

MESB
B E R H A D

2024

**SUSTAINABILITY
STATEMENT**



SUSTAINABILITY STATEMENT

MESB Berhad ("MESB" or "the Group") recognises sustainability as a critical pillar for long-term business growth, defining success beyond mere financial profits. We constantly explore ways to develop our business in a sustainable and responsible manner, practicing and promoting activities that contribute to and benefit the Economic, Environmental, Social, and Governance ("EESG") landscape of the Group.



SCOPE OF REPORTING

This Sustainability Statement ("Statement") covers MESB's EESG initiatives and outcomes for the reporting period of **1 July 2023** to **30 June 2024**, unless otherwise stated.

The scope includes **MESB Berhad** and its five subsidiaries, all of which are based in Malaysia:

1. **Formidex Sdn. Bhd.**
2. **MESB Resources Sdn. Bhd.**
3. **Waier Trading Sdn. Bhd.**
4. **N.U. Recycle Sdn. Bhd.**
5. **Miroza Leather (M) Sdn. Bhd.**

This Statement excludes Active Fit Sdn. Bhd. as the company was no longer an associate company of MESB Berhad as of 31 May 2024.

GUIDELINES

This Statement is created by referring to the Sustainability Reporting Guide (3rd Edition) and Toolkits issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). Comparable data from previous years has been included where applicable.



ASSURANCE

This statement has not undergone an assurance process. However, it has been reviewed by the Group's Board of Directors and the Sustainability Steering Committee. We aim to improve our reporting processes over time and may consider internal or external assurance in the future to enhance the transparency and credibility of our statement.

FEEDBACK

We value feedback from all our stakeholders. Kindly reach out to us at:



03 - 8961 8818



mesb@mesbbhd.com

Sustainability Statement (Cont'd)

PROGRESS ON SUSTAINABILITY PLANS

At MESB, sustainability is an ongoing journey instead of a destination. In 2024, we explored ways to enhance the way we improve sustainability in our business.

Our progress and changes for Fiscal Year 2024 (FY2024) are shown below:

Focus Areas	Sustainability Plans	Progress and Updates in 2024	Status
Incorporating sustainability elements into more sections of MESB's business.	Engagement with an independent party to conduct compliance verification	<ul style="list-style-type: none"> Engaged an independent consulting firm to develop a sustainability statement that is compliant to the Bursa Malaysia Sustainability Reporting Guide. 	Completed
		<ul style="list-style-type: none"> To consider internal or external assurance in the future to enhance the transparency and credibility of our statement. 	In-progress
Further strengthening our governance and processes related to sustainability.	Streamlining Sustainability Committee Workgroup and management systems to support MESB's sustainability agenda	<ul style="list-style-type: none"> Enhanced the sustainability governance structure and include detailed roles and responsibilities to support MESB's sustainability agenda. 	Completed
	Conduct Sustainability Workshops on MESB's Sustainability Policy, including relevant requirements and its social requirements	<ul style="list-style-type: none"> To consider conducting Sustainability Workshop in the following years. 	In-progress
	Develop the necessary sustainability procedures in our management systems	<ul style="list-style-type: none"> Established data collection templates as guided by the independent consulting firm To consider strengthening the relevant processes and our management systems. 	In-progress
	Internal audit by Sustainability Committee Workgroup	<ul style="list-style-type: none"> To consider internal or external assurance in the future to enhance the transparency and credibility of our statement. 	In-progress
Enhancing our stakeholder engagement process.	Reach out to key stakeholders for feedback on key sustainability focus areas	<ul style="list-style-type: none"> Engaged key stakeholder groups in the materiality surveys to gather their input on the sustainability matters. 	Completed
	Develop Supplier Code of Conduct and Supplier Non-Compliance Protocol	<ul style="list-style-type: none"> To consider developing Supplier Code of Conduct and Supplier Non-Compliance Protocol in the following years. 	In-progress
Periodically reviewing our sustainability materiality assessment.	Conduct comprehensive reassessments of material issues	<ul style="list-style-type: none"> Conducted a comprehensive materiality assessment to determine the relevant sustainability matters. 	Completed

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE

MESB Berhad acknowledges the crucial role of sustainability governance in maintaining continued success. The sustainability governance structure, defined by specific roles and responsibilities, guides us in integrating sustainability efforts into our daily operations and ensures we stay on track with our sustainability plans. This year, we have enhanced the structure by including the Sustainability Steering Committee, which provides overall supervision of the sustainability plans and offers recommendations to the Board of Directors.



Roles and Responsibilities

BOD	<ul style="list-style-type: none"> Oversees the management of material sustainability matters. Reviews and approves sustainability goals, strategies and initiatives.
SSC	<ul style="list-style-type: none"> Advises the BOD on sustainability goals, strategies and initiatives. Recommends sustainability-related policies and goals to the BOD. Monitors the implementation of sustainability policies and initiatives as approved by the BOD. Oversees the preparation of the Statement prior to BOD's review and approval.
SWG	<ul style="list-style-type: none"> Supports SSC to drive the implementation of sustainability strategies and initiatives across the Group. Actively tracks efforts and performance in managing sustainability matters across the Group. Oversees stakeholder engagement to ensure that all issues, grievances and suggestions raised are taken into consideration in managing sustainability matters.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT

We prioritise stakeholder engagement through consistent communication with our stakeholders across all levels of our corporate structure. The table below summarises our key stakeholder groups, their areas of interest, and our methods and frequency of engagement.

