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Sustainability Report 2024

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FM makes no representation or warranty, whether expressed or implied, as to the accuracy or completeness of the facts highlighted in this Sustainability Report, disclaiming responsibility from any liability that might arise from the reliance on its contents. This Sustainability Report may contain "forward-looking statements". Forward-looking statements involve inherent risks and uncertainties and other factors that are in many cases beyond our control. Although FM believes that the expectations of its Management as reflected by such forward-looking statements are reasonable based on current information, no assurance can be given that such expectations will prove to have been correct. Should one or more of the risks and uncertainties materialise, actual results may vary materially from those anticipated or projected. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of their dates and we undertake no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.



esgmatters

Sustainable Growth Across Our Value Chain (GRI 2-22)

Since 2021, FM Global Logistics Holdings Berhad (“FM”) has strategically navigated a rapidly changing environment, delivering strong financial results despite unprecedented global challenges.

The pandemic period brought unexpected gains for our business, as the surge in freight rates pushed the Group’s Revenue to breach the RM1 billion mark. Nevertheless, the challenging climate tested our resilience and was a valuable learning experience in managing risk and ensuring operational continuity.

Throughout the reporting period, our commitment to the wellbeing of our employees, associates and other stakeholders was of utmost priority. By enhancing internal capabilities and nurturing a culture of adaptability, we have positioned ourselves to manage future risks better, strengthening the foundation for the Group’s long-term growth.

In FY2022, our strategic shift pivoted toward aligning with clients’ needs to extend our market presence further. By understanding their business goals and integrating them into our value proposition, we ensured that our growth was sustainable and mutually beneficial.

As we entered FY2023, our efforts to integrate internal and external capacities enhanced our operational efficiency and allowed us to deliver more value across the board. This holistic approach underpins our expertise and experience in integrated logistics services, ensuring we remain a reliable partner to all our stakeholders.

Stepping into FY2024 and beyond, we expanded our focus across the entire value chain. This year’s Annual Report theme, **servicematters**, highlights our conviction that every facet of our business, whether through customer and supplier interactions, or the support and care we extend to employees and the communities we serve, play a crucial role in driving sustainable value creation.

By prioritising service, integrity and collaboration, we continue to drive positive outcomes for our business and the society at large, ensuring that FM remains a trusted and forward-looking partner in the integrated logistics industry.

THE BUSINESS CASE FOR A SUSTAINABILITY STRATEGY

FM’s approach to sustainability started as a response to regulatory demands and the need to mitigate operational risks. By ensuring compliance, we safeguarded our business from potential legal and reputational issues.

Over time, we realised sustainability offered more than just risk management. It drove operational efficiency, optimised productivity and enhanced governance within the Group. These practices streamlined processes and strengthened our financial and non-financial performance in an evolving market.

Today, sustainability is a core aspect of our business imperative. We strive for continuous improvement to ensure economic success while fulfilling our social and environmental responsibilities. Our Sustainability Commitments and Sustainability Mission expanded under the Group’s overarching corporate values reflect this responsibility.

Profitability and positive societal impact are interconnected goals that must be balanced to build trust and long term success. By embedding sustainability into every facet of our operations, FM intends to deliver lasting value to shareholders, support communities, preserve the environment and contribute meaningfully to a sustainable future.



esgmatters Sustainable Growth Across Our Value Chain (GRI 2-22) (continued)

BUILDING VALUE THROUGH PURPOSEFUL INVESTMENTS

Aligned with the Integrated Reporting Framework, our efforts prioritise sustainable, long-term value across all business areas, as follows:

**FINANCIAL CAPITAL:**

- o FY2024 **Revenue RM817.5 million**, marking a 13.8% YoY contraction over FY2023.
- o **TEU volume grew by 6.5%, gross profit was up 2.5%, reaching RM234.9 million and margins improved by 28.7%** compared with FY2023 results.
- o **Net gearing ratio of 0.32x**, ensuring balanced financial position.

**MANUFACTURED CAPITAL:**

- o **Strategic infrastructure projects:** Ongoing construction of the **200,000 sq ft Alauddin Warehouse** in Port Klang, Selangor that is scheduled for completion by Q2 2025, and **renovation works at Lot 24**, Port Klang to manage demand and expand capacity.
- o Expected to **enhance logistics capabilities** significantly and continuous **delivery of exceptional customer service**.
- o Aimed at **enhancing productivity, reducing inefficiencies and future-proofing operations** by providing conducive built environments for better financial and operational outcomes.
- o Extensive fleet of **128 trucks, 169 prime movers and 749 trailers**.

**INTELLECTUAL CAPITAL:**

- o Certifications & Achievements attained:
 - **Authorised Economic Operator ("AEO")** certification, enhancing supply chain security and global trade efficiency.
 - **Halal Certification for Transportation (MS 2400-1:2019)** enables FM to transport Halal-compliant goods across sectors such as pharmaceuticals.
 - **Good Distribution Practice for Medical Devices ("GDPMD")** with a 2-8°C cold chain capability, ensuring the safe and effective transport of temperature-sensitive medical products like vaccines and insulin.
- o These **globally recognised certifications** support and strengthen **sustainable integrated logistics, supply chain security, ethical practices, operations and customer satisfaction**.

**HUMAN CAPITAL:**

- o **RM256,171** invested in **Learning & Development** in FY2024.
- o Focused on **leadership development** through advanced training programmes, **driving continuous professional growth and industry relevance**.

**SOCIAL AND RELATIONSHIP CAPITAL:**

- o Strengthened **partnerships with customers, suppliers and communities**.
- o Corporate Social Responsibility ("CSR") initiatives included:
 - **Donations** to the Yayasan Taiwan Buddhist Tzu-Chi Malaysia in Melaka, Malaysia.
 - **Food contributions and supporting youth activities** in Brgy. Ampid II, San Mateo, Rizal in the Philippines.
 - **Sponsorships** for the Hilton Bicton Cricket Club in Australia.

**NATURAL CAPITAL:**

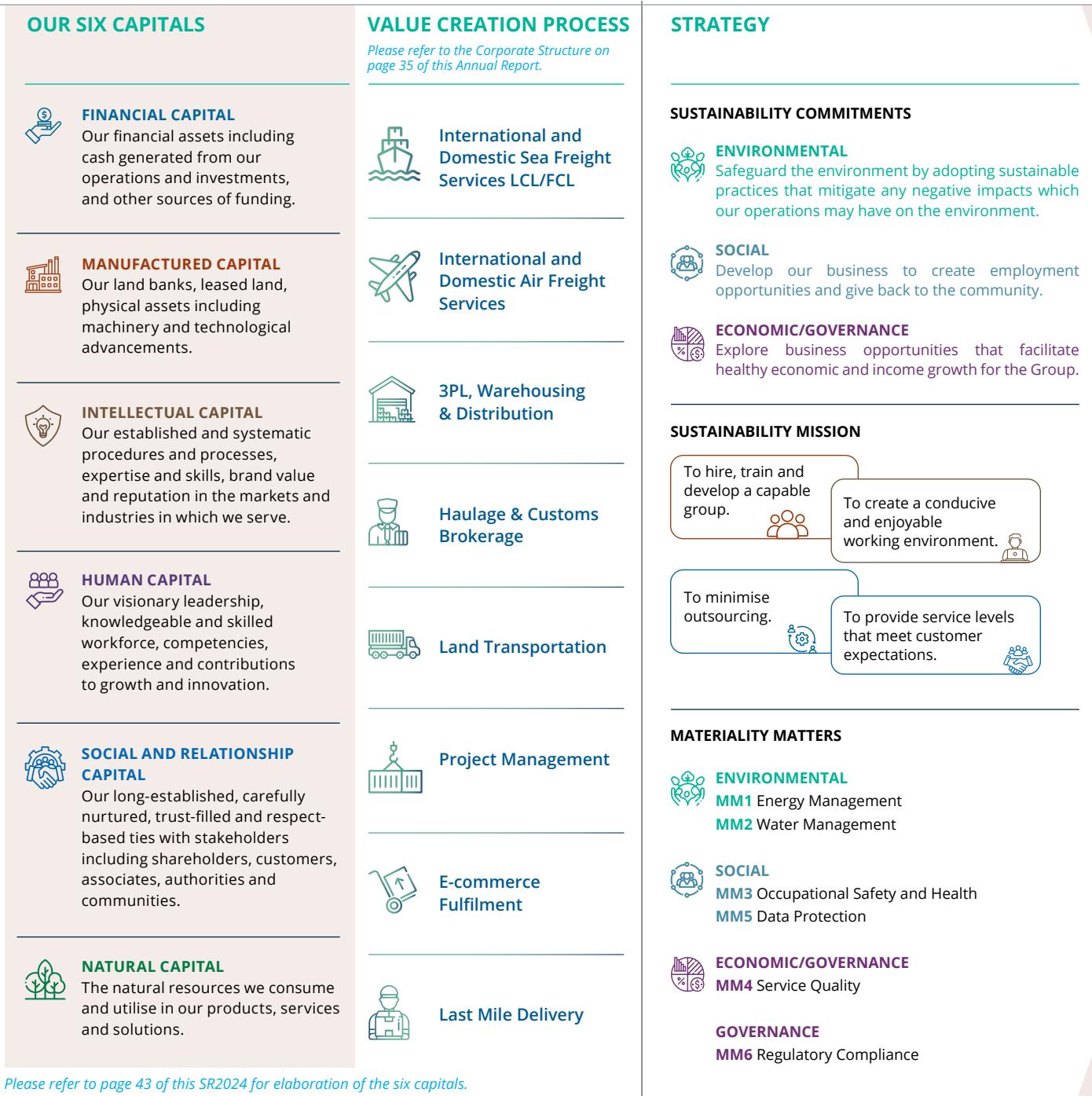
- o **1,210 solar panels** installed at **Lot 37B** are expected to generate **more than 100 MWh annually** as part of our carbon footprint reduction programme.
- o The **Lot 37B warehouse (180,000 sq ft)** also benefits from the **renewable energy ("RE") initiative**, supporting **long-term emissions decrease**.

Our intellectual and human capital synergy has been the determinant of our solid financial performance, which can be attributed to our strategic cost management, increased productivity and effective allocation of our human resources.

Please refer to the Value Creation Model on pages 44 to 45 of this Sustainability Report FY2024.

VALUE CREATION MODEL

FM's Value Creation Model is essential as it strategically integrates our resources and initiatives to maximise stakeholder value, driving sustainable growth and enhancing our competitive advantage in the global integrated logistics industry



Please refer to page 43 of this SR2024 for elaboration of the six capitals.

