



FREIGHT MANAGEMENT HOLDINGS BHD
(Registration No: 199601008064 (380410-P))

ANNUAL REPORT 2020

SEA FREIGHT

AIR FREIGHT

LAND FREIGHT

3PL, WAREHOUSING & DISTRIBUTION

CUSTOMS BROKERAGE

HAULAGE

TUG & BARGE

FREIGHT MANAGEMENT HOLDINGS BHD (Registration No: 199601008064 (380410-P))

ANNUAL REPORT 2020



YOUR CONNECTION TO THE WORLD



ABOUT FM GLOBAL LOGISTICS

Established in 1988, FM Global Group of Companies is a leading international Freight Services Provider based in Malaysia offering multimodal freight services that include sea, land, air and tug & barge. It differentiates itself from competitors by offering its own-operated freight services, thereby minimising outsourcing. This enables the Group to offer dedicated and reliable freight services to its diverse range of customers with a workforce of over 1,000 personnel, who are stationed at all the important maritime and air gateways of Malaysia and also in the Asean Region, India, Australia, the Middle East and the United States of America.

Freight Management Holdings Bhd ("FMHB"), was first listed on the Second Board of the Kuala Lumpur Stock Exchange ("Bursa Malaysia") in February 2005 and was successfully transferred to the Main Board in December 2007, making it one of the first Malaysian-owned freight services companies to be listed on the Main Board of Bursa Malaysia.



24th

Annual General Meeting

Broadcast Venue:

Tricor Business Centre
Manuka 2 & 3 Meeting Room
Unit 29-01, Level 29,
Tower A Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.

Friday, 27 November 2020

10:00 a.m.

YOUR CONNECTION TO THE WORLD

The COVID-19 pandemic has caused immense economic and social disruption which continues to affect the global distribution network on a scale unseen in all these years.

Increased border controls and customs regulations caused extreme challenges for logistics organisations worldwide and Malaysia was not spared with the Movement Control Order enforced in March 2020.

While all segments within Freight Management Holdings Bhd ("FMHB") reported lower activities and gross profit due to the economic fallout, especially in April 2020, which resulted in lower volume and higher freight rates, we still managed to maintain our profit margin.

Incorporating pragmatic steps in our operations, we responded effectively to immediate challenges of distributing while adapting to the new normal. In a period of intense disruption, we maintained regular, clear and effective communication across our whole ecosystem as we engaged proactively with our customers, suppliers/carriers, supply chain and employees to continue providing much needed essential services.

Our dedicated team and robust business model coupled with our diversified geographical exposure were key in testing the resilience and flexibility of our networks and logistics operations worldwide. Moving forward, while we continue to favour prudent management, we seek to enhance our capabilities for the long haul with considerations on adopting digital technologies to ensure continuous revenue generation, job security and supporting all our stakeholders.

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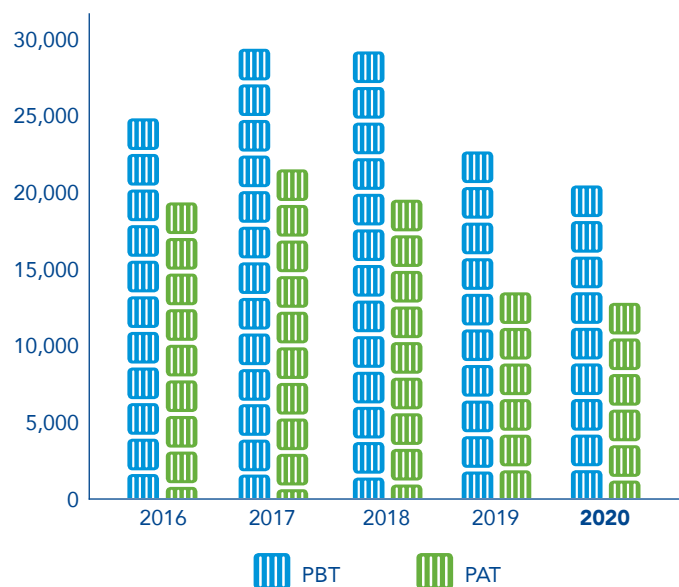
STATEMENTS OF COMPREHENSIVE INCOME (RM'000)	2016	2017	2018	2019	2020
Revenue	413,771	461,295	511,585	545,353	551,609
Profit Before Taxation	24,761	28,916	28,426	22,602	20,267
Profit After Tax and Non-Controlling Interests	19,874	21,026	19,695	13,600	12,045
Net Earnings Per Share (sen)	7.12	7.53	7.05	4.87	4.31
Gross Dividend Per Share (sen)	5.00	5.00	5.00	3.50	2.00

STATEMENTS OF FINANCIAL POSITION (RM'000)	2016	2017	2018	2019	2020
No. of Shares in Issue ('000)	177,618	186,148	186,148	279,222	279,222
Paid-up Share Capital	88,809	104,290	104,290	104,290	104,290
Reserve	135,849	142,729	184,254	184,225	186,271
Net Assets per Share (RM)	0.80	0.88	1.03	1.03	1.04

SHAREHOLDERS' FUNDS (RM'000)



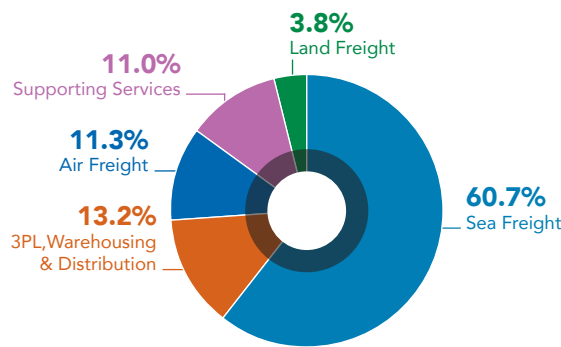
PROFIT BEFORE TAX/PROFIT AFTER TAX AND NON-CONTROLLING INTEREST (RM'000)



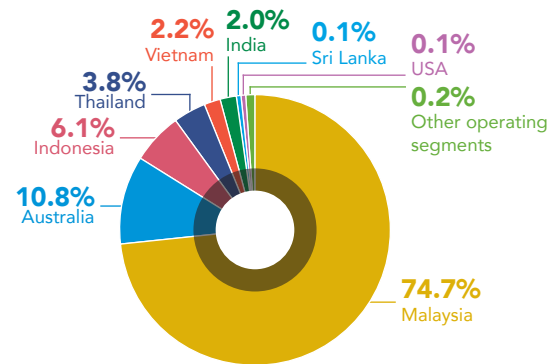
FINANCIAL HIGHLIGHTS (CONTINUED)

REVENUE ANALYSIS (RM MILLION)	2016	2017	2018	2019	2020
Contribution by Service Type					
Sea Freight	262.9	290.3	325.6	337.5	334.7
Air Freight	35.1	45.3	49.8	63.2	62.6
Tug & Barge	13.8	16.1	6.5	-	-
Land Freight	16.5	16.0	18.4	20.3	20.7
3PL, Warehousing & Distribution	42.7	47.3	58.4	65.9	73.1
Supporting Services	42.8	46.2	52.9	58.5	60.5
TOTAL	413.8	461.2	511.6	545.4	551.6

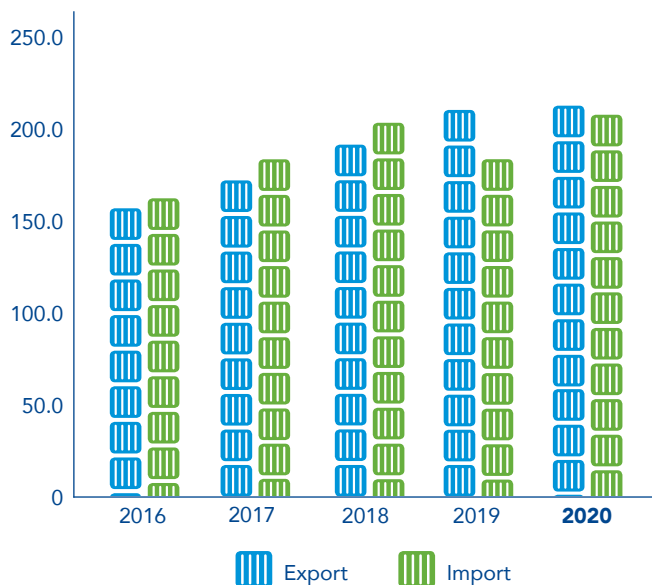
CONTRIBUTION BY SERVICE TYPE 2020



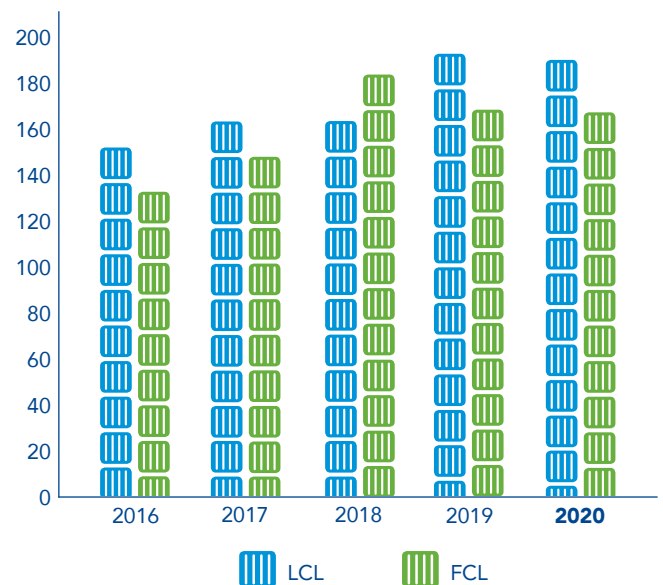
SEGMENTAL REVENUE BY COUNTRY 2020
Logistics



REVENUE ANALYSIS BY SERVICE TYPE
(RM MILLION)



REVENUE ANALYSIS BY CONTAINER MODE
(RM MILLION)



The above information includes Sea Freight, Air Freight and Land Freight Services.

This mode covers Sea Freight, Land Freight and Supporting Services.

SERVICES OFFERED BY THE GROUP



INTERNATIONAL AND DOMESTIC SEA FREIGHT SERVICES LCL/FCL

FM Global's extensive experience in export/import sea freight services ensures efficient handling of customers' cargo movement internationally and between Peninsular Malaysia and Sabah/Sarawak.



INTERNATIONAL AND DOMESTIC AIR FREIGHT SERVICES

FM Global handles inbound and outbound air freight services both internationally and between Peninsular Malaysia and Sabah/Sarawak. We are part of an established worldwide network of air freight forwarders, offering seamless air freight services to all destinations.

Your Connection to the World

FM Global is one of the leading international freight forwarders in the Asean Region, operating as an intermediate agent between importers/exporters and carriers.

SERVICES OFFERED BY THE GROUP (CONTINUED)

**3PL, WAREHOUSING & DISTRIBUTION**

FM Global operates a total of 1,000,000 sq. ft. of bonded and non-bonded ambient and cool warehouses. We offer a one-stop centre for storage, value-added and distribution, and e-commerce fulfillment services.

**BULK SERVICES**

FM Global, through its associate TCH Marine Pte. Ltd., operates a tug & barge service; servicing the Straits of Melaka between Singapore and South Thailand.

**CUSTOMS CLEARANCE**

With a team of >100 personnel nationwide, FMGL is able to offer professional and efficient customs clearance for both sea and air services.

**LAND TRANSPORTATION**

FM Global's fleet of 100 trucks, 110 prime movers and 500 trailers offers door to door delivery and cross border services throughout the Peninsula and between Malaysia, Singapore and Thailand. We accept Full Truck Load, Less Truck Load and Container Haulage.

**PROJECT MANAGEMENT**

FM Global's Project Management Department is equipped to handle the organisation and shipping of all oversized cargo.

**LAST MILE DELIVERY**

FM Global, through its wholly owned company Parcel to Post Services Sdn. Bhd., operates last mile B2B and B2C delivery services.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tengku Nurul Azian

Binti Tengku Shahrman

Chairperson/Independent

Non-Executive Director

(Redesignated on 26 November 2019)

Chew Chong Keat

Group Managing Director

Yang Heng Lam

Executive Director

Gan Siew Yong

Executive Director

Ong Looi Chai

Executive Director

Soh Chin Teck

Independent Non-Executive Director

(Appointed on 30 September 2019)

Lau Swee Chin

Independent Non-Executive Director

Khua Kian Keong

Non-Independent Non-Executive Director

(Appointed on 30 April 2020)

Datuk Dr. Hj. Noordin Bin Hj. Ab. Razak

Chairman/Independent Non-Executive Director

(Resigned on 25 November 2019)

Chua Tiong Hock

Non-Independent Non-Executive Director

(Resigned on 30 April 2020)

COMPANY SECRETARIES

Fong Sok Yee (MAICSA 7066501)

(SSM PC No. 202008001180)

Lim Hooi Mooi (MAICSA 0799764)

(SSM PC No. 201908000134)

Te Hock Wee (MAICSA 7054787)

(SSM PC No. 202008002124)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia.

+603-2783 9191

+603-2783 9111

HEAD/MANAGEMENT OFFICE

Wisma Freight Management

Lot 37, Lebuhr Sultan Mohamed 1,
Kawasan Perindustrian Bandar Sultan Suleiman,
42000 Port Klang,
Selangor Darul Ehsan, Malaysia.

+603-3176 1111

+603-3176 8634

www.fmgloballogistics.com

PRINCIPAL BANKERS

Hong Leong Bank Berhad
HSBC Amanah Bank Malaysia Bhd
Malayan Banking Berhad
OCBC Bank (Malaysia) Bhd
RHB Islamic Bank Berhad

CORPORATE INFORMATION (CONTINUED)

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Soh Chin Teck

Independent Non-Executive Director

Members

Tengku Nurul Azian Binti Tengku Shahrman

Independent Non-Executive Director

Lau Swee Chin

Independent Non-Executive Director

Chua Tiong Hock

*Non-Independent Non-Executive Director
(Resigned on 30 April 2020)*

Datuk Dr. Hj. Noordin Bin Hj. Ab. Razak

*Independent Non-Executive Director
(Resigned on 25 November 2019)*

NOMINATION COMMITTEE

Chairperson

Lau Swee Chin

Independent Non-Executive Director

Members

Soh Chin Teck

*Independent Non-Executive Director
(Appointed on 26 November 2019)*

Datuk Dr. Hj. Noordin Bin Hj. Ab. Razak

*Independent Non-Executive Director
(Resigned on 25 November 2019)*

Chua Tiong Hock

*Non-Independent Non-Executive Director
(Resigned on 30 April 2020)*

REMUNERATION COMMITTEE

Chairperson

Tengku Nurul Azian Binti Tengku Shahrman

*Independent Non-Executive Director
(Appointed on 26 November 2019)*

Datuk Dr. Hj. Noordin Bin Hj. Ab. Razak

*Independent Non-Executive Director
(Resigned on 25 November 2019)*

Members

Lau Swee Chin

Independent Non-Executive Director

Chua Tiong Hock

*Non-Independent Non-Executive Director
(Resigned on 30 April 2020)*

SOLICITORS

Wong Lu Peen & Tunku Alina Advocates & Solicitors

REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

(Registration No. 197101000970) (11324-H)

Unit 32-01, Level 32, Tower A,

Vertical Business Suite, Avenue 3,

Bangsar South, No. 8, Jalan Kerinchi,

59200 Kuala Lumpur, Malaysia.

+603-2783 9299

+603-2783 9222

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Code: FREIGHT

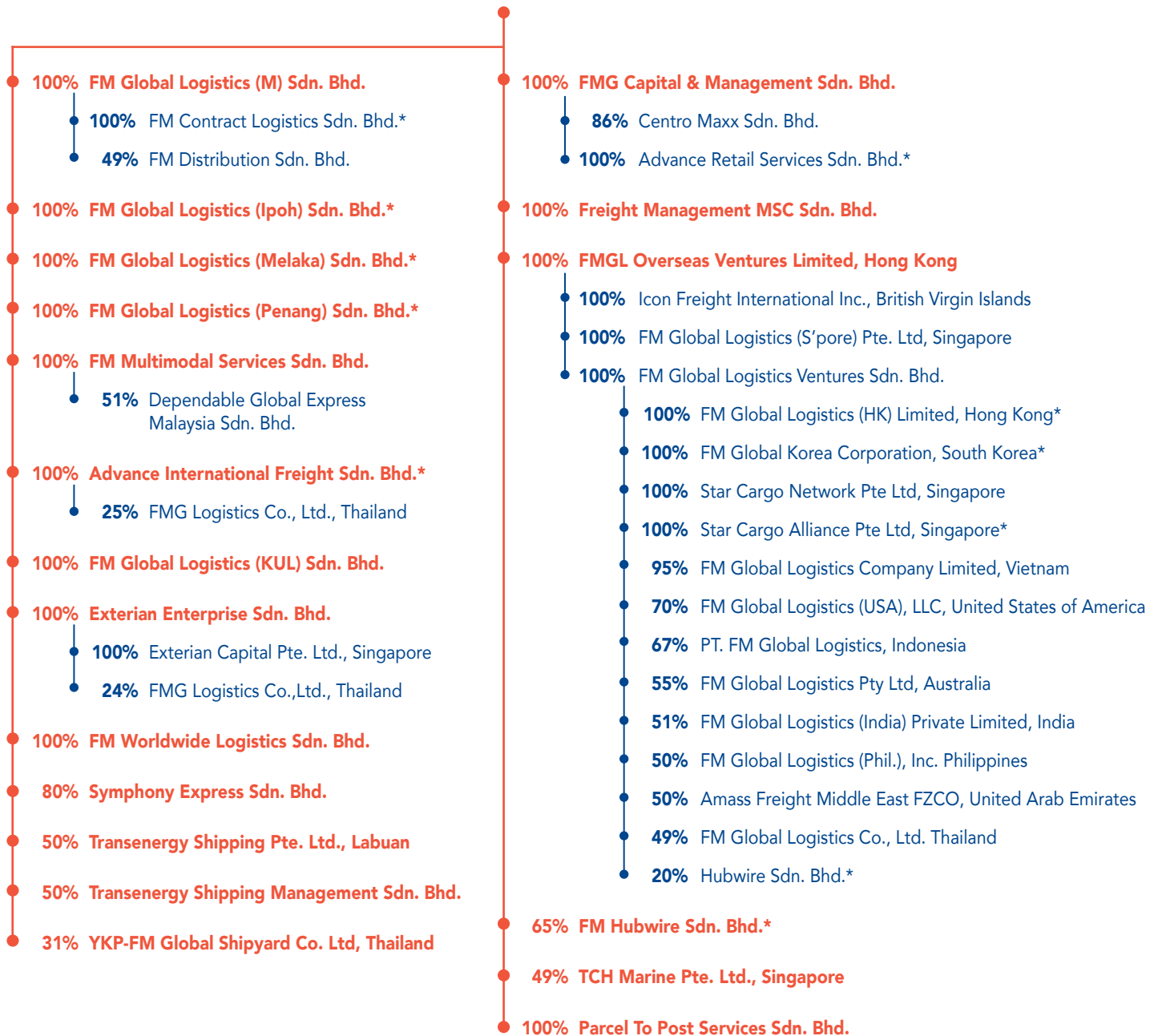
Stock No. : 7210

(Listed on Second Board on 3 February 2005)

CORPORATE STRUCTURE



FREIGHT MANAGEMENT HOLDINGS BHD
(Registration No: 199601008064 (380410-P))



* Dormant Companies

BOARD OF DIRECTORS' PROFILE

TENGGU NURUL AZIAN BINTI TENGGU SHAHRIMAN

Chairperson/Independent Non-Executive Director



Ms. Tengku Azian joined the Board on 21 August 2019. She is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee.