Frequency of Engagement

- A** Annually
- N** As Needed

Stakeholder Groups	Areas of Interest	Methods of Engagement
Customers	<ul style="list-style-type: none"> • Product Quality • Customer Service • Ethical Sourcing • Customer Satisfaction/Reviews • Customer Privacy • Supply Chain Transparency 	<ul style="list-style-type: none"> N Customer Satisfaction Surveys N Customer N Social Media N Meetings N Materiality Survey
Employees	<ul style="list-style-type: none"> • Workplace Safety and Wellbeing • Labour Practices & Standards • Recognition and Rewards • Human Rights 	<ul style="list-style-type: none"> N Meetings N Training and Development Programs N Employee Engagement Activities N Internal Newsletters and Platform N Employee Feedback Surveys N Materiality Survey
Suppliers & Business Partners	<ul style="list-style-type: none"> • Fair Procurement Processes • Quality Standards and Performance Expectations • Ethical Sourcing 	<ul style="list-style-type: none"> A Audits and Assessments N Meetings N Workshops and Training Sessions N Materiality Survey
Regulators & Government Authorities	<ul style="list-style-type: none"> • Corporate Governance • Regulatory Reporting and Compliance • Ethical and Responsible Business Practices • Adherence to Labour Laws and Safety Standards 	<ul style="list-style-type: none"> N Regulatory Reporting and Compliance Submissions N Materiality Survey N Meetings N Announcements N Programs/Events organised by Regulators and Government Authorities
Investors/ Financiers	<ul style="list-style-type: none"> • Financial Performance and Position • Company Growth and Outlook • Ethical and Responsible Business Practices • Risk Management • Transparency, Timeliness and Accuracy in Reporting 	<ul style="list-style-type: none"> A Annual General Meetings N Financial Results Announcements/Reports N Investors Briefings and Roadshows N Materiality Survey
BOD	<ul style="list-style-type: none"> • Financial Performance and Position • Corporate Strategy and Growth Plans • Accountability and Governance • Ethical and Responsible Business Practices • Transparency, Timeliness and Accuracy in Reporting 	<ul style="list-style-type: none"> N Board Meetings A Annual General Meetings N Strategic Planning Sessions A Performance Reviews and Audits N Materiality Survey

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT

Materiality assessment enables us to prioritise and manage our sustainability matters effectively. Our sustainability matters are reviewed annually to ensure relevance, especially with the changing landscape and needs of the industry.

This year, we have conducted a full-scale materiality assessment as outlined in the 3-step process below:



IDENTIFICATION

- We reviewed our previous year's sustainability matters and referred to Bursa Malaysia's **Common Sustainability Matters (CSMs)** to ensure that all relevant materiality matters are considered
- We have included the **Economic** pillar on top of the previously disclosed Environment, Social, and Governance (ESG) pillars to categorise the **twelve (12) key sustainability matters** that have been identified as most relevant and important to our business:



Economic

Contributing to the local economy through business excellence

- **Supply Chain Management**
- **Customer Relationship**



Environment

Protecting and minimising impact to the environment

- **Waste Management**
- **Energy Management**
- **Water Management**
- **Emissions Management**



Social

Focuses on how we cater to and manage the needs of our employees, customers and wider society

- **Health & Safety**
- **Labour Practices & Standards**
- **Community/ Society**
- **Diversity**



Governance

Ensure governance in all business processes and contribute to the local economy through business excellence

- **Anti-corruption**
- **Data Privacy and Security**

Sustainability Statement
(Cont'd)

MATERIALITY ASSESSMENT CONT'



PRIORITISATION

We then moved to understand how important these sustainability matters are within the business. We created a survey for both internal and external stakeholder groups to assess:

- a) **Significance of the impact of each sustainability matter in the aspects of EESG**
- b) **Influence of each sustainability matter on the assessment and decisions of the stakeholders**
- c) **Prioritisation of Stakeholder Groups** (MESB Management Team only)

We reached out to all 6 stakeholder groups.

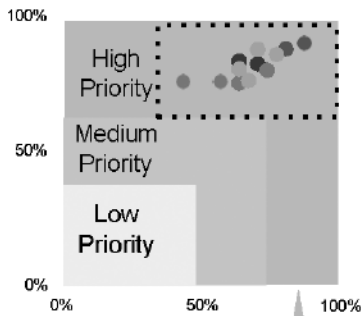


VALIDATION & APPROVAL

- We then mapped the outcomes from the materiality survey to develop a **Materiality Matrix** (as shown in the next page)
- The materiality assessment process and materiality matrix was then reviewed and approved by the SSC and BOD

Sustainability Statement (Cont'd)

