



MBM RESOURCES BERHAD

REGISTRATION NO. 199301029757 (284496-V)

BUILDING ON SUCCESS

SUSTAINABILITY REPORT 2023

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Cover Rationale

BUILDING ON SUCCESS

We aim to convey a message of progress and resilience to our stakeholders. The imagery reflects the upward trajectory of our journey, symbolizing our firm footing and continual advancement within the automotive industry. It embodies our unwavering commitment to excellence and the relentless pursuit of growth.

Strategically placed, the tagline “Building on Success” underscores our dedication to leveraging past achievements as catalysts for future endeavors. The design exudes modern sophistication, reflecting our ethos of innovation and progress. Through bold typography and dynamic visuals, we invite our stakeholders to join us on this journey of success, envisioning MBMR’s continued leadership and growth in the automotive sector.



This report is available online at:
<https://mbmr.com.my/investors/annual-report/>



Our Reporting Suite

The Annual Report 2023 and Sustainability Report 2023 are our primary reports.

Supplementary information are available on our website: <https://mbmr.com.my/>



Annual Report 2023



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Sustainability Report 2023

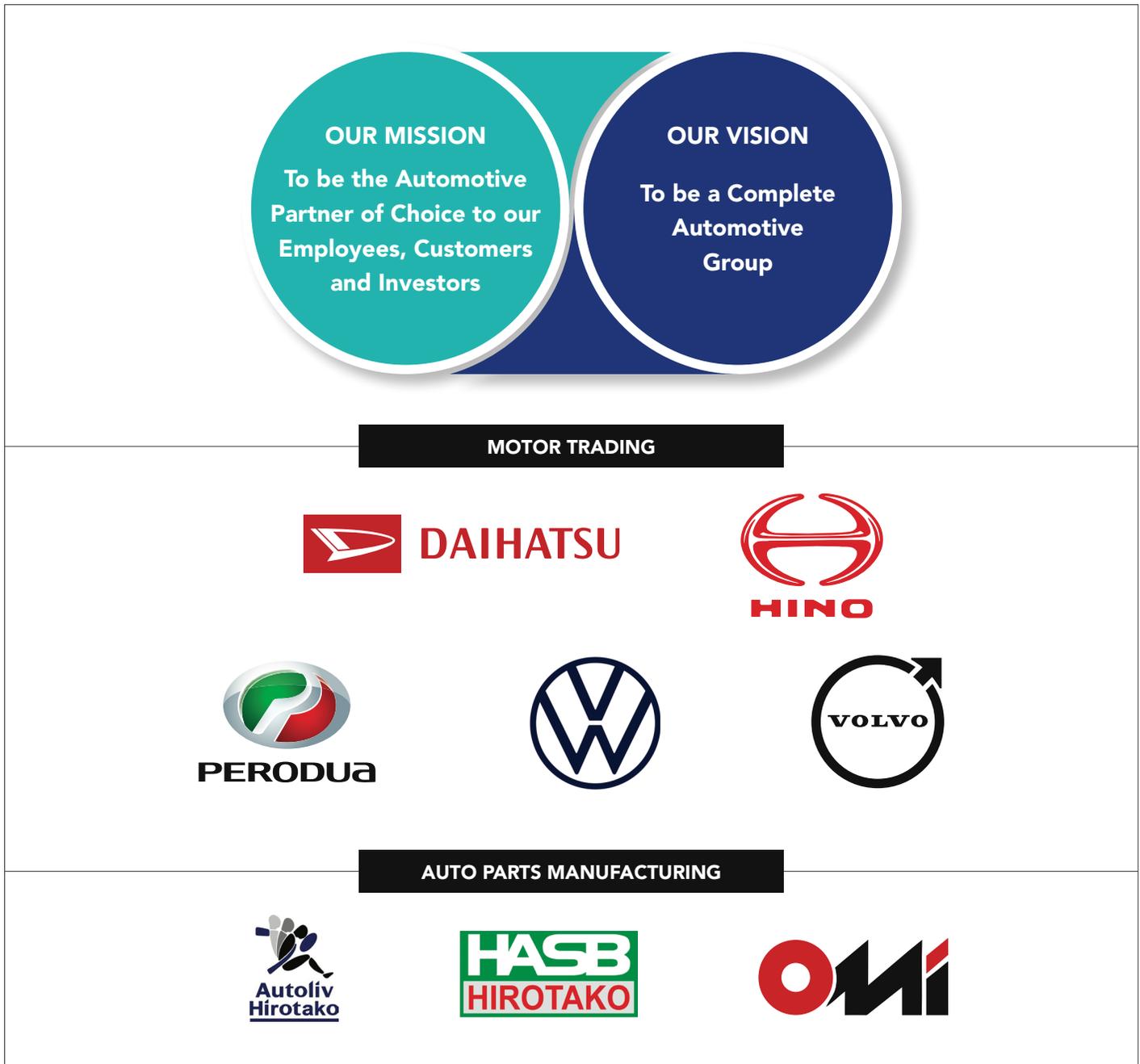


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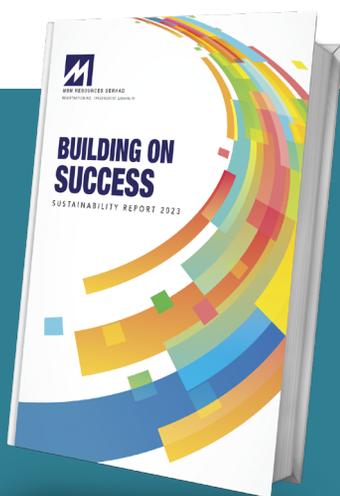
ABOUT MBMR

MBM Resources Berhad (“MBMR”) is a holding company of a group with diverse investments in the automotive industry such as distributorships and dealerships of major international and local vehicle brands, and automotive parts manufacturing in Malaysia.

There are currently two core business segments under MBMR. The motor trading segment covers the distribution and trading of motor vehicles, spare parts and provision of related services. The auto parts segment comprises the manufacturing of steel wheels, discs, airbags, seatbelts, steering wheels, noise, vibration and harshness (“NVH”) products and provision of tyre assembly services.



BASIS OF THIS REPORT



MBMR and its subsidiaries (“the Group”) acknowledge their roles and responsibilities to society, the environment, and all stakeholders in conducting operations.

This Sustainability Report covers the Group’s sustainability targets, performance, and initiatives for the financial year ended 31 December 2023 across four pillars: Environment, Social, Economic, and Corporate Governance.

SUSTAINABILITY OBJECTIVES

The Group’s commitment to sustainability is rooted in our mission to become the Automotive Partner of Choice for our Employees, Customers, and Investors. Our sustainability objectives are:

- Minimise negative effects of the Group’s businesses on the environment;
- Promote social progress towards the wellbeing and development of our employees, customers and communities in which we operate;
- Promote a healthy ecosystem in which the Group’s businesses are operated; and
- Achieve consistently high standards of integrity, transparency and disclosure according to regulatory and industry best practices.

SCOPE

This Sustainability Report provides an overview of the Group’s sustainability performance for the period from 1 January 2023 to 31 December 2023. Where available, data from the previous year is also included to facilitate year-on-year progress comparisons.

Data and content included within this report relate to MBMR and its core operating entities listed as follows, all of which are located in Malaysia (collectively referred to as the “Group” in this Sustainability Report):

- Daihatsu (Malaysia) Sdn. Bhd. (“DMSB”) and subsidiaries
- Federal Auto Holdings Berhad (“FAHB”) and subsidiaries
- Autoliv Hirotako Sdn. Bhd. (“AHSB”) and subsidiaries
- Hirotako Acoustics Sdn. Bhd. (“HASB”)
- Oriental Metal Industries (M) Sdn. Bhd. (“OMI”) and subsidiary

REPORTING STANDARDS

Disclosures within this Sustainability Report comply with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Bursa Malaysia’s Sustainability Reporting Guide. Additionally, this Sustainability Report is guided by the core reporting principles of the Global Reporting Initiative (“GRI”) Standards and have been aligned with the UN Sustainable Development Goals and the sustainability issues most material to our businesses and stakeholders. Where applicable, we further strive to adhere to the FTSE4Good Bursa Malaysia Index criteria.

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Report, this Sustainability Report has been subjected to independent limited assurance in accordance with recognised assurance standards.

SCOPE OF ASSURANCE

The scope of the assurance covers certain indicators related to energy consumption, health and safety and water consumption for the period from 1 January 2023 to 31 December 2023. The entities that have been subjected to the independent assurance are MBMR, DMSB, FAHB, AHSB, HASB and OMI.

CONCLUSION

Based on the procedures we have performed as described under the “Summary of the work we performed as the basis of our assurance conclusion” and the evidence we have obtained, nothing has come to our attention that causes us to believe Subject Matter Information contained in the MBMR’s Sustainability Report 2023, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Please refer to page 64 for the assurance report provided by Deloitte PLT.

MESSAGE FROM THE CHAIRMAN

Throughout our history, one driving force has remained constant:

Our commitment to being the Automotive Partner of Choice for our Employees, Customers, and Investors.

Our primary goal is to deliver sustainable performance and returns to our investors. But beyond the numbers, we recognise the importance of contributing to social development and environmental protection. Our sustainability objectives aren't lofty ideals; they're practical necessities for our long-term success. By integrating sustainability into our business practices, we ensure our resilience and relevance in an ever-changing world. Through responsible environmental practices, social engagement, and ethical governance, we pave the way for enduring prosperity.



In 2022,

MBMR established our Sustainability Policy and Framework alongside a governance structure.



MESSAGE FROM THE CHAIRMAN

This foundational framework not only laid out our overarching sustainability goals but also provided the necessary infrastructure for effective monitoring and implementation. Within this framework, a set of sustainability targets was delineated to serve as key performance indicators, guiding our progress in this crucial domain.

Building upon this groundwork, MBMR embarked on a journey of oversight for our sustainability performance and initiatives. Quarterly sustainability performance and reporting mechanisms were introduced to ensure meticulous tracking of our sustainability endeavours. These regular assessments allowed us to gauge our progress, identify areas for improvement, and adapt our strategies accordingly.

The year 2023 marked a significant milestone in our sustainability journey, characterised by notable advancements in our initiatives. Board members and Management participated in the Sustainability Leadership Series organised by the Group, featuring esteemed speakers. Topics covered included Environmental, Social, and Governance (“ESG”) trends, the Carbon Market, and policies related to sustainability, among others.

Additionally, a comprehensive materiality assessment was conducted during this period to identify our most pressing sustainability issues and align our strategies accordingly. This exercise not only offered clarity on the focal points for reporting but also served as a strategic guidepost for our sustainability endeavors. By directing our resources towards addressing the most pertinent challenges, we ensured that our sustainability efforts remained focused and impactful.

Furthermore, MBMR expanded its reporting framework to include carbon emission tracking for Scope 1 and 2 emissions. This enhancement, coupled with the standardisation of data collection and calculation methodologies, bolstered the accuracy and reliability of our sustainability reporting efforts. By aligning our reporting practices with industry standards and best practices, we ensure transparency and accountability in our sustainability journey.

Our strides in environmental management have taken a notable leap forward. At the OMI steel wheel plant in Shah Alam, we augmented our sustainability efforts by installing a 330 kilowatts peak (“kWp”) solar panel array. This addition complements the solar panels previously installed at HASB and AHSB in 2022, along with the OMI Shah Alam tyre assembly plant in 2021. Additionally, we upgraded the existing air compressors to inverter air compressors at the OMI Shah Alam facility, a move aimed at reducing our carbon footprint and energy consumption.



In tandem with these initiatives, waste management witnessed ongoing enhancements, accompanied by the expansion of recycling programmes across all MBMR businesses. Within our manufacturing units, the steadfast maintenance of ISO 14001 environmental management system accreditation serves as a testament to our commitment to environmental stewardship. This accreditation not only assures stakeholders of our compliance with environmental regulations but also generates cost-savings through improved resource efficiency and waste management practices.

Investing in our most valuable asset, our people, remains paramount to our strategic advancement.

We hold firm to the belief in fostering focused employee engagement and a deeply integrated culture of appreciation and development. Ensuring a safe working environment is foundational to our approach, underpinned by comprehensive health and safety programmes, as well as regular audits and inspections. Moreover, we prioritise talent development programmes aimed at upskilling our workforce, providing them with opportunities to enhance both technical and soft skills. These initiatives underscore our commitment to nurturing the potential of our employees and empowering them to thrive in their roles.

MESSAGE FROM THE CHAIRMAN



We perceive digitalisation as a catalyst for advancing our strategic objectives. In the past year, we implemented Internet of Things (“IoT”) monitoring systems, facilitating production and maintenance monitoring at the 400 tonnes hydraulic press machine at HASB. Additionally, we introduced a Supervisory Control and Data Acquisition (“SCADA”) system at OMI for real-time data capturing and analysis. These digitalisation initiatives have not only enhanced monitoring capabilities but also paved the way for greater automation, thereby boosting operational efficiencies across our manufacturing plants.

At MBMR, we remain committed to enriching the communities surrounding our operations. To this end, we prioritise local suppliers along our supply chain where possible, ensuring both cost optimisation and adherence to quality requirements. These concerted efforts underscore our dedication to fostering mutually beneficial relationships with our local communities.

Further, our efforts to enhance our Group’s businesses are underpinned by a sturdy governance, risk management, and internal control framework and practices. We are steadfast in our commitment to instilling the highest standards of integrity, honesty, and transparency within the Group.

As part of our governance initiatives, we have implemented fundamental Group-wide policies aimed at bolstering overall governance within the Group. One notable initiative is the adoption of a new Group Governance Framework to promote the adoption of good corporate governance practices and to minimise the risk of governance failures within the Group. The Group Governance Framework sets out the Group’s governance structure including all policies and procedures with the aim of setting the tone for leadership and culture within the Group towards alignment of strategies and priorities across the Group.

Through continuous investments in knowledge development, operational excellence, innovative technology adoption, and digitalisation, we are driving our businesses to directly address these pillars and contribute to the sustainability of our planet. We firmly believe that there is no alternative to sustainability, and as such, we are committed to making continuous improvements in the material sustainability matters we have identified, aligning them with delivering sustainable returns to our shareholders.

Looking ahead, the future holds great promise for MBMR. In 2024, we are poised to incorporate sustainability targets which are linked to performance remuneration across all operating companies and introduce Scope 3 Carbon Emission reporting in our disclosures. Moreover, our facilities will increasingly transition to renewable energy sources over time, further solidifying our commitment to environmental stewardship. As we prepare for reporting against the Task Force on Climate-Related Financial Disclosure, we remain steadfast in our dedication to upholding the integrity of our content, as evidenced by the independent limited assurance on the selected sustainability indicators in our 2023 Sustainability Report disclosure.

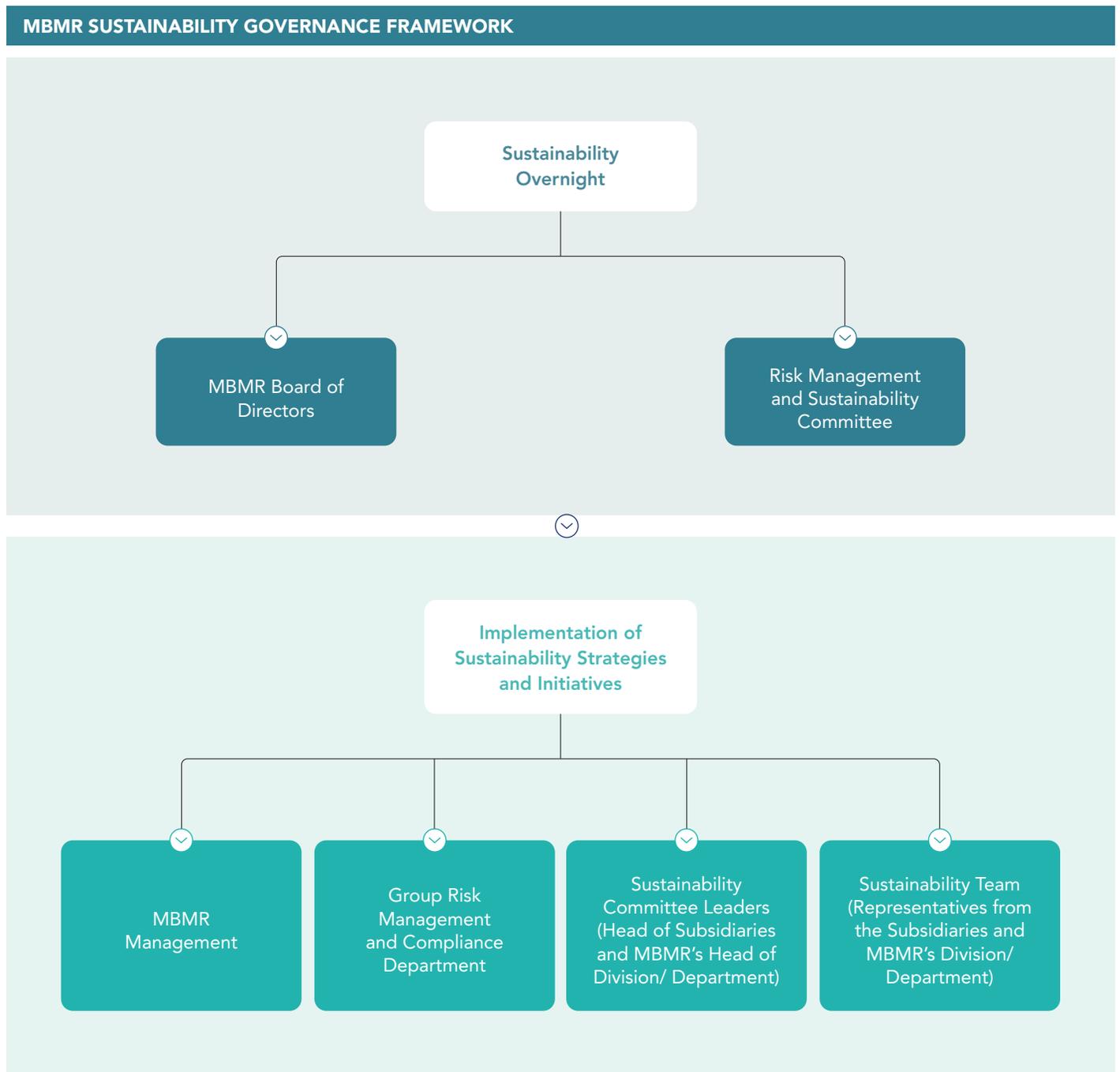
With sustainability as our guiding principle, MBMR is primed to embark on a journey of continued growth, innovation, and responsible business practices. Together, let us forge ahead, shaping a more sustainable future for generations to come.

Encik Aqil bin Ahmad Azizuddin
Chairman

SUSTAINABILITY GOVERNANCE FRAMEWORK

The Group's sustainability practices are guided by a governance structure that emphasises accountability. Oversight of sustainability matters is provided by the MBMR Board of Directors ("the Board") through the Risk Management and Sustainability Committee ("RMSC"), with support from MBMR Management.

MBMR Management plays a proactive role in driving and integrating sustainability into the Group's day-to-day operations. Across various business functions, initiatives are developed to address environmental, economic, social, and governance concerns. The Group Risk Management and Compliance Department provides on-the-ground oversight to ensure these initiatives align with the Group's sustainability objectives. Outlined below is the MBMR Sustainability Governance Framework:



SUSTAINABILITY GOVERNANCE FRAMEWORK

ROLES AND RESPONSIBILITIES

THE BOARD

The MBMR Board of Directors (“Board”) holds the ultimate responsibility for overseeing sustainability governance within the Group. While retaining oversight responsibility, the Board has delegated the task of formulating the Group’s sustainability strategies and initiatives – covering environmental, social, and governance matters – to the Risk Management and Sustainability Committee (“RMSC”). This delegation aligns with the requirements of the Main Market Listing Requirements (MMLR) of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021 (“MCCG”).

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

The RMSC plays a key role in supporting the Board by overseeing the adoption of sustainability policies for the Group. This includes setting sustainability strategies, priorities, and targets. Additionally, the RMSC is tasked with monitoring and reviewing the Group’s sustainability performance against these established strategies and targets.

Furthermore, the RMSC oversees and reviews the processes, frameworks, and strategies designed to manage environmental, social, and governance risks. This encompasses a wide range of areas such as safety, health, employment practices, environmental practices, human rights, community relations, and other pertinent sustainability matters.

MANAGEMENT

The MBMR Management takes the lead in implementing sustainability-related policies, frameworks, and procedures across the Group. They are primarily responsible for managing and monitoring the Group’s key sustainability performance. Additionally, the Management receives support from the Group Risk Management and Compliance Department to ensure alignment with the Group’s sustainability targets.

GROUP RISK MANAGEMENT AND COMPLIANCE DEPARTMENT

The Group Risk Management and Compliance Department oversees and coordinates the execution of the Group’s sustainability initiatives and the collection of key performance data. Subsequently, the department updates and reports this information to the MBMR Management and then to the RMSC.

SUSTAINABILITY COMMITTEE LEADERS

The Sustainability Committee Leaders comprise the heads of subsidiaries and division/department heads. They are accountable for ensuring that the implementation of sustainability initiatives and strategies aligns with the Group’s sustainability targets. Additionally, they oversee the timely reporting of sustainability matters from their respective subsidiaries or divisions/departments and verify the accuracy of the reported information.

SUSTAINABILITY TEAM

The Sustainability Team comprises representatives from subsidiaries and divisions/departments. Their primary responsibility is to assist in coordinating and implementing sustainability initiatives within their respective subsidiaries and divisions/departments. Additionally, they are required to provide information and data on the sustainability performance of their subsidiaries or divisions/departments.

STAKEHOLDER ENGAGEMENT

An essential aspect of our sustainability strategy involves listening to and addressing the needs of our stakeholders, who play a crucial role in our long-term success.

The Group proactively engages with both internal and external stakeholders to comprehend their needs and expectations. Through this stakeholder engagement process, we evaluate their interests and potential impact on our businesses. This allows us to identify any gaps and develop strategies to better align our sustainability practices with stakeholders' needs and expectations, thus promoting long-term sustainability.

HERE IS A SUMMARY OF OUR KEY STAKEHOLDERS AND OUR ENGAGEMENT ACTIVITIES:



CUSTOMERS

Engagement Activity

- Social Media Campaign
- Online Services through Customer Portal
- Face to face interaction from service and sales channels
- Launching Events
- Showroom Open Day and Roadshows
- Vendor Briefing with Customers
- Customer Annual Conference
- Customer Satisfaction Survey
- Customer Updates

Frequency

- Regular
- Regular
- Regular
- As and when required
- Regular
- Monthly
- Annually
- Annually
- Monthly

Purpose

To offer quality products and services and to gather feedbacks to improve on the products and services.



COMMUNITIES

Engagement Activity

- Community Activities

Frequency

- Regularly

Purpose

To carry out our corporate social responsibilities and build good relationships with the local communities.



SHAREHOLDERS AND INVESTORS

Engagement Activity

- Annual General Meeting
- Analyst Briefing
- Media Releases
- Websites

Frequency

- Annually
- Quarterly
- Quarterly
- As and when required

Purpose

To disseminate and provide information on the Group's activities and financial performance to facilitate decision making by investors.

STAKEHOLDER ENGAGEMENT



REGULATORS

Engagement Activity

- Meetings with Regulators
- Briefings, Seminars or Discussions with Regulators

Frequency

- Regularly
- As and when required

Purpose

To ensure compliance with all laws and regulations.



SUPPLIERS AND CONTRACTORS

Engagement Activity

- Mid-Year Review and Engagement with Vendors
- Supplier Performance Meetings
- Supplier Conference
- Supplier Audit
- Vendor Development Programme

Frequency

- Bi-Annually
- Monthly
- Bi-Annually
- Annually
- As and when required

Purpose

To ensure compliance with all laws and regulations as well as meeting the performance requirements.



EMPLOYEES

Engagement Activity

- Employee Engagement Survey
- Employee Engagement Sessions i.e. townhall and Management Visit
- Team Building Programme
- Employee Awards Programme
- Employees Meetings

Frequency

- Annually
- Regularly
- As and when required
- Annually
- Daily and Monthly

Purpose

To provide a conducive work environment and to engage and nurture employees.



PRINCIPALS

Engagement Activity

- Meetings and communication with Principal

Frequency

- Regularly

Purpose

To communicate on business activities and financial performance.

MATERIAL MATTERS

DETERMINING MATERIALITY

The materiality assessment serves as the cornerstone of our sustainability management and ESG reporting practices. It facilitates the seamless integration of sustainability considerations into MBMR’s overarching business strategy, thereby bolstering our continuous endeavours to generate enduring value for our stakeholders. Simultaneously, the assessment plays a pivotal role in framing ESG impacts within their appropriate context for disclosure in our reports.

In 2023, MBMR reviewed our material matters to ensure it aligns with our existing business strategies and changes in the current business landscape. Through an amalgamation of internal insights, external stakeholder perspectives, and thorough analysis of prevailing trends, MBMR discerns the ESG issues most pertinent to our business in terms of their impact to the Group and its importance to our stakeholders.