Ms. Tengku Azian graduated with a Law Degree from the School of Oriental & African Studies, University of London. After her graduation, she obtained her Barrister of Law from the Honourable Society of the Inner Temple and was subsequently admitted and enrolled as an Advocate and Solicitor of the High Court in Malaya.

Ms. Tengku Azian started her career in 1988 as an Advocate and Solicitor with Messrs. Shook Lin & Bok before pursuing a career in investment banking in 1992. She has over 18 years of broad experience in investment banking and corporate finance. Her last position held was Head of Corporate Finance in RHB Investment Bank Berhad, a member of RHB Banking Group, the 4th largest fully integrated financial services group in Malaysia.

In 2010, she was appointed as the Director of Education and Human Capital Development in the Performance Management and Delivery Unit ("PEMANDU") and held this position until 2017. She was the Executive Vice President and Partner of PEMANDU Associates Sdn Bhd, a management consultancy firm.

She is also a board member of PEMIMPIN GSL Malaysia (Member of the GSL Network), an organisation involved in providing school leadership programmes in 120 public schools and sits on the Board of Governors of her alma mater, Convent Bukit Nanas.

Currently, she is an Independent Non-Executive Director of Dutch Lady Milk Industries Berhad and Sunway REIT Management Sdn. Bhd. (Management Company of Sunway REIT which is listed on Bursa Malaysia).

CHEW CHONG KEAT

Group Managing Director



Mr. Chew joined the Board on 20 March 1996 and is the Group Managing Director and Executive Director of the Group. In 1984, he graduated from the University of Manchester, United Kingdom with a Bachelor's Degree in Economics. He also holds a Diploma from the Business Education Council National, United Kingdom and a Diploma of Competence in Freight Forwarding from the International Federation of Freight Forwarders ("FIATA").

He is one of the co-founders of the Group and serves on the board of some of the subsidiaries and associated companies of the Group. He is principally responsible for managing the Group's business and corporate affairs. With more than 30 years of experience in the provision of freight and logistics services, he is also the key person setting direction for the Group's business strategies.

YANG HENG LAM

Executive Director



Mr. Yang joined the Board on 20 March 1996 and also serves on the board of all subsidiaries and associated companies of the Group. He is principally responsible for the business development and operations of the Group, which include exploring overseas markets and overseeing the development of marketing and Group strategies.

He has more than 30 years' experience in the freight and logistics industry and has been instrumental in securing and maintaining major customers for the Group.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

GAN SIEW YONG

Executive Director

58



MY

Madam Gan joined the Board on 20 March 1996 as Executive Director. She also serves on the board of several subsidiary companies of the Group. She is principally responsible for the export related services of the Group and is actively involved in negotiating rates and securing container space with the shipping lines.

Equipped with more than 30 years' experience, and together with the strong support from her team, she has been instrumental in the establishment of the Group's Less Than A Container Load ("LCL") consolidation business at all the major ports of the world.

ONG LOOI CHAI

Executive Director

52



MY

Mr. Ong was appointed to the Board on 1 June 2006. Mr. Ong joined the Group in 1989 where he was attached to the Port Klang headquarters. In 1995, he assumed the position of Branch Manager in Penang and has been instrumental in the growth and development of the Penang branch.

He is currently responsible for the overall business and development of the northern region of West Malaysia and also East Malaysia. He is also assigned to lead the business development of the Group's overseas offices in Thailand and Indonesia.

SOH CHIN TECK

Independent Non-Executive Director

62



MY

Mr. Soh was appointed to the Board on 30 September 2019. He is also the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee.

Mr. Soh holds a Bachelor of Economics Degree from Monash University, Melbourne, Australia, and a Master of Business Administration - International Management from RMIT University, Australia. He is a Fellow Member of Chartered Accountants of Australia and New Zealand, and a member of the Malaysian Institute of Accountants.

Mr. Soh has more than 13 years' experience in member firms of Deloitte Singapore, Sydney and Kuala Lumpur. He was a former Executive Director and General Manager of CSR Building Materials (M) Sdn Bhd, and was a Business Director and board member of Rockwool Malaysia Sdn Bhd. He was a former Chairman of FMM Malaysian Insulation Manufacturers Group and former Deputy Managing Director of Saint-Gobain Malaysia Sdn Bhd. Mr. Soh also serves on the board of PPB Group Berhad.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

LAU SWEE CHIN

Independent Non-Executive Director

57



MY

Madam Lau joined the Board on 21 August 2018. She is also the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee.

Madam Lau started her career in the Audit Department of Hanafiah Raslan & Mohamad before embarking on her studies for The Institute of Chartered Secretaries and Administrators ("ICSA") examination.

She completed her ICSA studies in 1986 and subsequently obtained her Associate Membership of ICSA in 1993. She joined TAMS Secretarial Sdn. Bhd. in 1987 where she was later promoted to Head of the Company Secretarial Department.

In 2003, she joined Miomira Corporate Services Sdn. Bhd. as a Partner and Head of the Company Secretarial Department.

Her work covered incorporation of companies and business enterprises, public listing, company secretarial services, deregistrations and liquidations, which included advisory services.

Following her retirement in 2014, she set up a new partnership, Eco Gifts Shoppe, where the main focus of the company is on importing natural oils from selected countries for local distribution in Malaysia.

KHUA KIAN KEONG

Non-Independent Non-Executive Director

52



SG

Mr. Khua was appointed to the Board on 30 April 2020 following his cessation as Alternate Director of Mr Chua Tiong Hock, who had resigned as Director on 30 April 2020. He is the Chief Executive Officer of Vibrant Group Limited, Singapore, the holding company of Singapore Enterprises Private Limited, a substantial shareholder of FMHB.

He obtained his Bachelor of Science Degree in Electrical Engineering and graduated cum laude from the University of the Pacific, United States of America in 1987.

Mr. Khua is a past president of the Singapore Metal and Machinery Association, a council member of the Singapore Chinese Chamber of Commerce and Industry, Vice-Chairman of the Singapore-China Business Association, a board member and head of Fund-Raising at Singapore Thong Chai Medical Institute. He also serves as a patron at Telok Blangah Citizens' Consultative Committee.

In addition, Mr. Khua is the president of Nanyang Kuah Si Association, chairman of Pei Tong Primary School advisory committee, a board member of Tan Kah Kee Foundation and a member of the school management committee of Catholic High School in Singapore. He is also an executive committee member of Singapore Ann Kway Association.

Mr. Khua is a board chairman of Fujian Anxi No. 8 Middle School, vice-president of World Quanzhou Youth Friendship Association, vice-president of Anxi Charity Federation and the Anxi Fenglai Guitou Charity Federation. In 2009, he was conferred with an "Outstanding Charitable Works Contribution" award by Fujian Provincial Government, People's Republic of China.

ADDITIONAL INFORMATION

FAMILY RELATIONSHIPS : *Gan Siew Yong is the spouse of Chew Chong Keat. Save as disclosed, none of the Directors has any family relationships with any director and/or is major shareholder of the Company.*

DIRECTORSHIP OF PUBLIC COMPANIES : *Save as disclosed above, two Directors have directorships in other public listed companies and they are Tengku Nurul Azian Binti Tengku Shahrman and Soh Chin Teck.*

CONVICTIONS : *None of the Directors has been convicted of any offences (other than traffic offences, if any) within the past 5 years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2020.*

CONFLICT OF INTEREST : *None of the Directors has conflict of interest with the Company.*

KEY SENIOR MANAGEMENT : *The Executive Directors on the Board also occupy the offices of the Key Senior Management of the Company.*

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

Freight Management Holdings Bhd ("FMHB" or "the Group") performed commendably and against the odds in a pandemic Financial Year 2020 to extend our run of 17 straight years with positive financial returns.



FINANCIAL PERFORMANCE (IN RM MILLION)



REVENUE
RM551.6
FY2019: 545.4



PROFIT AFTER TAX
RM12.0
FY2019: 13.6



PROFIT BEFORE TAX
RM20.3
FY2019: 22.6



NET ASSETS PER SHARE
RM1.04
FY2019: 1.03

Despite facing setbacks, especially during the onset of the Movement Control Order on 18 March 2020, we performed reasonably well under a dark cloud of uncertainty posed by COVID-19 and its dire impact on economic activities. This certainly reflects positively on the strength of the Group and sustainability of the freight and logistics sector.

Therefore, it is my pleasure to present on behalf of the Board of Directors ("the Board") the Annual Report and Audited Financial Statements of FMHB for the financial year ended 30 June 2020 ("FY2020").

FINANCIAL RESULTS

The Group achieved Revenue of RM551.6 million for FY2020, an increase of 1.1% over RM545.4 million registered in the previous financial year ("FY2019"). Although our results were severely affected by the Movement Control Order ("MCO"), we staged a comeback when restrictions of the MCO were relaxed from early May until the end of the reporting period.

We recorded a Profit Before Tax ("PBT") of RM20.3 million, which was marginally lower than RM22.6 million achieved in the previous financial year, on account of losses from an associate business and distribution operations. Profit After Tax and Minority Interests ("PATMI") was RM12.0 million against RM13.6 million recorded in FY2019, a dip caused by impairment of assets during the year in review.

As a result, Earnings Per Share ("EPS") was marginally lower at 4.31 sen as compared with 4.87 sen previously while the Shareholders' Funds increased to RM290.6 million from RM288.5 million in FY2019. Total Assets at the close of the financial year amounted to RM482.1 million (FY2019: RM463.5 million) with Net Assets per Share at RM1.04 (FY2019: RM1.03).

A more detailed review of our financial and operational performance is presented in the Management Discussion and Analysis section of this Annual Report.

CHAIRMAN'S STATEMENT (CONTINUED)**Dividend**

The Board has declared a total dividend of 2.0 sen per share for FY2020 (FY2019: 3.5 sen), with total dividend payout of RM5.6 million or 46% of PATMI (FY2019: 72%). The Board has decided to issue a lower percentage of PATMI as dividend in order to preserve cash reserves given the uncertain outlook cast by COVID-19. I am confident we will reward our shareholders generously once the global economic climate returns to normal.

OUTLOOK & PROSPECTS

At the time of reporting, the local and global economic outlook remains uncertain in the grip of the global pandemic although most domestic and international authorities expect strong overall recovery by calendar year 2021.

I am, however, confident that FMHB will continue to be resilient and rise above the challenges on the evidence of our FY2020 performance. In any event, we will remain vigilant to capitalise on any opportunities following a reasonably successful financial year in review.

ACKNOWLEDGEMENT

Let me take this opportunity to express the Board's gratitude to our esteemed shareholders for your support and cooperation during this difficult period for Malaysia and the world. Your loyalty provides the inspiration for us to face any and every challenge in becoming a better and more sustainable business and corporate citizen.

On behalf of the Board, I would also like to thank our faithful customers for your continued trust and confidence in the quality and reliability of our services. Our gratitude is further extended to all our partners, associates, various authorities as well as vendors and suppliers for all the cooperation and respective contributions to the Group throughout the year.

Last but not least, I salute our management and employees for their exemplary performance during a crisis. It has been no easy task and I look forward to another fruitful year ahead. Together, we will prevail over this unprecedented pandemic to achieve our individual and collective goals.

TENGGU NURUL AZIAN BINTI TENGGU SHAHRIMAN
Chairperson

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW & OBJECTIVES

At the close of Freight Management Holdings Bhd's ("FMHB" or "the Group") financial year ended 30 June 2020, a key takeaway was our ability to perform at consistent levels despite the challenges posed by COVID-19.



It should be noted that swift and abrupt measures introduced by the Malaysian Government to contain the pandemic initially resulted in uncertainty over issues such as movement control, guidelines on activities and standard operating procedures for companies operating under essential services.

Over and above these factors were other concerns such as health and safety of employees and their families, closure of schools, restrictions on cross border travel and quarantine protocols, representing roadblocks to business as usual.

The Management team was prompt in its response and despite certain disruptions, we succeeded in managing the sudden shift in operations by understanding what needed to be done and adapting to the fluid situation.

Backed by a diversified portfolio of services and clients as well as a strategic regional and global presence, we maintained our momentum throughout this trying period.

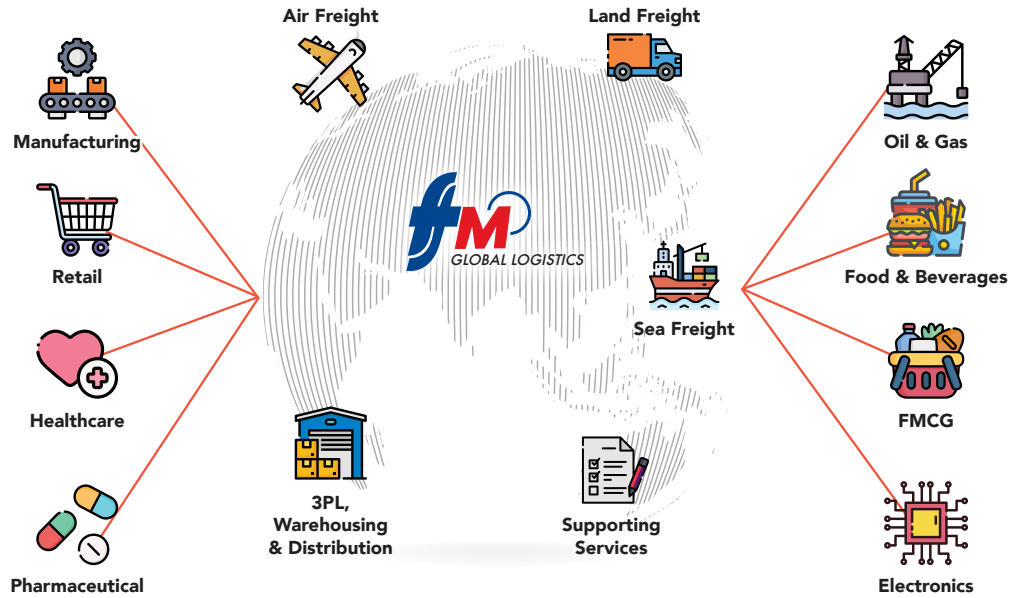
As a freight and total logistics service provider, we were instrumental in moving medical supplies and equipment at a time when supply chain disruptions hampered many different types of businesses.

With the crisis and resulting global recession impacting on global demand and supply, requirements for both sea and air freight dipped during the year in review and is expected to remain soft. As such, it is critical that we maintain a balanced mix of client industries and goods to be transported while also penetrating new markets and expanding our services offerings.