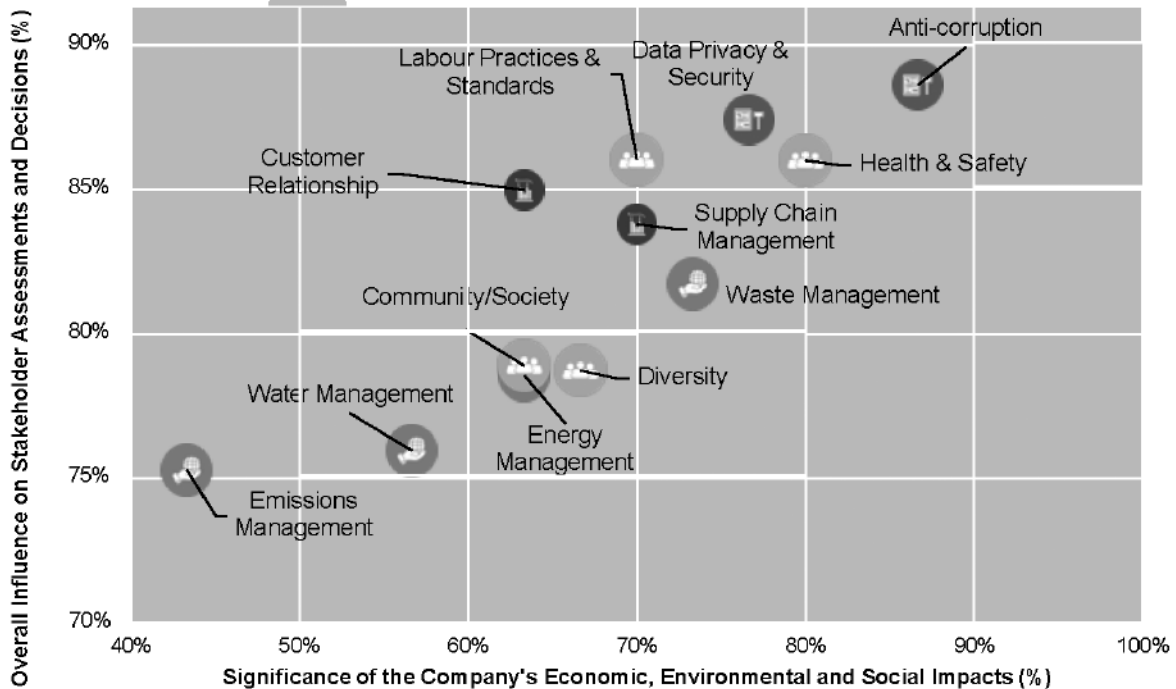
MATERIALITY MATRIX



With the outcomes from the materiality survey, we have created the materiality matrix (graph on the left) to illustrate the relative importance of each sustainability matter.

The higher a sustainability matter appears on the graph, the more important it is to our stakeholders. MESB's performance and the management of these matters would influence our stakeholders' decision-making and their engagement with us.

Sustainability matters located further to the right of the graph indicate a more significant impact on the Group's Economic, Environmental, Social, and Governance (EESG) performance.



Changes made to Sustainability Matters in 2023

1. Quality, Customer Satisfaction, Reputation, Product Mix and Social Media ⇔ Customer Relationship
2. Optimisation/Resources, Market Condition, Procurement ⇔ Supply Chain Management
3. COVID-19, Safety ⇔ Health and Safety
4. Corporate Governance ⇔ Anti-corruption

New Sustainability Matters Included in 2024

1. Data Privacy and Security
2. Labour Practices and Standards
3. Diversity
4. Community/Society
5. Waste Management
6. Water Management
7. Energy Management
8. Emissions Management

Sustainability Statement (Cont'd)

CUSTOMER RELATIONSHIP

Why It Matters

In our retail division, Miroza Leather operates more than 500 consignment counters within various department stores, providing us with daily direct interactions with customers. This direct engagement allows us to understand customer preferences and tailor our offerings accordingly. Building strong, lasting relationships with our customers is essential to sustaining our brand's success.

Management Approach

Our efforts to strengthening customer relationships is to adapt our product launches and promotional strategies to the current market demand and evolving consumer sentiment. Below are some of the initiatives carried out by our retail division and waste management division:

1

Receiving Customer Feedback



We receive feedback from customers both in person at our consignment counters and online through our stores and social media channels. In the retail division, this feedback helps us better understand our customers' preferences and expectations, allowing us to improve our products and services

2

Tracking Customer Satisfaction



We measure our customers' satisfaction by evaluating their expectations and experiences with our service, price, and quality. In the retail division, we track feedback from both online and physical stores and offer a return policy for defective items.

3

Inspecting Quality of Products



Our dedicated quality control team in the retail division thoroughly inspects products to ensure they meet our standards. This includes checking measurements and sizes, colour consistency, material quality, and detailed sewing work. Similarly, our waste management division follow strict guidelines to ensure recycled materials meet the highest quality standards. We minimise moisture, contaminants, and impurities from our recycled materials. Our quality control teams inspect materials from suppliers to help avoid deductions by recycling plants and maintain customer satisfaction.

Sustainability Statement (Cont'd)

CUSTOMER RELATIONSHIP

Performance

Customer Satisfaction Score

In FY2024, our customer satisfaction score reached 93%, a level we have consistently maintained over the past three years. We will continue to track and improve our customers' satisfaction and maintain the quality of our products through our quality control processes in the waste management and retail divisions.



93%

**Customer
Satisfaction Score**

Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT

Why It Matters

Supply chain management is crucial for us as our retail division serves a large number of customers across the country. Our waste management division also relies on a consistent flow of waste and recyclable materials. Therefore, efficient supply chain management is essential to both our retail and waste management operations.