9 Operating Countries



MALAYSIA



AUSTRALIA



THAILAND

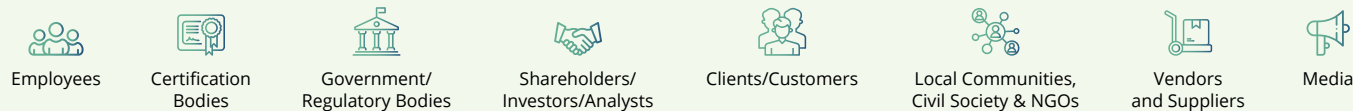


PHILIPPINES

CORPORATE COMMITMENTS
Your Connection to the World
FM is simplifying logistics to connect businesses, customers and communities through efficient, reliable and safer solutions.

Please refer to strategic investments and sustainable growth throughout this Sustainability Report 2024.

STAKEHOLDERS





VALUE CREATED

STAKEHOLDERS IMPACTED


UNSDG

ECONOMIC/GOVERNANCE (GROUP)

 Revenue RM817.5 million (FY2023: RM948.3 million)	Total Assets RM824.8 million (FY2023: RM689.0 million)
Tax Paid RM11.2 million (FY2023: RM17.3 million)	Dividend RM22.3 million (FY2023: RM22.3 million)

 Expanding Capacity **698,000 sq ft** Warehousing Space (Bonded & Non-bonded).
Ongoing construction of the new **200,000 sq ft** Alauddin Warehouse warehouse in Port Klang, Selangor, scheduled for completion by Q2 2025.
Lot **24** Warehouse renovation works.
Extensive fleet of **128** trucks, **169** prime movers and **749** trailers.

SOCIAL: WORKPLACE

 No. of Employees (Group) 1,756 (FY2023: 1,871) → 54% Male → 46% Female	Human Capital Training (Group) RM256,171 (FY2023: RM257,940)
New Hires (Group) 212 (FY2023: 123) → 60% Male → 40% Female	New Hires (Central Business Hub) 83 (FY2023: 210) → 52% Male → 48% Female

SOCIAL: COMMUNITY (GROUP)

-  **Employees**
- Employee Training & Team Building
 - Sports & Recreation
 - Religious Festivals Celebrations with Employees & Communities
- CSR**
- Education & Sponsorships
 - Charitable Donations & Philanthropy

SOCIAL: MARKETPLACE (GROUP)

- Strengthening partnerships with clients, business partners, suppliers and vendors.
- FY2024 Awards:
 - Best Warehouse Operator Award by Port Klang Authority.
 - Business Partner Appreciation Award for Outstanding Performance in the Third-Party Logistics (3PL) category.
 - Customer Satisfaction Survey
 - Supplier & Vendor Assessments

ENVIRONMENT & QUALITY (GROUP)

-  FM adheres to environmental laws and policy practices in Malaysia according to the Environmental Quality Act 1974.
-  **Certifications:**
- ISO 9001:2015 Quality Management System
 - ISO 14001:2015 Environmental Management Systems
 - ISO 45001:2018 Occupational Health & Safety Management System
 - Good Distribution Practice for Medical Devices (“GDPMD”)
 - Halal Certified by the Department of Islamic Development Malaysia (“JAKIM”)
 - Authorised Economic Operator (“AEO”)



Our Vision is to be a global, innovative, sustainable and integrated leading supply chain logistics partner to support and advance the United Nations Sustainable Development Goals (“UNSDG”) 5Ps of People, Planet, Prosperity, Peace and Partnerships.

Bridging Internal Focus and Customers' Needs (GRI 2-1 to 2-5, 2-22, 2-26)

Both internal priorities and the expectations of external stakeholders shape our sustainability strategy. Guided by the Materiality Survey results conducted in FY2024, three new focus areas were identified: Data Protection, Service Quality and Water Management.

These, along with another four existing material matters ("MM") of Energy Management, Waste Management, Health and Safety, and Regulatory Compliance - including Anti-Bribery & Anti-Corruption ("ABAC") and Whistleblowing ("WB"), emphasise our commitment to a safe, secure and quality operational environment.

From an "outside-in" perspective, **Data Protection** and **Service Quality** are key customer concerns closely aligned with our operational priorities. These areas are critical to both our internal values and customer expectations, ensuring operational success and sustainable relationships.

While we consider numerous other factors material to our business, we will concentrate our efforts on these core matters to create value and drive sustainable outcomes for our stakeholders and customers.

REPORTING PERIOD AND SCOPE (GRI 2-1,2-2, 2-3)

FM diligently assesses, updates and annually reports on our Group's sustainability performance. This is the seventh Sustainability Report ("SR2024"). Unless otherwise indicated, it encapsulates our Malaysian business operations' sustainability performance for FY2024 from 1 July 2023 to 30 June 2024. The disclosures cover all subsidiary companies within the Group in Malaysia, as well as relevant overseas operations. Joint-ventures, affiliate firms or enterprises outside our direct control are excluded.

Please refer to Our Materiality Approach on pages 54 to 57 in the Sustainability Report 2024 ("SR2024").

This Report adheres to the following regulatory frameworks, references and guidelines:

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Bursa Malaysia Corporate Governance Guide
- FTSE4Good Bursa Malaysia ("F4GBM") Index criteria
- Global Reporting Initiative ("GRI")
- Task Force on Climate-related Disclosures ("TCFD")

The relevant GRI indicators are indicated within parentheses alongside the respective headings and sub-headings whenever disclosures are aligned with the GRI Standards. For a compatible understanding of FM's structure and authority within the organisation, we recommend reading the Report in conjunction with the Annual Report 2024. The Annual Report provides insights into the Group's ownership, control and organisational governance.

Please refer to About Us and Global Integrated International Freight & Logistics Services on pages 4 to 7 and the Group's Corporate Structure on page 35 of this Annual Report.



Bridging Internal Focus and Customers' Needs (GRI 2-1 to 2-5, 2-22, 2-26) (continued)

PERFORMANCE DATA (GRI 2-4, 2-5)

This SR2024 incorporates comparative data and information from the preceding two years, wherever relevant. Our disclosures serve as the foundation for establishing the criteria by which we objectively measure and report our sustainability performance. While we exercise utmost diligence to ensure the completeness, accuracy and validity of these disclosures, please note that measuring some disclosures entails using estimates and assumptions. These estimates and assumptions are rooted in selecting various but acceptable measurement methods, input data or assumptions. Consequently, they may lead to variations in reported amounts or metrics.

EXTERNAL ASSURANCE (GRI 2-5)

In line with FM's commitment to transparency and accountability, our SR2024 has undergone external assurance. This process, overseen by our senior executives and the highest governance body, ensures the accuracy and reliability of our sustainability disclosures. The limited assurance was conducted by the British Standards Institute ("BSI"). The assurance provider operates independently, maintaining a professional relationship with FM to deliver unbiased verification. *Please refer to the full Assurance Statement on pages 110 to 112 of this report.*

In strengthening the credibility of the Group's SR2024, selected indicators in the Report have been subjected to independent assurance performed in accordance with recognised assurance standards.

Please refer to the Independent Assurance Opinion Statement on pages 110 to 112 for more information.


FEEDBACK (GRI 2-3, 2-26)


We are committed to ensuring transparency and accuracy in our sustainability reporting. While some aspects of our performance are challenging to quantify, we aim to provide reliable information.

Your feedback is important in helping us improve our sustainability efforts and reporting. Please direct any questions, comments or suggestions regarding our sustainability matters to:

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Sustainability Roadmap

(GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM)



2018

- Published the inaugural Sustainability Statement.
- Established the Sustainability Governance Structure.
- Conducted the first Materiality Survey: 16 most material matters selected.

2019

- Reevaluation of materiality matters.
- Reporting was based on the GRI Standards.

2020

- Implemented the Sustainability Roadmap.
- Reporting in accordance with the GRI Standards and F4GBM criteria in alignment with the United Nations Sustainable Development Group (“UNSDGs”).
- Reviewed materiality matters and reduced to nine most material matters.
- Set key performance indicators (“KPIs”) and action plans.

2022

- Improved the reporting scope with further disclosures per the GRI Standards and F4GBM criteria and in alignment with UNSDGs.
- Conducted a review of the materiality matters from FY2021 and included Energy Management as a new focus under the Environmental topic. In FY2022, a total of six material matters were selected.
- Developed a climate strategy, starting with the tabulation and calculation of greenhouse gas emission (“GHG”) emissions. This included assessing our Scope 1 and Scope 2 carbon footprint, implementing a carbon reduction strategy and evaluating both climate risks and opportunities.
- Initiated initiatives to reduce carbon emissions.
- Laying the groundwork for reporting in accordance with the TCFD framework.

2021

- Reviewed materiality matters and reduced to five most material matters.
- Focused on pandemic mitigation efforts for company and stakeholders.
- Expanded on the reporting scope for disclosures in accordance with the GRI Standards and F4GBM criteria, in alignment with the UNSDGs.

2023

- FM was inducted as a constituent of the F4GBM Index dated 8 June 2023.
- Extended our reporting scope, concentrating on pivotal topics identified as crucial to FM and its stakeholders.
- Implemented clear measures to counter climate change, adhering to the recommendations outlined in the TCFD framework, where applicable.
- Incorporated the GRI Content Index, ensuring traceable information and enhancing FM’s credibility and transparency.
- Transitioned to an e-platform for data and document uploads, specifically for compiling the Annual Report and Sustainability Report. This transition aimed to foster seamless collaboration and communication within the working committee, facilitate efficient archiving and storing of documents, and ensure easy information retrieval.

2024

• **ENHANCED MATERIALITY ASSESSMENT**

Conducted a reassessment of the Group’s materiality matters, ensuring that our sustainability strategy remains aligned with the evolving expectations of our stakeholders and the dynamic business environment. This process allowed us to sharpen our focus on the most critical areas that impact both our operations and our stakeholders.

• **FTSE4GOOD BURSA MALAYSIA INDEX INCLUSION**

Announced FM’s inclusion in the F4GBM Index, achieving a three-star rating. This recognition underscores our commitment to upholding higher standards of Environmental, Social and Governance (“ESG”) practices, reflecting our continuous efforts to integrate sustainability into all areas of our operations.

• **THIRD-PARTY INDEPENDENT ASSURANCE**

Underwent an auditing process, resulting in a positive Assurance Opinion Statement for our Central Business Hub in Port Klang. This audit reaffirmed our commitment to transparency, accountability and adherence to best practices within our operational boundaries.

