thorough annual assessments for at least 75% of our vendors, with a focus on high ESG risk categories.
- Mid-term (by 2026): We aim to increase the scope of these assessments to cover 90% of our vendors.
- Long-term (by 2030): We aspire to achieve comprehensive annual assessments for 100% of our vendors.

Action Plan 06

Annual Supplier Audit

- Short-term (by 2024): Our goal is to perform comprehensive annual audits for at least 50% of suppliers with high ESG risk.
- Mid-term (by 2026): We aim to extend these audits to 75% of our suppliers with high ESG risk.
- Long-term (by 2030): We aspire to conduct annual audits for 100% of our suppliers with high ESG risk

Action Plan 07

ESG Risk Analysis for Vendors

- Short-term (by 2024): Implement an ESG risk analysis process for at least 60% of our vendors, prioritising those in high-risk categories.
- Mid-term (by 2026): Expand the analysis to cover 80% of our vendors.
- Long-term (by 2030): Achieve comprehensive ESG risk analysis for 100% of our vendors.

Action Plan 08

Vendor Capacity Building

- Short-term (by 2024): Launch at least one annual capacity-building programme for vendors, focusing on key sustainability areas.
- Mid-term (by 2026): Increase the number of programme to two per year, covering a broader range of sustainability topics.
- Long-term (by 2030): Establish a comprehensive suite of capacity-building initiatives, regularly attended by all key vendors.

GOVERNANCE

SUSTAINABLE PROCUREMENT AND ECONOMIC IMPACT GRI 203-1, 204-1

Action Plan 09

Vendor Performance Incentives

- Short-term (by 2024): Develop and introduce an incentive programme for vendors demonstrating exceptional performance in sustainability and ethics.
- Mid-term (by 2026): Expand the programme to include a wider range of performance metrics and recognition opportunities.
- Long-term (by 2030): Establish a comprehensive, well-recognised incentive programme that covers all key vendors and encompasses various aspects of sustainability and ethical performance.

Action Plan 10

Training on Sustainable Procurement

- Short-term (by 2024): Launch an annual training programme on sustainable procurement for all procurement staff.
- Mid-term (by 2026): Introduce bi-annual refresher courses and expand training to include other relevant departments.
- Long-term (by 2030): Establish a continuous learning culture in sustainable procurement across the organisation, with regular updates to training content.

Action Plan 11

Incorporate Sustainable Procurement in Staff Performance

- Short-term (by 2024): Implement sustainable procurement objectives in the performance review criteria for at least 50% of relevant staff.
- Mid-term (by 2026): Increase this integration to 75% of relevant staff.
- Long-term (by 2030): Achieve full integration of sustainable procurement objectives in the performance evaluations of all relevant staff members

In addition to this, a key component of enhancing our supply chain involves the development of policies such as our Sustainable Procurement Policy. This policy, embedded in the insights and principal beliefs of our Chairman and CEO, goes beyond being merely a procedural document; rather, it serves as a reflection of our core values and is integral to our identity within the Group. It highlights our initiatives leading sustainability efforts, emphasising the incorporation of sustainable practices into every aspect of our supply chain process. By doing so, we not only sustain legal requirements and ethical standards but also align with the expectations of our stakeholders, thereby setting our position as leaders in sustainable business practices.

10

SUSTAINABILITY PERFORMANCE DATA

Measurement tool to assess its environmental, social, and economic impacts. This guides efforts towards sustainability goals through metrics such as resource use, emissions, and social practices.