Management Approach

We prioritise local suppliers to support local businesses, incorporating the following efforts to enhance our supply chain management:

Supplier Evaluation



- We evaluate new suppliers based on pricing, product quality, lead times, production capacity, and ethical practices.

Supplier Relationship Management



- We secure contracts with waste suppliers to ensure a steady and predictable supply chain.
- We build strong relationships with suppliers to ensure a smooth supply chain, resulting in reliable operations and consistent performance.

Supplier Assessment



- We communicate regularly with suppliers and conduct annual assessment to maintain the quality.

Performance

As a result of the efforts mentioned above, we were able to spend 99.92% of our procurement budget on local suppliers for FYE2024.



99.92% Spent on Local Suppliers

Sustainability Statement (Cont'd)

WASTE MANAGEMENT

Why It Matters

We focus on effective waste management practices to minimise our environmental impact. As a business in the waste management sector, we seek to set a positive example for our clients in managing waste responsibly and supporting them in their efforts.

Management Approach

This is our first year reporting and tracking our waste across our operations. Our current management approach is centered on reducing environmental impact and enhancing resource efficiency. Some of our initiatives include:



Performance

In FY2024, we generated an estimated 6.1 metric tonnes (mt) of waste, primarily consisting of unusable fixtures from counters and office trash. Currently, all of this waste is directed to disposal. However, we aim to enhance our waste management practices to increase the proportion of waste diverted from disposal through our ongoing efforts.

Sustainability Statement (Cont'd)

ENERGY MANAGEMENT

Why It Matters

Effective energy management is key to minimising our environmental impact, reducing operational expenses, and addressing climate change. Our approach to energy management reflects our corporate social responsibility and supports a sustainable, resilient business model.

Management Approach

Our energy management approach focuses on optimising energy use through the following practices:

Employee Awareness



Implement the **“Turn Off Before You Take Off”** campaign to switch off devices and lighting when away.

Maintenance Practices



Practice **regular maintenance** and timely replacement of electrical equipment and lighting fixtures.

Electricity Supply



Source electricity from a **local supplier** with an aim to lower our environmental footprint.

Performance

In FY2024, our total energy consumption was 730.8 megawatt (MW).

We will monitor our energy usage, identify areas of high consumption, and explore opportunities for energy optimisation.

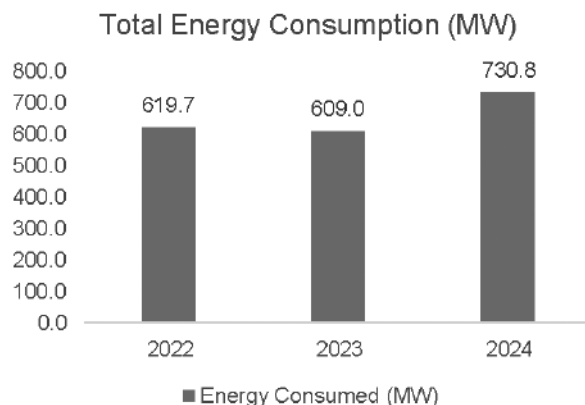


Figure 1: Total Energy Consumption

*The above score excludes MESB Resources (FY2022 and FY2023) due to the unavailability of data

Sustainability Statement (Cont'd)

WATER MANAGEMENT

Why It Matters

We recognise that fresh, clean water is a limited and increasingly costly natural resource that is essential to our business. Effective water management is crucial to ensure its sustainable use and optimise our operational costs.

Management Approach

We continuously communicate throughout the Group to save water where necessary. We are also finding different ways we can reduce our water consumption.

Performance

In FY2024, our water usage was 15.1 megalitres (ML). The increase in water consumption is due to heightened business activities. We will continue to monitor our water usage to identify areas for better management and improvement.

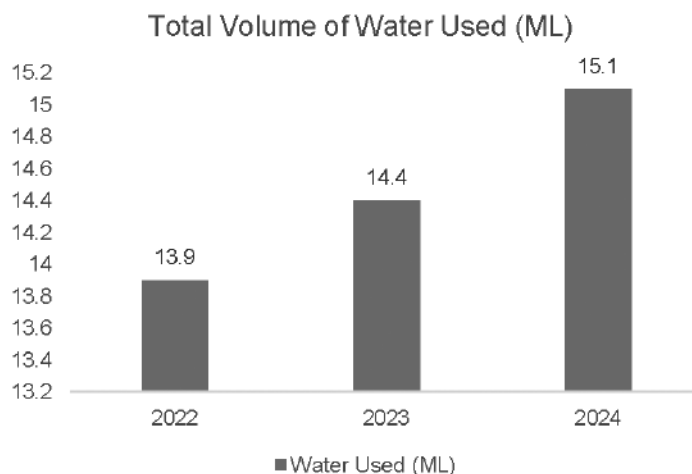


Figure 2: Total Volume of Water Used

Sustainability Statement
(Cont'd)

EMISSIONS MANAGEMENT

Why It Matters

Emissions are an increasing concern and a critical topic, particularly given the growing impact of climate change. We recognise the importance of managing emissions. Although our carbon footprint is relatively smaller compared to larger companies, we understand our responsibility as a corporate citizen to support Malaysia's goal of achieving net zero by 2050. By tracking and managing our emissions across all three scopes, we can ensure regulatory compliance and effectively manage our environmental impact.

