

MFCB

MEGA FIRST CORPORATION BERHAD

Reg. No. 196601000210 (6682-V)



SUSTAINABILITY REPORT 2023

ABOUT THIS REPORT

Mega First Corporation Berhad (“MFCB” or “the Group”) is pleased to present our 2023 Sustainability Report. In this report, we cover the strategic progress against our environmental, social and governance (“ESG”) goals to keep our stakeholders informed of where we stand on this sustainable value creation journey. To provide an overview of how we create value for long-term sustainability, this Report should be read together with our Annual Report 2023.

REPORTING FRAMEWORKS

We are guided by the following national and international standards, frameworks and guidance to ensure that our report is reliable and comprehensive:

- Global Reporting Initiative (“GRI”) Universal Standards (2021)
- Bursa Malaysia Main Market Listing Requirements on Sustainability Reporting
- FTSE4Good Bursa Malaysia Index
- United Nations Sustainable Development Goals (“UNSDGs”)
- CDP (formerly Carbon Disclosure Project) for Climate Change Disclosure

REPORTING SCOPE AND BOUNDARIES

This report encompasses the operations of MFCB and three largest divisions – Renewable Energy, Resources and Packaging for the reporting period of 1 January 2023 to 31 December 2023 (unless otherwise stated). All data and information in the report pertains to our operations in Malaysia and Lao People’s Democratic Republic (“Lao PDR”), unless specified otherwise. These divisions comprise 92% of the Group’s revenue and where applicable, comparative data from the preceding year(s) have been included. In the future we will look to provide a report covering all our divisions.

ASSURANCE

We acknowledge that independent assurance will ensure the accuracy and transparency of data in this Report. We are working on enhancing our internal reporting processes and will consider obtaining independent assurance in the future.

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FEEDBACK

We are always seeking ways to improve our reporting and therefore, we welcome all suggestions and inquiries from our stakeholders and readers. Please contact Atiqah Zakaria, Group Sustainability at sustainability@mega-first.com.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Dear Valued Stakeholders,

I am pleased to present to you Mega First Corporation Berhad's sustainability report for the year ended 31 December 2023.

SUSTAINABLE DEVELOPMENT AND LONG TERM VALUE CREATION

At MFCB, we believe that sustainable development is essential for the long term growth, prosperity, and wellbeing of both present and future generations. By putting sustainable development practices at the forefront, decision making across the Group's operations involves not only the consideration of economic factors but also consideration of environmental and social factors pertinent to each business. This ensures that resources are used efficiently, waste is minimized, ecosystems are preserved and that our actions contribute positively to society. Integrating responsible and ethical practices into our business operations also leads to improved efficiencies, product and process innovations, cost savings, increased customer loyalty and trust, access to new markets and a happier workforce. We believe that developing sustainably will create long term value, not just from an economic viewpoint but also contributes to the overall wellbeing of the communities we interact with and preserves resources for the future.

SUSTAINABILITY STRATEGY PROGRESS

In the previous year's report, I had outlined MFCB's sustainability strategy and targets across the Environmental, Social and Governance pillars of sustainability. This year, I shall reflect on the progress we have made through the implementation of various initiatives and efforts throughout the Group.

At the Group level, a dedicated Group Sustainability Executive was appointed to manage the Group's daily sustainability operations in collaboration with designated sustainability leads at each division, ensuring that progress is made to achieve our sustainability targets. We also kicked off Group wide introductory sustainability training to ensure that our employees are aligned with our vision, mission and sustainability strategy. We believe that an informed workforce can contribute to achieving our sustainability goals faster.

For the environmental sustainability pillar, our main goal is to achieve net zero emissions by 2050. Net zero emissions is an essential target to address the pressing issue of climate change and to this end, we are focusing on various GHG emission reduction initiatives including transitioning to renewable energy where feasible, implementing energy efficiency initiatives in production processes and reducing waste across all our operations. This is an ongoing process and we expect to see gradual improvements as we progress on our GHG reduction journey.

During the year, we also further enhanced our support for biodiversity conservation at our Don Sahong Hydropower project site in Laos by implementing a long term biodiversity strategy that centres around conservation and rehabilitation, awareness and capacity building and scientific research. We have always conducted biodiversity conservation initiatives, but this year, we have formalised these efforts with a goal of having a net positive impact on biodiversity and to maintain, enhance or restore the integrity of the ecosystem within and around our project area for the benefit of biodiversity and local communities by 2050.

For the social pillar of sustainability, we continue to invest in initiatives to enhance the livelihoods of people in the communities surrounding our operations. We formalised the investment in these types of initiatives during the year by developing a Group Community Investment Guideline. The main themes of our community investment are education, infrastructure support and livelihood support. We believe that these social initiatives will have a positive impact to enhance livelihoods and empower communities to become self reliant in the longer term.

On the governance pillar, our main goal is to practice fair, transparent, ethical and sustainable procurement throughout the Group. We developed a Responsible Sourcing Policy in 2022 and during the year, we conducted a Tier 1 supplier training to ensure that our suppliers understand and comply with our procurement policy. This year, we intend to continually engage our suppliers and expand the training content to ensure that they are not only aligned with our sustainability goals but that we can also grow together, creating a sustainable future for all.

MOVING TOWARDS A SUSTAINABLE FUTURE

On behalf of MFCB, I would like to thank you for your unwavering support on our sustainability efforts. We are committed to sustainable development and will continue to make great strides towards our sustainability goals without compromising on stakeholder value creation. I believe that together, we can create a sustainable future for all.

WHO WE ARE AND WHAT WE DO

Mega First Corporation Berhad (“MFCB”) is a diversified group of companies with three key divisions – Renewable Energy, Resources and Packaging. Established in 1966 and headquartered in Petaling Jaya, Selangor, Malaysia, MFCB has operations in Malaysia, Lao PDR and Cambodia.

Other divisions under the Group include Property, Food Security, Oleochemical and Automotive Components. As at 31 December 2023, MFCB has 1,268 employees across all its operations.

OVERVIEW OF KEY BUSINESS DIVISIONS

RENEWABLE ENERGY DIVISION

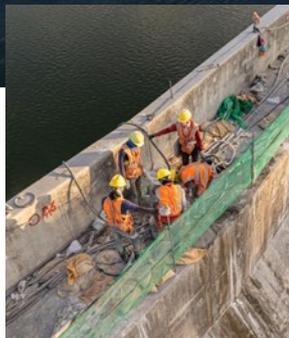
HYDROPOWER

MFCB is the owner of the Don Sahong Power Company Ltd (“DSPC”), the developer of the Don Sahong Hydropower Project (“DSHP”) on the Mekong River, in southern Lao PDR. In December 2023, MFCB acquired an additional 20% of DSPC from EDL-Generation Public Company, providing MFCB with 95% effective equity interest of the project.

The DSHP comprises a 260MW run-of-river hydropower plant, embankments, a switchyard as well as transmission lines. The hydropower plant consists of four 65MW turbines in a powerhouse and was constructed from 2016 to 2019 on Sahong Channel, one of seven Mekong River anabranch channels which cross Khone Falls. The project utilises

a natural fall of about 20 metres over the 5 km reach of Sahong Channel to generate about 2,000 GWh per year of renewable energy, which is mainly exported to Cambodia.

During the year, construction of DSHP’s fifth turbine continued to progress and is on track for completion in the third quarter of 2024. The expansion design does not involve any in-river excavation and is strategically constructed adjacent to the current operating powerhouse ensuring there is no disruption to the flow of any Mekong River channels. The total installed capacity of DSHP after the completion of this expansion will be 325MW, with an expected generation of 2,200 GWh per annum.



Ongoing construction activities for the fifth turbine at DSPC, Lao PDR.

SOLAR POWER

MFCB’s involvement in the solar photovoltaic (“PV”) investments is mainly by MFP Solar Sdn. Bhd. (“MFP Solar”), a 55% subsidiary of MFCB and its strategic partner, Pekat Group Berhad (45%).

This subsidiary actively develops Commercial and Industrial (“C&I”) solar projects in Malaysia to offer a CAPEX-free solution to customers. Recognised as a Registered Solar PV Investor (“RSPVI”) by the Sustainable Energy Development Authority (“SEDA”) since January 2020, MFP Solar continues to build its portfolio in 2023

with additional installed capacity of 9.1MW for its C&I customers.

In August 2023, the Group secured a 46.5MW project quota under the Corporate Green Power Programme (“CGPP”) by the Energy Commission of Malaysia. This project is expected to contribute to our overall solar portfolio in 2025, being the Group’s first large-scale solar development implementing the New Enhanced Dispatch Arrangement (“NEDA”) framework.

OUR SOLAR PROJECTS

● Secured ● Operational ● Solar farm (secured) ● Under construction



MALDIVES

Cluster Project – Addu City, Eydhafushi, Fuvahmulah City, Hinnavaru, Thinadhoo, Kulhudhuffushi City

- Fenaka 11.39MW ground-mounted solar system

CAMBODIA

Phnom Penh

- Oji Packaging 1.02MW rooftop solar system

MALAYSIA

Perak

- Proton (Tanjung Malim) 12.06MW rooftop and ground-mounted solar system
- CGPP (Tronoh) 46.50MW solar farm

Selangor

- The Alice Smith Schools (Seri Kembangan) 0.33MW rooftop solar system
- Edenor Oleochemicals (Kuala Langat) 1.72MW rooftop solar system

Penang

- VAT Manufacturing (Batu Kawan) 4.96MW rooftop solar system
- Smith & Nephew Operations (Batu Kawan) 1.47MW rooftop solar system
- Flextronics Technology (Prai) 3.46MW rooftop solar system
- VAT Manufacturing Phase 2 (Batu Kawan) 1.29MW rooftop solar system

Johor

- Kee Fatt Industries (Kulai) 0.92MW rooftop solar system
- Flextronics International Management (Senai) 1.29MW rooftop solar system
- Pondersa Golf & Country Resort (Johor Bahru) 0.44MW rooftop solar system

Cluster Project – Kuala Lumpur, Selangor, Putrajaya, Negeri Sembilan, Penang

- Indah Water Konsortium 6.31MW rooftop and ground-mounted

RESOURCES DIVISION

MFCB’s Resources Division is undertaken by three subsidiary groups – Rock Chemical Industries (Malaysia) Sdn. Berhad (“RCI”), Cheng Sun Industries Sdn. Bhd. (“Cheng Sun”) and Anting Sendirian Berhad (“Anting”). With operations across the state of Perak, Malaysia, the division’s principal activities include the extraction, processing, manufacturing and distribution of high purity quicklime and limestone-based products.

The Resource Division’s activities are carried out by RCI. RCI supplies lime products to many reputable clients across the Asia Pacific region, making it a leading lime manufacturer in Asia. RCI owns multiple limestone reserves across various locations and operates multiple advanced lime kilns ensuring consistent and sustainable supply to customers.

Cheng Sun is involved in the quarrying of limestone for processing into fine calcium carbonate powder. Cheng Sun’s plant and factory are in Keramat Pulai, near Ipoh. This product is used as a filler in the paint, shoe, plastic and rubber glove industries.



Processing Equipment at RCI, Perak, Malaysia.

PACKAGING DIVISION

MFCB's Packaging Division activities are mainly undertaken by two subsidiary groups – Hexachase Corporation Sdn. Bhd. (“Hexachase Group”) and Stenta Films (Malaysia) Sendirian Berhad (“Stenta”).

The Hexachase Group comprises three key subsidiaries – Hexachase Labels Sdn. Bhd. (“Hexachase Labels”), Hexachase Packaging Sdn. Bhd. (“Hexachase Packaging”) and Hexachase Flexipack Sdn. Bhd. (“Hexachase Flexipack”). The group produces an extensive product line from high-quality printed labels and stickers to paper bag products and laminated flexible packaging. These products are used in reputable industries like food and beverages, FMCG, electronics and retail in over 20 countries globally. Hexachase Group is located in Malacca, Malaysia.

In November 2023, Hexachase Packaging completed the construction of its new double-storey factory warehouse that adds 31,754 sq. ft. of space to the existing warehouse, cementing its reputation as one of the largest paper bag manufacturers and exporters in ASEAN. This expansion has the capacity to cater for up to 1,200 pellets of finished goods and with three newly installed high-speed SOS bag machines, total production capacity has increased to 510 tonnes (from 270 tonnes previously).

Hexachase Flexipack is also currently expanding its operations. On track for completion in the first half of 2024, the new double-storey warehouse and production site will contribute an additional 305,644 sq. ft. to the current existing space of 106,969 sq. ft. This new facility will integrate cutting-edge machinery, featuring four units of double header, high-speed production lines. The expansion is expected to boost capacity from 10,000 tonnes to 30,000 tonnes per annum.

Located in Bandar Baru Bangi, Selangor, Malaysia, Stenta is one of the leading flexible packaging film manufacturers of Biaxially Oriented Polypropylene Film (“BOPP”) and Linear Low Density Polyethylene films (“LLDPE”) in Malaysia. Stenta’s films are used in various industries and in many consumer good items such as food, general overwrap, labels, adhesive tapes and others. Currently, Stenta exports its products throughout Asia, the Middle East, Africa, South America and Europe.

During the reporting year, Stenta began Phase 1 of its expansion plan. A new building, scheduled to start production in May 2024 is being constructed within Stenta’s current premises and is expected to comprise an additional of eight machines for the production of LLDPE films and two machines for Cast Polypropylene (“CPP”) films. Stenta has also added a new slitter machine for its BOPP manufacturing that will provide additional slitting capacity of 1,500 tonnes annually.



Our operations at Stenta and Hexachase Flexipack.

FOOD SECURITY DIVISION

MFCB, through its subsidiary Mega First Plantation (Cambodia) Ltd (“MFPC”), has developed a coconut and macadamia plantation spanning 6,420 hectares in Mondulkiri, Cambodia. The land concession commenced in April 2013 and the company spent an initial few years trialling the best crop to grow given the environmental conditions of Mondulkiri while also considering its economic returns. In 2017, the planting of coconuts and macadamia nuts began in earnest and by the close of 2023, the cumulative planted area had reached around 2,560 hectares. Although the area cleared did not expand in terms of hectareage this year, the number of trees planted increased due to an insertion program to maximise cleared land potential.

2,560 HECTARES
 PLANTED WITH COCONUTS
 AND MACADAMIA NUTS

We have spent the last few years assessing various downstream products (for coconuts in particular) and intend to produce products sourced from the coconut flower’s sap such as nectar, syrup and sugar after careful consideration of market demands and the economic returns.

It is anticipated that the Division will start contributing positively to earnings in 2025, slightly earlier than previously expected.

PROPERTY DIVISION

Under the Property Division, MFCB owns multiple assets across Malaysia that generate rental income for the Group. These assets include office buildings, shop-lots and carparks. The Property Division focuses primarily on property investment and is not involved in the construction and development of any new properties.