• **ADOPTING CLEAN TECHNOLOGY**

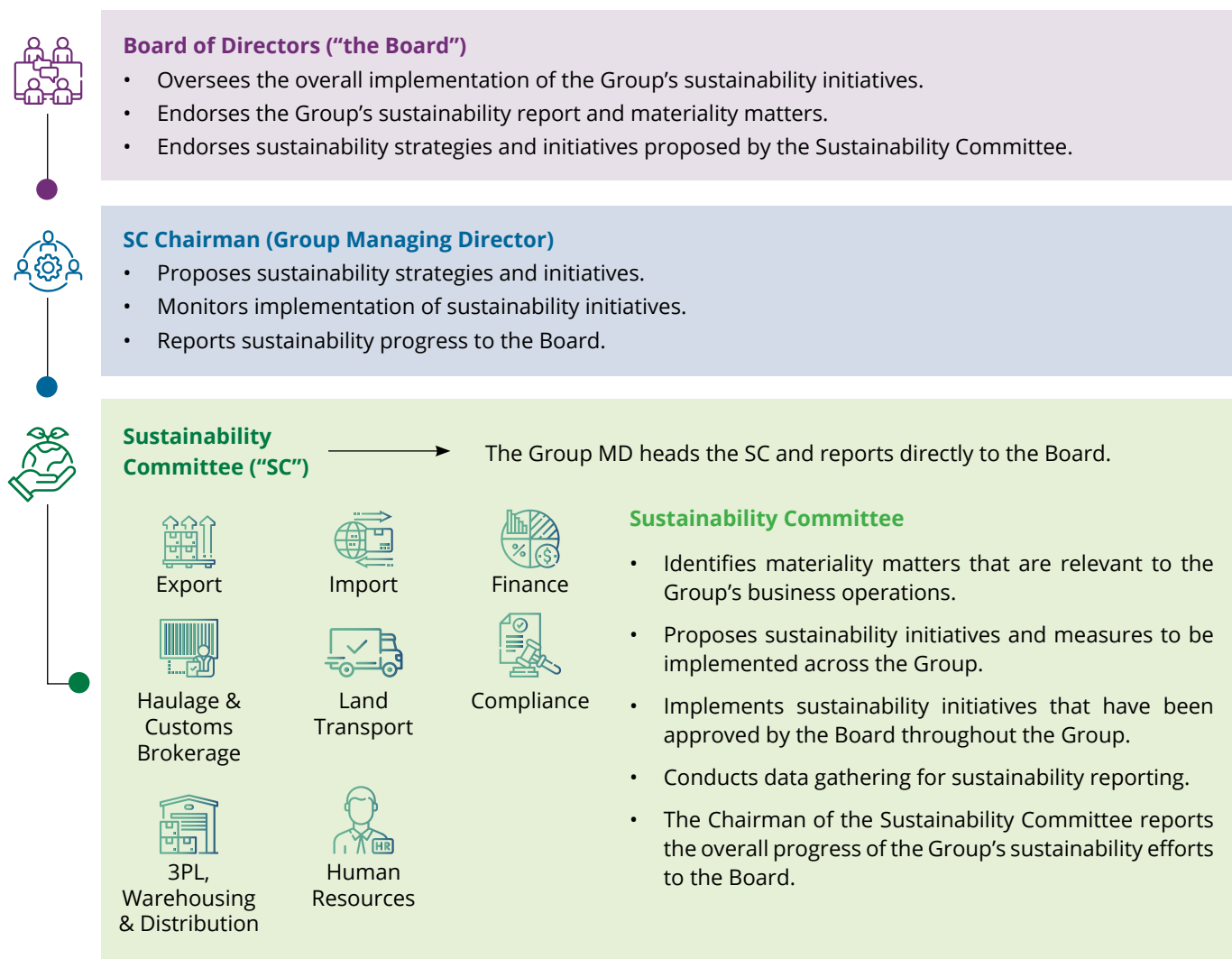
Undertook more initiatives towards reducing our environmental footprint in our warehouse operation. Green equipment was installed, contributing to lower emissions and enhancing our sustainability performance. This initiative is part of our broader strategy to embrace innovative solutions that support our environmental goals.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

SUSTAINABILITY GOVERNANCE (GRI 2-9 to 2-18)

The Board of Directors (“the Board”) is responsible for endorsing and supervising the implementation of FM’s Sustainability and ESG Strategy and ensuing initiatives. The Sustainability Committee (“SC”), headed by the Group Managing Director (“MD”), consists of the heads and representatives from FM’s subsidiary companies and Heads of Departments (“HODs”). The SC plays a pivotal role in cascading the Group’s sustainability requirements to ensure efficient engagement and assigning responsibilities among employees in prioritising and addressing specific ESG issues.

SUSTAINABILITY GOVERNANCE STRUCTURE (GRI 2-9, 2-12, 2-13, 2-14)



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

Board and Audit Risk Management Committee (“ARMC”) Meetings

In FY2024, FM’s Board provided essential oversight in guiding our sustainability agenda and driving improvements across operations.

The Board and ARMC convened quarterly, focusing on aligning actions with sustainability goals, managing operational risks and ensuring the effective implementation of our strategies. Concerns raised, such as risk management adjustments and project timelines, were promptly addressed, resulting in strengthened governance and enhanced risk mitigation. They also review the Group’s risk register profile at least once a year to establish mitigation plans for high risk items.

Sustainability Committee (“SC”) Meetings

During the reporting period, the SC engaged in discussions and addressed challenges within the Group’s sustainability framework, ensuring the ongoing implementation and progress of sustainability initiatives.

Key Initiatives and Outcomes

In FY2024, all employees at the Group’s Malaysian offices participated in refresher training on ABAC and WB. This initiative is expected to continuously enhance ethical standards and reinforce transparency within the Group. A Conflict of Interest declaration was also conducted to safeguard operational integrity further.

An essential reevaluation of material issues was also completed, expanding input from a stakeholder range including employees at all levels, bankers, vendors and suppliers. This inclusive approach ensured that our sustainability framework remained relevant and responsive to evolving stakeholders’ expectations.

These efforts yielded positive outcomes, including strengthening governance structures, enhancing stakeholder trust and aligning with both local and global sustainability standards. The SC’s work in FY2024 has reinforced the foundation for FM’s continued leadership in responsible business and ESG practices.

SUSTAINABILITY COMMITMENTS

(GRI 2-23 - 2-25)

The Board has demonstrated strong stewardship in guiding the Group’s ESG commitments, aligning these efforts with the Sustainability Reporting Guide and the Listing Requirements of Bursa Malaysia.

This approach integrates ESG risks and opportunities alongside financial considerations to ensure a balanced and forward-looking strategy.

**SUSTAINABILITY
OUR WAY OF LIFE!**



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

MEMBERSHIP OF ASSOCIATIONS (GRI 2-28)

FM maintains professional memberships to access industry-specific resources, expand networking opportunities and contribute to the development of sector standards and best practices. The Group actively participates in the following associations and representative bodies:

- International Federation of Freight Forwarders Association (“FIATA”);
- International Air Transport Association (“IATA”);
- Federation of Malaysian Manufacturers (“FMM”);
- Association of Malaysian Haulers (“AMH”); and
- Selangor Freight Forwarders & Logistics Association (“SFFLA”).

A STEP AHEAD: FM ACHIEVES 3-STAR



FTSE4Good

RATING IN THE FTSE4GOOD BURSA MALAYSIA INDEX (“F4GBM”)

FM was inducted into the F4GBM Index for the first time, achieving a three-star ESG rating (out of four stars).

This rating reflects the comprehensiveness and granularity of our ESG disclosures and indicates our progress in embedding sustainability principles across our operations.

AWARD-WINNING PERFORMANCE IN INTEGRATED LOGISTICS (GRI 202)

FM’s dedication to operational excellence and strategic partnerships was recognised with two prestigious awards in FY2024. These accolades recognise our industry leadership and commitment to setting the highest standards in logistics.

Best Warehouse Operator – Port Klang Authority



FM was honoured with the “Best Warehouse Operator” award for its Container Freight Stations at Northport and Westport, from the Port Klang Authority during its 60th Anniversary celebration on 6 October 2023. This recognition highlights our operational efficiency, adherence to stringent health, safety and environmental (“HSE”) standards, and ongoing efforts to optimise warehouse management. As a key partner to one of the region’s largest ports, FM’s ability to meet the evolving needs of the integrated logistics sector was brought into sharp focus with this award.

Outstanding Performance in 3PL Category

Our Warehouse Division received the “Business Partner Appreciation Award” for Outstanding Performance in the Third-Party Logistics (“3PL”) category from one of the Group’s core clients for the 2023-2024 period. This award reflects our consistent service quality, reliability and capacity for innovation in 3PL services. It also reiterates FM’s enduring partnerships, characterised by our resolute obligation to meet complex logistical demands consistently with precision and efficiency.

These recognitions reaffirm FM’s relentless pursuit of operational excellence and the strength of our strategic alliances. These achievements reflect the hard work and commitment of our teams across the Group, as we remain focused on delivering reliable service to our clients and stakeholders.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

CREATING STAKEHOLDER VALUE (GRI 2-29)

FM consistently interacts with stakeholders via diverse communication channels to gain a deeper understanding of their expectations and objectives. This information guides us in planning and executing enhancements in areas that hold significant importance and relevance for all parties concerned.