Management Approach

This year marks our first step in reporting and tracking emissions across our operations. We are monitoring direct emissions from our operations (Scope 1), indirect emissions from purchased electricity (Scope 2), and other indirect emissions across our value chain (Scope 3). Although we are using estimates for these calculations, this initial tracking establishes our baseline. Our next step is to improve accuracy over time and refine our tracking processes.

Performance

Our Scope 1 GHG emissions include direct emissions from diesel and petrol combustion within our operations, while Scope 2 covers indirect emissions from purchased electricity, which we track through our electricity bills from Tenaga Nasional Berhad (TNB). Our Scope 3 emissions address sources related to our activities but not directly owned by us. Currently, we have tracked emissions from our business travels and employee commutes.

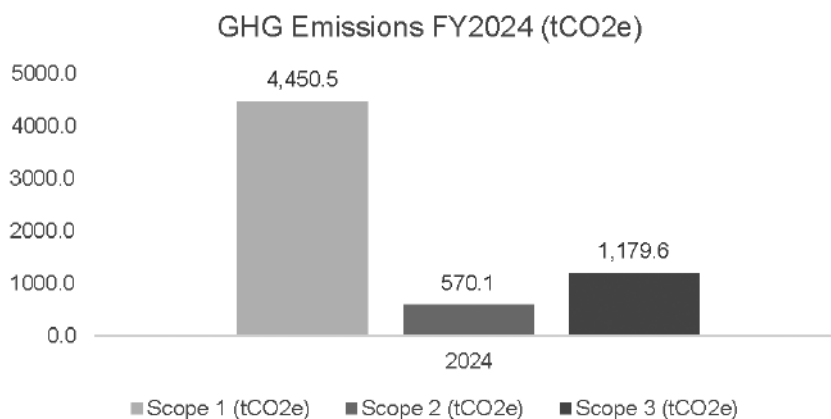


Figure 3: Scope 1, 2 and 3 GHG Emissions for FY2024 (tCO₂e)

Sustainability Statement (Cont'd)

HEALTH AND SAFETY

Why It Matters

The health and safety of our employees are crucial to maintaining a sustainable business. Our success depends on their well-being, just as they rely on us to ensure a safe workplace.

Management Approach

Our approach to health and safety is to focus on what can be done to improve our employees wellbeing and the safety of the work environment. Below are some actions we have taken to improve and assure our employees.

Our Health and Safety Initiatives



- 1 Consistently endorse health and safety improvements, providing safe working conditions, equipment, and systems for employees.
- 2 Established and maintained quick response feedback channels for employees to give feedback on hazards and risks.
- 3 Training and procedures are provided to employees in warehouse and logistics departments to increase their safety standards.

Performance

In FY2024, we reported no work-related fatalities and achieved a zero Lost Time Incident Rate (LTIR). We ensure that our subsidiaries operating waste management plants provide health and safety training to their employees. The table below shows the number of employees trained in health and safety standards.

	FY2022	FY2023	FY2024
Number of Employees Trained on Health and Safety Standards	27	29	26



ZERO

reported cases of

Workplace Fatalities &
Workplace Injuries

Sustainability Statement (Cont'd)

LABOUR PRACTICES AND STANDARDS

Why It Matters

Labour practices and standards are crucial for ensuring the well-being, satisfaction, and productivity of our workforce. We prioritise compliance with labour regulations and focus on retaining valuable employees. By building a reputation as a responsible employer, we aim to enhance employee confidence, which is essential for our sustained growth and competitiveness.

Management Approach

We have focused our efforts on improving our labour practices and standards by empowering local talents and improving the workplace environment as listed below.

Empowering Local Talents



- We prioritise hiring and training competent local employees for our operations, aiming to enhance the skills and capabilities of the local workforce.

Improving Workplace Environment



- We have developed and enforced a Code of Conduct across the Group to create an environment of fairness and to ensure freedom from harassment and discrimination.

Performance

Permanent vs Contractor/Temporary Staff

As of FY2024, 97.0% of our employees are permanent staff, as shown in the figure on the right. Majority of our workforce are permanent staff as we strive to maintain a stable workforce, which supports operational consistency and strengthens our overall organisational performance.

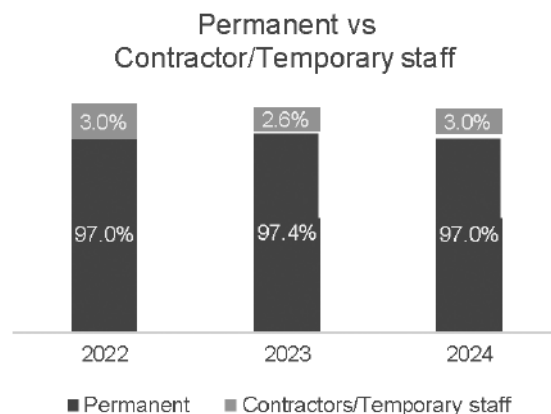


Figure 4: Percentage of Permanent vs Contractor/Temporary Staff

Sustainability Statement (Cont'd)

LABOUR PRACTICES AND STANDARDS

Performance Cont'