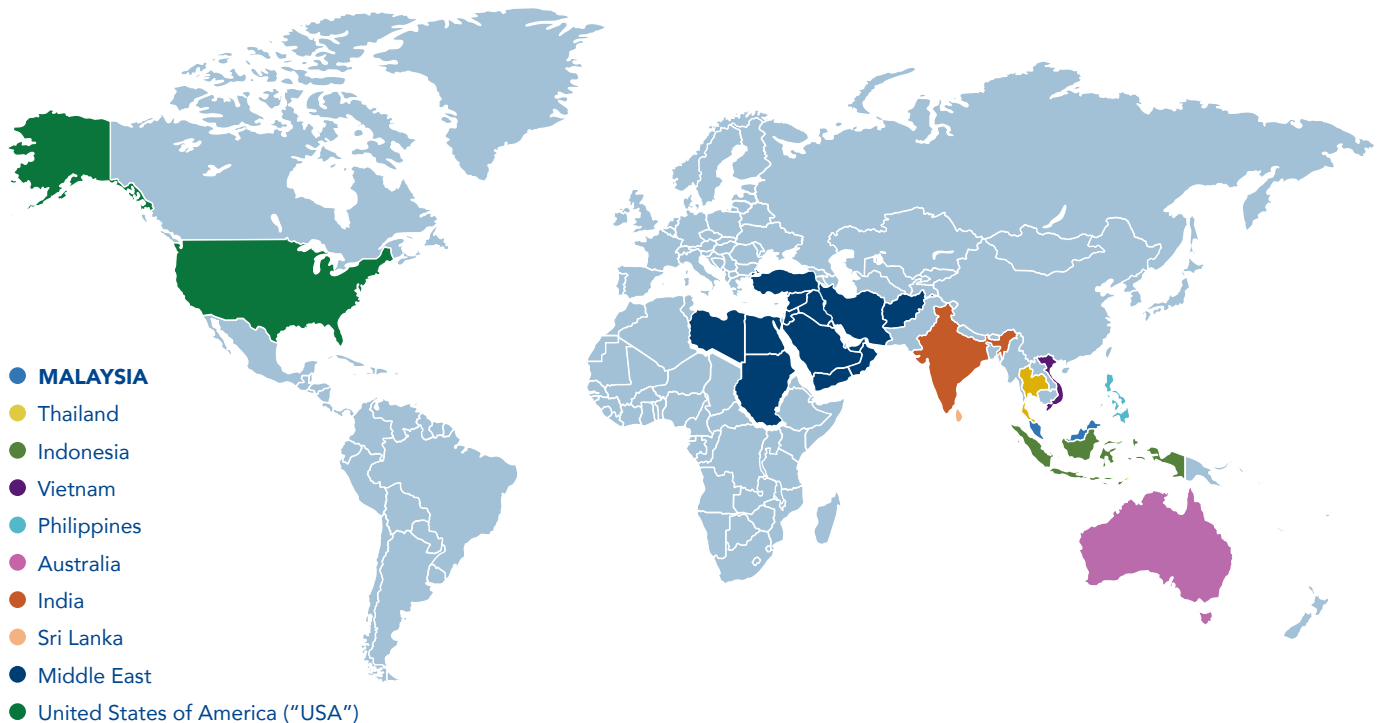
In this regard, FMHB's multimodal services encompass the entire gamut of freight and logistics including: sea freight; air freight; land freight; third party logistics ("3PL"), warehousing & distribution; and supporting services while the industries we serve include manufacturing, retail, healthcare, pharmaceutical, food & beverages, fast moving consumer goods, electronics, oil & gas and many others.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FMHB'S DIVERSIFIED PORTFOLIO OF SERVICES AND CLIENT INDUSTRIES



FMHB'S REGIONAL AND GLOBAL PRESENCE

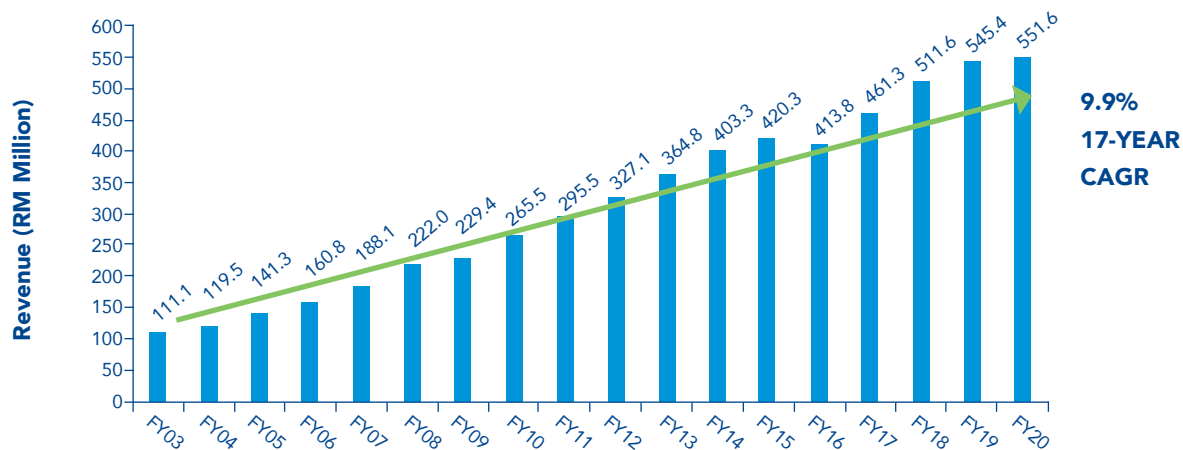


MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

To ensure greater efficiency and on-time delivery, the Group operates out of numerous regional and international locations, particularly in Southeast Asia and Asia Pacific.

Our performance in Financial Year 2020 ("FY2020") capped more than 10 years of consistent revenue growth. During the financial years 2003 to 2020, our revenue grew five times in size at a compounded annual growth rate ("CAGR") of 9.9%. In the same period, FMHB recorded CAGRs of 6.2% for Profit Before Tax ("PBT") and 5.2% for Profit After Tax and Minority Interests ("PATMI").

STEADY REVENUE GROWTH 2003 - 2020



Our ability to maintain business as usual in light of COVID-19 was supported by a thoroughly planned and tested business continuity plan encapsulated within our Enterprise Risk Management ("ERM") framework. We also focused on effective communications with all our counterparts and offices to identify weak links as well as mitigate and resolve any issues faced.

This enabled the Group to expand its provision of freight and logistics services in Southeast Asia while penetrating the USA market.

At this stage, it is pertinent to point out that demand for goods such as vehicles, furniture and luxury products is expected to decline significantly in the short to mid term due to factory shutdowns and reduced consumer spending. However, essential items including agricultural and food produce, medicines and healthcare equipment are only expected to be marginally affected, if at all.

While we are still in the midst of this crisis, we anticipate a need to reinforce our operating infrastructure via improvement to processes such as digitalisation of critical aspects of our operations.

Being mindful of our corporate responsibilities, we will also perform our role in supporting the nation in economic recovery by facilitating trade, providing secure employment and fostering business activities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL PERFORMANCE

The Group recorded a higher Revenue of RM551.6 million in the financial year under review, which was an increase of 1.1% over the RM545.4 million registered in the previous reporting period ("FY2019").

This growth rate in revenue was lower than the 6.6% achieved in FY2019, but this was to be expected given the economic fallout from the global pandemic. While we are considered an essential service and were allowed to continue operations, our customers in non-essential services endured shutdowns during the MCO from March 2020 to June 2020 and could not fulfill their orders. However, any backlog in orders was promptly cleared once restrictions were lifted.

During the year in review, growth was largely driven by the business division of 3PL, Warehousing & Distribution, which contributed RM73.1 million to Group Revenue against RM65.9 million in FY2019 (increase of 10.9%). The contributions from Supporting Services and Land Freight were also higher at RM60.5 million (increase of 3.4%, FY2019: RM58.5 million) and RM20.7 million (increase of 2.0%, FY2019: RM20.3 million) respectively.

Meanwhile, Sea Freight returned a marginally lower contribution to Revenue with RM334.7 million for FY2020 as compared with RM337.5 million the year before (decrease by 0.8%) while Air Freight contributed RM62.6 million, a similar 0.8% dip from FY2019 (RM63.2 million).

Despite the slight dip in Revenue contribution, Sea Freight remains as the Group's mainstay. In terms of share of revenue, Sea Freight is still our largest business division.

SHARE OF REVENUE BY BUSINESS DIVISION



In terms of countries, Malaysia continued to be our largest market with revenue of RM411.9 million (74.7% of Group Revenue), followed by Australia at RM59.3 million (10.8%), Indonesia at RM33.8 million (6.1%), with Thailand, Vietnam, India, Sri Lanka, the USA and others accounting for the balance 8.4% of Group Revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group achieved a higher Gross Profit which grew by 6.3% to RM156.0 million in FY2020 against RM146.8 million in the previous financial year. However, Profit Before Tax ("PBT") dropped by 10.2% to RM20.3 million as compared with RM22.6 million, with pre-tax profit dragged down by losses from the Tug & Barge associate business and distribution operations. The deteriorating business environment also necessitated provisions for receivables and impairment of investments. In line with the lower PBT, Profit After Tax and Minority Interests ("PATMI") was also lower by 11.8% at RM12.0 million for the year from RM13.6 million in FY2019. Earnings Per Share ("EPS") was 4.31 sen as compared with 4.87 sen the year before while Shareholders' Funds increased marginally to RM290.6 million from RM288.5 million in FY2019.

The Group remains in a strong financial position with Total Assets amounting to RM482.1 million (FY2019: RM463.5 million) with Net Assets per Share at RM1.04 (FY2019: RM1.03). In addition, we continue to practise sound financial management with healthy cash and bank balances of RM58.0 million at the close of the financial year and a low net gearing of 0.1x with total borrowings of RM88.5 million.

Dividend

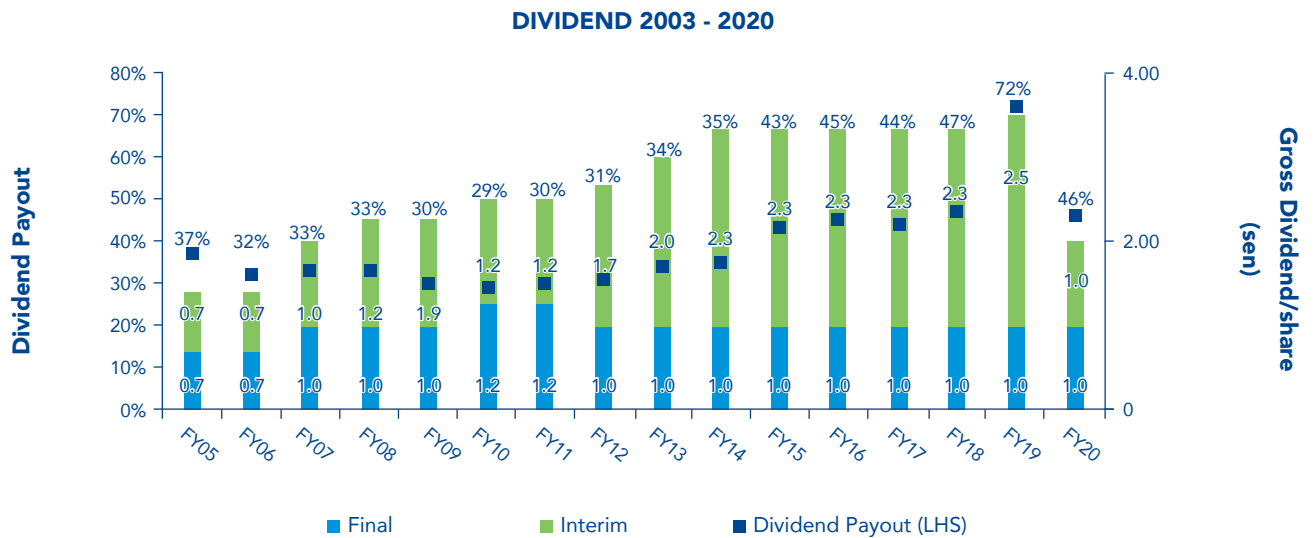
The Board of Directors ("the Board") declared a total dividend of 2.0 sen per share for FY2020, comprising two interim single-tier dividends of 1.0 sen per share (paid in July 2020) and 1.0 sen per share (paid in October 2020) respectively. Total dividend payout for the year in review is RM5.6 million and represents 46% of PATMI.

In the previous financial year, the Group had declared a total dividend of 3.5 sen per share, paying out RM9.8 million or 72% of PATMI. For FY2020 however, the Board has adopted a prudent approach in holding back cash reserves as a hedge against any negative eventualities in view of the ongoing uncertainties caused by the COVID-19 pandemic.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

It should be noted that FMHB has issued dividends of at least 3.3 sen per share in the previous five financial years at a proportion amounting to 43% or higher of PATMI.



Historical gross dividend per share has been adjusted for bonus issues



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF OPERATIONS

For the reporting period, the Group achieved a better-than-expected performance, taking into consideration the major impact of the global pandemic on world economic activity and global trade.

The comparatively flat performance of the freight businesses was effectively countered by a strong performance from 3PL, Warehousing & Distribution. This section reviews the respective performance of our five business divisions:

SEA FREIGHT

Our largest business division performed creditably despite the challenges, with segmental revenue only 0.8% lower at RM334.7 million against RM337.5 million in the previous financial year.

This is reflected by the drop in volume for both Less Than A Container Load ("LCL") and Full Container Load ("FCL") of 8.5% and 4.0% respectively. While volume was impacted by the pandemic as well as continuing trade tensions between the USA and China, our FCL operations benefited from more attractive freight rates that helped to lift our profit margins.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



AIR FREIGHT

The performance of this business was relatively robust despite the prevailing circumstances in Q4 of FY2020, and recorded yearly revenue of RM62.6 million compared with RM63.2 million previously (decrease of 0.8%). Nevertheless, Gross Profit ("GP") was higher by 5.6% due to the higher margins from special projects secured during the financial year.

LAND FREIGHT

This business division registered a marginally higher revenue of RM20.7 million against RM20.3 million (increase of 2.0%) from the year before despite the impact of the pandemic in the final quarter of FY2020. The higher revenue and Gross Profit ("GP") were due to better margins arising from improved efficiency and a stronger customer base.



3PL, WAREHOUSING & DISTRIBUTION

With increased utilisation of our warehouses, this business registered a higher revenue which grew by 10.9% to RM73.1 million for the year in review (FY2019: RM65.9 million). Correspondingly, it also posted GP growth of 28.8%. At the close of the financial year, we operated approximately 1 million square feet of floor space. Our warehouses are spread across Port Klang, Shah Alam, Puchong in Selangor and Prai in Penang.

The division's last-mile distribution business posted a smaller loss in FY2020. More importantly, it has turned around in Q4 FY2020 with a small profit. However, our retail operations continued to post losses as efforts to gain critical mass were affected by the MCO.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



SUPPORTING SERVICES

This business segment returned a moderate performance with higher y-o-y revenue (RM60.5 million against RM58.5 million posted in FY2019) and better GP.

MITIGATING RISKS

The COVID-19 global pandemic and subsequent economic fallout have illustrated the severe impact that external risks can have on economic and business activities including the freight and logistics sector.

Although we were somewhat spared the brunt of this episode since global trade especially of essential items were generally allowed to be carried out unabated, FMHB has taken note of the need to prepare for any eventuality.

We will remain vigilant towards all potential risks and have long established processes and procedures under an Enterprise Risk Management ("ERM") framework to mitigate any adverse external or internal events, should they occur.

The following risks are addressed in an updated ERM:

Economy and Market

At the time of reporting, COVID-19 continues to impact on many economies worldwide. The full effect of the pandemic on global supply chains are still unknown and such a scenario threatens the global economy and world trade at a scale and scope that cannot be realistically gauged at this stage.

The pandemic led to lockdowns and border closures which caused supply chain disruptions and restricted movement of goods. Additional measures to ensure workers' safety resulted in increased operating costs which included ensuring physical distancing at all our premises, disinfecting work spaces and providing personal protective gear to workers. In spite of these efforts, there is no guarantee against outbreaks and we have to continue advising and reminding our employees about taking precautions and adhering to the SOPs at all times.

Beyond the pandemic, we will constantly and carefully monitor the situation via news and economic reports while also tracking business and industry levels in all relevant regions. We intend to improve on our overall business performance and efficiency in order to capitalise on any opportunities for geographical and portfolio expansion. In this context, we are reviewing and executing the adoption of automation and digitised processes as the way forward to increase our connectivity and improve our operational as well as financial performance.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



Operations

FMHB is focused on maximising efficiency to optimise every aspect of our operations in order to retain customers as well as attract and acquire new ones. To achieve this, we have in place quality management systems and standards which include ISO 9001:2015 to guide our improvement efforts.

One area that continues to be a priority is the monitoring of our overseas operations. We have established reporting requirements and standardised operational policies which will include the consistent tracking of performance levels and regular site visits.

Credit

Capital management represents a critical component of our operations as freight and logistics service providers. This requires sufficient cash in hand for certain activities which include customs clearance for both export and import of goods.

We constantly review our liquidity to ensure a healthy cash flow for all our business needs and have established credit control policies and procedures to monitor and review our cash position. We have also stepped up efforts to track collections and meticulously follow up on delinquent and outstanding amounts.

As our operations are subject to volatility in currency exchange, we maintain a natural hedge of payables against receivables in the same foreign currency.

Profitability

To increase our effectiveness to maximise our profits, the Group conducts periodic reviews of investments, budgets and key performance indicators (“KPIs”) related to profitability. We also monitor the implementation of budgets for capital expenditure as well as operational expenses on a monthly basis.

In addition, we consistently benchmark against reliable and reasonable profitability indicators while also reviewing actual achievements against our forecasts in the same timeframe.

PROSPECTS

As a freight and logistics service provider, FMHB’s prospects are invariably tied to economic performance at local, regional and global levels as these ultimately determine the scale of international trade.