	Materiality Sustainability Areas/Value Delivery	How We Responded
 <p>Shareholders and Investors</p> <p>Why we engage: To gain insights into the Group's financial capacity to sustain growth. To ensure a strong understanding of our business fundamentals, strategy and performance.</p>	<ul style="list-style-type: none"> ● Financial Performance. ● Transparent Reporting. 	<ul style="list-style-type: none"> ● Annual General Meeting. ● Extraordinary General Meeting. ● Networking Sessions. ● Website. ● Announcement of Quarterly Results. ● Analyst Briefings. ● Annual Report. ● Group Meetings.
 <p>Employees</p> <p>Why we engage: To provide professional and career advancements, and create a conducive workplace environment that encourages employee-valued contributions.</p>	<ul style="list-style-type: none"> ● Diversity Policy. ● Corporate Code of Business Conduct & Work Ethics Policy. ● ABAC & WB Policies ● HSSE Policy ● Job Security. ● Remuneration and Benefits. ● Training and Career Development. ● Employee Wellbeing, Health and Safety. ● Work-life Balance. ● Cultural & Religious Celebrations. ● Employee Activities & Events. 	<ul style="list-style-type: none"> ● Dialogue Sessions with Management Team. ● Training Programmes.
 <p>Clients/Customers</p> <p>Why we engage: To address customers' requirements, identify opportunities and improve service offerings.</p>	<ul style="list-style-type: none"> ● Pricing. ● Service Delivery. 	<ul style="list-style-type: none"> ● Customer Feedback Surveys. ● Virtual and Physical Meetings. ● Market Research.
 <p>Industry Groups and Strategic Partners</p> <p>Why we engage: To collaborate effectively, exchange ideas and explore opportunities for partnerships.</p>	<ul style="list-style-type: none"> ● Financial Stability. ● Capability and Capacity. ● Reputation. 	<ul style="list-style-type: none"> ● Virtual Meetings and Site Visits.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

	Materiality Sustainability Areas/Value Delivery	How We Responded
 <p>Local Communities</p> <p>Why we engage: To build better relationships, uplift the underserved in our society and create job opportunities.</p>	<ul style="list-style-type: none"> Community Engagement. Community Uplifting Programme. Environmental and Social Impacts. CSR. 	<ul style="list-style-type: none"> Job Creation. Sponsorship of Community Service Events. Social and Environmental Initiatives. Donations.
 <p>Government Agencies /Regulators</p> <p>Why we engage: To ensure compliance and opportunities to participate in Government-related projects.</p>	<ul style="list-style-type: none"> Compliance to requirements set by Government agencies or other regulatory authorities. Compliance to regulatory requirements of Bursa Securities, Securities Commission of Malaysia and other reporting guidelines. Sustainability commitment aligned with areas of national interests including initiatives. 	<ul style="list-style-type: none"> Regulatory Discussions and Meetings with Authorities. Public Consultation with Local Authorities. Site Inspections. Seminars, Briefings and Trainings.
 <p>Vendors/Suppliers</p> <p>Why we engage: To strengthen the supply chain and encourage best practices in governance and sustainability.</p>	<ul style="list-style-type: none"> Procurement Policy and Practices. Supplier Code of Conduct. Conflict of Interest. Payment Schedule. HSSE Policy. 	<ul style="list-style-type: none"> Procurement Policy. Performance Evaluation. Virtual Meetings and Site Visits.
 <p>Media</p> <p>Why we engage: To increase public and stakeholder awareness, and publish timely and accurate information on the Group's services, activities and financial and ESG performances.</p>	<ul style="list-style-type: none"> Brand positioning, image and credibility. 	<ul style="list-style-type: none"> Media Interviews, Briefing Sessions and Media Conferences. Press Releases. Bursa Malaysia Announcements.

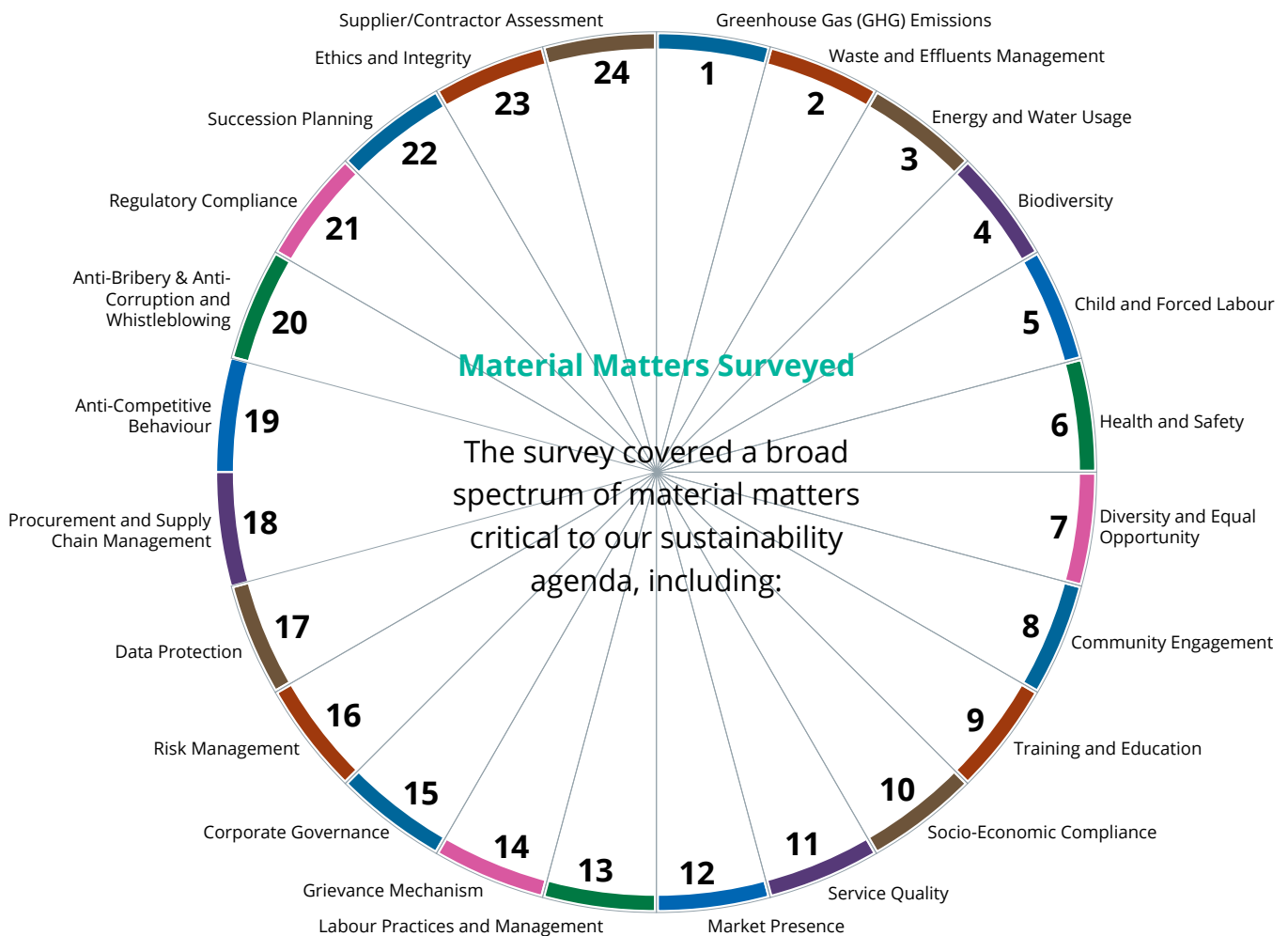
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OUR MATERIALITY APPROACH (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM)

In FY2024, FM conducted a Materiality Assessment to ensure our sustainability strategy aligns with the key priorities of our stakeholders, both internal and external. This assessment helped us identify and rank the concerns that affect our business and stakeholders, setting the focus for the year ahead.

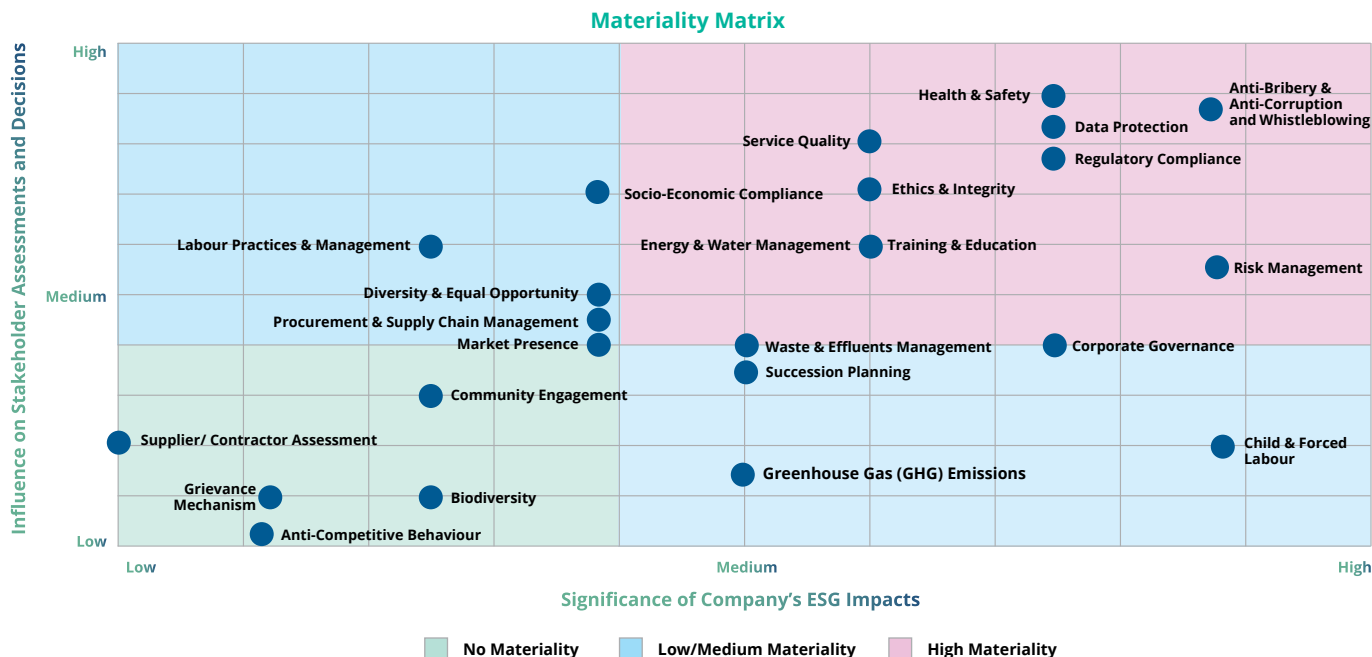
Survey Participation and Methodology

The Materiality Survey received 423 responses: 82% (345) from within the Group and 18% (78) from external stakeholders, including bankers, vendors and clients. The online survey was designed to facilitate straightforward and accessible participation for all.



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

Survey Findings and Materiality Matrix



The Materiality Survey results highlighted the top priorities for FM and its stakeholders. These concerns ranked in the highest quadrant of our Materiality Matrix, reflecting their importance to our business, and stakeholder requirements and needs.