MATERIALITY ASSESSMENT PROCESS

▶ STAGE 1: IDENTIFICATION

Identification of the Group’s material sustainability matters.

| Material Sustainability Matters | Sources of the Sustainability Matters Identification |
|--|--|
| PILLAR 1: ENVIRONMENT | |
| <div data-bbox="178 1215 241 1278"></div> <p data-bbox="178 1300 525 1406">CLIMATE CHANGE AND GREENHOUSE GAS (“GHG”) EMISSION</p> <hr/> <p data-bbox="178 1453 604 1619">Protection of the environment through reducing the Group’s GHG emission intensity and implementing measures to mitigate and adapt to the impacts of climate change</p> | <ul data-bbox="662 1229 1491 1953" style="list-style-type: none"> • Reporting of carbon emission to Original Equipment Manufacturers (“OEMs”) and Principal GHG emission from manufacturing of products and GHG emission by dealers • Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of GHG emission data and initiatives to manage it. This is as part of the national agenda to achieve its sustainability goals. • Feedback from Stakeholders Environmental impact and carbon footprint from Group’s operation • Policy and Framework Climate change and GHG emission are incorporated in the MBMR Sustainability Policy and Framework • Emerging local and global trends Local and global scrutiny on GHG emission by business and climate change risks |

MATERIAL MATTERS

| Material Sustainability Matters | Sources of the Sustainability Matters Identification |
|--|--|
| PILLAR 1: ENVIRONMENT | |
|  <p>WASTE MANAGEMENT</p> <p>Effective management of waste which includes to reduce, reuse and recycle of waste from business operations and to comply with waste disposal and management regulations</p> | <ul style="list-style-type: none"> Regulations and laws: Environmental Act Compliance with regulations as required in the Environmental Act which consist of Air Quality, Effluent and Scheduled Waste Risk Registers Impact from non-compliance to regulations Customer’s requirements through required certification Environmental assessment and Environment Management System certification required by manufacturing companies Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of waste disposed, recycled and reused including the type of wastes and the initiatives implemented. Policy and Framework Waste management is incorporated in the MBMR Sustainability Policy and Framework |
|  <p>ENERGY CONSUMPTION</p> <p>Efficient energy consumption through practical adoption of renewable energy resources</p> | <ul style="list-style-type: none"> Reporting to OEMs Energy consumption in manufacturing of products Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of energy consumption from business operation and the initiatives implemented Feedback from Stakeholders Implementation of solar energy initiatives Policy and Framework Energy consumption is incorporated in the MBMR Sustainability Policy and Framework |
|  <p>WATER CONSUMPTION</p> <p>Efficient water consumption through practical adoption of water conservation initiatives</p> | <ul style="list-style-type: none"> Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of water consumption from business operation and the initiative implemented Feedback from Stakeholders Environmental impact from Group’s operation Policy and Framework Water consumption is incorporated in the MBMR Sustainability Policy and Framework |

MATERIAL MATTERS

| Material Sustainability Matters | Sources of the Sustainability Matters Identification |
|--|---|
| PILLAR 2: SOCIAL | |
|  <p>HEALTH AND SAFETY</p> <hr/> <p>Safeguard the safety and wellbeing of all employees and the relevant stakeholders at the Group's workplace</p> | <ul style="list-style-type: none"> Regulations and laws: Occupational Safety and Health Act Compliance with regulations as required under OSHA Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of Health and Safety indicators and the initiatives implemented Customer's requirements through required certification Occupational Health and safety standard in the operation Board Committee reports Monitoring of health and safety matters by Board committee Policy and Framework Health and Safety are incorporated in the MBMR Sustainability Policy and Framework |
|  <p>DIVERSITY AND EQUAL OPPORTUNITY</p> <hr/> <p>Promoting diversity and equal opportunities as well as eliminating any forms of discrimination in the workplace</p> | <ul style="list-style-type: none"> Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure on employee diversity indicators and the initiatives Policy and Framework Diversity and Equal Opportunity are incorporated in the MBMR Sustainability Policy and Framework |
|  <p>EMPLOYEE WELFARE</p> <hr/> <p>Protect the wellbeing of employees through a fair reward and remuneration system, employee engagement programmes and talent development initiatives</p> | <ul style="list-style-type: none"> Employee Engagement Survey Employee development and satisfaction as well as remuneration and reward Regulations and laws: Employment Act Compliance with regulations stipulated in the Employment Act Policy and Framework Employee welfare is incorporated in the MBMR Sustainability Policy and Framework |

MATERIAL MATTERS

| Material Sustainability Matters | Sources of the Sustainability Matters Identification |
|--|---|
| PILLAR 2: SOCIAL | |
|  <p>LABOUR AND WORKING STANDARDS</p> <hr/> <p>Protection of workforce rights by ensuring fair treatment and ensure compliance to the labour and working condition regulations</p> | <ul style="list-style-type: none"> Regulations and laws: Employment Act, Workers’ Minimum Standards of Housing and Amenities Act (Act 446) and Immigration Act Compliance with regulations on matters relating to working and living standard of workers Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure on Labour and Working Standard indicators and the initiatives implemented Risk Registers Risk of non-compliance to regulations Policy and Framework Labour and working standards are incorporated in the MBMR Sustainability Policy and Framework |
|  <p>CUSTOMER SATISFACTION AND LOYALTY</p> <hr/> <p>Promote continuous improvement to enhance customer’s satisfaction and experience</p> | <ul style="list-style-type: none"> Customer’s requirement through quality certifications Quality management system certifications required by OEMs to ensure the quality of the Group’s products and services Customer Feedback Platform Customer feedback through customer satisfaction survey, principal’s customer feedback platform and customer retention rate Policy and Framework Customer satisfaction and loyalty are incorporated in the MBMR Sustainability Policy and Framework |
|  <p>COMMUNITY ENGAGEMENT AND INVESTMENT</p> <hr/> <p>Support and engage the local communities and provide assistance to improve the social and economic wellbeing of the communities</p> | <ul style="list-style-type: none"> Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of Community Engagement and Investment indicators and the initiatives Policy and Framework Community engagement and investment are incorporated in the MBMR Sustainability Policy and Framework |

MATERIAL MATTERS

| Material Sustainability Matters | Sources of the Sustainability Matters Identification |
|---|--|
| PILLAR 3: ECONOMIC | |
|  <h3>SUPPLY CHAIN</h3> <p>Implement fair business practices and provide support to local suppliers that meet the Group's requirements</p> | <ul style="list-style-type: none"> Bursa Listing Requirements and FTSE4Good Bursa Malaysia Index Disclosure of procurement from local suppliers Supplier Performance Review Review of the performance of the suppliers at subsidiaries Policy and Framework Supply chain is incorporated in the MBMR Sustainability Policy and Framework |
|  <h3>INNOVATION & DIGITALISATION</h3> <p>Implementation of digitalisation initiatives to improve the Group's business and operational process</p> | <ul style="list-style-type: none"> Emerging local and global trends The changing of business landscape towards digitalisation and automation to improve the business process and meeting customer's needs. Policy and Framework Innovation and digitalisation are incorporated in the MBMR Sustainability Policy and Framework |
| PILLAR 4: GOVERNANCE | |
|  <h3>ANTI-CORRUPTION</h3> <p>Commitment by the Group in the implementation of zero-tolerance approach towards bribery, corruption and other unethical or illegal practices</p> | <ul style="list-style-type: none"> Regulations and laws: Malaysian Anti-Corruption Commission ("MACC") Act Section 17A Corporate liability principle MBMR Anti Bribery and Anti-Corruption Policy Policy to govern matters pertaining Anti-Corruption in the Group Policy and Framework Anti-Corruption is incorporated in the MBMR Sustainability Policy and Framework |
|  <h3>DATA PRIVACY AND CYBER SECURITY</h3> <p>Protection of the Group's data from any form of intrusion from malicious external or internal parties</p> | <ul style="list-style-type: none"> Emerging local and global trends Scrutiny on matters pertaining to cyber security and data privacy by regulators and customers Policy and Framework Data privacy and cyber security are incorporated in the MBMR Sustainability Policy and Framework |
|  <h3>CORPORATE GOVERNANCE</h3> <p>Maintain a robust and effective governance, risk management and internal control system across the Group</p> | <ul style="list-style-type: none"> Main Market Listing Requirements of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021 Requirements from Bursa Malaysia and Securities Commission Malaysia Policy and Framework Corporate governance is incorporated in the MBMR Sustainability Policy and Framework |

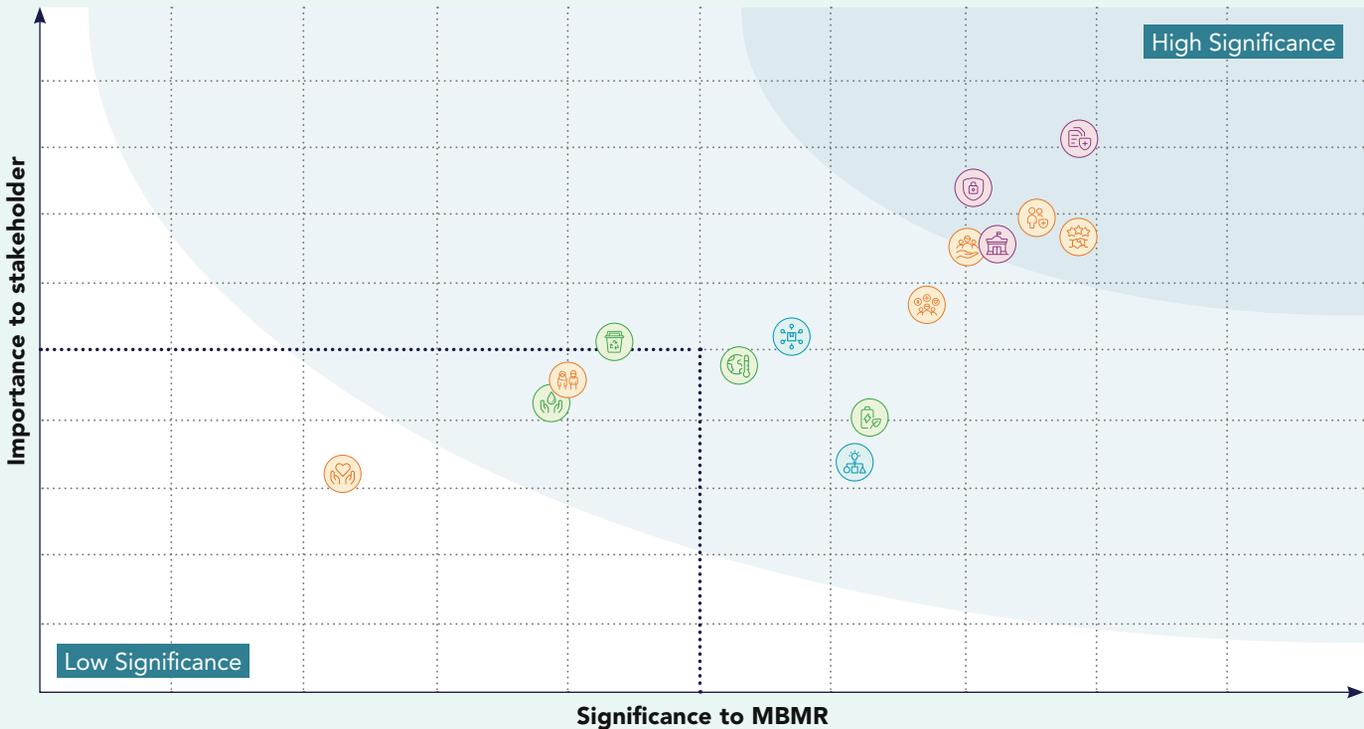
MATERIAL MATTERS

STAGE 2: STAKEHOLDER ENGAGEMENT

Conduct stakeholder engagement to determine the inputs from all relevant stakeholders on the Group’s material sustainability matters.

STAGE 3: PRIORITISATION

Prioritisation of the material sustainability matters is based on the inputs provided by stakeholders. The Group will also assess the significance of these sustainability matters to its business and operations. This is illustrated through a materiality matrix.



High Significance

- | | | |
|-----------------------------------|------------------------------|---------------------------------|
| Anti-Corruption | Labour and Working Standards | Climate Change and GHG Emission |
| Data Privacy and Cyber Security | Corporate Governance | Waste Management |
| Health and Safety | Employee Welfare | Energy Consumption |
| Customer Satisfaction and Loyalty | Supply Chain | Innovation & Digitalisation |

Lower Significance

- Diversity and Equal Opportunity
- Water Consumption
- Community Engagement and Investment

STAGE 4: APPROVAL

Approval of the Group’s materiality assessment by the Board of MBMR.

STAGE 5: REVIEW

Conduct review of the Group’s materiality assessment every 2 years.

SUSTAINABILITY RISK MANAGEMENT

The Group's Enterprise Risk Management ("ERM") framework has integrated sustainability and climate-related risks in addition to business and strategic risk, human resource risk, corruption risk, health and safety risk as well as information technology risk. In 2023, the Group has identified its sustainability and climate-related risks that may impact its business and operation. All the significant risks of the Group and its mitigation actions are being monitored by the respective risk owners, Head of Subsidiaries, the Group Risk Management and Compliance Department and MBMR Management. These risks are also deliberated and updated to the Board Risk Management and Sustainability Committee.

SUSTAINABILITY AND CLIMATE-RELATED RISK



- Risk Related to the transition to a lower carbon economy

| | |
|---------------------------|---|
| Risk | Shift in customers' demand to lower carbon products and services |
| Mitigation Actions | <ul style="list-style-type: none"> • Availability of Electric Vehicle ("EV") in the Group's product lineup, specifically from its Volvo's vehicle sales • Volvo Certified Damage Repair ("VCDR") Centre spray booths use electricity to heat the air during the drying process, as opposed to fuel, which is more efficient and reduces the emission of greenhouse gases. |
| Risk | Risk of potential changes to the regulations on matters pertaining to the release of carbon emission such as introduction of carbon tax or other potential requirement on carbon emission. |
| Mitigation Actions | <ul style="list-style-type: none"> • Adoption of renewable energy from solar power to reduce emission. Solar panels have been installed at AHSB, HASB and OMI Tyre Assembly and Steel Wheel plant in Shah Alam. • EV forklift being used at OMI Sg Choh plant • Continuous monitoring of the rules and standards governing GHG emission release |

Physical Risk

- Physical impacts of climate change

| | |
|---------------------------|---|
| Risk | Exposure to climate changes which could result in frequent natural disasters such as flood that could cause operational disruption and property damage |
| Mitigation Actions | <ul style="list-style-type: none"> • Insurance coverage for climate related incident such as flood • Implementation of Business Continuity Plan |

Note: For further information on the Group's risk management and sustainability risks, please refer to the Statement on Risk Management and Internal Control ("SORMIC") section at page 57 in our 2023 Annual Report

PILLAR 1: ENVIRONMENT

Pillar 1:

Environment



We recognise the importance of safeguarding our environment.

Consequently, the Group remains committed to exploring avenues for enhancing the efficient utilisation of natural resources, including water, land, and other pertinent resources essential to our operations. Given the nature of our activities, we are significant consumers of water and energy. Therefore, our environmental sustainability initiatives are primarily directed towards addressing material concerns related to energy and water consumption, as well as waste management.



Related UNSDGs:



PILLAR 1: ENVIRONMENT

ENERGY CONSUMPTION

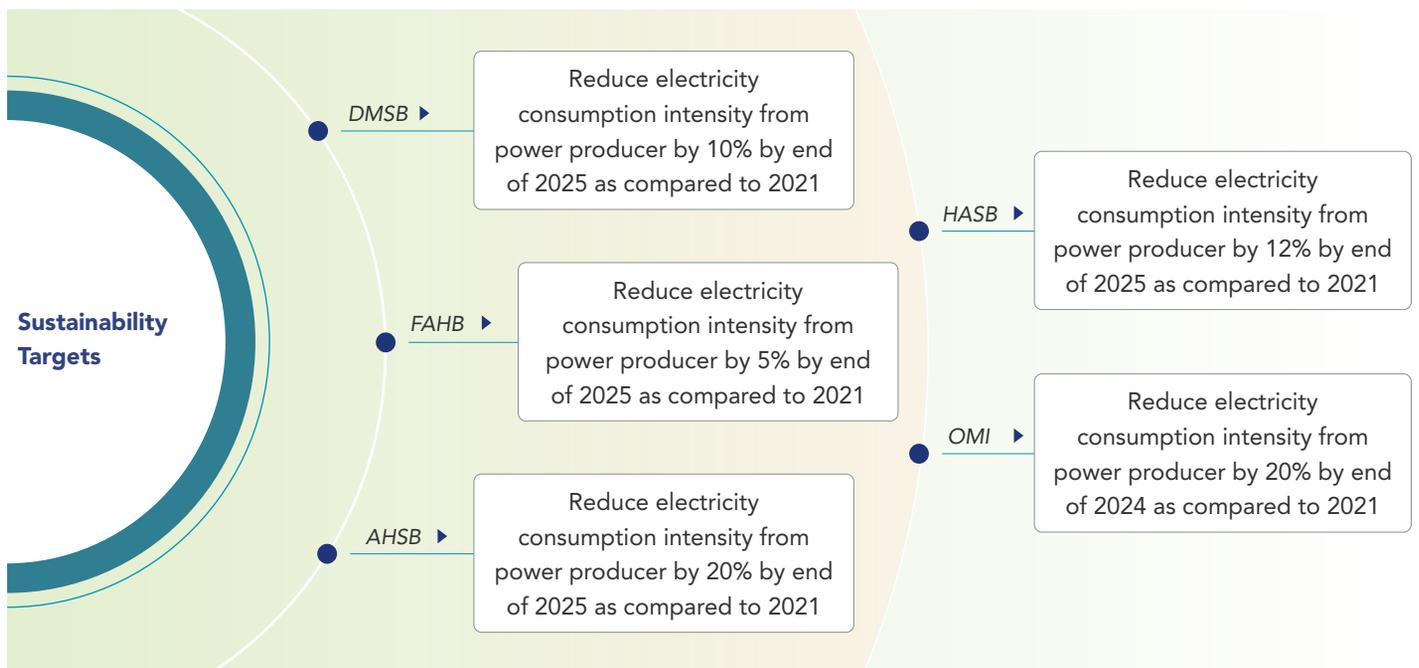
WHY IS IT IMPORTANT

Energy is an indispensable support system for all facets of our business operations. Hence, prioritising energy efficiency is not only crucial for reducing running costs but also for lowering carbon emission and conserving natural resources. The Group remains focused in improving energy efficiency across its operations and, where feasible, augmenting its utilisation of renewable energy sources. Decreasing energy consumption is important to our resource efficiency strategy and fundamental to sustaining our cost competitiveness.

OUR APPROACH IN 2023

To realise this objective, we have implemented various initiatives, including transitioning to energy-efficient lighting and investing in renewable energy solutions such as solar panels. In 2023, we furthered our commitment by installing an additional 330 kWp of solar panels at OMI's steel wheel plant. This expansion which supplements the solar panels previously installed in 2021 and AHSB's – 132 Kwp and HASB's – 305 KWp solar panel installations in 2022, demonstrates our ongoing pursuit of a low-carbon environment. During the past years, our energy consumption initiatives have also focused on other several key upgrades. These include the transition to LED lighting, the replacement of conventional air compressors with inverter air compressors. These measures are part of our ongoing commitment to enhancing energy efficiency and reducing our environmental impact across our operations. In addition, OMI is also using battery powered forklifts for its Sg Choh operation to reduce its energy usage from diesel.

OUR PERFORMANCE

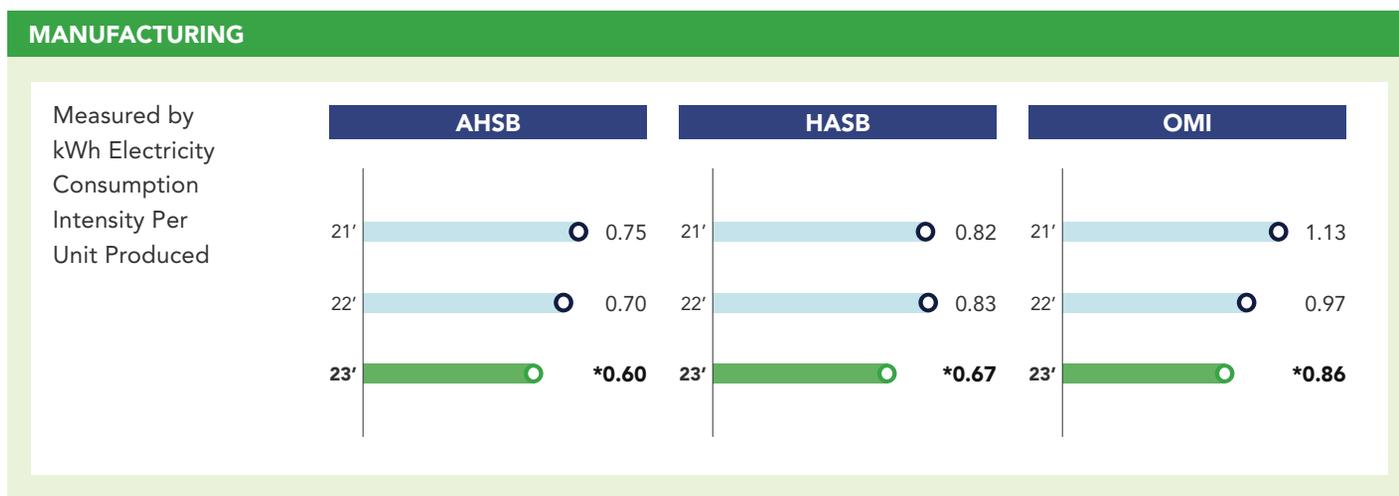
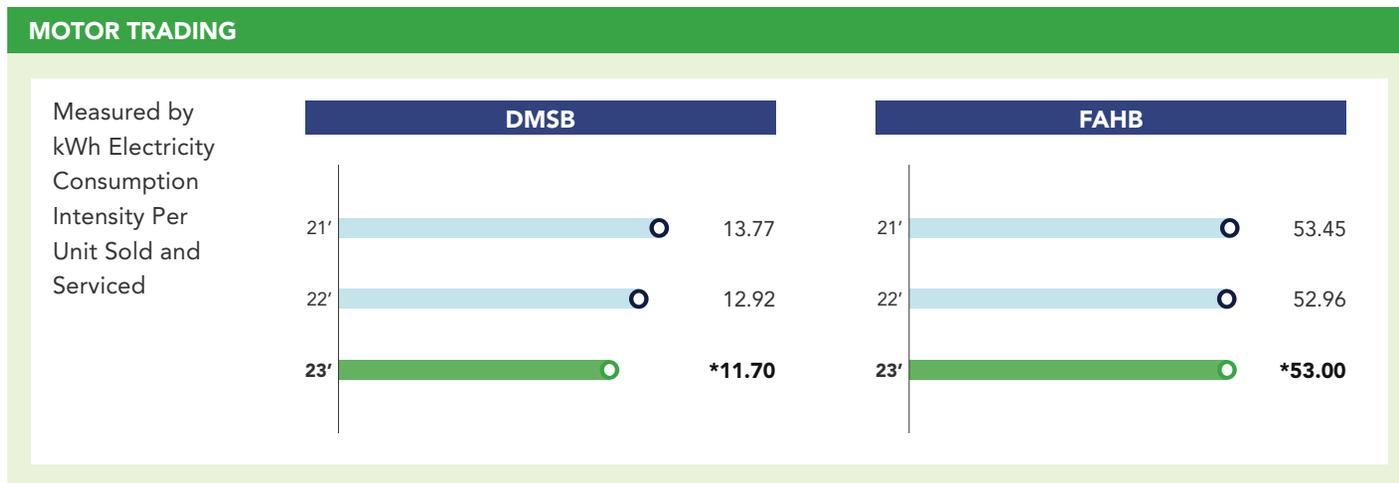


Indicators

The Group employs electricity consumption intensity as a metric to gauge our energy consumption efficiency. This measure entails assessing the kilowatt hour ("kWh") of electricity utilised by our manufacturing companies to produce one unit of product, as well as the kWh of electricity consumed by our motor trading companies to sell or service one vehicle. Our objective for energy efficiency is to achieve lower electricity consumption intensity, signifying reduced electricity usage per unit of product manufactured or vehicle sold and serviced.

PILLAR 1: ENVIRONMENT

ELECTRICITY CONSUMPTION INTENSITY COMPARISON 2021 - 2023



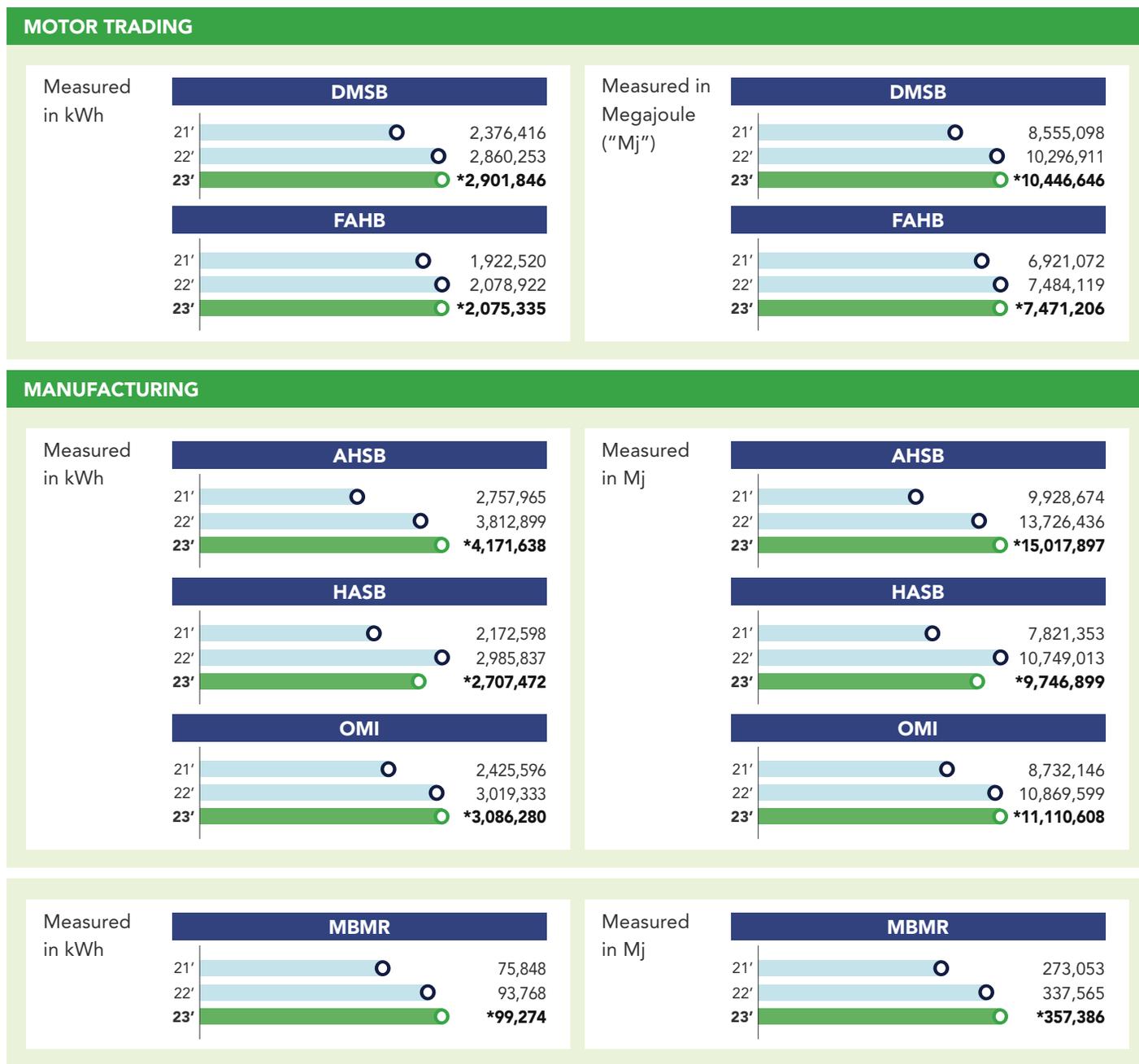
* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

In 2023, our energy sustainability efforts yielded positive outcomes, with all companies within the Group reporting a decline in electricity consumption intensity compared to 2021. AHSB witnessed a notable reduction of 20% in electricity consumption intensity per unit produced during the reporting period. Similarly, OMI's achieved a decrease of 24%, while HASB resulted in a commendable 18% reduction in electricity consumption intensity. In our motor trading sector, DMSB and FAHB reported reductions of 15% and 1% respectively in electricity consumption intensity from energy production sources. These results underscore our commitment to improving energy efficiency across our operations.