At this stage, the full impact of the global pandemic on the world economy and global trade cannot yet be fully and accurately quantified. In so far as the freight and logistics industry is concerned, governments have responded to the crisis by designating ports, shipping and trucking services as essential, and thereby exempt from lockdown measures.

While many airports worldwide remain closed to passenger flights, most are still open to cargo. It was also evident that closer collaboration between governments and third-party logistics companies were necessary to address bottlenecks in supply chain and expediting clearance of goods.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



On the whole, while the freight and logistics sector may have outperformed other industries during the pandemic-induced lockdowns, the recovery and long-term impact of the pandemic on logistics may be affected by certain factors such as:

- Increased logistics costs due to tighter cross border inspections, processes and control protocols, fuelled by concerns regarding the transmission of diseases.
- Investing in technology, shifting to increasing business presence online with enhanced digital capabilities for more efficient cargo visibility and traceability.
- Recovery prospects will vary by country and subsector.

Now that businesses and industries are in recovery mode, we are cautiously optimistic of renewed trade in FY2021 to initially clear any backlog resulting from the MCO and subsequently to capitalise on the recovery of the global and Malaysian economies during calendar year 2021.

Accounting for potential pandemic-related setbacks, we are approaching the new financial year with conditional confidence, yet treading carefully. More importantly, we need to adapt and respond quickly to any issues which we may face. Keeping our employees safe is of paramount importance to ensure our business continuity and safeguard their wellbeing. Ramping up internal communications to ensure best practices are followed at all times as well as anticipating potential changes in operations will enable rapid, corrective actions to be taken.

Another key area is enhancing our digital capabilities to allow us the flexibility and resilience to continue operations. We need to move from traditional methods to technologically advanced ways to unlock our potential and significant value of our operations.

We are taking steps to identify, strategise and where necessary to revamp our business ecosystem in developing our capabilities further to meet the needs of our customers and for the Group to be relevant as we progress ahead.

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Embracing a More
Sustainable Approach



ABOUT THIS REPORT (GRI 102-1)

This is the 3rd Sustainability Report by Freight Management Holdings Bhd (“FMHB” or “the Group”) to outline the progress of our corporate sustainability drive and track our performance for the financial year in review (“FY2020”).

The report adheres to the standards and indicators of FTSE4Good Bursa Malaysia (“F4GBM”) and Global Reporting Initiative (“GRI”) Core Options. As both sustainability standards tend to overlap in many areas, we have sought to follow the guidelines of F4GBM in reporting on the Group’s Materiality Matters and the GRI for our performance under the Economic, Environment and Social (“EES”) Sustainability Pillars.

Apart from expanding reporting on FMHB’s sustainability performance, we have also retrospectively introduced a Sustainability Roadmap to guide us towards becoming a champion of corporate sustainability in freight and logistics.

In addition, the Group is taking into consideration the increasing importance and relevance of corporate sustainability measures in view of the COVID-19 global pandemic and its devastating impact on lives and livelihoods.

ABOUT THIS REPORT (CONTINUED) (GRI 102-1)

REPORTING PERIOD AND CYCLE

(GRI 102-50, 102-51, 102-52)

Similar to previous reports, this edition covers the period from 1 July 2019 to 30 June 2020 in line with FMHB's financial year in compliance with Bursa Malaysia's Main Market Listing Requirements ("MMLR").

SCALE AND SCOPE OF REPORTING

(GRI 102-4, 102-46)

This Statement covers FMHB's introduction of a Sustainability Roadmap and includes a review of our existing Most Material Matters determined in the previous sustainability statement. It also features new plans to improve on the sustainability performance of these Most Material Matters. The reporting encompasses the operations, activities and practices of the Group as well as the following subsidiaries:

- FM Global Logistics (M) Sdn. Bhd.;
- FM Multimodal Services Sdn. Bhd.; and
- FM Global Logistics (KUL) Sdn. Bhd.

Our reporting only covers operations at locations in Malaysia, except for activities related to our corporate social responsibilities. The report excludes all other activities undertaken by our joint venture partners and associate companies.

REFERENCE & GUIDELINES

(GRI 102-54)

We have based our reporting on the F4GBM Sustainability Reporting Framework and the GRI Standards Sustainability Reporting Guidelines - Core Option as much as possible. Where relevant, we also display the relevant GRI indicator below the headings and sub-headings. The Group is confident of achieving high F4GBM and GRI compliance in the next reporting year ("FY2021").

FEEDBACK

(GRI 102-53)

FMHB welcomes any comments and feedback on our sustainability performance and reporting. We understand that external input has the potential to guide us towards improvements on our sustainability performance. Please direct any enquiries or comments to:

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MESSAGE BY THE GROUP MANAGING DIRECTOR (GRI 102-14)

Sustainability in a Pandemic Age

“There has never been a year like 2020 in recent history. The COVID-19 pandemic has changed our way of life abruptly and perhaps irreversibly, touching and impacting every aspect of our existence.”

The pandemic has attacked not only our health and lives, but also many of the things we take for granted, from economic sustainability and business viability to job security, social interaction and freedom of movement.

Yet, every cloud has a silver lining and every crisis provides an opportunity. In deciphering the positive from all the negatives, I recall the words of the American economist, Milton Friedman: “Only a crisis produces real change.”

Indeed, we have been living on borrowed time. Change is what our world has been needing in order to sustain the lives and livelihoods of the generations to come. But too often in the past, the change we see has been merely cosmetic and rarely carried out with real conviction.

In the wake of COVID-19, we may well see real change, for a change! At FMHB, we believe the events of 2020 is a clarion call for us to become an agent of change for ourselves, our stakeholders, the nation and the world at large.

In this regard, we are setting out to wholeheartedly embrace corporate sustainability as the solution to many of the challenges brought on by the pandemic and the resulting curbs on economic and social activities.

By applying sustainability considerations and practices throughout our business operations and corporate activities, we can, for example: strengthen business sustainability; safeguard job security; protect the health and safety of employees, customers and our other stakeholders; as well as conserve natural resources and preserve the natural environment.

At this stage, while our journey towards corporate sustainability has only just started, we understand that it is an exercise requiring constant and consistent enhancements in our approach to business and corporate activities.

As such, we have introduced a Sustainability Roadmap in our 3rd year of reporting as a framework to chart our sustainability journey in a more structured and comprehensive manner. This will guide us to achieve our sustainability goals by means of a methodology that integrates sustainability in planning, managing and properly executing tasks in order to improve the Group's economic, environmental and social performances.

We are committed to progressively increase and improve our disclosures in accordance with the requirements of both Bursa Malaysia's FTSE4Good and the Global Reporting Initiative and on this note, every action on everybody's part within the Group is key to positively impact the way we work and conduct our business responsibly.

The year 2020 has changed the world and we are changing with it.

CHEW CHONG KEAT

Group Managing Director

SUSTAINABILITY ROADMAP (GRI 103-2)

After two years of practising and reporting on corporate sustainability, we now understand and appreciate that this is a learning and evolutionary process requiring adjustments and sometimes even amendments to our approach.

Previously, we had focused on several key components of establishing a Governance Structure and Sustainability Policy followed by a Materiality Study to determine the Group's most material matters. At the same time, we had also begun preparing disclosures according to guidelines by both F4GBM and GRI.

However, we realised all these tasks were carried out concurrently without a holistic and cohesive plan in place to ensure milestones can be properly achieved, tasks streamlined and actions coordinated.

This being the case, the Sustainability Committee developed a Sustainability Roadmap in consultation with our sustainability consultants and this comprises five distinct steps to advance the sustainability agenda throughout our organisation.

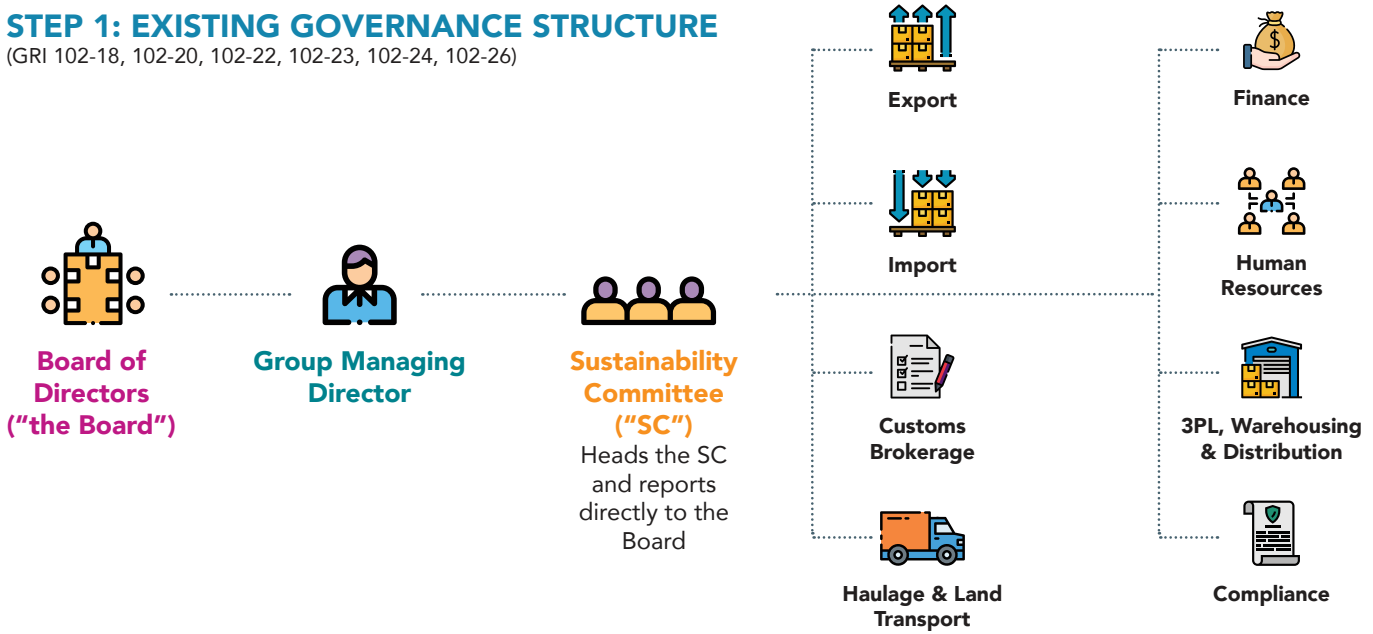
The steps in the Roadmap are intended to be addressed chronologically. While we have undertaken some of the phases concurrently, nevertheless, the Roadmap serves to highlight gaps in our previous process. This includes the setting of KPIs, formulation of Action Plans and development of a reporting regime. As such, these areas represent a key focus of this year's Sustainability Report.



SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)

STEP 1: EXISTING GOVERNANCE STRUCTURE

(GRI 102-18, 102-20, 102-22, 102-23, 102-24, 102-26)



We had previously established a Governance Structure to provide leadership and direction for the implementation of sustainability initiatives and reporting throughout the Group and all our subsidiaries.

The structure consists of three layers of reporting anchored by a Sustainability Committee ("SC") helmed by the Group Managing Director and includes representatives from eight separate departments. As the Chairman of the SC, the Group Managing Director reports to the Board of Directors ("the Board") on all issues related to corporate sustainability. The roles and responsibilities are as follows:

BOARD OF DIRECTORS

- Oversees the overall implementation of the Group's sustainability initiatives;
- Endorses the Group's sustainability report and materiality matters; and
- Endorses sustainability strategies and initiatives proposed by the Sustainability Committee.

GROUP MANAGING DIRECTOR (SC CHAIRMAN)

- Proposes sustainability strategies and initiatives;
- Monitors implementation of sustainability initiatives; and
- Reports sustainability progress to the Board.

SUSTAINABILITY COMMITTEE

- Identifies materiality matters that are relevant to the Group's business operations;
- Proposes sustainability initiatives and measures to be implemented across the Group;
- Implements sustainability initiatives that have been approved by the Board throughout the Group;
- Conducts data gathering for sustainability reporting; and
- The Chairman of the Sustainability Committee reports the overall progress of the Group's sustainability efforts to the Board.

SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)

STEP 2: PREVAILING SUSTAINABILITY POLICY (GRI 102-29)

FMHB's Sustainability Policy outlines our commitment to corporate sustainability and prescribes the overall direction of our conduct and performance as a leading freight forwarding and logistics company in the region.

Corporate Mission



- 1 To hire, train and develop a capable group;
- 2 To create a conducive and enjoyable working environment;
- 3 To minimise outsourcing; and
- 4 To provide service levels that meet customers' expectations.

Our Policy addresses the issues of concern in the three main EES Sustainability Pillars, which are to explore business opportunities to grow FMHB; safeguard the environment via sustainable practices; and provide enriching employment while supporting the community.



SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)**STEP 3: MATERIALITY MATTERS**

(GRI 102-21, 102-29, 102-30, 102-31, 102-33, 102-34, 102-48)

Materiality Matters represent the areas impacted by a company's activities which are deemed important to the company and its stakeholders including shareholders, customers, business partners, associates, employees, vendors, authorities and the communities in which it operates. The selection of a company's Most Material Matters from a recommended list by F4GBM enables the appropriate allocation of resources to address those needs and concerns in order to balance the company's business aspirations against the priorities of stakeholders.

FMHB had previously selected 16 Most Material Matters covering all three EES Sustainability Pillars and their sub-categories as shown in the following table.

ORIGINAL MOST MATERIAL MATTERS

MATERIALITY MATTER	BRIEF DESCRIPTION
Economic (Business & Financial)	
1. Economic & Business Performance	Ability of the company to generate financial results and provide healthy returns to stakeholders and the wider business community.
2. Procurement & Supply Chain Management	Management of a company's supply chain to ensure quality and reliability in order to consistently meet business needs.
3. Market Presence	A measure of the company's brand footprint and market share in its respective product and/or service segments.
Economic (Governance)	
4. Regulatory Compliance	Compliance with all relevant laws and regulations governing a company's operations and administration.
5. Ethics & Integrity	Conduct of the company and its personnel in business dealings and transparency of all transactions.
6. Risk Management	Balancing financial and other risks in managing operations or pursuing business opportunities.
7. Succession Planning	Structure or plan to identify and train future leaders from among talents in the company or via external sources.

SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)

MATERIALITY MATTER	BRIEF DESCRIPTION
	Environment
8. Environmental Impact	Impact of the company's operations and activities on the environment.
9. Waste Management	How the company deals with non-hazardous and/or hazardous waste it produces.
MATERIALITY MATTER	BRIEF DESCRIPTION
	Social (Workplace)
10. Occupational Health & Safety	How the company implements and enforce safety and health practices at the workplace.
11. Training, Education & Career Development	Opportunities for career advancement through training and education.
12. Labour Practices & Management	Adherence to labour laws and standards and management approach on employment.
13. Diversity & Equal Opportunity	How the company ensures and promotes diversity on race, religion, gender and age, and provides equal opportunity at the workplace.
	Social (Marketplace)
14. Product & Service Quality	How the company manages quality control of its product and services.
15. Grievance Mechanism	Provision of channels for customer complaints and assessment of satisfaction levels.
	Social (Community)
16. Community Engagement	Activities and processes to address issues in civil society and support corporate social responsibilities.

During the reporting period, the SC conducted a review of our Most Material Matters with a view to reduce the number while also taking into consideration any changing priorities resulting from the impact of COVID-19.

At the outset, it was determined that it would be prudent to scale down the number of Most Material Matters to below 10 in order to adequately focus attention and prioritise selected issues and concerns.

SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)

After a process of elimination, we settled on nine Most Material Matters, balanced across all Sustainability Pillars and their respective sub-categories.

MOST MATERIAL MATTERS: REVISED

MATERIALITY MATTER	SUSTAINABILITY PILLAR
1. Economic & Business Performance	Economic (Financial)
2. Ethics & Integrity	Economic (Governance)
3. Risk Management	Economic (Governance)
4. Environmental Initiatives	Environment
5. Waste Management	Environment
6. Occupational Health & Safety	Social (Workplace)
7. Training, Education and Career Development	Social (Workplace)
8. Product & Service Quality	Social (Marketplace)
9. Community Engagement	Social (Community)

Following this reduction, we then proceeded to the next step in our Roadmap to set KPIs for these nine Most Material Matters, develop Action Plans to meet these targets and assign responsibility to specific departments and individuals to track progress and compile results.

STEP 4: ACTION PLANS

(GRI 102-31, 102-33, 102-24)

For this exercise, the Sustainability Committee focused on only five out of the nine Most Material Matters for implementation in FY2021. This was partly due to time and other constraints arising from Malaysia's imposition of the Movement Control Order.

KPIs, Action Plans and Responsibility were assigned for *Ethics & Integrity*, *Environmental Initiatives*, *Waste Management*, *Occupational Safety & Health* and *Training, Education & Career Development*.

SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)

KPIs, ACTION PLANS & REPORTING REGIME

MATERIALITY MATTER	SUSTAINABILITY PILLAR	KPI	ACTION PLAN	RESPONSIBILITY
1. Ethics & Integrity	Economic (Governance)	100% of relevant personnel familiarised with anti-bribery and anti-corruption procedures.	MACC Programme TRUST	Compliance Department
2. Environmental Initiatives	Environment	20% reduction in monthly usage of single use plastic packaging at the head office cafeteria.	To introduce education programmes on plastics reduction and ban on polystyrene.	Compliance Department
3. Waste Management	Environment	10% improvement in paper recycling in General Office.	To introduce programmes on paper reduction.	Health, Safety, Security & Environment ("HSSE")
4. Occupational Health & Safety	Social (Workplace)	10% reduction in incidences of exceeding speed limits by transport and haulage truck drivers.	To introduce programmes on driving performance including rewards and recognition.	Transport & Haulage Department
5. Training, Education & Career Development	Social (Workplace)	70% of employees attending at least two training sessions (internal or external).	Competency Matrix/Annual Training Plan.	All Departments and Human Resource Department
		50% utilisation of Human Resources Development Fund ("HRDF").	Utilisation of HRDF.	