MATERIALITY MATTERS	MANAGEMENT (DIRECTORS)	INTERNAL (EMPLOYEES)	EXTERNAL (BANKERS & VENDORS)	SELECTED KEY KPI	IMPROVEMENT PROGRAMME/ FOCUS
Health and Safety	4.75	4.47	4.46	• Over Speeding	• Harsh Braking
Data Protection	4.75	4.42	4.45	• Personal Data Protection Act ("PDPA") • Backup and Restore • Block/Quarantine suspicious email and alert users on IT security • Continuous Awareness	• Continuous monitoring of the existing programme
Service Quality	4.75	4.37	4.41	• ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 • Customer Satisfactory Assessment • GDPMD • HALAL Warehouse • HALAL Transport • AEO	• Continuous monitoring of the existing programme • New programmes may be added based on new customer's requirements or additional services provided for existing customers
Energy and Water Usage	4.75	4.3	4.22	• Solar Project • LED Installation	• Rain Water Harvesting (New Warehouse)
Regulatory Compliance	4.88	4.45	4.1	• ABAC Policy & WB Policy • Training & Assessments	• Continuous monitoring of the existing programme

RANKING	MATERIAL MATTERS ("MM")	LEVEL
1	Energy Management	↑
2	Water Management	NEW
3	Safety and Health	↑
4	Service Quality	NEW
5	Data Protection	NEW
6	Regulatory Compliance	=

LEGEND

- ENVIRONMENT (Green circle)
- SOCIAL (Blue circle)
- GOVERNANCE (Purple circle)
- ECONOMIC (Brown circle)
- ↑ Increased importance compared to FY2023
- = Importance unchanged
- NEW New Material Matters in FY2024

The new focus areas identified were **Data Protection, Service Quality and Water Usage**, marking a shift from key material matters in FY2023.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

MATERIALITY MATTER ("MM")		IMPORTANCE TO VALUE CREATION	RISKS
ENVIRONMENTAL	MM1: ENERGY MANAGEMENT	<ul style="list-style-type: none"> Improving operational excellence and reputation. Conserving the environment and utilising RE. 	<ul style="list-style-type: none"> High initial investment costs.
	MM2: WATER MANAGEMENT	<ul style="list-style-type: none"> Efficient water management is critical for reducing operational costs and enhancing the sustainability of FM's operations. 	<ul style="list-style-type: none"> Inadequate water management could increase operational costs and environmental degradation. Over-reliance on external water sources poses a risk in times of scarcity, potentially disrupting operations.
SOCIAL	MM3: OCCUPATIONAL SAFETY AND HEALTH	<ul style="list-style-type: none"> Safeguarding our human resources and other stakeholders. 	<ul style="list-style-type: none"> Non-compliance with the Health, Safety, Security and Environment ("HSSE") Policy, Rules, and Regulations by employees can lead to serious injuries, fatal accidents, and damage to both Group and public assets, significantly impacting operations. The costs associated with repairing, restoring or replacing these damaged assets can be substantial.
	MM5: DATA PROTECTION	<ul style="list-style-type: none"> Safeguarding sensitive information is crucial to maintaining stakeholder trust and ensuring compliance with regulatory standards. 	<ul style="list-style-type: none"> Non-compliance with data protection regulations could result in significant legal penalties, reputational damage and a loss of stakeholder confidence. Increasing threats from cyberattacks and data breaches pose a continuous risk to the security of sensitive information.
GOVERNANCE/ECONOMIC	MM4: SERVICE QUALITY	<ul style="list-style-type: none"> Delivering reliable services is essential for maintaining customer satisfaction and upholding FM's market reputation. 	<ul style="list-style-type: none"> Failure to comply with quality standards can result in order cancellations and terminations, customer dissatisfaction and loss of market share. Non-compliance with certifications can lead to regulatory penalties and damage to FM's credibility.
	MM6: REGULATORY COMPLIANCE	<ul style="list-style-type: none"> Adhering to legal standards and safeguarding the Group's reputation. Enhancing trust with clients, partners and all stakeholders to support long-term sustainability. Strengthening operational integrity and promoting ethical business practices across the Group. 	<ul style="list-style-type: none"> Disrupting operations that potentially result in fines, loss of operating licences, investigations or sanctions due to non-compliance. Impacting reputation and lowering stakeholder trust due to unethical practices.

SIX CAPITALS

 FINANCIAL CAPITAL

 MANUFACTURED CAPITAL



















 INTELLECTUAL CAPITAL

 HUMAN CAPITAL

 SOCIAL AND RELATIONSHIP CAPITAL

 NATURAL CAPITAL

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

	OPPORTUNITIES	SIX CAPITALS	STAKEHOLDERS AFFECTED	KPIs	ALIGNMENT TO THE UNSDG
	<ul style="list-style-type: none"> Reducing costs and increasing efficiency in the long-term. 			Read more on pages 62 to 63	
	<ul style="list-style-type: none"> Water-saving initiatives to enhance FM's environmental stewardship. Reducing water usage aligns with global sustainability goals and can improve FM's reputation among environmentally-conscious stakeholders. 			Read more on page 83	
	<ul style="list-style-type: none"> Prioritising a culture of health and safety to attract and retain employees, strengthening operational reliability, and meeting customers' requirements. 			Read more on pages 64 to 66	
	<ul style="list-style-type: none"> Enhancing data protection protocols can strengthen stakeholder trust and reinforce FM's reputation for reliability. Implementing data security measures can mitigate the risk of breaches and position FM as a leader in secure logistics operations. 			Read more on page 72	
	<ul style="list-style-type: none"> Maintaining scope of certification to tap new market opportunities and enhance customer loyalty. Continuous service quality improvement can lead to long-term client partnerships and boost revenue streams. 			Read more on page 66	
	<ul style="list-style-type: none"> Enhancing credibility in the market, attracting clients and partnerships, expanding into new territories and tapping into new industry sectors. Positioning FM as a responsible leader in the international integrated freight and logistics sector. Nurturing a culture of transparency and accountability, improving governance and oversight. 			Read more on pages 67 to 68	

STAKEHOLDERS



Employees



Certification Bodies



Government/Regulatory Bodies



Shareholders/Investors/Analysts



Clients/Customers



Local Communities, Civil Society & NGOs



Vendors and Suppliers




Media

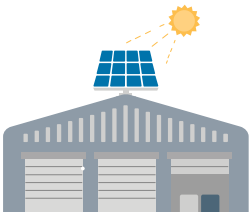
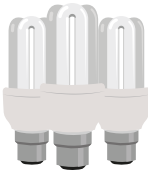
Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

FY2024 KPIs AND ACTION PLANS

ENVIRONMENTAL: CLIMATE CHANGE

<p>1 To reduce emissions of:</p> <ul style="list-style-type: none"> PM (particulate matter) from 0.25 to 0.1 g/kWh NOx (nitrogen oxides) from 7 to 5 g/kWh 	<p>ACTION PLAN</p> <p>To purchase new EURO 5 compliant prime movers.</p> <p>FY2024: Purchased 10 units EURO 3 engines FY2023: Purchased 20 units EURO 3 engines FY2022: Purchased 19 units EURO 3 engines</p> <p>TOTAL as of 30 June 2024: 97 units of prime movers. (Haulage: 78; Transport 19)</p>	<p style="text-align: center;">● ● ✓</p> <p style="text-align: center;">RESULTS</p> <p style="text-align: center;">FY2024: ACHIEVED</p> <p style="text-align: center;">Actual Emissions: PM = 0.1 g/kWh NOx = 5 g/kWh</p> <p style="text-align: center;">FY2023 : ACHIEVED FY2022 : ACHIEVED</p>
 <p>Responsibility: Haulage Department</p>		<p>To set targets and implement strategic action plans to reduce vehicle idling as part of our climate change programme.</p> <p style="text-align: right; color: white; font-weight: bold; transform: rotate(-45deg);">NEW</p>

ENVIRONMENTAL: ENERGY MANAGEMENT

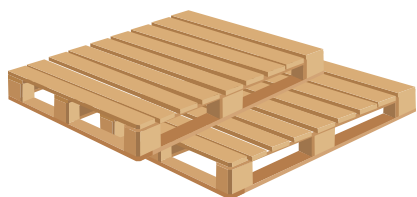
<p>2 To reduce energy consumption and GHG emissions</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>ACTION PLAN</p> <p>A. Installation of solar panels completed at one warehouse in Port Klang, Selangor.</p> </div> </div>	<div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>ACTION PLAN</p> <p>B. Installation of LED lights completed in one of the larger warehouses in Port Klang, Selangor.</p> </div> </div>
<p>Responsibility: Finance Department</p>	<p>Responsibility: Warehouse Division</p>
<p style="text-align: center;">● ● ✓</p> <p style="text-align: center;">RESULTS</p> <p style="text-align: center;">FY2024: ACHIEVED</p> <p style="text-align: center;">20.2% or 746,018 kWh in energy savings. 476.71 mt CO₂e in GHG avoidance.</p> <p style="text-align: center;">FY2023: ACHIEVED 22.6% or 447,356 kWh in energy savings. 285.86 mt CO₂e in GHG avoidance.</p> <p style="text-align: center;">FY2022: ACHIEVED Installation completed : September 2022 Commenced operations : November 2022</p>	<p style="text-align: center;">● ● ✓</p> <p style="text-align: center;">RESULTS</p> <p style="text-align: center;">FY2024: ACHIEVED</p> <p style="text-align: center;">66,683 kWh in energy savings. 41.34 mt CO₂e in GHG avoidance.</p> <p style="text-align: center;">FY2023: ACHIEVED 57,609 kWh in energy savings. 35.72 mt CO₂e in GHG avoidance.</p>
<p><i>Note: The calculations above are based on utilisation of solar panels from 1 December 2022 and savings were accounted for from December 2022 to June 2023, constituting seven months. The solar project has a potential savings of up to an annual 694,000 kWh.</i></p>	<ul style="list-style-type: none"> To achieve a 12% energy-saving target for the Central Business Hub Solar Project. To implement a solar project at the new warehouse. <p style="text-align: right; color: white; font-weight: bold; transform: rotate(-45deg);">NEW</p>

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

FY2024 KPIs AND ACTION PLANS (CONTINUED)

ENVIRONMENTAL: WASTE MANAGEMENT

3 Recycling and reusing of wooden pallets.



ACTION PLAN

To reduce disposal of wooden pallets to landfill.

Responsibility: HSSE



RESULTS

FY2024:
Recycled 64,865
Repaired 6,038

FY2023:
Recycled 16,534 | Repaired 3,332

FY2022:
Recycled 10,530 | Repaired 2,170

SOCIAL WORKPLACE: OCCUPATIONAL HEALTH & SAFETY

4 A. Ongoing new Vehicle Idling Reduction Programme.
B. Speed Violation Reduction Programme.

ACTION PLAN

- A. **Vehicle Idling Reduction Programme** is currently running continuously to reduce idling time.
- B. **Speed Violation Reduction Programme** ran for a two-year period (FY2021 & FY2022).



Responsibility: Haulage Department



A. RESULTS

FY2024:
3,566 hours

FY2023: IN PROGRESS
Vehicle Idling Reduction Programme introduced for drivers and training and monitoring are ongoing. Data and information will be reported in FY2024.