In addition, the Group will review its sustainability target annually.

PILLAR 1: ENVIRONMENT

ELECTRICITY CONSUMPTION FROM ENERGY PRODUCER COMPARISON 2021 - 2023



| GROUP | 2021 | 2022 | 2023 |
|---|-----------------------|-----------------------|------------------------|
| Electricity Consumption (Total Electricity Reported - Total Electricity Exported) | 11,730,943 kWh | 14,851,012 kWh | 15,041,845* kWh |
| | 42,231,395 Mj | 53,463,643 Mj | 54,150,642* Mj |

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

PILLAR 1: ENVIRONMENT

Electricity consumption increased for our operating companies during the year except for FAHB and HASB. The Group’s total electricity usage from energy producer was 15,041,845 kWh or 54,150,642 Mj in 2023, which was an increase of 1% over the previous year. This increase was due to the high demands for vehicles in 2023 led to an increase in production at our manufacturing plants, resulting in higher levels of electricity being used. However, as we previously highlighted, the overall electricity consumption intensity has reduced due to the high production volume and the implementation of our sustainability initiatives. We will continuously monitor and review our initiatives for the upcoming year to further improve the efficiency of our energy usage.

The table below indicates the percentage of the Group’s renewable energy consumption against its total energy (electricity and renewable energy) consumption.

| Company | 2023 |
|--------------|-----------|
| DMSB | 0% |
| FAHB | 0% |
| AHSB | 3% |
| HASB | 12% |
| OMI | 9% |
| Group | 5% |

RENEWABLE ENERGY

The Group has installed solar panel at AHSB, HASB and OMI as part of the Group’s commitment to increase its renewable energy adoption. Below table indicates the solar energy usage in kWh and Mj by the Group in 2023.

| Company | 2023 kWh | 2023 Mj |
|--------------|-----------------|-------------------|
| AHSB | 142,821* | 514,156* |
| HASB | 357,076* | 1,285,474* |
| OMI | 306,255* | 1,102,519* |
| Group | 806,152* | 2,902,149* |

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.



PILLAR 1: ENVIRONMENT

ENERGY CONSUMPTION (PETROL, DIESEL AND GAS)

In addition to electricity, the Group also consume other forms of energy such as petrol, diesel and gas in its operation. Table below indicates the usage of these energy source by the Group for the year 2023.

DMSB

| Energy Source | 2023 |
|--------------------|---------|
| Diesel (litre) | 4,235* |
| Diesel (gigajoule) | 153.73* |
| Petrol (litre) | 18,942* |
| Petrol (gigajoule) | 621.30* |

- Data for DMSB does not include its courtesy vehicle. Energy consumption from courtesy vehicle will be included in 2024 reporting
 - Data for diesel consumption is based on invoice
 - Data for petrol consumption is based on mileage recorded
- * This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

FAHB

| Energy Source | 2023 |
|--------------------|---------|
| Petrol (litre) | 15,207* |
| Petrol (gigajoule) | 498.79* |

- Data for FAHB does not include its courtesy vehicle. Energy consumption from courtesy vehicle will be included in 2024 reporting
 - Data for petrol consumption is based on invoice and mileage recorded
- * This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

AHSB

| Energy Source | 2023 |
|--------------------|---------|
| Diesel (litre) | 2,469* |
| Diesel (gigajoule) | 89.62* |
| Petrol (litre) | 9,663* |
| Petrol (gigajoule) | 316.95* |

- Data for diesel and petrol consumption are based on invoice
- * This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

PILLAR 1: ENVIRONMENT

HASB

| Energy Source | 2023 |
|------------------------|------------|
| Diesel (litre) | 16,091* |
| Diesel (gigajoule) | 584.10* |
| Petrol (litre) | 2,812 * |
| Petrol (gigajoule) | 92.23* |
| Gas (sm ³) | 641,569* |
| Gas (gigajoule) | 24,631.76* |

- Data for diesel and petrol consumption are based on invoice

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

OMI

| Energy Source | 2023 |
|------------------------|-----------|
| Diesel (litre) | 59,549* |
| Diesel (gigajoule) | 2,161.63* |
| Petrol (litre) | 3,335* |
| Petrol (gigajoule) | 109.39* |
| Gas (sm ³) | 85,313* |
| Gas (gigajoule) | 3,275.42* |

- Data for diesel consumption is based on actual usage

- Data for petrol consumption is based on invoice

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

MBMR

| Energy Source | 2023 |
|--------------------|---------|
| Petrol (litre) | 5,926* |
| Petrol (gigajoule) | 194.37* |

- Data for petrol consumption is based on invoice

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

GROUP

| Energy Source | 2023 |
|------------------------|------------|
| Diesel (litre) | 82,344* |
| Diesel (gigajoule) | 2,989.09* |
| Petrol (litre) | 55,885* |
| Petrol (gigajoule) | 1,833.03* |
| Gas (sm ³) | 726,882* |
| Gas (gigajoule) | 27,907.18* |

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

PILLAR 1: ENVIRONMENT

CLIMATE CHANGE AND GHG EMISSION

WHY IS IT IMPORTANT

As an organisation that consumes significant amount of energy in its business and operation, the Group acknowledges the impact of climate change on our businesses and our stakeholders. To address this challenge, the Group is continuously implementing renewable energy initiatives and energy conservation measures to reduce its carbon emission and minimise other environmental impacts in our business operations.

OUR APPROACH IN 2023

Acknowledging climate change as a crucial aspect of sustainability, the Group measures its carbon emission as well as assess the impact of climate change to its business environment. The Group remains dedicated to minimising its carbon footprint by enhancing its energy efficiency in its operation. This is reflected in the Group's investment in renewable energy in its business operation as disclosed in the Energy Consumption section of this Sustainability Report from page 19 to page 24. In addition, the Group has Electric Vehicle ("EV") in its product lineup by virtue of FAHB being one of the biggest dealers of Volvo in Malaysia. The Group has also started to gradually replace its diesel forklifts to EV forklifts in its commitment to reduce its carbon emission.

OUR PERFORMANCE

The Group started to quantify and monitor its Scope 1 and Scope 2 carbon emissions in 2023. The Group uses the internationally recognised Greenhouse Gas (GHG) Protocol, which provides comprehensive guidelines in determining its emission. For the 2023 reporting the emission disclosure covers the following scope:

Scope 1:

Direct emission from sources owned or controlled by the organisation.

Scope 2:

Indirect emission arising from purchased electricity consumption.

Details of the Group scope 1 and scope 2 carbon emission is as the below table:

| Company | Unit | DMSB | FAHB | AHSB | HASB | OMI | MBMR | GROUP |
|--------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|-----------|---------------|
| | | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 |
| Scope 1 | tonnes CO ₂ e | 54 | 35 | 29 | 1,259 | 328 | 13 | 1,717 |
| Scope 2 | tonnes CO ₂ e | 1,854 | 1,326 | 2,666 | 1,730 | 1,972 | 63 | 9,612 |
| Total | tonnes CO ₂ e | 1,908 | 1,361 | 2,695 | 2,989 | 2,300 | 76 | 11,329 |
| Intensity | tCO ₂ e per Output | 0.0077 | 0.0347 | 0.0004 | 0.0007 | 0.0006 | - | 0.0008 |

- Data for Scope 1 carbon emission does not include its courtesy vehicle from the motor trading companies. The carbon emission from courtesy vehicle will be included in 2024 reporting
- Scope 1: Carbon Emission is based on the emission factor published by the Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories
- Scope 2: Carbon Emission is based on Malaysia Green Technology and Climate Change Corporation Electricity emission factor for Peninsular Malaysia Grid

PILLAR 1: ENVIRONMENT

WATER CONSUMPTION

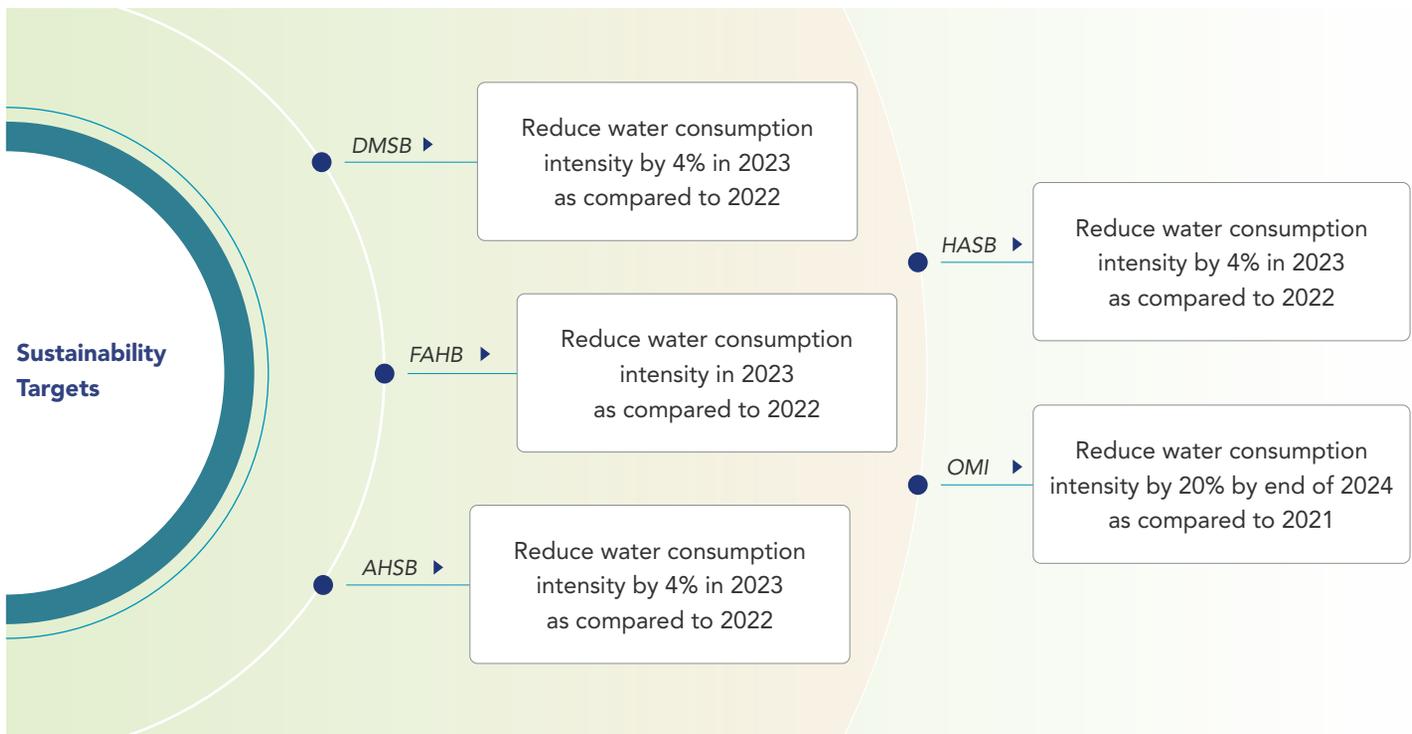
WHY IS IT IMPORTANT

Efficiently managing water consumption is essential for our Group, particularly given the significant volume of water used by some of our subsidiaries in their operations. By focusing on water sustainability, we not only reduce costs but also contribute significantly to preserving water ecosystems. As a result, we are committed to continuously raising awareness and educating our employees about the importance of water conservation as well as implementing feasible water conservation initiatives.

OUR APPROACH IN 2023

Throughout the past years, our focus on water consumption initiatives has led to significant advancements. These efforts have involved the upgrading of taps to water-saving or automatic water taps, along with ongoing awareness and education campaigns aimed at our employees. These campaigns utilise a variety of mediums, including posters, notices, and stickers strategically placed to emphasise the importance of water conservation. This is a continuation of the Group’s water conservation initiatives from previous years which include installation of water treatment facility to recycle treated water for consumption at the production line at HASB and OMI as well as the rainwater harvesting system that was installed at OMI.

OUR PERFORMANCE

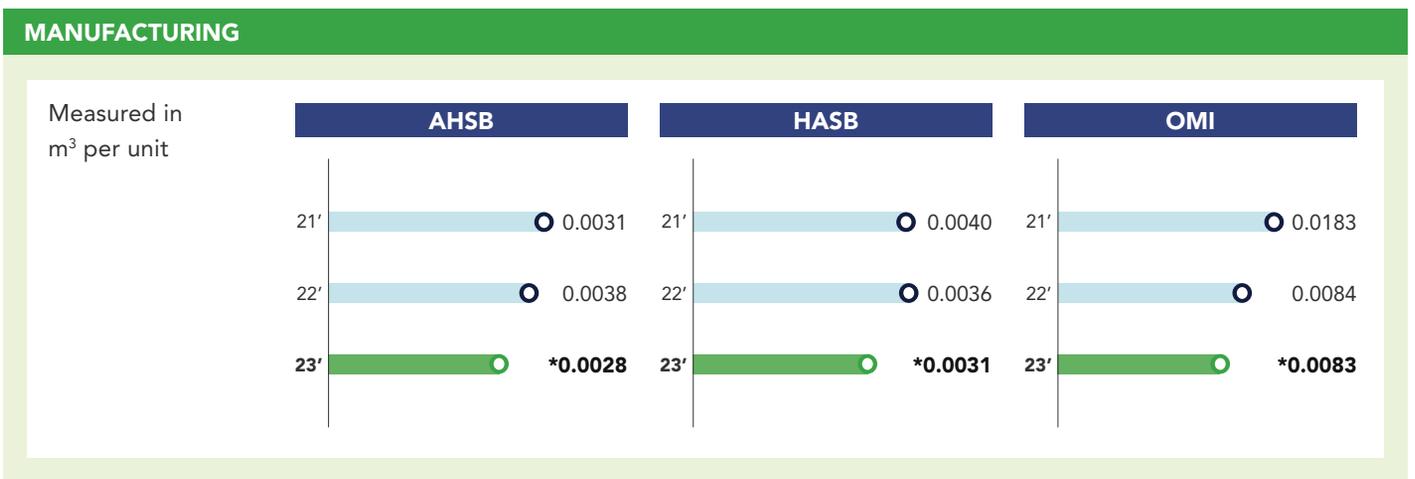
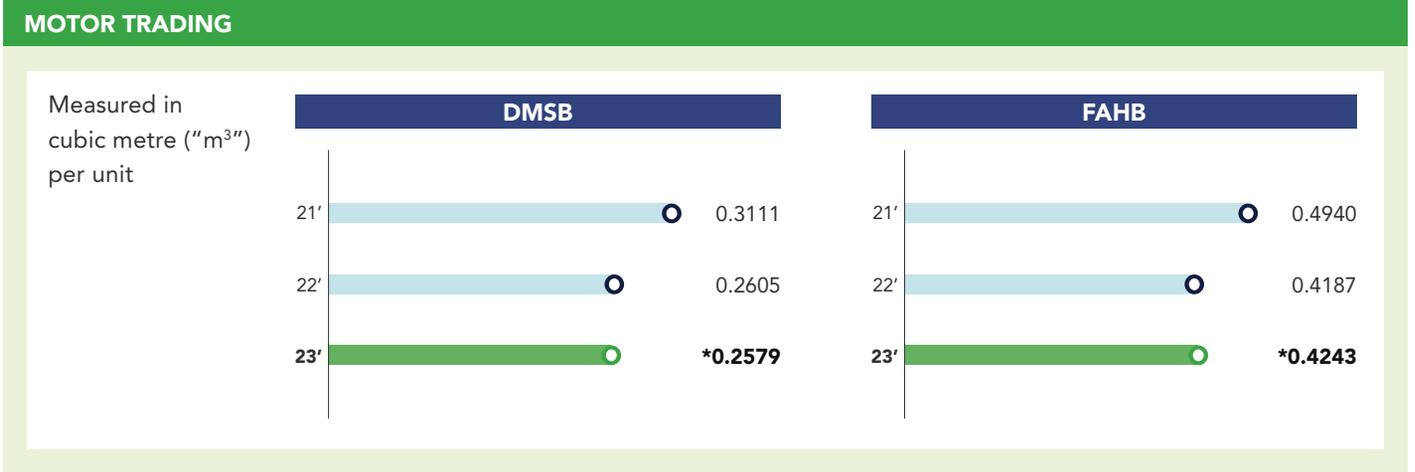


Indicators

The Group employs water consumption intensity as a metric to gauge our water consumption efficiency. This involves quantifying the volume of water utilised per unit of product manufactured across our manufacturing companies, as well as the volume of water usage per vehicle sold and serviced within our motor trading enterprises.

PILLAR 1: ENVIRONMENT

WATER CONSUMPTION INTENSITY COMPARISON 2021 - 2023



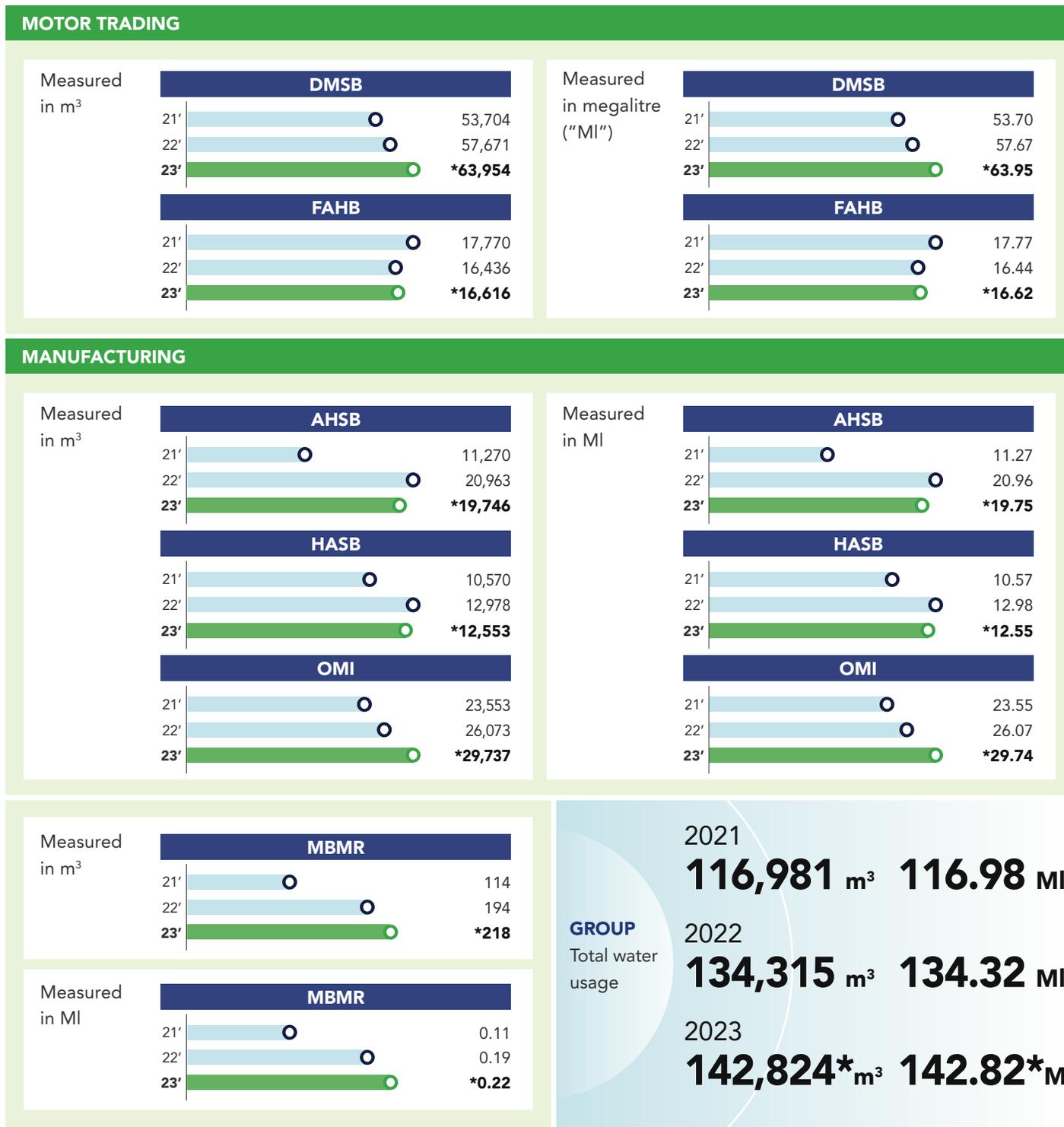
* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

In 2023, our efforts towards water sustainability yielded results, with reductions observed in all but one of our operating companies. OMI demonstrated a 55% decrease in water consumption intensity as compared to 2021 and 1% decrease as compared to 2022, attributable in part to their proactive water recycling initiatives that was implemented in 2022.

Meanwhile, AHSB and HASB both achieved substantial double-digit reductions of 26% and 14% as compared to 2022, respectively. Although DMSB achieved a 1% decrease, FAHB saw an increase of 1%, owing to a decrease in its sales and aftersales volume in 2023 as compared in 2022. The Group will review its sustainability target annually.

PILLAR 1: ENVIRONMENT

WATER CONSUMPTION 2021 – 2023



* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

The total water consumption for the Group in 2023 was 142,824 m³ or 142.82 MI, a 6% increase from 2022. Similar to energy consumption, the increase in water usage for the year was mainly attributed to the increase in productivity at our manufacturing plants to meet the increased demands of automotive parts and increase in sales and aftersales volume for DMSB.

PILLAR 1: ENVIRONMENT

WATER RECYCLED

OMI's commitment to recycling of its water is reflected in the reutilisation of 1747 cubic meters of water throughout the year. Among these, 1485 cubic meters comprised treated effluent reused in their production processes, while 262 cubic meters were sourced from rainwater harvesting systems, primarily allocated for the building's toilet facilities in its Shah Alam plant. In addition, HASB has a water recycling system that recycle the water used for its Damping Sheet ("DS") production line. The water used for this line is processed by its wastewater treatment plant ("WWTP") and recycled back to the DS production line. The quantity water recycled for both companies is illustrated in the below table.

| Company | 2021 (M ³) | 2022 (M ³) | 2023 (M ³) | 2021 (MI) | 2022 (MI) | 2023 (MI) |
|--------------|---------------------------|---------------------------|---------------------------|--------------|--------------|--------------|
| HASB | 38 | 55 | 55* | 0.04 | 0.05 | 0.05* |
| OMI | - | 1542 | 1747* | - | 1.54 | 1.75* |
| Group | 38 | 1597 | 1802* | 0.04 | 1.60 | 1.80* |

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

WASTE MANAGEMENT

WHY IS IT IMPORTANT

Our Group operates across diverse sectors, each generating its own set of waste materials. Central to our belief is a firm commitment to minimising waste across our operations and handling scheduled waste in strict accordance with regulatory guidelines. Proper waste management practices play a vital role in conserving resources and minimising environmental impact. By effectively managing our waste, we can contribute to reducing pollution and protecting the nation's ecosystems.



PILLAR 1: ENVIRONMENT

OUR APPROACH IN 2023

Our approach involves implementing practical strategies focused on waste reduction, reuse, recycling, and responsible disposal. Integral to our environmental stewardship is the ISO 14001:2015 Environmental Management System (“EMS”) certification held by our manufacturing companies. This certification enables us to effectively identify and manage environmental impacts in line with regulatory requirements. Complementing this, all entities within the MBMR Group adhere rigorously to Malaysian Environmental Quality Act 1974 regulations, ensuring our manufacturing facilities are equipped with industrial effluent treatment and air pollution control systems that meet regulatory standards. Regular training to our employees ensures proficient operation of these systems in line with Department of Environment directives.

Monitoring is key to our environmental compliance efforts, with careful oversight of effluent discharge quantity and quality, as well as air emission at our manufacturing companies. Regular analyses conducted by authorised third parties, with reports submitted to the Department of Environment, form part of our ongoing commitment to regulatory adherence.

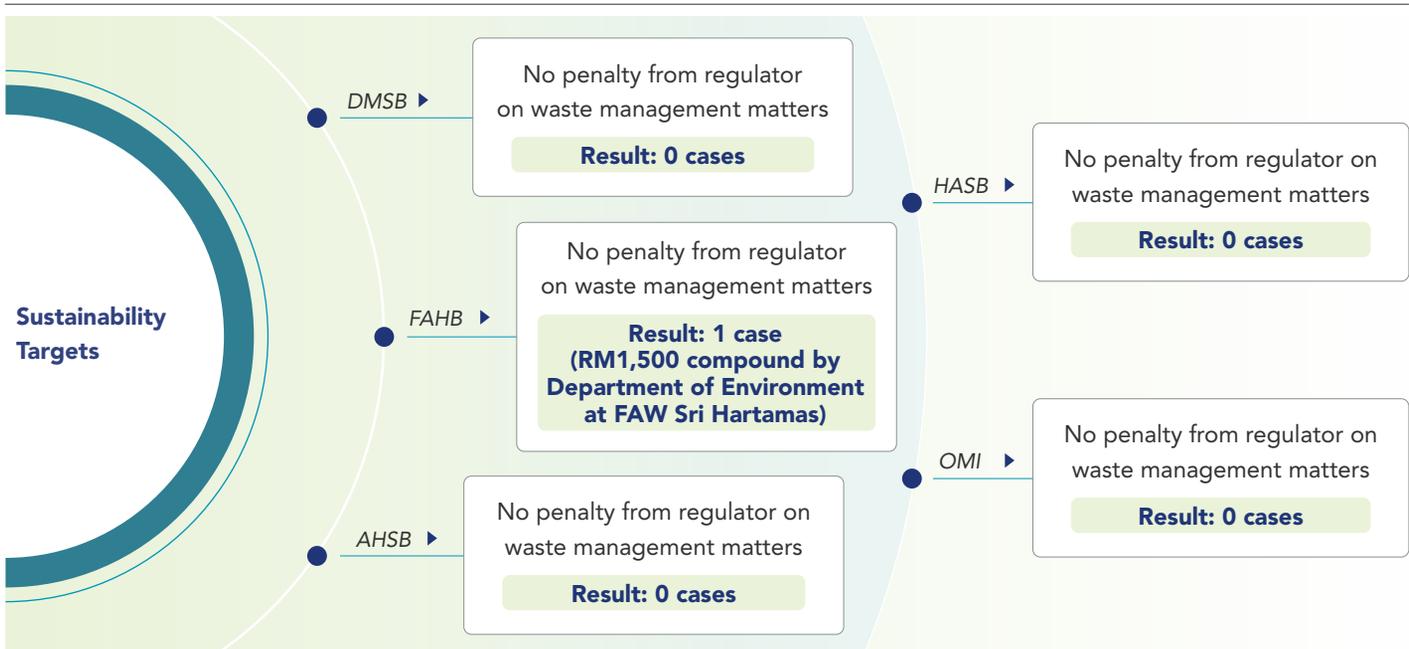
The management of waste involves the coordination of collection, transportation, processing, recycling, and disposal activities. The Group’s engaged licensed waste disposal vendors for the Group’s scheduled waste to ensure those wastes are being disposed and recycled in a responsible and safe manner.