The KPIs outlined above will form the baseline performance to be reported in our next Sustainability Report 2021.

SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)**STEP 5: GLOBAL REPORTING INITIATIVE ("GRI") & UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UNSDGS")****GLOBAL REPORTING INITIATIVE ("GRI")**

(GRI 102-54)

Embedding corporate sustainability considerations into every aspect of our operations and activities is a long-term endeavour as it requires the gradual buy-in from all management and employees at FMHB and our subsidiaries.

Since embarking on this exercise, our emphasis has been on the development of a framework initially revolving around the selection of our Most Material Matters to kickstart our progressive shift towards corporate sustainability.

With this already in place, the Group is poised to focus on the reporting aspect of sustainability based on the GRI – Core Option guidelines, which covers an extensive 37 areas and 177 specific disclosures including management approaches.

The financial year in review represents our first concerted effort to report on our performance based on the GRI. This being the case, we are aware of falling short in certain areas during the reporting period, a shortcoming made worse by restrictions of the various stages of the MCO.

Nevertheless, our disclosure for this reporting period represents a foundation that we are confident will be improved upon in the years to come. This reporting according to GRI is presented in later sections of this report.

GRI**GENERAL DISCLOSURES**

CODE	AREA
101	Foundation
102	General Disclosures
103	Management Approach

ECONOMIC DISCLOSURES

CODE	AREA
201	Economic Performance
202	Market Presence
203	Indirect Economic Impacts
204	Procurement Practices
205	Anti-Corruption
206	Anti-Competitive Behaviour
207	Tax

ENVIRONMENT DISCLOSURES

CODE	AREA
301	Materials
302	Energy
303	Water & Effluents
304	Biodiversity
305	Emissions
306	Effluents & Waste
307	Environmental Compliance
308	Supplier Environmental Assessment

SUSTAINABILITY ROADMAP (CONTINUED) (GRI 103-2)

SOCIAL DISCLOSURES

CODE	AREA
401	Employment
402	Labour Management Relations
403	Occupational Health & Safety
404	Training & Education
405	Diversity & Equal Opportunity
406	Non-Discrimination
407	Freedom of Association & Collective Bargaining
408	Child Labour
409	Forced or Compulsory Labour
410	Security Practices
411	Rights of Indigenous People
412	Human Rights Assessment
413	Local Communities
414	Supplier Social Assessment
415	Public Policy
416	Customer Health & Safety
417	Marketing & Labelling
418	Customer Privacy
419	Socioeconomic Compliance

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UNSDGs")

The United Nations ("UN") has outlined 17 Sustainable Development Goals ("SDGs") to improve the lives of "everyone, everywhere" in the present and future. This is a universal call to action adopted by all UN member states in 2015. The UNSDGs address the global challenges of poverty, inequality, climate change, environmental degradation, peace and justice among others with the target of achieving its 2030 Agenda for Sustainable Development.









FMHB fully subscribes to this agenda to build a more sustainable planet and in the previous reporting period, we aligned our business operations and corporate activities to three UNSDGs of *Decent Work and Economic Growth, Climate Action, and Peace, Justice and Strong Institutions*.



STAKEHOLDER ENGAGEMENT (GRI 102-21, 102-40, 102-42, 102-43)

At FMHB, we believe stakeholder engagement forms a key component of corporate sustainability. It is critical to manage stakeholders' expectations from the outset. The engagement process is vitally important to effectively understand and match the expectations of various stakeholder groups. This will enable us to properly plan and implement improvements in those areas deemed most important to all concerned.

During the year in review, we engaged our stakeholders via several channels and through selected activities, which are listed below:

STAKEHOLDER	ENGAGEMENT METHOD	CONCERNS
Shareholders and Investors 	<ul style="list-style-type: none"> Annual General Meeting Extraordinary General Meeting Networking sessions Website Announcement of Quarterly Results Annual Report Group meetings 	<ul style="list-style-type: none"> Financial performance. Transparent reporting.
Employees 	<ul style="list-style-type: none"> Town hall meetings Training programmes Recreational events 	<ul style="list-style-type: none"> Job security. Remuneration and benefits. Training and career development. Employee wellbeing, health and safety. Work-life balance.
Clients/Customers 	<ul style="list-style-type: none"> Customer feedback surveys Customer visits Market research 	<ul style="list-style-type: none"> Pricing. Service delivery.
Industry Groups and Strategic Partners 	<ul style="list-style-type: none"> Meetings and visits All forms of communication 	<ul style="list-style-type: none"> Financial stability. Capability and capacity. Reputation.
Local Communities 	<ul style="list-style-type: none"> Sponsorship of community service events Social and environmental initiatives Donations 	<ul style="list-style-type: none"> Community engagement. Life-improving programmes. Environmental and social impacts. Corporate Social Responsibility ("CSR").
Government Agencies/Regulators 	<ul style="list-style-type: none"> Regulatory discussions and meetings with authorities Public consultation with local authorities Site inspections Seminars, briefings and training 	<ul style="list-style-type: none"> Compliance with requirements set by government agencies or other regulatory authorities. Compliance with regulatory requirements of Securities Commission of Malaysia, Bursa Malaysia Securities Berhad, Companies Commission of Malaysia and other reporting guidelines. Policy aligned with areas of national interests including initiatives.
Vendors/Suppliers 	<ul style="list-style-type: none"> Vendor/supplier registration Procurement policies Performance evaluation Site visits and meetings 	<ul style="list-style-type: none"> Payment schedule. Clear procurement policies and practices. Supplier Code of Conduct.
Media 	<ul style="list-style-type: none"> Media interviews, briefing sessions and media conferences Press releases 	<ul style="list-style-type: none"> Brand positioning, image and credibility.

STAKEHOLDER ENGAGEMENT (CONTINUED) (GRI 102-21, 102-40, 102-42, 102-43)**INVESTOR RELATIONS**

Established channels of communication with our investors and analysts are key in disseminating pertinent and timely information on the Group's operational performance and current progress.

The investor relations are managed by the GMD.

The Annual General Meeting ("AGM") is the main platform for shareholders to engage with face-to-face discourse with our Board of Directors and Management Team. Key highlights of the Group's performance are presented during the AGM, followed by the AGM proceedings. The Board then answers shareholders' questions during the question and answer session before the meeting ends. In response to implementing various safety measures due to COVID-19 regulations, shareholders are now strongly advised to participate and vote remotely at virtual meetings to comply with the Government and relevant authorities' directives and guidelines for public gatherings or events, which may be issued from time to time.

In line with the guidelines of the Malaysian Code on Corporate Governance 2017 and as required by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia, all announcements including our quarterly and annual financial results are posted on our corporate website <http://www.fmgloballogistics.com/investor/> as well as Bursa Malaysia's website.

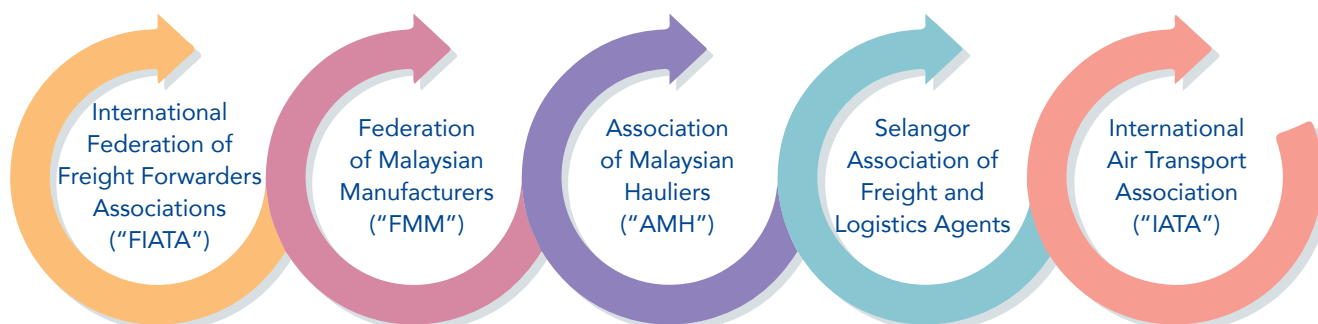
For investor-related queries, comments and matters, emails can be forwarded to http://www.fmgloballogistics.com/investor/information_request.html.

MEMBERSHIP OF ASSOCIATIONS

(GRI 102-13)

FMHB is a dedicated participant on issues related to the freight forwarding and logistics industry. We actively participate in engagements with governments, clients and industries as well as other relevant parties via memberships in international and domestic associations and have been duly recognised as an influential thought leader in the industry in which we operate.

The Group has been an active member of the following associations and organisations:



RISK MANAGEMENT (GRI 102-11 102-30)

While risk management has always been an essential approach to business, it has taken on much greater importance in the wake of the COVID-19 pandemic and its dire consequences for enterprises, big and small.

Since trade was deemed an essential service, we were relatively unscathed by the disruption to economic activity. Nevertheless, the pandemic highlighted a range of economic and social risks which included business sustainability, job security, safety and health of our stakeholders, and many other concerns.

At FMHB, we are vigilant towards any and all risks to our business, employees and stakeholders. We understand the value of having in place a framework with solutions to mitigate risks and also to capitalise on opportunities.

Our Enterprise Risk Management Framework ("ERM") provides the plan of action to identify, evaluate and manage a host of risks affecting business operations and related activities. During the reporting period, we conducted a review of our ERM to gauge its adequacy vis-à-vis COVID-19 and identified the five areas which included provisions to sufficiently address unforeseen circumstances which may potentially affect our operations.



RISK MANAGEMENT (CONTINUED) (GRI 102-11 102-30)**ENTERPRISE RISK MANAGEMENT ("ERM") FRAMEWORK**

1

Disruption to Economy

- To monitor economic reports and economic indicators in all areas;
- To consistently monitor business and industry activity levels;
- To improve overall business performance and efficiency; and
- To expand business to other geographical regions.



2

**Credit Risk**

- To establish credit control policies with constant monitoring and reviewing;
- To monitor collections and follow up on delinquent and outstanding amounts; and
- To perform credit auditing and reviewing from time to time.

3

Inadequate Monitoring of Overseas Operations

- To establish reporting requirements for overseas operations and standardisation of operational policies;
- To monitor performance levels and conduct operational site visits; and
- To review monitoring and reporting requirements.



4

**Ineffective Profitability Management**

- To conduct periodic review of investments, budgets and profitability against targets;
- To monitor budget implementation or CAPEX budgeting;
- To incorporate revenue/expenses monitoring and planning into the monthly management meeting;
- To benchmark and monitor profitability indicators; and
- To review achievements based on the Actual vs Forecast Costs Report every month.

5

Health & Safety of Employees

- To establish health and safety policies, and procedures;
- To conduct regular awareness training programmes as part of the health and safety policies;
- To monitor and record all workplace-related incidents; and
- To review and monitor OSHA compliance by all departments and necessary action to be taken for non-compliance.



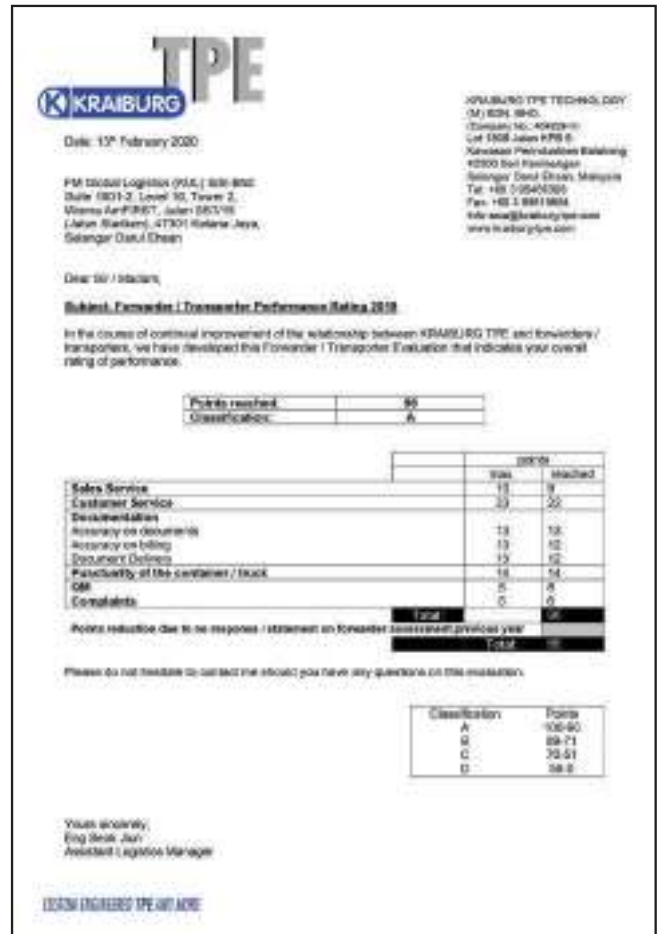
Further details on the ERM Framework are elaborated the Statement on Risk Management and Internal Control on pages 91 to 94 of this Annual Report.

AWARDS & RECOGNITION (GRI 201-4)

As a responsible corporate citizen, FMHB endeavours to create long-term value by taking into account the interests of all our stakeholders. During the year in review, we were honoured to be recognised for our efforts.

FM KUL was named *Best CPN Member in Asia Oceania* for the *Category of Reliable & Efficient Service* by the Cargo Partners Network of Toronto, Canada.

FM KUL also received an 'A' performance rating for services rendered for forwarder/transporter in 2019 from one of our clients.



These recognitions directly correlate with the quality of our work and service performances. While it has boosted FMHB's reputation in the industry, these achievements represent the exemplary performance of our employees in executing their tasks.

THE EES SUSTAINABILITY PILLARS (GRI 102-31, 103-1)

The essence of corporate sustainability rests in the ability of companies or organisations to maximise the positive impact of their operations and at the same time minimise the negative effects of their activities.

We have scrutinised and identified our focus in the **EES** realm which forms our sustainability pillars.



EES Pillars of Sustainability

Addressing sustainability across our entire Group is a priority. The impact of our EES Sustainability Pillars on our various stakeholder groups are far-reaching.

Create wealth for our shareholders and provide indirect economic benefits to other stakeholders while conducting business in an ethical manner consistent with all corporate governance requirements and standards;

Reduce any negative impact on the environment by optimising natural resources and lowering our carbon footprint; and

Provide a safe, healthy and conducive workplace, empower our employees and uplift the community where we operate.

SUPPORTS

Shareholders | Associates | Employees | Vendors | Government | Community | Nation

AFFECTS

Resources | Environment | Present | Future

EMPOWERS PROTECTS PROVIDES

Employees | Customers | Community



ECONOMIC

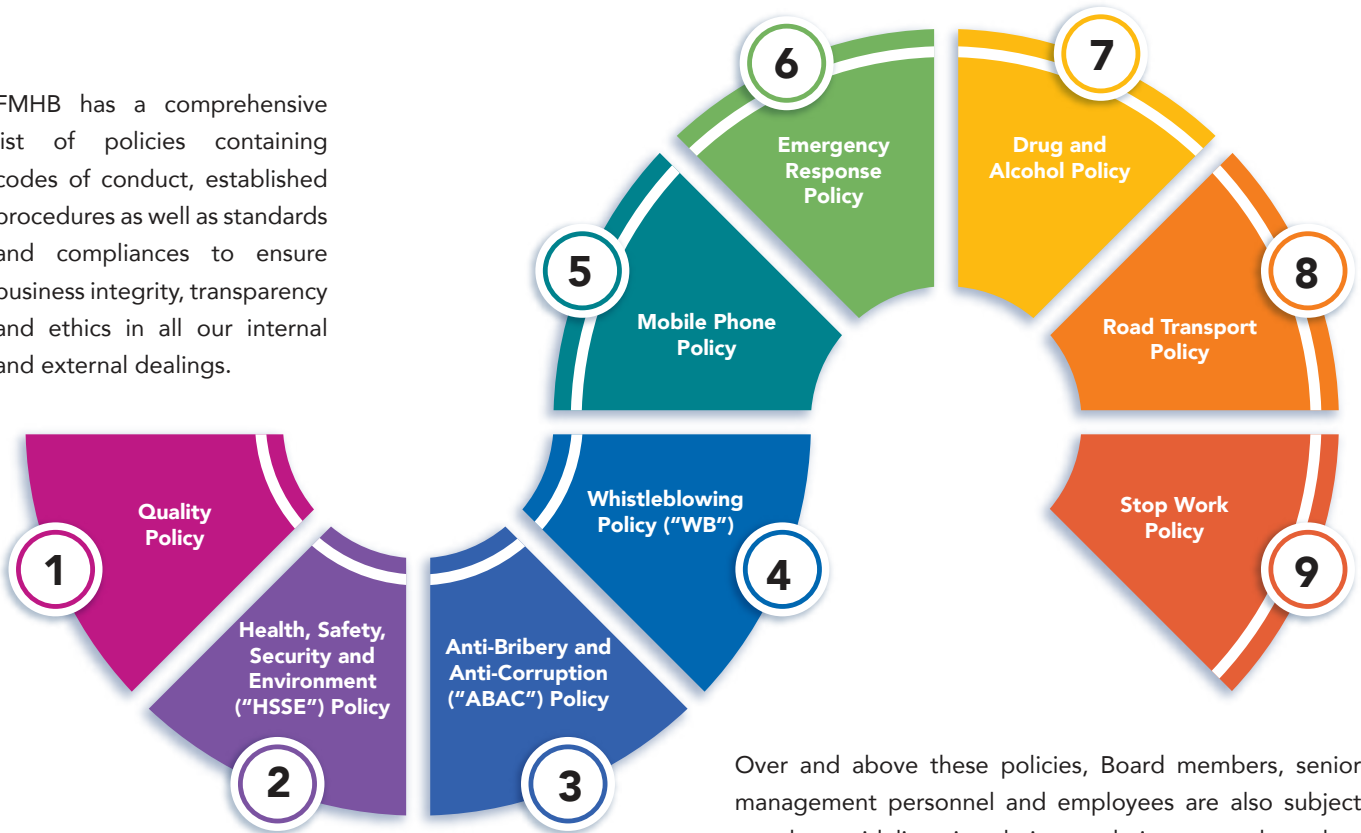
As a responsible business entity, FMHB plays a key role in sustaining and supporting the economic wellbeing of our stakeholders by ensuring we continue to generate strong financial returns on a consistent basis.