B. RESULTS

FY2024:
90% achievement:
10% speed violation

FY2023: ACHIEVED
Two-year Speed Violation Programme completed and will be continuously implemented.
FY2022: ACHIEVED 31.4% reduction (58.6% improvement rate from FY2022)

- To maintain ISO 45001:2018 (Occupational Health and Safety Management Systems) certification.
- To provide employee training on health and safety standards.
- To ensure weekly briefings with sharing of Preventive and Incident Notification.
- Maintain compliance with *Portal Rasmi Agensi Pengangkutan Awam Darat* ("APAD") and Customer Road Transport standards.

NEW

SOCIAL WORKPLACE: TRAINING & EDUCATION

5 50% utilisation of Human Resources Development Fund ("HRDF").



ACTION PLAN

To utilise the HRDF allocation.

Responsibility: Human Resource Department, all departments



RESULTS

FY2024: ACHIEVED 71.2%

FY2023: ACHIEVED 54.2%

FY2022: NOT ACHIEVED

- To maintain ISO 45001:2018 (Occupational Health and Safety Management Systems) certification.
- Training programmes fell outside criteria for eligibility based on HRD Corporation's updated requirements.

NEW

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

FY2024 KPIs AND ACTION PLANS (CONTINUED)

GOVERNANCE: REGULATORY COMPLIANCE

6 To achieve 100% staff participation in training and assessment in ABAC and WB.



ACTION PLAN

To conduct training and refresher courses on Malaysian Anti-Corruption Commission ("MACC") *TRUST programme.

Responsibility: Human Resource Department and all departments



RESULTS

FY2024: ACHIEVED

FY2023: ACHIEVED

*T – top level commitment; R – risk assessment; U – undertake control measures; S – systematic review, monitoring and enforcement; T – training and communication

- To achieve 100% employee participation in training and assessment in ABAC and WB.
- To maintain full compliance with the legal register.

NEW

Please refer to the Economic & Governance, Environment and Social sections in this Report for further information.

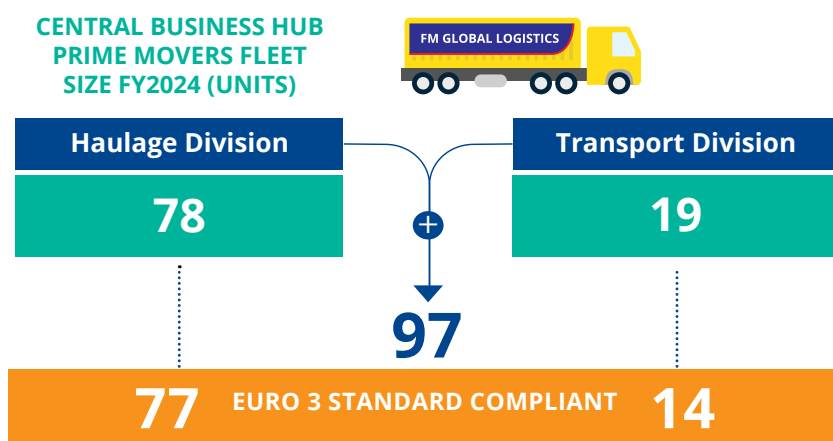


Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

BUILDING MOMENTUM IN ADDRESSING CLIMATE CHANGE

KPI 1: A STEP FORWARD IN CLIMATE CHANGE

FM's climate action strategy in FY2024 was focused on managing emissions and enhancing operational efficiency, mindful of the fact that transportation is one of the leading contributors to Malaysia's GHG emissions, accounting for approximately 24% of the national total. (Source: UNDP). Recognising the environmental footprint of our integrated logistics operations, we aim to augment the shift with practical investments in cleaner technologies.



A. FLEET OPTIMISATION

FM operates a diverse and extensive fleet of prime movers in its Haulage and Transport Divisions. In FY2024, FM purchased ten units of EURO 3 compliant prime movers as part of our ongoing commitment to reducing emissions and enhancing fuel efficiency.

This transition advances emission reduction through improved combustion and controls. It further supports our environmental goals and strategy to align with international environmental standards, maintaining operational efficiency and controlling pollution for the improved wellbeing of our employees, stakeholders and the public.

This transition supports our environmental goals and earmarks our dedication to sustainable practices, allowing us to control pollution for improved health and wellbeing of our stakeholders and the public.

B. SUPPORTING CLEANER TECHNOLOGIES AND SUSTAINABLE PRACTICES

In highlighting the environmental impact of EURO 3 engines, these vehicles feature advanced fuel injection systems that enhance combustion efficiency, cutting particulate matter ("PM") and nitrogen oxide ("NOx") emissions significantly. Combined with fuel additives, they deliver improved fuel efficiency, offsetting the initial investment.

We are actively evaluating strategies to manage the associated costs while minimising the effects on logistics operations. Fuel efficiency remains central, driven by stringent fleet monitoring.

Looking ahead to FY2025, we plan to integrate cleaner technologies further, leveraging our current 93.8% EURO 3 compliance and advancing towards EURO 5 prime movers in alignment with regulatory goals.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

CASE STUDY

KPI 2: ENERGY MANAGEMENT
A. SOLAR PANEL INSTALLATION

In Malaysia, solar energy adoption has accelerated, driven by government incentives and favourable conditions, such as ample sunlight. The widespread adoption of solar energy in the country is significantly influenced by tax incentives and government-backed financing options, making the transition to RE more feasible across industries.

Aware of long-term cost savings and environmental benefits, we are gradually increasing our investment in solar energy to enhance operational efficiency, meet global carbon reduction standards and effectively manage energy and operational costs. This shift aligns with national energy policies and enhances FM's competitive edge by improving energy resilience and reducing its carbon footprint, particularly in the integrated logistics sector.

During FY2023, a solar energy system was installed on the rooftop of the Lot 37B Warehouse in Port Klang, Selangor, marking a considerable advancement in RE adoption. The installation, spanning 150,000 square feet, features a solar capacity of 550.55 kilowatt peak (kWp), utilising 1,210 solar panels over a roof area of 12,076 square metres.

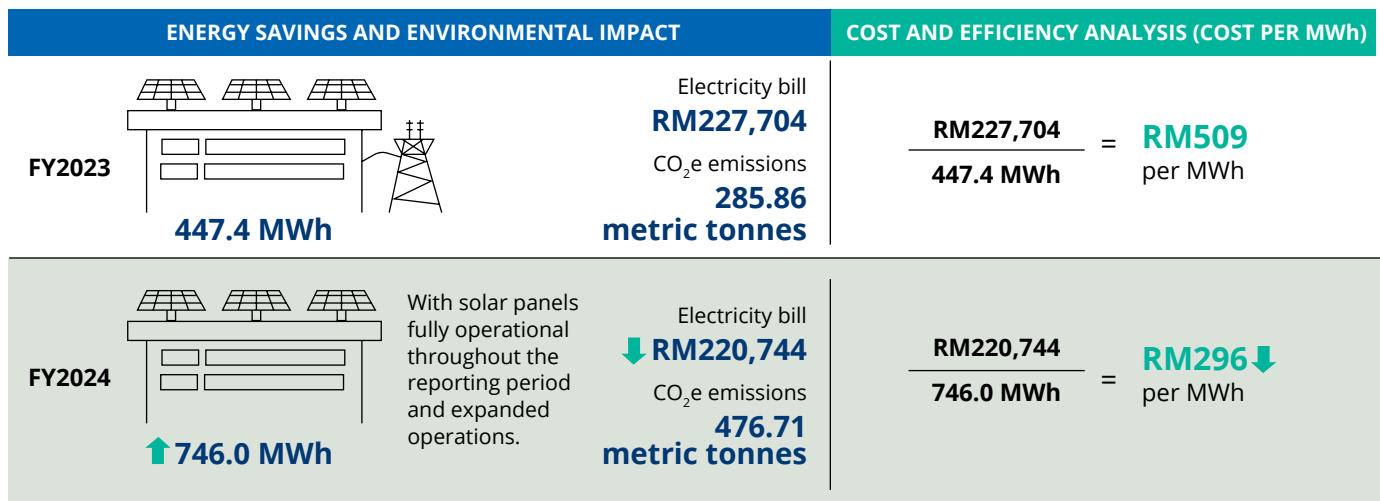
The deployment of solar panels is envisaged to reduce reliance on conventional energy sources and reflects FM's move in effective capital expenditure ("CAPEX") on RE initiatives. We anticipate gradually reducing operating costs and decreasing our carbon footprint over the mid to long terms despite increased operational demands.



Future Expansion

Building on these achievements, we plan to expand RE measures by installing solar panels at additional locations, subject to feasibility and site assessments. Transitioning to RE reiterates our drive toward improving energy efficiency and lessening environmental effects.

CENTRAL BUSINESS HUB



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

CASE STUDY

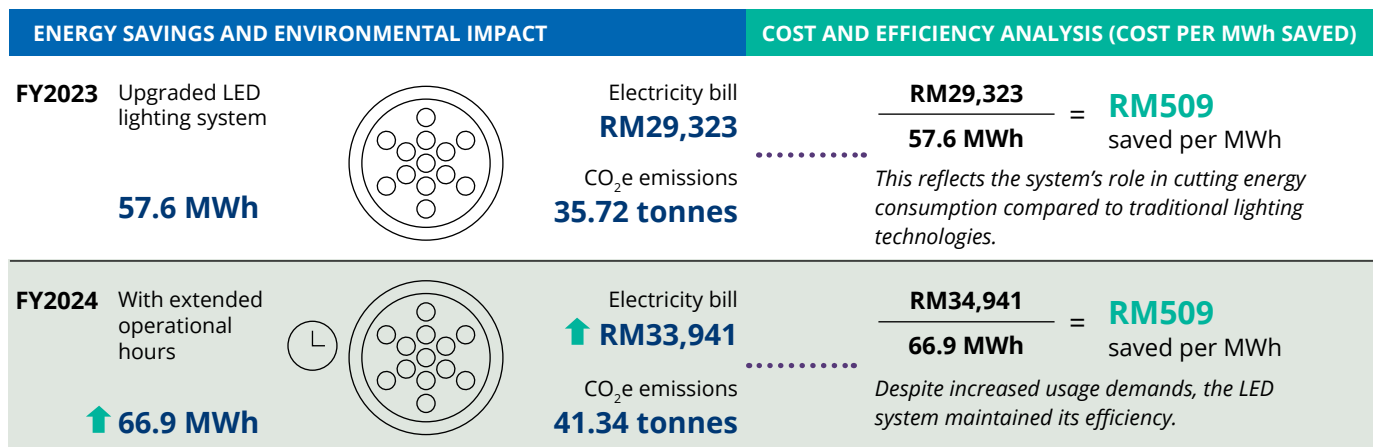
B. LED LIGHTING SYSTEMS

To further align with our energy management goals, FM initiated a significant lighting upgrade in one of its larger warehouses in Port Klang in FY2023. The project involved replacing 140 sets of outdated 250W Metal Halide (“M/H”) High Bay Light Sets with more energy-efficient 150W LED High Bay Light Sets. This upgrade was required to modernise ageing infrastructure and meet stringent HSSE standards.