AUTOMOTIVE COMPONENTS DIVISION

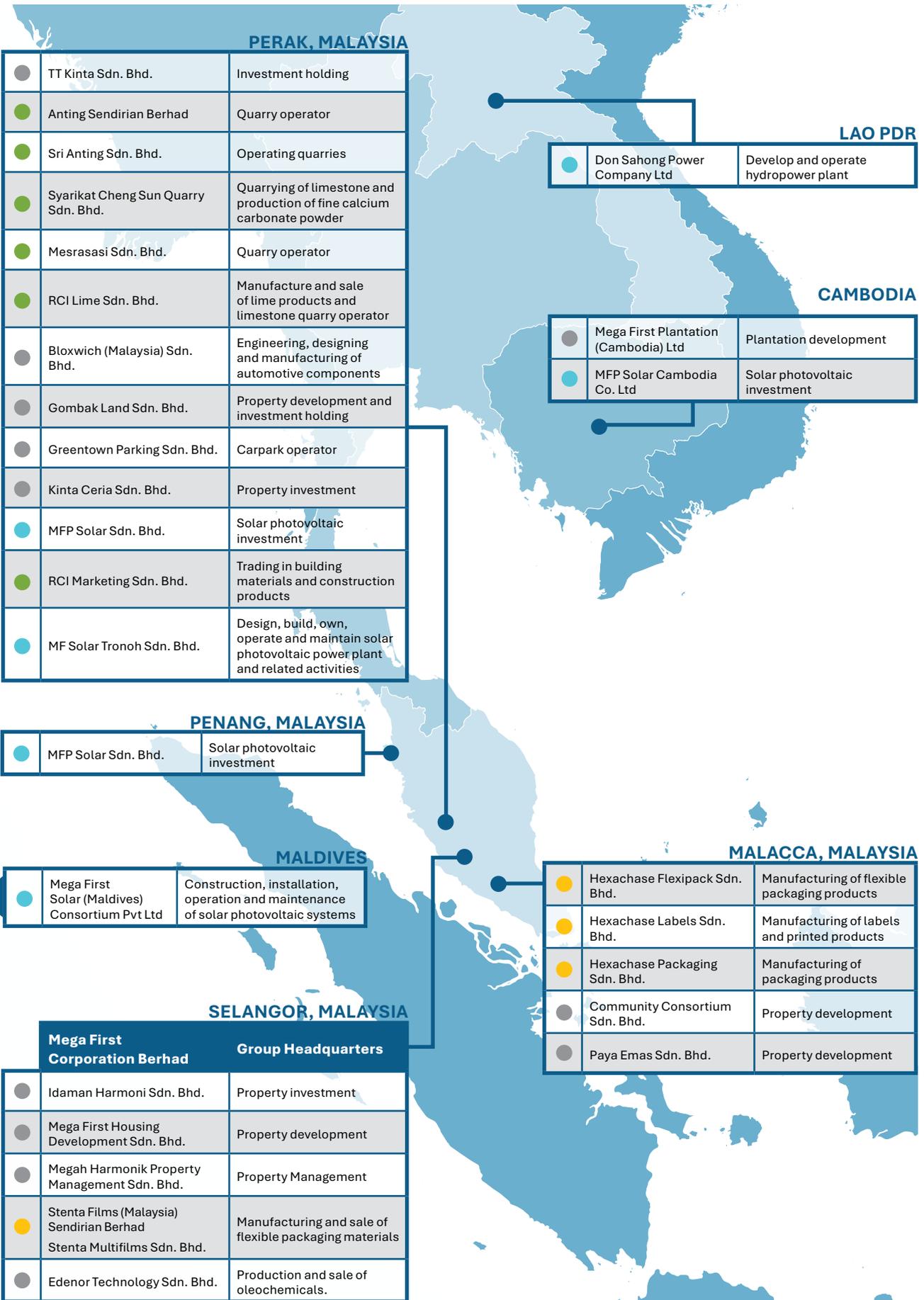
Established in 1997, our Automotive Components division is operated by Bloxwich (Malaysia) Sdn. Bhd. (“Bloxwich”) and is located in Bota, Perak, Malaysia. Bloxwich manufactures metal and assembly components for the automotive sector with customers ranging from local and international brands. With more than 20 years of experience, Bloxwich produces high quality precision metal products with an outstanding lot acceptance rate which is proven by the IATF 16949:2016 certification.



Bloxwich plant, located in Bota, Perak, Malaysia.

WHERE WE OPERATE

- Packaging
- Renewable energy
- Resources
- Others



AWARDS AND RECOGNITION



In May 2023, MFCB received an ‘AA’ rating from MSCI that measures company’s management of financially relevant Environmental, Social, and Governance (“ESG”) risks and opportunities. The AA rating demonstrates MFCB’s commitment in becoming a leading company in utilities sector for managing the most significant ESG risks and opportunities.



In December 2023, we successfully received an ESG rating of 2.9 from FTSE Russell (2.7 in 2022), which is the minimum score for listing on the FTSE4Good Bursa Malaysia Index. Unfortunately, even though we met the sustainability requirements to be listed, we are not listed on the index as we did not meet FTSE’s liquidity requirements.



Our Executive Chairman accepting the Company of the Year award at The Edge Billion Ringgit Club 2023.

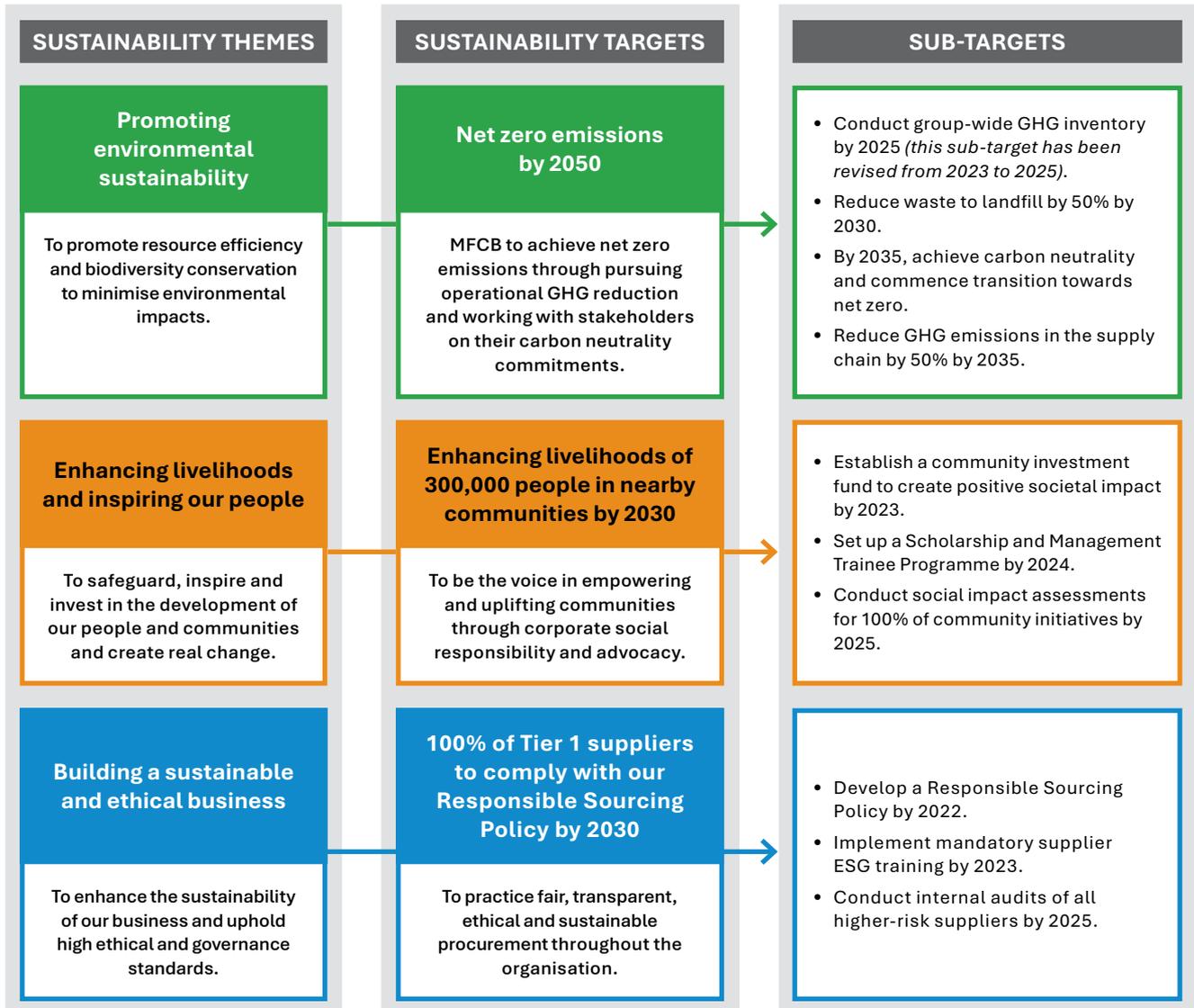
This year, MFCB was named Company of the Year at the 14th edition of The Edge Billion Ringgit Club awards in October. This is the first year that MFCB won in this category, having previously won the Highest Returns to Shareholders over three years as well as Highest Growth in Profit after Tax over three years in the Utilities sector. The recognition highlights our efforts to consistently create long term sustainable value for our stakeholders.



During the year, MFP Solar’s investment in Proton’s Tanjung Malim plant’s solar PV system won the Best National On-Grid Renewable Energy solution at the National Energy Awards by the Ministry of Natural Resources, Environment and Climate Change (“NRECC”) and Malaysian Green Technology and Climate Change Corporation (“MGTC”). The project is a combination of a carport mounting system and rooftop solar system.

SUSTAINABILITY AT MFCB

With the vision of becoming a leading Malaysian company that has a strong commitment to sustainable development in all our businesses, sustainability has become a central pillar of our mission and operations. At MFCB, we place a strong emphasis on three sustainability themes: Environment, Social and Governance. We believe in promoting environmental sustainability through promotion of resource efficiency, enhancing the livelihood of our people and building a sustainable and ethical business.



In 2023, we worked on establishing a strong foundation for our sustainability efforts and appointed a Group Sustainability Executive (“GSE”). The GSE works closely with our Executive Directors to implement MFCB’s sustainability roadmap and ensuring the Group meets its sustainability goals. With close engagement with all our divisions, we are certain that we will make steady progress towards achieving our goals.



In an effort to enhance awareness and knowledge about sustainability among our employees, we conducted a group-wide Sustainability 101 Training to provide an overview on sustainability and its importance to us as a business. We also took the opportunity to communicate our sustainability vision and mission as well as our sustainability strategy. In this first-batch of training, a total of 40 management-level employees participated and we aim to roll this out to more employees in 2024. This effort is to ensure that all our employees are well engaged on the topic and are able to contribute in creating long-term value for the environment and for our stakeholders.

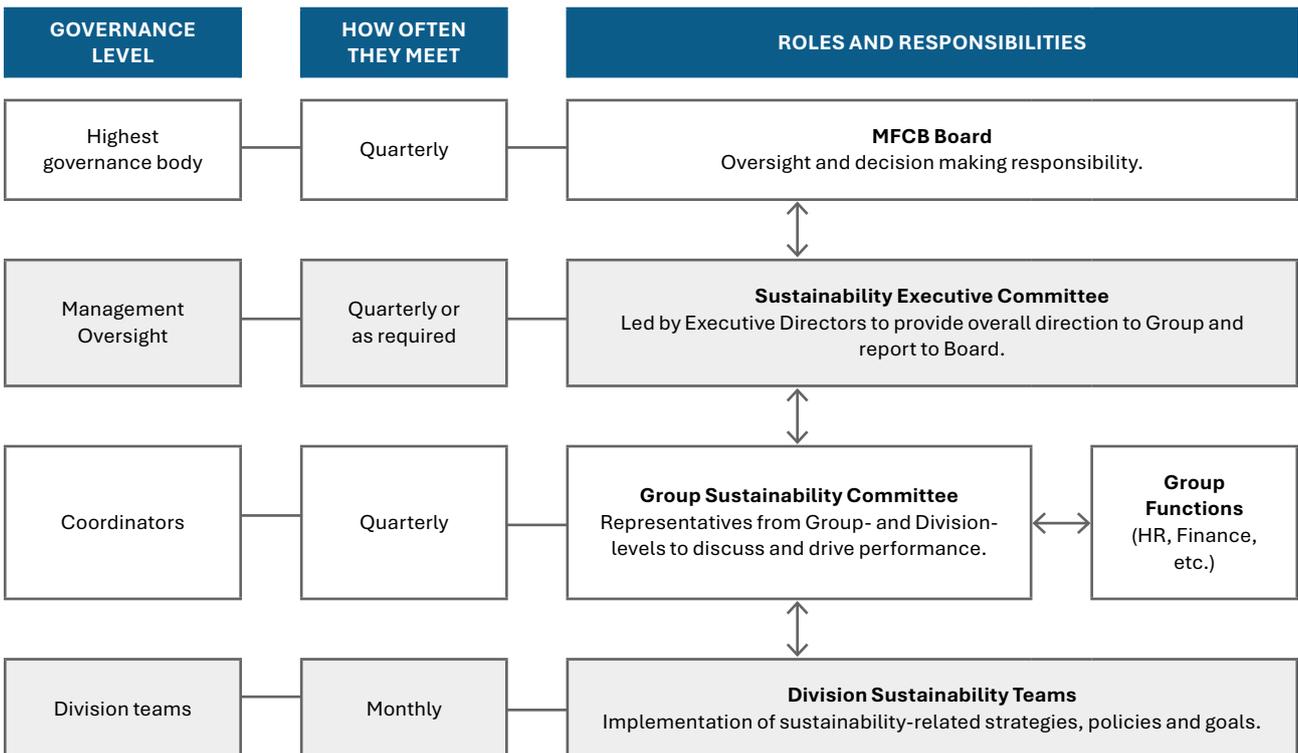
MFCB's sustainability vision and mission engagement session at RCI in June 2023.

SUSTAINABILITY GOVERNANCE

Our sustainability performance is overseen by the Board of Directors, who have overall responsibility of our performance. The Board also has oversight over a range of sustainability topics including overall sustainability risks and the material topics identified through our materiality assessment. The Board is formally updated on the Group's sustainability matters and performance on a quarterly basis. Day-to-day responsibilities for managing sustainability-related issues and concerns are delegated to the GSE and respective representatives in each division. Our Sustainability Committee meets quarterly to encourage constant dialogue and interaction with our divisions to discuss priorities, expectations and needs

in terms of sustainability. The meetings also allow the divisions to share sustainability performance and actions to help achieve the Group's overall ESG goals.

During the year, we updated a number of Group policies including the Group Sustainability Policy to strengthen our sustainability commitments and communicate the same to all our stakeholders. These policies will not only guide us to operate responsibly but also create strong corporate governance across our operations. Amongst the policies we have updated are the Diversity and Inclusion Policy, Human Rights Policy, Responsible Sourcing Policy and Water Management Policy.



MATERIAL ISSUES

Through the discussion we had in 2022 with MFCB’s Group Senior Management and Division Heads to refresh our material issues, we remain well-informed and continue to deepen our understanding in these issues.

ENVIRONMENTAL

MATERIAL ISSUES	RELEVANT UN SDGs
Biodiversity	14 LIFE BELOW WATER, 15 LIFE ON LAND
Energy Consumption	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION
GHG Emissions and Climate Change	13 CLIMATE ACTION
Waste Management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water and Wastewater	6 CLEAN WATER AND SANITATION

We have also BENCHMARKED our material issues against the relevant UN SDGs to stay up to date with industry trends and stakeholders’ priorities.

SOCIAL

MATERIAL ISSUES	RELEVANT UN SDGs
Diversity and Equal Opportunity	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
Employee Training and Development	8 DECENT WORK AND ECONOMIC GROWTH
Employee Wellness and Engagement	8 DECENT WORK AND ECONOMIC GROWTH
Local Communities	1 NO POVERTY, 2 ZERO HUNGER, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 7 AFFORDABLE AND CLEAN ENERGY, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 17 PARTNERSHIPS FOR THE GOALS
Occupational Health and Safety	3 GOOD HEALTH AND WELL-BEING

GOVERNANCE

MATERIAL ISSUES	RELEVANT UN SDGs
Customer Satisfaction	8 DECENT WORK AND ECONOMIC GROWTH
Ethics and Compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Fair Labour Practices and Human Rights	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES
Innovation and Product Responsibility	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Risk and Crisis Management	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Sustainable Supply Chain	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

STAKEHOLDER ENGAGEMENT

At MFCB, we recognise that regular engagement with our stakeholders is a key enabler in creating long-term positive impacts. By seeking the views and perspectives of a diverse set of stakeholders, we obtain valuable insights into the material topics that may have impact on our business. In 2023, we continue to maintain this engagement with our key stakeholders and provide a summary of the key outcomes.

ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
CUSTOMER			
<ul style="list-style-type: none"> • Emails and phone calls • Meetings and site visits • Website 	<ul style="list-style-type: none"> • Annually • Ongoing 	<ul style="list-style-type: none"> • Competitive pricing • Product quality • On-time deliveries • Ability to fulfil contracts • Innovation • Licensing and certifications • Sustainability of products and services • Ethical business practices 	<p>Proactive and progressive engagement with customers allows for both the businesses and customers to pre-empt and review contracts in order to minimise the impact of cost increases brought on by the sudden sharp increases in production costs as well as anticipate industry trends and address market demands.</p> <p>MFCB continues to pursue best practice standards to build trust among new and existing customers. For example, in the Packaging Division, Stenta, Hexachase Flexipack and Hexachase Labels are regularly audited by its customers based on Suppliers Ethical Data Exchange ("SEDEX") principles and Sedex Members Ethical Trade Audit ("SMETA") methodology.</p> <p>We are also engaging with our customers through annual customer satisfaction surveys to get feedback on our performance and product quality. This is to ensure that our products are meeting customers' needs and to maintain customer engagement.</p> <p>Please refer to page 40 for our customer satisfaction efforts and accomplishments during the year.</p>
EMPLOYEES			
<ul style="list-style-type: none"> • Annual performance appraisal • Interview • Briefings • Trainings 	<ul style="list-style-type: none"> • Annually • Ongoing 	<ul style="list-style-type: none"> • Group financial performance • Business strategy and direction • Remuneration and benefits • Training and career development • Work life balance • Workplace health and safety • Ethical business practices 	<p>Employees may participate in the Group's quarterly performance virtual briefings to help better understand the Group's financial performance as well as business strategy and performance. Employees have regular engagement opportunities to communicate directly with management and various human resource personnel to ensure that welfare concerns and expectations are understood and addressed.</p> <p>On top of that, professional development trainings are provided regularly to ensure employees are on par with current industry expectations of their jobs and are able to learn new skills. At MFCB, employees are encouraged to attend trainings in order to maintain their personal and professional developments.</p> <p>In 2023, 100% of employees underwent the annual performance appraisal.</p>

ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
GOVERNMENT AND REGULATORY BODIES			
<ul style="list-style-type: none"> • Compliance reports • Dialogue sessions • Direct contacts • Industry events and seminars • Official meetings and briefings • Site visits 	<ul style="list-style-type: none"> • Annually • Quarterly • Monthly • Ongoing 	<ul style="list-style-type: none"> • Legal and regulatory compliance • Community investment and development • Environmental management • Labour practices • Occupational health and safety record • Opportunities for local and foreign business investment in order to create employment opportunities and bring revenue to the state and country • Ethical business practices 	<p>Report submissions to government and regulatory bodies ensures that we are up to date with all necessary reporting and any issues can be flagged and addressed immediately.</p> <p>Regular engagement with various government bodies better enables businesses to work together with the government to bring investment to the state and country.</p>
LOCAL COMMUNITY			
<ul style="list-style-type: none"> • Outreach programmes 	<ul style="list-style-type: none"> • Annually • Monthly • Ongoing 	<ul style="list-style-type: none"> • Community investment and development • Job creation • Charitable contributions • Environmental management and protection • Ethical business practices 	<p>Engagement with the local community via outreach programmes enables us to better understand the needs of the community and how we can work together to meet them. Please refer to page 34 for further details of our community outreach efforts.</p> <p>This year we contributed a total of RM1,802,638 to the communities.</p>
SUPPLIERS & BUSINESS PARTNERS			
<ul style="list-style-type: none"> • Meetings and site visits • Dialogue sessions • Emails and phone calls 	<ul style="list-style-type: none"> • Annually • Quarterly • Ongoing 	<ul style="list-style-type: none"> • Capability development and knowledge sharing • Ability to fulfil contracts • Innovation • Licensing and certifications • Sustainability of products and services • Ethical business practices 	<p>Conducted regular engagement with suppliers to pre-empt and review contracts in order to minimise the impact of cost increases brought on by the sudden sharp increases in production costs, discuss industry trends and address market demands.</p> <p>Collaboration with suppliers has helped our businesses to develop new products to keep up with changing consumer trends and improve processes/ source new equipment to enhance operational efficiency and cost effectiveness.</p> <p>This year, we conducted a mandatory Tier 1 supplier ESG training. A total of 59 suppliers were engaged across the Group. Please refer to page 37 for further details of our supplier engagement efforts and achievements.</p>
SHAREHOLDERS & INVESTORS			
<ul style="list-style-type: none"> • Analyst and investors briefings • Announcements on Bursa Malaysia website • Corporate website - Group and subsidiaries • Shareholders Annual General Meeting • Dialogue sessions • Emails and phone calls 	<ul style="list-style-type: none"> • Annually • Quarterly • Ongoing 	<ul style="list-style-type: none"> • Group financial performance • Business strategy and direction • Transparency of information • Organisational growth • Sustainability efforts • Ethical business practices 	<p>MFCB continues to conduct quarterly results briefings to the general public during the year which includes an open Q&A session. The details shared in these briefings are then made publicly available on the company website.</p> <p>This initiative was taken to improve the transparency and corporate governance for all shareholders and investors.</p> <p>In 2023, we participated in a number of engagements with financiers and fund management institutions to communicate our sustainability strategy as well as our performance in this area.</p>

PROMOTING ENVIRONMENTAL SUSTAINABILITY

We prioritise environmental conservation across our operations and look to minimise our impacts where possible.

OUR APPROACH

Driven by our goals to achieve carbon neutrality in 2035 and net zero emissions by 2050, we began taking a more proactive role in 2023 to ensure that we operate sustainably and with great respect to the environment. This year, we took a step further by updating our Group Sustainability Policy to include our commitment to using our resources more efficiently and minimising all forms of pollution at our business operations.

Our key environmental efforts are segmented into the following:

			
Our Road to Net Zero	Water Management	Circular Economy	Biodiversity Conservation

<div style="background-color: #008000; color: white; padding: 5px; width: 40px; margin: 0 auto;">01</div> <div style="background-color: #d3d3d3; padding: 10px; margin: 5px auto; width: 180px;"> <p>Conduct a group-wide GHG Inventory by 2025.</p> </div>	<div style="background-color: #008000; color: white; padding: 5px; width: 40px; margin: 0 auto;">02</div> <div style="background-color: #d3d3d3; padding: 10px; margin: 5px auto; width: 180px;"> <p>Reduce waste to landfill by 50% by 2030.</p> </div>	<div style="background-color: #008000; color: white; padding: 5px; width: 40px; margin: 0 auto;">03</div> <div style="background-color: #d3d3d3; padding: 10px; margin: 5px auto; width: 180px;"> <p>By 2035, achieve carbon neutrality and commence transition towards Net Zero.</p> </div>	<div style="background-color: #008000; color: white; padding: 5px; width: 40px; margin: 0 auto;">04</div> <div style="background-color: #d3d3d3; padding: 10px; margin: 5px auto; width: 180px;"> <p>Reduce GHG emissions in the supply chain by 50% by 2035.</p> </div>
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We have also made a deliberate decision to revise our environmental sub-target “Conduct a group-wide GHG inventory by 2023” to 2025. This decision is an acknowledgement of the challenges we face towards a more sustainable environment and further strengthens our commitment in achieving this goal. This year, we made our first ‘Climate Change’ disclosure to the Carbon Disclosure Project (“CDP”) and received a “C”, which is on par with industry peers. As this is the first year of our participation in CDP, we acknowledge that there are plenty of areas for continued improvement. We are dedicated in creating long term sustainable solutions and disclosing our information is a step forward in portraying our strong commitment.

ENVIRONMENTAL MANAGEMENT

In the Renewable Energy Division, environmental performance at DSPC is headed by the Deputy General Manager of Operation and Maintenance together with the Environmental and Social Program Manager. The team manages any potential environmental impacts with regular monitoring to ensure we are in compliance with laws and regulations.

In Malaysia, both the Resources and Packaging Divisions have an Environmental Regulatory Compliance Monitoring Committee (“ERCMC”) and Environmental Performance Monitoring Committee (“EPMC”) which are responsible for monitoring and managing environmental performance in their respective divisions.

DSPC Compliance List

- IFC Environmental, Health and Safety General Guidelines 2007
- Asian Development Bank (“ADB”) Standards
- Environmental Law of the Lao PDR Ministry of Natural Resources and Environment (“MONRE”)
- Other requirements as specified in the DSPC Concession Agreement

SUSTAINABILITY SESSIONS

RCI continued to show its commitment towards achieving environmental sustainability by introducing a regular sustainability session with its employees. Each session discusses sustainability topics such as global warming, water conservation and energy efficiency to reduce GHG emissions with the goal of creating awareness and educating employees.

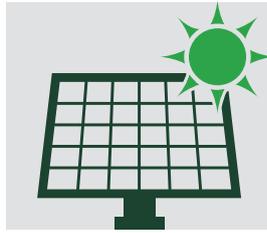
OUR ROAD TO NET ZERO

Our journey towards achieving net-zero emissions is a collective pursuit marked by unprecedented collaboration and innovation. Fuelled by a growing awareness of the environmental challenges we face, we started embracing sustainable practices like transitioning to renewable energy sources, sustainable resource consumption, water and waste management and biodiversity conservation. The commitment to reducing our carbon footprint underscores a shared responsibility to safeguard the planet for future generations. As we navigate this road to net zero, the integration of cutting-edge technologies and a global commitment to sustainability serve as guiding beacons, illuminating a path towards a more resilient and environmentally balanced future.

CLIMATE CHANGE AND EMISSIONS

The Group is dedicated to shifting towards a low-carbon economy and implementing strategies to reduce GHG emissions, while deliberately considering the economic impacts of these actions. Our primary focus for emissions reduction centres around our operations, with the accurate measurement of Scope 1 and 2 emissions enabling us to focus on areas for improvement. This year, we included Scope 2 and 3 emissions from our Headquarters in Petaling Jaya, Selangor, Malaysia. This is part of our efforts to account for the overall Group's GHG emissions. We intend to complete a group-wide inventory by 2025 in order to facilitate this Net Zero target.

We have implemented a number of initiatives aimed at reducing GHG emissions within our operations. The key projects contributing to this reduction include:



Transition to **renewable electricity** at our operations through the installation of **Solar PV** systems and hydropower



Implementation of various **energy efficiency initiatives** in production processes



Efforts in **reducing waste** across our operations

Wherever possible, we encourage and support the use of clean energy in all areas of our operations. A number of the Group's operations have installed solar PV systems and are utilising renewable energy. We continuously assess and study how to increase the proportion of the Group's energy usage to renewable energy.



Transmissions lines connected to our 260MW hydropower plant at DSPC, Lao PDR.

RENEWABLE ENERGY

Our Renewable Energy operations support the transition to a low-carbon world. In 2023, we produced 2,083 GWh of hydropower energy with 100% exported to Cambodia, where the use of this energy avoided a total of 1.2 MtCO₂e. In addition, more than two million Renewable Energy Certificates ("RECs") were generated during the year from our hydropower operation with 2% sold to corporate consumers. We are currently in the exploratory phase with RECs, and we expect demand will continue to grow in the region.

At DSHP, our accommodation facilities and other site buildings utilise 100% renewable electricity generated from the 260MW plant. Consuming about 0.34% of the total electricity generated by the DSHP, this helps avoid an estimated 4,049 tCO₂e/year. In 2024, construction of a 1.0MW ground-mounted solar installation will begin at DSHP to support growing internal consumption. The project is expected to be completed in the second quarter of the year and provide more than 20% of our internal energy demand.

During the year, our solar operations generated 29,096 MWh of solar energy. We have also introduced an Automated Meter Reading ("AMR") system for offsite monitoring of our solar performance to reduce the travelling requirement to sites. The system is equipped with live data and billing features to interact with our customers remotely, which helps to improve our operation's efficiency and reduce Scope 3 emissions from business travel.

In the Maldives, our solar project has been designed to be as environmentally friendly as possible. Taking into consideration the delicate environment, the project has developed green designs such as using as little concrete as possible, comprehensive waste management plans, and a commitment to replace any trees removed with two of the same variety in another part of the Maldives Island. All this ensures that, along with the green energy that we will be producing for the Maldives, we are also doing it in a responsible manner.

RESOURCES

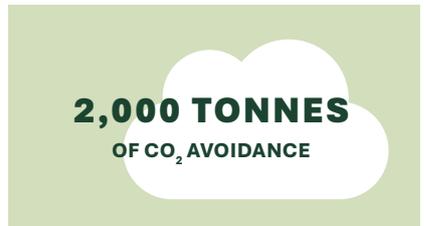
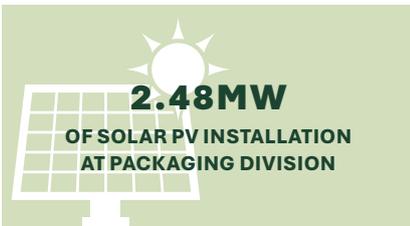
At RCI, efforts have been taken to reduce energy consumption as well as further identify key areas for improvement. During the year, RCI established an Energy Optimisation Steering Committee ("EOSC") to look into energy optimisation efforts across processing equipment, auxiliary equipment and utilities. RCI is also in the preliminary assessment stage of developing solar energy for its operational usage.

UPGRADING TO PREMIUM EFFICIENCY MOTORS

Five of our equipment motors were upgraded to IE3 electric motors. A total of RM29,570 was invested for this initiative, with an estimated annual energy savings of 18,931 kWh and carbon savings of 14.8 tCO₂e. We are targeting to upgrade and replace all mid-range powered motors to IE3 or IE4 electric motors for higher efficiency and lower energy consumption in our processing facilities.

PACKAGING

In 2023, MFCB installed a 2.48MW solar PV system at our Packaging Division, with an annual generation of 2,564 MWh, helping to avoid 2,000 tCO₂e.



At Hexachase Group, we have made a progressive transition to electric ("EV") forklifts and reach trucks to help with our product dispatch and loading activities. The group is currently operating five EVs across its subsidiaries for this purpose and is working towards identifying the emission reduction from this initiative.

Hexachase Packaging has during the year installed three new in-line printing stations which helps eliminate the roll-to-roll printing process, increase production output and reduce energy consumption. In 2024, Hexachase Packaging will continue the effort by installing new in-line SOS printing machines. Hexachase Group is currently working on tracking its energy savings performance from all the environmental initiatives implemented. It expects to have a clearer outlook on this topic in the coming years.

This year, Stenta engaged with its customers to explore and trial downgauged film thickness, replacing it with a higher performance, thinner gauge film. The effort is expected to reduce the number of containers shipped to customers. While this effort is still in its exploratory phase, if accepted by customers, we foresee that this will help to reduce our Scope 3 emissions from downstream transportation and distribution (Category 9). We hope that these efforts will come into fruition towards the end of 2024.



0.65 MW Solar Installation at Hexachase Flexipack, Malacca.

AIR QUALITY

In the Resources Division, we assess and monitor our operations' emissions as well as the surrounding air quality to ensure we comply with local law and regulations. On top of our ongoing procedures such as monitoring our isokinetic stack emissions and replacement of bag filters for our kilns, we implemented a few new initiatives to further improve our efforts in this area.

1. Implementation of Continuous Emission Monitoring Systems ("CEMS")

In October 2023, we successfully implemented CEMS for all the kilns in our operations. These systems are designed to measure and track Total Particulate Matter ("TPM") levels in milligrams per cubic meter (mg/m^3) in the kilns. This provides real-time data of our emissions and early detection for any breach in emission parameters.

2. Ambient Air Monitoring

During the year, we added parameters PM10, NO_2 , SO_2 and PM2.5 into the Quarterly Ambient Air Monitoring with reference to the New Malaysian Ambient Air Quality Standards 2020. The incorporation of these new parameters allows us to obtain a more in-depth air quality dataset surrounding our operation. We have also integrated an additional data point at Sekolah Kebangsaan Gunung Panjang to assess the potential impact of our operations to the local communities. The ambient air quality was found to be in compliance with all the parameters.

3. Wash bay

An additional wash-through (wash bay) was constructed in our high-traffic area within the operation to mitigate road dust and serves as a measure for fugitive dust suppression during the dry season.

The Packaging Division conducts yearly Stack Emission Monitoring for chimneys in their manufacturing buildings. The report is submitted to the Department of Environment ("DOE") to prove that measured parameters align with the limits specified in the Malaysian Clean Air Regulations 2014- Second Schedule (1.2). During the year, zero incidents of non-compliance were reported from the Division for air quality.