By ensuring our own business sustainability, the Group is well-placed to grow the shareholding of our investors, share profits with our business partners and associates, provide employment and attractive remuneration packages to our employees, outsource business to our vendors and service providers, contribute to the community and support nation-building.

To address these needs, the Group sets out to extend our market presence and expand our customer base by constantly improving our service quality, reliability and efficiency. At the same time, we also prioritise business ethics and integrity as well as good governance to build trust and maintain the confidence of our customers.

ECONOMIC PILLAR (GRI 102-17, 102-25, 201, 202, 203, 204, 205, 206, 207)

FMHB has a comprehensive list of policies containing codes of conduct, established procedures as well as standards and compliances to ensure business integrity, transparency and ethics in all our internal and external dealings.



Over and above these policies, Board members, senior management personnel and employees are also subject to other guidelines in relation to their expected conduct and behaviour while discharging their professional duties. One such requirement is for Directors to disclose any conflict between their corporate and personal interests, as highlighted by the Companies Act 2016 and Bursa Malaysia’s listing requirements.



ECONOMIC PILLAR (CONTINUED) (GRI 102-17, 102-25, 201, 202, 203, 204, 205, 206, 207)**ECONOMIC PERFORMANCE**

(GRI 102-6, 201-1, 201-2, 201-3, 201-4)

FMHB has established itself as a leading freight and logistics group in Southeast Asia following an extended period of steady growth and sustainable earnings. The year in review marked 17 years of back-to-back revenue growth and profits, a feat which was all the more commendable in view of the global pandemic recession and constriction to world trade. Between FY2003 and FY2020, we have recorded a compounded annual growth rate ("CAGR") of 9.9% in revenue and 6.2% in Profit Before Tax ("PBT").

We have achieved this by growing our presence in Asia Pacific and beyond, providing multimodal freight and total logistics services to the manufacturing, retail and other sectors as well as a diverse range of customers in the pharmaceutical, healthcare, food and beverages, fast moving consumer goods, electronics, and oil & gas industries.

As a result of our stable financial position, we consistently share our largesse with our stakeholders which include dividends for shareholders. In order to attract and retain the best talent, we offer an attractive remuneration package and reward our employees with bonuses and incentives to elevate productivity performance.

Further details of the Group's business objectives and financial results are presented in the Management Discussion and Analysis section on pages 14 to 24 of this Annual Report.

MARKET PRESENCE

(GRI 202-1, 202-2)

As a leading local freight and logistics service provider, FMHB is considered a preferred employer, particularly for the domestic market where gainful employment is becoming a pressing issue during the pandemic.

The Group provides fair and generous remuneration and other benefits on par with other players in the industry.

INDIRECT ECONOMIC IMPACTS

(GRI 203)

FMHB's nature of business in freight and logistics does not involve the development of any physical infrastructure that can indirectly benefit the communities where we operate. However, we contribute significantly to job creation and business opportunities for local vendors, suppliers and service providers. Such benefits are explored and expounded on in other segments of this Sustainability Statement.

PROCUREMENT PRACTICES

(GRI 102-9, 204-1)

FMHB has an extensive supply chain including transportation, haulage and other general vendors to support our service provision to global customers. With the exception of overseas agents, 100% of our third party contractors are local companies for practical reasons including cost and convenience.

We have an established procurement procedure for acquiring shipping space for exports, assets, capital purchases and stocks, warehousing, lorries and other haulage transportation as well as other products and services.

The procedure also incorporates an assessment of new and existing vendors covering among others, quality of service, competitive pricing, efficiency, punctuality, knowledge and skills, financial stability and many more.

FMHB has a business continuity plan encompassing talent and systems to minimise the impact of any disruptions and ensure the Group maintains our growth trajectory.

ECONOMIC PILLAR (CONTINUED) (GRI 102-17, 102-25, 201, 202, 203, 204, 205, 206, 207)

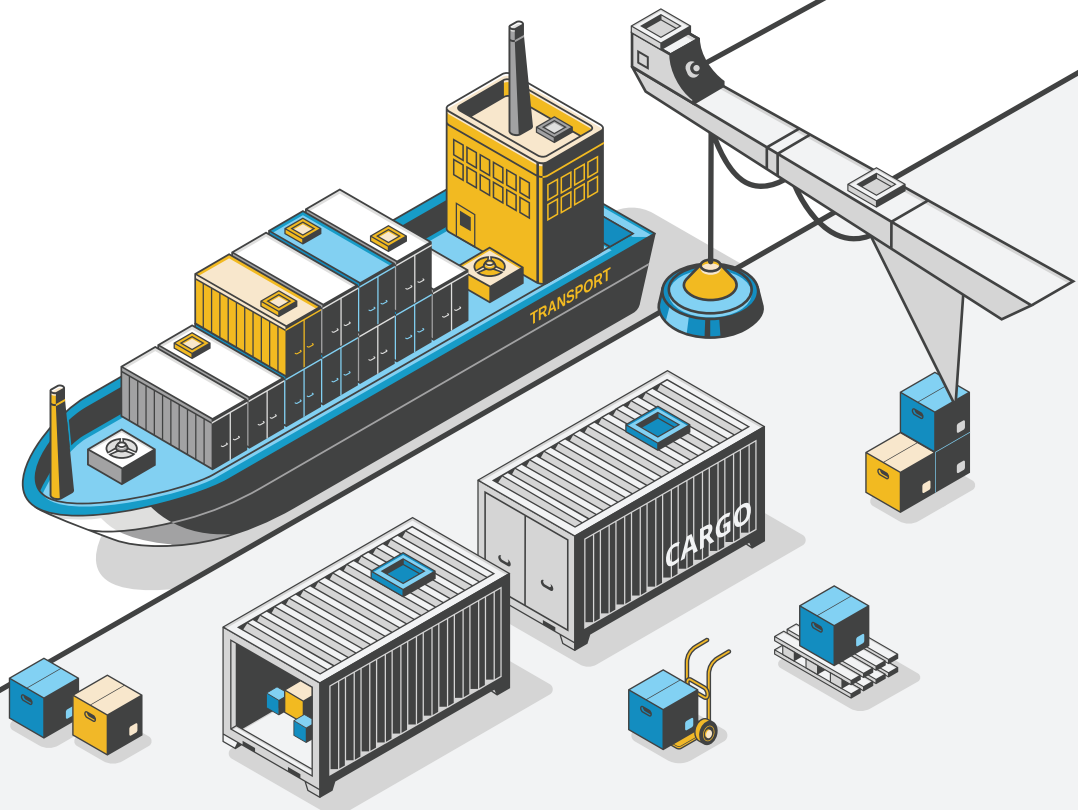
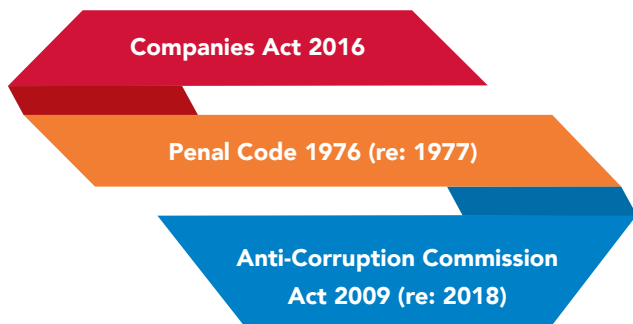
ANTI-CORRUPTION

(GRI 102-17, 205-2, 205-3)

FMHB adopts a firm stand against any and all forms of corruption including bribery and schemes for self-gratification. We practise a zero tolerance approach, believing that such practices and behaviour will not only damage the Group’s reputation but also affect the performance of employees and efficiency of our service delivery.

We adhere to the TRUST principles recommended by the Malaysian Anti-Corruption Commission (“MACC”) to maintain integrity in all our business dealings and transactions.

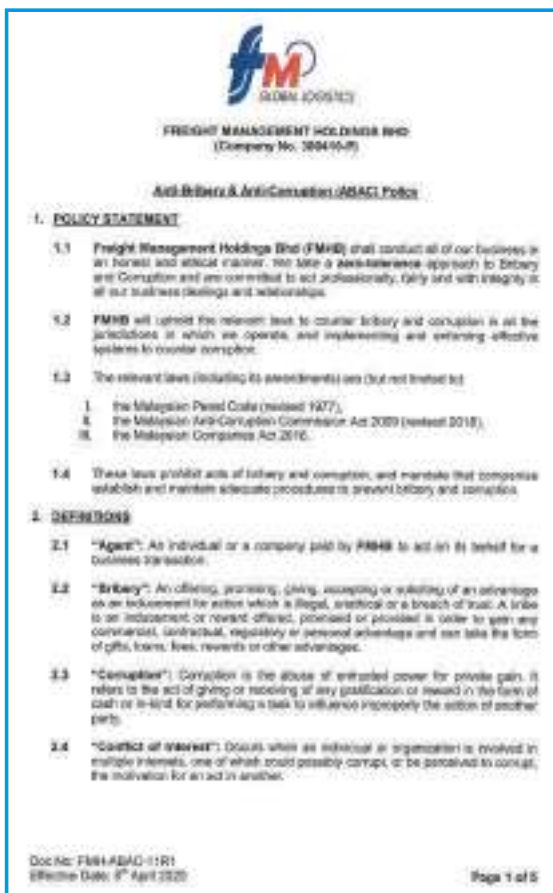
RELEVANT LAWS AND REGULATIONS



ECONOMIC PILLAR (CONTINUED) (GRI 102-17, 102-25, 201, 202, 203, 204, 205, 206, 207)

In response to TRUST, we have in place an Anti-Bribery and Anti-Corruption (“ABAC”) Policy and Whistleblowing (“WB”) Policy as well as a Risk Management Register which lists issues including soliciting or receiving gratification from third parties, conflicts of interest, nepotism and others. All Board members and employees undergo training sessions on anti-corruption and a copy of our ABAC and WB policies are distributed to everyone within the organisation. We are in the process of providing a Third Party Declaration form for all third parties including vendors, suppliers and service providers to confirm their awareness of FMHB’s ABAC and WB policies.

During the year in review, we did not record any incidents of corrupt activities within the Group or its subsidiary companies.



ANTI-COMPETITIVE BEHAVIOUR

(GRI 206-1)

FMHB does not engage in any anti-competitive conduct and is committed towards fair competition in our service provision and business dealings.

TAX

(GRI 207)

The Group honours all our obligations with regards to taxation according to the respective laws in Malaysia such as the Income Tax Act 1967.



ENVIRONMENT

FMHB understands and acknowledges the impact on the environment arising from our transportation operations, logistics and warehousing, office administration and various other activities.

The environmental impact of the transportation operations include the consumption of natural resources which is mainly burning fuel. This creates air pollution which is a contributor to greenhouse gas emissions. Meanwhile, our logistics and other activities involve the consumption of resources including energy, water and general business consumables while also generating waste materials and effluent.

We are aware of the need to minimise our environmental footprint via proactive and reactive measures to conserve natural resources and preserve the sustainability of the natural ecology. Further, we have taken note of the dire warning of humankind's increasing infringement on nature leading to the emergence in recent decades of viruses such as the Severe Acute Respiratory Syndrome ("SARS"), Middle East Respiratory Syndrome ("MERS") and the latest COVID-19.

ENVIRONMENTAL PILLAR (GRI 102-15, 301, 302, 303, 305, 306, 307, 308)

As part of our efforts to reduce logistics-related environmental impacts, we strictly comply with all applicable environmental-related legislation and standards, details of which are outlined in the following pages.

Leveraging on technological advancements, the Transport Management System (“TMS”) manages the routes and order management of our entire fleet of trucks and prime movers. GPS tracking system is installed in every vehicle which contributes to route optimisation.

The TMS supports our operations by managing the performance of the drivers as well as maintenance and utilisation of our trucks.

We also have Emergency Response and Preparedness (“ERP”) procedures in place to deal with a range of scenarios including: accidents; fires; hijacking and robberies; floods; bomb threats; medical emergencies; spillages and breakdowns.

The ERP enables emergency response drills to be planned, executed and improved on in order to ensure mitigation efforts are effective and efficient.

MATERIALS

(GRI 301)

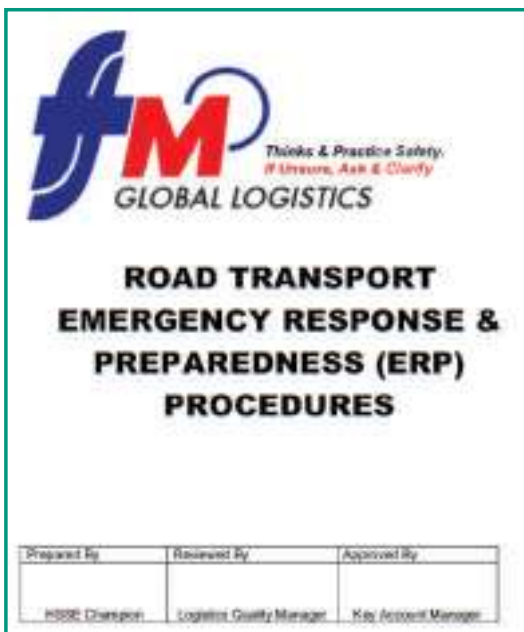
As a freight and logistics business, we only consume office materials in our administrative tasks. In this area, we are committed to the principles of reuse, reduce and recycle (“3R”) in our daily consumables.

We encourage the use of digitalisation for our employees to go paperless during meetings and in circulating internal notices or memos. Board papers are distributed electronically to minimise the use of printing paper.

In the previous year, the Annual Report was converted into a Portable Document Format (“PDF”) and was uploaded on our corporate website under the Investor Relations page. An e-notification which incorporated a QR code was mailed out to the shareholders. By scanning the QR code, shareholders can gain access to the digital versions of the Annual Report and circular. All future notifications, circulars and annual reports will be made available in this digital format as well.

Our employees are also encouraged to segregate office waste such as paper, plastics and aluminium cans to nurture the 3R concept of reduce, reuse and recycle.

Another green initiative is in raising awareness on the need to reduce the usage of plastics and drinking straws to minimise pollution of the environment. Hence, employees have taken the steps to bring their own food and drinks containers, and reusable mugs, plates and cutlery are provided in the pantry and canteen areas.



ENVIRONMENTAL PILLAR (CONTINUED) (GRI 102-15, 301, 302, 303, 305, 306, 307, 308)**ENERGY**

(GRI 302, 302-1, 302-4)

Due to the nature of our business, the Group's mitigation efforts to protect the environment are rightfully focused on lowering energy consumption, particularly fuel for our haulage and other transportation vehicles.

Our initiatives on fuel efficiency has the added bonus of reducing greenhouse gas ("GHG") emissions and waste, which is discussed in other parts of this section under the Environmental Pillar of Sustainability.

Introduced in December 2019, FMHB's Fuel Consumption Improvement Project involved the substitution of the EURO 2M (B10 blend) diesel with the more environment-friendly EURO 5 (B7 blend) diesel for use in our trucks. This gradual conversion began in January 2019 and was completed by April the same year.

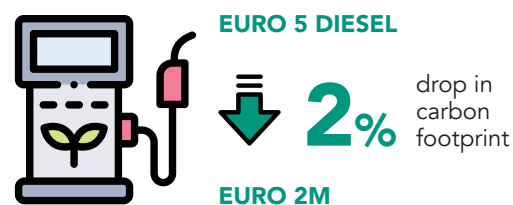
Since then, the project has resulted in a 2% reduction in carbon footprint. While our fuel costs may have gone up with the switch to Euro 5 diesel, the additional costs were offset by savings from the longer vehicle servicing intervals.

Electricity consumption is another area where we consistently look for cost-saving solutions since our warehousing facilities require refrigeration for such products as pharmaceuticals and food & beverages.

Among the measures taken in the past years have been the installation of LED lights, which require as much as 50% less electricity and motion sensors for lighting at all our premises.

We intend to track electricity usage at FMHB and all our subsidiaries in the new reporting period ("FY2021") and these figures will form the baseline for efforts to reduce consumption in the years ahead.

During the reporting period, we put in place plans to install solar panels on the roof of our warehouse at headquarters. Details of this initiative will be disclosed in the next financial year.

