



**Apex
Healthcare**
Service • Quality • Integrity

2023
SUSTAINABILITY
STATEMENT



Embracing
Sustainability

SUSTAINABILITY STATEMENT



ABOUT THIS SUSTAINABILITY STATEMENT

Apex Healthcare Berhad ('AHB' or 'the Company') steadfastly upholds a mission of **'Restoring Health, Enhancing Life'** with an unwavering commitment to sustainability across all facets of our business operations and strategy. Our Sustainability Statement 2023 reflects our growing commitment to transparent sustainability reporting, providing a detailed analysis of our comprehensive approach to sustainable development and delivering value to all stakeholders. Moving forward, we are committed to continually elevating the progress of our sustainability reporting journey in the following years, integrating climate-related disclosures and our aspirational targets across reported sustainability metrics and indicators.

Within the theme of governance, this statement articulates our strategies for navigating economic, environmental and social risks and opportunities in the complex global business landscape. Anchored in a '3 Pillars' framework that evaluates the impact and influence of our business endeavors on stakeholders' economic conditions ('Economic'), living and non-living natural systems ('Environmental'), and the social system ('Social'), we are committed to harmonizing our practices with the principles of responsible corporate citizenship that are aligned with sustainability.

In our pursuit of robust sustainability reporting, we have undertaken a meticulous process of stakeholder engagement and materiality assessment, complemented with quantitative data disclosure that comprehensively addresses all pertinent Common Sustainability Matters in accordance with the mandates set forth by Bursa Malaysia Securities Berhad ('Bursa Malaysia'). This statement serves as a consolidated report detailing the sustainability policies, practices and procedures we have implemented, along with our strategies, initiatives, performance metrics and achievements for the reporting period spanning from 1st January 2023 to 31st December 2023.





SCOPE AND BOUNDARY

The scope and boundary of disclosures within this Sustainability Statement encompass the entities under AHB Group ('the Group'). This includes Xepa-Soul Pattinson (Malaysia) Sdn Bhd ('XEPA') and Apex Pharmacy Marketing Sdn Bhd ('APM'), both of which are key subsidiaries of AHB. This statement additionally extends to ABio Marketing Sdn Bhd ('ABIO') and AHB's wholly owned subsidiary based in Singapore, Apex Pharma Marketing Pte Ltd ('APS').

Our comprehensive scope in detailing our sustainability practices ensures a thorough examination of the environmental, social, and economic impacts associated with the Group's primary operating entities. By incorporating key subsidiaries, we aim to provide stakeholders with a holistic view of our sustainability initiatives, performance metrics and achievements, fostering transparency and accountability across our operations. This approach aligns with our commitment to responsible corporate citizenship and sustainability throughout AHB.

ASSURANCE STATEMENT

The information and data provided in this statement have not been subjected to an assurance process. Looking ahead, we will actively consider incorporating an assurance process for future reports to enhance transparency and credibility.

Framework and Guidelines

Our disclosures are guided by the elements of Bursa Malaysia's Main Market Listing Requirements ('MMLR') and the leading global sustainability reporting framework:

1. Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
2. Global Reporting Initiative ('GRI') Standards

Reporting Principles

The contents of the report have been shaped by adhering to the reporting principles outlined by the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the GRI Standards:

Stakeholder Engagement:

We actively engage key stakeholders to shape sustainability expectations, seeking their insights to evaluate and address significant sustainability issues.

Materiality Focus:

We are focused on matters identified as material to our business performance and which reflect our impacts across the sustainability spectrum.

Comprehensiveness:

We ensure comprehensiveness by encompassing material topics and boundaries with substantial impact.

SUSTAINABILITY STATEMENT
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OUR COMMITMENT TO SUSTAINABILITY



Our objective is clear: to elevate AHB Group to the status of a leading global pharmaceutical group based in the ASEAN region.

Sustainability at AHB

BUILDING A SUSTAINABLE, HOME-GROWN PHARMACEUTICAL LEADER

We are a leading pharmaceutical group that manufactures and distributes quality pharmaceuticals, consumer healthcare products and medical devices, making them available to our valued customers in the markets in which we operate through our comprehensive supply channels.

In the dynamic landscape of the pharmaceutical industry, our success is not merely a result of chance but a deliberate strategy grounded in a deep understanding of our business. We pride ourselves on an intimate knowledge of the intricacies of pharmaceutical manufacturing and distribution, allowing us to navigate the complexities of the industry with precision and foresight. This nuanced comprehension, coupled with a growing network of loyal customers, forms the bedrock of our present success and serves as a solid foundation for our future endeavors.

By concentrating our efforts on what we do best, we enhance our capabilities, drive operational efficiencies and gain a refined understanding of the prevailing trends shaping the pharmaceutical landscape. This strategic focus empowers us to adapt swiftly to industry dynamics, positioning us as a proactive player at the forefront of innovation and market trends.

Moving forward, our objective is clear: to elevate AHB Group to the status of a leading global pharmaceutical group based in the ASEAN region.




DRIVEN BY A MISSION AND TENETS INTRINSIC TO SUSTAINABILITY

As a pharmaceutical group, our products have a far-reaching impact on the health sector and society at large. Healthcare professionals use our medicines and medical devices to treat and manage respiratory, dermatological, cardiovascular, gastrointestinal conditions and more. Consumers use our range of consumer healthcare products to enhance their wellbeing.



Given the meaningful nature of our business activities, we believe it is especially vital to run our business in a sustainable and responsible manner. This commitment is epitomized by our mission statement of '**Restoring Health, Enhancing Life**'. We take heart in knowing that our products play a role in the restoration of health and enhancement of life, which are indeed vital drivers for a sustainable future.

We are simultaneously committed to running our business in a manner that fairly rewards all our stakeholders. This has been important from our very inception in 1962, which was founded upon the three Core Tenets of Service, Quality and Integrity. These Core Tenets represent the aspects of our business we place the most emphasis upon, which collectively enable us to deliver shared benefits for our business, our stakeholders and beyond.

		
1	2	3
SERVICE	QUALITY	INTEGRITY
<p>Through our emphasis on Service, which has been ingrained in our culture since our very first customer, we strive to be efficient, professional and responsive in our dealings with suppliers, healthcare professionals, customers and all whom we come across.</p>	<p>Guided by our never-ending dedication to Quality, we consistently refine our processes and systems to provide the best quality products made in the most ethical and sustainable manner. Our initiatives in this aspect have been vital in order to secure commercially relevant global quality certifications that elevate our sustainability status and subsequent ability to attract top industry partners and collaborators.</p>	<p>Having established the upholding of Integrity as an inescapable part of our business, we ensure our principles prevail across our value chain, which includes research and development, manufacturing, warehousing, sales and marketing, up until final delivery. At our very core, we place a high premium on honesty in all our dealings, without compromise.</p>

VALUING SUSTAINABILITY AT EVERY LEVEL

Sustainability is not a mere compliance exercise for us; it is a deeply ingrained ethos that permeates every facet of our operations. We go beyond regulatory obligations, cultivating a pervasive awareness of sustainability across all aspects of our daily business activities. Guided by a robust framework of policies, procedures and practices, we place a premium on fostering responsible and conscientious conduct in everything we do.

Setting an exemplary standard, the Group leadership team serves as a trailblazer in championing sustainability initiatives spanning the Economic, Environmental, Social and Governance ('EESG') spectrum. Our commitment is evident through tangible corporate actions that resonate across various dimensions.

Our fair product pricing, accurate labelling and efforts to innovate products that address market needs showcase our drive to generate shared value. The expansion of

SUSTAINABILITY STATEMENT
(CONT'D)

our solar energy initiatives and commitment to energy optimization underscore our desire to promote environmental stewardship. Through the nurturing of a healthy and safe working environment, along with our charitable initiatives, we represent our efforts to uplift people and communities. Above all, we maintain a zero-tolerance policy towards unfair, unethical, or non-transparent practices, ensuring responsible dealings and fair business practices with all stakeholders.

Essentially, we recognize that sustainability is an ongoing journey of improvement and evolution, not a destination. We do not cut corners in this continuous pursuit, understanding that sustainability and profitability are intertwined. Our past and ongoing successes stand as a validation of this symbiotic relationship, reinforcing our pride in the harmonious coexistence of sustainability and profitability at the core of our business ethos.

Forward-Looking Statement

Driven by our fundamental values, our focus on enhancing our group-wide sustainability performance will only continue to gain momentum in the coming years. This is especially important in an era where humanity faces momentous challenges such as climate change, depletion of resources, a lack of responsibility in business practices to name a few.

Our future efforts will be centered around a steadfast focus of sustainable growth and innovation to bolster the long-term prospects of our business. These include initiatives such as enhancing the competencies and resilience of our people, swiftly innovating new pharmaceutical and consumer healthcare products to meet market demand, adopting digitalization and integrating new technology into our systems and processes, and growing our commitments to environmental stewardship, amongst others.

The pharmaceutical industry continues to thrive in both Malaysia and Singapore, driven by a heightened awareness towards personal health and well-being fueled by the recent pandemic. While economic growth in Malaysia is moderate, we expect that the recent record allocation for the Ministry of Health in Budget 2024 will drive increase demand for pharmaceutical supplies across the industry.

The Group is ready to capitalize on a favorable market to embark on a period of growth, most notably through the expansion of XEPA's warehousing and liquid production facilities, a heightened focus on innovating off-patent generic pharmaceuticals, as well as through increased efforts to introduce products and contract manufacturing services to international markets. To this end, we recognize the importance of growing mindfully and never compromising on our corporate values ingrained within our mission statement and Core Tenets. While striving for strong profitability, this aspiration must be balanced with our overall contributions to the society at large.

Guided by our recently enhanced reporting framework, which included a data collection exercise to set our

baseline year at 2023, we are ready to set objectives, targets and indicators to drive sustained improvement in our sustainability performance across all metrics in the years ahead. In doing so, we enhance our ability to gain a wider slate of globally recognized manufacturing and distribution certifications, placing ourselves on the right trajectory to achieve our ambition of becoming a leading global pharmaceutical group in the ASEAN region.

Foreword from the Chairman

I extend my sincere gratitude to you for taking the time to read our Sustainability Statement. Sustainability is not merely a buzzword for us at AHB - it forms the very core of our identity. Our efforts to promote sustainability run through the fabric of our businesses, extending its benefits not only to our internal teams but also to our invaluable external stakeholders.

In this Sustainability Statement, covering the period from 1st January 2023 to 31st December 2023, we will provide you with a comprehensive overview of what sustainability means to us. We detail our commitments and delve into the ongoing actions we undertake to integrate sustainability into our operations, fostering shared value for our communities, stakeholders and the environment. To ensure the relevance and credibility of this statement, we have prepared it in reference to the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and the updated GRI Standards and aligned our topics with their various contributions to the United Nations Sustainability Development Goals ('UN SDGs').

Sustainability has been ingrained in our identity since our inception, galvanized by our mission statement, **'Restoring Health, Enhancing Life'** and our Core Tenets of **Service, Quality, and Integrity**. As a pharmaceutical entity, we acknowledge the profound responsibility we carry in improving the quality of life for our customers, consumers and communities.

Simultaneously, our commitment to sustainable practices is a cornerstone for the long-term vitality of our business. To fortify this commitment, we have intensified our focus on enhancing sustainability reporting, aiming to augment transparency and offer a comprehensive overview of our ongoing initiatives to keeping stakeholders invested and well-informed. Seeking external expertise in 2023, we embarked on the development of a more comprehensive sustainability statement for this year's annual report.

Our motives for this expanded reporting journey are twofold. Firstly, we aim to apprise all stakeholders of our existing efforts through a thorough review of our framework and initiatives. Our mission and tenets have been guiding our responsible practices since our inception, and as we undertook the data collection for the baseline year of 2023, our past efforts were validated as we uncovered a generally positive current state of affairs.

However, recognizing the escalating global importance of sustainability, we acknowledge the responsibility to enhance our practices as a conscientious corporate citizen and contribute to the UN SDGs. This leads to our second motivation - measuring and propelling progress in our sustainability performance. The data gathered from our 2023 inventory will help us establish more strategic sustainability objectives, accompanied by strategies and indicators for future improvement. As we transparently communicate our initiatives and provide updates on our progress, we seek to foster deeper trust and collaboration with stakeholders in navigating our sustainability journey.

In a world standing at the precipice of critical decisions amid climate change fears, geopolitical instability and governance struggles, every corporate citizen must contribute to steering towards a sustainable future. At AHB, we are resolute in playing our role, staying attuned to the evolving sustainability landscape and effecting meaningful changes across our Group. In doing so, perhaps we may even spearhead long-lasting improvements across the pharmaceutical industry.

DR KEE KIRK CHIN
Chairman & CEO

OUR APPROACH TO SUSTAINABILITY

Our Sustainability Governance

GOVERNANCE STRUCTURE



Board of Directors

Our approach to sustainability governance is crafted in alignment with the distinctive characteristics of the Group, ensuring our efforts are focused on matters material to our operational activities, geographical presence and industry landscape. The Board of Directors ('the Board') plays a pivotal role as the highest governing body, actively working to integrate sustainability into the core of the Group's business strategy. This involves establishing a comprehensive review and approval process for sustainability strategies, ensuring the allocation of sufficient resources and implementing robust systems and processes for effective sustainability management.

In driving the strategic alignment of our overall sustainability approach, the Board takes into account the dynamic landscape of sustainability risks and opportunities present across our industry and operational environment, while also considering the culture and specific needs of the organization and its stakeholders. This includes a thoughtful evaluation of the company's sustainability mindset and readiness to address emerging challenges.

Responsibility for the integration of sustainability into the Group is squarely placed on the shoulders of the Board. Beyond strategy approval, the Board takes a leadership role in setting the tone for sustainability efforts within AHB. This extends to defining the Group's purpose, values and strategies, with a deliberate incorporation of sustainability considerations into these foundational elements.

SUSTAINABILITY STATEMENT
(CONT'D)**Risk and Sustainability Committee**

To strengthen risk oversight, including those related to sustainability, the Board has established a dedicated Board Committee, namely the Risk and Sustainability Committee ('RSC'), which came into effect from 1st January 2022. The role of the RSC is critical in integrating sustainability risks and opportunities into the Group's risk management framework. The RSC comprises exclusively of Non-Executive Directors, the majority of whom are independent, with their respective duties specified within the committee's Terms of Reference.

The Terms of Reference of the RSC are available on the Company's website www.apexhealthcare.com.my. The key duties and functions of the Risk and Sustainability Committee are summarized as follows:



1. **Alignment of Sustainability Efforts:** Ensure that the Group's sustainability efforts are aligned with the long-term business strategy, taking into account the business environment within which AHB operates and the interests of its stakeholders.
2. **Oversight of Material Matters:** Oversee, review and make recommendations to the Board regarding the material economic, environmental and social matters impacting AHB's principal businesses.
3. **Annual Review and Recommendations:** Annually review and present AHB's Sustainability Statement to the Board for approval and subsequent inclusion in its Annual Report.
4. **Adaptable Responsibilities:** Undertake any other duties assigned by the Board from time to time concerning sustainability matters, showcasing the committee's adaptability to evolving needs.

It is noteworthy that the ultimate responsibility for decisions and recommendations made by the RSC rests collectively with the Board. This ensures a cohesive and unified governance approach, reinforcing the integral role of the committee in fortifying sustainability practices within the organization.

Group Sustainability Management Committee

At the Management level, a Group Sustainability Management Committee ('GSMC') has been established since 2018. The GSMC is entrusted with the pivotal role of identifying, evaluating, monitoring and managing Economic, Environmental, and Social ('EES') risks and opportunities under the vigilant oversight of RSC. Guided by insights gained from stakeholder engagements and materiality assessments, the GSMC ensures that all significant sustainability matters are thoroughly considered and managed by the Group through its business operations.

In line with legal requirements and regulations, the GSMC takes charge of preparing sustainability disclosures, including our Sustainability Statement. This process is crucial for compliance and transparency. The Sustainability Statement for the Annual Report 2023 undergoes a comprehensive review by the RSC, which provides recommendations to the Board for approval and ensures that approved Sustainability Statement is disclosed accordingly in AHB's Annual Report.





Group Sustainability Technical Committee

To further strengthen the implementation of sustainability initiatives, conduct technical studies and assessments, as well as propose pertinent sustainability projects for the business, a Group Sustainability Technical Committee ('GSTC') was established in April 2022. Comprising key managers from the main subsidiaries, the GSTC operates at the Management level and reports directly to the GSMC. This strategic addition enhances the sustainability governance structure of the Group by providing specialized technical expertise to support sustainability endeavors. This integrated approach ensures that the GSMC, supported by the newly formed GSTC, remains at the forefront of sustainability management, aligns with best practices and fosters a proactive and comprehensive strategy for the Group.





Stakeholder Engagement

We acknowledge the crucial role of engaging with our diverse range of stakeholders to discern, prioritize and address significant sustainability concerns. These interactions are conducted regularly and form an integral part of both business development and the Group’s commitment to advancing sustainability. In the pursuit of effective stakeholder engagement, we employ various platforms tailored to the respective needs of each stakeholder group. Notably, in 2023, proactive measures were taken to reassess and enhance the understanding of stakeholder perspectives, enabling us to align our sustainability strategy with their evolving requirements.

Recognizing that addressing all issues and concerns expressed by every stakeholder group can be resource-intensive and inefficient, the Board identifies and prioritizes issues that are most relevant to each stakeholder group. This strategic approach ensures that resources are directed towards addressing the most impactful stakeholder concerns. Each stakeholder group is weighed by the GSMC based on its influence on our achievement of strategic objectives, as well as its dependence on our operations.