NOISE EXPOSURE

Noise pollution is a significant concern in quarry operations, stemming from the extensive machinery and equipment employed in extraction and processing activities. The continuous operation of heavy machinery, drills and crushers generates elevated noise levels, impacting both the immediate quarrying site and surrounding areas.

In this respect, our Resources Division have implemented noise mitigation measures such as using advanced noise reduction technologies. These measures help to minimise the environmental impact and protect the health of both workers and the broader community. We are currently in the trial phase of installing ceramic wear lining at our machinery parts to protect abrasion wear and reduce noise as well as vibration during application. This trial phase is expected to be completed in the first quarter of 2024. If the measure is deemed successful, we are poised to implement this measure throughout our entire operation.

Additionally, we perform quarterly boundary noise level monitoring to adhere to the compliance regulations established by the DOE. In 2023, there were no instances of non-compliance with boundary noise level standards.

WATER MANAGEMENT

Effective water management is crucial for sustainable development and environmental stewardship. At MFCB, we recognise the importance of efficient water use and conservation. As we navigate challenges like population growth and climate change, innovative water management approaches become essential for ensuring a resilient and water-secure future. In September 2023, we updated our Water Management Policy to strengthen our commitment in reducing water consumption by seeking ways to improve efficiency and contribute to water security.

In 2023, all of our operations are located in zero water-stressed areas and have consistent supply of municipal water.

RENEWABLE ENERGY

Responsible water management is a cornerstone of operations at our hydropower plant. At DSHP, we monitor river water levels daily at seven locations upstream and downstream of the hydropower plant, with discharge (flow) then estimated at those locations. This monitoring effort is to ensure maintenance of sufficient water flow through fish passage channels and to adjust operation of our hydropower plant. We also receive daily water level/discharge reports from the Pakse gauging station (about 150 km upstream), for planning of our daily operations.

Water quality is also monitored weekly at four locations to ensure compliance with the Lao PDR standards and to document any impacts caused by the project. The major sources of water for quality monitoring are:

- 1. Surface water** – Focusing on Mekong River water that flows through the head pond. There are four locations in total. The first location is located 400 m upstream of the head pond; the second location is in the middle of the head pond; the third location is located downstream near the powerhouse and the fourth is located next to the Lao PDR-Cambodia border, about 200 m from Veunkham Village.
- 2. Potable water** – Random monitoring of water at our treatment plant and on the tap of drinking water source for employees.
- 3. Waste water** – Monitoring of discharged water from the treatment plant to the surroundings.

The ongoing construction of the fifth turbine has not impacted the water quality of the river, as the construction is isolated from the river system. In 2023, all water quality parameters at DSHP met the National Environment Standard for Lao PDR and there was no significant impact of the project on water quality.

RESOURCES

Our Resources Division is in the process of developing a Water Management Plan which is expected to commence in 2024. This plan will help us set long and short-term water conservation goals. We also conduct quarterly water quality monitoring effort to ensure all our discharged water fulfils the National Water Quality Standards for Malaysia.

PACKAGING

Our Packaging Division is currently embarking on a rainwater harvesting initiative for internal usage like gardening, landscape maintenance and cleaning activities. We are working towards having a proper record of the rainwater collected and consumed in 2024 to track and monitor our progress.

CIRCULAR ECONOMY

A circular economy represents a transformative approach to resource management, aiming to minimise waste and maximise the lifespan of products and materials. Across our operations, we have begun embracing practices like reusing, refurbishing and recycling to reduce environmental impact and promote sustainability. **Our divisions have implemented at least 6Rs of the 9Rs waste management framework – rethink, reduce, reuse, remanufacture, repurpose and recycle.**



SMARTER PRODUCT USE AND MANUFACTURE		EXTEND LIFESPAN OF PRODUCT AND ITS PARTS		USEFUL APPLICATION OF MATERIALS	
	R0: REFUSE		R3: REUSE		R8: RECYCLE
Make product redundant by abandoning its function or by offering the same function with a radically different product.		Reuse by another consumer of discarded product which is still in good condition and fulfils its original function.		Process materials to obtain the same (high grade) or lower (low grade) quality.	
	R1: RETHINK		R4: REPAIR		R9: RECOVER
Make product use more intensive (e.g. by sharing product).		Repair and maintenance of defective product which is still in good condition and fulfils its original function.		Incineration of material with energy recovery.	
	R2: REDUCE		R5: REFURBISH		
Increase efficiency in product manufacture or use by consuming fewer natural resources and materials.		Restore an old product and bring it up to date.			
			R6: REMANUFACTURE		
		Use parts of discarded product or its parts in a new product with a different function.			
			R7: REPURPOSE		
		Use discarded product or its parts in a new product with a different function.			



An aerial shot of our solar site in Hinnavaru, Maldives.

RENEWABLE ENERGY

The construction of our 11.4MW solar project in Maldives has been designed to be a low-carbon and low-impact project. We have developed a comprehensive output and waste management plan. The plan details the major outputs associated with the project and its method of disposal to ensure minimal project impact to the environment. For example, waste generated during the construction phase will be collected, sorted and transferred to dedicated waste management centres to avoid all waste being sent to landfills.



Repurpose initiative at RCI using premix waste.

RESOURCES

This year, RCI's 3R Program collected a total of 2,585 kg of recyclable materials where 92% of these were categorised as e-waste. The significant contribution was mainly due to the expansion of our scheduled waste storage infrastructure specially for e-waste (SW110) that completed its construction in May 2023. Amongst the items recycled were electrical and electronic components such as printers, cooling appliances and computer parts.

We have also commenced a repurpose initiative from premix waste which are made up of used asphalts and aggregates to resurface access roads at our operation. The initiative has helped us with managing road dust and in 2023, we have used a total of 600 tonnes of premix waste for this initiative.

PACKAGING

At Hexachase Group, a number of initiatives have been implemented in 2023 to reduce waste and improve recycling. At Hexachase Packaging, we engage a licensed wastepaper collector to collect paper waste for recycling and in 2023, 717 tonnes of Originated Carton ("OCC") was collected. We also installed new high-speed flat and satchel machines that includes a servomechanism to allow tighter registration in the printing operation, higher automation and faster response to error correction. This reduces machine downtime, improves quality and is expected to reduce waste by 2%. In addition, we are continuing to install three additional in-line printing machines for SOS bag production. The machines help cut down the roll-to-roll production process and concurrently reduce paper wastage. At Hexachase Flexipack, we have started to convert non-sustainable multilayer materials to sustainable materials with comparable performance quality. One example includes producing multilayer high barrier films without the use of non-recyclable aluminium foils as the barrier layer.

Stenta continues to find innovative ways to support a circular economy by using Post Industrial Resin ("PIR") and Post Consumer Recycled ("PCR") resins in its packaging films production. Both PIR and PCR are a blend of plastic waste from recycled plastics with PIR being from scraps that do not make it into the final products for consumers and PCR are plastics from beverage bottles and plastic films sold to consumers. A total of 2,314 tonnes of these resins were used in 2023. Additionally, Stenta has during the year explored the transition to paper pallets which are predominantly made of recycled material and are 100% recyclable. Paper pallets are also easier and cheaper to recycle, helping us reduce our waste to landfill. Stenta is estimating a total of 16,000 wooden pallets to be replaced annually. It has also set a three percent (3%) waste reduction target for the year 2024 from its 2023's performance.

In 2023, our entire Packaging Division purchases and produces paper products that are Forest Stewardship Council ("FSC") certified. Hexachase Packaging also went the extra mile by procuring paper materials certified by the Programme for the Endorsement of Forest Certification ("PEFC").

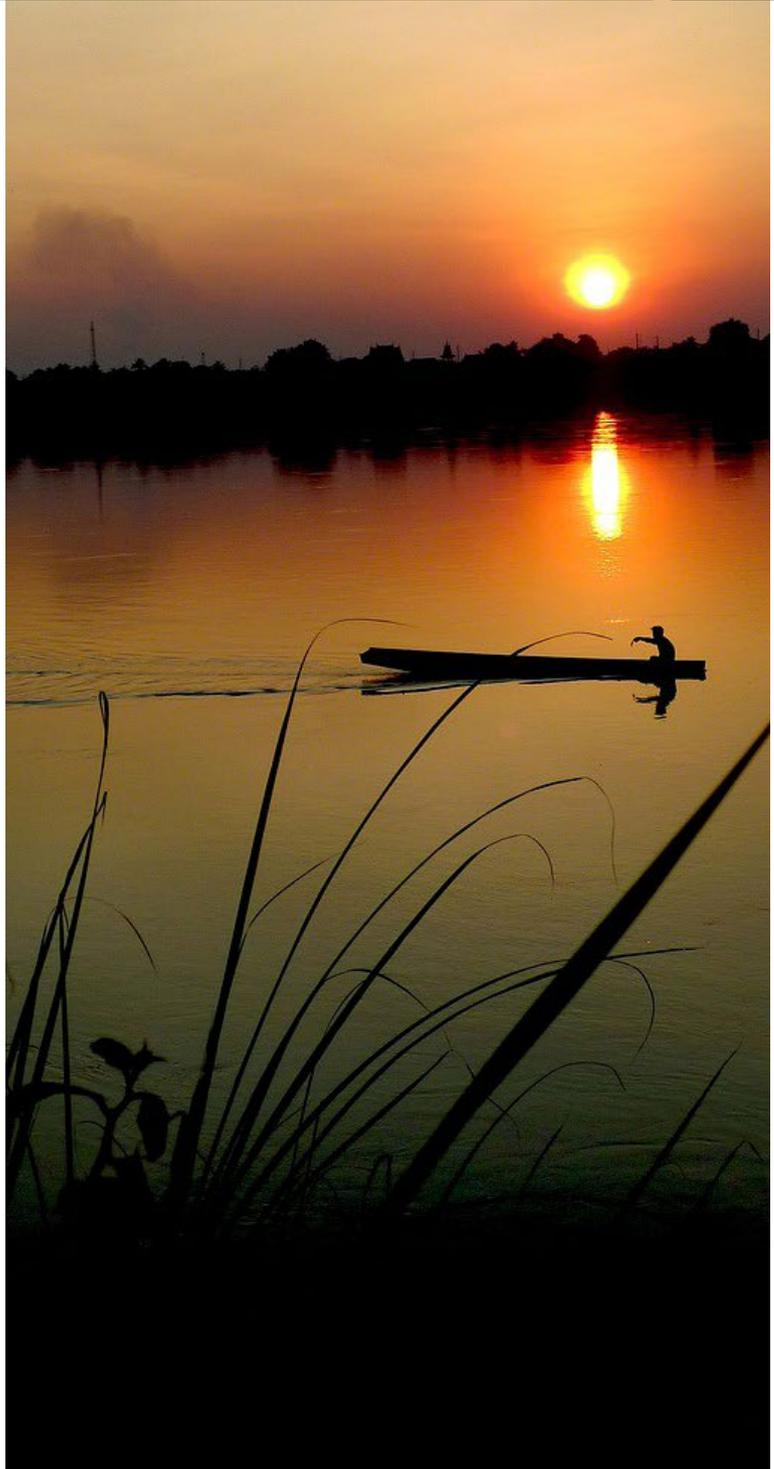
BIODIVERSITY CONSERVATION

RENEWABLE ENERGY

Preserving our planet's natural resources is key for maintaining the delicate balance of ecosystems and ensuring continuous benefit for future generations. The location of the DSHP on an anabranch of the Mekong River provides us an unique opportunity to play an important role in supporting the conservation of this biologically diverse habitat. The Mekong River system supports about 900 species of fish, including 220 endemic species and many endangered species. The river system is the lifeblood of the local communities, providing a source of income and food for millions of people throughout the region.

In recognition of the growing importance of global biodiversity conservation and the unique ecosystem that the Mekong River sustains, we are committed to further support the conservation of its biodiversity through a long-term biodiversity conservation strategy. Our strategy includes goals to 2030 and 2050 and is aligned with the Kunming-Montreal Global Biodiversity Framework ("GBF") and Lao PDR's National Biodiversity Strategy and Action Plan 2016 - 2025. Out of the 23 targets set in the GBF, we envision that we can make a meaningful contribution to targets 2, 3, 4 and 10.

Our biodiversity conservation strategy will centre around three themes – conservation and rehabilitation, awareness and capacity building and scientific research. We have already been conducting initiatives in each of these areas since the development of the hydropower project began back in 2015. We are one of only a handful of companies in the region that have committed to clear goals and targets for biodiversity conservation. We recognise that meeting these targets will not be easy, and as with anything nature-related, many other activities will affect the outcomes. In an ecosystem as complex and dynamic as the Mekong River basin and taking into account the sheer number of externalities that can impact our objectives, we envision a challenging path ahead. However, we are focused on what we can do, and we will continue to collaborate with the Mekong River Commission and other stakeholders to help achieve our common goals in this area.



MFCB'S BIODIVERSITY CONSERVATION STRATEGY

GOAL TO 2050:

To have a net positive impact on biodiversity and maintain, enhance or restore the integrity of the ecosystem within and around our project area for the benefit of biodiversity and local communities.

THEMES

Conservation and Rehabilitation

We will implement conservation measures to conserve existing populations of endangered species and rehabilitate important habitats.

Awareness and Capacity Building

We will engage with local communities and relevant stakeholders to enhance awareness on the importance of biodiversity.

Scientific Research

We will support the scientific community in understanding the unique ecosystems in which we operate.

GOALS BY 2030

We will implement two major conservation projects with measured outcomes.

We will significantly increased the awareness among communities about the importance of biodiversity.

We will publish at least two scientific studies in the area we operate.

In the long term, we aspire to have a net positive impact on biodiversity and maintain, enhance or restore the integrity of the ecosystem within and around our project areas. For now, this will be focused on our operations in Lao PDR and in the coming years we intend to include our Food Security Division in Cambodia as this is a material topic as well.

CONSERVATION AND REHABILITATION

DSHP is located in a crucial fisheries zone, sustaining the livelihoods of local communities in the region. Since the inception of the project in 2008, DPSC has conducted extensive monitoring to document project impacts and has taken the necessary measures to mitigate and manage these impacts. The Khone Falls-Siphandone area, where the project is situated, is particularly abundant in fish species due to the optimal natural habitat, hydrology, and food supply, contributing significantly to aquatic productivity and biodiversity. This region harbours approximately 25% of all fish species in the Mekong River basin, including some locally endemic species like *Aaptosyax grypus* (pa sanak nyai), *Mekongina erythrospila* (pa sa-ee), *Labeo erythropterus* (pa va souang) and *Gyrinocheilus pennocki* (pa ko).

In 2023, we strengthened our commitment to minimising impacts on fish and fisheries by extending until 2030 the duration of our long-term adaptive management strategy, which is based on our approved Fisheries Monitoring and Action Plan ("FishMAP") and the Don Sahong Fisheries Management Plan ("DSFMP").

The main objective of the FishMAP is to mitigate negative impacts on fish and fisheries caused by the obstruction of Sahong Channel by the DSHP. This plan is implemented by DSPC, and primarily entails physical improvements of the natural channels at Khone Falls so that fish can easily migrate through them. The Plan also includes comprehensive monitoring to assess the effectiveness of the fish passages and the general status of fish and fisheries at Khone Falls.

The main objective of the DSFMP is also to mitigate negative fish passage impacts by removing any large illegal fishing gears which block channels and obstruct migration of fish. DSPC does not directly implement this plan, rather we support its implementation through the Don Sahong Fisheries Management Committee ("DSFMC"), which comprises representatives of Lao PDR government provincial and district agencies, villages, and fishers. The plan also includes other measures to improve sustainable fisheries management at Khone Falls.

Apart from these activities, DSFMC has also purchased, provided and planted a total of 4,650 seedlings of trees since the beginning of its operation in 2016, which supports our commitment to conserve and rehabilitate the ecosystem near our operation.