EURO 5 DIESEL IS MORE ENVIRONMENT-FRIENDLY THAN EURO 2M

We plan to calculate and report our energy intensity (GRI 302-3), GRI indicators of 302-2 (energy consumption outside the organisation) and 302-5 (reductions in energy requirements of products and services) in the future when we can fulfil their reporting requirements.

The other indicators are not applicable to our nature of operations.

ENVIRONMENTAL PILLAR (CONTINUED) (GRI 102-15, 301, 302, 303, 305, 306, 307, 308)

WATER AND EFFLUENTS

(GRI 303-5)

FMHB is committed to water conservation at all premises and facilities within the Group and subsidiary companies. As with electricity usage, we will begin compiling the results of our water consumption in the new financial year as the baselines figures for comparison going forward.

EMISSIONS

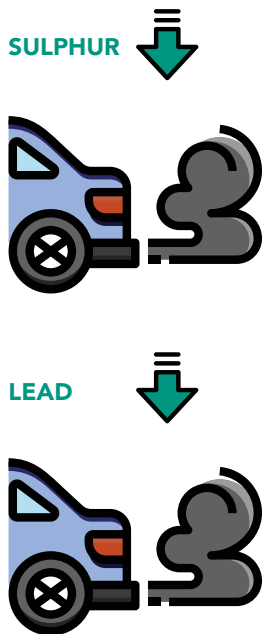
(GRI 305)

A main objective of our Fuel Consumption Improvement Project first mentioned under *Energy (GRI 302)* is to reduce pollution in the form of sulphur, sulphuric acid and lead emissions from our haulage and other transportation vehicles.

During the reporting period, the project resulted in significant reductions in the emissions of all three chemical elements and compounds into the atmosphere.

The Group also monitored the level of dark smoke emitted from our generator sets at subsidiary company, FM Global Logistics (M) Sdn. Bhd. and found it to be within the permissible limit specified under the Environmental Quality (Clean Air) Regulations 2014.

BENEFITS OF EURO 5 DIESEL



ENVIRONMENTAL PILLAR (CONTINUED) (GRI 102-15, 301, 302, 303, 305, 306, 307, 308)**RESULTS OF DARK SMOKE OBSERVATION****Data Analysis Results**

The results of Dark Smoke Observation monitoring at FM Global Logistics (M) Sdn. Bhd. are shown in the table below:

Parameters	Results (Time)	Permissible Dark Smoke Limit#
Dark Smoke Observation (every 15 seconds in one-hour intervals)	* 0 minute 0 Second	Not darker than shade No. 1 on the Ringelmann Chart.
	** 0 minute 0 Second	Not darker than shade No. 2 on the Ringelmann Chart for aggregate of less than 5 minutes in any period of 1 hour, provided that the total period of such emissions do not exceed an aggregate of 15 minutes in any period of 24 hours.

Notes:

* The amount of time the emission of smoke is darker than shade No. 1 on the Ringelmann Chart.

** The amount of time the emission of smoke is darker than shade No. 2 on the Ringelmann Chart.

The permissible Dark Smoke Limit under Regulation 12 of the Malaysian Environmental Quality (Clean Air) Regulations 2014.

We intend to extend our compilation of results in the future to include emissions from waste generated, business travel, employee commuting and others in order to fulfil the requirements of direct GHG emissions (GRI 305-1); GHG emissions from consumption of electricity, heating, cooling and others (GRI 305-2); GHG emissions intensity (GRI 305-4); and reduction targets for GHG emissions (GRI 305-5). At this stage, we will defer tracking of GHG emissions occurring outside the company from upstream and downstream activities (GRI 305-3). In efforts to further reduce our carbon footprint from travelling, our employees are encouraged to conduct meetings via video or voice conferencing.

NOISE MONITORING

FMHB monitors noise levels generated by our activities on a regular basis to ensure they are within the permissible threshold of no more than 70.0 dB (A) under Schedule 1; Annex A: Schedule of Permissible Sound Levels; The Planning Guidelines for Environmental Noise Limits & Control by the Department of Environment ("DOE"). During the year in review, a third party laboratory carried out monitoring of the boundary noise level at FM Global Logistics. All readings fell below the permissible level.

EFFLUENTS AND WASTE

(GRI 306-1, 306-2)

FMHB's discharge of effluent and disposal of waste are in accordance with all relevant laws and regulations in order to reduce potential pollution and contamination of the natural environment.

We carry out periodic laboratory tests on our discharge of effluent to ensure compliance with the Standard B benchmark of the Environmental Quality Act 1974.

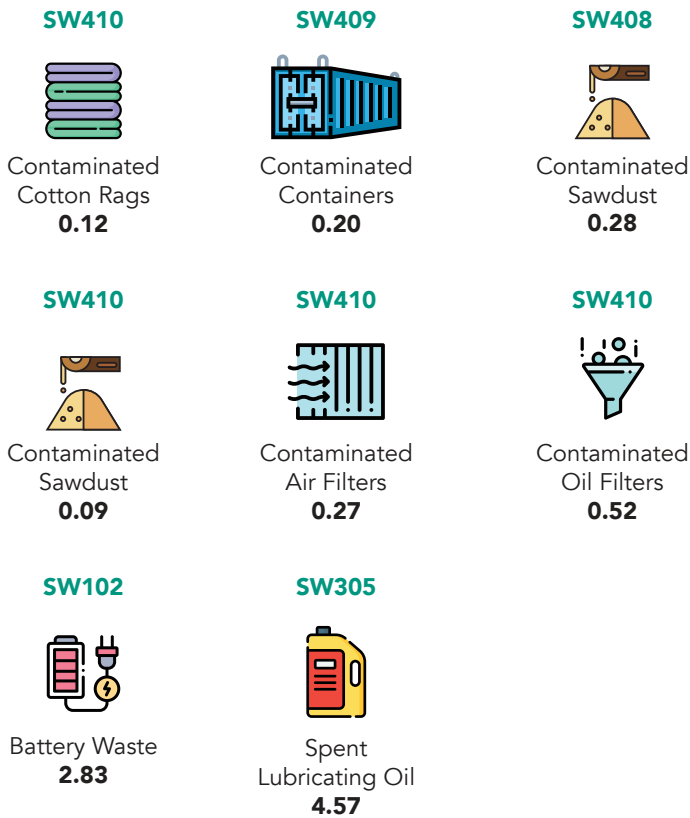
The results of the test done by the laboratory found that the effluent did not exceed the Standard B levels for parameters such as the pH level, chemical oxygen demand ("COD"), biological oxygen demand ("BOD"), total suspended solids, metals or any other chemical element or compound.

In the case of waste management, we have engaged licensed contractors registered with the DOE to recycle or dispose of our solid waste, which includes carton boxes, plastic wrapping and containers.

ENVIRONMENTAL PILLAR (CONTINUED) (GRI 102-15, 301, 302, 303, 305, 306, 307, 308)

Our scheduled waste is generated from the maintenance of vehicles and machinery and these include contaminated cotton rags, empty containers, saw dust, air filters, oil filters, battery waste and spent lubricating oil. These are stored in sealed containers and placed in designated areas in case of spillage before disposal by a licensed contractor according to the DOE requirements.

TOTAL SCHEDULED WASTE FOR DISPOSAL 2020
Weight (metric tonnes)

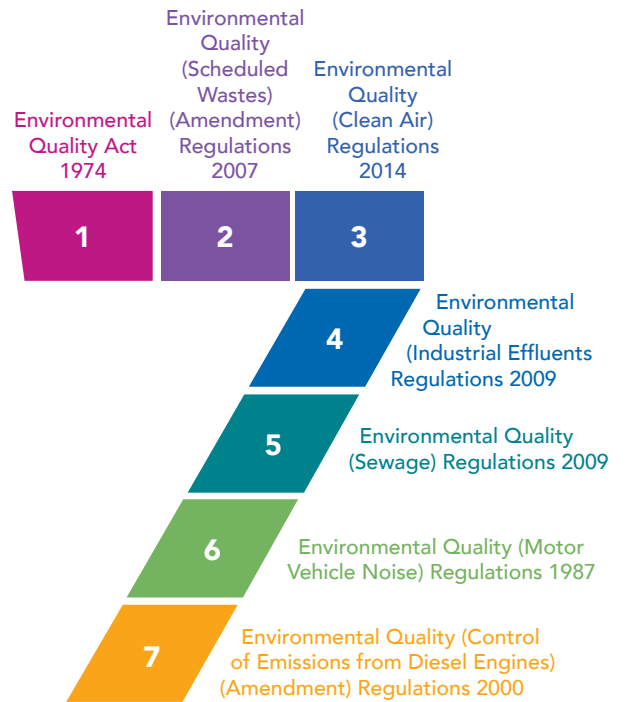


The other GRI indicators are not applicable to our business.

ENVIRONMENTAL COMPLIANCE

(GRI 307-1)

FMHB stringently adheres to all applicable laws, regulations and standards related to the environment. These are:



During the year in review, there were no incidents of non-compliance with any environmental laws or regulations.

SUPPLIER ENVIRONMENTAL ASSESSMENT

(GRI 308)

FMHB encourages all our vendors, suppliers and service providers to commit to environment-friendly practices.



SOCIAL

Addressing the socioeconomic and social needs of our stakeholders which include employees, customers and communities is the focus of this Sustainability Pillar, which has taken on greater urgency and relevancy in the midst of the COVID-19 pandemic.

Concerns such as job security, safety and health, upskilling and reskilling of talent, human rights and the welfare of local communities have been amplified as a result of the pandemic's wide-ranging consequences on lives and livelihoods.

At FMHB, we understand our role and responsibility in prioritising these issues in order to provide stability and consistency for our stakeholders as an employer, service provider and responsible corporate citizen.

As such, we intend to strengthen our ties and reinforce our connections so as to grow side-by-side with all parties in the workplace, marketplace and communities where we operate.



SOCIAL PILLAR (GRI 401 - 419)

EMPLOYMENT

(GRI 102-8, 401-1, 401-2)

FMHB is a growing company with more than 1,600 employees spread across Malaysia and in overseas offices in Thailand, Vietnam, the Philippines, Indonesia, Australia, India and the United States of America.

We are a preferred employer on account of our attractive remuneration packages plus other benefits, conducive work environment as well as enabling a culture of continuous improvement which leads to career advancement opportunities.

The bulk of our workforce is based in Malaysia, which has 1,280 employees or almost 77% of the total complement working from offices and other sites in the central, east coast, northern and southern regions as well as East Malaysia.

The Group has a healthy mix of employees charts in terms of gender and age groups, as shown in the tables. We intend to balance these proportions to ensure FMHB remains a vibrant and dynamic Group in the years ahead.

All our employees in Malaysia are permanent employees, with contracted personnel only found in some of our overseas operations. Permanent employees are eligible for full employee benefits which include insurance and medical coverage, promotion and leave which are in compliance with the Employment Act 1955. All employees are required to abide by the company policies which include the Employee Code of Conduct, Anti-Corruption and HSSE.

Employment policies and guidelines are stated in the Employee Handbook and new employees are briefed on these requirements through on-boarding sessions. The Employee Handbook also outlines the procedures on filing complaints on any work related matters. The Whistleblowing Policy was established to encourage employees to report any suspected unlawful or unethical practices and misconduct within the Group. Employees can raise concerns without fear of victimisation, discrimination or dismissal.

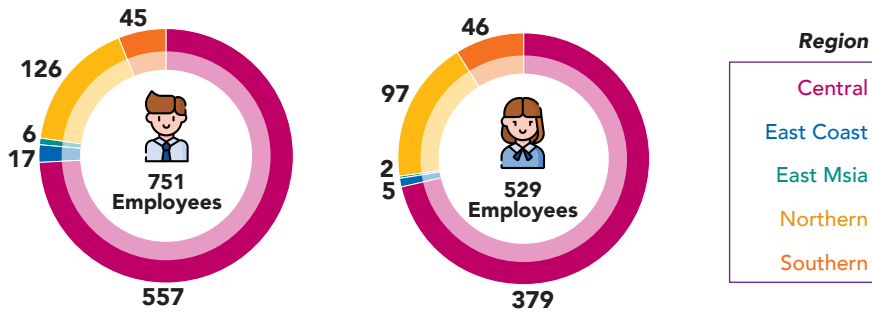
There were no grievances or incidents reported during the year under review.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)

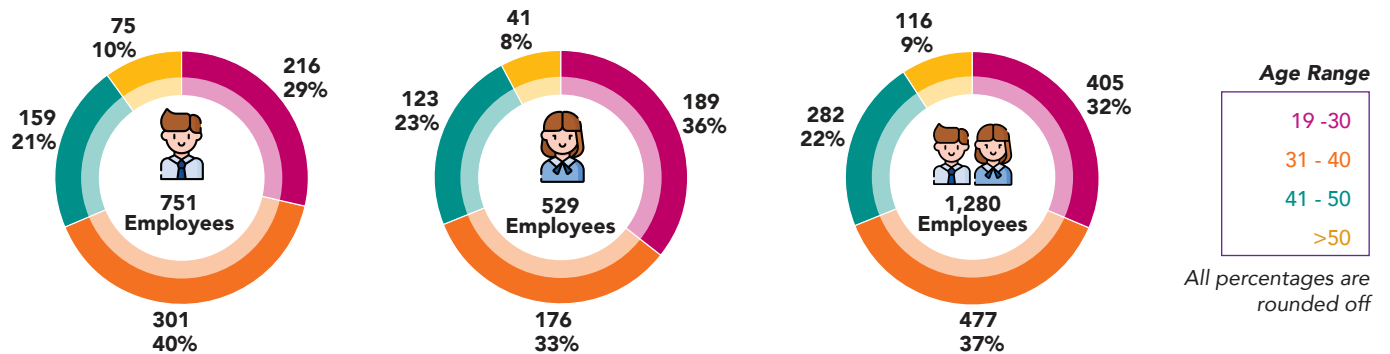
NO. OF EMPLOYEES BY REGION AND GENDER (MALAYSIA OFFICE)

Total of 1,280 Employees



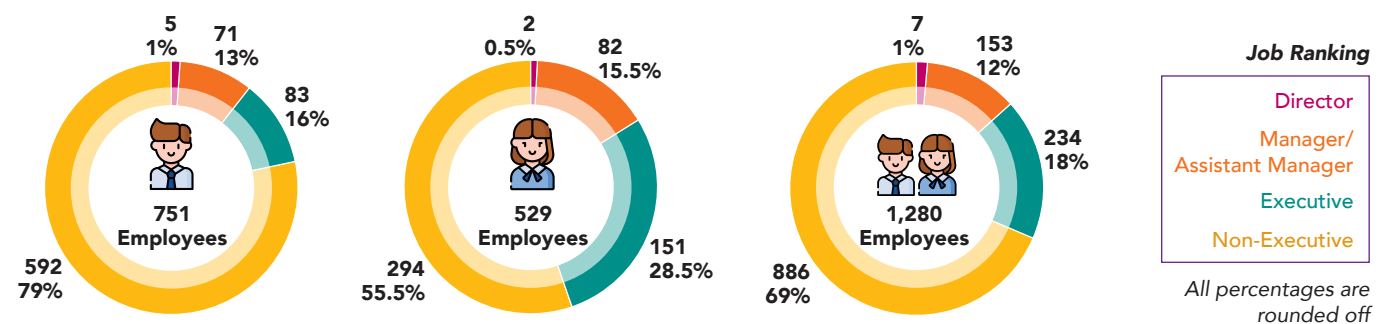
NO. OF EMPLOYEES BY AGE AND GENDER (MALAYSIA OFFICE)

Total of 1,280 Employees



NO. OF EMPLOYEES BY JOB RANKING AND GENDER (MALAYSIA OFFICE)

Total of 1,280 Employees



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)**LABOUR MANAGEMENT RELATIONS**

(GRI 402-1)

The Group consistently maintains cooperative and collaborative relations with our employees through regular interaction and communication.

OCCUPATIONAL HEALTH AND SAFETY

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10, 404)

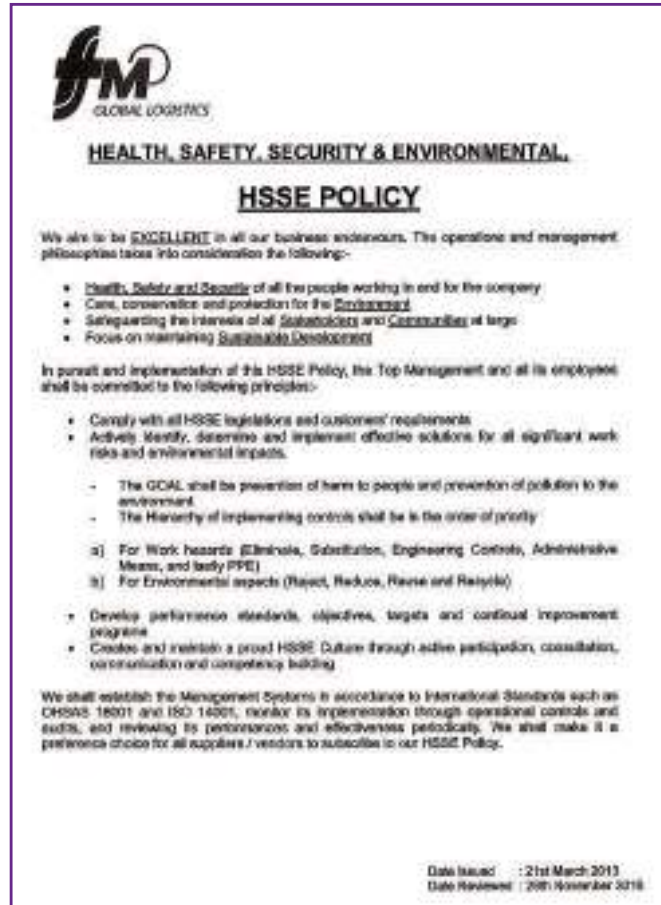
The safety, security and health of our employees have always been paramount considerations at FMHB, which has long established policies and procedures to safeguard our drivers, warehouse workers and office employees.