Stakeholder Groups	Issues of Interest	Platforms of Engagement
Government and Regulatory Authorities 	<ul style="list-style-type: none"> Compliance with laws and regulations Social, health and environmental management of the Group Community investment 	<ul style="list-style-type: none"> Dialogues, seminars, and meetings Memberships in pharmaceutical-related organizations Website of the Company
Healthcare Professionals 	<ul style="list-style-type: none"> Product availability and price points Product quality and efficacy Delivery service Competence of manufacturing and sales personnel 	<ul style="list-style-type: none"> Instant messaging apps e.g. WhatsApp Social media platforms e.g. Facebook, Instagram B2B e-commerce websites: http://online.apexpharma.com.my/ (Malaysia) http://online.apexpharma.com.sg/ (Singapore) Meetings with sales personnel (online and/or face-to-face) Advertisements Promotional campaigns Public health talks Continuing medical education talks for medical professionals (webinars) Health screenings Website of the Company
Consumers 	<ul style="list-style-type: none"> Product availability and price points Product quality and efficacy 	<ul style="list-style-type: none"> Instant messaging apps e.g. WhatsApp Social media platforms e.g. Facebook, Instagram B2C e-commerce websites: https://www.apexpharmacy.com.my (Malaysia) https://shop.apexpharma.com.sg/ (Singapore) Advertisements Promotional campaigns Public health talks Health screenings Website of the Company
Employees 	<ul style="list-style-type: none"> Training and development Performance management Career development Company policies and procedures Contribution of company to community 	<ul style="list-style-type: none"> Training and Development programs Staff performance appraisals On-Board Inductions Circulation of internal policies Group Corporate Briefings Community investment programs CEO Engagement Sessions

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Stakeholder Groups	Issues of Interest	Platforms of Engagement
Shareholders & Investors 	<ul style="list-style-type: none"> Group financial performance Group business strategies Sustainability policies 	<ul style="list-style-type: none"> Annual General Meeting Website of the Company Annual Report Quarterly Reports Analysts' Briefings Announcements to Bursa Malaysia issued by the Company from time to time
Suppliers and Other Business Partners 	<ul style="list-style-type: none"> Compliance with laws and regulations Delivery service Competence of manufacturing and sales personnel Ethical business conduct 	<ul style="list-style-type: none"> Meetings with suppliers (online and/or face-to-face) Trade exhibitions Website of the Company
Communities 	<ul style="list-style-type: none"> Community investment Social, health and environmental management of the Group Impact of business operations Ethical business conduct Transparency and accountability 	<ul style="list-style-type: none"> B2C e-commerce websites: https://www.apexpharmacy.com.my/ (Malaysia) https://shop.apexpharma.com.sg/ (Singapore) Community investment programs Health screenings Public health talks Website of the Company Annual Report Quarterly Reports Announcements to Bursa Malaysia issued by the Company from time to time
Industry Associations 	<ul style="list-style-type: none"> Regulatory updates and guidance Knowledge sharing on industry development Policies and initiatives pertaining to pharmaceutical industry 	<ul style="list-style-type: none"> Trade association meetings e.g. Malaysian Organization of Pharmaceutical Industries ('MOPI'), Malaysian Association of Pharmaceutical Suppliers ('MAPS') Industry conferences, dialogues and forums Trade exhibitions

Materiality

AHB's commitment to sustainability is underscored by the careful determination of impactful matters that significantly influence stakeholders. In 2023, our materiality assessment adhered to a structured process aligned with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) and GRI Standards. This process also includes benchmarking against industry peers to bolster transparency and alignment with stakeholder expectations and industry standards in our reporting. Initiated with the identification of both actual and potential impacts from AHB's operations, the materiality assessment systematically evaluates their significance within the EESG pillars. Following this assessment, a prioritization process is applied to identify the most substantial impacts for reporting.

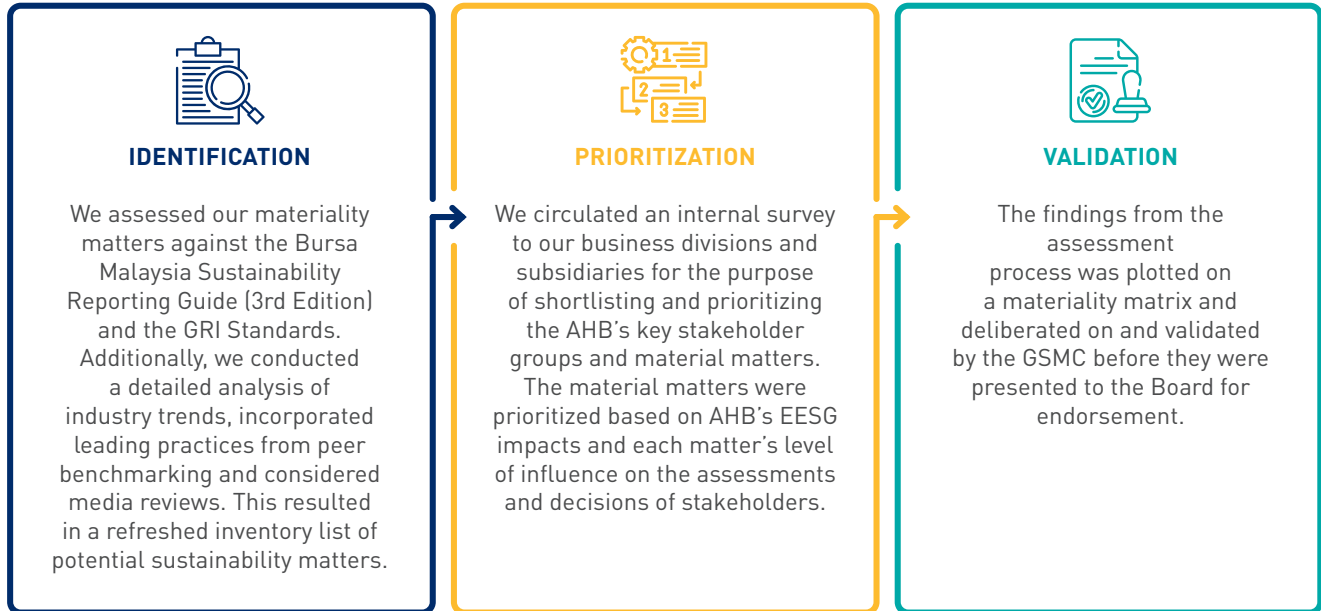
By actively involving key stakeholder groups in our materiality process, we are empowered to comprehend risks and opportunities, anticipate burgeoning challenges and

effectively align our strategies and action plans in tandem with the evolving sustainability landscape. This ensures that we remain both relevant and responsive to the expectations of our stakeholders.

Our Materiality Assessment Process

In our commitment to sustainability, it is crucial for us to keep up with the changing business environment, regulatory requirements and emerging trends and risks in sustainability. Our commitment to gaining these valuable insights is underscored by our comprehensive materiality assessment process. Our approach encompasses the deployment of an online survey to actively engage internal stakeholders, complemented by insightful focus group discussions. Through this comprehensive exercise, we have successfully prioritized material matters by discerning risks and opportunities that possess the potential to significantly impact both our business and stakeholders.

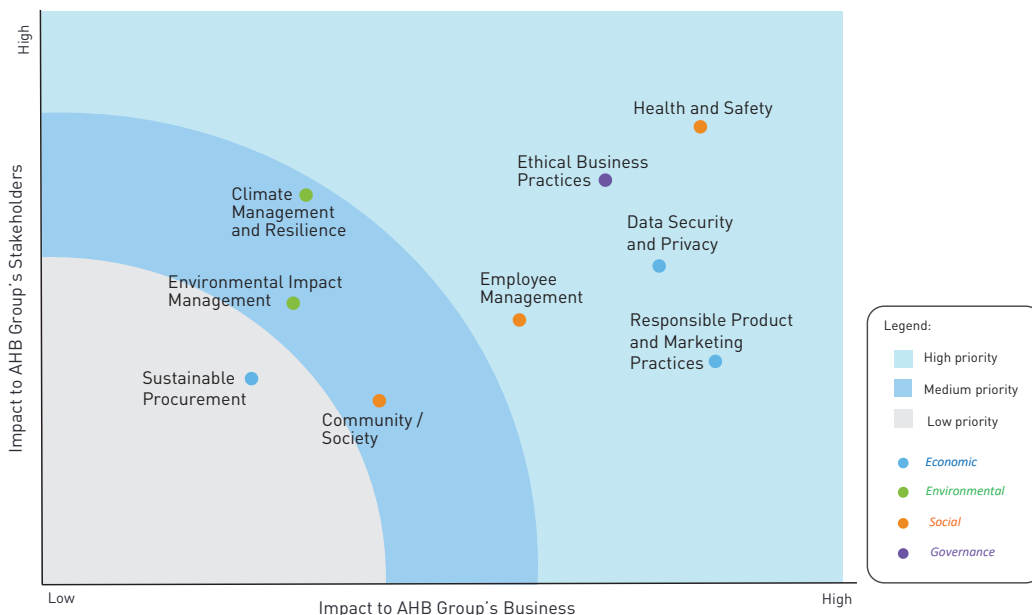
The process consisted of three steps:














The evolution of our material matters from previous years demonstrates our proactive and adaptive approach to sustainability. In the previous matrix, AHB displayed a well-rounded commitment to core sustainability principles, addressing fundamental aspects such as anti-corruption, health and safety, labor practices and diversity. The refreshed material matters matrix showcases an expanded and more detailed perspective, indicating a heightened awareness of emerging sustainability issues and expanding alignment with global standards.

Notably, we have broadened our focus to include contemporary concerns like climate management and data privacy and security. The further inclusion of responsible product and marketing practices, emissions and sustainable procurement as topics underscores our commitment to aligning our sustainability practices with international standards. The refreshed matrix also places a significant emphasis on environmental considerations, covering areas like emissions, waste, water and effluents, and environmental compliance. This evolution reflects our adaptability amidst a dynamic business landscape and commitment to staying abreast of stakeholder expectations.








AHB Group's Materiality Matrix for Financial Year 2023 ('FY2023')





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AHB Group's Consolidated Material Matters for FY2023			
Material Matters and Alignment to UN SDGs	Why is it Material to AHB Group		How We Manage the Matter
Economic Pillar: Generating Sustainable Value			
<p>Sustainable Procurement</p>  	<ul style="list-style-type: none"> Procurement Practices 	<ul style="list-style-type: none"> Our dedication to sourcing products and services in a responsible manner does not only minimize negative impacts on the environment but also actively promotes socioeconomic responsibility. We recognize the importance of ensuring long-term sustainability throughout our supply chain by fostering ethical and environmentally conscious supplier relationships. 	<p>Please refer to the “Sustainable Procurement Practices” section for more details</p>
<p>Data Privacy and Security</p> 	<ul style="list-style-type: none"> Customer Privacy Security Practices 	<ul style="list-style-type: none"> We recognize the importance of safeguarding customer data, encompassing overall information security that extends to protecting employee data, intellectual property and operational systems. 	<p>Please refer to the “Data Privacy and Security” section for more details</p>
<p>Responsible Product and Marketing Practices</p>   	<ul style="list-style-type: none"> Products and Services Responsibility Marketing and Labelling 	<ul style="list-style-type: none"> Through our emphasis on Responsible Product and Marketing Practices, we are able to align our products and marketing strategies with ethical and societal standards. Adhering to regulations does not only uphold AHB’s integrity but also ensures the delivery of safe and effective products, reinforcing the Company’s commitment to both regulatory compliance and public health. 	<p>Please refer to the “Responsible Product and Marketing Practices” section for more details</p>
Environment Pillar: Promoting Environmental Stewardship			
<p>Climate Management and Resilience</p>  	<ul style="list-style-type: none"> Emissions Management Energy Management 	<ul style="list-style-type: none"> Emissions and energy management are material to AHB not only for their focus on emissions reduction and energy efficiency but also due to the growing significance of climate resilience and adaptation strategies. This matter is crucial in underscoring AHB’s commitment to addressing climate-related challenges, aligning with evolving environmental expectations and ensuring a resilient and adaptive approach to the changing climate landscape. 	<p>Please refer to the “Climate Management and Resilience” section for more details</p>
<p>Environmental Impact Management</p>   	<ul style="list-style-type: none"> Waste Water and Effluents Materials Environmental Compliance 	<ul style="list-style-type: none"> The material matters encompassing Waste, Water and Effluents, Materials and Environmental Compliance collectively characterize our holistic commitment to environmental stewardship, regulatory compliance and sustainable resource management as part of our dedication to sustainable practices. 	<p>Please refer to the “Environmental Impact Management” section for more details</p>

Social Pillar: Uplifting People and Communities

<p>Health and Safety</p> 	<ul style="list-style-type: none"> Occupational Health and Safety Customer Health and Safety Ensuring occupational health and safety management throughout all facets of our operations is crucial for safeguarding the well-being of our workforce. By consolidating customer health and safety into the same category, we reflect our commitment to providing products and services that prioritize the safety and well-being of customers. This includes considerations related to product safety, adherence to building safety standards and the overall welfare of customers. 	<p>Please refer to the “Health and Safety” section for more details</p>
<p>Employee Management</p>    	<ul style="list-style-type: none"> Employment Training and Education Diversity and Equal Opportunity Non-discrimination Labor Management Relations The material matters of Employment, Training and Education, Diversity and Equal Opportunity, Non-discrimination and Labor Management Relations are vital components of our pledge to uphold organizational excellence and sustainability. Our dedication to creating a workplace that values diversity and promotes employee well-being positions the company as a socially responsible and competitive player in its industry. 	<p>Please refer to the “Employee Management” section for more details</p>
<p>Community/Society</p>   	<ul style="list-style-type: none"> Supporting Community/Society Through active engagement with community/society, we play a pivotal role in fostering community health and well-being, promoting advancements in education and the arts, empowering underserved communities, and creating a positive impact in the lives of our beneficiaries, all aimed at fostering a sustainable future. This commitment seamlessly aligns with our overarching mission of <i>‘Restoring Health, Enhancing Life’</i>. 	<p>Please refer to the “Community/Society” section for more details</p>

Governance Pillar: Conducting Business Responsibly

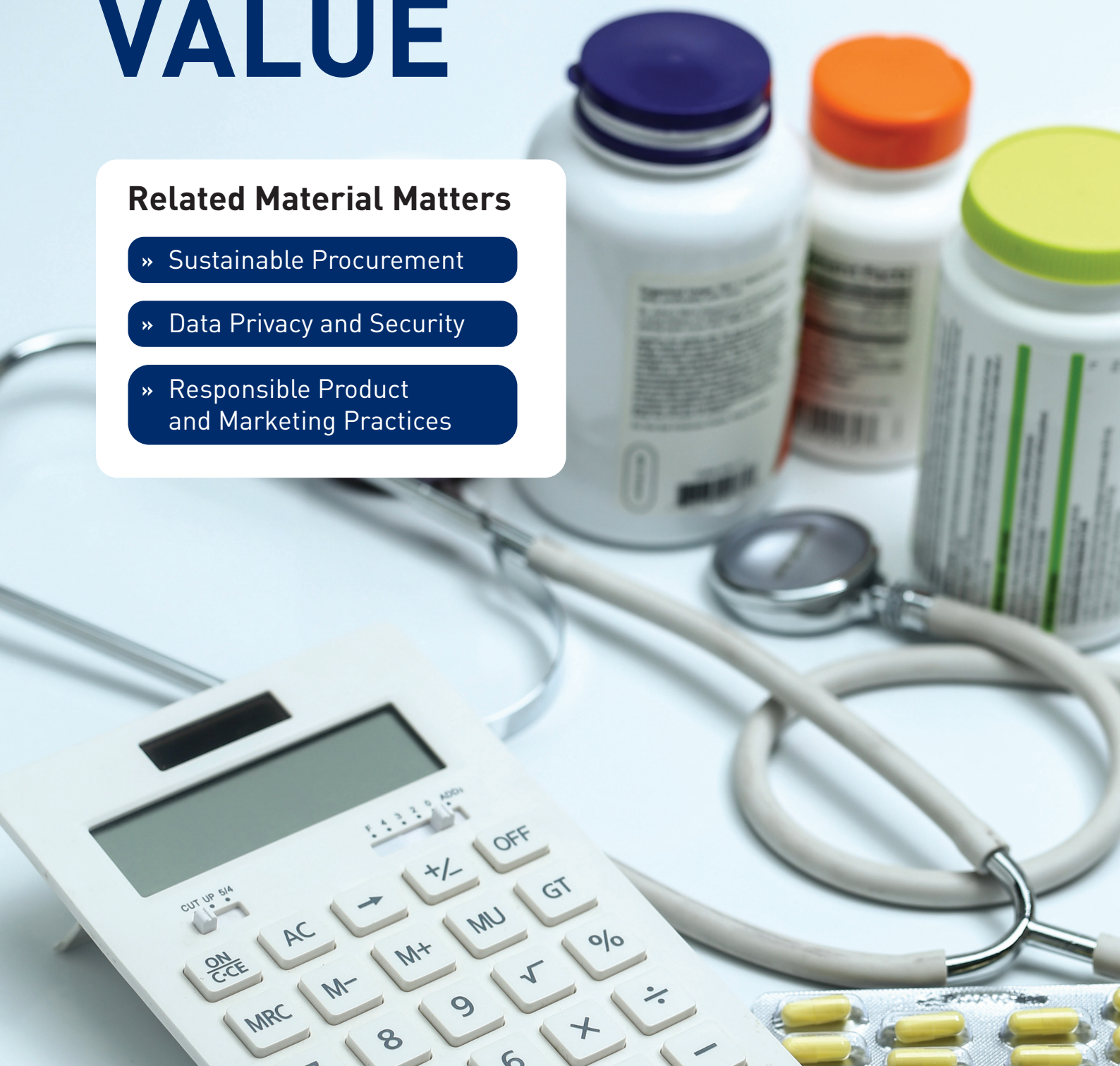
<p>Ethical Business Practices</p>  	<ul style="list-style-type: none"> Anti-corruption Ethical business practices and anti-corruption are material as they form the bedrock of the Group’s integrity and responsible corporate conduct. AHB’s commitment to adhering to industry regulations reflects its relentless dedication to legal compliance and ethical conduct. These practices not only demonstrate ethical responsibility but also contribute significantly to the long-term sustainability and resilience of the Company amidst a competitive business landscape. 	<p>Please refer to the “Ethical Business Practices” section for more details</p>
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ECONOMIC PILLAR

GENERATING SUSTAINABLE VALUE

Related Material Matters

- » Sustainable Procurement
- » Data Privacy and Security
- » Responsible Product and Marketing Practices



» SUSTAINABLE PROCUREMENT



WHY IT MATTERS

Sustainable procurement is a critical aspect of our operations, encompassing the sourcing of raw materials, packaging and other inventory items. In the pharmaceutical industry, where adherence to stringent quality standards and ethical considerations is paramount, sustainable procurement becomes especially significant. The selection and management of suppliers directly impact the quality, reliability and ethical standing of our products. At the same time, any hindrances to our procurement may directly impact production, quality and overall business operations.

Our key considerations within the procurement process align with our commitment to responsible business practices and reflect our dedication to environmental and social responsibility. In consonance with the Group's Growth Strategies, specifically, in *'Building Robust Business Partnerships'*, we accentuate the cultivation of shared expertise and the continuous advancements in areas of mutual benefit. This focus on developing meaningful partnerships including with suppliers represents a key priority for the Group in advancing toward our long-term objectives.

Thus, our emphasis on sustainable procurement extends beyond compliance, representing a strategic choice that underscores our underlying tenets, ambitions and recognition of the growing importance of sustainability across our industry.

» OUR APPROACH

» **Strategic Procurement Management**

The procurement department aligns its operations with our overall sustainability strategy by establishing meticulous guidelines for supplier selection, ensuring that the stipulated criteria reflect and support our broader corporate goals. Our supplier selection guidelines place a premium on ensuring regulatory compliance, empowering us to meet or surpass all requirements, including anti-bribery protocols and pharmaceutical regulations related to sustainable procurement practices. Additionally, our risk management strategy emphasizes the enhancing of our supply chain resilience, promoting measures such as diversifying our suppliers, conducting routine evaluations and fostering strategic partnerships, all of which serve to bolster the longevity of our business operations.