SUSTAINABILITY PERFORMANCE DATA

INDICATOR	UNIT	2021	2022	2023
GOVERNANCE				
ANTI-CORRUPTION				
Total number of staff trained in anti-corruption	Number	46	0	3
Total number of Management trained in anti-corruption	Number	13	0	1
Total number of Executives trained in anti-corruption	Number	33	0	2
Total number of Non-executives trained in anti-corruption	Number	0	0	0
Total number of General Workers trained in anti-corruption	Number	0	0	0
Total number of staff trained in anti-corruption (ALCOM)	Number	0	0	0
Operations assessed for corruption-related risks	%	-	100	100
Confirmed corruption incidents	Number	0	0	0
Confirmed corruption incidents (ALCOM)	Number	0	0	0
ETHICS				
Percentage of employees trained on ethics (ALCOM)	%	-	-	-
Number of reports related to whistleblower procedure (ALCOM)	%	0	0	0
DATA PRIVACY AND CYBERSECURITY				
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Number of confirmed information security incidents	Number	0	0	0
ENVIRONMENTAL				
ENERGY				
Total energy consumption	GJ	431,570	450,131	472,025
Total electricity consumption	GJ	103,601	112,490	115,642
Total electricity consumption (ALCOM)	GJ	103,601	110,390	114,589
Total non-renewable energy consumption (Natural Gas) (ALCOM)	GJ	327,966	337,638	356,379
Total non-renewable energy consumption (Diesel) (ALCOM)	GJ	3,527	3,241	3,541
WATER				
Total water consumption	ML	82.6	133.4	134.6
Total water consumption (ALCOM)	ML	82.6	105.3	120.5
Amount of water recycled/reuse (ALCOM)	ML	4.1	3.4	4.6
Percentage of water recycled/reuse (ALCOM)	%	5.0	3.3	3.9
WASTE				
Total waste generated	mt	1,913	2,347	3,360
Total waste generated (ALCOM)	mt	1,913	2,247	2,034
Total hazardous waste generated (ALCOM)	mt	1,413	1,622	1,381
Total non-hazardous waste generated (ALCOM)	mt	500	625	654
Total hazardous waste incinerated (ALCOM)	mt	19	22	18
Total hazardous waste recycled (ALCOM)	mt	1,297	1,325	1,277

SUSTAINABILITY PERFORMANCE DATA

INDICATOR	UNIT	2021	2022	2023
Total non-hazardous waste recycled (ALCOM)	mt	441	552	573
Total hazardous waste landfilled (ALCOM)	mt	97	273	81
Total non-hazardous waste landfilled (ALCOM)	mt	34	43	64
AIR POLLUTIONS				
Particulate Matter Emissions (ALCOM)	kg	16,017	1,350	1,598
MATERIALS				
Total materials input (ALCOM)	mt	44,844	48,888	50,017
Total sustainable materials (ALCOM)	mt	14,784	14,187	19,948
GHG EMISSIONS				
Scope 1 - Direct GHG Emission	tCO_2e	19,494	19,994	21,114
Scope 1- Direct GHG Emission (ALCOM)	tCO_2e	19,494	19,994	21,114
Scope 2 - Indirect GHG Emission	tCO_2e	22,447	24,373	25,056
Scope 2 - Indirect GHG Emission (ALCOM)	tCO_2e	22,447	23,918	24,828
Scope 3 - Other Indirect GHG Emission (Business Travel) (ALCOM)	tCO_2e	-	-	767
Scope 3 - Other Indirect GHG Emission (Employee Commuting) (ALCOM)	tCO_2e	-	-	229
Scope 3 - Other Indirect GHG Emission (Purchased Goods and Services) (ALCOM)	tCO_2e	-	-	513,004
Scope 3 - Other Indirect GHG Emission (Downstream Transportation & Distribution) (ALCOM)	tCO_2e	2,304	1,911	2,969
PRODUCT CARBON FOOTPRINT				
ALCOM Foil and Fin Stock	tCO_2e/mt	-	10.06	-
ALCOM Coil and Sheet	tCO_2e/mt	-	9.25	-
ALCOM Roofing and Cladding Sheet	tCO_2e/mt	-	8.85	-
ANSC Coated Finstock	tCO_2e/mt	-	15.45	-
SOCIAL				
EMPLOYEE DIVERSITY				
Total Headcount	Number	401	401	531
Total Headcount (ALCOM)	Number	388	388	470
Total Headcount by gender				
· Male	Number/%	349 / 87%	357 / 89%	446 / 84%
· Female	Number/%	52 / 13%	44 / 11%	85 / 16%
· Male (ALCOM)	Number/%	340 / 88%	347 / 89%	411 / 87%
· Female (ALCOM)	Number/%	48 / 12%	41 / 11%	59 / 13%
Total Headcount by age				
· < 30	Number/%	108 / 27%	108 / 27%	154 / 29%
· 30 - 55	Number/%	186 / 46%	189 / 47%	266 / 50%
· > 55	Number/%	107 / 27%	104 / 26%	111 / 21%