Furthermore, we also recycle our wastes through partnerships with recycling companies to divert the Group’s wastes from landfill, reaffirming our commitment to sustainability at every stage of our operations. This is reflected from initiatives such as recycling of Ethylene Vinyl Acetate (“EVA”) scraps and metal scraps. We have also implemented waste reduction initiatives by recycling side trim felt into the production of Noise, Vibration, and Harshness (“NVH”) products and reusing component packaging for airbag module delivery to OEMs.

We also continuously promote a culture of waste reduction, reuse, and recycling among our employees. Recycling bins are strategically placed throughout our premises, encouraging active participation in our sustainability efforts.

Moreover, HASB operates under a green purchasing policy, which places importance in the procurement of environmentally friendly products where possible, provided they meet the criteria for cost, performance, and quality.

OUR PERFORMANCE

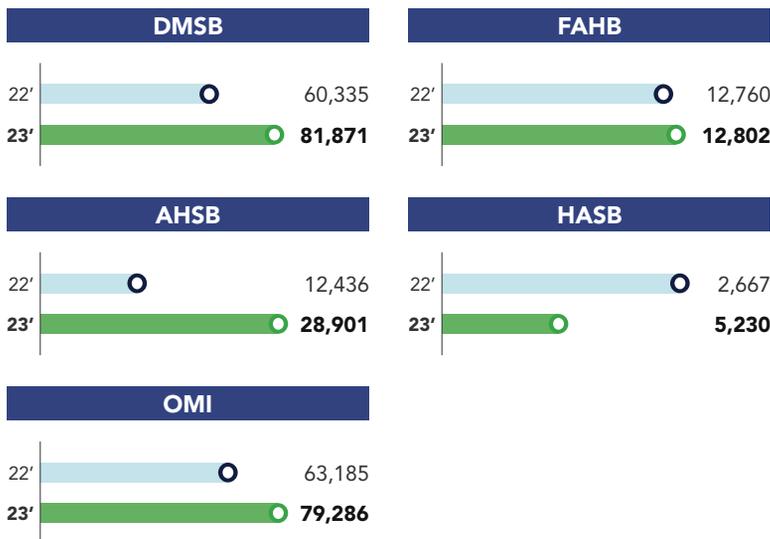


PILLAR 1: ENVIRONMENT

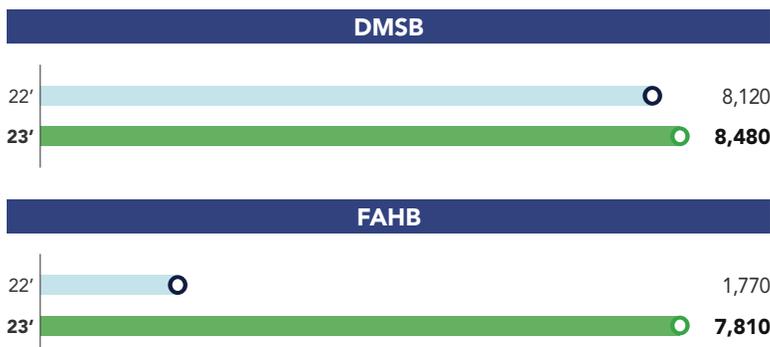


SCHEDULED WASTED DISPOSED

Disposed Scheduled Waste (kg)



Disposed Scheduled Waste (litre)



GROUP

Disposed Scheduled Waste (kg)

2022
151,383
2023
208,089

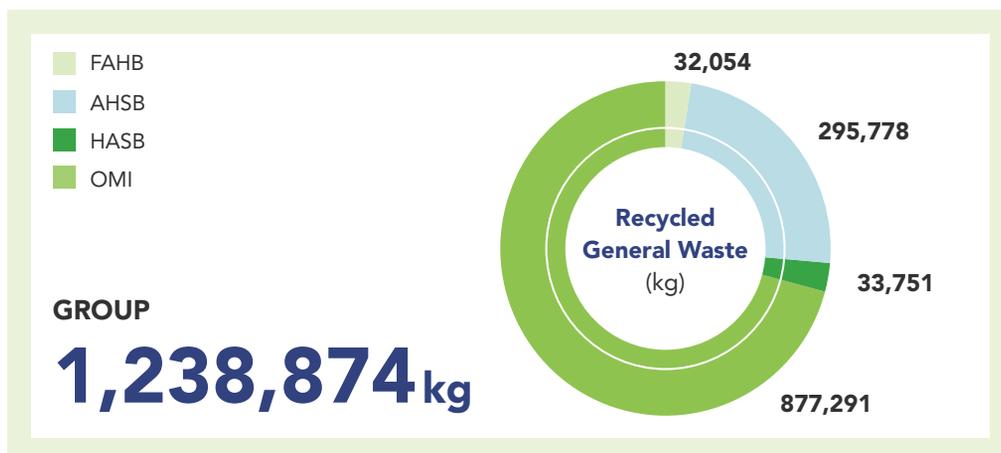
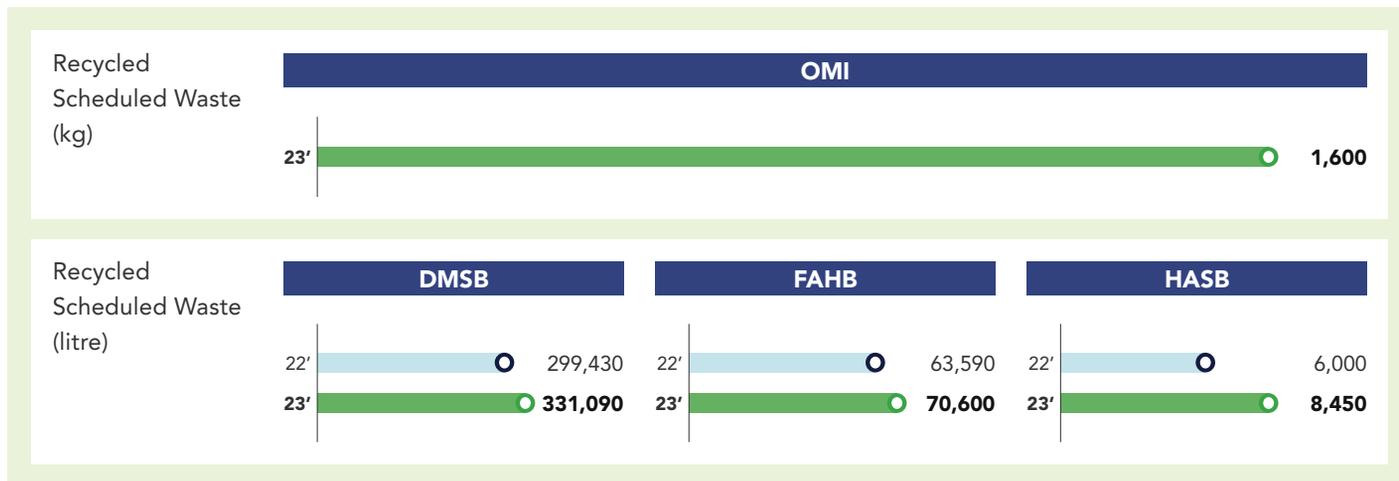
GROUP

Disposed Scheduled Waste (litre)

2022
9,890
2023
16,290

PILLAR 1: ENVIRONMENT

SCHEDULED WASTE RECYCLED



Due to the increase in production, sales and after sales volume across our operating companies to in 2023, the amount of scheduled waste disposed and recycled have generally increased compared to 2022.

EFFLUENT DISCHARGED

The Group also monitor the treated effluent that was discharged to the drainage system from its operation. Out of all our operating companies within the scope of this sustainability report, only OMI that discharged its treated effluent to the drainage system. The table indicates the volume of effluent that was discharged by OMI.

OMI

| | 2021 (m³) | 2022 (m³) | 2023 (m³) | 2021 (MI) | 2022 (MI) | 2023 (MI) |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Effluent Discharged | 7,148 | 8,096 | 9,638 | 7.15 | 8.10 | 9.64 |

PILLAR 2: SOCIAL

Pillar 2:

Social



We acknowledge the profound influence our business practices can have on employees, customers, and local communities.

Our commitment to sustainability and continued growth rests upon the strength of our relationships and engagement with stakeholders. In order to adeptly navigate these impacts, we've pinpointed six critical factors shaping these connections: health and safety, staff welfare, labour and working standards, customer satisfaction and loyalty, diversity and equal opportunity and community engagement. Embedded within our social sustainability endeavours is a dedication to advancing the United Nations Sustainable Development Goals (UNSDGs) 3, 4, 5, 8, 10, 11, and 16.



Related UNSDGs:



PILLAR 2: SOCIAL

HEALTH AND SAFETY

WHY IS IT IMPORTANT

Our people are central in driving the Group’s growth. Good health and safety measures allow our employees to work efficiently, safely and productively. Therefore, protecting our valued employees from injuries and harm is paramount to our business. The Group recognise our obligation to comply with all relevant health and safety regulations at all our locations throughout Malaysia.

OUR APPROACH IN 2023

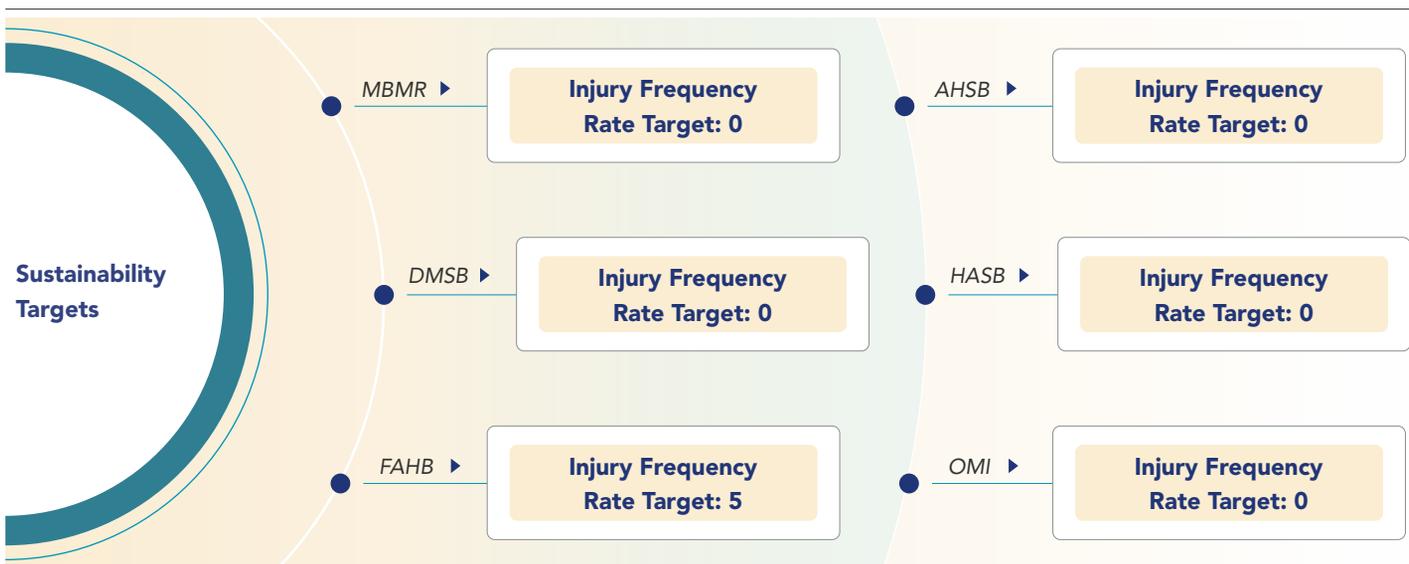
Throughout the year under review, we remain dedicated in our efforts to uphold the standards and practices in health and safety. Our initiatives encompassed a wide array of activities aimed at fostering a culture of safety awareness and proactive safety and hazard management. We conducted safety trainings and fire hazard awareness programmes, ensuring that our workforce remained well-equipped to mitigate potential risks in the workplace. Additionally, health awareness programmes, including health check-ups, audiometric tests and blood donation drives, were instrumental in promoting employee wellness and preventive healthcare practices. The establishment of a safety dojo provided a dedicated space for educating and training employees on potential workplace hazards, empowering them with the knowledge and skills necessary to uphold our uncompromising safety standards.

We also implement our annual health and safety programmes, such as safety shop floor management and safety patrol and inspection within our premises as proactive measures to promptly identify and address potential hazards. Through Safety, Health, and Environment (SHE) meetings, we facilitated open communication channels to address concerns and share best practices among team members. Recognising the importance of employee engagement in hazard identification and mitigation, we established a platform where all employees could report workplace hazards, enabling swift corrective actions and fostering a culture of shared responsibility for safety.

In line with our commitment to health and safety, the manufacturing companies within our Group are accredited under ISO 45001:2018, a globally recognised occupational health and safety management system. This accreditation demonstrates our dedication to providing safe and healthy workplaces, aimed at preventing work-related injuries and continually improving our occupational health and safety performance.

Regular safety training sessions are conducted to keep our employees informed and prepared for any safety emergency. These sessions cover essential topics such as chemical handling, basic firefighting, first aid, and ergonomics, ensuring that our workforce remains equipped with the necessary skills and knowledge.

OUR PERFORMANCE



PILLAR 2: SOCIAL

INCIDENT MANAGEMENT 2021 – 2023



* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

We are pleased to report that, as with the previous two years, there were no fatalities at the workplace in 2023. FAHB had four workplace incidents in the year. Meanwhile, AHSB and DMSB had three and two reported incidents at the workplace, respectively. Moving forward, the Group will continue to strive to reduce incidents at the workplace.

PILLAR 2: SOCIAL

INJURY FREQUENCY RATE (“IFR”)

The Group monitors its Health and Safety performance from its IFR figure which indicates the number of reported injuries incident against the total working hours. The performance of the Group’s IFR is reflected in the table.

Injury Frequency Rate

| Company | 2023 |
|---------|-------|
| DMSB | 1.13* |
| FAHB | 6.58* |
| AHSB | 0.86* |
| HASB | 0* |
| OMI | 0* |
| MBMR | 0* |

* This data was assured by Deloitte PLT. Please refer to the Statement of Assurance page 3.

HEALTH AND SAFETY STANDARD TRAINING

The number of participants that attended Health & Safety Standard Training data only started being recorded in FY2023. The data disclosed is based on the total number of participants that attended all Health & Safety Standard training by the Group.

Number of participants attended Health & Safety Standard Training

| Company | 2023 |
|--------------|-------------|
| DMSB | 0 |
| FAHB | 101 |
| AHSB | 755 |
| HASB | 134 |
| OMI | 110 |
| MBMR | 0 |
| GROUP | 1100 |



PILLAR 2: SOCIAL

DIVERSITY AND EQUAL OPPORTUNITY

WHY IS IT IMPORTANT

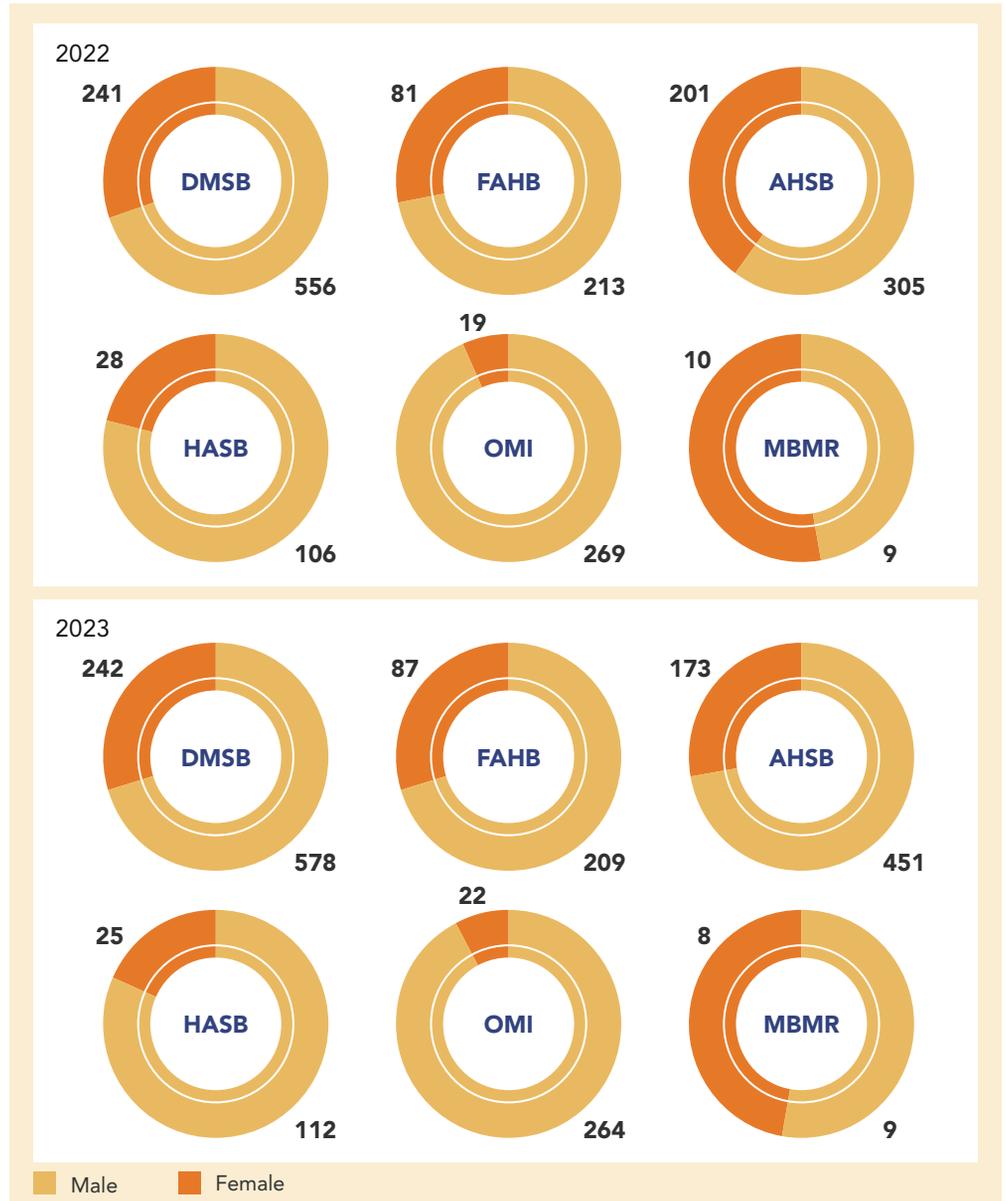
Our determination to create a workplace where every employee feels engaged, empowered, recognised, and valued stems from our belief in the importance of diversity and inclusion. This commitment is deeply rooted in our recognition of the diverse backgrounds of both our employees and the customers we serve, reflecting the vibrant multi-racial society of Malaysia. Our goal is to foster an environment where individuals can thrive authentically, regardless of their background, contributing to both personal and corporate success.

OUR APPROACH IN 2023

To uphold this vision, the Group has implemented a Code of Business Conduct and Ethics (“COBCE”), which sets clear standards of behaviour for all employees and third-party partners. In 2023, the Group conducted annual attestation on the COBCE, ensuring ongoing adherence to these principles. Additionally, a robust performance management system was rolled out across the Group, guaranteeing fair and transparent assessment of all employees.

For a detailed breakdown of our employee demographics, please refer to the accompanying graph and table.

EMPLOYEES BY GENDER 2022 – 2023



| GROUP | 2022 Male | 2022 Female | 2023 Male | 2023 Female |
|-------|-----------|-------------|-----------|-------------|
| | 1,458 | 582 | 1,623 | 557 |

At the core of our principles, the Group vehemently opposes all forms of discrimination, whether rooted in gender, race, disability, nationality, age, or sexual orientation. Employment decisions are strictly guided by pertinent qualifications, merit, performance, and other job-related factors, in full compliance with prevailing laws and regulations. While we actively promote gender diversity, the inherent nature of our business currently results in a higher representation of men than women. Presently, the ratio of men to women stands at 74% and 26%, respectively.

PILLAR 2: SOCIAL

EMPLOYEE BY GENDER BASED ON LEVEL IN 2023

2023

| Company | Management | | | | Middle Management | | | | Executive | | | |
|--------------|------------|------------|-----------|------------|-------------------|------------|-----------|------------|------------|------------|------------|------------|
| | Male | % | Female | % | Male | % | Female | % | Male | % | Female | % |
| DMSB | 8 | 100% | 0 | 0% | 59 | 89% | 7 | 11% | 47 | 29% | 113 | 71% |
| FAHB | 3 | 60% | 2 | 40% | 19 | 66% | 10 | 34% | 24 | 47% | 27 | 53% |
| AHSB | 5 | 56% | 4 | 44% | 16 | 67% | 8 | 33% | 24 | 38% | 39 | 62% |
| HASB | 6 | 86% | 1 | 14% | 0 | 0% | 0 | 0% | 12 | 57% | 9 | 43% |
| OMI | 9 | 90% | 1 | 10% | 3 | 60% | 2 | 40% | 30 | 71% | 12 | 29% |
| MBMR | 2 | 50% | 2 | 50% | 2 | 100% | 0 | 0% | 3 | 33% | 6 | 67% |
| GROUP | 33 | 77% | 10 | 23% | 99 | 79% | 27 | 21% | 140 | 40% | 206 | 60% |

2023 (Cont'd)

| Company | Non-Executive | | | | Non- Executive (Foreign Workers) | | | | Sales Advisor/Consultant | | | |
|--------------|---------------|------------|------------|------------|----------------------------------|------------|-----------|------------|--------------------------|------------|-----------|------------|
| | Male | % | Female | % | Male | % | Female | % | Male | % | Female | % |
| DMSB | 270 | 81% | 64 | 19% | - | - | - | - | 194 | 77% | 58 | 23% |
| FAHB | 67 | 69% | 30 | 31% | - | - | - | - | 96 | 84% | 18 | 16% |
| AHSB | 34 | 40% | 52 | 60% | 372 | 84% | 70 | 16% | - | - | - | - |
| HASB | 36 | 71% | 15 | 29% | 58 | 100% | 0 | 0% | - | - | - | - |
| OMI | 117 | 94% | 7 | 6% | 105 | 100% | 0 | 0% | - | - | - | - |
| MBMR | 2 | 100% | 0 | 0% | - | - | - | - | - | - | - | - |
| GROUP | 526 | 76% | 168 | 24% | 535 | 88% | 70 | 12% | 290 | 79% | 76 | 21% |

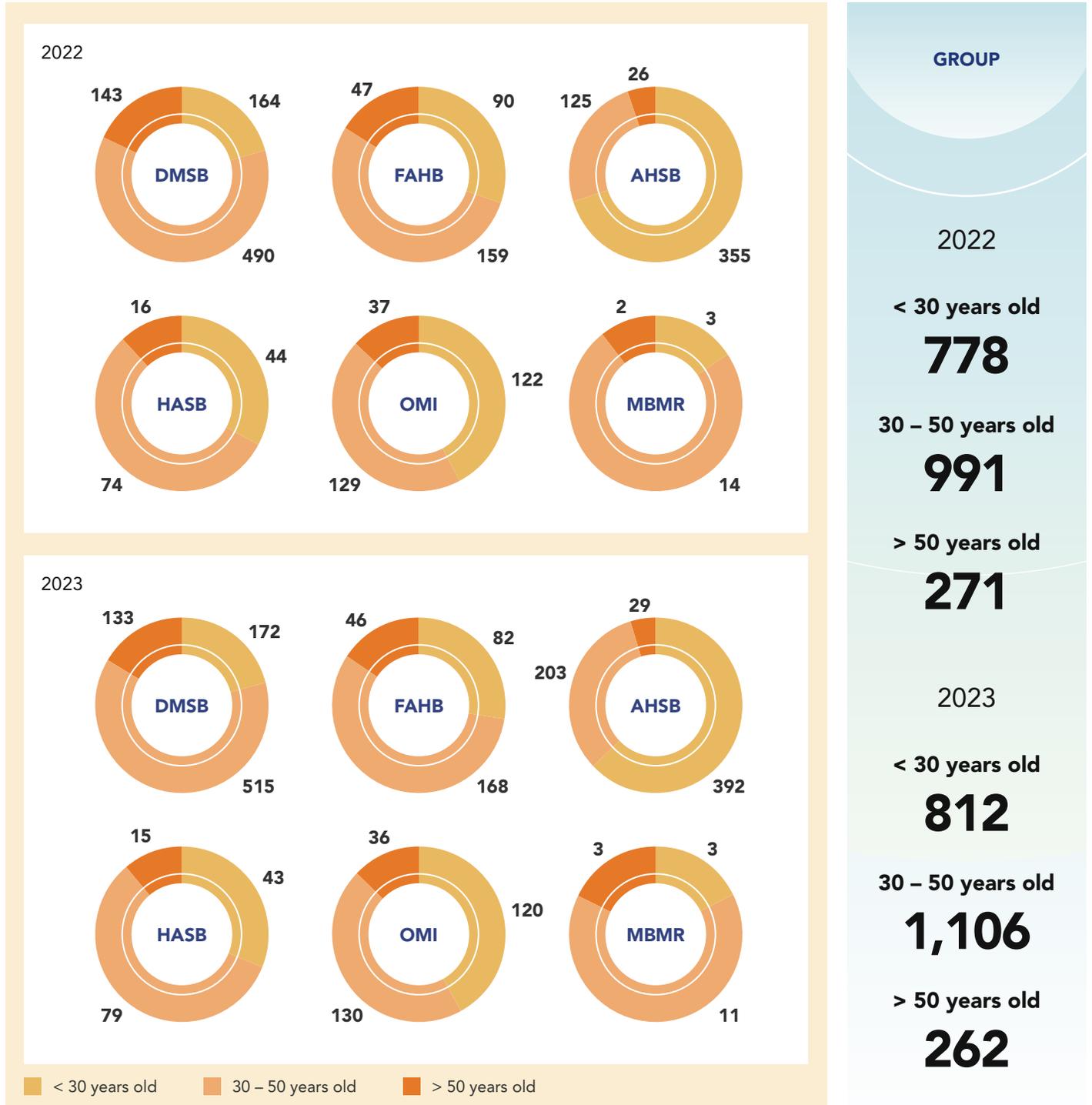
EMPLOYEE BY GENDER BASED ON FUNCTION IN 2023

2023

| Company | Support | | | | Operations | | | | Sales | | | | Aftersales | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Male | % | Female | % |
| DMSB | 42 | 55% | 35 | 45% | - | - | - | - | 245 | 66% | 128 | 34% | 291 | 79% | 79 | 21% |
| FAHB | 34 | 42% | 47 | 58% | - | - | - | - | 51 | 73% | 19 | 27% | 124 | 86% | 21 | 14% |
| AHSB | 37 | 51% | 36 | 49% | 413 | 75% | 138 | 25% | - | - | - | - | - | - | - | - |
| HASB | 41 | 69% | 18 | 31% | 71 | 91% | 7 | 9% | - | - | - | - | - | - | - | - |
| OMI | 11 | 42% | 15 | 58% | 253 | 97% | 7 | 3% | - | - | - | - | - | - | - | - |
| MBMR | 9 | 53% | 8 | 47% | - | - | - | - | - | - | - | - | - | - | - | - |
| GROUP | 174 | 52% | 159 | 48% | 737 | 83% | 152 | 17% | 296 | 67% | 147 | 33% | 415 | 81% | 100 | 19% |

PILLAR 2: SOCIAL

EMPLOYEES BY AGE 2022 – 2023



The composition of the Group employee by age are diverse. As of 31 December 2023, there are 812 employees that are below the age of 30 years old. This represents 37% of the Group total workforce. There are 1106 employees that are between the age of 30 to 50 years old, representing 51% of the Group’s total employees. 262 of the Group’s workforce are more than 50 years old which is at 12% of the total workforce.