» **Compliance with Regulations and Ethical Standards**

We uphold high levels of integrity and ethical procurement conduct primarily by ensuring ongoing compliance with regulations and ethical standards throughout our supply chain. To verify that our suppliers are maintaining compliance with all applicable regulations, we conduct background checks, regular audits and yearly evaluations on their practices.

A core component of our anti-bribery and anti-corruption commitment is the inclusion of relevant anti-corruption clauses in our agreements with suppliers.

» **Supplier Selection and Evaluation**

We strive to partner with suppliers that not only meet our stringent quality and production standards but also align with our responsible business practices and dedication to environmental and social considerations. To achieve this, we have established a comprehensive assessment framework, considering factors such as their financial stability and reliability, their capacity to meet our quantity and quality requirements, as well as their overall adherence to ESG regulations and considerations.

Furthermore, we also evaluate their research and development ('R&D') capabilities along with their track record in supporting new product development initiatives, such as green packaging, which provides insight into their potential to offer innovative solutions or propose unique product features that may contribute to our product expansion in alignment with sustainability goals. Prior to engaging with any new supplier, background checks are conducted. This ensures the verification of credentials and reputation, allowing us to uncover any potential risks associated with the supplier before entering into business relationships with them.

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» **Supply Chain Resilience**

To fortify our supply chain resilience, we have instituted an extensive approach aimed at ensuring the reliability, efficiency and integrity of our material supply. We consistently conduct material evaluations on our suppliers, scrutinizing the quality, cost efficiency and regulatory compliance of their raw materials and packaging. This is further supported by regular assessments to gauge their quality standards, delivery timelines and adherence to ethical practices.

Simultaneously, we actively explore alternative suppliers to support the diversity of our sourcing, leveraging on evaluations of financial stability, production capacity and adherence to ESG standards to identify potential new vendors. To increase the efficiency of our supply chain and operations, we have implemented advanced inventory management systems to optimize stock levels based on demand forecasts, leveraging technology and data analytics to efficiently track inventory.

Through these collective efforts, we aim to build and sustain a supply chain that is capable of adapting to unforeseen events while maintaining high standards of quality and compliance.

» **Sustainability Across the Value Chain**

We also undertake other efforts to enhance sustainability across the value chain. We acknowledge that sourcing locally can be vital to enhancing supply chain resilience and reducing the risks and additional costs associated with international suppliers. To this end, we prioritize local sourcing for all packaging materials and have established enduring partnerships with packaging suppliers in our operational jurisdictions. Against our target of attaining at least 70% of the total procurement spending on local suppliers, we are pleased to report that 86% of our total procurement spending in 2023 went to local suppliers, contributing close to RM 578 million to the local economy.

Through our collaborations with suppliers, we are able to promote our emphasis on sustainability and encourage the development of packaging materials that prioritize recyclability. We endeavor to explore the use of eco-friendly packaging solutions through engagement with our suppliers. Internally, we also recycle pallets and packaging material such as carton boxes whenever possible to play our role in promoting circularity.

Enhancing our procurement efficiencies also contributes to sustainability within our supply chain. By planning and scheduling purchases ahead of time, we are able to mitigate the emissions associated with urgent air freight delivery, which may be required if our procurement practices were less efficient.

» **Risk Assessment and Management**

Through our risk assessment and management initiatives, we aim to enhance the agility and resilience of our supply chain, while ensuring proactive measures are in place to address potential challenges and uncertainties. It is vital that we possess a pool of suppliers readily available to meet our operational needs, especially for supply categories identified as critical. For such high priority supply chain risks, we have developed mitigation strategies that include contingency plans to ensure alternative sources for critical materials are in place.

This is supported by routine evaluations and assessments conducted by the Procurement Team, which gauges factors such as financial stability (for new suppliers), production capacity, service levels, product quality and regulatory compliance to update the risk profiles of all suppliers and supply categories.



GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Sustainable Procurement							
1	GRI 204: Procurement Practices	C7 (a) Supply Chain Management: Proportion of spending on local suppliers	Procurement				
			Total procurement spending	Local + Overseas	RM (Total)	668,140,552	
			Total number of suppliers	Local + Overseas	Count	311	
			Local Suppliers				
			Total local suppliers spending	Local	RM (Total)	577,766,661	
			Number of local suppliers	Local	Count	245	
			Percentage of spending on local suppliers	Local	Percentage (%)	86%	
			Non-local Suppliers				
			Total non-local suppliers spending	Overseas	RM (Total)	90,373,891	
			Number of non-local suppliers	Overseas	Count	66	
			Percentage of spending on non-local suppliers	Overseas	Percentage (%)	14%	

» DATA PRIVACY AND SECURITY 

WHY IT MATTERS

In the age of advanced technology and evolving cyber threats, ensuring the privacy and security of data has become a critical aspect of sustainability. Within the context of our operations, data privacy and security revolves around safeguarding sensitive information, including employee and customer data, to mitigate the potential risks associated with data breaches and unauthorized access. Our focus thus lies in ensuring secure and ethical management of data and security systems, safeguarding our adherence to legal requirements and cultivating trust amongst stakeholders.

We have simultaneously elevated data privacy and security as a crucial component of our overarching business objectives, tied to our growth strategy of 'Leveraging Technology' to unlock long-term value. In an increasingly digital landscape, our use of cutting-edge technology to fortify our data and security systems can provide a useful advantage in a competitive market. Our efforts to integrate robust cybersecurity systems with effective encryption, access and monitoring controls is therefore supported by continual employee training initiatives and a commitment to drive ongoing improvement across our data and security management practices.



SUSTAINABILITY STATEMENT
(CONT'D)

» OUR APPROACH

» Personal Data Protection Act Compliance

Our commitment to data protection is first and foremost spearheaded by our strict adherence to the Personal Data Protection Act ('PDPA') 2010, which outlines the seven key principles for proper handling of personal data. These principles serve as a comprehensive guide for our practices, reflecting our alignment with regulatory standards and enabling us to foster a culture of responsible data management across the organization.

To ensure awareness and boost compliance, all employees are required to sign the PDPA Agreement, reinforcing their commitment to upholding the principles and guidelines outlined within. Our rigorous approach to data protection has enabled us to record zero reported complaints related to privacy breaches or loss of data in 2023.

» Cybersecurity Action Plan

In recognizing the importance of proactively addressing cybersecurity incidents to minimize potential breaches and protect sensitive information, we have enforced a Cybersecurity Action Plan that outlines a structured approach to identifying, managing and mitigating the impact of cybersecurity incidents. Our Cybersecurity Action Plan consists of the following initiatives:

- **Thorough Assessment of Cybersecurity Threats and Vulnerabilities:** We have initiated a comprehensive evaluation of potential cybersecurity threats and vulnerabilities that are tailored to our specific operations. This proactive measure enables us to identify and analyze potential risks to our organization's information systems and data.
- **A Response Plan with Clear Communication Protocols:** To facilitate effective communication during and after a cybersecurity incident, we have established a Cybersecurity Incident Response Plan that sets forth clear communication protocols.
- **Regular Drills and Simulations for Plan Efficacy:** We conduct regular drills and simulations to test the efficacy of our Cybersecurity Incident Response Plan. These exercises involve simulated scenarios to evaluate our preparedness and response capabilities, enabling the rehearsing of coordination amongst all relevant teams.



ZERO substantiated complaints concerning breaches of customer privacy and losses of customer data

» Strengthened Security Measures Against Cyber Threats

In continually enhancing our security measures against cyber threats, we have identified the adoption of emerging technologies as a vital tool. Our internal IT department regularly conducts assessments of emerging cybersecurity technologies and presents potential solutions for adoption to the leadership team.

We are also focused on improving our continuous monitoring capabilities to safeguard against potential cyber threats. Acknowledging the importance of leveraging external expertise in this endeavor, we have commenced subscription to a Security Operations Center ('SOC') in December 2023.

» Regulate Internal Access to Customer Data on E-commerce Platform

As protection of customer data stored on our e-commerce platform is paramount to safeguard customer rights and privacy, we have established stringent measures to regulate internal access to such data. Through our implementation of authentication and authorization protocols, supported by comprehensive data security measures, we are able to maintain strict oversight and regulation of internal access to all customer data on our e-commerce platforms, preventing data breaches and unauthorized use of sensitive information.

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Data Privacy and Security							
2	GRI 418: Customer Privacy	C8 (a) Data Privacy & Security: Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Complaints				
			Total number of substantiated complaints relating to employees	Complaints related to breaches of employee privacy and losses of data	Count	0	
			Total number of substantiated complaints relating to customers	Complaints related to breaches of customer privacy and losses of data	Count	0	
						Total	0
			Incidents				
			Total number of incidents for the types of breaches	Data breaches due to cyberattacks	Count	0	
				Unauthorized access to customer data	Count	0	
				Data leaks	Count	0	
				Loss of customer data through physical means (e.g. lost devices or paperwork)	Count	0	
						Total	0
Action							
Total number of remedial actions taken	Number of actions taken in response to complaints	Count	Not Applicable				

» RESPONSIBLE PRODUCT AND MARKETING PRACTICES



WHY IT MATTERS

We recognize that accurate and comprehensive product information, transparent marketing practices and alignment with international and national guidelines are foundational to building trust among stakeholders. Within the pharmaceutical industry, the significance of responsible product and marketing practices extends beyond legal obligations - it reflects our ethical compass and shapes our identity as a socially responsible and accountable pharmaceutical entity. Ensuring responsible product and marketing practices is therefore a core component of our commitment to sustainability, underscoring our dedication to ethical conduct, consumer safety and regulatory compliance.

In an industry where consumer health and safety is paramount, our commitment to providing clear and precise product information through accurate labelling and responsible marketing bolsters trust amongst consumers and contributes towards building long-term customer loyalty. This commitment, in turn, plays a vital role in supporting our strategy of 'Growing Group Brands', a crucial component of the Group's overarching Growth Strategies. As we navigate the pharmaceutical landscape, our steadfast adherence to responsible practices not only reinforces our commitment to sustainability but also positions us as a trusted and responsible steward in the pursuit of health and well-being.

SUSTAINABILITY STATEMENT
(CONT'D)

» OUR APPROACH

» **Alignment with Business Strategies**

Our holistic approach to integrating responsible product and marketing practices within our business strategy ensures the organization as a whole recognizes this topic not just as a compliance necessity but as a strategic commitment that advances our sustainability and corporate objectives. Our efforts are streamlined through our key focus areas of safeguarding regulatory compliance, upholding product safety and engaging with stakeholders to ensure their needs are fulfilled.

Our internal Quality Management System serves as a structured framework to support our principal objectives, providing guidance on Standard Operating Procedures ('SOPs') and regulatory principles to ensure that every step of relevant processes, from product design to license renewal, adhere to the highest standards.

» **Regulatory Compliance**

A fundamental commitment in this area is ensuring strict alignment with national and international regulations, and upholding regulatory industry standards that contribute to the safety and efficacy of our pharmaceutical products. These include the following key initiatives:

- **Submission of Labels and Formulations:** We prepare and submit accurate product labels, formulations and relevant information to regulatory authorities for their comprehensive review.
- **Compliance with International Council for Harmonization of Technical Requirements of Pharmaceuticals for Human Use ('ICH') Guidelines:** We ensure alignment with the requirements outlined in ICH Guidelines, which focuses on product design and quality standards.
- **Compliance with the Control of Drugs and Cosmetics Regulations 1984 ('CDCR'):** We comply with the CDCR, a set of regulations that govern the manufacture, sale, distribution and importation of drugs and cosmetics in Malaysia.
- **Adherence to the Poisons Act 1952:** We adhere to the stipulations of the Poisons Act for controlled substances, which governs their proper handling and distribution.
- **Compliance with Medicine (Advertisement and Sale) Act 1956 ('MAS Act'):** We align our practices with the regulations stipulated in the MAS Act for compliance in marketing practices for pharmaceutical products, adapting our strategies and submissions based on updates to ensure continuous compliance.

ZERO incidents of non-compliance with regulations concerning our product information and labelling and marketing communications

During 2023, we recorded zero incidents of non-compliance with regulations concerning our product information and labelling, or with regard to our marketing and advertising communication.

» **Adapting to Regulatory Changes**

By ensuring proactive and timely adaptation to regulatory changes in the pharmaceutical industry, we are empowered to minimize potential risks associated with instances of non-compliance. To this end, we have tasked technical teams to stay abreast of newly reported risks and regulatory developments on pharmaceutical products by regularly monitoring industry publications, regulatory announcements and scientific sources.

We then evaluate the relevance of identified regulatory updates to our organization, subsequently developing strategies to address material regulatory changes and integrate them into existing processes.

» **Accurate Product Labelling**

We remain committed to precise and comprehensive product labelling that provides clear information to consumers and healthcare professionals, setting exemplary standards in transparency and accountability. Consequently, stringent measures have been implemented to ensure the accuracy of product labels, encompassing licensed product labelling, adherence to regulatory standards, regular engagement with regulatory bodies and continuous label updates based on pharmacovigilance and health authority requirements.

Our Malaysian-registered products are equipped with holograms embedded with security features for tracking and monitoring, and we conscientiously submit our labels, formulations and product information to regulators for review. Simultaneously, we have established SOPs within our internal Quality Management System to drive enhanced regulatory compliance for the design, testing and assessment of our products.



» **Leveraging Cohesive Technology for Resource Planning**

Over the past years, we have made significant progress in enhancing our enterprise resource planning framework, driving greater harmonization of ERP systems across our operating subsidiaries. Having first utilized the SAP-ERP at APM in Malaysia, we have successfully extended its use to our APS operations in Singapore in December 2022. This was followed by XEPA's adoption of SAP S/4HANA which went live in early 2024.

Through the implementation of complementary SAP systems across all key operating subsidiaries, we are empowered with a range of digital efficiencies to optimize our tracking of production, sales orders and distribution channels. This holistic strengthening of our internal synergies serves to refine the integrity and efficiency of the service we provide to business partners and customers.

» **Meaningful Stakeholder Engagement**

To ensure compliance, gather insights and foster a collaborative commitment to responsible product development, we proactively and regularly engage with regulatory bodies to stay updated on evolving guidelines. This boosts our ability to ensure ongoing compliance and adapt to regulatory changes in a timely manner, while showcasing our dedication to ethical pharmaceutical practices and stakeholder satisfaction.

Concurrently, we meaningfully engage with regulators and healthcare professionals to support the development and improvement of our pharmaceutical products, with the aim of enhancing product efficacy and safety.

» **Integrating Market Demand with Production Planning**

We also practice responsible production in order to minimize overproduction and reduce risks associated with product expiry. Our efforts in this area center around planning our production in tandem with market demand trends, and are guided by the following strategies:

- **Coordinating with Market Demand:** We regularly assess market demand for pharmaceutical products, collaborating with sales and marketing teams to ascertain accurate forecasts while also leveraging historical data and market trends to project future demand.
- **Aligning Production Planning:** We coordinate with the production department to align manufacturing schedules with market demand, adjusting production quantities based on forecasted demand to prevent overproduction.
- **Expiry Date Prioritization:** On a similar note, we have implemented the First Expire First Out (FEFO) concept in the distribution process, which prioritizes the shipment of products nearing expiry to optimize their utilization. We also strategically fulfil orders based on the proximity of product expiry dates.
- **Efficient Inventory Management:** We optimize inventory levels by preventing the accumulation of excess stock and minimizing the risk of products expiring on shelves through the initiatives outlined above.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Responsible Product and Marketing Practices						
3	GRI 417: Marketing and Labeling	Products and Services Responsibility	Products and Services Information and Labeling			
			Total number of incidents of non-compliance with regulations concerning product and service information and labeling	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0
			Marketing Communications			
			Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0

ENVIRONMENT PILLAR

PROMOTING ENVIRONMENTAL STEWARDSHIP

Related Material Matters

» Climate Management
and Resilience

» Environmental Impact
Management

» CLIMATE MANAGEMENT AND RESILIENCE



WHY IT MATTERS

Recognizing the urgency and significance of climate-related challenges, we have adopted a purposeful and conscientious approach towards mitigating environmental impact. Our focus on climate change resilience, especially in managing emissions, aligns strategically with our broader sustainability objectives and aims to meet the rising expectations of our stakeholders.

We embrace a deliberate and well-rounded framework that recognizes the multifaceted challenges posed by climate-related issues, driven by our commitment to proactive risk management in pursuit of sustainable practices. As we navigate the landscape of climate challenges, our dedication to advancing climate resilience not only fulfills our corporate responsibility but also stands as a testament to our enduring commitment to environmental stewardship, enhancing loyalty and reputational goodwill amongst our customers, consumers and key stakeholders.

» OUR APPROACH

» **A Strong Governance Framework**

Climate change resilience is not just a standalone concern for Apex; it is an integral part of our overarching business strategy. Our commitment to managing impacts and emissions ultimately reflects our focus on long-term sustainability and plays a vital role in meeting stakeholder expectations.

We have thus implemented a well-orchestrated organizational structure to guide our approach, which includes the GSTC and GSCM at the Management level, duly reporting to the RSC and ultimately to the Board. Within this framework, the GSTC plays a pivotal role, consisting primarily of key personnel from the main subsidiaries of the Group. The GSTC supports the GSCM in spearheading risk assessments and formulating energy conservation initiatives across different subsidiaries, ensuring a cohesive and comprehensive strategy in addressing climate-related concerns.

Through a collective effort and oversight, our sustainability governance framework ensures that climate-related concerns are thoroughly addressed and aligned seamlessly with our overall corporate objectives.



» **Emissions Management**

Managing and mitigating our Greenhouse Gas ('GHG') emissions is vital in supporting global efforts to strategically reduce the atmospheric carbon that is propelling climate change. To this end, we are closely monitoring our emissions to be in alignment with our sustainability objectives.

Having established 2023 as our baseline year for data collection, we have successfully inaugurated a reference point to assess current emissions and formulate reduction strategies. The data collection exercise revealed that our total Scope 1 and Scope 2 GHG emissions during 2023 was 9,852 tCO₂e, with an intensity of 10.7 tCO₂e per RM million of revenue. From this baseline, we will undertake continuous efforts to collect and analyze all relevant data as we formulate reduction strategies and set realistic and achievable targets for the future.

SUSTAINABILITY STATEMENT
(CONT'D)

» **Energy Management**

Energy efficiency initiatives represent a key component of our efforts to reduce our emissions and address climate change resilience. Our efforts to responsibly manage our energy resources holds significant weight not only in fostering environmental sustainability but also in meeting stakeholder expectations. Our forward-thinking approach to mitigate potential climate-related challenges that could impact our operations are demonstrated via the following energy management initiatives:

- **Transitioning to Renewable Energy Sources:** We have currently implemented three solar energy projects, namely at XEPA in Melaka (operationalized in late June 2021), and two new projects at APM in Subang (installation completed in Q4 2023 with full operation in 2024) and at APS in Singapore (operationalized in October 2023). In 2023, we successfully utilized 3,461 GJ of energy from solar sources alone.
 - In 2023, XEPA's solar energy project enabled a savings of RM 312,892, achieving carbon dioxide avoidance of 543 tCO₂e. This translates to fossil fuel avoidance of 80 tons and trees equivalent of 13,579 trees.
 - Since commencing operations in October 2023, our APS solar project achieved savings of SGD 14,070, avoiding 17 tCO₂e, equivalent to 3 tons of fossil fuel avoidance and 419 trees.