SUSTAINABILITY PERFORMANCE DATA

INDICATOR		UNIT	2021	2022	2023
Total Headcount by category					
· Management		Number/%	63 / 16%	69 / 17%	74 / 14%
· Executive		Number/%	94 / 23%	107 / 27%	148 / 28%
· Non-executive/Technical Staff		Number/%	244 / 61%	225 / 56%	309 / 58%
Employees by category and age					
Management	< 30	Number/%	1 / 1%	1 / 2%	0 / 0%
	30 - 55	Number/%	14 / 13%	41/ 59%	50 / 68%
	> 55	Number/%	93 / 86%	27 / 39%	24 / 32%
Executive	< 30	Number/%	39 / 21%	26 / 24%	34 / 23%
	30 - 55	Number/%	51 / 27%	52 / 49%	82 / 55%
	> 55	Number/%	96 / 52%	29 / 27%	32 / 22%
Non-executive/ Technical Staff	< 30	Number/%	23 / 22%	81/ 36%	120 / 39%
	30 - 55	Number/%	29 / 27%	96 / 43%	134 / 43%
	> 55	Number/%	55 / 51%	48 / 21%	55 / 18%
Employees by category and gender					
Management	Male	Number/%	46 / 73%	52 / 75%	51/ 69%
	Female	Number/%	17 / 27%	17 / 25%	23 / 31%
Executive	Male	Number/%	60 / 64%	80 / 75%	89 / 60%
	Female	Number/%	34 / 36%	27 / 25%	59 / 40%
Non-executive/ Technical Staff	Male	Number/%	243 / 99.6%	225 / 100%	306 / 99%
	Female	Number/%	1 / 0.4%	0 / 0%	3 / 1%
Management (ALCOM)	Male	Number/%	41 / 71%	44 / 72%	35 / 66%
	Female	Number/%	17 29%	17 / 28%	18 / 34%
Executive (ALCOM)	Male	Number/%	56 / 65%	78 / 76%	75 / 65%
	Female	Number/%	30 / 35%	24 / 24%	40 / 35%
Non-executive/ Technical Staff (ALCOM)	Male	Number/%	243 / 99.6%	225 / 100%	301 / 99.7%
	Female	Number/%	1 / 0.4%	0 / 0%	1 / 0.3%
Disabled Employees		Number/%	-	-	-
Contractors/Temporary Employees		Number/%	-	-	19 / 4.0%
Employee Turnover					
Management		Number	-	-	1
Executive		Number	-	-	23
Non-executive/Technical Staff		Number	-	-	21
DIRECTOR DIVERSITY					
By Gender					
Male		Number/%	6 / 75%	6 / 75%	6 / 75%
Female		Number/%	2 / 25%	2 / 25%	2 / 25%
By Age					
	< 30	Number/%	0 / 0%	0 / 0%	0 / 0%
	30 - 55	Number/%	1 / 12.5%	2 / 25%	2 / 25%
	> 55	Number/%	7 / 87.5%	6 / 75%	6 / 75%

SUSTAINABILITY PERFORMANCE DATA

INDICATOR	UNIT	2021	2022	2023
TRAINING AND DEVELOPMENT				
Total Employee Trained	Number	172	323	371
Total Employee Trained (ALCOM)	Number	172	323	368
Total training time				
Management	Hours	518	767	2,429
Executive	Hours	811	1,569	3,833
Non-executive/Technical Staff	Hours	491	4,548	7,385
Average training Hours				
By age				
Male	hours/ employees	4.11	18.26	33.18
Female	hours/ employees	7.39	9.81	39.73
By Category				
Management	hours/ employees	8.23	11.11	32.82
Executive	hours/ employees	8.62	14.66	25.90
Non-executive/Technical Staff	hours/ employees	2.01	20.21	23.90
Number of hours worked (ALCOM)	hours/ employees	589,252	834,939	902,917
Average Training Hours per employee (ALCOM)	hours/ employees	4.7	17.7	29.0
Employees received regular performance and career development reviews				
By gender				
Male	%	100	100	100
Female	%	100	100	100
By category				
Management	%	100	100	100
Executive	%	100	100	100
Non-executive/Technical Staff	%	100	100	100
OCCUPATIONAL SAFETY AND HEALTH				
Work-related fatalities	Number	0	0	0
Work-related fatalities (ALCOM)	Number	0	0	0
Number of days lost (ALCOM)	Rate	59	0	156
Number of work related accidents (ALCOM)	Number	4	0	2
Lost time incident rate (employees)	Rate	0.87	0	0.31
Total employees trained (Environment, Health and Safety)	Number	127	219	265
Total employees trained (Environment, Health and Safety) (ALCOM)	Number	127	219	265