Activities of the DSFMC

ACTIVITIES	WORK CONDUCTED IN 2023	PLAN FOR 2024
Registration of fishers and fishery organisations	<ul style="list-style-type: none"> In 2023, DSFMC registered two local fish traders at Hang Sadam village. 	<ul style="list-style-type: none"> DSFMC will begin registering fishers and fishery organisations.
Permitted activities for fishers and traders	<ul style="list-style-type: none"> DSFMC disseminated an official table of permitted activities for two villages. 	<ul style="list-style-type: none"> DSFMC will disseminate tables of permitted activities to nine villages.
Rehabilitation of important habitats	<ul style="list-style-type: none"> In 2023, DSFMC planted 800 indigenous plants on riverbanks near fish-passages and important habitats. 	<ul style="list-style-type: none"> DSFMC will produce, grow and distribute 3,000 indigenous plants on riverbanks near fish-passages and important habitats.
Rehabilitation of indigenous fish	<ul style="list-style-type: none"> DSFMC released 30,000 indigenous fish to the head pond of the Don Sahong dam. DSPC provided 10 million Kip for Ban Hat hatchery station for purchasing wild brood stock and feed. 	<ul style="list-style-type: none"> DSFMC will release a second batch of 30,000 indigenous fish in the same area. DSPC will continue to support technical activities and support budget for breeding indigenous fish species at Ban Hat hatchery.
Enforcement	<ul style="list-style-type: none"> DSFMC inspected 18 risky locations, made 54 trips and removed 81 rebuilt big gears. DSFMC processed one offender for use of illegal gears, two offenders for use of electrofishers and two offenders for use of poisons. DSFMC checked Veunkham and Nakasang fish markets monthly. They tracked traders who supported illegal fishers with electrofishers and "Lee" traps and confiscated some endangered species. 	<ul style="list-style-type: none"> DSFMC will continue to inspect and remove the rebuilt big gear at 21 risky locations. DSFMC will continue to check Veunkham and Nakasang fish markets monthly. DSFMC will continue to monitor destructive fishing activities and deal with offenders.

One of the key activities we undertake under the FishMAP is to monitor and manage fish passages in the area to ensure that fish are able to freely migrate upstream and downstream to pass the DSHP. During the dry season (November to May), we undertake fish passage inspections and conduct necessary work to maintain its function during the dry season. The DSFMC also removes any illegal gears in the channels, which ensures that fish are not obstructed in their passage through these channels.

Fish Passage Works in 2023

CHANNEL	LOCATION	WORK CONDUCTED
Xang Pheuak	Xang Pheuak West ("XPW")	DSPC deepened the upstream entrance of XPW and removed some brush which was blocking flows. This increased dry season inflows by about 3-4m ³ /s which helped to maintain Hou Wai flows at > 10m ³ /s during the dry season.
	Xang Pheuak Noi	DSPC installed rock-filled gabions to divert more water into this lateral sub-channel and maintained a minimum flow of 2m ³ /s during the dry season.
Somphamit	Don Lai	DSPC removed some vegetation, cleared fish traps, blocked lateral overflows to impassable waterfalls which maintained a minimum flow of 1 m ³ /s through the Don Lai fish pass during the dry season.



Large fish traps removal at Don Kok in Xang Pheuak channel, May 2023.

Fish Passage Works Planned for 2024

CHANNEL	LOCATION	WORK TO BE CONDUCTED
Liphi	Khone Koc	First works at this site. Remove fish traps, flatten barriers, deepen inlet to increase inflows.
Xang Pheuak	Don Lai West	First works at this site. Remove fish traps, flatten barriers, deepen inlet to increase inflows. Divert fish to migrate up Don Lai East Channel so they can access fish pass.
	Nyoi Koong	Flatten barriers, deepen inlet to increase inflows.
	Xang Pheuak Noi	Maintain the fish pass by removing traps and cleaning loose rocks.
Somphamit	Don Lai East	Maintain the fish pass by removing traps and cleaning loose rocks.

AWARENESS AND CAPACITY BUILDING

The team at DSPC works closely with local communities and local government departments to raise awareness and understanding on a number of topics related to the fisheries industry to help maintain a healthy fish population for all.

Key issues:

- Use of large illegal fishing gears that obstruct movement of fish through the river channels at Khone Falls. Catching large quantities of migratory fish preventing them from reaching spawning or feeding habitats;
- Use of illegal electrofishers, explosives and poisons for fishing, which kill many other species and are dangerous to the users and other people;
- Catching and selling endangered fish species, which is illegal; and
- Consumption of raw fish, which may lead to infection with parasites, particularly a species of liver fluke.

How we address this:

- **Awareness**
We go to schools and villages to educate children and communities about these issues and provide solutions and alternatives.
- **Technical training and workshops**
We organise training and workshops for patrol teams and relevant stakeholders including government departments to further understand how we can work together to address these issues.

Activities of the DSFMC

ACTIVITIES	WORK CONDUCTED IN 2023	PLAN FOR 2024
Awareness raising	<ul style="list-style-type: none"> • Conducted awareness-raising activities on impacts of eating raw fish at two schools and one village in the project area. • Conducted awareness-raising activities on impact of using destructive and big gears for fishing at two schools and two villages. • Conducted meetings on fish passage rules and regulations at six villages in the project area. 	<ul style="list-style-type: none"> • Conduct awareness-raising activities on the impact of using destructive and big gears for fishing at two schools and two villages. • Conduct meetings on fish passage rules and regulations at six villages in the project area.
Technical training and workshops	Provincial Agriculture and Forestry Office (“PAFO”) approved the Fish Passage Rules and Regulations. DSFMC implemented training and workshops on the Regulations for 6 patrol teams at the villages near the DSHP after obtaining approval from the PAFO.	Conduct workshops for training about Fish Passage Rules and Regulations for five more village patrol teams.

Scientific Research

DSPC continues to carry out standardised monitoring of fish abundance at Khone Falls, monitoring of the daily catches of 80 households and monitoring of fish traders under the FishMAP. These monitoring activities document the status and trends in fish and fisheries at Khone Falls, and allow us to assess the effectiveness of fish passage and fisheries management, as well as the impact of other factors, such as interannual hydrological variation. This is a large, high-quality and unique monitoring dataset for the Mekong region. In 2024, we will be finalising and analysing our monitoring databases covering the period from 2009 to 2023 which will add greatly to scientific knowledge of fish and fisheries. The findings will then allow communication to improve regional conservation efforts.

The DSFMC has been working with relevant stakeholders and authorities to identify Fish Conservation Zones ("FCZs") in the Siphandone area as part of a wider conservation effort for fish populations. The produced map will highlight the protected areas within the Khong District area and specify regulations for each FCZ.

Activities of the DSFMC

ACTIVITIES	WORK CONDUCTED IN 2023	PLAN FOR 2024
Identification, mapping, demarcation of fish conservation zones, protected areas, spawning grounds and important habitats	DSFMC produced a map of Siphandone Fish Conservation Zones and Spawning Grounds and is now waiting for official approval from the Khong District Governor.	DSFMC will organise a meeting to integrate the official Siphandone Fish Conservation Zones and Spawning Grounds Map with the existing WWF map of FCZs.

ENHANCING LIVELIHOODS AND INSPIRING OUR PEOPLE

We safeguard, inspire and invest in the development of our people and communities and create real change.

OUR APPROACH

We strive to enhance and uplift the livelihoods of the communities within our operations by 2030. This is the commitment we are making for our employees, communities and stakeholders. At MFCB, we strongly believe in investing for the development of our people and communities to create meaningful change. Our corporate social responsibility endeavours provide an opportunity for us to contribute to the advancement of communities surrounding our operations. We will continue to look for engagement initiatives that nurture strong partnerships with our communities and foster a more sustainable growth.

OUR MILESTONES

 Establish a Community Investment Guideline to create a positive societal impact by 2023.	02 Set up a Scholarship and Management Trainee Programme by 2024.	03 Conduct social impact assessments for 100% of community initiatives by 2025.
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Our dedication and approach are grounded in our corporate people policies encompassing the Diversity and Inclusion Policy, Employee Code of Conduct and Discipline and Human Rights Policy. These policies, which are available on our corporate website, outline our expectations and commitments in human capital management. This year, we took the opportunity of re-communicating these policies to our internal and external stakeholders to convey our values as well as expectations. We also made important amendments to some of these policies this year, to reaffirm our commitments in respecting human rights and equal opportunity for all employees.

PRIORITISING OUR PEOPLE DIVERSITY AND EQUAL OPPORTUNITY

Diversity and equal opportunity are fundamental values that shape our culture and drive our success. We recognise that a diverse workforce, encompassing a variety of backgrounds, experiences and perspectives, fosters innovation and resilience. Our commitment to equal opportunity extends across all aspects of employment, from recruitment, and professional development to promotions and leadership roles. We actively promote an inclusive environment where every individual is valued and respected for their unique contributions. Embracing diversity is not just a moral imperative but a strategic advantage, enriching our corporate landscape and empowering our teams to thrive collectively.

Through our Diversity and Inclusion Policy, we continually strive to ensure that everyone has an equal opportunity to excel and contribute to our shared success. We pride ourselves to be an Equal Opportunity Employer that does not discriminate against any employee or job applicant because of race, religion, nationality, gender, disability, sexual orientation or age. Within the Group, we practise fair hiring and provide equal pay for equal work across all levels of employment.

We aim to periodically review our business activities to ensure that we continue to be a well-balanced, diverse and multicultural organisation where people are always treated with respect and valued for their contributions without bias.

1,268 TOTAL WORKFORCE	44% WORKFORCE BELOW AGE 30
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EMPLOYEE WELLNESS AND ENGAGEMENT

At MFCB, prioritising the well-being of our employees lies at the heart of our organisational culture. We believe in creating and promoting a positive work environment to foster employee wellness and productivity. We provide fair compensation and benefits to meet evolving employee expectations and keep our business relevant with the current corporate practices.

Leave	Annual leave, medical leave, time-off, parental leave, compassionate leave and examination/study leave to support employee development and growth.
Bonus	Annual bonus based on Group and individual performance.
Medical	Medical and Group Hospitalisation and Surgical Insurance benefits.
Insurance	Group Personal Accident Insurance to protect employees from unexpected events.
Professional-development	Support continuous employee professional development with relevant trainings and reimbursements of membership fees, subject to their job requirements.
Other benefits	Provide travel expense reimbursements, meal allowance and winter clothing allowance for those working overseas.

We also value work-life balance to ensure the overall well-being of our employees and professional effectiveness. Our commitment to work-life balance is rooted in the understanding that a well-rested and fulfilled workforce is more productive, creative and engaged. By fostering a culture that respects personal boundaries, we aim to create a workplace where employees can thrive both professionally and personally. During the year, we complied with all local regulations on working hours, overtime and practise voluntary overtime as agreed with our employees.

Keeping our employees engaged is paramount to us as an organisation as they are the greatest contributors to our success. By ensuring the needs of our employees are consistently heard and addressed, we provide our employees a sense of purpose and enthusiasm to bring to their roles. Each division undertakes its own employee engagement initiatives to ensure that all our employees are well informed and taken care of. The Management also practices an open-door policy, where employees can readily interact with company management through meetings and internal communication.

RENEWABLE ENERGY

The Operation and Maintenance (“O&M”) team at DSHP maintains a yearly health check-up for all its operators, encouraging them to gain a better understanding of their health status. DSPC also provides daily nutritious meals for its employees to keep them motivated, efficient and productive. This also enhances team bonding while keeping employees healthy. Equipped with facilities like a gymnasium, badminton and basketball court at the hydropower plant, DSPC goes the extra mile to build a positive work environment for employees.

RESOURCES

This year, RCI introduced a ‘Toolbox Briefing Programme’, which is a comprehensive series of sessions conducted company-wide addressing a diverse range of topics such as safety, health, environment, sustainability, productivity, efficiency and company policies and objectives. This programme has been instrumental in communicating important updates, fostering connections and elevating awareness amongst the employees. A total of 127 toolbox briefing sessions were held in 2023 with 100% of RCI’s employees engaged.

RCI also organises regular game nights to boost team morale and foster a positive work environment. The weekly events provide a platform for employees to unwind, bond and engage in friendly competition outside of the professional realm. Whether it was badminton, futsal or bowling, game nights at RCI always encourage teamwork, communication and a sense of camaraderie.

PACKAGING

During the year, Stenta honoured its employees by organising an ‘Employee Long Service Award’ ceremony that celebrates loyal employees which have served the company for five, 10, 15, 20, 25 and 30 years. The event was held together with the Hari Raya Open house and acknowledged 25 employees for their long service.

To promote health and wellness at the workplace, Stenta also conducted multiple events in 2023 where all employees can engage with experts on various topics and get free consultation services.



MFCB and Stenta Management Representatives with the long service award recipients.

EMPLOYEE WELLNESS INITIATIVE	NO. OF PARTICIPANTS
Health Screening	125
Stress Management at Workplace Talk by Ministry of Health Malaysia ("MoH")	45
Infectious Diseases Talk by MoH	36
Employee Benefits Talk by SOCSO	32
"Tempat Kerja Bebas Dadah" Talk by National Anti-Drugs Agency	17

FAIR LABOUR AND HUMAN RIGHTS

Our Human Rights Policy is aligned with the International Bill of Human Rights, including the Universal Declaration of Human Rights ("UDHR") and the International Labour Organisation's ("ILO") eight core conventions as set out in the Declaration on Fundamental Rights and Principles at Work. We are dedicated to upholding laws and regulations in areas which we operate, maintaining a zero-tolerance stance against unlawful and unethical human rights abuses and discrimination. This policy encompasses topics of children's rights, forced labour, freedom of movement, expression, association and equal employment opportunities.

FOREIGN WORKERS

The Group proactively assesses our human rights impacts as part of our commitment to ensuring compliance with relevant laws and regulations. To support this, we do not condone any recruitment fee practices for the hiring of foreign workers at any stage in the recruitment process across all our operations. This is to promote fairness and eliminates the risk of exploitation of foreign workers. We expect employees, business partners and suppliers to adhere to our policy, emphasising the importance of respecting boundaries related to security and human rights. In this regard, our policy has been made available on our website, enabling stakeholders to familiarise themselves with our expectations.

All new employees receive communication about this policy to ensure that they understand their rights and responsibilities within the Group. The policy also applies to the security guards that we have on-site, who help ensure the safety and security of our people and operations. We always work closely with them to ensure they are aware of the boundaries concerning security provision and human rights.

Stenta emphasises human rights values in its operation and to reflect this, Stenta has during the year implemented an Employee Pays Principle ("EPP") Policy to set out its processes to hire foreign workers. Hexachase Flexipack also has its own Foreign Worker Recruitment Guideline & Procedure to provide a framework and ensure that all foreign workers are treated fairly and with respect. All processes of hiring foreign workers during the year are in compliance with the Employment (Amendment) Act 2022 by Ministry of Human Resources Malaysia.

There were no complaints, reported incidents of human rights violations or non-compliance with human rights laws in 2023.

0 REPORTED INCIDENTS OF HUMAN RIGHTS VIOLATIONS

Provisions and commitments to workforce for foreign workers:

- Accommodation
- Insurance cover
- Social security
- Keep own possessions including passport
- Freedom of movement
- No discrimination
- Grievance mechanism

WORKING HOURS

Prioritising the well-being of our employees, we promote a balanced approach to work-life integration. We recognise that prolonged working hours can lead to burnout, negatively impacting both productivity and employee satisfaction. In this respect, we practice reasonable work shift schedules that encourage reasonable working hours, promote regular breaks and discourage overtime abuse across all the Divisions.

FAIR WAGE

We have consistently provided fair remuneration that is above the minimum wage for all employment levels across the Group. This is to ensure that all employees are able to earn a reasonable living wage at where we operate. At our Packaging and Resources Divisions, employees are free to join the existing workers union and elect representatives to participate in collective bargaining. In 2023, 19.9% (2022: 15.8%) of our employees were covered by collective agreements.

INDIGENOUS RIGHTS

Across the Divisions, we acknowledge and uphold the rights of indigenous communities. In this respect, we do not operate on any indigenous land. If there arise any situations of potential future undertakings on indigenous lands, we are dedicated to honouring indigenous rights, ensuring that we engage in consultation with traditional landowners to secure their prior and informed consent.