Training and Development

We encourage continuous learning and development for our employees by offering a variety of training programmes to support their growth. In FY2024, we reported a total of 383 training hours across the group, marking an increase of 271 hours from FY2023. Both executives and non-executives receive on-the-job training to enhance their skills within the working environment. The figure to the right shows the total hours of training our employees have undertaken over the past three years. Some of the programmes employees have attended include:

1. Team Building
2. Sales & Product Training
3. Microsoft Excel
4. Branding
5. SharePoint Masterclass
6. Asas Pengurusan Sumber Manusia
7. Fire Drill & Safety
8. E-invoicing

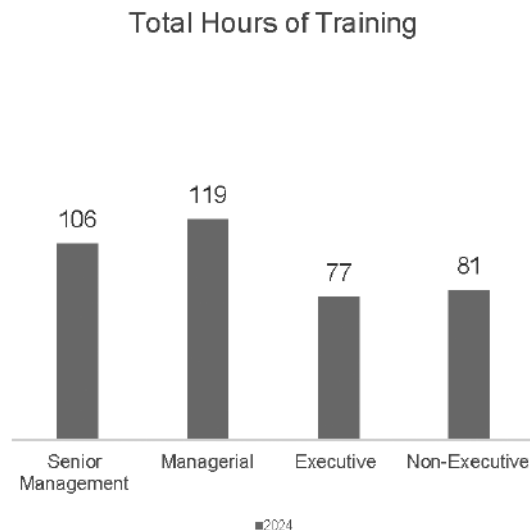


Figure 5: Total Training Hours by Employee Category for 2024

Employee Turnover

The table below shows our employee turnover for the past three financial years. High turnover among non-executives, which is common for front-line positions in the retail industry, is being addressed by enhancing our systems to improve reporting and reduce front-line staff workload. These improvements are also aimed at enhancing our customer service experience. The effectiveness of these measures is reflected in the 20.7% decrease in turnover among non-executives from FY2023 to FY2024.

Sustainability Statement
(Cont'd)

LABOUR PRACTICES AND STANDARDS

Performance Cont'

Employee Category	FY2022	FY2023	FY2024
Senior Management	0	0	0
Managerial	2	0	1
Executive	7	2	4
Non-Executive	351	270	214

Figure 6: Breakdown of Employee Turnover by Employee Category

Complaints Concerning Human Rights Violations

As of FY2024, we have zero reported cases of complaints concerning human rights violations.



ZERO reported cases of Complaints Concerning Human Rights

Sustainability Statement (Cont'd)

COMMUNITY/SOCIETY

Why It Matters

In FY2024, our primary focus has been on enhancing our core business operations. While we have not yet formalised specific community or Corporate Social Responsibility (CSR) programs, we recognise the importance of contributing positively to society. We are exploring and integrating community engagement initiatives into our sustainability strategy as we progress, aiming to support and uplift the communities we serve.

Management Approach

In FY2024, we collaborated with KDEB Waste Management Sdn Bhd, Primahir Recycle Sdn Bhd, and Majlis Bandaraya Subang Jaya (MBSJ), where MBSJ used our recycling centre for their 'Program Eko Teroka MBSJ' during Environment Week and MBSJ's 3rd anniversary. This event, held from 16th to 19th October 2023, included activities at Bukit Puchong Recycle Center and Bio Mass MBSJ on 18th October. The programme, which ran from 8.00am to 12.00pm, involved 140 students. MBSJ set up tents for student activities and designated part of the area for parking. We were pleased to support this initiative. We look forward to more such collaborations in the future.



Performance

We have not yet started contributing financially to any CSR programs, but we plan to explore initiatives that align with the needs of our community.

Sustainability Statement (Cont'd)

DIVERSITY

Why It Matters

Diversity matters because it brings different perspectives, improving decision-making and problem-solving. Having diversity in our workforce aligns with our commitment to fairness and equal opportunities, which are key values in modern business. This approach helps us build a strong reputation and achieve long-term success.

Management Approach

We strive to promote diversity at all levels of leadership. Our diverse working environment includes hiring from all backgrounds, regardless of race. Additionally, we have implemented a Gender Diversity Policy aimed at enhancing gender diversity at the BOD and senior management levels, as shown below.

Alignment with Governance Code

Supports the Malaysian Code on Corporate Governance, aiming for at least 30% female representation among Directors.

Gender-Inclusive Recruitment

Integrates gender diversity objectives in BOD recruitment and succession planning processes.

Supportive Culture

Promotes an inclusive and discrimination-free boardroom environment to retain female participation.

Performance

Gender and Age Group of our Employees

In FY2024, we employed a total of 910 individuals, comprising 175 men and 735 women. This reflects a workforce composition where men constitute 19.2% and women 80.8%. The significant female representation primarily arises from the executives and non-executives we hire in the retail division.

As for the age distribution, 27% of our employees are under 30, 50.1% are between 30 and 50, and 22.7% are over 50.