 Solar Energy
  Carbon Dioxide
  Fossil Fuel
  Trees



- Considering Green Electricity Tariff Costs:** In our consideration of green energy initiatives, we are actively conducting a study on the green electricity tariff in Malaysia to assess the feasibility and cost-effectiveness of incorporating future renewable energy projects.
- Enhancing Energy Efficiency Across Operation**

 - Conducting Energy Audits:** We conducted an Energy Audit under RMK-12 EACG (Energy Audit Conditional Grant) in August 2022, with periodical assessments undertaken to identify and address areas for improvement in energy efficiency.
 - Upgrading Equipment for Optimal Efficiency:** We mindfully prioritize investments in equipment upgrades to maximize energy efficiency, with a key initiative being the adoption of a water-cooler chiller.
 - Implementing of Energy-Efficient Technologies:** We adopt energy efficient solutions such as LED lighting and motion sensors to reduce energy consumption and we have implemented a boiler usage schedule to optimize the energy used for boiling operations.
 - Optimizing Product Distribution:** Our established strategy of route optimization and drop consolidation serves to improve delivery route efficiency, contributing to lower energy consumption.
- Complying with Regulatory Standards:** We uphold strict compliance with the Efficient Management of Electrical Energy Regulations 2008 ('EMEER') enacted by the Energy Commission.
- Engaging a Registered Electrical Energy Manager:** We have appointed a Registered Electrical Energy Manager to bear the responsibility for analyzing and monitoring our energy consumption, along with overseeing the implementation of an energy efficiency improvement program to drive continuous progress.
- Submitting Twice-Yearly Reports to the Energy Commission:** We uphold our commitment to submit twice-yearly reports to the Energy Commission, demonstrating transparency and compliance with regulatory requirements.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Climate Management and Resilience							
Emissions							
1	GRI 305: Emissions	C11 (a) Emissions Management: Scope 1 emissions in tons of CO2e	Direct (Scope 1) GHG Emissions				
			Total Scope 1 GHG emissions broken down by sources	Mobile Combustion Emissions: Emissions from owned or leased mobile sources (both on-road and non-road vehicles) that are within the company's boundaries such as company vehicles and commercial vehicles such as cars, trucks and vans			
				Petrol	Metric tons of	73.1	
				Diesel	CO2e (tCO2e)	17.8	
				Total Mobile Combustion Emissions:		90.9	
				Total Scope 1:		90.9	

SUSTAINABILITY STATEMENT
(CONT'D)

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Climate Management and Resilience								
Emissions								
		C11 (b) Emissions Management: Scope 2 emissions in tons of CO2e	Energy Indirect (Scope 2) GHG Emissions					
			Total Scope 2 GHG emissions	Emissions from Purchased Energy: Indirect emissions from the generation of purchased energy				
				Electricity purchased from TNB	Metric tons of CO2e (tCO2e)		9,761.1	
				Total Scope 2:			9,761.1	
				Overall Total Scope 1 and Scope 2:			9,852.0	
		C11 (c) Emissions Management: Scope 3 emissions in tons of CO2e	Other Indirect (Scope 3) GHG Emissions					
			Total Scope 3 GHG emissions broken down by sources	Employee Commuting				
				Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the reporting company)	Metric tons of CO2e (tCO2e)		793.9	
				Business Travel				
				Transportation of employees for business-related activities (in vehicles not owned or operated by the reporting company)	Metric tons of CO2e (tCO2e)		1,007.7	
Total Scope 3:			1,801.6					
Emissions Intensity								
Total GHG emissions intensity (Scope 1 and 2)	GHG emissions related to financial performance measured in terms of revenue	tCO2e per RM million of revenue		10.7				
Energy								
2	GRI 302: Energy	C4 (a) Energy Management	Energy Consumption					
			Total energy consumption	Non-Renewable Energy				
				Company Facilities/Buildings				
				Electricity	Gigajoules (GJ)		60,031.0	
				Total Energy for Company Facilities:			60,031.0	
				Company Vehicles				
				Petrol	Gigajoules (GJ)		1,037.8	
				Diesel			241.6	
				Total Energy for Company Vehicles:			1,279.4	
				Total Non-Renewable Energy:			61,310.4	
				Renewable Energy				
				Solar	Gigajoules (GJ)		3,461.0	
				Total Renewable Energy:			3,461.0	
Energy Intensity								
Total energy intensity	Energy consumption related to financial performance measured in terms of revenue	GJ per RM million of revenue		59.4				

» ENVIRONMENTAL IMPACT MANAGEMENT



WHY IT MATTERS

In addressing our environmental impact, we adopt a proactive and comprehensive approach that revolves around four pivotal areas: waste management, water and effluents, materials and environmental compliance. Our efforts across these themes do not merely serve to respond to regulatory requirements; they are a representation of our deep-seated commitment to responsible corporate citizenship.

As we navigate the terrain of environmental management, we acknowledge the intricate interconnectedness of its various facets. Progress in one aspect has a ripple effect, benefiting other dimensions and enhancing overall efficiency and sustainability across our operations. This recognition fuels our commitment to continually improve our practices, aligning with our ongoing pledge to safeguard the planet and actively contribute to a resilient and sustainable future.



» OUR APPROACH

» **Waste Management**

Waste management is a critical facet of our operations, holding significance in both sustainability and stakeholder concern. Efficient waste management aligns with our environmental responsibilities and addresses the growing concern about sustainable practices. Stakeholders, including regulatory bodies and the community, are increasingly focused on corporate waste management practices, making it a crucial element for our overall sustainability efforts.

We have integrated our waste management strategy into our broader business strategy, driving cohesive alignment between sustainability objectives and corporate goals. This integration ensures that waste management is not just a regulatory necessity but a strategic element that enhances corporate sustainability, bolstering our ability to meet and surpass stakeholder expectations. The various initiatives implemented for waste reduction, compliance with regulations and recycling practices, as described below, underscore our commitment to effective and comprehensive waste management practices.

» OUR WASTE MANAGEMENT FRAMEWORK

<p>Waste Categorization and Effective Inventory Planning</p>	<ul style="list-style-type: none"> • Waste Categorization Procedures: Our waste categorization procedures effectively distinguish our scheduled and non-scheduled waste. • Effective Inventory Planning: We utilize system technologies for effective inventory planning, preventing excessive inventories and potential stock write-off issues.
<p>Reject Management and Variance Analysis</p>	<ul style="list-style-type: none"> • Reject Management and Approval Process: A formalized rejection management and approval process is instituted as part of waste management control. • Variance Analysis: We rigorously analyze variances from production standards and continuously improve efforts to minimize production variances.

SUSTAINABILITY STATEMENT
(CONT'D)

<p>Regulatory Framework Adherence and eSWIS Implementation</p>	<ul style="list-style-type: none"> • Regulatory Framework Adherence: We adhere to key regulatory frameworks, including the Environmental Quality Act 1974 ('EQA') and Environmental Quality (Scheduled Wastes) Regulations 2005. • Electronic Schedule Waste Information System (eSWIS): We have implemented eSWIS for proper segregation and handling of hazardous waste, leveraging on the system to ensure accurate and timely reporting.
<p>Recycling Practices for Sustainable Operations</p>	<ul style="list-style-type: none"> • Manufacturing Site Practices: We carry our recycling practices for plastic materials and prioritize the recycling of packaging materials, including wooden pallets. • Tracking and Monitoring: We vigilantly track recycling efforts and quantify recycled materials. • Distribution Site Recycling Practices: We also adopt recycling practices in the distribution process and integrate the practice of recycling into the process of delivery to customers. • Total Waste Diverted from Disposal in 2023: 153.7 metric tons or 61% of all waste generated.
<p>Regular Waste Audits to Drive Continuous Improvement</p>	<ul style="list-style-type: none"> • Waste Monitoring: We aim to establish targets so that any deviations exceeding pre-defined thresholds can be investigated and addressed to ensure regulatory compliance and minimize environmental impact. • Yearly Review and Improvement Initiatives: We conduct annual review of waste management practices to identify areas for improvement. • Adoption of ISO 14001:2015 - Environmental Management Systems: We are exploring the adoption of ISO 14001 standards for environmental management, with the aim of full implementation by 2025.
<p>Industry Collaboration</p>	<ul style="list-style-type: none"> • Partnership with Kualiti Alam Sdn Bhd: We collaborate with Kualiti Alam Sdn Bhd to support incineration and landfill management of pharmaceutical waste. • Reduce, Reuse, Recycle ('3Rs') Initiative: We have embarked on the 3Rs initiative for recycling waste in collaboration with industry partners, with plans to fully implement these initiatives in the upcoming years.
<p>Monitoring and Responding to Incidents or Non-Compliance</p>	<ul style="list-style-type: none"> • Regulatory Compliance: We adhere strictly to waste management regulations, including scheduled waste management guidelines and the EQA. We are actively working towards full compliance with the EQA and certifying our designated competent personnel under the Environmental Professional Certification Program by Department of Environment. • Incidents and Non-Compliance Response: We have processes and procedures in place to identify, investigate, and address incidents like spills, accidents, or regulatory violations related to waste management. In 2023, there were no such incidents. • Safe and Responsible Disposal of Expired Drugs through Certified Contractors: We have partnered with certified contractors for expired drug disposal, leveraging their expertise to ensure compliant and environmentally responsible pharmaceutical waste management.

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Environmental Impact Management							
Waste							
3	GRI 306: Waste	C10 (a) Waste Management: Total waste generated	Waste Generated				
			Total weight of waste generated	Scheduled and non-scheduled waste	Metric tons (Mt)	251.0	
			Waste Diverted from Disposal				
			Total weight of waste diverted from disposal	Non-Scheduled Waste			
				Paper Waste	Metric tons (Mt)	106.0	
				Plastic Waste		27.0	
				Plastic Drum		20.7	
				Metal Waste		0	
			Total:			153.7	
			Waste Directed to Disposal				
			Total weight of waste directed to disposal	Scheduled Waste			
				Electronic waste	Metric tons (Mt)	0.4	
				Dry sludge		30.3	
				Oil & sludge		6.9	
				Discarded drugs		55.1	
Used activated carbon	0.4						
Used ink/toner cartridges	0.1						
Used lab chemical	4.0						
Total:			97.2				
Waste Disposal Method							
Total weight of waste disposed using the following disposal methods	Non-Scheduled Waste						
	Recycling	Metric tons (Mt)	153.7				
	Total:			153.7			
	Scheduled Waste						
	Incineration	Metric tons (Mt)	97.2				
Landfill							
Total:			97.2				

» **Water and Effluents**

As a conscientious corporate entity, we acknowledge our duty to manage our water consumption and effluents in a manner that aligns with sustainable and responsible business practices. Given the pivotal role of water particularly in our manufacturing processes, we recognize that responsible water and effluent management can also contribute to our overall operational efficiency and cost-effectiveness. Furthermore, our efforts in this area will support our resource optimization efforts and play a role in mitigating water-related risks.

We thus incorporated responsible water and effluent management into our business strategy and processes, evidenced through our commitment to regulatory compliance, optimization of water-related efficiencies, engagements with relevant stakeholders and management of related risks. Strict adherence to environmental regulations remains paramount, with all water-related activities aligned with local laws and sustainability standards. To this end, our effluent treatment system not only actively manages discharge but also minimizes environmental risks, ensuring the protection of water quality in the areas surrounding our facilities.

We strategically monitor and optimize our water consumption, leveraging on usage data to formulate strategies that foster resource efficiency, cost reduction and sustainable practices. Our active participation in water recycling initiatives reflects our commitment beyond regulatory requirements, as we utilize such events to engage stakeholders in promoting community and environmental well-being.

SUSTAINABILITY STATEMENT
(CONT'D)



» RESPONSIBLE WATER AND EFFLUENT MANAGEMENT

Water Consumption Monitoring and Efficiency

- **Establishment of Key Performance Indicators ('KPIs'):** We are establishing KPIs focused on driving increased water efficiency.
- **Regular Reviews:** We will conduct regular reviews of the monitoring data and adjust our water management strategies accordingly. This iterative process will drive continuous improvement in water efficiency practices.

Effluent Quality Assurance

- **Weekly Monitoring Checks:** We conduct regular weekly checks to monitor critical parameters of effluent quality, ensuring ongoing compliance with environmental regulations and standards.
- **In-House Measurements and Analyses:** In-house measurements and analyses are conducted periodically to monitor critical parameters at our Industrial Effluents Treatment System for compliance with environmental regulations.
- **External Contractor Collaboration:** We are collaborating with external contractor for the implementation of a comprehensive monthly effluent sampling program, which provides us with a thorough and independent assessment of our effluent quality, spurring our endeavor to uphold environmental standards.

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Environmental Impact Management						
Water and Effluents						
4	GRI 303: Water and Effluents	C9 (a) Water: Total volume of water used	Water Consumption			
			Total volume of water consumption broken down by property	XEPA	Megaliters (ML)	103.2
				APS		0.9
				APM/ABIO		5.5
		Total:				109.6
		Water Withdrawal				
		Total volume of water withdrawal broken down by source	Municipal water	Megaliters (ML)	109.6	
		Water Intensity				
Total volume of water withdrawal intensity	Water withdrawal related to financial performance measured in terms of revenue	ML per RM million of revenue	0.1			
S8 (a) Effluents: Total volume of water (effluent) discharge over the reporting period	Effluents					
	Total volume of wastewater/effluents discharge	Wastewater / effluents discharged into treatment facilities	Megaliters (ML)	9.7		

» **Materials**

Our commitment to sustainably source and procure raw materials, particularly Active Pharmaceutical Ingredients ('APIs') and Non-Active Pharmaceutical Ingredients (Excipients), holds immense significance for our business. These materials play a direct role in influencing the quality, reliability and sustainability of our pharmaceutical products. Concurrently, we remain mindful of stakeholder concerns related to ethical sourcing, environmental impact and the overall sustainability of our supply chain.

In elevating effective management of raw materials as a key sustainability objective, we have integrated sustainable sourcing initiatives, industry expertise development and close collaboration with suppliers into our operational strategy, driving heightened ethical practices and environmental responsibility across the organization. Our establishment of rigorous supplier approval processes also plays an important role in ensuring that we engage solely with reliable and quality-focused suppliers.

Through a focus on yield monitoring, recall analysis, and waste reduction, we strive to achieve environmental benefits across the spectrum. This approach promotes efficient resource use and minimizes environmental impact.



SUSTAINABILITY STATEMENT
(CONT'D)

» SUSTAINABLY SOURCING AND PROCURING RAW MATERIALS

<p>Consistent learning and improvement in sustainable sourcing practices</p>	<ul style="list-style-type: none"> • Industry Best Practices Assessments: We ensure to stay updated on the latest industry trends and best practices related to raw material sourcing, while periodically assessing how other organizations in the industry are approaching sustainable sourcing to identify innovative or effective strategies.
<p>Alternative Material Evaluation</p>	<ul style="list-style-type: none"> • Active Evaluation of Alternative Materials: We actively engage in continuous assessments and evaluations undertaken by our procurement team to identify alternative materials. These evaluations focus on exploring sustainable sources that align with environmental and ethical considerations. • Engaging with Suppliers Offering Eco-friendly Raw Materials: We are committed to engaging with suppliers who provide raw materials sourced from eco-friendly and sustainable origins, via communication and collaboration with existing suppliers to enhance existing offerings or by exploring potential partnerships with new suppliers committed to sustainability. • Incorporating Sustainable Sources into the Raw Material Supply Chain: Through these activities aimed at diversifying our supply base and enhancing our raw material procurement process, we strive to increasingly integrate sustainable sources into our raw material supply chain.
<p>System-Driven Packaging Consolidation and Yield Monitoring</p>	<ul style="list-style-type: none"> • Utilizing System-Driven Processes for Packaging Order Consolidation: We employ system-driven processes to consolidate packaging orders efficiently, leveraging technology to streamline and consolidate orders to reduce excess use of packaging materials. • Emphasizing Yield Monitoring in Production: We strongly emphasize yield monitoring in our production processes, ensuring each production batch meets efficiency standards. In cases where yields fall outside specifications, we analyze such incidents and take corrective actions to optimize production efficiency.



» Environmental Compliance

We place paramount importance on adhering to environmental compliance and fostering sustainability throughout our operations, spanning from manufacturing to distribution. We recognize that environmental compliance is not only crucial for operational stability but also imperative to meet the expectations of key stakeholders.

In demonstrating our commitment to aligning our activities with environmental standards and regulations, we prioritize engaging competent personnel, ensuring strict compliance with air quality benchmarks, conducting external environmental audits and sustaining ongoing initiatives for meticulous compliance tracking.

Our pursuit of ISO 14001:2015 Environmental Management Systems certification further underscores our dedication to aligning with international benchmarks and continually improving environmental performance. The various strategies and initiatives implemented to uphold compliance, as outlined below, serves as a testament to our proactive approach in meeting and exceeding environmental compliance expectations.

» DRIVING ENVIRONMENTAL COMPLIANCE

Conducting environmental audits	<ul style="list-style-type: none"> • Instigating the Commencement of Regular Audits: We have commenced plans to schedule and execute external audits to assess compliance and pinpoint areas for improvement.
Pursuit of ISO 14001:2015 Certification	<ul style="list-style-type: none"> • Pursuing ISO 14001:2015- Environmental Management Systems certification: We are committed to achieving ISO 14001:2015 certification and will commence the certification process in the upcoming year, aiming to attain certification by 2025.
Establishment of Internal Assessment Controls	<ul style="list-style-type: none"> • Commencing Internal Assessments: We are formulating detailed internal assessment protocols that encompass key environmental indicators, enabling us to define criteria for evaluating compliance with regulatory standards and subsequently identify areas for improvement.
Upholding Compliance	<ul style="list-style-type: none"> • Zero Non-Compliance Incidents: There were zero recorded incidents of non-compliance with environmental regulations in 2023.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Environmental Impact Management						
Environmental Compliance						
			Incidents of Non-Compliance			
5	GRI 307: Environmental Compliance		Total number of incidents of non-compliance with regulations concerning environmental laws/ regulations	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0

SOCIAL PILLAR

UPLIFTING PEOPLE AND COMMUNITIES

Related Material Matters

» Health and Safety

» Employee Management

» Community/Society



» HEALTH AND SAFETY



WHY IT MATTERS

Health and safety are integral topics that deeply resonate with our long-standing tagline, **'Restoring Health, Enhancing Life'**. As a pharmaceutical entity, we understand the profound significance of ensuring the well-being of our workforce while also acknowledging the responsibility we bear for those who entrust their health to our products. This twofold commitment is the bedrock of our dedication to championing health and safety within our organizational sphere and beyond, actively contributing to the broader well-being of the community we serve.