TRAINING AND DEVELOPMENT

Across the Group, we prioritise continuous development of our employees’ skills and knowledge through a combination of internal and external training programs. We believe that a robust culture of training and development is integral to fostering steady growth and expertise in our workforce. In this regard, regular assessments are conducted to identify specific training needs by employees and ensure a targeted approach is rolled out to address skill gaps within the Group. At MFCB, we ensure that we comply with the mandatory trainings stipulated by local regulators, covering areas like firefighting, first aid and emergency response management.

In 2023, a total of 14,249 hours of training was received by employees across the Group. This is an increase of 68.8% from 2022 and highlights the Group’s commitment in providing the opportunities and resources for employees’ personal and professional growth.

Some of the key training programmes attended include:

INTERNAL	EXTERNAL
Introduction to ISO45001:2018 OHSMS Training	INCOTERMS 2023 Training
ISO14001 Environmental Management System	Manual Handling & Ergonomics at Workplace
BRC Global Standard for Packaging Quality training for Quality Engineer Process and Quality Control Lab Practical	Malaysia Supply Chains - Sharing Accountability for Human Rights
SEDEX Training: ETI Base Code	Effective Communication Training
ESG Data Owner Training	HR/IR Forum
FSSC 22000 Certification Training	Quarry Planning & Design 2023 Training

OCCUPATIONAL HEALTH AND SAFETY

Throughout our operations, we strive to uphold the best practices in health and safety for our employees and for external workers working in our workplace. Adhering to the Occupational Safety and Health Act, relevant International Occupational Health And Safety (“OHS”) Standards, as well as the Group's OHS Policy, our objective is to create a workplace environment that prioritises health and safety, with zero work-related injuries and illnesses.

<p>520 EMPLOYEES TRAINED ON HEALTH & SAFETY STANDARDS</p>	<p>0.98 RATE OF RECORDABLE WORK-RELATED INJURIES</p>	<p>0.98 LOST TIME INCIDENT RATE</p>
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Following last year’s effort to obtain ISO 45001:2018 Occupational Health and Safety Management System certification by our Resources and Packaging Divisions, we are on track to complete the process in the first quarter of 2024.

UPDATES FOR ISO 45001:2018 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

RESOURCES	PACKAGING
RCI completed its stage 1 audit by SIRIM QAS International in October 2023 and stage 2 audit in January 2024. Certification was awarded in February 2024.	In December 2023, Stenta has completed two stages of ISO 45001 certification audit by a third-party body. Zero non-compliance was found. Certification was issued in December 2023.

This certification is a testament to our commitment in implementing the best occupational health and safety practices across our operations.

Our divisions maintain individual OHS management systems, OHS Committees and Standard Operating Procedures (“SOPs”) dedicated to handling and reporting work-related hazards. OHS Committees convene every two months, comprising both management and employees who are welcome to offer suggestions for improvement. New employees are also provided with OHS training and for those in production and quarrying areas, weekly OHS briefings are implemented to ensure consistent communication of safety procedures and highlight the risk exposures.

STANDARD OHS TRAINING

- Fire-fighting and prevention courses
- First-aid
- Emergency preparedness and response procedures
- Control of health status and disease procedures
- Personal hygiene
- Confined spaces
- Chemical handling
- Forklift driving
- Waste handling

OHS hazards are systematically identified across the divisions using the comprehensive Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) process. We place a strong emphasis on ensuring that all relevant employees undergo training to proficiently conduct the HIRARC assessments. The outcomes of these assessments are reviewed during OHS Committee meetings where decisive actions are determined for any identified hazards. Our employees are also well-informed about their role in reporting any safety risks and hazards to their managers or to utilise the anonymous grievance mechanism. This process is implemented to foster an environment devoid of fear of reprisal, given that managers are aptly trained to manage such situations.

In the case of an unfortunate incident, a stringent reporting protocol is in place, requiring incidents to be reported within 24 hours to the respective managers or departments. Subsequently, an Incident Investigation Report must be submitted. For serious accidents resulting in lost-time, the Department of Occupational Safety and Health (“DOSH”) is promptly notified online. All incidents will undergo thorough investigation within a defined timeframe to identify root causes, with corrective actions swiftly implemented. These corrective measures may take the form of additional training or physical improvements aimed at eliminating similar safety risks, ensuring the mitigation of potential future incidents. This comprehensive process is typically completed within a month of the incident occurring. Continuing our commitment to safety, we vigilantly monitor the outcomes of corrective actions to assess their effectiveness. Should a similar non-conformance re-occur, a subsequent investigation is conducted to further evaluate and implement necessary improvements.

In 2023, we recorded a work-related injury rate of 0.98 for every 200,000 man-hours worked with zero work-related fatalities across the Group. The incidents involved 12 recordable work-related injuries to hands and legs. In response, the respective Divisions have taken proactive steps to address and prevent future incidents, emphasizing the importance of continuous improvement in our safety protocols and practices.

RENEWABLE ENERGY

In 2023, our Renewable Energy Division upheld its exceptional OHS practices and recorded zero work-related injuries and illnesses.

RESOURCES

Our Resources Division conducted a number of occupational health and safety compliance programs during the year to assess and resolve potential risks at its operations.

Key OSH programs at RCI include:

OCCUPATIONAL HEALTH & SAFETY HAZARDS	ASSESSMENT PROGRAM	INITIATIVES/ACTIVITIES IN 2023
Noise	Noise Risk Assessment ("NRA")	<ul style="list-style-type: none"> a) Installed ceramic wear lining at one of the production facilities. b) Conduct Annual Audiometric Testing. c) Conduct Annual Hearing Conservation Training. d) Install "Hearing Protection Zone" signage at work area exceeding Noise Exposure Limit ("NEL") of 85 dB(A). e) Maintain approved Personal Hearing Protection ("PHP") with Noise Reduction Rating ("NRR") of 25 dB or higher to workers.
Chemicals	Chemical Health Risk Assessment ("CHRA")	<ul style="list-style-type: none"> a) Inspection, examination and testing of Local Exhaust Ventilation ("LEV") by Hygiene Technician. b) Engage Hygiene Technician to conduct personal Chemical Exposure Monitoring ("CEM") for Crystalline Silica (quartz) annually (Permissible Exposure Limit ("PEL"): 0.1mg/m³).
Plant & Machineries	Inspection on hoisting machinery and unfired pressure vessel	<ul style="list-style-type: none"> a) After inspection, a Certificate of Fitness with validity of 15 months was issued by DOSH.
Ergonomics	Ergonomics Risk Assessment	Renovation works were undertaken in the lab area to minimise distance in the workplace layout where employees are required to lift heavy material samples for weighing and segregation. The renovation also helped to create space for the usage of compound machine which alleviates postural strain for employees.

In the Resources Division, workplace noise and chemical exposure are considered potential occupational hazards. On top of the mandatory Audiometric Testing for all new employees within three months of joining RCI, we also provide annual testing for employees. During the year, 40 employees and four contractors working within RCI premises underwent the Audiometric Testing and reported zero hearing impairment cases.

RCI also conducted Chemical Exposure Monitoring ("CEM") for 30 sampling points in its plant to measure the levels of quartz and ensure it is below the permissible exposure limit of 0.1mg/m³. All sections were reported below the PEL for quartz. We employ various measures based on the Hierarchy of Control to mitigate prolonged exposure to Crystalline Silica (quartz). This includes managing employee workflows to reduce their exposure to quartz and providing Personal Protective Equipment ("PPE") designed to safeguard against contaminant gases, vapours and particulates.

PACKAGING

Within our Packaging Division, we conduct annual NRA to pinpoint any work areas where noise levels might surpass the permissible NEL of 85 dB(A). We found no work areas where this permissible limit was passed. During the year, all of Stenta's manufacturing employees have undergone the annual Audiometric Testing to ensure their hearing remains unaffected and Hexachase Flexipack will commence the same practice from 2024 onwards.

In the fourth quarter this year, there was a fire incident at one of the Division's flexible plastic packaging factories. Due to our strong safety procedures, there were zero injuries or casualties. The factories have since strengthened its fire safety procedures including more regular fire training, enhanced chemical handling procedure and setting up a Fire Watcher team to regularly review the workflow in operation sites. Across the Divisions, we take stringent actions to ensure the safety of our employees, prioritising their well-being above all else.

EMPOWERING COMMUNITIES

At MFCB, our commitment extends beyond business success to actively empower the communities we serve. We recognise that true progress involves uplifting the collective well-being of those around us. In December 2023, we developed a Community Investment Guideline to provide details of the Group’s community investment strategy. The guideline communicates our community investment strategy and provides our divisions guidance on best practices for strategic community investment. The three key themes of our community investment strategy are education, infrastructure support and livelihood support. With the guideline in place, we believe that our community initiatives will be more meaningful and provide overall advancement in the quality of life of the communities we serve.

8,742*
NUMBER OF BENEFICIARIES FROM COMMUNITY INVESTMENTS

** This is partially estimated based on the assumption that in Lao PDR, one household has three beneficiaries.*

As outlined in our Community Investment Guidelines, our community initiatives are focused on fostering sustainable development, ranging from supporting educational programs and healthcare access to promoting environmental conservation. By investing in the skills, resources and opportunities within these communities, we aim to create a positive ripple effect, enhancing livelihoods and fostering a sense of self-reliance to shape their own futures.

This year, all our sites implemented community development programs with a total investment of RM1,802,638 in our communities. We actively encourage employees to engage in volunteer work, participating in various community events to support our outreach initiatives.

OUR COMMUNITY INVESTMENT THEMES



**EDUCATION:
RM168,161**

Ensure all children have access to education to support continuous community development



**INFRASTRUCTURE SUPPORT:
RM1,365,425**

Improve the infrastructure of rural communities to boost connectivity and quality of life



**LIVELIHOOD SUPPORT:
RM269,052**

Provide financial or physical assistance for economic empowerment

RENEWABLE ENERGY

DSPC is highly engaged with the local communities surrounding the hydropower plant. We continue to invest in improving the livelihood of the wider community through various initiatives, many of which provide fundamental support to their daily lives.

EDUCATION

INITIATIVES	OBJECTIVES	OUTCOME
Provision of scholarships	To provide financial aid to students who completed school and obtained an average score of 40 points to continue higher/tertiary education.	In 2023, DSPC provided four full scholarships to four additional underprivileged children who graduated from high school to study in university. Now, there are a total of 10 scholarship students. DSPC supported these students and paid for their school fees and allowance.
Bus service for high school students	To encourage and assist students to continue high school in other villages (> 60 km away) as there are no high schools in the local vicinity.	DSPC provided a small bus to pick up 27 students to attend high school for 216 school days.
Boat service for Don Phapheng primary students	To enable 21 students from Don Phapheng to travel to a primary school in Thakho as their own school closed down in 2021.	DSPC supplied petrol for the boat for 216 school days for 20 students, which enabled them to attend school.

INFRASTRUCTURE

INITIATIVES	OBJECTIVES	OUTCOME
Widening of roads	Improved and widened 3 km of dirt roads in Hua Sadam, Hang Sadam and Don Sahong villages.	In 2023, DSPC improved and widened 200 m of dirt roads for Don Sahong village, which has an estimated population of 515 people.
Water supply system at Don Sahong, Hua Sadam and Hang Sadam villages*	To provide treated water supply to the villages including water intake structure, treatment plant & water supply pipelines to all households.	The water supply system designs and cost have been approved by DSPC and Community Development Fund ("CDF") committee. The bidding process will proceed in January 2024, to be followed by construction.
Construction of toilets	To construct 92 toilets for families who currently do not have access to one.	The toilet's project design and cost have been approved by DSPC and CDF committee. The bidding process will proceed in January 2024, to be followed by construction.

*Ongoing from 2021

LIVELIHOOD SUPPORT

INITIATIVES	OBJECTIVES	OUTCOME
Revolving fund program	To create additional steady income for local villagers from 6 villages in the DSHP project area.	In 2023, DSPC distributed funds to 15 households at Hua Sadam village. We will be releasing new funds to 30 more families.
Technical and financial support for dry-season rice production <i>(Prior to the DSHP, all rice was grown in the wet season only)</i>	To educate and advise farmers on the technical aspects for dry-season rice production and subsidise 50% of the cost of electricity.	In 2023, 116 tonnes of rice were produced. This is more than the previous year because the area planted increased by 61.3% to 19.8 hectares.
Financial assistance for the community public health centre	To pay for the electricity bills so that funds can be better spent on healthcare.	DSPC paid all the electricity bills for 2023, freeing up funds for the health centre, which served 783 patients.
Technical advice and financial assistance for agricultural production	To help farmers who grow vegetables and livestock.	The number of livestock continued to increase, and farmers were able to sell their livestock at a profit. The estimated total value of livestock sold in 2023 was RM482,511 (LAK 2,172,000,000).

RESOURCES

This year, RCI organised its first community program in partnership with AIESEC Malaysia ("AIESEC") and Universiti Tunku Abdul Rahman (Kampar Campus) for the ECHO 1.0 Project. The ECHO 1.0 Project is a Malaysian youth volunteer project that aims to empower young people to take ownership of climate change impacts by volunteering in SDG-aligned projects. This project strives to reach the goal of SDG 13 – Climate Action, specifically target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaption, impact reduction and early warning.

RCI contributed to a mobilisation fee of RM4,000 for this project and participated in some of the programmes curated by AIESEC by sending volunteered employees.

PROGRAMMES CONDUCTED

PROGRAMME	DESCRIPTION	IMPACT
Local school workshops	Engagement with students of SMK ACS Kampar, Perak on two interactive workshops; Terrarium Workshop and Eco-brick & DIY Plastic Workshop.	34 students took part in both workshops, which promote upcycling of old materials into repurposed items.
Webinars	Webinars on topics like Climate Change and Solid Waste.	Create awareness in young people about climate change and influence them to take action to reduce the critical factors affecting the environment.
International Youth Engagement	An online engagement session with AIESEC Global from Malaysia, Japan and Sri Lanka to share different cultural understandings to the youth volunteers.	Provide exposure of different cultural background and foster collaboration amongst young people.
Cultural Night event	Engagement with youth volunteers to promote leadership skills and nurture friendships.	Eight youth volunteers and seven organising committee members were actively engaged to organise the event.

**AIESEC is a non-political, independent, not-for-profit international organisation run by youth and recent graduates of institutions of higher education. It is a global platform for young people to explore and develop their leadership potential.*

Additionally, RCI has made eight donations to schools around its operations totalling RM15,639. These donations were for improving school infrastructure and supporting school events and programs.



RCI team handing out donations to local schools in Perak, Malaysia.

PACKAGING

Stenta hosted an industrial visit for the students from Universiti Teknologi MARA ("UiTM") in December 2023. Attended by 17 students from the Chemical Engineering and Mechanical Engineering, the visit was strategically organised to bridge academic knowledge with industry insights. Three employees mentored on this visit to share operations details and immerse the students with real-world application of concepts learned in their classrooms. The visit not only provided a glimpse into the daily operations of a manufacturing plant but also sparked engaging discussions about industry trends and challenges. It was a mutually enriching experience, offering students a tangible connection to their academic studies, and for our employees, it was an opportunity to inspire and mentor the next generation of professionals.

During the year, Hexachase Flexipack reaffirmed its commitment to supporting local schools near its operation in Malacca. A total of RM47,000 was donated to Pay Fong Middle School and SJKC Malim for the schools' extracurricular activities and other internal programmes.



Industrial Visit from UiTM Students at Stenta, Selangor in December 2023.

BUILDING A SUSTAINABLE AND ETHICAL BUSINESS

We enhance the sustainability of our business and uphold high ethical and governance standards.

OUR APPROACH

We are committed to having 100% of our Tier 1 suppliers comply with our Responsible Sourcing Policy by 2030. This goal supports our efforts in building a sustainable business, a resilient supply chain as well as foster ethical business practices.