Sustainability Statement (Cont'd)

DIVERSITY

Performance Cont'

Gender and Age Group of our Employees Cont'

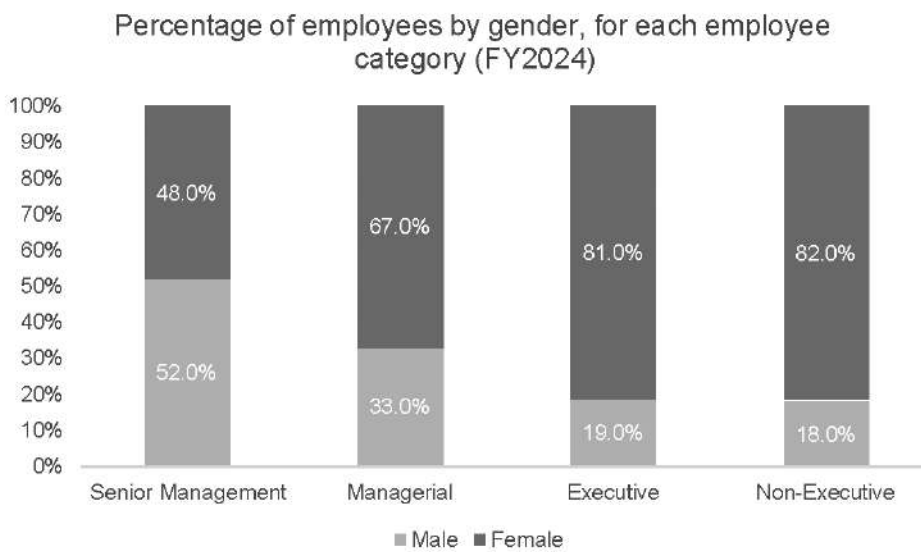


Figure 7: Breakdown of Gender Diversity by Employee Category

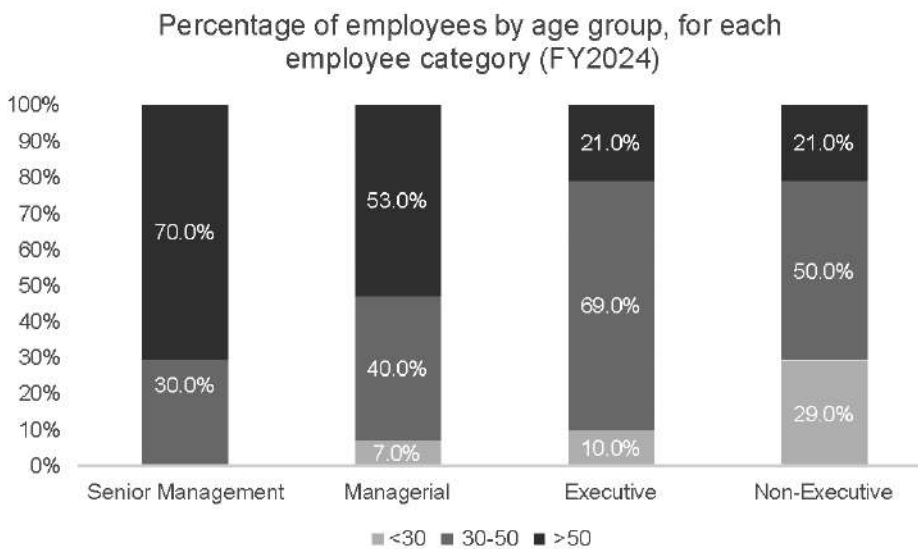


Figure 8: Breakdown of Age Diversity by Employee Category FY2024

Sustainability Statement
(Cont'd)

DIVERSITY

Performance Cont'

Gender and Age Group of our Directors

In FY2024, our male directors accounted for 63.2%, and female directors accounted for 36.8%, consistent with FY2023 and FY2022. Most of our directors are above the age of 50, bringing a wealth of knowledge and expertise to the organisation.

Percentage of directors by gender (FY2024)

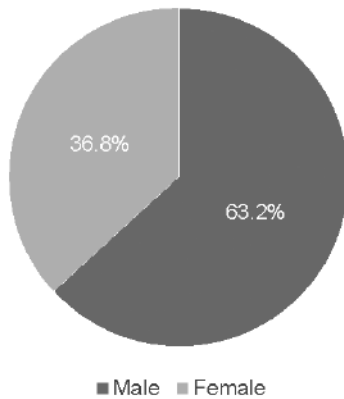


Figure 9: Gender of our Directors for FY2024

Percentage of directors by age group (FY2024)

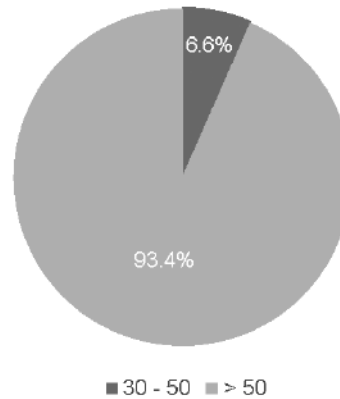


Figure 10: Age group of our Directors for FY2024

Sustainability Statement (Cont'd)

ANTI-CORRUPTION

Why It Matters

Our latest materiality assessment has identified anti-corruption as one of our top sustainability priorities. This issue is critical to us as it affects our business and influences our stakeholders' decisions. In line with our stance, we reject all forms of corruption and bribery, adhering to high standards of transparency and accountability. We aim to foster continued trust with our stakeholders and uphold a positive reputation in the market.