SUSTAINABILITY PERFORMANCE DATA

INDICATOR	UNIT	2021	2022	2023
Total training hours (Health, Safety and Environment)	Hour	595	4,552	8,057
Percentage of sites with OHSAS 18001 certification	%	40	40	40
COMMUNITY				
Total amount invested in the community	RM	-	-	2,019,990
Beneficiaries of the investment in communities	Number	-	-	5,588
HUMAN RIGHTS				
Substantiated complaints concerning human rights violations	Number	0	0	0
SUPPLY CHAIN MANAGEMENT				
Proportion of spending on local suppliers	%	17	15	36
Proportion of spending on local suppliers (ALCOM)	%	17	15	15
Buyers have received training on sustainable procurement	%	-	-	17
Suppliers have signed the supplier code of conduct	%	-	-	22
Suppliers contracts that include clauses on environmental, labor, and human rights requirements	%	-	-	-*
Suppliers covered by a CSR assessment	%	-	-	-*
Suppliers covered by a CSR on-site audit	%	-	-	-*
Audited suppliers engaged in corrective actions or capacity building	%	-	-	-*

-* *We have identified parameters within materiality assessment, data collection is currently ongoing and will be reported in the next reporting cycle.*

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GRI CONTEXT INDEX

The GRI Context Index offers a structured overview of disclosures in a sustainability report according to GRI Standards.

GRI SERVICES

Statement of use	Alcom Group Berhad has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
		GENERAL DISCLOSURES		
GRI 2: General Disclosures 2021	2-1	Organisational details	5, 6	
	2-2	Entities included in the organisation's sustainability reporting	5, 6	
	2-3	Reporting period, frequency and contact point	2	
	2-6	Activities, value chain and other business relationships	5, 6	
	2-7	Employees	59, 100 - 101	
	2-9	Governance structure and composition	18	
	2-10	Nomination and selection of the highest governance body	18	
	2-11	Chair of the highest governance body	18	
	2-12	Role of the highest governance body in overseeing the management of impacts	18 – 19	
	2-13	Delegation of responsibility for managing impacts	18, 20	
	2-14	Role of the highest governance body in sustainability reporting	18, 20	
	2-15	Conflicts of interest	18	
	2-17	Collective knowledge of the highest governance body	18	
	2-18	Evaluation of the performance of the highest governance body	92	
	2-19	Remuneration policies	-	Not available.
	2-20	Process to determine remuneration	92	
	2-22	Statement on sustainable development strategy	9, 18	
	2-25	Processes to remediate negative impacts	18	
	2-26	Mechanisms for seeking advice and raising concerns	18	
	2-29	Approach to stakeholder engagement	18, 23 - 28	

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GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
		MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1	Process to determine material topics.	18, 30 - 32	
	3-2	As part of the Group's 2023 materiality assessment, we have outlined the significant sustainability concerns relevant to our business and operations. These are detailed on pages 29-31 of this report. The table below illustrates how our Group's significant topics align with the GRI Topic Standards. The disclosures related to these material topics in the GRI Content Index are organized according to the GRI Topic Standards provided below.	-	

GRI Topic Standards		The Group's Material Topics
201	Economic Performance	Company Financial Performance, Business growth
202	Market Presence	Marketing campaign that are ethical and contribute to social and environmental sustainability
203	Indirect Economic Impact	Ensuring high quality products and supports in a cost-effective manner
204	Procurement Practice	Working with vendors that value diversity and good working conditions, Delivering value to our customers, Innovation
205	Anti-Corruption	Anti-Corruption
206	Anti-Competitive Behaviour	Establishing and operationalising ethical business practices, Trust, and transparency
207	Tax	Compliance with laws
301	Materials	Managing materials
302	Energy	Energy consumption, monitoring, and efficiency
303	Water	Clean water and sanitation
304	Biodiversity	Environmental and animal rights/protection
305	Emissions	Affordable clean energy and emissions
306	Effluents and Waste	Recycling, waste management, and waste reduction
307	Environmental Compliance	Compliance with laws, Business Conduct, Ethics, and Compliance
401	Employment	Attracting, Developing, Rewarding and Retaining Employees
402	Labour/ Management Relations	Work/life balance, Labour practices and standards
403	Occupational Health and Safety	Health and Safety

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GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
		MATERIAL TOPICS		