OUR MILESTONES

 Develop a Responsible Sourcing Policy by 2022.	 Implement mandatory supplier ESG training by 2023.	<div style="background-color: #0056b3; color: white; padding: 5px; display: inline-block; margin-bottom: 5px;">03</div> Conduct internal audits of all higher-risk suppliers by 2025.
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Our Responsible Sourcing Policy highlights our commitment in waste and pollution reduction, resource consumption and protecting the local biodiversity where we and our suppliers operate in.

In September 2023, we updated the following Group policies to reflect our sustainability commitments and guide us to operate responsibly as well as establish strong corporate governance across our operations.

<p>Updated Group Corporate Policies</p> <ul style="list-style-type: none"> • Group Sustainability Policy • Diversity and Inclusion Policy • Human Rights Policy • Responsible Sourcing Policy • Water Management Policy • Conflict of Interest Policy 	<p>Overall Group Corporate Policies</p> <ul style="list-style-type: none"> • Anti-Bribery and Corruption Policy • Anti-Money Laundering Policy • Biodiversity Policy • Board Composition Policy • Directors Fit and Proper Policy • Occupational Health and Safety Policy • Policy on Nomination & Assessment Process of Board Members • Remuneration Policy and Procedures for Directors and Senior Management • Rights of Shareholders • Waste Management Policy • Whistle-Blowing Policy
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All Group corporate policies are available on MFCB's corporate website at <http://www.mega-first.com/corporate-governance>

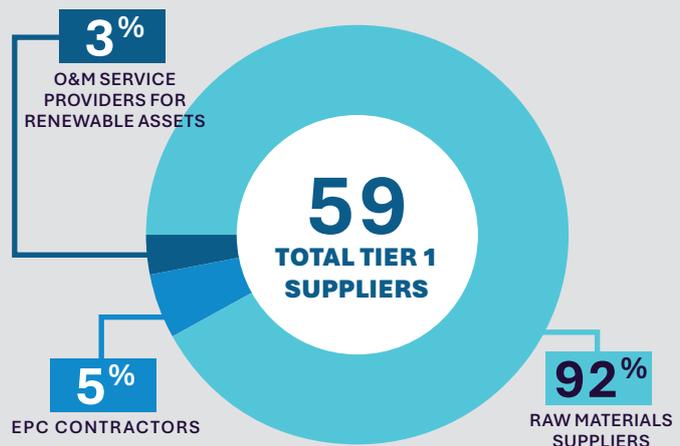
SUSTAINABLE PROCUREMENT

In our commitment to sustainability, our procurement practices play a pivotal role in shaping a responsible and conscientious business model. From selecting suppliers that lean towards sustainable practices to ensuring compliance in the supply chain, our approach extends beyond mere transactions to embrace a holistic vision.

We also took a step further this year by conducting a Tier 1 supplier training to ensure that our suppliers are aligned with our sustainability goals.

OVERVIEW OF MFCB'S TIER 1 SUPPLIERS

In October 2023, we conducted a mandatory Tier 1 supplier ESG training to initiate conversations with suppliers on sustainability topics and communicate our goals as well as expectations of our suppliers. With a total of 59 Tier 1 suppliers identified, we managed to engage with 51 suppliers. The training was complemented with an assessment to ensure that the content of the training was understood. Overall, 95% of the engaged suppliers passed the assessment. This initiative showcases our commitment in keeping our suppliers well-engaged on topics material to us. Below is the summary of our Tier 1 suppliers.



Accreditation for products by Hexachase Packaging.

We have also embarked on a responsible sourcing effort for the raw materials we use in our Packaging Division. Our Packaging Division transitioned towards sourcing 100% of their paper needs from FSC-certified sources – this includes paper core for end-product shipment and paper as the raw material for paper bag production. This certification indicates that our products are from FSC-certified forests, recycled material and/or FSC-controlled wood. This practice has given us the confidence that our paper material is sourced from forests that are managed in a way that preserves biological diversity and benefits the lives of local people and workers. Hexachase Packaging also went the extra mile by ensuring its raw paper materials are certified by the Programme for the Endorsement of Forest Certification (“PEFC”).

In line with this effort, Stenta, Hexachase Flexipack and Hexachase Labels are also audited annually by an independent third-party based on Suppliers Ethical Data Exchange (“SEDEX”) principles and Sedex Members Ethical Trade Audit (“SMETA”) methodology to meet its customer requirements. During the audit, social practices are assessed to ensure that the company meets the strict standards pertaining to labour, health and safety, environment and business integrity. This year, Stenta has resolved all issues highlighted during the audit and as a result of its good performance, the audit frequency has been reduced from annually to every two years.

In order to uplift the livelihoods of local communities as well as contribute towards sustainable procurement, we spent 49.8% on local procurement in 2023. This percentage was lower than the 56.9% recorded in 2022, primarily due to the fifth turbine expansion project, which sourced equipment and construction materials from international suppliers. Locally-sourced products and services contribute to both economic and environmental sustainability by stimulating the local economy and reduces the carbon footprint associated with transportation supporting an eco-friendly supply chain. We endeavour to source locally wherever possible.

INNOVATING FOR A MORE SUSTAINABLE FUTURE

Embracing cutting-edge technologies, eco-friendly practices and energy-efficient operations helps reduce our environmental impact and helps us thrive in a rapidly changing market. This pursuit of innovation is integral to shaping our business and ensuring that we are future ready.

PACKAGING

Our Packaging Division on the other hand are progressing its transition towards using recyclable and environmentally-friendly packaging materials. Stenta is actively working on developing packaging solutions that would make profound impacts to the environment by conserving valuable resources, reducing food waste and reducing waste to landfill. Among the solutions that have been developed include:



EKOLENE

Ekolene films are biodegradable under ASTM D5511 testing conditions, without the need for additional heat, light, or pressure to break down the film.



STARLENE

Innovative Biaxially-Oriented Polypropylene ("BOPP") film to address demands for a circular economy.



Smilene

Linear Low Density Polyethylene ("LLDPE") films that provide sealing against contaminants.



PROTECTA

A high barrier film that offers exceptional oxygen and water vapour barrier extending the shelf life of food therefore reducing food waste.



Arlene OPP Film

BOPP films with customisable functional performance.

At Hexachase Packaging, the ongoing effort to develop new sustainable products continues this year. We are actively collaborating with suppliers to identify polyfluoroalkyl substances ("PFAS") free paper alternatives, ensuring the same properties as conventional paper raw materials. This initiative is driven by our commitment to address health concerns associated with PFAS accumulation in the human body, reflecting our dedication to ongoing improvement and innovation. Aligned with this, we also successfully secured a sustainable finance facility during the year to support our continuous efforts in developing circular economy adapted products.

Hexachase Flexipack is a toluene and solvent free operation for its printing inks and lamination processes. This gives the highest food safety standards to our customers. Solvent-free plastic packaging also presents a more sustainable and environmentally friendly option compared to traditional plastic packaging, as it minimises the release of harmful chemicals into the environment during the production process. We also utilise mono-material films in our products that allow for easier recycling and combat the impact of excessive packaging waste at landfills. These sustainable products have helped attract sustainability focused customers worldwide for the company.

CUSTOMER SATISFACTION

At MFCB, we always strive to provide products of the utmost quality for our customers. Below is how we ensure that we meet our customers’ satisfaction and adhere to the best industry practices.

Systems and Processes	Subsidiary	Functions performed	Metrics and Key Performance Indicators
ISO 9001:2015 – Quality Management Certification	<ul style="list-style-type: none"> Hexachase Flexipack Hexachase Labels Stenta RCI 	<ul style="list-style-type: none"> Sets out the basic principles for managing product quality. 	67% of MFCB’s key divisions are certified with ISO 9001.
ISO 22000:2005 - Food Safety Management Certification	<ul style="list-style-type: none"> Hexachase Group Stenta 	<ul style="list-style-type: none"> Facilitates safety and quality standards to fulfil food safety. Ensures products meet consumer requirements. 	100% of MFCB’s Packaging Division are certified with ISO 22000.
FSC-STD-40-004 Chain of Custody Certification	<ul style="list-style-type: none"> Hexachase Packaging Stenta 	<ul style="list-style-type: none"> Ensures products from the forest are responsibly sourced. 	100% of MFCB’s raw paper material for Packaging Division are FSC-certified.
Programme for the Endorsement of Forest Certification (“PEFC”)	<ul style="list-style-type: none"> Hexachase Packaging 	<ul style="list-style-type: none"> Promotes ethical management of the world’s forest. 	25% of MFCB’s raw paper material for Packaging division are PEFC-certified.



We conduct at least one customer satisfaction survey per year at relevant key divisions to obtain feedback on our performance and product quality. This is to guarantee that our products are meeting customers’ needs with consistent quality and maintain proactive relationships with customers. During the year, our Packaging and Resources Divisions received an average score of 85.7% for customer satisfaction through our customer survey questionnaire.

Division	Mechanism	Customer Satisfaction Score
Resources		
RCI Lime	Surveyed twice annually with categories of Product, Delivery, Staff & Service and Other General Areas.	88% (2022: 87.4%)
Packaging		
Stenta	Conducted annually and customers can provide feedback on three categories - Quality, Service and Delivery.	89% (2022: 89.4%)
Hexachase	Conducted annually and customers can provide feedback on Pricing, Quality, Service and Delivery.	80.1%

AN ETHICALLY RESPONSIBLE BUSINESS

At MFCB, we are committed to conducting our business in a manner that prioritises integrity, fairness and transparency. All our employees abide by the ethical code that is outlined in our Employees’ Code of Conduct and Discipline. This Code of Conduct and Discipline is reviewed periodically to ensure its effectiveness and relevancy to current issues and operational practices. We always strive to enhance a culture of integrity regardless of employment level and implement the best practices throughout our operations. This encompasses compliance standards, corporate governance and abiding by local and international laws and regulations.

ANTI-CORRUPTION AND BRIBERY

The Group maintains a steadfast commitment against corruption and bribery, implementing stringent measures to adhere to the requirements outlined in Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our Anti-Bribery and Corruption ("ABC") Policy is crafted in accordance with the ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") standard, encompassing all employees irrespective of their roles, third-party individuals and organisations which include customers and suppliers. This provides a clear direction to our stakeholders on our internal limits and processes. At present, RC1 under our Resources Division is ISO 37001:2016 certified.

Under the Group's Risk Management Framework, we also assess corruption risk at our operations to ensure that all business conducts are implemented ethically and honestly. We have zero-tolerance for corruption and bribery activities and are committed to act with integrity in all our business activities. In 2023, we conducted a formal risk assessment for the majority of our operating units, which included an assessment of corruption risk. The assessment revealed that the overall corruption risk level was low, which underscores the effectiveness of our risk management protocols and the commitment of our team to upholding integrity and compliance standards throughout our operations.

We always strive to regularly engage our employees on this topic and this year, we conducted a group-wide hybrid training to provide employees with a refresher course on anti-corruption and bribery and highlight the key items in our Group policy. The training was attended by MFCB's head office staff, the divisional HR department and management representatives, which are responsible to communicate to their respective stakeholders. All head office staff were handed with a written commitment to declare that they have read, understood and will adhere to the Group's ABC Policy, and 100% of them responded to the written commitment. In 2024, we will continue with this exercise by sharing the written commitment to all our business divisions.

In 2023, no incidents of corruption were reported. There were also no significant non-compliance with laws and regulations (i.e. fines exceeding RM100,000 or restrictions imposed). We also did not make any political contributions in any of the countries we operate in, which is aligned with our Group policy to always remain apolitical.



Anti Bribery and Corruption Training conducted at MFCB's headquarter office in Selangor, Malaysia.

DIVISION HIGHLIGHT

In 2023, the Mineral and Geoscience Department in Perak employed the Sustainable Development Indicator Program to rigorously supervise and manage quarry operations in the region. This comprehensive program meticulously evaluates key dimensions, including environmental, safety, social, and operational aspects, by assigning judicious ratings on a scale of 1 to 5 stars. The assessment involved three quarries within the Resources Division, and the results were as follows:

- a) RCI Lime Sdn. Bhd.: 4 Stars
- b) Anting Sendirian Berhad: 4 Stars
- c) Mesrasasi Sdn. Bhd.: 4 Stars

Some of the criteria evaluated:

- Regulatory compliances
- Best practices
- Green practices
- Socio-economic impact on the society
- Corporate and social responsibility
- Aesthetic values to improve public acceptance

Since its inception in 2021, this program has been pivotal in championing sustainable and responsible quarry practices. Receiving the 4-star sustainability rating from authorities indicates that all our quarries are making commendable progress toward accountability and sustainability in our quarry operations.

ANTI-DISCRIMINATION

Any form of discrimination or harassment is strictly prohibited in our workplace. We promote fair and respectful treatment for everyone, irrespective of background, gender, race, religion, age, sexual orientation, physical attributes, disabilities or nationality. At MFCB, we do not tolerate any direct or indirect discrimination, bullying or harassment and this extended to our business partners and suppliers as well. No incidents of discrimination were reported this year.

GRIEVANCE MECHANISMS AND REMEDIATION

We provide secure channels for our employees, those in our value chain and other interested parties to voice any non-compliance concerns, suspected violations of our Code of Conduct or any other corporate policies as well as any misconduct. This formal grievance mechanism is covered by our Whistleblowing Policy and managed by the Audit Committee (“AC”) to ensure the anonymity of whistleblowers is protected. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and the rules and procedures involved. All reports are fairly investigated and appropriate corrective measures are taken upon investigation without fear of reprisal.

During the year, no incidents of non-compliance or violations were reported.

OTHER INFORMATION

INDUSTRY AND MEMBERSHIP ASSOCIATIONS

No.	Organisation
1	Bangi Industry Administrative Association
2	Federation of Malaysian Manufacturers
3	Malaysian Employers Federation
4	Malaysian International Chamber of Commerce & Industry
5	Malaysian Photovoltaic Industry Association (“MPIA”)
6	Malaysian Plastics Manufacturers Association (“MPMA”)
7	Perak Quarry Association
8	Sustainable Energy Development Authority (“SEDA”)

GROUP PERFORMANCE DATA

	2021					2022					2023					
	Unit	PKG ¹	RCI ²	REE	GROUP	Unit	PKG	RCI	REE	GROUP	Unit	PKG	RCI	REE	HQ	GROUP
Energy																
Total energy consumption	GJ	234,910	127,241.38	-	362,151.38	189,534.73	141,962.49	-	331,497.22	200,750.03	1,734,710.91	28,914.35	96.98	-	1,964,472.28	
Emissions³																
Scope 1	tCO ₂ e	1,376	432,245.54	-	433,621.54	2,828.54	485,850.25	-	488,678.79	2,899.02	483,247.65	216.26	-	-	486,362.93	
Scope 2	tCO ₂ e	11,786.56	12,191.84	-	23,978.40	18,440.69	14,285.86	-	32,726.55	28,472.54	23,158.33	9.63	21.01	-	51,661.51	
Scope 3	tCO ₂ e	4,170.85	17,360.99	-	21,531.84	6,536.86	20,450.22	-	26,987.08	6,290.82	19,030.72	-	-	-	25,321.54	
Total emissions	tCO ₂ e	17,333.41	461,798.37	-	479,131.78	27,806.09	520,586.33	-	548,392.42	37,654.00	525,436.71	225.886	21.01	-	563,337.61	
Water and effluents⁴																
Average Total Suspended Particles ("TSP")	mg/m ³	-	-	-	-	-	28.25	-	28.25	-	28.7	-	-	-	28.7	
Average NOx emissions per kiln	mg/m ³	-	-	-	-	-	125.00	-	125.00	-	118.4	-	-	-	118.4	
Average SOx emissions per kiln	mg/m ³	-	-	-	-	-	34.57	-	34.57	-	4.4	-	-	-	4.4	
Water and effluents⁴																
Surface water	megalitres	-	-	-	-	-	-	-	-	-	-	-	1.20	-	1.20	
Third-party water	megalitres	35.92	90.10	6.58	132.60	66.78	111.61	5.72	184.11	78.01	97.76	0.73	0.68	-	177.18	
Waste diverted from disposal																
Hazardous																
Preparation for reuse	tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recycling	tonnes	-	-	-	-	703	-	-	703	-	-	-	-	-	-	
Others	tonnes	-	-	-	-	25.89	-	-	25.89	297.04	9.08	2.8	-	-	308.92	
Non-hazardous																
Preparation for reuse	tonnes	-	-	-	-	9,215.05	-	-	9,215.05	4,244.67	-	-	-	-	4,244.67	
Recycling	tonnes	-	-	-	-	1,707.14	0.12	-	1,707.26	2,133.01	0.22	-	0.32	-	2,133.55	
Others	tonnes	-	-	-	-	-	-	-	-	-	-	-	5.42	-	5.42	
Waste directed to disposal																
Hazardous																
Landfill	metric tons	127.58	6.64	-	134.22	157.86	-	-	157.86	0	0	0	0	0	0	
Non-hazardous																
Landfill	metric tons	1,140.4	32.6	35	1,208	807.22	18.12	21.8	847.14	2,239.89	20.20	13.50	0.21	-	2,273.79	

PKG: Packaging, RCI: Resources, REE: Renewable Energy, HQ: Headquarter Office

1. Packaging Data for 2021 includes Stenta's data apportioned to 156 days from date of acquisition of 28 Jul 2021 to 31 Dec 2021.
2. Scope 1 and Scope 2 emissions data has been calculated for all three main divisions: Packaging, Resources and Renewable Energy.
3. Scope 3 emissions has only been calculated for the Packaging and Resources Divisions, which include upstream and downstream transportation and distribution, waste generation (excl. RCI), business travel and commuting.
4. Resources Division includes RCI Lime, Cheng Sun and Anting.
5. REE surface water consumption is estimated based on number of employees and type of activities.