PILLAR 2: SOCIAL

EMPLOYEE BY AGE BASED ON LEVEL IN 2023

2023

| DMSB | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 3 | 38% | 5 | 63% |
| Middle Management | 0 | 0% | 44 | 67% | 22 | 33% |
| Executive | 39 | 24% | 105 | 66% | 16 | 10% |
| Non-Executive | 93 | 28% | 208 | 62% | 33 | 10% |
| Sales Advisor/Consultant | 40 | 16% | 155 | 62% | 57 | 23% |
| TOTAL | 172 | 21% | 515 | 63% | 133 | 16% |

| HASB | <30 years old | | 30-50 years old | | > 50 years old | |
|---------------------------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 3 | 43% | 4 | 57% |
| Middle Management | 0 | 0% | 0 | 0% | 0 | 0% |
| Executive | 5 | 24% | 15 | 71% | 1 | 5% |
| Non-Executive | 6 | 12% | 36 | 71% | 9 | 18% |
| Non-Executive (Foreign Workers) | 32 | 55% | 25 | 43% | 1 | 2% |
| TOTAL | 43 | 31% | 79 | 58% | 15 | 11% |

| FAHB | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 5 | 100% | 0 | 0% |
| Middle Management | 0 | 0% | 22 | 76% | 7 | 24% |
| Executive | 15 | 29% | 28 | 55% | 8 | 16% |
| Non-Executive | 30 | 31% | 55 | 57% | 12 | 12% |
| Sales Advisor/Consultant | 37 | 32% | 58 | 51% | 19 | 17% |
| TOTAL | 82 | 28% | 168 | 57% | 46 | 16% |

| OMI | <30 years old | | 30-50 years old | | > 50 years old | |
|---------------------------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 6 | 60% | 4 | 40% |
| Middle Management | 0 | 0% | 3 | 60% | 2 | 40% |
| Executive | 7 | 17% | 22 | 52% | 13 | 31% |
| Non-Executive | 63 | 51% | 44 | 35% | 17 | 14% |
| Non-Executive (Foreign Workers) | 50 | 48% | 55 | 52% | 0 | 0% |
| TOTAL | 120 | 42% | 130 | 45% | 36 | 13% |

| AHSB | <30 years old | | 30-50 years old | | > 50 years old | |
|---------------------------------|---------------|------------|-----------------|------------|----------------|-----------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 4 | 44% | 5 | 56% |
| Middle Management | 1 | 4% | 19 | 79% | 4 | 17% |
| Executive | 19 | 30% | 40 | 63% | 4 | 6% |
| Non-Executive | 26 | 30% | 44 | 51% | 16 | 19% |
| Non-Executive (Foreign Workers) | 346 | 78% | 96 | 22% | 0 | 0% |
| TOTAL | 392 | 63% | 203 | 33% | 29 | 5% |

| MBMR | <30 years old | | 30-50 years old | | > 50 years old | |
|-------------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 3 | 75% | 1 | 25% |
| Middle Management | 0 | 0% | 2 | 100% | 0 | 0% |
| Executive | 3 | 33% | 5 | 56% | 1 | 11% |
| Non-Executive | 0 | 0% | 1 | 50% | 1 | 50% |
| TOTAL | 3 | 18% | 11 | 65% | 3 | 18% |

| GROUP | <30 years old | | 30-50 years old | | > 50 years old | |
|---------------------------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Management | 0 | 0% | 24 | 56% | 19 | 44% |
| Middle Management | 1 | 1% | 90 | 71% | 35 | 28% |
| Executive | 88 | 25% | 215 | 62% | 43 | 12% |
| Non-Executive | 218 | 31% | 388 | 56% | 88 | 13% |
| Non-Executive (Foreign Workers) | 428 | 71% | 176 | 29% | 1 | 0.17% |
| Sales Advisor/Consultant | 77 | 21% | 213 | 58% | 76 | 21% |
| TOTAL | 812 | 37% | 1106 | 51% | 262 | 12% |

PILLAR 2: SOCIAL

EMPLOYEE BY AGE BASED ON FUNCTION IN 2023

2023

| DMSB | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Support | 9 | 12% | 55 | 71% | 13 | 17% |
| Sales | 59 | 16% | 239 | 64% | 75 | 20% |
| Aftersales | 104 | 28% | 221 | 60% | 45 | 12% |
| TOTAL | 172 | 21% | 515 | 63% | 133 | 16% |

| FAHB | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Support | 20 | 25% | 46 | 57% | 15 | 19% |
| Sales | 2 | 3% | 50 | 71% | 18 | 26% |
| Aftersales | 60 | 41% | 72 | 50% | 13 | 9% |
| TOTAL | 82 | 28% | 168 | 57% | 46 | 16% |

| AHSB | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------|---------------|------------|-----------------|------------|----------------|-----------|
| | No. | % | No. | % | No. | % |
| Support | 13 | 18% | 47 | 64% | 13 | 18% |
| Operation | 383 | 70% | 150 | 27% | 18 | 3% |
| TOTAL | 396 | 63% | 197 | 32% | 31 | 5% |

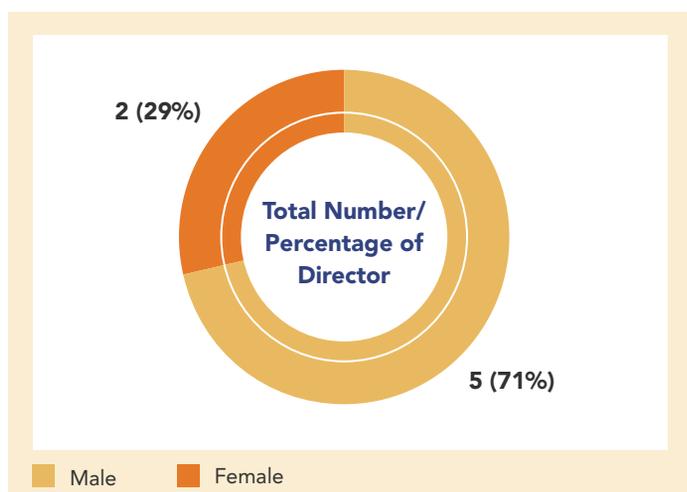
| HASB | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Support | 11 | 19% | 41 | 69% | 7 | 12% |
| Operation | 31 | 40% | 39 | 50% | 8 | 10% |
| TOTAL | 42 | 31% | 80 | 58% | 15 | 11% |

| OMI | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Support | 6 | 23% | 13 | 50% | 7 | 27% |
| Operation | 114 | 44% | 115 | 44% | 31 | 12% |
| TOTAL | 120 | 42% | 128 | 45% | 38 | 13% |

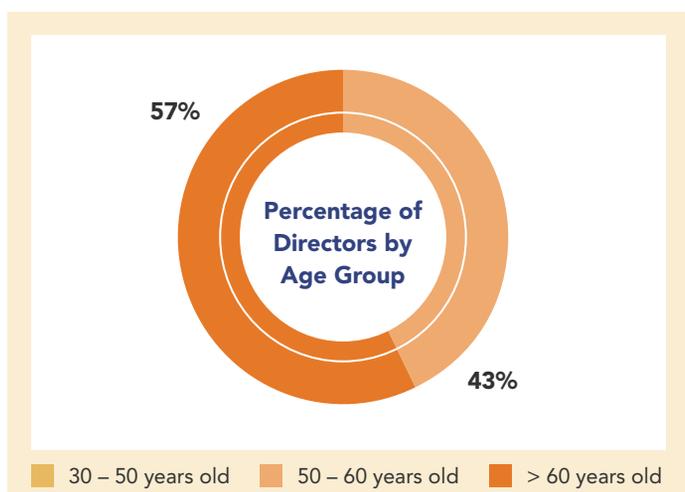
| MBMR | <30 years old | | 30-50 years old | | > 50 years old | |
|---------|---------------|-----|-----------------|-----|----------------|-----|
| | No. | % | No. | % | No. | % |
| Support | 3 | 18% | 11 | 65% | 3 | 18% |

| GROUP | <30 years old | | 30-50 years old | | > 50 years old | |
|--------------|---------------|------------|-----------------|------------|----------------|------------|
| | No. | % | No. | % | No. | % |
| Support | 62 | 19% | 213 | 64% | 58 | 17% |
| Operation | 528 | 59% | 304 | 34% | 57 | 6% |
| Sales | 61 | 14% | 289 | 65% | 93 | 21% |
| Aftersales | 164 | 32% | 293 | 57% | 58 | 11% |
| TOTAL | 815 | 37% | 1099 | 50% | 266 | 12% |

PERCENTAGE OF DIRECTORS BY GENDER IN 2023



PERCENTAGE OF DIRECTORS BY AGE GROUP IN 2023



PILLAR 2: SOCIAL

STAFF WELFARE

WHY IS IT IMPORTANT

Enhancing employee welfare has a direct impact on workforce morale and productivity, leading to better retention rates and overall business efficiency. Throughout the year, we prioritise staff wellbeing, engagement, and continuous training and development. The Group is committed to ensure that our employees have the opportunity to learn and grow within the organisation. The wide-ranging reach of staff welfare are addressed throughout the year, with a focus on wellbeing, engagement, training and development.



OUR APPROACH IN 2023

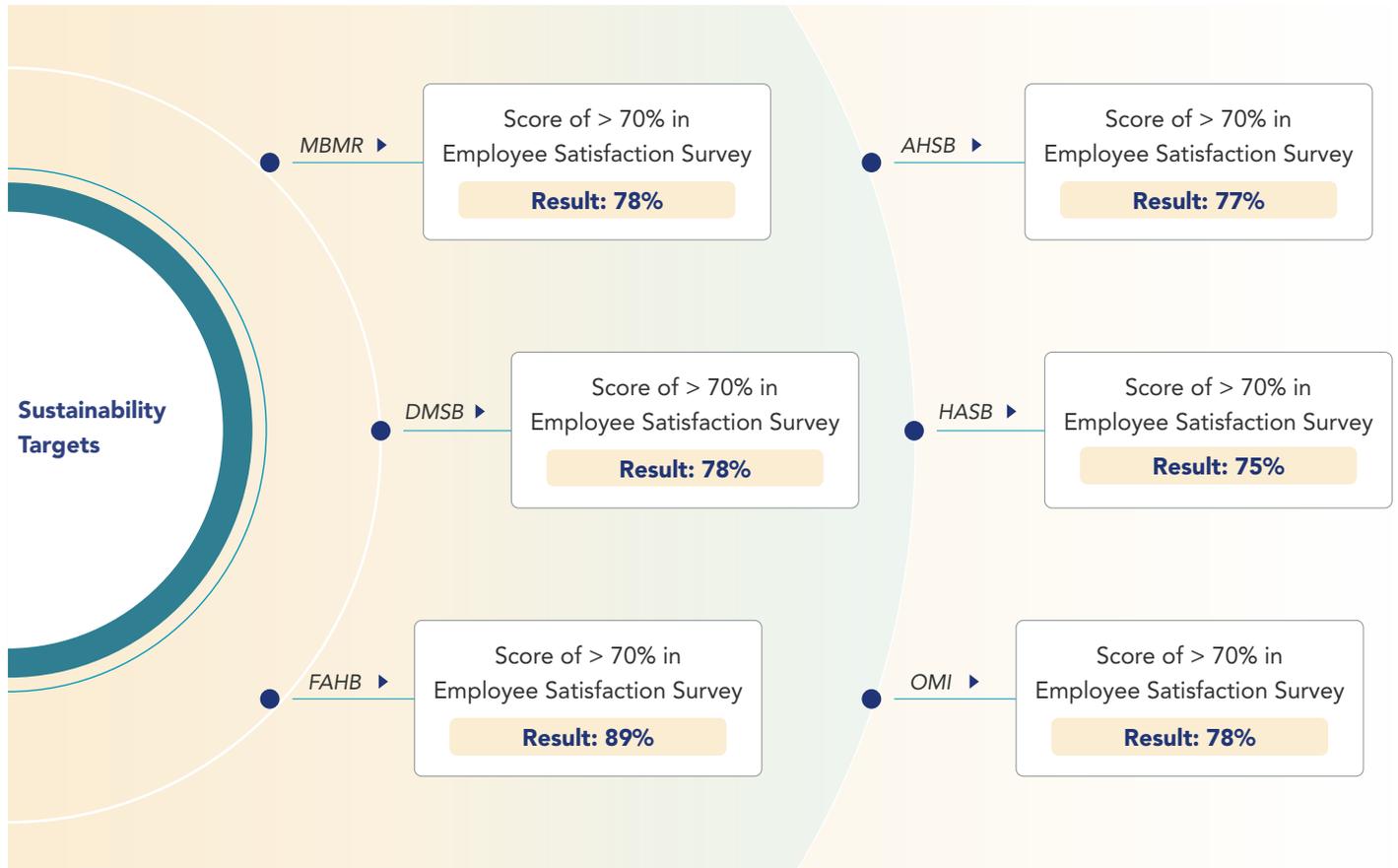
In 2023, our commitment to staff welfare was demonstrated through a series of initiatives aimed at fostering employee engagement, development, and appreciation. Central to these efforts was the Employee Engagement Survey which was conducted to provide valuable insights into the sentiments and needs of our workforce. Building on the feedback garnered from the survey, we organised Employee Engagement Sessions, including events such as Lunch with Management, Townhall meetings, and Wellness programmes which were held regularly throughout the year. These sessions served as platforms for open dialogue, where employees could voice their concerns, share feedback, and participate in activities promoting both physical and mental well-being.

Acknowledging the importance of continuous learning and growth, we implemented talent development programmes tailored to enhance both technical and soft skills for employees across all departments. By investing in their professional development, we aimed to empower our workforce with the tools and knowledge necessary to excel in their roles and contribute to the Group's success.

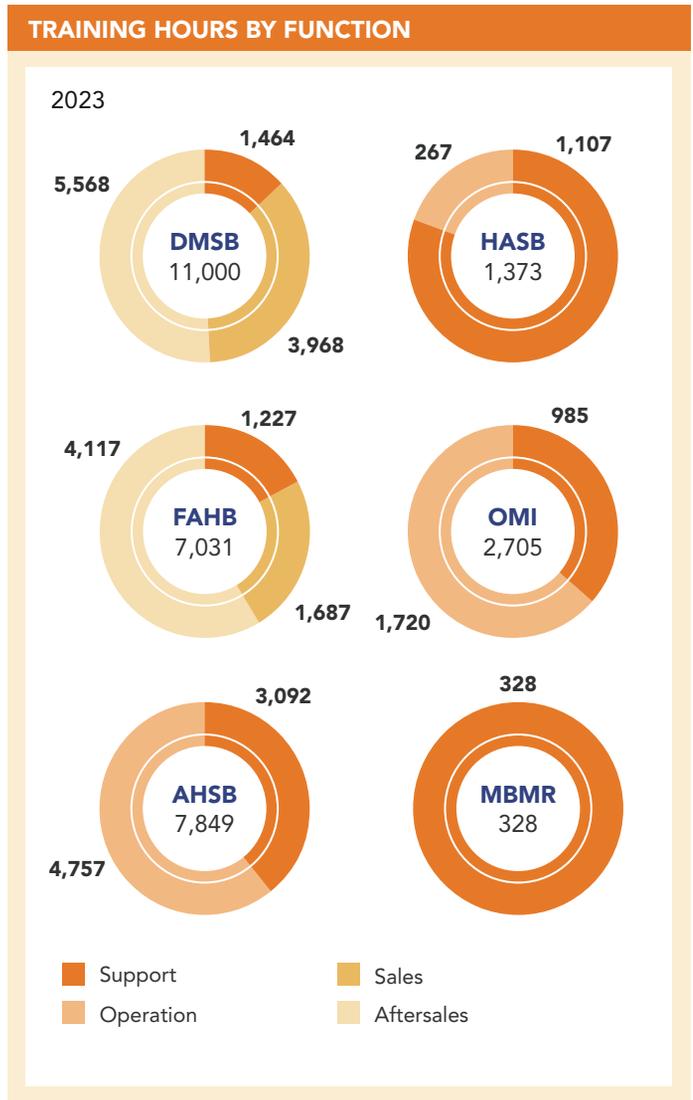
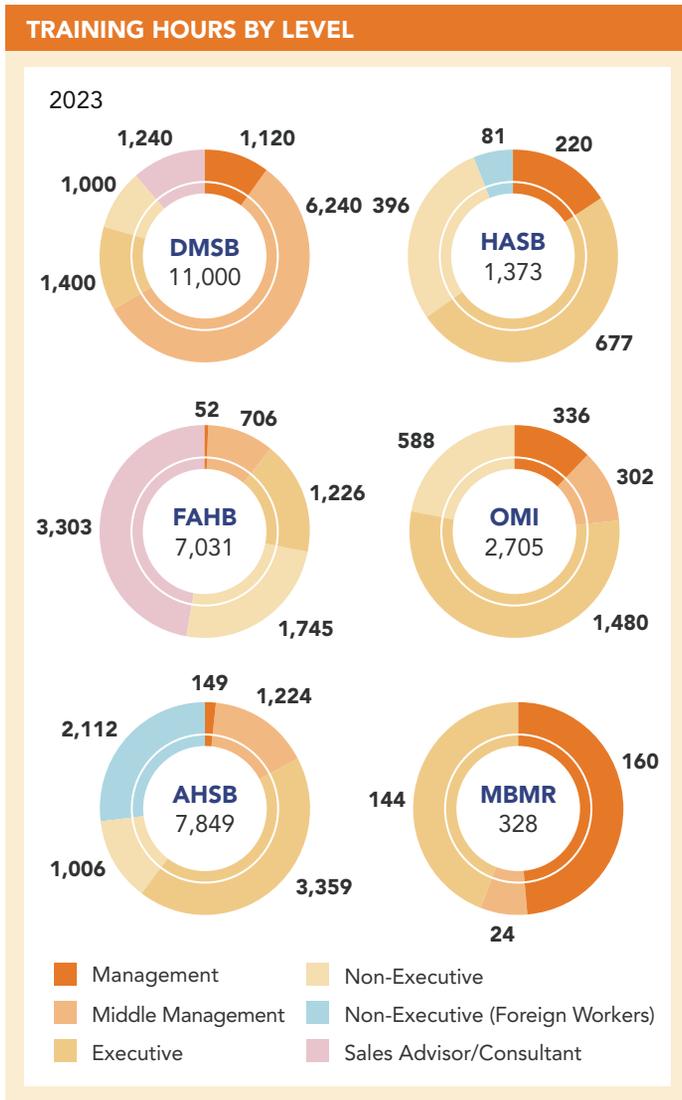
Aligned with our commitment to employee appreciation, we celebrated and honoured long-term service through employee recognition programmes, acknowledging the dedication and loyalty of our team members. Additionally, team building sessions were conducted to foster camaraderie, collaboration, and a sense of unity among colleagues, strengthening the bonds within our organisation. Collectively, these initiatives demonstrate our dedication to the welfare, engagement, and growth of our valued employees, ensuring that they feel supported, motivated, and empowered to thrive in their roles and contribute to our shared success.

PILLAR 2: SOCIAL

OUR PERFORMANCE



PILLAR 2: SOCIAL



PILLAR 2: SOCIAL

AVERAGE TRAINING HOUR PER EMPLOYEE



TURNOVER BY LEVEL IN 2023

2023

| DMSB | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|--------------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 0 | 8 | 0.0% | 0.0% |
| Middle Management | 8 | 66 | 12.1% | 1.0% |
| Executive | 17 | 160 | 10.6% | 2.1% |
| Non-Executive | 9 | 334 | 2.7% | 1.1% |
| Sales Advisor/Consultant | 23 | 252 | 9.1% | 2.8% |
| TOTAL | 57 | 820 | 7.0% | 7.0% |

| FAHB | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|--------------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 1 | 5 | 20.0% | 0.9% |
| Middle Management | 8 | 29 | 27.6% | 2.7% |
| Executive | 12 | 51 | 23.5% | 4.1% |
| Non-Executive | 27 | 97 | 27.8% | 9.1% |
| Sales Advisor/Consultant | 27 | 114 | 23.7% | 9.1% |
| TOTAL | 75 | 296 | 25.3% | 25.3% |

PILLAR 2: SOCIAL

| AHSB | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|---------------------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 2 | 9 | 22.2% | 0.3% |
| Middle Management | 3 | 24 | 12.5% | 0.5% |
| Executive | 7 | 63 | 11.1% | 1.1% |
| Non-Executive | 13 | 86 | 15.1% | 2.1% |
| Non-Executive (Foreign Workers) | 288 | 442 | 65.2% | 46.2% |
| TOTAL | 313 | 624 | 50.2% | 50.2% |

| HASB | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|---------------------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 1 | 7 | 14.3% | 0.7% |
| Middle Management | 0 | 0 | 0.0% | 0.0% |
| Executive | 1 | 21 | 4.8% | 0.7% |
| Non-Executive | 9 | 51 | 17.6% | 6.6% |
| Non-Executive (Foreign Workers) | 4 | 58 | 6.9% | 2.9% |
| TOTAL | 15 | 137 | 10.9% | 10.9% |

| OMI | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|---------------------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 0 | 10 | 0.0% | 0.0% |
| Middle Management | 0 | 5 | 0.0% | 0.0% |
| Executive | 0 | 42 | 0.0% | 0.0% |
| Non-Executive | 12 | 124 | 9.7% | 4.2% |
| Non-Executive (Foreign Workers) | 18 | 105 | 17.1% | 6.3% |
| TOTAL | 30 | 286 | 10.5% | 10.5% |

| MBMR | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|-------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 1 | 4 | 25.0% | 5.9% |
| Middle Management | 0 | 2 | 0.0% | 0.0% |
| Executive | 2 | 9 | 22.2% | 11.8% |
| Non-Executive | 1 | 2 | 50.0% | 5.9% |
| TOTAL | 4 | 17 | 23.5% | 23.5% |

| Group | Turnover No | Total Employee by Level | % of Turnover | % Turnover (all employees) |
|---------------------------------|-------------|-------------------------|---------------|----------------------------|
| Management | 5 | 43 | 11.6% | 0.2% |
| Middle Management | 19 | 126 | 15.1% | 0.9% |
| Executive | 39 | 346 | 11.3% | 1.8% |
| Non-Executive | 71 | 694 | 10.2% | 3.3% |
| Non-Executive (Foreign Workers) | 310 | 605 | 51.2% | 14.2% |
| Sales Consultant/Technician | 50 | 366 | 13.7% | 2.3% |
| TOTAL | 494 | 2180 | 22.7% | 22.7% |

PILLAR 2: SOCIAL

TURNOVER BY FUNCTION IN 2023

2023

| DMSB | Turnover | Total Employee by Function | % of Turnover |
|------------|----------|----------------------------|---------------|
| Support | 11 | 77 | 14.3% |
| Sales | 34 | 373 | 9.1% |
| Aftersales | 12 | 370 | 3.2% |

| FAHB | Turnover | Total Employee by Function | % of Turnover |
|------------|----------|----------------------------|---------------|
| Support | 30 | 81 | 37.0% |
| Sales | 15 | 70 | 21.4% |
| Aftersales | 30 | 145 | 20.7% |

| AHSB | Turnover | Total Employee by Function | % of Turnover |
|-----------|----------|----------------------------|---------------|
| Support | 5 | 73 | 6.8% |
| Operation | 308 | 551 | 55.9% |

| HASB | Turnover | Total Employee by Function | % of Turnover |
|-----------|----------|----------------------------|---------------|
| Support | 3 | 59 | 5.1% |
| Operation | 12 | 78 | 15.4% |

| OMI | Turnover | Total Employee by Function | % of Turnover |
|-----------|----------|----------------------------|---------------|
| Support | 1 | 26 | 3.8% |
| Operation | 29 | 260 | 11.2% |

| MBMR | Turnover | Total Employee by Function | % of Turnover |
|---------|----------|----------------------------|---------------|
| Support | 4 | 17 | 23.5% |

| Group | Turnover | Total Employee by Function | % of Turnover |
|------------|----------|----------------------------|---------------|
| Support | 54 | 333 | 16.2% |
| Operation | 349 | 889 | 39.3% |
| Sales | 49 | 443 | 11.1% |
| Aftersales | 42 | 515 | 8.2% |