» OUR APPROACH

OCCUPATIONAL HEALTH AND SAFETY

With a diverse workforce of 976 employees, Occupational Health and Safety ('OHS') stands as a pivotal material matter for AHB Group. Our resolute commitment is directed towards fostering a secure and healthy workplace, harmonizing the needs of our people with our sustainability goals. Embracing a comprehensive approach, we address the well-being of employees, contractors and the local community, concurrently fortifying trust among our workforce, regulatory bodies and other stakeholders.



The seamless integration of OHS management into our daily operations reflects our proactive stance, extending from the pursuit of certifications and effective supply chain safety practices to impactful employee engagement, risk mitigation and the establishment of a sustainable work environment. These efforts have become ingrained in our organizational culture, fostering a collective acknowledgment that health and safety are shared responsibilities. This cultural alignment not only enhances the sustainability, efficiency and operational resilience of our business but also underscores our commitment to safeguarding the well-being of everyone associated with AHB.

» **Fostering a Robust OHS Culture**

Our commitment to a safety-centric culture is evident through various initiatives aimed at instilling a strong emphasis on safety throughout our organization. Continuous safety training programs equip our workforce with the latest protocols and best practices, fostering an informed and safety-conscious environment. To elevate safety performance, we have established KPIs, many of which surpass local regulatory requirements, to serve as benchmarks for employee assessments.

We emphasize diversity within our Safety Committee by including representatives from various departments. This ensures a range of perspectives and fosters a collaborative approach to safety governance. Additionally, we actively encourage employee participation in safety and health activities, inviting them to contribute ideas and assist in hazard identification. This inclusive environment values innovative suggestions, appreciating the contributions of our workforce to enhance safety standards.

» **Health & Safety Training**

Training occupies a pivotal role in instilling a workplace culture that values vigilance and adherence to established practices, especially those designed to uphold employee health and safety. Our comprehensive approach encompasses a well-crafted framework of training programs strategically crafted to educate employees on all facets relevant to their well-being. These sessions serve as a platform not only for imparting knowledge but also for keeping our workforce abreast of the latest regulatory standards and best practices in health and safety. In our commitment to accessibility, we are dedicated to expanding the reach of our training programs to ensure that all employees benefit from the essential guidance provided. In 2023, a total of 841 employees successfully participated in health and safety training which is equivalent to 86% of our workforce. While we set our sights on 100% participation, we are actively broadening our training curriculum to achieve this target in the coming years.

SUSTAINABILITY STATEMENT
(CONT'D)

» **Accelerating towards ISO 45001:2018 - Occupational Health & Safety Management Systems Certification**

We are committed to obtaining global certifications that recognize our world class safety standards and have commenced the foundational work necessary for ISO 45001:2018 certification. During the initial phase of the certification process, we are actively preparing to ensure that all necessary elements and requirements for certification are meticulously addressed. We are targeting to complete the certification process in 2024.

» **Contractors Compliance**

To ensure the safety of contractors working at our premises, we require them to adhere to our standardized health and safety guidelines at all times. As part of the process to receive their permit to work, safety briefings are conducted

» **Incident Reporting and Investigation**

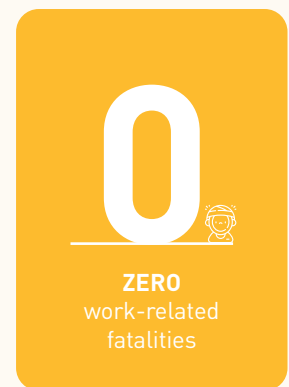
In 2023, we are pleased to have recorded zero work-related fatalities and a Lost Time Incident Rate ('LTIR') of zero. Effective reporting and investigation of health and safety incidents are vital tools to drive continual progress in our practices. To this end, we have developed comprehensive protocols and guidelines to support this objective, including but not limited to the following initiatives:

- **Official Incident Reporting Mechanism:** We have established an official reporting mechanism to comprehensively document all occupational health and safety incidents in a systematic and consistent manner.
- **Guided Investigation by Safety and Health Officer/Representative:** Under the guidance of the Safety and Health Officer/Representative, all safety incidents undergo a thorough investigation, varying in nature based on specific circumstances, to ascertain root causes and contributing factors.
- **Immediate or Time-Dependent Rectification:** Depending on the severity of the incident, we implement immediate rectification measures whenever feasible, prioritizing swift responses to critical risks.
- **Monthly Reporting:** The Safety and Health Officer/Representative prepares and files a monthly report encompassing KPIs related to accidents, including fatalities and near-miss cases, and safety training hours, enabling continuous monitoring and improvement to our processes.
- **Compliance with Regulatory Reporting Requirements:** We diligently comply with regulatory reporting requirements, ensuring timely and accurate submissions of incidents to relevant authorities, most notably the Department of Environment ('DOE') and the Department of Occupational Safety and Health ('DOSH').
- **Root Cause Analysis and Preventive Actions:** We collaborate with regulatory bodies to conduct root cause analysis, ensuring a full appreciation of all contributing factors. Subsequently, we implement appropriate Corrective and Preventive Actions ('CAPA') to prevent recurrence.
- **Industrial Accident Report Generation:** We systematically generate industrial accident reports for all incidents, documenting the findings of root cause analysis and detailing the preventive measures taken. This report contributes to ongoing improvement efforts and proactive implementation of safety measures.
- **Structured Procedure and Reporting Form:** We have implemented a structured procedure for the reporting of work site accidents and incidents, utilizing a standardized format for convenient data management, analysis and retrieval. This approach facilitates a comprehensive assessment of workplace incidents and accidents at any given time.

to communicate safety protocols and procedures. The contractors concerned are required to acknowledge that they have been informed and trained on these guidelines. We monitor contractor activities throughout the duration of their work to verify compliance with safety protocols, taking steps to address any deviations from established standards.

» **Hazard Identification, Risk Assessment and Risk Control ('HIRARC')**

We employ extensive HIRARC processes to identify workplace hazards, assess potential risks stemming from these hazards and implement control measures including elimination, substitution, engineering control, administration control or use of Personal Protective Equipment in situation where additional protection is needed. Such approach ensures the creation of a safe and healthy workplace for all employees and visitors.



CUSTOMER HEALTH AND SAFETY

Customer health and safety is a primary sustainability consideration for the Group, given our extensive product range that includes pharmaceuticals, consumer healthcare products and medical devices. Our foremost priority is to ensure the quality and safety of these products to meet regulatory standards, putting our customers' minds at ease and addressing stakeholder requirements. Our commitments in this area have been simultaneously enshrined within the Group's Growth Strategies, which highlights our emphasis on adopting a *'Customer-Centric Approach'* to stay closely abreast of shifting customer needs, including those related to health and safety, to drive innovation in tandem with their expectations.

Stringent policies and processes have been established to integrate the management of customer health and safety into our operational strategies and practices. Guided by our sustainability objectives, we emphasize continuous product safety vigilance and leverage modern tools such as digital Electronic Quality Management System ('EQMS') to develop a resilient framework that not only safeguards the health and safety of consumers but also contributes significantly to business continuity. These efforts further underscore our dedication to fulfilling risk management and compliance commitments, reinforcing our role as a responsible corporate entity in the pharmaceutical landscape.



» Product Quality Assurance

Our commitment to ensuring the quality of our products is ingrained at each stage of the design, development and manufacturing process, with a comprehensive range of assessments and evaluations conducted to ensure alignment with pharmaceutical quality systems, compliance to ICH guidelines and adherence to Pharmaceutical Inspection Co-operation Scheme (PIC/S) requirements.

These include laboratory-based quality control testing for every component (packaging and raw material), independent checks by the in-process quality assurance team, and in-house testing based on approved specifications. The culmination of these processes results in the creation of a Certificate of Analysis. Our quality assurance team only permits the release of products to market after all Good Manufacturing Practice ('GMP') standards have been met. In 2023, a total of 123 products underwent rigorous assessments that focused on their impact on the health and safety of consumers.

Beyond the manufacturing process, we have developed and implemented SOPs to uphold quality management in product storage and transportation. This ensures the quality of our pharmaceutical products are safeguarded during delivery to hospitals, clinics and pharmacies.



» Customer Education

It is crucial that our customers have a clear understanding of the correct way to consume and utilize our pharmaceutical products. This is achieved through the explicit outlining of product indications and usage instructions, which are provided in pack inserts or leaflets accompanying our pharmaceutical products. Additionally, our brand website serves as a valuable resource, offering comprehensive information on product indications and proper usage.

We have implemented a strong governance and oversight framework for the development of promotional materials to ensure accuracy and compliance in our instructional content, with regulatory personnel engaged to assess materials created by the marketing team and ensure their alignment with regulatory guidelines. The approval stage involves endorsement by regulatory personnel and the head of commercial divisions.

To fortify our internal capabilities aimed at enhancing customer education practices, we conduct ongoing training sessions for the sales team, equipping them with a deeper understanding of product safety and efficacy. Additionally, we organize training programs for healthcare professionals empowering them with the knowledge to safely use our products.

SUSTAINABILITY STATEMENT
(CONT'D)



» **Supply Chain Safety**

We are mindful of the imperative to ensure safety across the entire supply chain and have implemented various practices to achieve this crucial objective. A key strategic measure involves the introduction of tamper-proof packaging for pharmaceutical products, providing a visual indication of whether the product packaging has been compromised or tampered with. This ensures the safety and integrity of the medication, instilling confidence in our customers and consumers.

Additionally, we have established SOPs that outline recommended storage conditions for pharmaceutical products. These SOPs serve as reference guides for external parties, enabling them to uphold optimal storage conditions, preventing degradation and ensuring the quality of medicines during storage. The SOPs also encompass guidelines for environmental monitoring within storage and distribution areas, addressing factors such as temperature and humidity that may impact product stability or elevate the risk of contamination.

Our consistent efforts to enhance supply chain safety underscore our firm adherence to Good Distribution Practice ('GDP') guidelines for pharmaceutical storage, distribution and transportation. This commitment guarantees the safety and quality of our products throughout the supply chain.



» **Development of Product Recall Protocols**

In safeguarding the health and safety of consumers and upholding compliance with pertinent laws and regulations, we have developed product recall procedures. These procedures feature clear and detailed protocols designed to address varying levels of severity based on potential health impacts. To ensure their effectiveness, these procedures undergo ongoing refinement and updates, supported by comprehensive reviews of relevant regulations and guidance from regulatory bodies to ensure alignment with industry standards.

To proactively propel preparedness, we regularly schedule and execute simulated recall scenarios. These exercises serve to train and prepare our team for swift and coordinated responses in the event of an actual recall. Diverse recall scenarios are simulated to test the team's ability to respond effectively, with their performance evaluated and analyzed. This iterative process enables us to derive insights and implement improvements, enhancing our capabilities to manage product recalls efficiently.

0 **ZERO** customer complaints related to the health and safety of products

On this note, there were zero customer complaints or incidents related to health and safety during 2023, and zero incidents of non-compliance with safety regulations. While there were 13 product recalls in 2023, the affected products were primarily those which we distribute for our external suppliers who initiated the recall. Our distribution business segment renders full support to our suppliers accordingly. Through our close collaboration with our suppliers, we are able to institute an effective process to ensure customer health and safety are maintained at all times.



» **Adopting digitalization**

We increasingly leverage new technology to bolster customer safety by digitalizing our quality management systems through our EQMS. Our focus on digitalizing our change control processes has enabled a systematic approach to assessing, approving and implementing changes to our products, while ensuring that alterations align with health and safety standards. The digitalization of change control processes also facilitates transparent communication of modifications to relevant stakeholders.

Additionally, we are adopting the digitalization of incident reporting, which offers a more standardized and efficient mechanism for reporting health and safety incidents. This approach streamlines the process of investigating root causes and implementing corrective actions, ensuring a swift and thorough response to incidents.





» **Implementation of a Pharmacovigilance System**

To significantly enhance our commitment to customer health and safety, we have implemented a reliable pharmacovigilance system. This system, crafted in strict compliance with regulatory standards, seamlessly integrates with our feedback channels, ensuring prompt access for our pharmacovigilance team and reinforcing their responsiveness to safety concerns.

Critical to the system's effectiveness is the rigorous training provided to our pharmacovigilance team. Focused on proper data handling and interpretation, with emphasis also placed on accurate documentation and reporting, these sessions empower our team to navigate safety data with precision.

Our pharmacovigilance system incorporates a mechanism for receiving feedback on pharmaceutical products,

supported by procedures that assess the urgency of feedback received. We have set clear timelines for our team to acknowledge and address reported safety concerns.

To fortify our monitoring of adverse effects, SOPs have been established to provide guidance on adverse event reporting, along with KPIs to monitor the team's performance with relation to compliance, data handling and record maintenance.

Ongoing training is consistently provided for the team to ensure the achievement of set targets and to keep them updated on pharmacovigilance best practices. This includes the incorporation of new regulations and guidelines into training modules. Additional resources are also made available to support continuous learning and the advancement of our pharmacovigilance competencies.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Health and Safety							
Occupational Health and Safety							
1	GRI 403: Occupational Health and Safety	C5 (a) Health and Safety: Number of work-related fatalities	Work-Related Fatalities				
			Total number of work-related fatalities	Total hours worked	Hours	1,836,384	
				Number of fatalities	Count	0	
		Rate of fatalities		Rate per 200,000 hours	0		
		C5 (b) Health and Safety: Lost time incident rate	Lost Time Incident Rate				
			Lost time incident rate	Lost Time Incident Rate (LTIR)	Rate per 200,000 hours	0	
		C5 (c) Health and Safety: Employees trained on health and safety standards	Employees Trained on Health and Safety Standards				
			Total number of employees trained on health and safety standards	Total number of employees	Count	841	

SUSTAINABILITY STATEMENT
(CONT'D)

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Health and Safety							
Customer Health and Safety							
2	GRI 416: Customer Health and safety	S3 (a) Customer Health & Safety / Product Responsibility	Product Safety				
			Products subject to health and safety impact assessments for enhancement	Total number of products that have undergone assessments specifically focused on their impact on the health and safety of consumers	Count	123	
		S3 (b) Customer Health & Safety / Product Responsibility	Non-Compliance Incident				
			Incidents of non-compliance concerning the health and safety impacts of products and services	Total number of customer complaints related to the health and safety of products	Count	0	
				Total number of safety regulation non-compliance incidents		0	
				Total number of product-related health and safety incidents		0	
S3 (c) Customer Health & Safety / Product Responsibility	Product Recalls						
Products or units that have been recalled for health and safety reasons	Total number of products that have been recalled for health and safety reasons	Count	13				

» EMPLOYEE MANAGEMENT 

WHY IT MATTERS

Our workforce is the cornerstone of our success, making it imperative to cultivate a high-performing and contented team. This is not only crucial for the sustained excellence of our operations but also equips us with the collective capabilities necessary to achieve our long-term growth and performance objectives. Our recognition of the pivotal role employees play in propelling progress has been ingrained within the *‘Commitment of a Career’* pillar of the Group’s Growth Strategies, which places emphasis on developing a competent and agile workforce complemented by a future-proof leadership pipeline.

To this end, we have adopted an all-encompassing approach to employee management, acknowledging the multitude of factors that contribute to a high-performing, motivated and enduring workforce. We direct our attention towards talent management, fostering engagement, providing training and education, championing diversity and inclusion, and safeguarding employee rights. This holistic consideration ensures that we not only adhere to all relevant labor laws and regulations but also meet the expectations of our diverse stakeholders.

In recognition of our conscientious approach to employee management, we are proud to share that XEPA received the esteemed Asia’s Best Employer Brand Award from the Employer Branding Institute in August 2023. This accolade not only reaffirms our commitment but also emboldens us to further bolster our efforts in cultivating a workplace culture that appreciates and celebrates the valuable contributions of all employees.

» OUR APPROACH

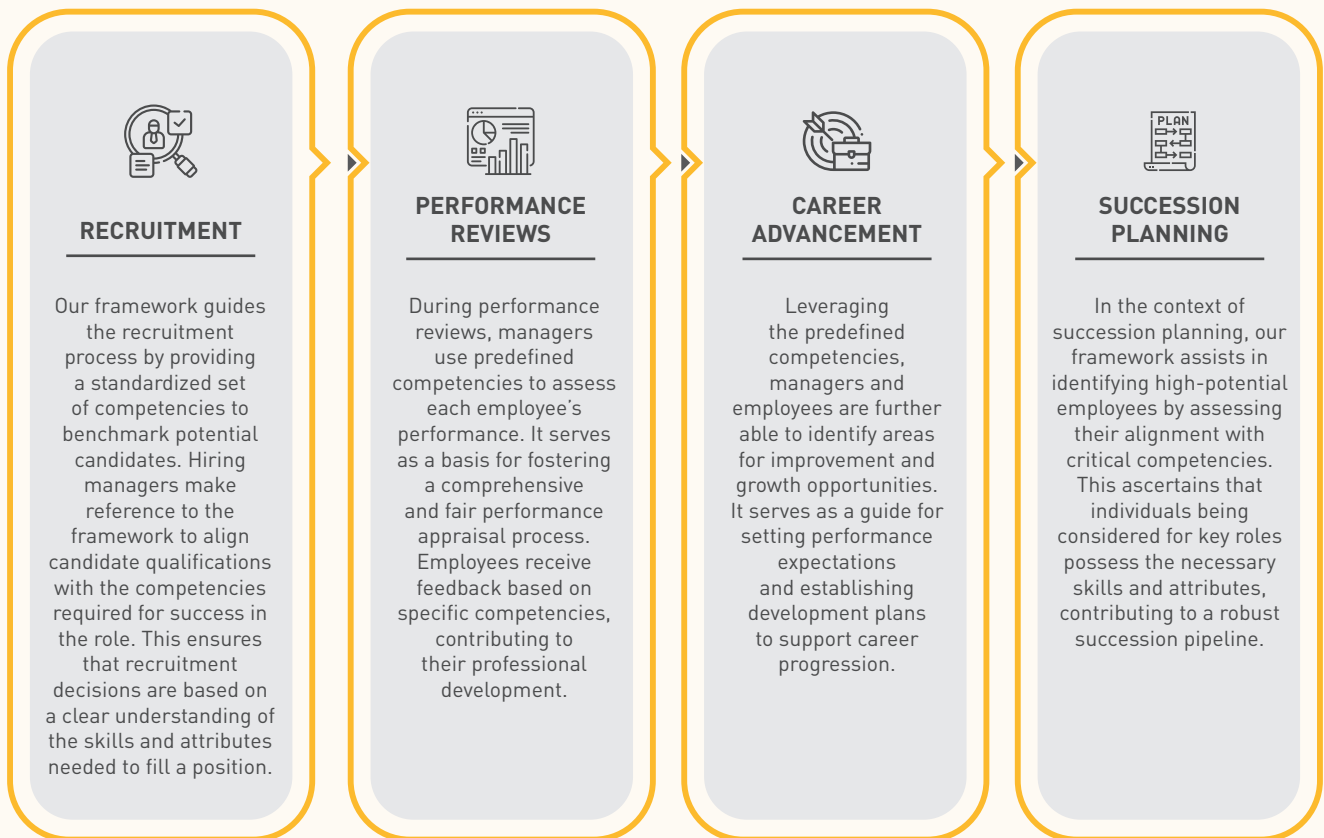
TALENT MANAGEMENT

Talent management occupies a central position in our organizational strategy, underscoring the pivotal role that skilled and well-managed individuals play in upholding operational excellence and propelling the company towards its strategic objectives. It is not merely a functional necessity for day-to-day operations; rather, we perceive it as a vital imperative with far-reaching implications for the company's long-term strategic planning.