Energy Savings and Environmental Impact


The LED lighting upgrade consistently delivered energy savings YoY. While operational demands increased, the cost savings per kWh remained stable, underscoring the system’s efficiency in reducing both energy consumption and emissions. This initiative highlights FM’s commitment to environmental sustainability by adopting energy-efficient technologies that not only reduce costs but also contribute to lower carbon footprint.

CENTRAL BUSINESS HUB



C. INTEGRATING ENERGY-EFFICIENT MACHINERY

In FY2024, we invested in more electrical Material Handling Equipment (“MHE”) to ease lifting and manoeuvring heavier, stacked pallets over longer distances within the warehouse. Reducing reliance on fuel-powered equipment also benefits workers by providing a quieter and cleaner working environment, further mitigating air pollution.

 **Future Investments**

By continuously adopting and implementing energy-conscious practices, we plan to acquire additional electrical pallet trucks, reach trucks and counterbalance forklifts. These investments will improve workflow and support sustainable warehouse operations techniques while reducing physical labour to uplift employee wellbeing.

Our practical and pragmatic approach to strategising the Group’s current and future energy management programmes are based on the main considerations of cost savings, elevating working conditions and strengthening HSE compliance.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

CASE STUDY

**KPI 3: WASTE MANAGEMENT
FY2024 WOODEN PALLET RECYCLING AND REUSE**

Wooden pallet recycling and reuse are critical elements in our waste management strategy, which aims to reduce landfill waste, improve resource efficiency and contribute to broader environmental preservation goals.

Procurement of Wooden Pallets

Procurement practices and management have improved over the last three financial periods to align with fluid changes in operational demands and material use optimisation.

Warehouse Division

- **FY2024: 59,668 units** - Streamlined operations to reduce material excess.
- FY2023: 71,636 units - Increased due to expanded operations.
- FY2022: 63,075 units - Met elevated logistical demands.

Recycling wooden pallets and repairing them in-house reduce landfill waste and improve supply chain efficiency, extending their lifecycle and minimising the need for new materials.



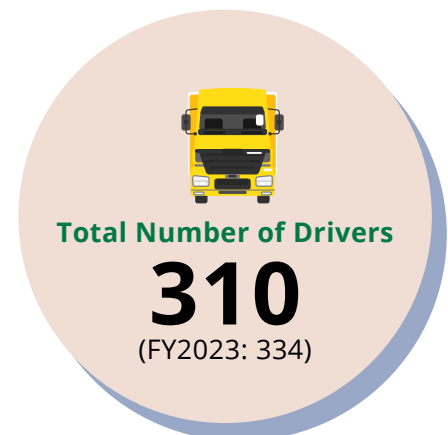
Improving Pallet Management

In embracing a circular economy approach, our warehouse operations are improving wooden pallet reuse and minimising waste. In September 2023, an internal assessment revealed the need for better tracking mechanisms for waste accountability. We are exploring innovative methods to improve reuse, reduce procurement and support a circular supply chain.

**KPI 4: OCCUPATIONAL HEALTH AND SAFETY
FY2024 DRIVER SAFETY AND PERFORMANCE**

FM prioritises educating its workforce within the Transport and Haulage Divisions to ensure behavioural change, mainly in HSSE areas and safety, and to inculcate a culture of safety through targeted, KPI-driven programmes.

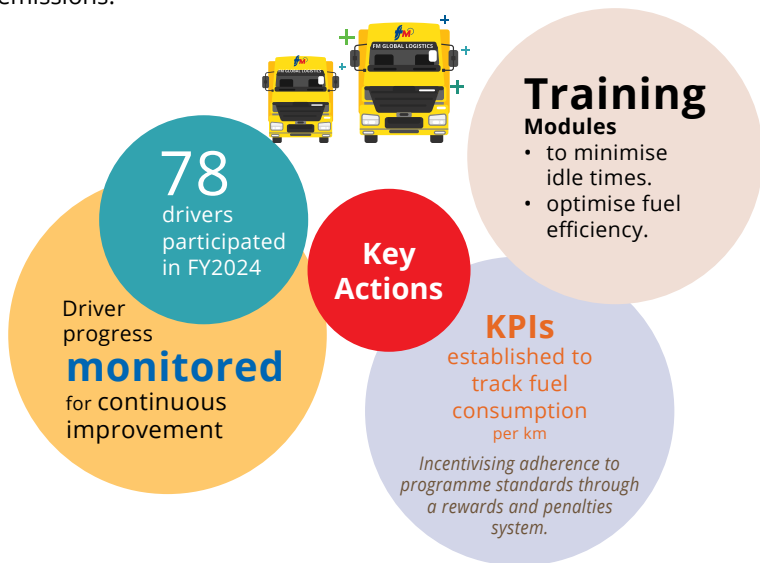
Understanding the critical role our drivers play in maintaining safe and efficient operations, we are mindful of the need to consistently motivate them while closely monitoring and supporting their development through targeted strategic initiatives.



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

A. VEHICLE IDLING REDUCTION PROGRAMME

Introduced in FY2023, the programme was introduced to educate drivers on the operational and environmental impacts of vehicle idling. By promoting responsible and accountable vehicle use, the objective was to reduce fuel consumption, achieve cost savings and cut CO₂ emissions.

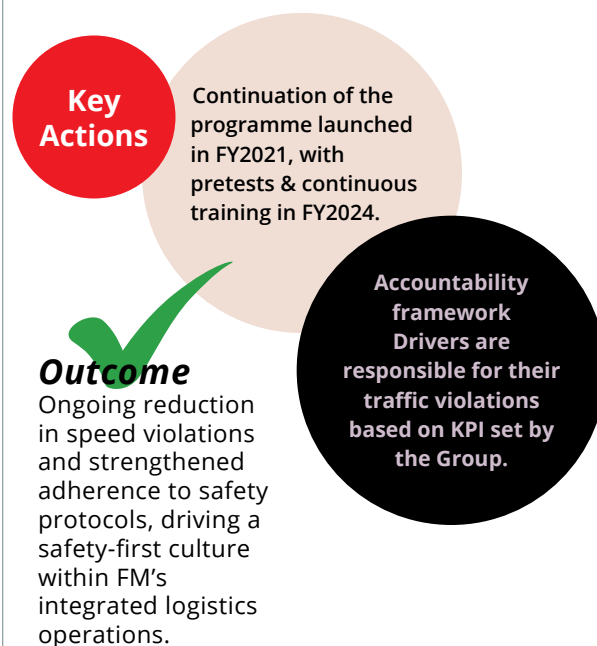


FM will persist with a KPI-driven approach, leveraging collected data to pinpoint strengths and weaknesses and identify trends and establish best practices for future initiatives. This evidence-based strategy is an essential part of our overall climate action and other sustainability commitments.

By systematically tracking performance metrics, we can reduce unnecessary idling, achieve measurable fuel savings and contribute positively to our GHG emissions reduction targets. This focus on data-driven insights ensures that our efforts are not only strategic but also impactful in advancing our sustainable integrated domestic logistics and international freight.

B. SPEED VIOLATION REDUCTION PROGRAMME

Highlighting the importance of road safety by reducing speed violations, encouraging a culture of responsibility and ensuring compliance with traffic regulations.



FM will continue to refine and expand the KPI system to monitor driver performance. The goal is to reduce speed violations further and enhance overall safety. This system will be a key tool in reinforcing a culture of responsibility and continuous improvement within our team.

What's Next

Continuous training and awareness programmes will equip drivers with advanced skills to prevent accidents and enhance operational safety. We intend to expand on programmes, including:




- **Defensive Driving:** Advanced hazard anticipation and response strategies to prevent road accidents.





- **Forklift Safe Driving:** Ensures compliance with material handling safety standards in warehouse operations.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

Apart from the two main focus areas, we emphasise:

 **Route Optimisation:** We strive to minimise idling and fuel consumption by strategically planning for more efficient routes.

 **Regular Maintenance:** Keeping our vehicles in optimal condition reduces idling. We have implemented scheduled and unscheduled maintenance protocols to address any issues and ensure our fleet operates efficiently and promptly.

 **Truck Dash Cams**
Installing truck dash cams, the Global Positioning System (“GPS”) allows the cam to accurately determine vehicle location, speed and direction, providing data for various purposes. This technology has become indispensable, offering fleet operations managers the ability to boost productivity via more targeted driver training, enhanced security, better compliance and easier reporting across the business.



OUTLOOK

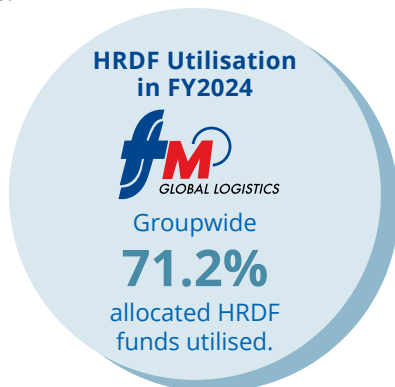
FM will continue refining its KPI-driven strategies and expand data analytics to reinforce the implications of driver performance to achieve higher safety standards. In today’s landscape, data is paramount.

Combined with targeted vehicle technologies and solutions, helps elevate fleet safety, nurture better drivers and make better-informed fleet management decisions. These initiatives form the backbone of our social responsibility efforts within the EESG framework to emphasise our seriousness in employee welfare and skill enhancement through consistent training and performance analytics.

KPI 5: TRAINING & EDUCATION

A. STRATEGIC OPTIMISATION OF HRDF UTILISATION IN FY2024

In FY2024, FM strategically enhanced its utilisation of the HRDF to align training initiatives with employees’ professional growth and corporate goals.



The Group’s overall average of 71.2% reflects a significant improvement from 54.2% recorded in FY2023, demonstrating increased effectiveness in individual and organisational development.



FY2024 TRAINING TYPES AND OBJECTIVES

Health and Safety Training

Instilling a safety culture for minimising workplace risks and preventing incidents.