PILLAR 2: SOCIAL

LABOUR AND WORKING STANDARDS

WHY IS IT IMPORTANT

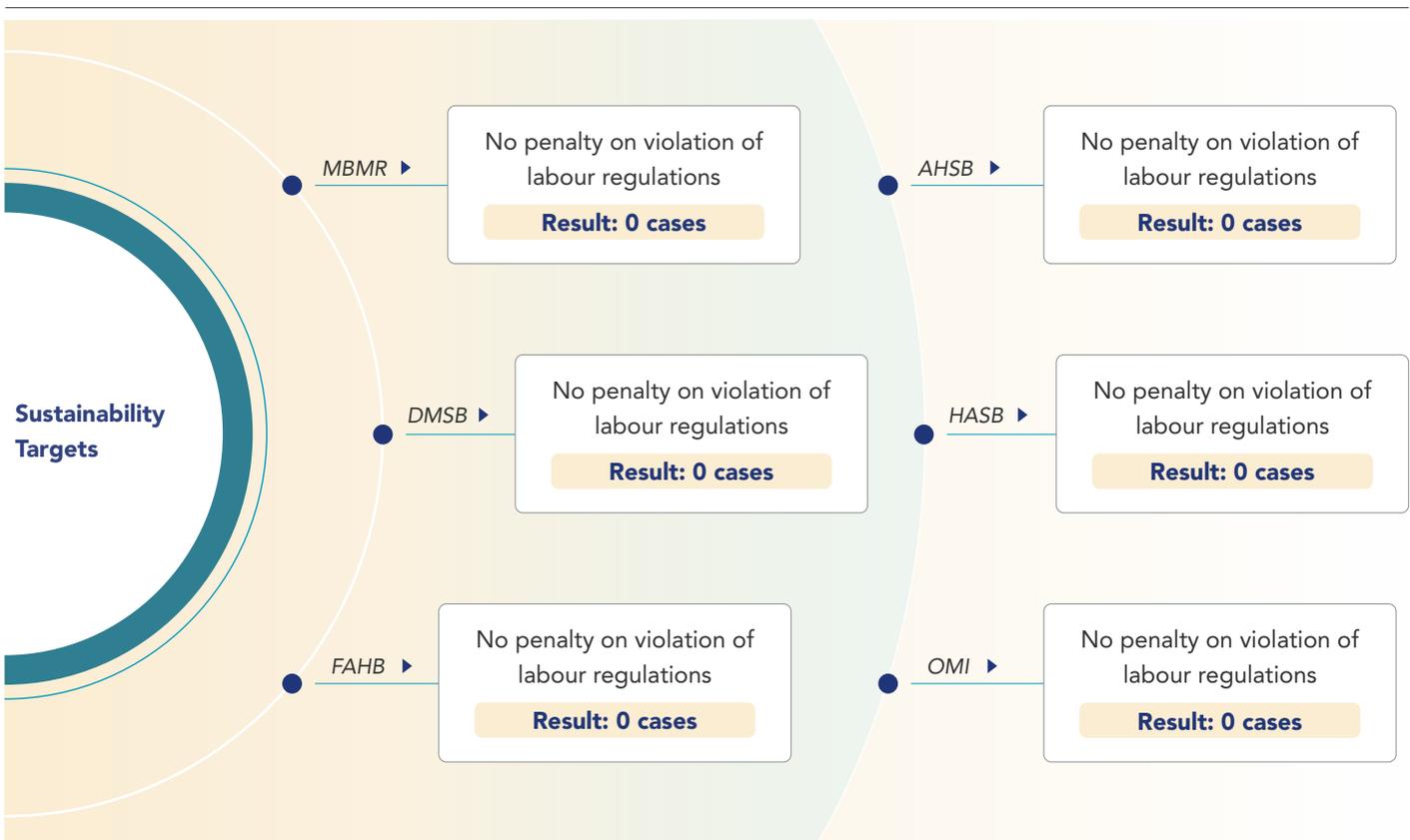
The Group’s business and operation require strict adherence to all national labour regulations. In line with Malaysian statutory requirements aimed at safeguarding employees’ rights, the Group adheres to regulations such as the Employment (Amendment) Act 2022. This legislation introduces new standards concerning minimum wage, maximum working hours, and extended maternity and paternity leave. Additionally, compliance with Act 446 and the Employees’ Minimum Standards of Housing, Accommodations, and Amenities (Employees Required to be Provided with Accommodations) Regulations 2021 remains a priority to the Group.

OUR APPROACH IN 2023

Our commitment to employee well-being extends beyond regulatory compliance. We established employment policies designed to foster optimal working conditions and experiences for all employees. The Group monitors its compliance to all relevant Malaysian statutory requirements and regulations. In addition, the Group also conduct regular safety and 5S audits of worker hostels to ensure compliance to the required regulations and standards.

As laid out in the Group’s COBCE, we are committed to providing equal opportunities regardless of gender, ethnicity or religion, respecting freedom of association, eradicating any form of exploitation, prohibiting of child and forced labour in our operation and supply chain, ensuring decent working conditions, respecting community rights and eliminating violence and sexual harassment. The Group has also implemented an Employee Grievances procedure to provide an avenue for employees to address any work-related issues or concerns promptly.

OUR PERFORMANCE



PILLAR 2: SOCIAL

TEMPORARY STAFF

2023

| DMSB | Management | Middle Management | Executive | Non-Executive | Sales Advisor /Consultant | Percentage |
|--------------------------------------|------------|-------------------|------------|---------------|---------------------------|------------|
| Permanent Staff | 8 | 66 | 157 | 332 | 252 | 99.4% |
| Contractors/Temporary | 0 | 0 | 3 | 2 | 0 | 0.6% |
| TOTAL | 8 | 66 | 160 | 334 | 252 | |
| % of Permanent Staff | 100% | 100% | 98% | 99% | 100% | |
| % of Contractors/ Temporary Staff | 0% | 0% | 2% | 1% | 0% | |

| FAHB | Management | Middle Management | Executive | Non-Executive | Sales Advisor /Consultant | Percentage |
|--------------------------------------|------------|-------------------|-----------|---------------|---------------------------|------------|
| Permanent Staff | 4 | 26 | 49 | 93 | 104 | 93% |
| Contractors/Temporary | 1 | 3 | 2 | 4 | 10 | 7% |
| TOTAL | 5 | 29 | 51 | 97 | 114 | |
| % of Permanent Staff | 80% | 90% | 96% | 96% | 91% | |
| % of Contractors/ Temporary Staff | 20% | 10% | 4% | 4% | 9% | |

| AHSB | Management | Middle Management | Executive | Non-Executive | Non-Executive (Foreign Workers) | Percentage |
|--------------------------------------|------------|-------------------|-----------|---------------|---------------------------------|------------|
| Permanent Staff | 8 | 24 | 63 | 86 | 0 | 29% |
| Contractors/Temporary | 1 | 0 | 0 | 0 | 442 | 71% |
| TOTAL | 9 | 24 | 63 | 86 | 442 | |
| % of Permanent Staff | 89% | 100% | 100% | 100% | 0% | |
| % of Contractors/ Temporary Staff | 11% | 0% | 0% | 0% | 100% | |

| HASB | Management | Middle Management | Executive | Non-Executive | Non-Executive (Foreign Workers) | Percentage |
|--------------------------------------|------------|-------------------|-----------|---------------|---------------------------------|------------|
| Permanent Staff | 8 | 0 | 20 | 49 | 0 | 56% |
| Contractors/Temporary | 0 | 0 | 2 | 0 | 58 | 44% |
| TOTAL | 8 | 0 | 22 | 49 | 58 | |
| % of Permanent Staff | 100% | 0 | 91% | 100% | 0% | |
| % of Contractors/ Temporary Staff | 0 | 0 | 9% | 0% | 100% | |

PILLAR 2: SOCIAL

| OMI | | | | | Non-Executive (Foreign Workers) | Percentage |
|----------------------------------|------------|-------------------|-----------|---------------|---------------------------------|------------|
| | Management | Middle Management | Executive | Non-Executive | | |
| Permanent Staff | 9 | 5 | 42 | 124 | 0 | 63% |
| Contractors/Temporary | 1 | 0 | 0 | 0 | 105 | 37% |
| TOTAL | 10 | 5 | 42 | 124 | 105 | |
| % of Permanent Staff | 90% | 100% | 100% | 100% | 0% | |
| % of Contractors/Temporary Staff | 10% | 0% | 0% | 0% | 100% | |

| MBMR | | | | | Percentage |
|----------------------------------|------------|-------------------|-----------|---------------|------------|
| | Management | Middle Management | Executive | Non-Executive | |
| Permanent Staff | 2 | 2 | 8 | 2 | 82% |
| Contractors/Temporary | 2 | 0 | 1 | 0 | 18% |
| TOTAL | 4 | 2 | 9 | 2 | |
| % of Permanent Staff | 50% | 100% | 89% | 100% | |
| % of Contractors/Temporary Staff | 50% | 0% | 11% | 0% | |

HUMAN RIGHTS VIOLATIONS

There have been no reports of human rights violations during the year under review.

2023

| Company | DMSB | FAHB | AHSB | HASB | OMI | MBMR | GROUP |
|---|------|------|------|------|-----|------|-------|
| Number of substantiated complaints concerning human rights violations | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

PILLAR 2: SOCIAL

CUSTOMER SATISFACTION AND LOYALTY

WHY IS IT IMPORTANT

At the heart of our business lies a firm commitment to customer satisfaction and loyalty. We understand that staying responsive, updated, and innovative is crucial to nurturing and sustaining these vital relationships. Excellent customer satisfaction results in long-term, loyal clients, which significantly enhance our competitive edge.

OUR APPROACH IN 2023

To this end, we have implemented several key initiatives aimed at enhancing the overall customer experience and optimising our operations. One such initiative involves the organisation of targeted sales and service campaigns designed to manage the cost of vehicle ownership for our customers. These campaigns include enticing offers such as discount promotions on selected car parts for Volvo and Volkswagen service customers. By providing value-added services and cost-saving opportunities, we aim to strengthen our bond with our valued clientele.

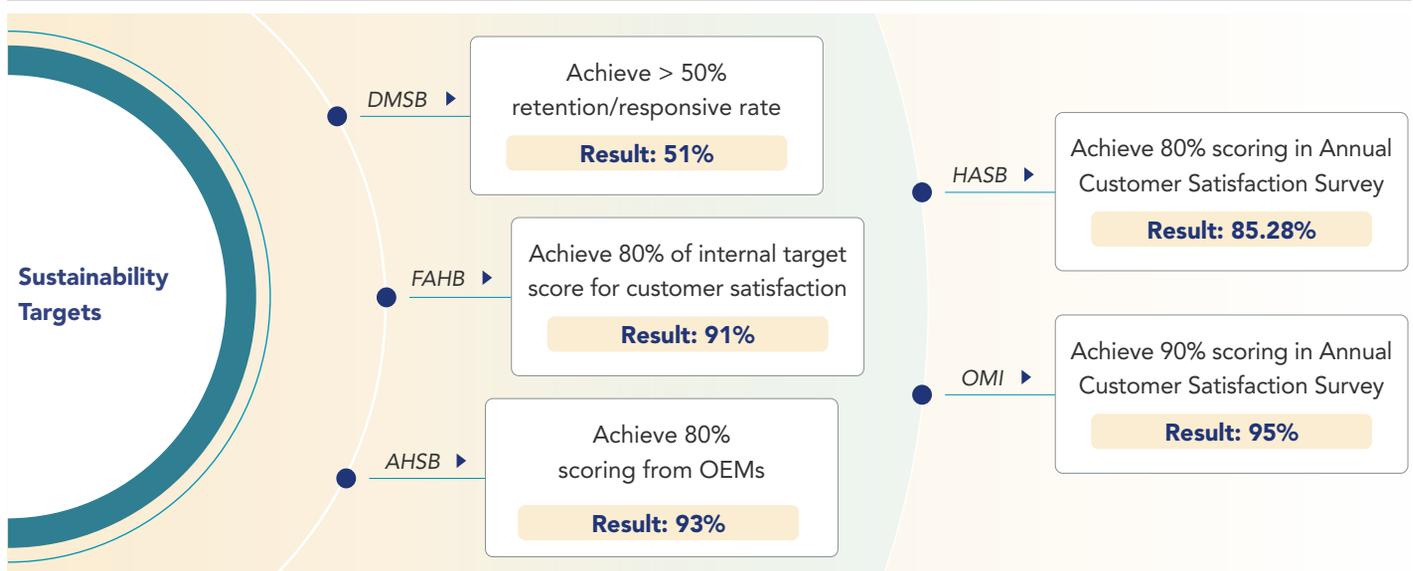
In alignment with our ongoing digital transformation, we have undertaken various measures to optimise the customer purchase journey. This includes the implementation of QR payment methods to facilitate seamless and convenient transactions. Moreover, we have expanded our digital footprint by launching the Daihatsu e-commerce store on platforms such as Shopee and Lazada, thereby enhancing the accessibility and convenience of purchasing vehicles and related products for our customers.

Additionally, we have placed a strong emphasis on customer feedback and quality assurance from the implementation of the Volvo One Voice Customer Feedback Platform. This ensures that customers' quality and delivery expectations are consistently met, reinforcing our commitment to excellence.

On the manufacturing side, we strive to meet our customers' quality and delivery targets. To achieve this, our manufacturing companies are certified with IATF 16949:2016 - the International Standard for Automotive Quality Management Systems. We are also certified with ISO/IEC 17025:2017 for standards in carrying out tests and calibrations and ISO 9001 for quality management system.

Lastly, to gauge customer satisfaction and identify areas for improvement, we conduct an Annual Customer Satisfaction Survey. This feedback-driven approach allows us to continuously refine our offerings and tailor our services to better meet the evolving needs and preferences of our valued customers.

OUR PERFORMANCE



PILLAR 2: SOCIAL

COMMUNITY ENGAGEMENT

WHY IS IT IMPORTANT

The Group acknowledges its responsibility as an organisation toward the local communities and public due to its presence across the nation. As a result, the Group is committed to enhancing the social well-being of its communities through Corporate Social Responsibility (“CSR”) initiatives, with a focus on actively contributing to local charitable and community projects.



OUR APPROACH IN 2023

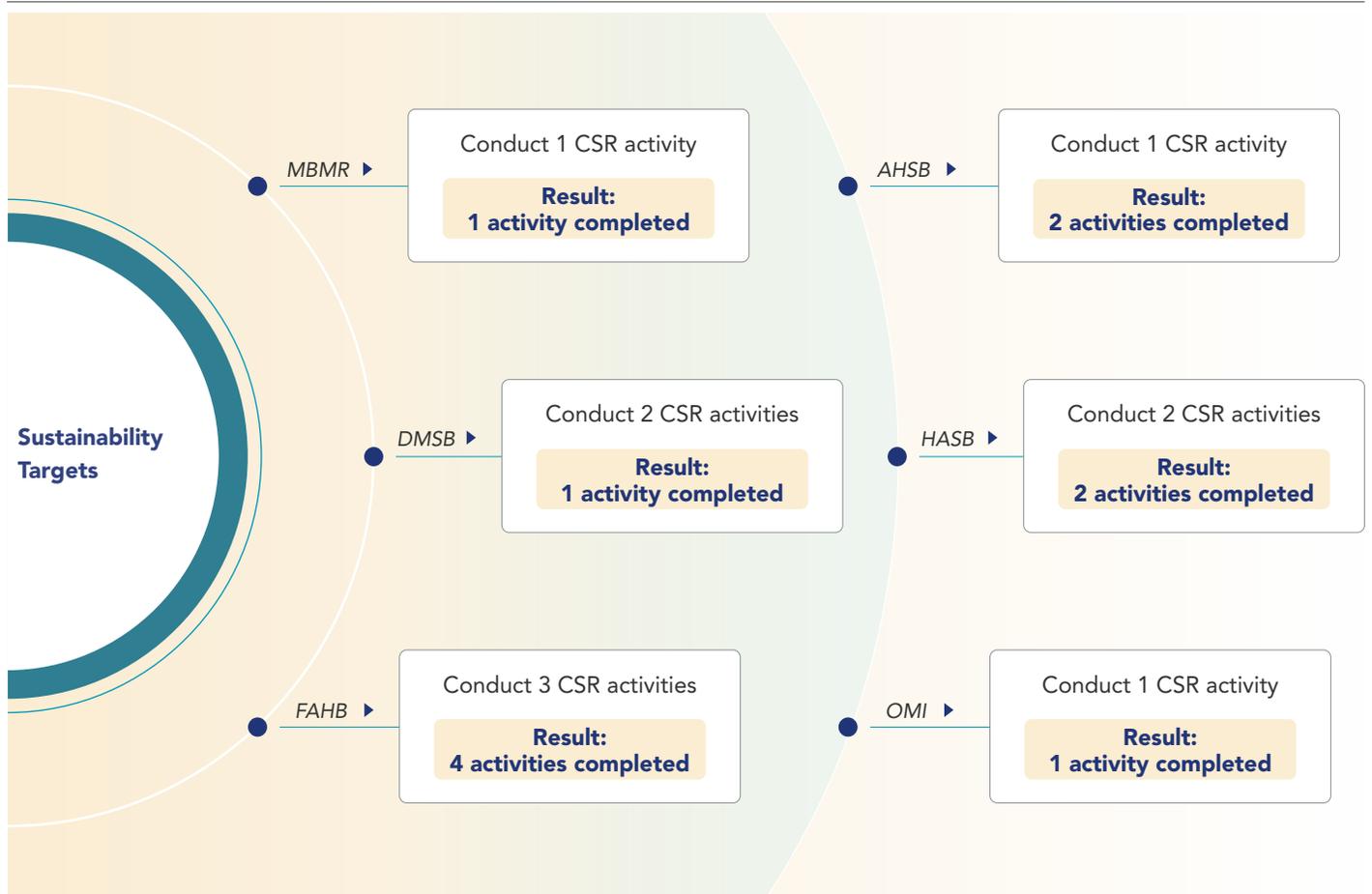
In 2023, our CSR initiatives continued with the implementation of the MBMR Scholarship Programme, recognising two deserving students with this honour. As we look ahead, we remain dedicated to identifying new opportunities to bolster our community and to cultivate additional community engagement programmes in the years to come. Moreover, we are dedicated to supporting initiatives aimed at enhancing socio-economic opportunities within local communities.

Here are some highlights of our CSR activities from 2023:

- Implementation of MBMR Scholarship Programme
- Main Sponsorship for Persatuan Luncur Ombak Malaysia (PLOM)
- Recycle & Get Rewarded with L’occitane
- Waste Paper Recycling – Partnership with Thanam Industry
- PichaEats – Support the refugee community via catering service for showroom event
- Clothes Recycling – Partnership with upcycle4better
- Rubbish collection at Broga Hill
- Tree planting at Raja Musa Forest Reserve
- Plogging at Pantai Bagan Lalang, Sepang
- Majlis Berbuka Puasa Bersama Anak-anak Yatim
- Mangrove tree plantation activity within Selangor area

PILLAR 2: SOCIAL

OUR PERFORMANCE



PILLAR 2: SOCIAL

MBMR

| No | Community Programme | Amount Invested | No External Beneficiaries |
|--------------|----------------------------|-----------------|---------------------------|
| 1 | MBMR Scholarship Programme | - | 2 |
| TOTAL | | - | 2 |

DMSB

| No | Community Programme | Amount Invested | No External Beneficiaries |
|--------------|---------------------------------|---------------------|---------------------------|
| 1 | 2023 Asian Surfing Championship | RM 10,000.00 | - |
| TOTAL | | RM 10,000.00 | - |

FAHB

| No | Community Programme | Amount Invested | No External Beneficiaries |
|--------------|--|---------------------|---------------------------|
| 1 | Recycle & Get Rewarded with L'occitane (Cosmetic bottles recycling) | RM 37,740.79 | - |
| 2 | Waste Paper Recycling (Partnership with Thanam Industry Sdn Bhd) Total waste paper collected: 72 kg | RM 38,377.58 | - |
| 3 | Support refugee community via Pichaeats (A catering service business set up to provide income to the refugees. The food are prepared by the refugees community.) | RM 5,682.00 | - |
| 4 | Clothes Recycling (Partnership with upcycle4better) Total clothes collected: 152.3kg | RM 2,650.00 | - |
| TOTAL | | RM 84,450.37 | - |

AHSB

| No | Community Programme | Amount Invested | No External Beneficiaries |
|--------------|---|------------------|---------------------------|
| 1 | Rubbish collection at Broga Hills | RM 628.20 | - |
| 2 | Tree planting at Raja Musa Forest Reserve | RM 157.80 | - |
| TOTAL | | RM 786.00 | - |

HASB

| No | Community Programme | Amount Invested | No External Beneficiaries |
|--------------|--|--------------------|---------------------------|
| 1 | Majlis berbuka Puasa Bersama Anak-Anak Yatim | RM 2,473.00 | 24 |
| 2 | CSR Plogging at Pantai Bagan Lalang | RM 3,008.61 | - |
| TOTAL | | RM 5,481.61 | 24 |

OMI

| No | Community Programme | Amount Invested | No External Beneficiaries |
|--------------|--|---------------------|---------------------------|
| 1 | Tree planting at Mangrove Point, Klang | RM 11,795.24 | - |
| TOTAL | | RM 11,795.24 | - |

GROUP

| Total Programmes | Amount Invested | No External Beneficiaries |
|------------------|-----------------|---------------------------|
| 11 | RM 112,513.22 | 26 |

PILLAR 3: ECONOMIC

Pillar 3:

Economic



Related UNSDGs

| | |
|--|--|
|  8 DECENT WORK AND ECONOMIC GROWTH |  11 SUSTAINABLE CITIES AND COMMUNITIES |
|--|--|

PILLAR 3: ECONOMIC

SUPPLY CHAIN

WHY IS IT IMPORTANT

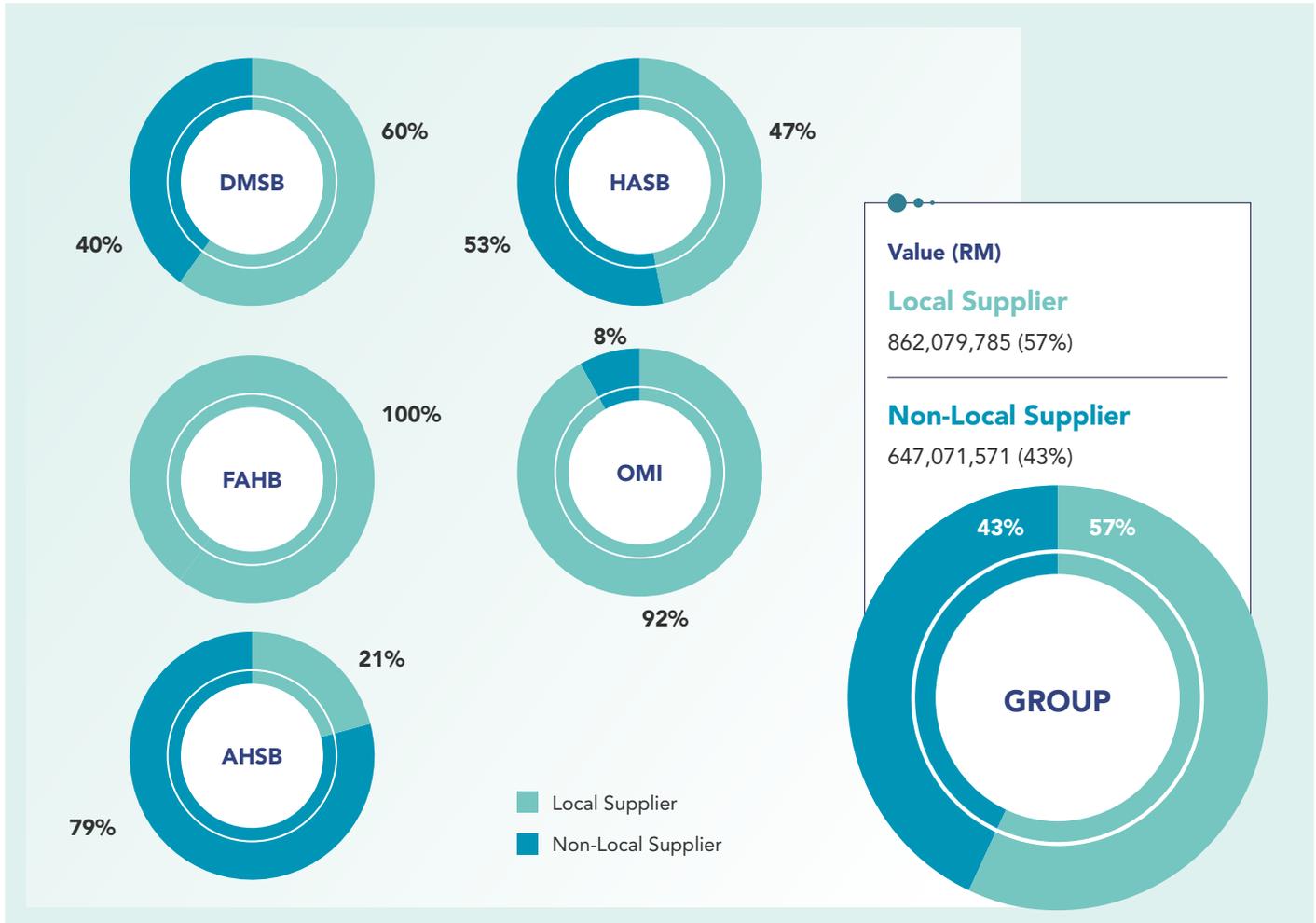
The Group is firmly committed to supporting the growth of local suppliers within its supply chain ecosystem. Whenever feasible, we prioritise sourcing from local suppliers, with the goal of enhancing the socio-economic standing of local companies operating within the industry.

OUR APPROACH IN 2023

The Group is constantly exploring any potential to source from local supplier and vendor when possible subject to it meet the cost and quality requirements. In addition, the Group is also dedicated to maintain fair and transparent procurement practices across the Group. All suppliers and vendors utilised by us must adhere to our Anti-Bribery and Anti-Corruption Policy. In 2023, we implemented the requirement for Anti-Bribery and Anti-Corruption Due Diligence to be conducted for new suppliers and vendors, ensuring that integrity and transparency remain central to our business relationships. We also actively seek to allocate tenders to reputable suppliers, while fostering collaborations with socially and environmentally aware business associates.

OUR PERFORMANCE

The Group has procured RM 862,079,785 from local suppliers which consist of 57% from total procurement spend in 2023. The proportion of supplies and services that was procured from non-local suppliers is 43% with the value of RM 649,071,571.



PILLAR 3: ECONOMIC

INNOVATION AND DIGITALISATION

WHY IS IT IMPORTANT

We are fully committed to driving innovation and digitalisation initiatives to ensure continuous improvement in our operations, products, and services. To this end, we have achieved significant milestones, including the establishment of digital platforms and a robust social media presence.