By seamlessly integrating talent management into our overarching business strategy, we align our workforce with our tenets, culture and objectives. Our approach to this critical aspect involves a concerted effort to identify and recognize individuals with the requisite skills to contribute effectively to our goals. We concurrently focus on developing robust succession frameworks and supporting our employees' professional and leadership skills throughout their tenure with us. This ensures a steady pipeline of qualified individuals ready to assume key roles, thereby mitigating the risks associated with leadership gaps. This approach aligns with our long-term vision of nurturing a leadership team capable of navigating challenges and steering the company towards sustained success.

Our talent development efforts extend to prioritizing employee engagement and satisfaction initiatives to cultivate a positive and vibrant workplace culture, reflecting our recognition that a contented workforce is more likely to be productive, innovative and committed to the company's goals. By being open to employee feedback, addressing their concerns and implement improvements, we demonstrate our commitment to continuous improvement that fosters sustainable growth and enhances the resilience of our organization.

LEADERSHIP AND COMPETENCIES FRAMEWORK



SUSTAINABILITY STATEMENT
(CONT'D)

» **Proactively Nurturing Potential Leaders Through a Structured Program**

Our leadership development initiatives commence from recruitment stage and features dedicated chapters for different managerial levels, empowering us to elevate the leadership capabilities of our current managers. Following recruitment strategies that enable the identification of potential leadership candidates, our continuous talent assessment initiatives play a pivotal role in identifying individuals possessing the essential skills and qualities for leadership roles. These efforts involve regular evaluations of our talent pool, incorporating periodic performance appraisals and feedback mechanisms to discern high-potential talents with the requisite performance, skills and experience.

To support ongoing nurturing of employees with leadership potential, we have designed and implemented targeted development plans to groom them for future leadership roles, providing access to training programs, workshops and mentoring. These initiatives bestow upon them the essential skills and knowledge needed to lead their teams effectively and contribute to the overall success of the organization. The curriculum encompasses key leadership principles, including strategic thinking and decision-making, and foster the practical application of these skills.

We also provide opportunities for these employees to undergo cross functional training across diverse roles to broaden their skill set. This is further supported by mentorship and coaching programs that pair future leaders with experienced executives to spur collective knowledge and skill sharing. These efforts represent our commitment to fostering a learning environment that empowers individuals to unlock their full potential and contribute meaningfully to our success.

» **Management Trainee Program**

APM operates a Management Trainee Program aimed at nurturing and developing young talents and fresh graduates through a comprehensive two-year experience. The program is designed to provide participants with exposure to various significant departments within the organization, fostering a well-rounded understanding of the business. In this structured initiative, participants undergo rotations across key departments, gaining hands-on experience and insights into the diverse facets of our operations. The departments involved in the rotation include Sales and Marketing, Distribution and Logistics, HR, IT and Finance, among others.

Each department’s manager refers to defined competencies to identify areas for improvement and growth opportunities, setting performance expectations and establishing development plans to support career progression. Upon completion of the two-year program, participants undergo a review process that assesses their performance, acquired skills and overall suitability for permanent roles within the company. Our Management Trainee Program welcomes 2 talented individuals in 2023 as they embark on a transformative journey with us.

» **XEPA’s Pharmacist Recruitment Program**

Reflecting our commitment to social responsibility, XEPA simultaneously undertakes a Pharmacist Recruitment Program. XEPA is recognized by the Pharmacy Board Malaysia as one of the Training Premises for Provisionally Registered Pharmacists (‘PRPs’). This initiative is geared towards offering PRPs a thorough two-year experience, fostering their professional growth and development, and simultaneously enriching the talent pool at XEPA. The Pharmacist Recruitment Program offers a unique and immersive experience within XEPA, during which the PRPs undergo rotations across various departments to ensure a well-rounded understanding of different facets of the pharmaceutical business, from manufacturing to distribution and beyond. The participating departments include Production, Quality and Regulatory Affairs, Research & Development, Sales & Marketing, Supply Chain and Logistics, contributing to the development of broader competencies and skill sets, and preparing the PRPs for potential permanent roles within the company. A structured review is conducted at the end of the 24-month period to



evaluate their performance and suitability for available roles in the company. In 2023, we proudly announce the successful recruitment of 5 PRPs through this program, marking another milestone in our on-going commitment to elevate the standards of pharmaceutical care while creating a nurturing environment for emerging talent to flourish.

SYNERGIES OF WELL-BEING AND PRODUCTIVITY

» Boosting Well-being and Health

We actively promote employee well-being and cultivate a healthy workplace culture through informative health talks and engaging recreational and social activities. These efforts underscore our commitment to employee welfare by enhancing the overall employee experience and fostering a sense of community within the organization.

Regular health talks, covering a range of topics including mental health, are conducted throughout the year, providing valuable information and resources to employees. These talks contribute to the overall well-being of our workforce by promoting health awareness and preventive measures. To further support our employees, we provide periodic health screenings, alleviating the financial strain that such check-ups may pose.

In addition to health-focused initiatives, we organize a variety of recreational and social activities designed to enhance employee well-being and foster a sense of community. These activities include sports, team-building exercises, festive gatherings and an annual dinner.

» Bolstering Employee Engagement and Satisfaction

Our efforts to implement programs and activities that continually enhance the workplace environment reflects our commitment to fostering a positive workplace culture. Our comprehensive range of engagement activities includes surveys, huddles, learning lunches (such as brown bag sessions), staff gatherings, games and competitions, sports tournaments and training programs, along with reward and recognition programs. Engaging employees in such diverse activities fosters a dedicated workforce that feels motivated and driven to contribute to the organization's success.

Periodically, we proactively enhance the working facilities, concentrating on creating a positive and comfortable atmosphere that aligns with employee expectations. These tangible improvements extend to physical spaces and facilities, taking into account specific requests expressed by employees regarding their work environment.

» Elevating Workplace Facilities for Enhanced Productivity

Acknowledging the profound impact of a conducive work environment in unleashing the full potential of our workforce, we have strategically introduced two employee-centric facilities at XEPA last year. In July 2023, we proudly unveiled Xphilia Café, a new canteen. Bathed in natural light, this dynamic space provides comfortable seating and outdoor areas, creating a welcoming ambience that nurtures a positive and collaborative working atmosphere for our expanding team.

In tandem with this, the Conoscenz Office was introduced in May 2023, catering specifically to teams in Innovation & Development, Regulatory Affairs, Business Pipeline, and Quality Assurance. This purpose-built meeting space is ingeniously designed to foster collaboration and encourage creative problem-solving among the key individuals and teams steering AHB towards a brighter future.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Employee Management						
Employment						
3	GRI 401: Employment	C3 (a) Diversity: Percentage of employees by gender and age group, for each employee category	Employee Distribution by Gender			
			Total number of employees broken down by gender	Female	Count	523
				Male		453
				Total:		
			Percentage of employees broken down by gender	Female	Percentage (%)	54%
				Male		46%
Total:				100%		

SUSTAINABILITY STATEMENT
(CONT'D)

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Employee Management					
Employment					
Employee Distribution by Age					
		Total number of employees broken down by age	Under 20 - 29 years old	Count	341
			30 - 39 years old		299
			40 - 49 years old		203
			50 - 59 years old		107
			Above 60 years old		26
			Total:		976
		Percentage of employees broken down by age	Under 20 - 29 years old	Percentage (%)	35%
			30 - 39 years old		31%
			40 - 49 years old		21%
			50 - 59 years old		11%
Above 60 years old	3%				
Total:	100%				
Employee Distribution by Category					
		Total number of employees broken down by category	Managers	Count	93
			Executive		220
			Non-executives		663
			Total:		976
		Percentage of employees broken down by category	Managers	Percentage (%)	10%
			Executive		23%
Non-executives	68%				
Total:	100%				
C6 (b) Labor Practices & Standards: Percentage of employees that are contractors or temporary staff	Employee Distribution by Type				
	Total number of employees broken down by type	Contractor/ temporary staff	Count	59	
		Permanent Staff		917	
		Total:		976	
	Percentage of employees broken down by type	Contractor/ temporary staff	Percentage (%)	6%	
		Permanent Staff		94%	
Total:		100%			
Employee Distribution by Ethnicity					
		Total number of employees broken down by ethnicity	Malay	Count	471
			Chinese		439
			Indian		30
			Others		36
			Total:		976
		Percentage of employees broken down by ethnicity	Malay	Percentage (%)	48%
			Chinese		45%
			Indian		3%
Others	4%				
Total:	100%				

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Employee Management							
Employment							
Employee Distribution by Nationality							
		Total number of employees broken down by nationality	Malaysia	Count	904		
			Singapore		71		
			Others		1		
		Total:					976
		Percentage of employees broken down by nationality	Malaysia	Percentage (%)	93%		
			Singapore		7%		
			Others		0%		
		Total:					100%
		New Hires					
		Total number of new hires broken down by gender	Female	Count	117		
			Male		113		
		Total:					230
		Percentage of new hires broken down by gender	Female	Percentage (%)	51%		
			Male		49%		
Total:					100%		
Total number of new hires broken down by age	20 - 29 years old	Count	151				
	30 - 39 years old		44				
	40 - 49 years old		22				
	50 - 59 years old		8				
	Above 60 years old		5				
Total:					230		
Percentage of new hires broken down by age	20 - 29 years old	Percentage (%)	66%				
	30 - 39 years old		19%				
	40 - 49 years old		10%				
	50 - 59 years old		3%				
	Above 60 years old		2%				
Total:					100%		
Employee Turnover							
Total turnover broken down by gender	Female	Count	82				
	Male		89				
Total:					171		
Percentage of turnover broken down by gender	Female	Percentage (%)	48%				
	Male		52%				
Total:					100%		
Total number of turnover broken down by age	20 - 29 years old	Count	89				
	30 - 39 years old		46				
	40 - 49 years old		22				
	50 - 59 years old		7				
	Above 60 years old		7				
Total:					171		
C6 (c)	Labor Practices & Standards:	Total number of employee turnover by employee category					

SUSTAINABILITY STATEMENT
(CONT'D)

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Employee Management					
Employment					
		Percentage of turnover broken down by age	20 - 29 years old	Percentage (%)	52%
			30 - 39 years old		27%
			40 - 49 years old		13%
			50 - 59 years old		4%
			Above 60 years old		4%
		Total:			100%
	C6 (d) Labor Practices & Standards: Number of substantiated complaints concerning human rights violations	Human Rights Violations			
		Total number of complaints concerning human rights violations	Number of substantiated complaints	Count	0

TRAINING AND EDUCATION

Training and education are integral components of our organizational development, and we are dedicated to supporting both skill enhancement and broader professional growth. Our emphasis lies in fostering a culture of continuous learning, empowering employees, and aligning individual development with corporate goals.

Our growing commitment to driving employee growth through skills development aligns seamlessly with our overarching business strategy, which prioritizes a knowledgeable and skilled workforce to maintain long-term sustainability. By nurturing a learning culture, we ensure our workforce remains adaptable and capable of meeting evolving industry demands, which further supports key corporate goals such as innovation, operational efficiency and employee satisfaction.

» **Enhancing Skills and Professional Development**

We adopt a multifaceted approach to comprehensively enhance employee skills and professional development throughout their engagement with AHB Group. Our structured training development plan covers various aspects, from compliance-based topics to leadership training, ultimately emphasizing practical application of leadership concepts and placing due recognition on the significance of soft skills in overall employee development.

We recorded a total of 45,520 training hours in 2023, with managers receiving an average of 76 hours of training, executives 71 hours and non-executives 35 hours. These meticulously designed training and education initiatives consist of a combination of in-house and public programs, including but not limited to the following:

- Conducting focus group sessions to address specific departmental needs.
- Facilitating individualized training programs based on employee roles and aspirations.
- Integrating compliance-based training on topics namely anti-corruption and PDPA.
- Providing leadership and competency training to nurture future leaders.
- Implementing programs aimed at increasing departmental and team efficiency.
- Integrating soft skills and vocational training in the overall development plan.
- Organizing excursion trips for practical learning experiences.

We recorded a total of **45,520 training hours** in 2023.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Employee Management							
Training and Education							
4	GRI 404: Training and Education	C6 (a) Labor Practices & Standards: Total hours of training by employee category	Total training hours	Training hours	Hours	45,520	
			Average Training Hours by Category			Hours	
			Average training hours by category	Managers	76		
				Executive	71		
Non-executives	35						

DIVERSITY AND EQUAL OPPORTUNITY

Our focus on diversity and equal opportunity is a crucial indicator of our dedication to fair and inclusive practices. Our initiatives are crafted to cultivate a workplace culture that appreciates diversity and guarantees equal opportunities for all, in alignment with stakeholder expectations for ethical and inclusive business conduct.

Effectively managing diversity and equal opportunity is integral to propelling the Group towards our sustainability objectives and broader corporate goals. By nurturing a workplace that values and leverages the benefits of diverse backgrounds and experiences, we can elevate employee engagement, attract top talent and contribute to a positive corporate reputation. This, in turn, reinforces our core social responsibility objectives and supports long-term organizational success.

» Performance-based Remuneration

We have implemented a performance-based pay system that directly ties compensation to individual performance, cultivating a culture of accountability and acknowledging employees for their unique contributions. This design establishes a direct correlation between employees' performance and their compensation, creating incentives for enhanced performance. Our approach includes conducting annual performance appraisals to assess individual contributions, followed by pay adjustments to align remuneration with demonstrated achievements.

To systematically evaluate and measure each employee's performance, we conduct annual performance appraisals as a structured process, assessing employees against predetermined KPIs and job responsibilities. These appraisals involve a detailed review of employees' skills and competencies in their respective roles, determining the extent to which employees have met or exceeded performance expectations.

Post-appraisals, decisions on pay adjustments are made based on merit, taking into account the specific achievements and impact of each employee. This ensures that compensation reflects both the qualitative and quantitative aspects of individual performance.

» Equal Opportunity Policy

We have also established and strictly adhere to an equal opportunity policy to guarantee that all individuals are treated fairly and without discrimination throughout the hiring process and their employment tenure. In pursuit of impartial and merit-based hiring, we base decisions on qualifications, experience, and established criteria, with the hiring managers closely collaborating with HR to ensure adherence to fair processes.

To uphold our commitment to bias-free hiring practices, we have adopted a diverse candidate sourcing strategy and developed non-discrimination policies, ensuring thorough awareness among relevant staff and managers through effective training and communication.

As of 31st December 2023, our workforce achieved a near even gender split with 54% male and 46% female employees.

Further to this, we maintain transparent and standardized employment terms, regularly reviewing these terms with reference to regulations and industry best practices and communicating them clearly to all employees. We have also set up open communication channels for employee feedback, leveraging their sentiments to continually enhance our approach.

SUSTAINABILITY STATEMENT
(CONT'D)

» Diversity in Board Leadership

The Board of AHB is composed of a combination of Directors with a mix of skills appropriate to providing the necessary breadth and depth of knowledge and experience to serve the Company’s best interests. The Board embraces diversity amongst its members and has ensured a good representation of the relevant skills and experience for the discharge of its duties. Its policy towards boardroom diversity is above all, to be non-discriminatory with regards to gender, race or religion, and only considering relevant qualifications, ability and commitment when proposing candidates for shareholders’ approval.

While boardroom diversity remains a main criterion for Board composition, no regard shall be paid to gender, race or religion when considering specific candidates for appointment to the Board. Suitability of qualifications, experience and synergy with the overall composition of the Board are factors which the Company values and will take into account.

The Board considers its current size and composition as ideal. Further changes to the gender ratio of the Directors will be guided by the policy stated above. In its measure towards meeting its gender diversity policy, the Board takes cognizance of the importance of considering candidates for appointment from a wider pool. The Board acknowledges the benefits of having participation of women on the Board in terms of providing different perspectives and insights for effective decision making and targets to ensure that there is women representation on the Board at any one time.

AHB is in compliance with the amendments to the Main Market Listing Requirements of Bursa Malaysia which mandates a listed company to have at least one woman director on its board with effect from 1st June 2023 for listed companies with market capitalization of less than RM 2 billion.

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Employee Management							
Diversity and Equal Opportunity							
5	GRI 405: Diversity and equal opportunity	C3 (b) Diversity: Percentage of directors by gender and age group	Board Diversity				
			Board diversity by gender	Female Directors	Count	1	
				Male Directors		7	
				Total:		8	
			Percentage of Board diversity by gender	Female Directors	Percentage (%)	13%	
				Male Directors		87%	
				Total:		100%	
			Board diversity by age	20 - 29 years old	Count	0	
				30 - 39 years old		0	
				40 - 49 years old		0	
				50 - 59 years old		2	
				Above 60 years old		6	
				Total:		8	
			Percentage of Board diversity by age	20 - 29 years old	Percentage (%)	0	
				30 - 39 years old		0	
40 - 49 years old	0						
50 - 59 years old	25%						
Above 60 years old	75%						
Total:		100%					

LABOR MANAGEMENT RELATIONS

Our management of labor relations primarily involves addressing and resolving conflicts and grievances across our workforce. Our conscientious approach to this matter is crucial for us to uphold fair and transparent practices in handling employee concerns. This directly impacts employee satisfaction, morale and overall organizational health, while also addressing the needs of stakeholders concerned with the effectiveness of our conflict resolution mechanisms and commitment to fair labor practices.

Recognizing that a harmonious work environment is essential for sustained success, we have intricately woven relevant initiatives into our day-to-day practices and employee management strategy. By addressing conflicts through a hierarchical process, conducting thorough investigations and taking appropriate actions, we contribute towards enhanced transparency, fairness and improvement in our labor management approach.

» **A Formal and Transparent Grievances Procedure**

Our grievances procedure is designed to provide employees with a structured mechanism to address their concerns and conflicts, while ensuring a fair and thorough resolution process. The process follows a hierarchical path, enabling employees to escalate issues through the chain of command to address matters at the appropriate levels, with senior management getting involved for significant concerns.