Since the onset of the COVID-19 pandemic, we have put in place additional precautions such as mandatory wearing of masks at all premises, taking of temperatures, social distancing, registration of all visitors and many other measures.

The Group complies with all relevant occupational health and safety ("OHS") laws and regulations including the Occupational Safety and Health Act 1994 and Road Transport Act 1987. Our OHS management system currently complies with the Occupational Health and Safety Assessment Series ("OHSAS") 18001:2007 standard and will be certified with the ISO 45001:2018 standard by end December 2020.

Accordingly, we have updated our HSSE Policy as well as HIRAC procedure on hazard identification, risk assessment and incident investigation, which is embedded in our procedure to determine organisational issues.

Developed in collaboration with our employees, the HIRAC procedure includes processes to identify, assess and report (and if possible, eliminate) on potential hazards and also includes channels for employee input to improve OHS.



We also have a Stop Work Policy in the event there is an immediate threat to the safety and health of our employees and other stakeholders, with the Policy specifying that such decisions will be fully supported by management. In addition, the Group has comprehensive Accident Investigation procedures to deal with any unfortunate incidents.

To implement and oversee OHS matters, FMHB has HSSE committees in every relevant division including transportation, warehousing, customs brokerage as well as import and export. These committees convene at least once every three months while operational units conduct daily toolbox meetings to address any issues and also provide the opportunity for employees to report on potential incident near misses ("PINM").

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)

In addition, we review our HSSE performance on a regular basis, with daily pre-operation checks and monthly audits to determine hazards and compliance to standards. To ensure employees are familiarised with all health and safety procedures and processes, we organise regular training sessions on these matters.

HSSE TRAINING FOR FY2020**HSSE MANAGEMENT****3**

Sessions

**HSSE COMPETENCY & TRAINING****23**

Sessions

**EMERGENCY RESPONSE****10**

Sessions

**ENVIRONMENT****6**

Sessions

**WE CARE & SAFETY EVENTS****8**

Sessions

As a result of our stringent HSSE procedures and processes, FMHB has not recorded any workplace incidents resulting in fatalities, lost time, restricted workday cases, medical treatment or first aid cases. During the year in review, we also installed pallet support bars in all our racks as part of our warehouse improvement project, which is intended to introduce additional safety measures.

OHS INCIDENTS 2015 - 2020

	Year	2015	2016	2017	2018	2019	2020
Description							
Man Hours		860,000	932,000	970,000	998,400	1,300,000	1,372,800
Number of Fatalities		0	0	0	0	0	0
Number of Lost Time Incidents		1	0	0	0	0	0
Number of Restricted Workday Cases		1	0	0	0	0	0
Number of Medical Treatment Cases		1	0	0	0	0	0
Number of First Aid Cases		0	0	0	0	0	0
Number of Near Misses (PINM)		138	323	371	469	476	274
LTIFR per 200,000 manhours		0.23	0	0	0	0	0
RIFR per 200,000 manhours		0	0	0	0	0	0

LTIFR = The frequency of lost time injuries per 200,000 hours worked/at risk.

RIFR = The frequency of recordable injuries per 200,000 hours worked/at risk.

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)**TRAINING AND EDUCATION**

(GRI 404-2)

Today's economic landscape requires talents to be agile and adaptable to the constantly-shifting demands and challenges in business. The acquisition of knowledge and skills must be a continuous process for professionals regardless of their years in service or experience.

FMHB is a firm believer in sustained training and education in order to gain and maintain an edge over our competitors while also filling in any gaps in succession planning as upskilling and reskilling provide our employees with opportunities for career advancement.

However, our extensive training schedule was to an extent interrupted by the pandemic and subsequent MCO phases (Conditional MCO and Recovery MCO).

DIVERSITY AND EQUAL OPPORTUNITY

(GRI 405-1)

Diversity at the workplace provides companies with different cultures, languages and life experiences to draw from in creating a healthy work environment as well as in generating business growth.

At FMHB, we are committed towards diversity and in giving equal opportunities to employees of all races, religions, cultures, genders, ages and backgrounds. We actively encourage interaction among our employees so they can learn from one another.

During the reporting period, FMHB's Board reviewed, approved and adopted the Group's Diversity Policy on 22 October 2019. The policy statement is as follows:

Building a diverse and inclusive culture is essential to the Group's success to enable the Company to respond to Malaysia's diverse customer base. A truly diversified Board can enhance the effectiveness, creativity and capacity of the Board and Group.

The Company's strategic intent for boardroom diversity is the attraction, retention and development of a diverse team of skilled people who are increasingly engaged towards the delivery of the Company's strategies as set out in this policy.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)

The policy expressly declares that workplace diversity is everyone's responsibility and includes the following principles:

- 1 Practising and promoting behaviour consistent with the Company's Code of Work Ethics Policy.
- 2 Respecting different ways of thinking and using its employees' different perspectives to improve business outcomes.
- 3 Treat each other with respect and dignity.
- 4 Provide a safe, secure and healthy workplace.
- 5 Make decisions genuinely based on equity and fairness.
- 6 Value the diversity of people.
- 7 Take appropriate action to eliminate discrimination.

The breakdown of employees according to gender, age group and job ranking is presented on page 57 of this Social section. We intend to provide the ratio of remuneration of men versus women in the next Sustainability Report.

NON-DISCRIMINATION

(GRI 406-1)

FMHB maintains a discrimination-free workplace and actively encourages interaction between employees of different races, religions, genders, age groups, with or without disabilities or any other factor that distinguishes individuals apart from others.

Non-discrimination at our workplaces is enshrined in our Corporate Code of Business Conduct and Work Ethics Policy, which reflect the Group's core values and principles, which are as follows:

- 1 To act honestly, fairly and professionally in all business dealings.
- 2 To foster a culture of integrity.
- 3 To work together to promote a safe, ethical and professional workplace.
- 4 To comply with the laws, rules and regulations under which the Company conducts its business.
- 5 To respect the local communities wherever the Company operates.

There were no incidents of discrimination of any kind recorded during the year in review.

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)**FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

(GRI 407)

FMHB does not subscribe to collective bargaining in employment. Nevertheless, we are always open to discussions with employees on such matters as remuneration, benefits, workplace conditions and many more. Our priority remains on fostering a healthy and productive work environment.

CHILD LABOUR

(GRI 408)

The Group does not employ under-aged labour in accordance with the relevant employment laws and regulations in Malaysia, a condition extended to include our selection of vendors, suppliers and service providers.

FORCED OR COMPULSORY LABOUR

(GRI 409)

We do not condone any acts of forced or compulsory labour within the Group or among our third party contractors.

SECURITY PRACTICES

(GRI 410-1)

Our security is outsourced to external service providers, who are bound by our service agreement and have to comply with standard operating procedures ("SOP"). The conduct and behaviour of these security personnel are monitored by our HSSE Committee, with a monthly review carried out with the vendor.

HUMAN RIGHTS ASSESSMENT

(GRI 412-1)

FMHB supports and respects human rights. We always set out to treat individuals with dignity and respect in the workplace, provide equal employment opportunities, create a safe and harmonious work environment, and will not engage in any form of discrimination. Our employees are expected to respect the personal dignity, privacy and rights of each individual they interact with during the course of work and will not in any way cause or contribute to the violation or circumvention of human rights.

This above clause is included in the Group's Corporate Code of Business Conduct and Work Ethics Policy.

LOCAL COMMUNITIES

(GRI 413)

As a responsible and community-oriented company, FMHB is an active participant in community development. Our Corporate Social Responsibility ("CSR") programmes are aimed at uplifting as well as empowering disadvantaged communities through meaningful activities.

While our efforts were unfortunately curtailed due to the COVID-19 pandemic, we still managed to continue with some CSR programmes and contributed to charitable organisations to ease some of their burden.

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)



MALAYSIA

July 2019

We purchased Pocket Diaries Year 2020 as part of POBP Dayspring Selangor's (Society for Persons with Learning Difficulties) fund raising efforts.

We conducted interviews and a tour of the premises for some local university students who were keen to pursue careers in the logistics industry.

October 2019

We donated cash to the SEMOA Bhd Orang Asli Education Centre to assist Orang Asli children, aged five and above to continue with their education efforts. The centre is located in Tras Raub, Pahang.

In response to the Malaysian Red Crescent Society's appeal for donations, FMHB made contributions to support the organisation in their humanitarian missions.

January 2020

In support of the Kota Raja Klang Fire Department, we contributed to the Kelab Balai Bomba & Penyelamat Klang Selatan for them to pursue recreational activities.

June 2020

Donations were given to Pertubuhan Kebajikan Warga Emas Kenang Budi Kuala Lumpur General to contribute towards the upkeep of the home for the aged.

**August - September 2019**

Employees from FM Global Logistics (M) Sdn. Bhd., Johor went for a team building trip as part of their recreation activities.

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)



MALAYSIA



November 2019

Employees gathered to celebrate the Festival of Lights at the Deepavali Celebration. Employees from all races were sportingly dressed in traditional Indian attire and jewellery and indulged in festive treats.

December 2019

In spreading goodwill and cheer, our Malaysian employees celebrated Christmas with a party at our headquarters in Port Klang. The office was gaily decorated and the employees enjoyed Christmas treats as well as exchanging gifts as part of the merry making.



December 2019

Employees from the FMGL-KUL (Kelana Jaya office) took time off for the Christmas Celebration Staff Gathering towards the year end.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)



MALAYSIA

**February 2020**

Employees at the headquarters in Port Klang ushered in the Year of the Golden Rat with a get-together. Everyone took some time off their busy schedules to wish one another Gong Xi Fa Chai before heading off for the Chinese New Year break.

February 2020

A Gong Xi Fa Chai event was held at FM Global Logistics (KUL) Sdn. Bhd., Penang in conjunction with Chinese New Year. Employees were treated with a Lion Dance as they mingled together enjoying tasty treats and goodies including the staple mandarin oranges.

**December 2019**

The Business English in 3 Steps training programme was conducted for employees by an English Coach.

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)



MALAYSIA

December 2019

The "Best Driver of the Month Awards - Rank '4' were given out to some of our truck drivers as recognition for observing road safety rules and regulations throughout the month.



February 2020

Some of our truck drivers received the Rank '4' Best Driver of the Month Award to appreciate their road safety awareness.



February 2020

Local university students underwent interviews and gained first-hand knowledge on our freight and logistics operations at our office premise in Port Klang.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)



MALAYSIA

March 2020

A training session was conducted to brief employees on the latest provision under the Malaysian Anti-Corruption Commission ("MACC").



June 2020

Although the Hari Raya Aidilfitri celebrations fell during the MCO period, we managed to organise the Hari Raya Celebration for our employees at the headquarters. In spite of social distancing and other SOPs which we had to strictly adhere to, everyone was dressed for the event and enjoyed the merriment of the day.



INDONESIA

PT. FM GLOBAL LOGISTICS



February 2020

The founder of Jababeka through the Yayasan Pendidikan Universitas President initiated a 'gotong royong' in collaboration with all business owners as well as government associations and the community within the Cikarang vicinity. The objective of this initiative was to raise funds and donate essential goods to assist those who were affected by the COVID-19 pandemic.

Our Indonesian counterparts assisted by providing free consultation to donors who were keen on sending these much needed goods overseas. We also provided free clearance service for these goods which were being imported into the country.

SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)**INDONESIA****March 2020**

Employees from FM Jakarta underwent a Mini Medical Check up at the office facilities, where flu vaccinations were administered as a precaution.

**PT. FM GLOBAL LOGISTICS****February 2020**

Our personnel attended the National Sales Convention Training.

**THAILAND****FM GLOBAL LOGISTICS CO., LTD.****March 2020**

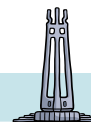
The Thai Kite Association organised a charity drive for distributing preused computers and office equipment to needy students in rural schools. Our Thai counterparts distributed personal computers, monitors, laptops and copier machines.

May 2020

Funds were contributed to the Buddharaksa Foundation as part of their fund raising initiative to sponsor families who were severely affected by the COVID-19 pandemic. The Buddharaksa Foundation plans to continue sponsoring 5,000 Thai baht per family per month for a one year period.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)



PHILIPPINES

In October 2019, FM Global rallied to the call of their adopted community for a feeding programme in Parañaque City.

FM Global hosted 100 children from different age groups. Hot meals were served and school supply kits were distributed to the children.

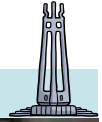


FM GLOBAL LOGISTICS (PHIL.), INC.

October 2019

The CSR programme which was undertaken during the year in review was on educating children from the underserved community. Employees, armed with school supplies and snacks, spent the day with the group of children at one of the Barangay Day Care Centres. It was a fulfilling experience for our employees who volunteered to spare some quality time engaging with the children.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)**PHILIPPINES****December 2019**
ONE LOVE, PASKONG PINOY!

Our Christmas party was a fun and memorable evening with lots of stage games which saw active participation from the crowd. The anticipated grand finale was the Raffle Draw where many lucky winners walked away with prizes.



Recognition and awards were presented to top employees in appreciation of their service and contributions. The night ended on a high note with the prize giving ceremony for Best Team Presentation of the night.

December 2019
THE ENCHANTED WORLD OF DISNEY – CHILDREN'S PARTY

FM Global once again put on a grand show for the Employees' Children Christmas party with the theme, **"The Enchanted World of Disney"**. There was a sumptuous array of food and the children were treated with games.

The children were dressed as their favourite Walt Disney character and played their part well. The party was hosted at the McDonalds in Intramuros. In keeping with the Christmas tradition of sharing and giving, presents were distributed to the children as well.

**January 2020**
TAAL VOLCANO ERUPTION

The Taal Volcano erupted on January 12 and devastated parts of the provinces of Batangas and nearby areas. FM Global employees took immediate action by organising a donation drive. Food items and household essentials were distributed to our employees who were affected by the disaster while grocery packs and clothings were also given to victims in Varangays in Tanuan, Batangas, which was another affected area.



SOCIAL PILLAR (CONTINUED) (GRI 401 - 419)**AUSTRALIA****July to December 19**

The Business Update Sessions were organised for the first and second quarters of FY2020.

November 2019

Our Australian office sponsored a local golf event as part of their social engagement.

December 2019

The Annual Staff Xmas Function was held for employees towards year end.

April 2020

Our Australian office sponsored the Women's AFL Competition to support sporting activities.

PUBLIC POLICY

(GRI 415-1)

FMHB abstains from providing any donations or funding of any kind to political parties or individual politicians or towards political campaign or initiatives. However, we do not prevent any individual employee from exercising their human rights to contribute towards political causes of their own choice.

CUSTOMER HEALTH AND SAFETY

(GRI 416-2)

The Group prioritises the health and safety of customers at all times. During the year in review, we recorded no incidents of non-compliance to health and safety requirements resulting in fines, penalties or warnings.

CUSTOMER PRIVACY

(GRI 418-1)

At all times, we respect and strive to protect the confidentiality of the personal information of customers, employees, business partners and suppliers. At FMHB, we have a Privacy Policy Notice which explains how we collect, use, maintain and disclose personal data in respect of commercial transactions and how we safeguard the personal data. This Privacy Notice was issued pursuant to the Personal Data Protection Act 2010 ("the Act") which became enforceable on 15 November 2013.

We did not register any complaints on this issue during the year in review.



EMBRACING A MORE SUSTAINABLE APPROACH



The COVID-19 pandemic has drastically altered the scale and scope of economic prospects and societal expectations for the future. Many businesses are now reviewing their priorities in respect of their commitments to their stakeholders.

Through our recent experience, we have realised even more that sustainability is about undertaking a long-term commitment and responsibility for our people, the society and environment which we impact. The pandemic has brought many societal and environmental issues to the surface and after 17 years in business, we are aware that we have to challenge ourselves further to develop better solutions, to better ourselves.

While we have been challenged in many ways, our commitment in being part of the solution has set us out to improve ourselves.

We are intent on building our Company on a foundation of sustainability to influence everything we do, every day. It will involve how we conduct our business, how we actively engage with our employees and each other, how we evaluate and support our suppliers and vendors, how we undertake our corporate responsibility and how we can positively contribute towards sustainable development for the environment.

In creating a balanced approach, we certainly need more than business as usual to further examine the sustainability impacts of our business processes and practices which includes our value chain as well. With the growing pressure from various stakeholders to embed sustainability in business strategies and plans, we have raised the bar in expanding our reporting scope in FY2020. We aim to improve our sustainability performance based on our nine most material matters as well as for the GRI indicators to attain our overall sustainability objectives.

The more consistent we are in embedding sustainability concerns into our day-to-day operations, the more we can expect to expand and improve our disclosures in the next Sustainability Report 2021. Through creating a company culture of constant learning in the realm of sustainability best practices, we can remain relevant and competitive with the ultimate aim of ensuring sustainable stakeholder value creation.