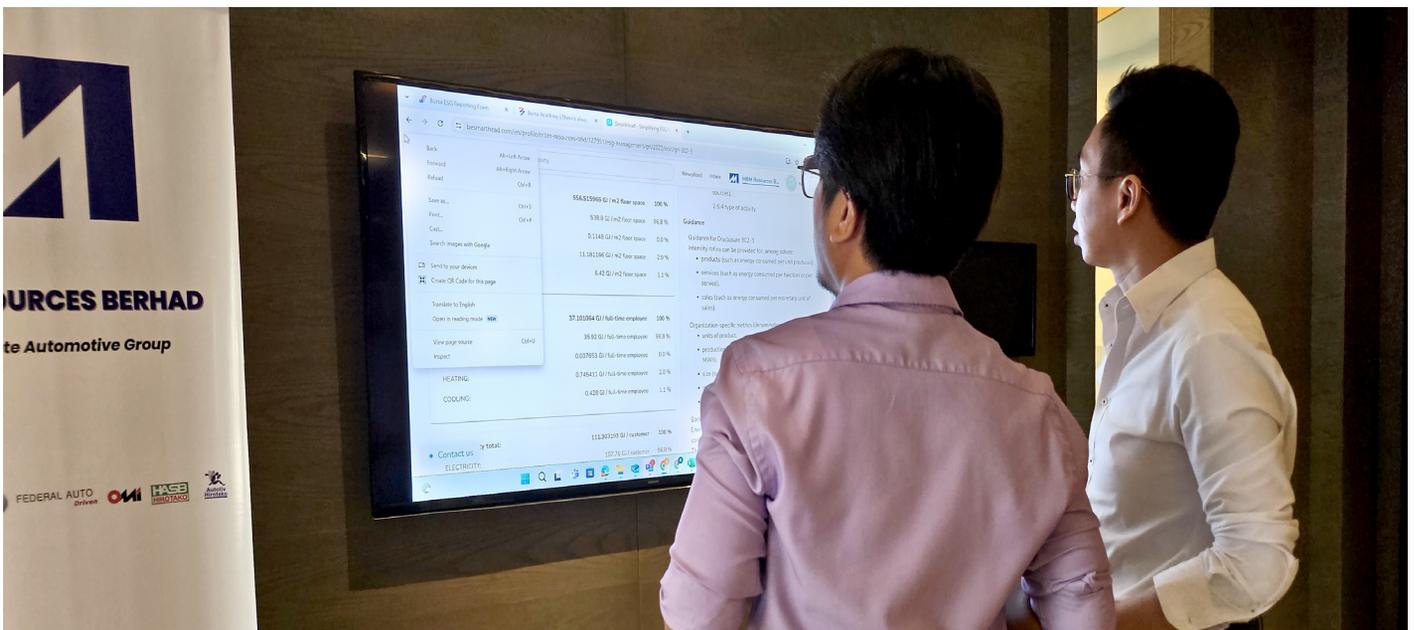
OUR APPROACH IN 2023

In 2023, the Group implemented several innovation and digitalisation initiatives. These initiatives were designed to streamline operations and improve efficiency across various departments.

Within our motor trading companies, we have actively embraced the digital space by implementing fully integrated marketing campaigns. These initiatives have proven successful in engaging customers and facilitating bookings for test drives and service appointments through digital and social media platforms. Furthermore, we have invested in an integrated digital tool tailored to support our sales advisors in expanding lead generation and outreach efforts.

Additionally, we installed an IoT monitoring system to track and manage equipment and resources more efficiently. As part of our ongoing efforts, we are currently in the process of expanding the use of SCADA system in our manufacturing lines. This system will facilitate real-time data capturing and analysis, empowering us to make data-driven decisions swiftly. Moreover, we have leveraged cloud Enterprise Resource Planning (“ERP”) technology to optimise our business processes and improve collaboration among teams. Another critical addition to our digital infrastructure is the Hirotako Operation System (“HOS”), a live performance monitoring system for AHSB. HOS allows us to monitor live data of the line operation performance, enabling proactive maintenance and optimisation of production processes. In addition, automation upgrades, such as the installation of auto balancers at manual lines, have been performed to reduce the need for manual labour and further improve efficiency.

Furthermore, to meet evolving customer expectations, we have digitalised sales and service bookings through social media platforms and websites. This initiative aims to simplify and enhance the customer purchase experience, aligning with our commitment to delivering exceptional service.



PILLAR 4: GOVERNANCE

Pillar 4:

Governance



Related UNSDGs

The icon for Sustainable Development Goal 16, 'Peace, Justice and Strong Institutions', featuring the number 16 and a dove.

PILLAR 4: GOVERNANCE

CORPORATE GOVERNANCE

WHY IS IT IMPORTANT

The Board recognises corporate governance as the cornerstone of sustained and responsible business growth, serving as a crucial element in ensuring the Group's long-term success and sustainability. Upholding good corporate governance practices fosters trust and confidence among our stakeholders, reflecting the Group's commitment to integrity, accountability, fairness, and transparency in all business dealings and operations.

OUR APPROACH IN 2023

To this end, the Board is committed to achieve high standards of corporate governance throughout the Group, in accordance with the principles outlined in the Malaysian Code on Corporate Governance 2021 ("MCCG"). Through its Board Committees and management oversight, the Board ensures the implementation and review of corporate governance measures, guided by the MCCG. In 2023, MBMR initiated the implementation of the Group Governance Framework aimed at cultivating good corporate governance practices within the Group's organisational culture and business processes. The Group Governance Framework reinforces the ongoing implementation of the Group-wide policies across the Group setting the tone for leadership towards alignment of the Group's strategies and priorities.

For further insights into MBMR's adherence to the principles and recommendations of the MCCG 2021 for the financial year ended 31 December 2023, please refer to MBMR's Corporate Governance Overview Statement in the Annual Report 2023 and the MBMR Corporate Governance Report 2023, accessible on the Company's website at www.mbmr.com.my.

ANTI-CORRUPTION

WHY IS IT IMPORTANT

The Group upholds a zero-tolerance stance against bribery, corruption, and other unethical or illegal practices, affirming our commitment to conducting business professionally, fairly, and with utmost integrity in all our dealings and relationships. The Group believes that transparency and anti-corruption efforts contribute to sustainable business growth as well as safeguarding the interest of the Group's stakeholders.



PILLAR 4: GOVERNANCE

OUR APPROACH IN 2023

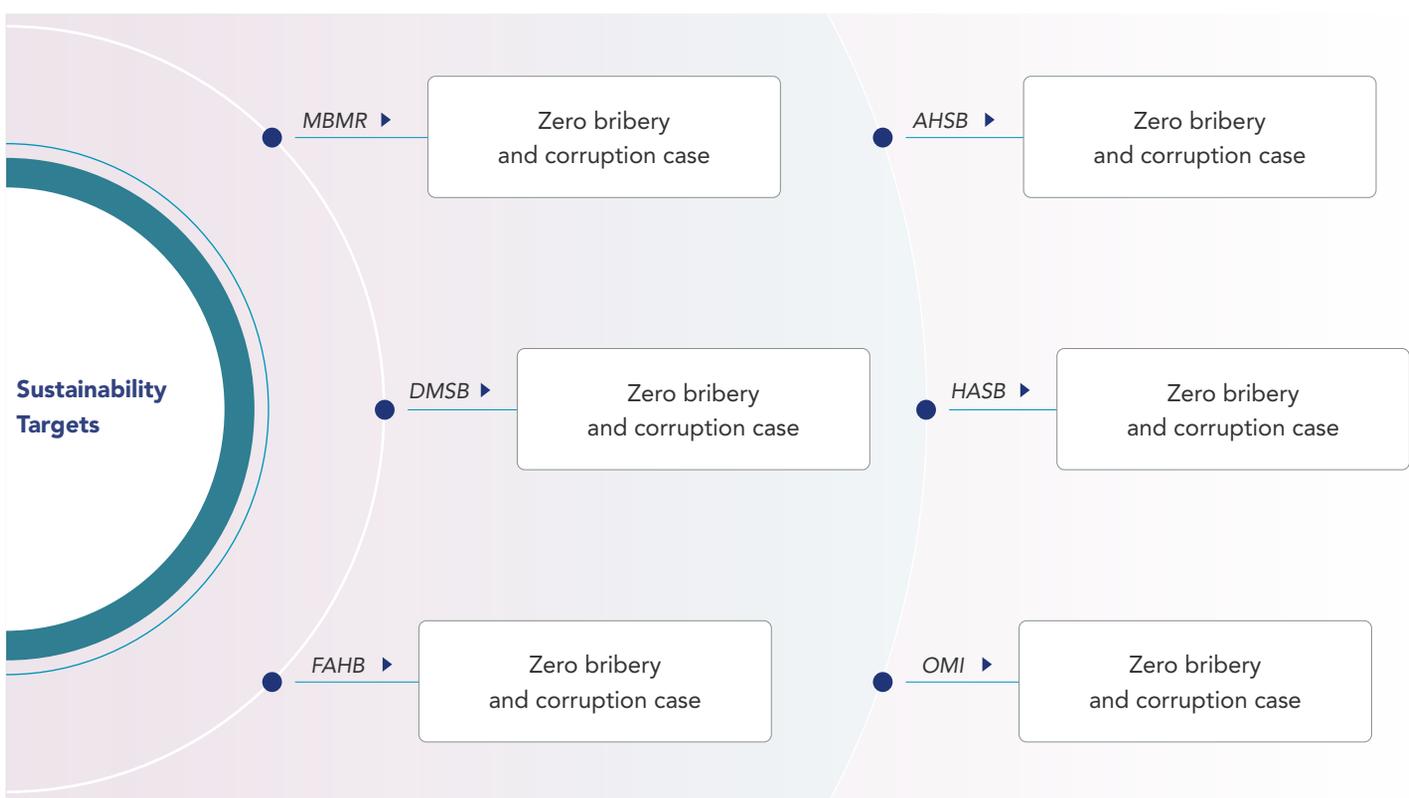
In compliance with section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACCA”), the Group has implemented the Anti-Bribery and Anti-Corruption (“ABAC”) Policy. This policy outlines the Group’s position on avoiding bribery and corruption practices in all its forms in the Group’s operations. Along with our Code of Business Conduct and Ethics, we communicate and embed these values into all facets of our operations and activities to ensure that our business is conducted with integrity and in a responsible, ethical and sustainable manner.

In addition to implementation of the ABAC Policy and the COBCE across the Group, we also apply the same anti-bribery and anti-corruption standards to our suppliers and business associates by requiring them to acknowledge their understanding and agreement to comply with our ABAC Policy. We also initiated the requirement to conduct ABAC due diligence for any new supplier or service provider engaged by the Group during the reporting year under review.

Apart from that, all Directors and employees within the Group also underwent the annual refresher training on the ABAC Policy in 2023 and have attested and acknowledged their acceptance of the policy. Upon completion of the refresher training directors and employees were also required to undertake a test to ensure they understand the ABAC Policy requirements.

Implementation of ABAC measures pursuant to the ABAC Policy are regularly monitored, enforced and reviewed throughout the Group in line with the T.R.U.S.T. principles outlined in the Guidelines on Adequate Procedures issued pursuant to Section 17A of the MACCA.

OUR PERFORMANCE



PILLAR 4: GOVERNANCE

CONFIRMED INCIDENTS OF CORRUPTION AND ACTION TAKEN

There were no confirmed incidents of corruption within the Group in 2023.

| | 2023 |
|--------------|----------|
| DMSB | 0 |
| FAHB | 0 |
| AHSB | 0 |
| HASB | 0 |
| OMI | 0 |
| MAMR | 0 |
| GROUP | 0 |

PERCENTAGE OF EMPLOYEES WHO RECEIVED ANTI BRIBERY AND ANTI-CORRUPTION TRAINING

2023

| | Management | Middle Management | Executive | Non-Executive | Non-Executive (Foreign Workers) | Sales Advisor/Consultant | Total | % |
|--------------|------------|-------------------|------------|---------------|---------------------------------|--------------------------|-------------|-------------|
| AHSB | 9 | 24 | 63 | 86 | 442 | - | 624 | 100% |
| HASB | 8 | 0 | 21 | 50 | 58 | - | 137 | 100% |
| OMI | 10 | 5 | 42 | 124 | 105 | - | 286 | 100% |
| DMSB | 8 | 66 | 160 | 334 | - | 252 | 820 | 100% |
| FAHB | 5 | 29 | 51 | 97 | - | 114 | 296 | 100% |
| MBMR | 4 | 2 | 9 | 2 | - | - | 17 | 100% |
| GROUP | 44 | 126 | 346 | 693 | 605 | 366 | 2180 | 100% |

In 2023, all the Group's employees have received Anti Bribery and Anti-Corruption Training.

PERCENTAGE OF OPERATIONS ASSESSED FOR CORRUPTION-RELATED RISKS

| No. of Companies | Companies Assessed for Corruption-Related Risks | Percentage |
|------------------|---|------------|
| 6 | 6 | 100% |

PILLAR 4: GOVERNANCE

DATA PRIVACY AND CYBER SECURITY

WHY IS IT IMPORTANT

Information security and cyber threats have become increasingly pressing concerns across industries worldwide, and MBMR is no exception. Recognising the importance of safeguarding against potential vulnerabilities in this regard, the Group is committed to establishing and regularly maintaining robust cybersecurity systems. Our objective is to ensure that adequate security measures, confidentiality obligations, and compliance procedures are in place to protect personal and sensitive data from unauthorised access, alteration, or deletion.



OUR APPROACH IN 2023

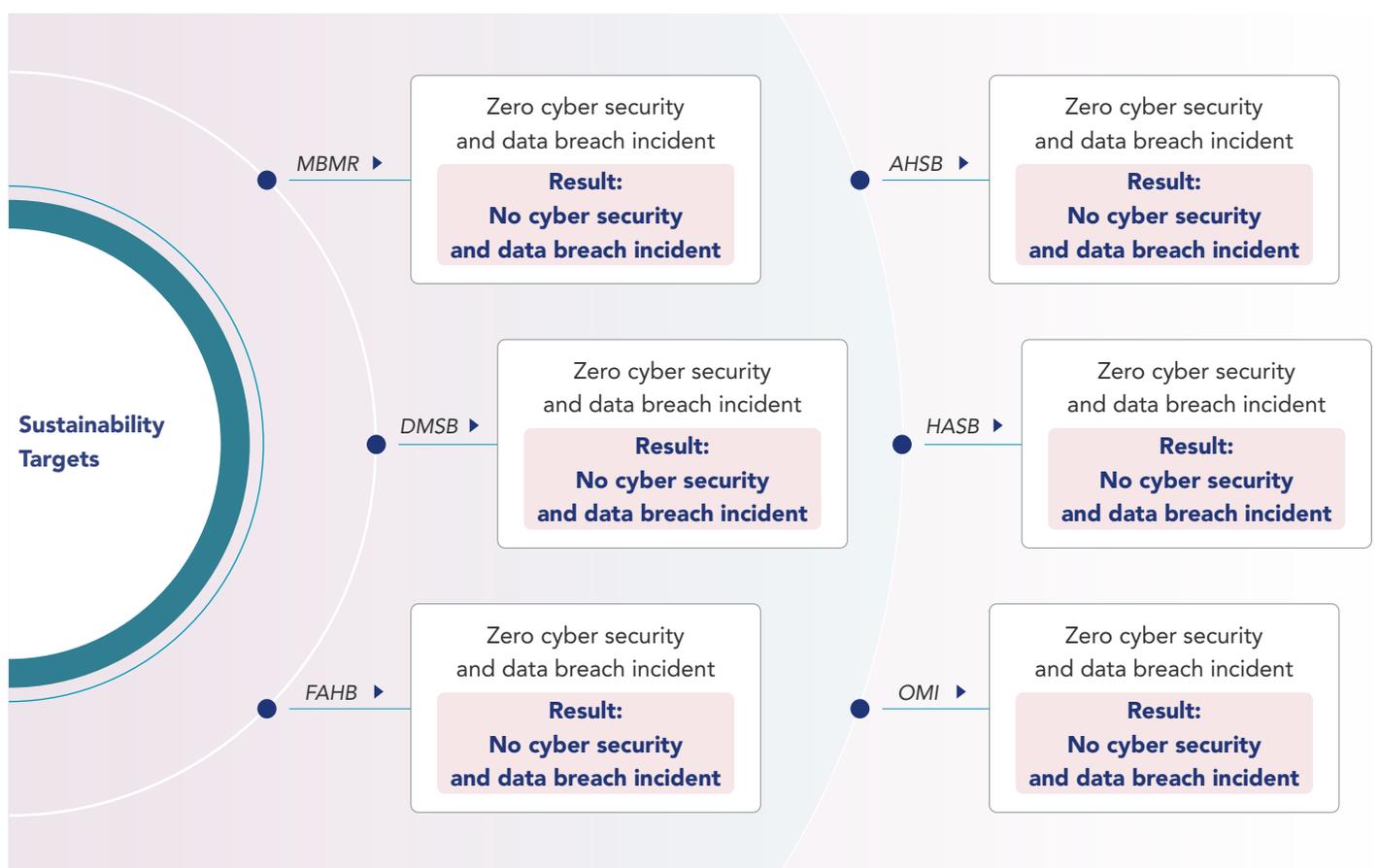
Throughout 2023, we have conducted various data privacy and cybersecurity initiatives to safeguard our systems and information. These initiatives include the deployment of cyber defence tools such as firewalls and antivirus software, as well as the development of an Information Technology Disaster Recovery Plan (“DRP”). Additionally, we focused on enhancing cybersecurity awareness among our employees and conducted cybersecurity assessments which consist of internal and external penetration test, wireless security assessment, web application penetration test, host assessment and phishing scam assessment to identify potential vulnerabilities.

Furthermore, we adhere to the Personal Data Protection Act 2010 (“PDPA”) and ensure proper handling and protection of sensitive data to safeguard customer’s information. Our efforts also encompass the enhancement of email security through system upgrades as well as continuous monitoring of our cyber defences, including regular log reviews. We also strengthened our IT policies and regularly install and configure firewalls with updated security policies. Network Security Health Checks are performed on a quarterly basis to maintain the integrity of our systems. In addition, we continuously monitor our servers for any anomalies and conduct daily system health checks to ensure optimal performance and security.

Periodical IT security education is provided to our staff to keep them informed about the latest cybersecurity threats and best practices. These initiatives collectively demonstrate our commitment to maintaining the data privacy and cybersecurity across our organisation. As part of MBMR’s overall information security strategy, we are implementing “Cyber Security Awareness” and “Cyber Security Assessment and Training” programmes throughout the Group. The Group will also continuously enhance and monitor our network security systems to safeguard our Information Technology infrastructure and systems against potential threats.

PILLAR 4: GOVERNANCE

OUR PERFORMANCE



SUBSTANTIATED COMPLAINTS ON BREACH AND LOSSES OF CUSTOMER DATA

2023

| Substantiated complaints concerning breach of customer privacy and/or loss of customer data | |
|---|----------|
| DMSB | 0 |
| FAHB | 0 |
| AHSB | 0 |
| HASB | 0 |
| OMI | 0 |
| MAMR | 0 |
| GROUP | 0 |

ASSURANCE REPORT



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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT ON MBM RESOURCES BERHAD'S SUSTAINABILITY REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

To the Board of Directors of MBM Resources Berhad

We have been engaged by MBM Resources Berhad ("MBMR") to perform an independent limited assurance engagement on selected sustainability indicators (collectively, the "Subject Matter Information") as reported by MBMR in its Sustainability Report for the year ended 31 December 2023 ("Sustainability Report 2023") for the core operating entities of MBMR as follows, all of which are located at Malaysia, (collectively referred to as the "Group"):

Daihatsu (Malaysia) Sdn. Bhd. and its subsidiaries ("DMSB")
Federal Auto Holdings Berhad and its subsidiaries ("FAHB")
Autoliv Hiroto Sdn. Bhd. and its subsidiaries ("AHSB")
Hiroto Acoustics Sdn. Bhd. ("HASB")
Oriental Metal Industries (M) Sdn. Bhd. and its subsidiary ("OMI")

The Subject Matter Information reported in the Sustainability Report 2023 on which we provide limited assurance is included in Appendix to this report which has been stamped for identification purpose.

Limited Assurance Conclusion

Based on the procedures we have performed as described under the "Summary of the work we performed as the basis of our assurance conclusion" and the evidence we have obtained, nothing has come to our attention that causes us to believe Subject Matter Information contained in the Sustainability Report 2023, has not been prepared, in all material respects, in accordance with the Applicable Criteria.

We do not express an assurance conclusion on information in respect of earlier periods included in, linked to, or from the Sustainability Report 2023, or any other information accompanying the said document.

Applicable Criteria

The Subject Matter Information needs to be read and understood together with the Applicable Criteria, which MBMR is exclusively responsible for selecting and applying.

The Applicable Criteria used for the reporting of the Subject Matter Information are as follows:

- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia")
- Bursa Malaysia's Sustainability Reporting Guide
- Guided by core reporting principles of Global Reporting Initiative ("GRI")

ASSURANCE REPORT

Deloitte

Independence and Quality Management

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“MIA”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (“ISQM1”), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Management’s Responsibilities

Management of MBMR is responsible for:

- Selecting or establishing the suitable Applicable Criteria for preparing the Subject Matter Information;
- Preparing the Subject Matter Information included in the Sustainability Report 2023 in accordance with the Applicable Criteria; and
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to form a conclusion whether, based on the procedures performed, anything has come to our attention that causes us to believe Subject Matter Information contained in the Sustainability Report 2023, has not been prepared, in all material respects, in accordance with the Applicable Criteria. We conducted our engagement in accordance with the approved standard for assurance engagement in Malaysia: International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (“ISAE 3000 (Revised)”). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) involves assessing the suitability in the circumstances of MBMR’s use of the Applicable Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Summary of the work we performed as the basis of our assurance conclusion

Our engagement will include such procedures as we consider necessary in the circumstances, including, but not limited to:

- Evaluating the suitability in the circumstances of MBMR’s use of the Applicable Criteria, as the basis for preparing the Subject Matter Information;
- Through inquiries, obtained an understanding of MBMR’s control environment, processes and information systems relevant to the preparation of the Subject Matter Information, but we did not evaluate the design, implementation or operating effectiveness of any particular control activity;

ASSURANCE REPORT

Deloitte

- Evaluating whether MBMR's methods for developing estimates are appropriate and had been consistently applied. Our procedures did not include testing the data on which the estimates were based and we did not separately develop our own estimates against which to evaluate MBMR's estimates;
- Testing a number of selected items to or from supporting records, as appropriate;
- Performing comparison between current period to prior period, and made inquiries of management to obtain explanations for any significant differences we identified; and
- Considering the presentation and disclosure of the Subject Matter Information.

The procedures performed in a limited assurance engagement vary in nature, timing and form, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information report has been prepared, in all material respects, in accordance with the Applicable Criteria.

Inherent Limitations

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Subject Matter Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Subject Matter Information needs to be read and understood together with the Applicable Criteria and Reporting Standards, set out in the Sustainability Report 2023, which MBMR has used to prepare the Subject Matter Information.

Restriction on Use

This report is made solely to the Board of Directors of MBMR in accordance with the terms of our engagement. Our work has been undertaken for the purpose of providing a limited assurance conclusion on the Subject Matter Information. As a result, this report may not be suitable for another purpose. We consent to the inclusion of this report in the Sustainability Report 2023 to be disclosed on the website of MBMR at <https://mbmr.com.my/governance-sustainability/sustainability-reports/>, to assist the Board of Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Subject Matter Information for 2023.

We do not accept or assume responsibility to anyone other than the Board of Directors of MBMR for our work, for this limited assurance report, or for the conclusions we have reached.



DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

Kuala Lumpur
19 April 2024

ASSURANCE REPORT

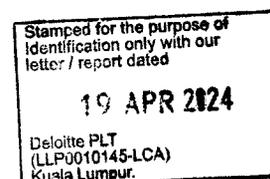
Appendix

Subject Matter Information

The Subject Matter Information reported in the Sustainability Report 2023 on which we provide limited assurance, consist of the below:

| Material Matter | Applicable Criteria | Reported Amount for the Period from 1 January to 31 December 2023 | Reference to Sustainability Report (Page No.) | | | | | | | | | | |
|--|--|--|---|------|-----------|------------|------|-----------|-----------|----------|----------------|------------|----------------|
| Environmental | | | | | | | | | | | | | |
| GRI 302: Energy 2016 | GRI 302-1 Energy consumption within the organisation GRI 302-3 Energy intensity | Electricity Consumption Intensity | | | | | | | | | | | |
| | | <u>Motor Trading</u> <i>Measured by Kilowatt hour ("kWh") Electricity Consumption Intensity per Unit Sold and Serviced</i> | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>kWh</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>11.70</td> </tr> <tr> <td>FAHB</td> <td>53.00</td> </tr> </tbody> </table> | Company | kWh | DMSB | 11.70 | FAHB | 53.00 | 20 20 | | | | |
| | | Company | kWh | | | | | | | | | | |
| | | DMSB | 11.70 | | | | | | | | | | |
| | | FAHB | 53.00 | | | | | | | | | | |
| | | <u>Manufacturing</u> <i>Measured by kWh Electricity Consumption Intensity per Unit Produced</i> | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>kWh</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>0.60</td> </tr> <tr> <td>HASB</td> <td>0.67</td> </tr> <tr> <td>OMI</td> <td>0.86</td> </tr> </tbody> </table> | Company | kWh | AHSB | 0.60 | HASB | 0.67 | OMI | 0.86 | 20 20 20 | | |
| | | Company | kWh | | | | | | | | | | |
| | | AHSB | 0.60 | | | | | | | | | | |
| HASB | 0.67 | | | | | | | | | | | | |
| OMI | 0.86 | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Group</th> <th>kWh</th> </tr> </thead> <tbody> <tr> <td>Electricity Consumption Intensity</td> <td>1.01</td> </tr> </tbody> </table> | Group | kWh | Electricity Consumption Intensity | 1.01 | 20 | | | | | | | | |
| Group | kWh | | | | | | | | | | | | |
| Electricity Consumption Intensity | 1.01 | | | | | | | | | | | | |
| Electricity Consumption from Energy Producer <i>Measured by kWh and Megajoule ("Mj")</i> | | | | | | | | | | | | | |
| <u>Motor Trading</u> | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>kWh</th> <th>Mj</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>2,901,846</td> <td>10,446,646</td> </tr> <tr> <td>FAHB</td> <td>2,075,335</td> <td>7,471,206</td> </tr> </tbody> </table> | Company | kWh | Mj | DMSB | 2,901,846 | 10,446,646 | FAHB | 2,075,335 | 7,471,206 | 21 21 | | | |
| Company | kWh | Mj | | | | | | | | | | | |
| DMSB | 2,901,846 | 10,446,646 | | | | | | | | | | | |
| FAHB | 2,075,335 | 7,471,206 | | | | | | | | | | | |
| <u>Manufacturing</u> | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>kWh</th> <th>Mj</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>4,171,638</td> <td>15,017,897</td> </tr> <tr> <td>HASB</td> <td>2,707,472</td> <td>9,746,899</td> </tr> <tr> <td>OMI</td> <td>3,086,280</td> <td>11,110,608</td> </tr> </tbody> </table> | Company | kWh | Mj | AHSB | 4,171,638 | 15,017,897 | HASB | 2,707,472 | 9,746,899 | OMI | 3,086,280 | 11,110,608 | 21 21 21 |
| Company | kWh | Mj | | | | | | | | | | | |
| AHSB | 4,171,638 | 15,017,897 | | | | | | | | | | | |
| HASB | 2,707,472 | 9,746,899 | | | | | | | | | | | |
| OMI | 3,086,280 | 11,110,608 | | | | | | | | | | | |

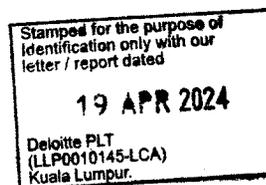
(Forward)



ASSURANCE REPORT

| Material Matter | Applicable Criteria | Reported Amount for the Period from 1 January to 31 December 2023 | Reference to Sustainability Report (Page No.) | | | | | | | | | | | | |
|---|--|--|---|--------------------|---------|-------------------------|------------|------------|--------|---------|-----------|-----|---------|-----------|----|
| GRI 302: Energy 2016 | GRI 302-1 Energy consumption within the organisation GRI 302-3 Energy intensity | <u>Investment Holding</u> | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>kWh</th> <th>Mj</th> </tr> </thead> <tbody> <tr> <td>MBMR</td> <td>99,274</td> <td>357,386</td> </tr> </tbody> </table> | Company | kWh | Mj | MBMR | 99,274 | 357,386 | 21 | | | | | | |
| | | Company | kWh | Mj | | | | | | | | | | | |
| | | MBMR | 99,274 | 357,386 | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Group</th> <th>kWh</th> <th>Mj</th> </tr> </thead> <tbody> <tr> <td>Electricity Consumption</td> <td>15,041,845</td> <td>54,150,642</td> </tr> </tbody> </table> | Group | kWh | Mj | Electricity Consumption | 15,041,845 | 54,150,642 | 21 | | | | | | |
| | | Group | kWh | Mj | | | | | | | | | | | |
| | | Electricity Consumption | 15,041,845 | 54,150,642 | | | | | | | | | | | |
| | | Renewable Energy (Solar Energy Usage) <i>Measured by kWh and Mj</i> | | | | | | | | | | | | | |
| | | <u>Manufacturing</u> | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>kWh</th> <th>Mj</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>142,821</td> <td>514,156</td> </tr> <tr> <td>HASB</td> <td>357,076</td> <td>1,285,474</td> </tr> <tr> <td>OMI</td> <td>306,255</td> <td>1,102,519</td> </tr> </tbody> </table> | Company | kWh | Mj | AHSB | 142,821 | 514,156 | HASB | 357,076 | 1,285,474 | OMI | 306,255 | 1,102,519 | 22 |
| | | Company | kWh | Mj | | | | | | | | | | | |
| | | AHSB | 142,821 | 514,156 | | | | | | | | | | | |
| | | HASB | 357,076 | 1,285,474 | | | | | | | | | | | |
| | | OMI | 306,255 | 1,102,519 | | | | | | | | | | | |
| | | | | | 22 | | | | | | | | | | |
| | | | 22 | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Group</th> <th>kWh</th> <th>Mj</th> </tr> </thead> <tbody> <tr> <td>Solar Energy Usage</td> <td>806,152</td> <td>2,902,149</td> </tr> </tbody> </table> | Group | kWh | Mj | Solar Energy Usage | 806,152 | 2,902,149 | 22 | | | | | | | | |
| Group | kWh | Mj | | | | | | | | | | | | | |
| Solar Energy Usage | 806,152 | 2,902,149 | | | | | | | | | | | | | |
| Energy Consumption (Petrol, Diesel and Gas) | | | | | | | | | | | | | | | |
| <u>Motor Trading</u> | | | | | | | | | | | | | | | |
| DMSB | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Energy Source</th> <th>Litre ("L")</th> <th>Gigajoule ("Gj")</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>4,235</td> <td>153.73</td> </tr> <tr> <td>Petrol</td> <td>18,942</td> <td>621.30</td> </tr> </tbody> </table> | Energy Source | Litre ("L") | Gigajoule ("Gj") | Diesel | 4,235 | 153.73 | Petrol | 18,942 | 621.30 | 23 | | | | | |
| Energy Source | Litre ("L") | Gigajoule ("Gj") | | | | | | | | | | | | | |
| Diesel | 4,235 | 153.73 | | | | | | | | | | | | | |
| Petrol | 18,942 | 621.30 | | | | | | | | | | | | | |
| | | | 23 | | | | | | | | | | | | |
| FAHB | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Energy Source</th> <th>L</th> <th>Gj</th> </tr> </thead> <tbody> <tr> <td>Petrol</td> <td>15,207</td> <td>498.79</td> </tr> </tbody> </table> | Energy Source | L | Gj | Petrol | 15,207 | 498.79 | 23 | | | | | | | | |
| Energy Source | L | Gj | | | | | | | | | | | | | |
| Petrol | 15,207 | 498.79 | | | | | | | | | | | | | |
| <u>Manufacturing</u> | | | | | | | | | | | | | | | |
| AHSB | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Energy Source</th> <th>L</th> <th>Gj</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>2,469</td> <td>89.62</td> </tr> <tr> <td>Petrol</td> <td>9,663</td> <td>316.95</td> </tr> </tbody> </table> | Energy Source | L | Gj | Diesel | 2,469 | 89.62 | Petrol | 9,663 | 316.95 | 23 | | | | | |
| Energy Source | L | Gj | | | | | | | | | | | | | |
| Diesel | 2,469 | 89.62 | | | | | | | | | | | | | |
| Petrol | 9,663 | 316.95 | | | | | | | | | | | | | |
| | | | 23 | | | | | | | | | | | | |

(Forward)



ASSURANCE REPORT

| Material Matter | Applicable Criteria | Reported Amount for the Period from 1 January to 31 December 2023 | Reference to Sustainability Report (Page No.) | | | | | | | | | | | | | | | | |
|--|---|---|---|----------------------------|----------------------------|--------|--------|----------|----------------|--------|--------|----------|--------|-------|---------|-----------|----------------|----------------|----------------|
| GRI 302: Energy 2016 | GRI 302-1 Energy consumption within the organisation | HASB | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Energy Source</th> <th>L</th> <th>Standard Cubic Metre (sm3)</th> <th>Gj</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>16,091</td> <td>-</td> <td>584.10</td> </tr> <tr> <td>Petrol</td> <td>2,812</td> <td>-</td> <td>92.23</td> </tr> <tr> <td>Gas</td> <td>-</td> <td>641,569</td> <td>24,631.76</td> </tr> </tbody> </table> | Energy Source | L | Standard Cubic Metre (sm3) | Gj | Diesel | 16,091 | - | 584.10 | Petrol | 2,812 | - | 92.23 | Gas | - | 641,569 | 24,631.76 | 24 24 24 |
| | | Energy Source | L | Standard Cubic Metre (sm3) | Gj | | | | | | | | | | | | | | |
| | | Diesel | 16,091 | - | 584.10 | | | | | | | | | | | | | | |
| | | Petrol | 2,812 | - | 92.23 | | | | | | | | | | | | | | |
| | | Gas | - | 641,569 | 24,631.76 | | | | | | | | | | | | | | |
| | OMI | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Energy Source</th> <th>L</th> <th>sm3</th> <th>Gj</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>59,549</td> <td>-</td> <td>2,161.63</td> </tr> <tr> <td>Petrol</td> <td>3,335</td> <td>-</td> <td>109.39</td> </tr> <tr> <td>Gas</td> <td>-</td> <td>85,313</td> <td>3,275.42</td> </tr> </tbody> </table> | Energy Source | L | sm3 | Gj | Diesel | 59,549 | - | 2,161.63 | Petrol | 3,335 | - | 109.39 | Gas | - | 85,313 | 3,275.42 | 24 24 24 | |
| | Energy Source | L | sm3 | Gj | | | | | | | | | | | | | | | |
| | Diesel | 59,549 | - | 2,161.63 | | | | | | | | | | | | | | | |
| | Petrol | 3,335 | - | 109.39 | | | | | | | | | | | | | | | |
| | Gas | - | 85,313 | 3,275.42 | | | | | | | | | | | | | | | |
| Investment Holding | | | | | | | | | | | | | | | | | | | |
| MBMR | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Energy Source</th> <th>L</th> <th>Gj</th> </tr> </thead> <tbody> <tr> <td>Petrol</td> <td>5,926</td> <td>194.37</td> </tr> </tbody> </table> | Energy Source | L | Gj | Petrol | 5,926 | 194.37 | 24 | | | | | | | | | | | | |
| Energy Source | L | Gj | | | | | | | | | | | | | | | | | |
| Petrol | 5,926 | 194.37 | | | | | | | | | | | | | | | | | |
| Group | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Energy Source</th> <th>L</th> <th>sm3</th> <th>Gj</th> </tr> </thead> <tbody> <tr> <td>Diesel</td> <td>82,344</td> <td>-</td> <td>2,989.09</td> </tr> <tr> <td>Petrol</td> <td>55,885</td> <td>-</td> <td>1,833.03</td> </tr> <tr> <td>Gas</td> <td>-</td> <td>726,882</td> <td>27,907.18</td> </tr> </tbody> </table> | Energy Source | L | sm3 | Gj | Diesel | 82,344 | - | 2,989.09 | Petrol | 55,885 | - | 1,833.03 | Gas | - | 726,882 | 27,907.18 | 24 24 24 | | |
| Energy Source | L | sm3 | Gj | | | | | | | | | | | | | | | | |
| Diesel | 82,344 | - | 2,989.09 | | | | | | | | | | | | | | | | |
| Petrol | 55,885 | - | 1,833.03 | | | | | | | | | | | | | | | | |
| Gas | - | 726,882 | 27,907.18 | | | | | | | | | | | | | | | | |
| GRI 303: Water and Effluents 2018 | GRI 303-3 Water withdrawal | Water Consumption Intensity | | | | | | | | | | | | | | | | | |
| | | Motor Trading | | | | | | | | | | | | | | | | | |
| | | Measured by Cubic Metre ("m3") Water Consumption Intensity per Unit Sold and Serviced | | | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>m3</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>0.2579</td> </tr> <tr> <td>FAHB</td> <td>0.4243</td> </tr> </tbody> </table> | Company | m3 | DMSB | 0.2579 | FAHB | 0.4243 | 27 27 | | | | | | | | | | |
| | | Company | m3 | | | | | | | | | | | | | | | | |
| | | DMSB | 0.2579 | | | | | | | | | | | | | | | | |
| FAHB | 0.4243 | | | | | | | | | | | | | | | | | | |
| Manufacturing | | | | | | | | | | | | | | | | | | | |
| Measured by m3 Water Consumption Intensity per Unit Produced | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>m3</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>0.0028</td> </tr> <tr> <td>HASB</td> <td>0.0031</td> </tr> <tr> <td>OMI</td> <td>0.0083</td> </tr> </tbody> </table> | Company | m3 | AHSB | 0.0028 | HASB | 0.0031 | OMI | 0.0083 | 27 27 27 | | | | | | | | | | |
| Company | m3 | | | | | | | | | | | | | | | | | | |
| AHSB | 0.0028 | | | | | | | | | | | | | | | | | | |
| HASB | 0.0031 | | | | | | | | | | | | | | | | | | |
| OMI | 0.0083 | | | | | | | | | | | | | | | | | | |

(Forward)

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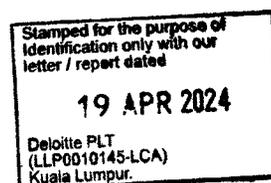
19 APR 2024

Deloitte PLT
(LLP0010145-LCA)
Kuala Lumpur.

ASSURANCE REPORT

| Material Matter | Applicable Criteria | Reported Amount for the Period from 1 January to 31 December 2023 | Reference to Sustainability Report (Page No.) | | | | | | | | | | |
|--|----------------------------|---|---|-------------------|-----------------------------|----------------|--------|--------|-------|--------|--------|-------|----|
| GRI 303: Water and Effluents 2018 | GRI 303-3 Water withdrawal | <table border="1"> <thead> <tr> <th>Group</th> <th>m3</th> </tr> </thead> <tbody> <tr> <td>Water Consumption Intensity</td> <td>0.010</td> </tr> </tbody> </table> | Group | m3 | Water Consumption Intensity | 0.010 | 27 | | | | | | |
| | | Group | m3 | | | | | | | | | | |
| | | Water Consumption Intensity | 0.010 | | | | | | | | | | |
| | | Water Consumption <i>Measured by m3 and Megalitre ("MI")</i> | | | | | | | | | | | |
| | | <u>Motor Trading</u> | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>m3</th> <th>MI</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>63,954</td> <td>63.95</td> </tr> <tr> <td>FAHB</td> <td>16,616</td> <td>16.62</td> </tr> </tbody> </table> | Company | m3 | MI | DMSB | 63,954 | 63.95 | FAHB | 16,616 | 16.62 | 28 | |
| | | Company | m3 | MI | | | | | | | | | |
| | | DMSB | 63,954 | 63.95 | | | | | | | | | |
| | | FAHB | 16,616 | 16.62 | | | | | | | | | |
| | | | | 28 | | | | | | | | | |
| <u>Manufacturing</u> | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>m3</th> <th>MI</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>19,746</td> <td>19.75</td> </tr> <tr> <td>HASB</td> <td>12,553</td> <td>12.55</td> </tr> <tr> <td>OMI</td> <td>29,737</td> <td>29.74</td> </tr> </tbody> </table> | Company | m3 | MI | AHSB | 19,746 | 19.75 | HASB | 12,553 | 12.55 | OMI | 29,737 | 29.74 | 28 |
| Company | m3 | MI | | | | | | | | | | | |
| AHSB | 19,746 | 19.75 | | | | | | | | | | | |
| HASB | 12,553 | 12.55 | | | | | | | | | | | |
| OMI | 29,737 | 29.74 | | | | | | | | | | | |
| | | 28 | | | | | | | | | | | |
| | | 28 | | | | | | | | | | | |
| <u>Investment Holding</u> | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>m3</th> <th>MI</th> </tr> </thead> <tbody> <tr> <td>MBMR</td> <td>218</td> <td>0.22</td> </tr> </tbody> </table> | Company | m3 | MI | MBMR | 218 | 0.22 | 28 | | | | | | |
| Company | m3 | MI | | | | | | | | | | | |
| MBMR | 218 | 0.22 | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Group</th> <th>m3</th> <th>MI</th> </tr> </thead> <tbody> <tr> <td>Water Consumption</td> <td>142,824</td> <td>142.82</td> </tr> </tbody> </table> | Group | m3 | MI | Water Consumption | 142,824 | 142.82 | 28 | | | | | | |
| Group | m3 | MI | | | | | | | | | | | |
| Water Consumption | 142,824 | 142.82 | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| GRI 303: Water and Effluents 2018 | GRI 303-4 Water recycled | Water Recycled <i>Measured by m3 and MI</i> | | | | | | | | | | | |
| | | <u>Manufacturing</u> | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>m3</th> <th>MI</th> </tr> </thead> <tbody> <tr> <td>HASB</td> <td>55</td> <td>0.05</td> </tr> <tr> <td>OMI</td> <td>1,747</td> <td>1.75</td> </tr> </tbody> </table> | Company | m3 | MI | HASB | 55 | 0.05 | OMI | 1,747 | 1.75 | 29 | |
| | | Company | m3 | MI | | | | | | | | | |
| HASB | 55 | 0.05 | | | | | | | | | | | |
| OMI | 1,747 | 1.75 | | | | | | | | | | | |
| | | 29 | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Group</th> <th>m3</th> <th>MI</th> </tr> </thead> <tbody> <tr> <td>Water Recycled</td> <td>1,802</td> <td>1.80</td> </tr> </tbody> </table> | Group | m3 | MI | Water Recycled | 1,802 | 1.80 | 29 | | | | |
| Group | m3 | MI | | | | | | | | | | | |
| Water Recycled | 1,802 | 1.80 | | | | | | | | | | | |

(Forward)



ASSURANCE REPORT

| Material Matter | Applicable Criteria | Reported Amount for the Period from 1 January to 31 December 2023 | Reference to Sustainability Report (Page No.) | | | | | | | | |
|---|---------------------------------|---|---|-----------------|------|---|----------|---|----------------|---|----------------|
| Social | | | | | | | | | | | |
| GRI 403: Occupational Health and Safety 2018 | GRI 403-9 Work-related injuries | Incident Management – workplace incidents <i>Measured by Number of Cases</i> | | | | | | | | | |
| | | <u>Motor Trading</u> | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>2</td> </tr> <tr> <td>FAHB</td> <td>4</td> </tr> </tbody> </table> | Company | Number of Cases | DMSB | 2 | FAHB | 4 | 35 35 | | |
| | | Company | Number of Cases | | | | | | | | |
| | | DMSB | 2 | | | | | | | | |
| | | FAHB | 4 | | | | | | | | |
| | | <u>Manufacturing</u> | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>3</td> </tr> <tr> <td>HASB</td> <td>-</td> </tr> <tr> <td>OMI</td> <td>-</td> </tr> </tbody> </table> | Company | Number of Cases | AHSB | 3 | HASB | - | OMI | - | 35 35 35 |
| | | Company | Number of Cases | | | | | | | | |
| | | AHSB | 3 | | | | | | | | |
| HASB | - | | | | | | | | | | |
| OMI | - | | | | | | | | | | |
| <u>Investment Holding</u> | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>MBMR</td> <td>-</td> </tr> </tbody> </table> | Company | Number of Cases | MBMR | - | 35 | | | | | | |
| Company | Number of Cases | | | | | | | | | | |
| MBMR | - | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Group</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>Workplace Incidents</td> <td>9</td> </tr> </tbody> </table> | Group | Number of Cases | Workplace Incidents | 9 | 35 | | | | | | |
| Group | Number of Cases | | | | | | | | | | |
| Workplace Incidents | 9 | | | | | | | | | | |
| Incident Management – workplace related fatalities <i>Measured by Number of Cases</i> | | | | | | | | | | | |
| <u>Motor Trading</u> | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>-</td> </tr> <tr> <td>FAHB</td> <td>-</td> </tr> </tbody> </table> | Company | Number of Cases | DMSB | - | FAHB | - | 35 35 | | | | |
| Company | Number of Cases | | | | | | | | | | |
| DMSB | - | | | | | | | | | | |
| FAHB | - | | | | | | | | | | |
| <u>Manufacturing</u> | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>-</td> </tr> <tr> <td>HASB</td> <td>-</td> </tr> <tr> <td>OMI</td> <td>-</td> </tr> </tbody> </table> | Company | Number of Cases | AHSB | - | HASB | - | OMI | - | 35 35 35 | | |
| Company | Number of Cases | | | | | | | | | | |
| AHSB | - | | | | | | | | | | |
| HASB | - | | | | | | | | | | |
| OMI | - | | | | | | | | | | |

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ASSURANCE REPORT

| Material Matter | Applicable Criteria | Reported Amount for the Period from 1 January to 31 December 2023 | Reference to Sustainability Report (Page No.) | | | | | | |
|--|---------------------------------|--|---|-----------------|---------------------|------|------|------|----|
| GRI 403: Occupational Health and Safety 2018 | GRI 403-9 Work-related injuries | <u>Investment Holding</u> | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>MBMR</td> <td>-</td> </tr> </tbody> </table> | Company | Number of Cases | MBMR | - | 35 | | |
| | | Company | Number of Cases | | | | | | |
| | | MBMR | - | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Group</th> <th>Number of Cases</th> </tr> </thead> <tbody> <tr> <td>Workplace Incidents</td> <td>-</td> </tr> </tbody> </table> | Group | Number of Cases | Workplace Incidents | - | 35 | | |
| | | Group | Number of Cases | | | | | | |
| | | Workplace Incidents | - | | | | | | |
| | | <p>Injury Frequency Rate (“IFR”) <i>Measured by number of reported injuries incident against the total working hours</i></p> | | | | | | | |
| | | <u>Motor Trading</u> | | | | | | | |
| | | <table border="1"> <thead> <tr> <th>Company</th> <th>IFR</th> </tr> </thead> <tbody> <tr> <td>DMSB</td> <td>1.13</td> </tr> <tr> <td>FAHB</td> <td>6.58</td> </tr> </tbody> </table> | Company | IFR | DMSB | 1.13 | FAHB | 6.58 | 36 |
| Company | IFR | | | | | | | | |
| DMSB | 1.13 | | | | | | | | |
| FAHB | 6.58 | | | | | | | | |
| | | 36 | | | | | | | |
| <u>Manufacturing</u> | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>IFR</th> </tr> </thead> <tbody> <tr> <td>AHSB</td> <td>0.86</td> </tr> <tr> <td>HASB</td> <td>-</td> </tr> <tr> <td>OMI</td> <td>-</td> </tr> </tbody> </table> | Company | IFR | AHSB | 0.86 | HASB | - | OMI | - | 36 |
| Company | IFR | | | | | | | | |
| AHSB | 0.86 | | | | | | | | |
| HASB | - | | | | | | | | |
| OMI | - | | | | | | | | |
| | | 36 | | | | | | | |
| <u>Investment Holding</u> | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Company</th> <th>IFR</th> </tr> </thead> <tbody> <tr> <td>MBMR</td> <td>-</td> </tr> </tbody> </table> | Company | IFR | MBMR | - | 36 | | | | |
| Company | IFR | | | | | | | | |
| MBMR | - | | | | | | | | |

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19 APR 2024

Deloitte PLT
(LLP0010145-LCA)
Kuala Lumpur.

BURSA ESG REPORT

| Indicator | Measurement Unit | 2023 |
|--|------------------|---------------|
| Bursa (Anti-corruption) | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Management | Percentage | 100.00 |
| Middle management | Percentage | 100.00 |
| Executive | Percentage | 100.00 |
| Non-executive | Percentage | 100.00 |
| Non-executive (Foreign worker) | Percentage | 100.00 |
| Sales Advisor / Consultant | Percentage | 100.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 100.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 |
| Bursa (Data privacy and security) | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| Bursa (Health and safety) | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.30 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 1,100 |
| Incident Frequency Rate (IFR) | Rate | 1.49 |
| Bursa (Labour practices and standards) | | |
| Bursa C6(a) Total hours of training by employee category | | |
| Management | Hours | 2,036 |
| Middle management | Hours | 8,495 |
| Executive | Hours | 8,285 |
| Non-executive | Hours | 4,734 |
| Non-executive (Foreign worker) | Hours | 2,193 |
| Sales Advisor / Consultant | Hours | 4,543 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 29.00 |
| Bursa C6(c) Total number of employee turnover by employee category | | |
| Management | Number | 5 |
| Middle management | Number | 19 |
| Executive | Number | 39 |
| Non-executive | Number | 71 |
| Non-executive (Foreign worker) | Number | 310 |
| Sales Advisor / Consultant | Number | 50 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 |
| Bursa (Supply chain management) | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 57.00 |
| Bursa (Energy management) | | |
| Bursa C4(a) Total energy consumption | Megawatt | 2.86 |
| Total energy consumption | Megajoules | 57,052,791.00 |
| Total energy consumption (Petrol, Diesel, Gas) | Gigajoules | 32,729.30 |

BURSA ESG REPORT

| Indicator | Measurement Unit | 2023 |
|---|------------------|------------|
| Bursa (Diversity) | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | |
| Age Group by Employee Category | | |
| Management Under 30 | Percentage | 0.00 |
| Management Between 30 - 50 | Percentage | 56.00 |
| Management Above 50 | Percentage | 44.00 |
| Middle management Under 30 | Percentage | 1.00 |
| Middle management Between 30 - 50 | Percentage | 71.00 |
| Middle management Above 50 | Percentage | 28.00 |
| Executive Under 30 | Percentage | 25.00 |
| Executive Between 30 - 50 | Percentage | 62.00 |
| Executive Above 50 | Percentage | 12.00 |
| Non-executive Under 30 | Percentage | 31.00 |
| Non-executive Between 30 - 50 | Percentage | 56.00 |
| Non-executive Above 50 | Percentage | 13.00 |
| Non-executive (Foreign worker) Under 30 | Percentage | 71.00 |
| Non-executive (Foreign worker) Between 30 - 50 | Percentage | 29.00 |
| Non-executive (Foreign worker) Above 50 | Percentage | 0.17 |
| Sales Advisor / Consultant Under 30 | Percentage | 21.00 |
| Sales Advisor / Consultant Between 30 - 50 | Percentage | 58.00 |
| Sales Advisor / Consultant Above 50 | Percentage | 21.00 |
| Gender Group by Employee Category | | |
| Management Male | Percentage | 77.00 |
| Management Female | Percentage | 23.00 |
| Middle management Male | Percentage | 79.00 |
| Middle management Female | Percentage | 21.00 |
| Executive Male | Percentage | 40.00 |
| Executive Female | Percentage | 60.00 |
| Non-executive Male | Percentage | 76.00 |
| Non-executive Female | Percentage | 24.00 |
| Non-executive (Foreign worker) Male | Percentage | 88.00 |
| Non-executive (Foreign worker) Female | Percentage | 12.00 |
| Sales Advisor / Consultant Male | Percentage | 79.00 |
| Sales Advisor / Consultant Female | Percentage | 21.00 |
| Bursa C3(b) Percentage of directors by gender and age group | | |
| Male | Percentage | 71.00 |
| Female | Percentage | 29.00 |
| Between 30 - 50 | Percentage | 0.00 |
| Between 50 - 60 | Percentage | 43.00 |
| More than 60 | Percentage | 57.00 |
| Bursa (Water) | | |
| Bursa C9(a) Total volume of water used | Megalitres | 142.824000 |
| Bursa (Community/Society) | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 112,513.22 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 26 |

Internal assurance External assurance No assurance

(*)Restated



MBM RESOURCES BERHAD

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