SOCIAL

Note: All Social data include six Divisions of MFCB Group except Work-Related Injuries, Work-Related Ill-Health and Community Investment which only cover the three main Divisions (Cheng Sun and Anting not included in Resources).

WORKFORCE DATA	2021		2022		2023	
	No.	%	No.	%	No.	%
Total workforce	989	100.0	1108	100.0	1268	100.0
Male	773	78.2	851	76.8	976	77.0
Female	216	21.8	257	23.2	292	23.0
Malaysia	925	93.5	1026	92.6	1172	92.4
Lao PDR	23	2.3	25	2.3	25	2.0
Cambodia	41	4.2	57	5.1	71	5.6
Permanent full-time	983	99.4	1106	99.8	1268	100.0
Male	770	77.9	850	76.7	976	77.0
Female	213	21.5	256	23.1	292	23.0
Malaysia	921	93.1	1024	92.4	1172	92.4
Lao PDR	23	2.3	25	2.3	25	2.0
Cambodia	39	4.0	57	5.1	71	5.6
Permanent part-time	3	0.3	2	0.2	0	0.0
Male	1	0.1	1	0.1	0	0.0
Female	2	0.2	1	0.1	0	0.0
Malaysia	3	0.3	2	0.2	0	0.0
Lao PDR	0	0.0	0	0.0	0	0.0
Cambodia	0	0.0	0	0.0	0	0.0
Temporary	3	0.3	0	0.0	0	0.0
Male	2	0.2	0	0.0	0	0.0
Female	1	0.1	0	0.0	0	0.0
Malaysia	1	0.1	0	0.0	0	0.0
Lao PDR	0	0.0	0	0.0	0	0.0
Cambodia	2	0.2	0	0.0	0	0.0

WORKERS WHO ARE NOT EMPLOYEES	2021	2022	2023
Direct engagement	34	71	110
Indirect engagement	202	126	687
Total	236	197	797

GOVERNANCE BODIES AND EMPLOYEE DIVERSITY DATA	2021		2022		2023	
	No.	%	No.	%	No.	%
Board members	11	100.0	11	100.0	12	100.0
Male	9	81.8	9	81.8	9	75.0
Female	2	18.2	2	18.2	3	25.0
Aged <30 years	0	0	0	0	0	0.0
Aged 30-50 years	1	9.1	1	9.1	1	8.3
Aged >50 years	10	91.9	10	90.9	11	91.7
Senior Management	14	100.0	16	100.0	15	100.0
Male	13	92.9	15	93.7	14	93.3
Female	1	7.1	1	6.3	1	6.7
Aged <30 years	1	7.2	2	12.5	0	0.0
Aged 30-50 years	3	21.4	3	18.8	3	20.0
Aged >50 years	10	71.4	11	68.7	12	80.0
Chinese	14	100.0	16	100.0	15	100
Malay	0	0	0	0	0	0
Indian	0	0	0	0	0	0
Others	0	0	0	0	0	0
Management	100	100.0	104	100.0	115	100.0
Male	66	66	68	65.4	74	64.3
Female	34	34	36	34.6	41	35.7
Aged <30 years	6	6	6	5.8	7	6.1
Aged 30-50 years	65	65	66	63.5	72	62.6
Aged >50 years	29	29	32	30.7	36	31.3
Chinese	73	73	73	70.2	76	66.1
Malay	15	15	17	16.3	24	20.9
Indian	6	6	8	7.7	8	7.0
Others	6	6	6	5.8	7	6.1
Executive	185	100.0	197	100.0	207	100.0
Male	114	61.6	119	60.4	118	57.0
Female	71	38.4	78	39.6	89	43.0
Aged <30 years	63	34.1	69	35.0	64	30.9
Aged 30-50 years	101	54.6	108	54.8	119	57.5
Aged >50 years	21	11.3	20	10.2	24	11.6
Chinese	70	37.9	83	42.1	85	41.1
Malay	87	47	90	45.7	99	47.8
Indian	10	5.4	11	5.6	11	5.3
Others	18	9.7	13	6.6	12	5.8
Non-Executive	690	100.0	791	100.0	931	100.0
Male	580	84.1	649	82.0	770	82.7
Female	110	15.9	142	18.0	161	17.3
Aged <30 years	373	54.1	421	53.2	484	52.0
Aged 30-50 years	278	40.3	328	41.5	402	43.2
Aged >50 years	39	5.6	42	5.3	45	4.8
Chinese	47	6.8	39	4.9	37	4.0
Malay	297	43	348	44.0	392	42.1
Indian	42	6.1	38	4.8	31	3.3
Others	304	44.1	366	46.3	471	50.6
GROUP TOTAL	989	100.0	1108	100.0	1268	100.0

RATIO OF AVERAGE TOTAL REMUNERATION OF MEN TO WOMEN	2021	2022	2023
	Ratio	Ratio	Ratio
Senior Management			
Malaysia	1.04:1	0.94:1	0.92:1
Lao PDR	N/A	N/A	N/A
Management			
Malaysia	1.15:1	1.16:1	1.39:1
Lao PDR	1.50:1	2.69:1	2.64:1
Executive			
Malaysia	1.28:1	1.43:1	1.33:1
Lao PDR	1.72:1	1.38:1	1.31:1
Non-Executive			
Malaysia	1.39:1	1.22:1	1.27:1
Lao PDR	1.87:1	1.83:1	2.43:1

NEW EMPLOYEE HIRES	2021		2022		2023	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender						
Male	93	12.5	210	27.2	256	30.1
Female	28	13.3	56	25.9	69	26.8
Age Group						
Aged <30 years	87	18.8	178	40.2	218	43.8
Aged 30-50 years	31	7.7	82	18.3	101	20.0
Aged >50 years	3	3.3	6	6.1	6	5.7
Region						
Malaysia	112	12.6	246	24.9	293	26.4
Lao PDR	4	13.8	2	0.2	1	0.1
Cambodia	5	12.2	18	1.8	31	2.8
TOTAL	121		266		325	

EMPLOYEE TURNOVER	2021		2022		2023	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender						
Male	82	11.0	122	15.8	111	13.0
Female	33	15.6	27	12.5	32	12.5
Age Group						
Aged <30 years	66	6.9	78	17.6	81	16.3
Aged 30-50 years	42	10.4	59	13.2	48	9.5
Aged >50 years	7	7.8	12	12.1	14	13.3
Region						
Malaysia	106	12.0	140	14.2	125	11.3
Lao PDR	3	10.3	0	0.0	1	0.1
Cambodia	6	14.6	9	0.9	17	1.5
TOTAL	115		149		143	

*Rate of turnover by category is calculated by dividing the turnover by the total number of employees at the beginning of the year.

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES

	Full-time
Healthcare / Medical Benefit	✓
Group Personal Accident Insurance	✓
Hospitalisation and Surgical Insurance	✓
Parental Leave	✓

	Men		Women		Total	
	No.	%	No.	%	No.	%
PARENTAL LEAVE						
Number of employees entitled to parental leave	976	77.0	292	23.0	1268	100.0
Number of employees who took parental leave	1	0.1	9	3.1	10	0.8
Number of employees who returned to work after parental leave ended	1	100.0	7	77.8	8	80.0
Number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work	1	100.0	0	0.0	1	12.5

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

	2021	2022	2023
Gender			
Male	97%	100%	100%
Female	94%	100%	100%
Employment Category			
Senior management	100%	100%	100%
Management	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	94%	100%	100%

Note: Figures in 2021 are not 100% because the performance reviews for the Food Security Division were only carried out in April 2022.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY

	2021	2022	2023
Gender			
Male	3.2	7.4	9.8
Female	5.2	8.3	15.9
Employment category			
Senior management	3.0	0.1	3.1
Management	7.0	15.1	21.4
Executive	7.2	13.7	24.6
Non-Executive	2.2	5.3	6.6

TOTAL HOURS OF TRAINING PER YEAR BY EMPLOYMENT CATEGORY	2021	2022	2023
Employment category			
Senior management	41.5	1.0	48.0
Management	696.2	1,567.2	3,010.5
Executive	1,338.3	2,693.3	5,074.6
Non-Executive	1,498.8	4,179.0	6,116.1
TOTAL	3,574.8	8,440.5	14,249.2

NUMBER OF EMPLOYEES TRAINED ON HEALTH AND SAFETY STANDARDS	2021	2022	2023
Number of employees trained on health and safety standards	272	488	520

WORK-RELATED INJURIES	2021	2022	2023
All Employees			
Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0	0	0
High-consequence work-related injuries			
Number	0	0	0
Rate	0	0	0
Recordable work-related injuries			
Number	10	8	12
Rate	1.24	0.75	0.98
Lost Time Incident Rate	1.27	1.33	0.98
Number of hours worked	1,614,612	2,125,365	2,444,122
Workers who are not employees but whose work and /or workplace is controlled by the organisation			
Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0	0	0
High-consequence work-related injuries			
Number	0	0	0
Rate	0	0	0
Recordable work-related injuries			
Number	0	0	0
Rate	0	0	0

*All injury rates calculated based on 200,000 hours worked

WORK-RELATED ILL HEALTH	2021	2022	2023
All Employees			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	8	3	4
Main types of work-related ill health	Hearing impairment	Hearing impairment	Hearing impairment
Workers who are not employees but whose work and /or workplace is controlled by the organisation			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0

COMMUNITY INVESTMENT	2021	2022	2023
Amount invested in community projects (RM)	2,232,000	1,266,000	1,802,638
Total number of beneficiaries of the investment in communities	12,029	17,383	8,742

*Amount invested in community projects in 2021 has been restated due to miscalculations

SUPPLY CHAIN MANAGEMENT	2021	2022	2023
Proportion of spending on local suppliers (%)	65.7	56.9	49.8

GOVERNANCE

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION	2021	2022	2023
Percentage of operations assessed for risks related to corruption (%)	40	40	60

COMMUNICATION ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	2021		2022		2023	
	No.	%	No.	%	No.	%
Board Members	-	-	-	-	-	-
Senior management	1	16.7	1	14.3	1	14.3
Management	24	32.0	27	35.1	44	53.7
Executive	76	49.4	69	44.2	116	70.7
Non-Executive	163	30.1	165	30.2	353	49.7
Number of Employees communicated	264	34.5	282	33.1	514	53.4
Total Number of Employees	777	100.0	852	100.0	963	100.0
Business Partner	331	97.9	358	99.2	442	89.0

Note: Cheng Sun and Anting are not included in the Resources Division.

*Total number of employees only include for the three main Divisions (Cheng Sun and Anting are not included in the Resources Division)

*Only Stenta and RCI communicated about anti-corruption policies and procedures to its business partner

TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	2021		2022		2023	
	No.	%	No.	%	No.	%
Board Members	-	-	-	-	-	-
Senior management	0	0.0	0	0.0	1	14.3
Management	8	10.7	14	18.2	29	35.4
Executive	3	1.9	32	20.5	40	24.4
Non-Executive	0	0.0	112	18.3	127	17.9
Number of Employees	11	1.4	158	18.5	197	20.5
Total Number of Employees	777	100.0	852	100.0	963	100.0
Business Partner	-	-	-	-	-	-

*Total number of employees only include for the three main Divisions (Cheng Sun and Anting are not included in the Resources Division)

INCIDENTS, COMPLAINTS AND NON-COMPLIANCE	2021	2022	2023
Confirmed incidents of corruption and action taken	0	0	0
Confirmed incidents of non-compliance with laws and regulations	0	1	0
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0
Total number of substantiated complaints received concerning breaches of customer privacy categorised by:	0	0	0
<ul style="list-style-type: none"> complaints received from outside parties and substantiated by the organisation; complaints from regulatory bodies. 			
Total number of identified leaks, thefts, or losses of customer data	0	0	0
Total number of substantiated complaints concerning human rights violations	0	0	0

Performance Data Table from Bursa Malaysia ESG Reporting Platform

Indicator	Measurement Unit	2023
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,802,638.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	8,742
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	5.40
Management Between 30-50	Percentage	57.70
Management Above 50	Percentage	36.90
Executive Under 30	Percentage	30.90
Executive Between 30-50	Percentage	57.50
Executive Above 50	Percentage	11.60
Non-executive/Technical Staff Under 30	Percentage	52.00
Non-executive/Technical Staff Between 30-50	Percentage	43.20
Non-executive/Technical Staff Above 50	Percentage	4.80
General Workers Under 30	Percentage	0.00
General Workers Between 30-50	Percentage	0.00
General Workers Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	67.70
Management Female	Percentage	32.30
Executive Male	Percentage	57.00
Executive Female	Percentage	43.00
Non-executive/Technical Staff Male	Percentage	82.70
Non-executive/Technical Staff Female	Percentage	17.30
General Workers Male	Percentage	0.00
General Workers Female	Percentage	0.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	8.30
Above 50	Percentage	91.70
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	33.70
Executive	Percentage	24.40
Non-executive/Technical Staff	Percentage	17.90
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	60.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	62.29
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.98
Bursa C5(c) Number of employees trained on health and safety standards	Number	520
Bursa (Labour practices and standards)		

Indicator	Measurement Unit	2023
Bursa C6(a) Total hours of training by employee category		
Management	Hours	3,059
Executive	Hours	5,075
Non-executive/Technical Staff	Hours	6,116
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	29
Non-executive/Technical Staff	Number	105
General Workers	Number	0
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	49.80
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	178.380000

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2-10	Nomination and selection of the highest governance body	Please refer to our Policy on Nomination and Assessment of Board Members (http://www.mega-first.com/corporate-governance)	-	
2-11	Chair of the highest governance body	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	AR: 77	
2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	AR: 77-78	
2-13	Delegation of responsibility for managing impacts	Sustainability at MFCB	11	
2-14	Role of the highest governance body in sustainability reporting	Sustainability at MFCB	11	
2-15	Conflicts of interest	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	AR: 77-78	
2-16	Communication of critical concerns	Sustainability at MFCB	11	b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.
2-17	Collective knowledge of the highest governance body	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	AR: 79-80	
2-18	Evaluation of the performance of the highest governance body	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	AR: 80-82	
2-19	Remuneration policies	Please refer to our Remuneration Policy and Procedures for Directors and Senior Management (http://www.mega-first.com/corporate-governance)	-	
2-20	Process to determine remuneration	Please refer to our Remuneration Policy and Procedures for Directors and Senior Management (http://www.mega-first.com/corporate-governance)	-	
2-21	Annual total compensation ratio	Not reported	-	
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