Management Approach

Our management approach to anti-corruption involves conducting our business with integrity and fostering a culture of better governance and ethical behaviour. We have incorporated an Anti-Corruption & Bribery Policy ("ABC Policy") and a Whistleblowing Policy, as outlined below. These policies are also publicly available on our website: www.mesbbhd.com.

Anti-Corruption & Bribery Policy

Bribery

No offering, giving, or receiving bribes that could influence business decisions.

Corruption

No engaging in corrupt practices that involve the abuse of power or control for personal gain.

Gifts and Hospitality

No accepting or giving gifts, hospitality, or expenses that could affect business conduct.

Whistle-blower Retaliation

No retaliation against individuals who report suspected bribery or corruption.

Whistleblowing Policy

Reporting Mechanisms

Report directly to the CEO or call our whistleblowing channel at 03-89618818.

Confidential and Anonymity

Keep the whistleblower's identity confidential and prevent unauthorised disclosures.

Anti-Retaliation Measures

Protect whistleblowers from retaliation or adverse actions resulting from their reports.

Investigation and Follow-Up

Investigate complaints internally or by independent advisors with timely follow-ups.

Sustainability Statement (Cont'd)

ANTI-CORRUPTION

Performance

We reported zero cases of corruption, bribery, and whistleblowing for FY2024. In May 2024, all directors attended training on corporate governance, which included a briefing on laws and regulations encompassing Directors' Duties & Responsibilities, the Malaysian Code on Corporate Governance, Conflict of Interest, and Anti-Bribery and Anti-Corruption. 100% of our senior management received anti-corruption training in FY2024.



ZERO
reported cases of

Corruption, Bribery,
Whistleblowing

Sustainability Statement (Cont'd)

DATA PRIVACY AND SECURITY

Why It Matters

We employ stringent data privacy procedures and security measures to mitigate the risk of unauthorised access. Protecting sensitive business and stakeholder information is crucial for maintaining our operations and fostering trust.

Management Approach

We have reviewed our data privacy and security standards and identified areas for improvement to better protect stakeholder data. Key areas for enhancement include data encryption, storage methods, and system capabilities. To address these areas, we are implementing solutions to significantly strengthen the protection of stakeholder information, as detailed below.

Data Encryption



- Ensure protection through data encryption - **Transport Layer Security (TLS)**.

Data Storage



- Secure data storage with **cloud encryption** and **access restrictions**.

Data Security Systems



- Use **Virtual Private Network (VPN)** to access company documents for secure remote connections.
- Introduce **multi-factor authentication** to enhance access security.
- Deploy **firewalls** to add an extra layer of protection for our computer systems.
- Install **anti-virus** and **anti-malware software** on all computer systems to safeguard against potential threats.

Performance

In 2024, we have recorded zero customer privacy breaches and no loss of customer data.



ZERO

reported cases of

Customer Privacy Breaches,
Customer Data Loss

Sustainability Statement
(Cont'd)

SUSTAINABILITY PERFORMANCE TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00 *	0.00 *	100.00 *
Managerial	Percentage	0.00 *	0.00 *	0.00 *
Executive	Percentage	0.00 *	0.00 *	0.00 *
Non-Executive	Percentage	0.00 *	0.00 *	0.00 *
Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1 (c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	0.00	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	0	0
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	37.00	33.00	30.00
Senior Management Above 50	Percentage	63.00	67.00	70.00
Managerial Under 30	Percentage	19.00	13.00	7.00
Managerial Between 30-50	Percentage	27.00	27.00	40.00
Managerial Above 50	Percentage	80.00	80.00	53.00
Executive Under 30	Percentage	14.00	14.00	10.00
Executive Between 30-50	Percentage	72.00	69.00	69.00
Executive Above 50	Percentage	14.00	17.00	21.00
Non-Executive Under 30	Percentage	28.00	29.00	29.00
Non-Executive Between 30-50	Percentage	50.00	50.00	50.00
Non-Executive Above 50	Percentage	22.00	21.00	21.00
Gender Group by Employee Category				
Senior Management Male	Percentage	52.00	52.00	52.00
Senior Management Female	Percentage	48.00	48.00	48.00
Managerial Male	Percentage	33.00	33.00	33.00
Managerial Female	Percentage	67.00	67.00	67.00
Executive Male	Percentage	22.00	22.00	19.00
Executive Female	Percentage	78.00	78.00	81.00
Non-Executive Male	Percentage	22.00	23.00	18.00
Non-Executive Female	Percentage	78.00	77.00	82.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	63.20	63.20	63.20
Female	Percentage	36.80	36.80	36.80
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	10.00	10.00	8.50
Above 50	Percentage	90.00	90.00	93.40
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	619.72	608.99	730.04
Bursa (Health and safety)				

Sustainability Statement (Cont'd)

SUSTAINABILITY PERFORMANCE TABLE CONT'

Indicator	Measurement Unit	2022	2023	2024
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	27	29	26
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	48	76	108
Managerial	Hours	0	0	119 *
Executive	Hours	4	4	77
Non-Executive	Hours	4	32	81
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.00	2.80	3.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0 *	0 *	0 *
Managerial	Number	2	0 *	1 *
Executive	Number	7 *	2 *	4 *
Non-Executive	Number	351 *	270 *	214 *
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	0.00 *	0.00 *	89.82 *
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	13,948000	14,414000	15,112000

Internal assurance External assurance No assurance

(*) Restated