GRI Topic Standards		The Group's Material Topics
404	Training and Education	Employee engagement, Career development and growth
405	Diversity & Equal Opportunity	Diversity, inclusion and belonging, Gender equality/reducing gender inequalities, ensuring all people have access to the same resources
409	Forced or Compulsory Labour	Pay equity (making sure that employees are paid equally for equal work)
410	Security Practices	Creation and protection of intellectual property
411	Right of Indigenous People	Social Impact
412	Human Rights Assessment	Human rights protections
413	Local Communities	Community/Society
414	Supplier Social Assessment	Ensuring our products are useful to and usable by people with widest range of capabilities., Supply Chain Management
418	Customer Privacy	Data privacy and security, Customer Satisfaction (from Governance)

GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
		Economic Performance		
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	11 - 13	
	201-2	Financial implications and other risks and opportunities due to climate change	32 - 37	
	201-3	Defined benefit plan obligations and other retirement plans	60	
	201-4	Financial assistance received from government	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
		Market Presence		
GRI 202: Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	202-2	Proportion of senior management hired from the local community	92	

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GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
Indirect Economic Impact				
GRI 203: Indirect Economic Impact	203-1	Infrastructure investments and services supported	93-95	
	203-2	Significant indirect economic impacts	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
Procurement Practices				
GRI 204: Procurement Practice	204-1	Proportion of spending on local suppliers	94	
Anti-Corruption				
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	86	
	205-2	Communication and training about anti-corruption policies and procedures	87	
	205-3	Confirmed incidents of corruption and actions taken	87	
Anti-competitive Behaviour				
GRI 206: Anti-Competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	88	
Tax				
GRI 207: Tax	207-1	Approach to tax	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	207-2	Tax governance, control, and risk management	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	207-3	Stakeholder engagement and management of concerns related to tax	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	207-4	Country-by-country reporting	-	Not applicable
Energy				
GRI 301: Materials	301-1	Materials used by weight or volume	46-47	
	301-2	Recycled input materials used	46-47	

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GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
Energy				
GRI 302: Energy	302-1	Energy consumption within the organisation	53	
	302-2	Energy consumption outside of the organisation	-	Not applicable
	302-3	Energy intensity	-	Not applicable
	302-4	Reductions in energy requirements of products and services	54	
Water and Effluents				
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	51	
	303-2	Management of water discharge related impacts	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	303-3	Water withdrawal	51-52	
	303-4	Water discharge	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	303-5	Water consumption	51	
Biodiversity				
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	304-2	Significant impacts of activities, products, and services on biodiversity	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	304-3	Habitats protected or restored	-	Not Applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	Not Applicable
Emissions				
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	40-43	
	305-2	Energy indirect (Scope 2) GHG emissions	40-43	
	305-3	Other indirect (Scope 3) GHG emissions	40-43	
	305-4	GHG emissions intensity	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	305-5	Reduction of GHG emissions	39	
	305-6	Emissions of ozone-depleting substances (ODS)	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	Omitted as information was unavailable. Data will be collected for future report disclosure.

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GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
Waste				
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	48-50	
	306-2	Management of significant waste-related impacts	48	
	306-3	Waste generated	48-50	
	306-4	Waste diverted from disposal	49-50	
	306-5	Waste directed to disposal	49	
Environmental Compliance				
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	68	
Employment				
GRI 401: Employment	401-1	New employee hires and employee turnover	58-60	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	60	
	401-3	Parental leave	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
Labour/Management Relations				
GRI 402: Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	58	
Occupational Health and Safety				
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	75	
	403-2	Hazard identification, risk assessment, and incident investigation	76	
	403-3	Occupational health services	78	
	403-5	Worker training on occupational health and safety	77	
Training and Education				
GRI 404: Training and Education	404-1	Average hours of training per year per employee	70	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	67 - 73	
	404-3	Percentage of employees receiving regular performance and career development reviews	72	

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GRI Standard	Disclosure	Description	Page Numbers	Omission & Explanation
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	59 - 63	
	405-2	Ratio of basic salary and remuneration of women to men	-	Omitted as information was unavailable. Data will be collected for future report disclosure.
Forced or Compulsory Labour				
GRI 409: Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	58	
Security Practices				
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	79	
Rights of Indigenous				
GRI 411: Rights of Indigenous	411-1	Incidents of violations involving rights of indigenous peoples	64	
Human Rights Assessment				
GRI 412: Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	58-63	
Local Communities				
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	80-83	
	413-2	Operations with significant actual and potential negative impacts on local communities	-	Omitted as information was unavailable. Data will be collected for future report disclosure.

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