A thorough investigation ensures that decisions and actions are based on accurate information, with appropriate measures taken in response to the findings of the investigation. The nature of actions may vary and include disciplinary measures that set a stern example, contributing to an orderly and ethical workplace, and reinforcing the importance of adherence to company policies.

Throughout the process, we are committed to ensuring that the conflict resolution process is transparent and fair, which is foundational to maintaining a positive organizational culture and employee morale. Our open communication channels and involvement of senior management thus contribute meaningfully to providing a sense of justice and impartiality. To this end, we are open to feedback from employees, utilizing their comments and suggestions as a valuable input for enhancing existing processes.

» COMMUNITY/SOCIETY 

WHY IT MATTERS

In our role as a responsible corporate citizen in the pharmaceutical industry, community investment remains a vital component of the Group's sustainability efforts. Embedded in our mission statement of **'Restoring Health, Enhancing Life'**, we are committed to creating a positive social impact on the community and society in the regions where we operate. Given that the success of our business rides on the trust and loyalty of our customers, we are driven to meaningfully give back to the communities that support us.

We also recognize the importance of our community initiatives in simultaneously supporting wider business objectives such as enhancing our reputation, building brand loyalty, promoting good health and meeting the expectations of our stakeholders.

In 2023, we contributed a total of **RM 397,995** to charitable causes, with 44 organizations availing our support and an estimated 32,885 individuals benefitting from our investment in communities.

» OUR APPROACH

Our efforts in this area revolve around our voluntary contributions within three focus areas. In the realm of **Education and Arts**, we aim to lend support to various educational needs and towards the developments of arts programs. We are also focused on **Disadvantaged Groups**, where we contribute to the needy, marginalized, disabled or underserved communities, including Orang Asli individuals, refugees and migrants. We also contribute to other **General Causes**, which encompass social development initiatives and pandemic-related or catastrophe-related situations.

In 2023, we contributed a total of RM 397,995 to charitable causes, with 44 organizations availing our support and an estimated 32,885 individuals benefitting from our investment in communities. Anchored in a meticulous strategy, we have instituted an annual commitment to community investment, set at 0.3% of the previous year's Profit After Tax of AHB Group excluding one-off gains. This calculated approach underscores our dedication to fostering a sustainable and impactful contribution towards the collective betterment of society.

SUSTAINABILITY STATEMENT
(CONT'D)

» **A New Social Media Channel Promoting Community Health and Wellbeing**

In 2023, we launched Henson Care's 'Bladder Care & Help Community MY/SG' platform as part of the Group's mandate to improving community health. Operating through a dedicated Facebook group, the key activities of this initiative involve connecting and providing support to individuals facing challenges related to incontinence, with our efforts extending beyond the scope of our product offerings.

This initiative offers a valuable online support network for people with incontinence and their caregivers. The network fosters a space where members can navigate the challenges of incontinence with courage and resilience. In addition, our platform provides a wealth of information, resources, and tips on managing incontinence covering aspects such as available products, lifestyle adjustments, and coping strategies.

Diverging from conventional approaches that solely emphasize product promotion, this initiative goes further by fostering a supportive community where individuals can find understanding, empathy, and practical assistance. Community members are encouraged to offer peer support by sharing their own experiences with others facing similar challenges. We are dedicated to actively managing and fostering engagement within the Facebook group, ensuring it remains a dynamic and supportive space for our community.



» **Engaging Employees for Community Blood Donation**

In collaboration with Hospital Melaka, employees of XEPA actively participated in a blood donation drive in July 2023. Our involvement extended beyond encouraging employees to participate by effectively communicating the importance of blood donation. We also managed the logistics of the event, including booth setup, provision of necessary medical facilities and ensuring a comfortable environment for donors.



The initiative, which resulted in the collection of 50 blood bags, symbolizes our long-term commitment to supporting critical healthcare needs for Hospital Melaka, with plans to sustain this initiative in subsequent years. Through this blood donation drive, our aim is to create a positive impact on communities, foster employee engagement, enhance overall workplace satisfaction through community service participation and strengthen the connection between our company and the local community.

» **Advancing Education and the Arts**

Our commitment to advancing education and the arts is driven via strategic investments in schools and educational initiative. We believe it is important to contribute to the development of well-rounded individuals, and ensure our children are supported by a thriving educational and cultural landscape.

<p>Donation to New Town Primary School, Singapore</p>	<p>A monetary donation of SGD 15,000 was made to New Town Primary School, supporting their fundraising efforts aimed at building non-standard new school facilities, including an Art Gallery and Heritage Room. By supporting the enhancement of educational infrastructure, we can create a conducive environment for the school's children to engage in artistic and cultural activities.</p>
<p>Contribution to Sekolah Menengah Jenis Kebangsaan Keat Hwa, Kedah</p>	<p>A monetary contribution of RM 20,000 was made to Sekolah Menengah Jenis Kebangsaan Keat Hwa, Kedah, with the funds allocated for the repair of the school's roof. Addressing critical infrastructure needs are vital to support a secure and quality educational experience in a safe learning environment.</p>

<p>Support for the 4th International Conference on Interprofessional Education, Practice & Care (ICON-IPEPC 2023)</p>	<p>A monetary contribution of RM 10,000 was made to support the 4th International Conference on Interprofessional Education, Practice & Care (ICON-IPEPC 2023). The conference, organized by the Centre for Transformative Learning of Manipal University College Malaysia, aimed to foster the integration of interprofessional practice in urban, rural and remote communities. Through such promotion of collaborative practices in health and social care, we hope to contribute to the development of a well-rounded educational landscape.</p>
<p>Contribution to Resonance of Singapore</p>	<p>To promote the development of arts among the community, a monetary contribution of SGD 3,000 was made to Resonance of Singapore Ltd ('ROS'), Singapore's first Non-Profit Organization helmed by a professional choral ensemble. ROS' vision is to build a stronger Singapore through music, strengthening social resilience and uplifting lives. To achieve that goal, ROS aims to share vocal artistry with singers of diverse backgrounds through performance, education and community engagement.</p>

» **Contribution to Charitable Organizations**

The Group also makes contributions to charitable organizations to strategically maximize the impact of the Group's community investment initiatives, enabling the support of a diverse range of charitable organizations and causes. Each contribution plays a crucial role in achieving our ultimate objective of creating positive social impact and enhancing community well-being.

One of our key collaborations during 2023 was our support of ElShaddai Centre through the provision of essential medicines for their medical camps. ElShaddai Centre, endorsed by the United Nations High Commissioner for Refugees (UNHCR) Malaysia supports refugees, asylum-seekers, stateless people groups and other marginalized diaspora communities in Malaysia.

Our partnership with the Children's Aid Society, focused on providing learning and employment support, stands out as a major highlight. Additionally, our donation of adult disposable diapers and underpads to St. Mark's Cozy Home was another notable contribution. We also contributed vitamin C, deworming medication and treatments for lice to an Orang Asli Village in Pondo, Negeri Sembilan, an initiative that was organized by Living Water Assembly of God in Negeri Sembilan.

Other organizations we supported during the year include:

- Malaysian Association for the Blind
- Yayasan Jantung Malaysia
- Melaka Cancer Society
- Pertubuhan Kebajikan Mental Selangor
- Persatuan Orang-Orang Cacat Anggota Malaysia
- Shelter Home for Children
- Beautiful Gate Foundation
- Malaysian Red Crescent Society

» **Supporting Events and Organizations Promoting a Sustainable Future**

Our proactive participation in other events and outreach initiatives that promote sustainability collectively demonstrate our dedication to making a positive impact on the environment and society. A key undertaking was our sponsorship of the Bursa Bull Charge 2023, a charity run organized by Bursa Malaysia. This corporate run focuses on raising funds while creating the awareness on climate change in alignment with the UN SDG, Goal 13 - Climate Action.

The Bursa Bull Charge 2023 raised a total of RM 1.5 million that will support eight new beneficiaries for climate action and environmental protection, namely Global Peace Festival Malaysia, Impact Malaysia, Marine Research Foundation, Persatuan Kepimpinan, Pemerkasaan & Pembangunan Wanita Sabah, Pertubuhan Perkhidmatan Sosial dan Pembangunan Komuniti Daerah Gombak, Selangor, Reef Check Malaysia, Science of Life Studies 24/7 (SOLS) and Worldwide Fund for Nature Malaysia (WWF). We actively participated in the Bursa Bull Charge 2023 by organizing a running team comprising employees of the Group, highlighting our commitment to the cause.

Aspiring to make a positive impact on the environment, we will continue to support initiatives that promote sustainable practices and engage in activities or projects that contribute to environmental conservation and sustainable business practices. This commitment underscores our long-term commitment to sustainability, propelling progress toward our overall sustainability objectives.

SUSTAINABILITY STATEMENT
(CONT'D)

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Community/Society							
Local Communities							
6	GRI 413: Local Communities	C2 (a) Community/ Society: Total amount invested in the community where the target beneficiaries are external to the listed issuer	Community Contributions and Investment				
			Contributions to the community in the form of charitable donations	Total amount invested	RM (Total)	397,995	
		C2 (b) Community/ Society: Total number of beneficiaries of the investment in communities	Beneficiary Organizations of the Investment in Communities				
			Number of beneficiary organizations of the investment in communities	Total number of beneficiary organizations	Count	44	
			Beneficiary Individuals of the Investment in Communities				
Number of beneficiary individuals of the investment in communities	Total number of beneficiary individuals	Count	32,885				

GOVERNANCE PILLAR

CONDUCTING BUSINESS RESPONSIBLY

Related Material Matters

» Ethical Business Practices



» ETHICAL BUSINESS PRACTICES



WHY IT MATTERS

The material matter of ethical business practices is of paramount significance within our sustainability framework, resonating profoundly with a diverse spectrum of stakeholders. As a distinguished pharmaceutical company, the preservation and promotion of ethical business practices emerge as cardinal principles, underscored by our recognition of the critical role they play in fostering trust among our valued customers and consumers. The pharmaceutical industry, with its far-reaching impact on public health, necessitates a heightened commitment to integrity, emphasizing our responsibility to maintain the highest ethical standards.

Our dedication to compliance is integral to meeting and surpassing industry standards, reassuring stakeholders that our operations align seamlessly with the ever-evolving regulatory landscape. Furthermore, these ethical foundations serve as a foundational bulwark against reputational risks, safeguarding the standing and credibility of our company in an industry where trust is the bedrock. By fostering a culture of integrity and transparency, we fortify the very pillars that uphold our commitment to delivering high-quality pharmaceutical products, bolstering the long-term operational excellence and financial resilience of our business.

» OUR APPROACH

The Group's Anti-Corruption Policy serves as the cornerstone to drive responsible business practices across our operational footprint and is aligned to ensure compliance with regulatory stipulations while underscoring key objectives such as building stakeholder trust and maintaining a positive corporate reputation. The policy enables the seamless integration of anti-corruption controls into our overall business strategy and practices, guiding the implementation of a framework that features training programs, internal and external audits, and whistleblowing mechanisms.

» **Anti-Corruption Training**

Our efforts to prevent corruption at all levels is supported by a comprehensive anti-corruption training program. Training sessions for all employees including new hires, emphasizing ethical business practices and compliance with anti-corruption policies and regulations are conducted.

In 2023, all our employees participated in anti-corruption training programs. This accomplishment was facilitated by the organization of two dedicated training programs throughout the year, each designed to delve into the nuances of anti-corruption measures.

» **Anti-Corruption Audit and Review**

To assess and ensure Group-wide adherence to anti-corruption standards, we have established a robust system of internal and external audits. In-house internal audits are periodically conducted to assess and evaluate

the effectiveness of anti-corruption measures within our organization, focusing on various aspects of the anti-corruption framework to ensure their applicability in sustaining internal compliance.

Simultaneously, we leverage external expertise to review our anti-corruption policy and procedures at least once every three years to assess their effectiveness. A comprehensive review is undertaken to evaluate the effectiveness of existing measures and identify areas for improvement. On this note, the significance of corruption risk to the Group is also re-evaluated each year during our annual risk assessment exercise, ensuring our leadership team is empowered to provide oversight and guidance on appropriate initiatives and measures.

» **Whistleblowing Policy and Procedure**

A Whistleblowing Policy and Procedure is available for employees and outside parties, such as suppliers, customers, contractors and other stakeholders to report any concern or complaint regarding questionable accounting or auditing matters, internal controls, disclosure matters, conflict of interest, insider trading, collusion with competitors, serious breaches of Group policy, unsafe work practices or any other matters involving fraud, corruption and employee improper conduct or misconduct, including breaches of the Malaysian Anti-Corruption Commission Act 2009. It provides clear and confidential reporting procedures for employees and outside whistle-blowers to raise their concerns they may have, including those of corruption. On this note, there were no incidents of corruption in 2023.

To raise employees' awareness, the Whistleblowing Policy and Procedure is communicated through training sessions

outlining the procedures, protections, and confidentiality measures for reporting corruption or unethical behavior. Regular reviews of our practices, combined with the option for anonymous reporting, collectively contribute to the ongoing effectiveness and refinement of our whistleblowing system.

Our Whistleblowing Policy and Procedure is published on our company website and reviewed periodically to assess its effectiveness, at least once in every 3 years, while also being subject to an annual evaluation by the Company's external auditor to assess its effectiveness. Based on these reviews, the policy may be modified to maintain compliance with applicable laws and regulations, or to accommodate organizational changes within the Group.

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Ethical Business Practices							
Anti-Corruption							
1	GRI 205: Anti-corruption	C1 (a) Anti-Corruption: Percentage of employees who have received training on anti-corruption by employee category	Anti-Corruption Training				
			Total number of employees who have received training on anti-corruption broken down by category	Managers	Count	93	
				Executives		220	
				Non-Executives		663	
			Total:				976
			Percentage of employees who have received training on anti-corruption	Managers	Percentage (%)	100%	
				Executives		100%	
				Non-Executives		100%	
			Total:				100%
			Anti-Corruption Training Programs				
		Total number of anti-corruption training programs	Anti-corruption training programs organized	Count	2		
		Operations Assessed for Corruption-Related Risks					
		C1 (b) Anti-Corruption: Percentage of operations assessed for corruption-related risks	Total number of operations assessed for corruption	Corruption risks assessed across business units	Count	13	
			Percentage of operations assessed for corruption	Corruption risks assessed across business units	Percentage (%)	100%	
Confirmed Incidents of Corruption and Action Taken							
C1 (c) Anti-Corruption: Confirmed incidents of corruption and action taken	Total number of corruption incidents	Number of corruption incidents	Count	0			
	Total number of actions taken to address corruption incidents	Action taken to address corruption incidents		Count	Not Applicable		

» SUSTAINABILITY PERFORMANCE TABLE

ECONOMIC

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Sustainable Procurement							
1	GRI 204: Procurement Practices	C7 (a) Supply Chain Management: Proportion of spending on local suppliers	Procurement				
			Total procurement spending	Local + Overseas	RM (Total)	668,140,552	
			Total number of suppliers	Local + Overseas	Count	311	
			Local Suppliers				
			Total local suppliers spending	Local	RM (Total)	577,766,661	
			Number of local suppliers	Local	Count	245	
			Percentage of spending on local suppliers	Local	Percentage (%)	86%	
			Non-local Suppliers				
			Total non-local suppliers spending	Overseas	RM (Total)	90,373,891	
			Number of non-local suppliers	Overseas	Count	66	
		Percentage of spending on non-local suppliers	Overseas	Percentage (%)	14%		
Material Matter: Data Privacy and Security							
2	GRI 418: Customer Privacy	C8 (a) Data Privacy & Security: Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Complaints				
			Total number of substantiated complaints relating to employees	Complaints related to breaches of employee privacy and losses of data	Count	0	
			Total number of substantiated complaints relating to customers	Complaints related to breaches of customer privacy and losses of data	Count	0	
					Total	0	
			Incidents				
			Total number of incidents for the types of breaches	Data breaches due to cyberattacks	Count	0	
				Unauthorized access to customer data	Count	0	
				Data leaks	Count	0	
				Loss of customer data through physical means (e.g., lost devices or paperwork)	Count	0	
					Total	0	
Action							
Total number of remedial actions taken	Number of actions taken in response to complaints	Count	Not Applicable				

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Responsible Product and Marketing Practices						
3	GRI 417: Marketing and Labeling	Products and Services Responsibility	Products and Services Information and Labeling			
			Total number of incidents of non-compliance with regulations concerning product and service information and labeling	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0
			Marketing Communications			
			Total number of incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0

ENVIRONMENT

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023			
Material Matter: Climate Management and Resilience								
Emissions								
1	GRI 305: Emissions	C11 (a) Emissions Management: Scope 1 emissions in tons of CO2e	Direct (Scope 1) GHG Emissions					
			Total Scope 1 GHG emissions broken down by sources	Mobile Combustion Emissions: Emissions from owned or leased mobile sources (both on-road and non-road vehicles) that are within the company's boundaries such as company vehicles and commercial vehicles such as cars, trucks and vans				
				Petrol	Metric tons of CO2e (tCO2e)	73.1		
				Diesel	Metric tons of CO2e (tCO2e)	17.8		
				Total Mobile Combustion Emissions:			90.9	
				Total Scope 1:			90.9	
			C11 (b) Emissions Management: Scope 2 emissions in tons of CO2e	Energy Indirect (Scope 2) GHG Emissions				
				Total Scope 2 GHG emissions	Emissions from Purchased Energy: Indirect emissions from the generation of purchased energy			
					Electricity purchased from TNB	Metric tons of CO2e (tCO2e)	9,761.1	
					Total Scope 2:			9,761.1
					Overall Total Scope 1 and Scope 2:			9,852.0
			C11 (c) Emissions Management: Scope 3 emissions in tons of CO2e	Other Indirect (Scope 3) GHG Emissions				
				Total Scope 3 GHG emissions broken down by sources	Employee Commuting Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the reporting company)		Metric tons of CO2e (tCO2e)	793.9
Business Travel Transportation of employees for business-related activities (in vehicles not owned or operated by the reporting company)		Metric tons of CO2e (tCO2e)			1,007.7			
Total Scope 3:				1,801.6				
Emissions Intensity								
Total GHG emissions intensity (Scope 1 and 2)	GHG emissions related to financial performance measured in terms of revenue		tCO2e per RM million of revenue	10.7				

SUSTAINABILITY STATEMENT
(CONT'D)

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023			
Material Matter: Climate Management and Resilience								
Energy								
2	GRI 302: Energy	C4 (a) Energy Management	Energy Consumption					
			Total energy consumption	Non-Renewable Energy				
				Company Facilities/Buildings				
				Electricity	Gigajoules (GJ)	60,031.0		
				Total Energy for Company Facilities:				60,031.0
				Company Vehicles				
				Petrol	Gigajoules (GJ)	1,037.8		
				Diesel		241.6		
				Total Energy for Company Vehicles:				1,279.4
				Total Non-Renewable Energy:				61,310.4
			Renewable Energy					
			Solar	Gigajoules (GJ)	3,461.0			
			Total Renewable Energy:				3,461.0	
Energy Intensity								
Total energy intensity	Energy consumption related to financial performance measured in terms of revenue		GJ per RM million of revenue	59.4				
Material Matter: Environmental Impact Management								
Waste								
3	GRI 306: Waste	C10 (a) Waste Management: Total waste generated	Waste Generated					
			Total weight of waste generated	Scheduled and non-scheduled waste	Metric tons (Mt)	251.0		
			Waste Diverted from Disposal					
			Total weight of waste diverted from disposal	Non-Scheduled Waste				
				Paper Waste	Metric tons (Mt)	106.0		
				Plastic Waste		27.0		
				Plastic Drum		20.7		
				Metal Waste		0		
			Total:				153.7	
			Waste Directed to Disposal					
			Total weight of waste directed to disposal	Scheduled Waste				
				Electronic waste	Metric tons (Mt)	0.4		
				Dry sludge		30.3		
				Oil & sludge		6.9		
				Discarded drugs		55.1		
				Used activated carbon		0.4		
				Used ink/toner cartridges		0.1		
Used lab chemical	4.0							
Total:				97.2				
Waste Disposal Method								
Total weight of waste disposed using the following disposal methods	Non-Scheduled Waste							
	Recycling	Metric tons (Mt)	153.7					
	Total:				153.7			
	Scheduled Waste							
	Incineration	Metric tons (Mt)	97.2					
Landfill								
Total:				97.2				

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Environmental Impact Management							
Water and Effluents							
4	GRI 303: Water and Effluents	C9 (a) Water: Total volume of water used	Water Consumption				
			Total volume of water consumption broken down by property	XEPA	Megaliters (ML)	103.2	
				APS		0.9	
				APM/ABIO		5.5	
		Total:				109.6	
		Water Withdrawal					
		Total volume of water withdrawal broken down by source	Municipal water	Megaliters (ML)	109.6		
Water Intensity							
Total volume of water withdrawal intensity	Water withdrawal related to financial performance measured in terms of revenue	ML per RM million of revenue	0.1				
S8 (a) Effluents: Total volume of water (effluent) discharge over the reporting period	Effluents						
	Total volume of wastewater/effluents discharge	Wastewater / effluents discharged into treatment facilities	Megaliters (ML)	9.7			
Environmental Compliance							
5	GRI 307: Environmental Compliance	Incidents of Non-Compliance					
		Total number of incidents of non-compliance with regulations concerning environmental laws/ regulations	Incidents of non-compliance with regulations resulting in a fine or penalty	Count	0		

SOCIAL

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Health and Safety						
Occupational Health and Safety						
1	GRI 403: Occupational Health and Safety	C5 (a) Health and Safety: Number of work-related fatalities	Work-Related Fatalities			
			Total number of work-related fatalities	Total hours worked	Hours	1,836,384
				Number of fatalities	Count	0
		Rate of fatalities		Rate per 200,000 hours	0	
		C5 (b) Health and Safety: Lost time incident rate	Lost Time Incident Rate			
			Lost time incident rate	Lost Time Incident Rate (LTIR)	Rate per 200,000 hours	0
C5 (c) Health and Safety: Employees trained on health and safety standards	Employees Trained on Health and Safety Standards					
	Total number of employees trained on health and safety standards	Total number of employees	Count	841		

SUSTAINABILITY STATEMENT
(CONT'D)

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Health and Safety						
Customer Health and Safety						
2	GRI 416: Customer Health and safety	S3 (a) Customer Health & Safety / Product Responsibility	Product Safety			
			Products subject to health and safety impact assessments for enhancement	Total number of products that have undergone assessments specifically focused on their impact on the health and safety of consumers	Count	123
		S3 (b) Customer Health & Safety / Product Responsibility	Non-Compliance Incident			
			Incidents of non-compliance concerning the health and safety impacts of products and services	Total number of customer complaints related to the health and safety of products	Count	0
	Total number of safety regulation non-compliance incidents			0		
	Total number of product-related health and safety incidents	0				
S3 (c) Customer Health & Safety / Product Responsibility	Product Recalls					
	Products or units that have been recalled for health and safety reasons	Total number of products that have been recalled for health and safety reasons	Count	13		
Material Matter: Employee Management						
Employment						
3	GRI 401: Employment	C3 (a) Diversity: Percentage of employees by gender and age group, for each employee category	Employee Distribution by Gender			
			Total number of employees broken down by gender	Female	Count	523
				Male		453
				Total:		976
			Percentage of employees broken down by gender	Female	Percentage (%)	54%
				Male		46%
				Total:		100%
			Employee Distribution by Age			
			Total number of employees broken down by age	Under 20 - 29 years old	Count	341
				30 - 39 years old		299
				40 - 49 years old		203
				50 - 59 years old		107
				Above 60 years old		26
				Total:		976
Percentage of employees broken down by age	Under 20 - 29 years old	Percentage (%)	35%			
	30 - 39 years old		31%			
	40 - 49 years old		21%			
	50 - 59 years old		11%			
	Above 60 years old		3%			
	Total:		100%			

GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023
Material Matter: Employee Management					
Employment					
		Employee Distribution by Category			
		Total number of employees broken down by category	Managers	Count	93
			Executive		220
			Non-executives		663
			Total:		
		Percentage of employees broken down by category	Managers	Percentage (%)	10%
			Executive		23%
			Non-executives		68%
			Total:		
		C6 (b) Labor Practices & Standards: Percentage of employees that are contractors or temporary staff	Employee Distribution by Type		
	Total number of employees broken down by type		Contractor/ temporary staff	Count	59
			Permanent Staff		917
	Total:			976	
	Percentage of employees broken down by type		Contractor/ temporary staff	Percentage (%)	6%
			Permanent Staff		94%
			Total:		
	Employee Distribution by Ethnicity				
	Total number of employees broken down by ethnicity	Malay	Count	471	
		Chinese		439	
		Indian		30	
Others		36			
Total:			976		
Percentage of employees broken down by ethnicity	Malay	Percentage (%)	48%		
	Chinese		45%		
	Indian		3%		
	Others		4%		
Total:			100%		
Employee Distribution by Nationality					
Total number of employees broken down by nationality	Malaysia	Count	904		
	Singapore		71		
	Others		1		
Total:			976		
Percentage of employees broken down by nationality	Malaysia	Percentage (%)	93%		
	Singapore		7%		
	Others		0%		
Total:			100%		
New Hires					
Total number of new hires broken down by gender	Female	Count	117		
	Male		113		
Total:			230		
Percentage of new hires broken down by gender	Female	Percentage (%)	51%		
	Male		49%		
Total:			100%		

SUSTAINABILITY STATEMENT
(CONT'D)

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023			
Material Matter: Employee Management									
Employment									
			Total number of new hires broken down by age	20 - 29 years old	Count	151			
				30 - 39 years old		44			
				40 - 49 years old		22			
				50 - 59 years old		8			
				Above 60 years old		5			
				Total:		230			
			Percentage of new hires broken down by age	20 - 29 years old	Percentage (%)	66%			
				30 - 39 years old		19%			
				40 - 49 years old		10%			
				50 - 59 years old		3%			
				Above 60 years old		2%			
				Total:		100%			
			C6 (c) Labor Practices & Standards: Total number of employee turnover by employee category	Employee Turnover					
				Total turnover broken down by gender	Female	Count	82		
					Male		89		
					Total:		171		
				Percentage of turnover broken down by gender	Female	Percentage (%)	48%		
					Male		52%		
					Total:		100%		
				Total number of turnover broken down by age	20 - 29 years old	Count	89		
30 - 39 years old	46								
40 - 49 years old	22								
50 - 59 years old	7								
Above 60 years old	7								
Total:	171								
Percentage of turnover broken down by age	20 - 29 years old	Percentage (%)		52%					
	30 - 39 years old		27%						
	40 - 49 years old		13%						
	50 - 59 years old		4%						
	Above 60 years old		4%						
	Total:		100%						
C6 (d) Labor Practices & Standards: Number of substantiated complaints concerning human rights violations	Human Rights Violations								
	Total number of complaints concerning human rights violations	Number of substantiated complaints	Count	0					
Training and Education									
4	GRI 404: Training and Education	C6 (a) Labor Practices & Standards: Total hours of training by employee category	Total training hours	Training hours	Hours	45,520			
			Average Training Hours by Category						
			Average training hours by category	Managers	Hours	76			
				Executive		71			
Non-executives	35								

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023	
Material Matter: Employee Management							
Diversity and Equal Opportunity							
5	GRI 405: Diversity and equal opportunity	C3 (b) Diversity: Percentage of directors by gender and age group	Board Diversity				
			Board diversity by gender	Female Directors	Count	1	
				Male Directors		7	
				Total:		8	
			Percentage of Board diversity by gender	Female Directors	Percentage (%)	13%	
				Male Directors		87%	
				Total:		100%	
			Board diversity by age	20 - 29 years old	Count	0	
				30 - 39 years old		0	
				40 - 49 years old		0	
				50 - 59 years old		2	
				Above 60 years old		6	
				Total:		8	
Percentage of Board diversity by age	20 - 29 years old	Percentage (%)	0				
	30 - 39 years old		0				
	40 - 49 years old		0				
	50 - 59 years old		25%				
	Above 60 years old		75%				
	Total:		100%				
Material Matter: Community/Society							
Local Communities							
6	GRI 413: Local Communities	C2 (a) Community/ Society: Total amount invested in the community where the target beneficiaries are external to the listed issuer	Community Contributions and Investment				
			Contributions to the community in the form of charitable donations	Total amount invested	RM (Total)	397,995	
		C2 (b) Community/ Society: Total number of beneficiaries of the investment in communities	Beneficiary Organizations of the Investment in Communities				
			Number of beneficiary organizations of the investment in communities	Total number of beneficiary organizations	Count	44	
Beneficiary Individuals of the Investment in Communities							
Number of beneficiary individuals of the investment in communities	Total number of beneficiary individuals	Count	32,885				

SUSTAINABILITY STATEMENT
(CONT'D)

GOVERNANCE

	GRI	Bursa Malaysia	Indicators	Breakdown	Units	FY2023		
Material Matter: Ethical Business Practices								
Anti-Corruption								
1	GRI 205: Anti-corruption	C1 (a) Anti-Corruption: Percentage of employees who have received training on anti-corruption by employee category	Anti-Corruption Training					
			Total number of employees who have received training on anti-corruption broken down by category	Managers	Count	93		
				Executives		220		
				Non-Executives		663		
			Total:					976
			Percentage of employees who have received training on anti-corruption	Managers	Percentage (%)	100%		
				Executives		100%		
				Non-Executives		100%		
			Total:					100%
			Anti-Corruption Training Programs					
		Total number of anti-corruption training programs	Anti-corruption training programs organized	Count	2			
		Operations Assessed for Corruption-Related Risks						
		Total number of operations assessed for corruption	Corruption risks assessed across business units	Count	13			
		Percentage of operations assessed for corruption	Corruption risks assessed across business units	Percentage (%)	100%			
Confirmed Incidents of Corruption and Action Taken								
Total number of corruption incidents	Number of corruption incidents	Count	0					
Total number of actions taken to address corruption incidents	Action taken to address corruption incidents		Not Applicable					

Disclaimer

During our data analysis and entry into the Bursa Malaysia ESG Reporting Platform, we identified a discrepancy in terms of unit of measurement that is not possible to be changed within the system. In this regard, for the indicator "Bursa C4(a) Total energy consumption" bearing "Megawatt" as the unit of measurement, we have reported zero, underscoring our commitment to accurate reporting. The data will be restated upon addressing the unit discrepancy in subsequent reporting. We take note that the unit of measurement prescribed in Bursa Malaysia Sustainability Reporting Guide (3rd Edition) page 84 for energy consumption is "Megajoules" or "Gigajoules". On this basis, for the said indicator we have adopted "Gigajoules" in our disclosure.

SUSTAINABILITY STATEMENT
(CONT'D)

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Managers	Percentage	100.00
Executives	Percentage	100.00
Non-Executives	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 (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	397,995.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	32,885
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Managers Under 20 - 29 years old	Percentage	4.30
Managers 30 - 39 years old	Percentage	18.30
Managers 40 - 49 years old	Percentage	48.40
Managers 50 - 59 years old	Percentage	22.60
Managers Above 60 years old	Percentage	6.40
Executives Under 20 - 29 years old	Percentage	31.80
Executives 30 - 39 years old	Percentage	33.20
Executives 40 - 49 years old	Percentage	22.70
Executives 50 - 59 years old	Percentage	10.50
Executives Above 60 years old	Percentage	1.80
Non-Executives Under 20 - 29 years old	Percentage	40.30
Non-Executives 30 - 39 years old	Percentage	31.50
Non-Executives 40 - 49 years old	Percentage	16.30
Non-Executives 50 - 59 years old	Percentage	9.50
Non-Executives Above 60 years old	Percentage	2.40
Gender Group by Employee Category		
Managers Male	Percentage	43.00
Managers Female	Percentage	57.00
Executives Male	Percentage	30.00
Executives Female	Percentage	70.00
Non-Executives Male	Percentage	52.30
Non-Executives Female	Percentage	47.70
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	87.00
Female	Percentage	13.00
20 - 29 years old	Percentage	0.00
30 - 39 years old	Percentage	0.00
40 - 49 years old	Percentage	0.00
50 - 59 years old	Percentage	25.00
Above 60 years old	Percentage	75.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	0.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	841
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Managers	Hours	6,636
Executives	Hours	15,620
Non-Executives	Hours	23,264
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.00
Bursa C6(c) Total number of employee turnover by employee category		
Managers	Number	13
Executives	Number	34
Non-Executives	Number	124
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	86.00
Bursa (Data privacy and security)		

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT
(CONT'D)

Indicator	Measurement Unit	2023
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	109.600000

Internal assurance External assurance No assurance

(*)Restated

SUSTAINABILITY STATEMENT
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GRI STANDARDS CONTENT INDEX

GRI Standard	GRI Indicator	Page reference	
GRI 2: GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	THE ORGANIZATION AND ITS REPORTING PRACTICES		
	2-1	Organizational details	<i>Corporate Structure, 5</i>
	2-2	Entities included in the organization’s sustainability reporting	51
	2-3	Reporting period, frequency and contact point	50
	2-4	Restatements of information	Not Applicable
	2-5	External assurance	<i>Assurance Statement, 51</i>
	ACTIVITIES AND WORKERS		
	2-6	Activities, value chain and other business relationships	<i>Management Discussion & Analysis, 10 - 24</i>
	2-7	Employees	88 - 94
	2-8	Workers who are not employees	Not Applicable
	GOVERNANCE		
	2-9	Governance structure and composition	55
	2-10	Nomination and selection of the highest governance body	55
	2-11	Chair of the highest governance body	55
	2-12	Role of the highest governance body in overseeing the management of impacts	55
	2-13	Delegation of responsibility for managing impacts	55 - 56
	2-14	Role of the highest governance body in sustainability reporting	55
	2-15	Conflicts of Interest	102 - 103
	2-16	Communication of critical concerns	97
	2-17	Collective knowledge of the highest governance body	55; 95 - 96
	2-18	Evaluation of the performance of the highest governance body	95 - 96
	2-19	Remuneration policies	95
	2-20	Process to determine remuneration	95
	2-21	Annual total compensation ratio	Not Available
	STRATEGY, POLICIES AND PRACTICES		
	2-22	Statement on sustainable development strategy	52 - 54
	2-23	Policy commitments	95 - 96; 102 - 103
	2-24	Embedding policy commitments	95 - 96; 102 - 103
	2-25	Processes to remediate negative impacts	97
	2-26	Mechanisms for seeking advice and raising concerns	97
2-27	Compliance with laws and regulations	68, 81, 88	
2-28	Membership associations	Not Available	
STAKEHOLDER ENGAGEMENT			
2-29	Approach to stakeholder engagement	57 - 58	
2-30	Collective bargaining agreements	Not Available	
GRI 3: MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	58 - 59
	3-2	List of material topics	60 - 61
	3-3	Management of material topics	60 - 61

SPECIFIC MATERIAL TOPICS: ECONOMIC			
GRI Standard	GRI Indicator		Page reference
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3	Management of material topics	63 - 64
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	65
CUSTOMER PRIVACY			
GRI 3: Material Topics 2021	3-3	Management of material topics	65 - 66
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	67
MARKETING AND LABELLING			
GRI 3: Material Topics 2021	3-3	Management of material topics	67 - 69
GRI 417: Marketing and Labelling	417-1	Requirements for product and service information and labelling	68
	417-2	Incidents of non-compliance concerning product and service information and labelling	69
	417-3	Incidents of non-compliance concerning marketing communications	69
SPECIFIC MATERIAL TOPICS: ENVIRONMENT			
GRI Standard	GRI Indicator		Page reference
MATERIALS			
GRI 3: Material Topics 2021	3-3	Management of material topics	79 - 80
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Disclosure is set to commence in the coming years
	301-2	Recycled input materials used	Disclosure is set to commence in the coming years
	301-3	Reclaimed products and their packaging materials	Disclosure is set to commence in the coming years
ENERGY			
GRI 3: Material Topics 2021	3-3	Management of material topics	72 - 73
GRI 302: Energy 2016	302-1	Energy consumption within the organization	74
	302-3	Energy intensity	74
WATER AND EFFLUENTS			
GRI 3: Material Topics 2021	3-3	Management of material topics	77 - 78
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	79
EMISSIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	71
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	73
	305-2	Energy indirect (Scope 2) GHG emissions	74
	305-3	Other indirect (Scope 3) GHG emissions	74
	305-4	GHG emissions intensity	74
WASTE			
GRI 3: Material Topics 2021	3-3	Management of material topics	75 - 76
GRI 306: Waste 2020	306-3	Waste generated	77

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SPECIFIC MATERIAL TOPICS: SOCIAL			
GRI Standard	GRI Indicator		Page reference
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3	Management of material topics	88 - 91
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	93 - 94
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not Available
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	83 - 84
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	84
	403-5	Worker training on occupational health and safety	83, 87
	403-8	Workers covered by an occupational health and safety management system	Disclosure is set to commence in the coming years
	403-9	Work-related injuries	87
	403-10	Work-related ill health	87
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	94 - 95
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	95
	404-2	Programs for upgrading employee skills and transition assistance programs	94
	404-3	Percentage of employees receiving regular performance and career development reviews	Disclosure is set to commence in the coming years
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	95
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	91 - 93; 96
	405-2	Ratio of basic salary and remuneration	Not Available
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3	Management of material topics	97 - 100
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	97 - 100
	413-2	Operations with significant actual and potential negative impacts on local communities	97 - 100
CUSTOMER HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	85 - 87
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	88
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	88
SPECIFIC MATERIAL TOPICS: GOVERNANCE			
ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	102 - 103
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	103
	205-2	Communication and training about anti-corruption policies and procedures	103
	205-3	Confirmed incidents of corruption and actions taken	103