Business Knowledge in Corporate Governance & ISO

Ensuring compliance with global standards, upholding ethics and integrity, as well as best corporate governance practices.

Leadership Development

Cultivating the talent pipeline for future leaders to drive FM’s strategic goals.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

STRATEGIC ACTION PLANS FOR OPTIMISING HRDF UTILISATION IN FY2025

Looking ahead to FY2025, FM is committed to further refining our approach to HRDF utilisation through a series of strategic actions.

Standardised Training Programmes: To ensure consistent quality and measurable outcomes across divisions.

Annual Training Needs Analysis (“TNA”): Developing an annual TNA to identify employees’ specific needs accurately. Based on the analysis, we will create a training strategy to ensure that our training efforts align with individual and organisational objectives.

Post-Training Assessment Evaluations: Assessments will be introduced to evaluate training effectiveness and conducted as deemed appropriate.

HR Coordination with Training Providers: Aligning programmes with HRDF eligibility and FM’s strategic goals to maximise impact. The refined HRDF utilisation in FY2024 empowers the workforce and supports FM’s long-term success. Moving into FY2025, we will continue identifying suitable training programmes for upskilling, reskilling and bridging employee skills gaps.



KPI 6: ETHICS & INTEGRITY ADVANCING OUR ABAC COMPLIANCE IN FY2024

We affirm best governance practices within the Group through targeted training initiatives, reporting mechanisms and proactive communication with internal and external stakeholders. In FY2024, the ABAC programme was conducted for all personnel. This initiative underscores our dedication to maintaining integrity, transparency and accountability across our operations.



Whistleblowing Oversight & Responsibility

In alignment with our governance framework, FM has implemented a whistleblowing process as a tool for reporting any incidents of unethical behaviour, ensuring that all concerns are addressed with confidentiality and integrity. Compliance personnel and the ARMC internally monitor the whistleblowing process. Their collective task is to ensure that all reports are strictly managed and adhered to by FM’s governance policies. Any incident reporting can be channelled to the dedicated group-registered emails:

armc@fmgloballogistics.com & compliance@fmgloballogistics.com

Whistleblowing Reports in FY2024

No whistleblowing incidents were reported in FY2024. FM remains dedicated to transparent whistleblowing mechanisms, ensuring swift and effective action to address potential concerns.

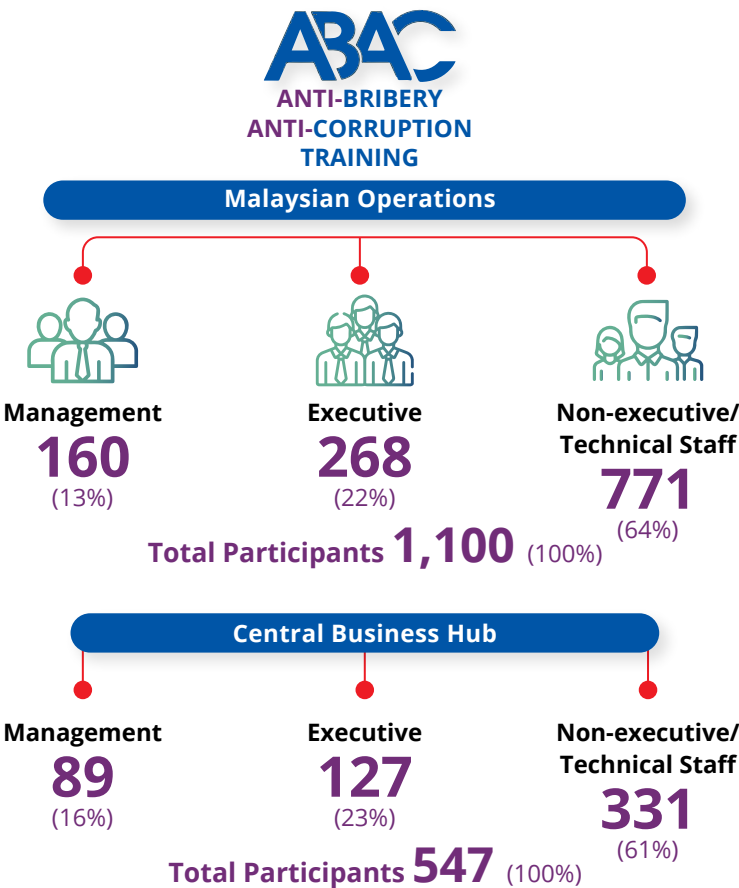
Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 to 3-3, 301-1, 301-2, 403-1 to 403-10, F4GBM) (continued)

Awareness Programmes

Awareness of the whistleblowing platform was communicated during ABAC training sessions. Both employees and relevant external parties were informed about the reporting channels available to them, ascertaining that everyone knew how to raise concerns regarding unethical conduct. The reporting channels were explicitly communicated during training sessions, providing clarity and deepening understanding among all participants.

In FY2024, employees underwent training to gain a clear understanding and adherence to our ABAC procedures. This initiative achieved 100% participation in our Malaysian offices across all employee categories, underscoring our focus on fostering a culture rooted in integrity and ethical conduct throughout the organisation.

Our responsibility ethics and integrity extends beyond internal operations to ensure that all external partners adhere to the ABAC and Whistleblowing Policies by requiring each HOD to communicate these standards to relevant customers, vendors, contractors, suppliers and business associates. This approach assists in confirming that third-party partners are fully informed and aligned with FM's ethical guidelines, reinforcing our commitment to integrity in external stakeholder engagement.



This active participation emphasised our approach to ensuring that every employee is well-versed in the ethical standards that govern our operations.



What's Next

The ABAC programme drives culture of integrity among all stakeholders in enhancing our service delivery. ABAC training is integrated into onboarding new employees. Annual refreshers for existing staff, including those abroad, were also conducted.

We build trust and accountability through secure reporting mechanisms and proactive communication. As we refine our governance practices, we strengthen our reputation as a reliable and ethical partner in the competitive landscape of integrated global logistics.

Please refer to the Economic and Governance segment as well as the Performance Data on pages 69 to 75 and pages 108 to 109 of this SR2024

Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2)

STRENGTHENING RESILIENCE AND DELIVERING LASTING VALUE

(GRI 201-1 to 201-4, F4GBM)

Economic sustainability serves as the base of FM's strategy of simplifying and streamlining its integrated logistics services. The Group has earned the respect and recognition of the global community through various accolades it has accumulated since its inception.

Disciplined and prudent financial management tactics have resulted in more than two decades of consistent earnings growth. Strategic investments in human capital and operations, alongside stringent governance and risk management practices, have steered FM's resilience in adapting to shifting market dynamics.

With the rise of stakeholder capitalism, we are acutely aware of our obligation to create and sustain value for all our stakeholders, including our employees, clients, shareholders, business partners, contractors, suppliers, vendors and the communities in which we operate.

STRATEGIC PRESENCE AND GLOBAL OPERATIONS

(GRI 202, F4GBM)

FM's expansive footprint across key international markets in Malaysia, Singapore, Thailand, Vietnam, the Philippines, Indonesia, Australia, India and the USA reflects our innate ability to deliver tailored solutions that meet the diverse needs of our global clientele.

We have a comprehensive suite of services designed to address every facet of the supply chain.

OPERATION AREAS

 Sea Freight

 Air Freight

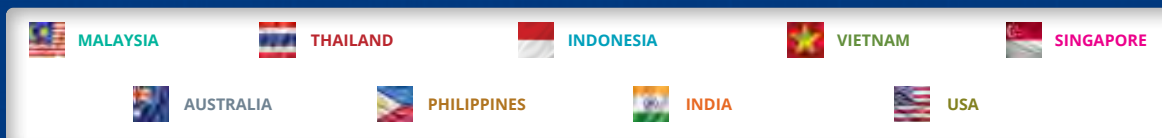
 Land Freight

 3PL, Warehousing & Distribution

 Supporting Services



WHERE WE OPERATE



Note : The font colours of the respective nations correspond to the colour shadings on the map.

INDUSTRIES SERVED

 Manufacturing

 Healthcare

 Oil & Gas

 Fast Moving Consumer Goods ("FMCG")

 Retail

 Medical & Pharmaceutical

 Food & Beverage

 Electrical & Electronics

Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (continued)

Our business acumen, anchored on the experience and expertise of our people, has enabled us to maintain consistent business operations across varied markets. This clearly conveys our profound understanding of local market dynamics and our agility in addressing and adapting to market-specific challenges. Leveraging our global presence and range of services, we ensure operational resilience and strengthen our competitive advantage through professionalism and reliability, while staying aligned with the evolving needs of our clients.

SUSTAINABLE FINANCIAL GROWTH AND VALUE DISTRIBUTION
(GRI 2-22, 201-1, F4GBM)

During the reporting period, as an essential service, our operations remained resilient, demonstrating adaptability across various markets. This resilience is underscored by our deep understanding of local market dynamics and ability to navigate specific challenges effectively. Maintaining a focus on operational excellence and strategic agility is important to ensuring continued alignment with client needs and securing a competitive position in the market as conditions evolve.

Revenue Performance and Strategic Adaptation

In FY2024, FM generated a total revenue of RM817.5 million, compared with RM948.4 million in FY2023.

FY2024 TOTAL ECONOMIC VALUE GENERATED



Human Capital Investments
(GRI 3-3, 202, 401-2, F4GBM)

In FY2024, FM increased its total salaries and employee benefits outlay to RM113.8 million, up from RM105.7 million in FY2023. The amount covered enhanced benefits, including statutory payments to the Employee Provident Fund (“EPF”), Social Security Organisation (“SOCSO”), Employment Insurance System (“EIS”) and medical coverage.

Financial Stewardship, Sustainable Procurement, Shareholder Returns and Corporate Responsibility
(GRI 202-204, F4GBM)

In FY2024, FM’s financial capital and interest repayments amounted to RM8.0 million (FY2023: RM7.8 million), demonstrating a disciplined approach to debt and financial stability.

FM’s procurement spending follows an 80:20 distribution between local and regional suppliers, supporting a balanced and strategic approach to supply chain resilience and management across different markets.

While working with local suppliers reduces logistics emissions through localisation, we will also focus on partnering with international suppliers on carbon reduction efforts and green initiatives.

For its Central Business Hub, total payments of RM146.3 million were expended to suppliers, with 80% (RM117.3 million) directed to local vendors, supporting the local economy. The remaining 20% (RM29.0 million) were paid to overseas suppliers.

Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (continued)



Dividend payouts amounted to RM16.8 million in FY2024, while dividend declared increased to 72%, up from 53% in FY2023 to reflect a strong commitment to shareholder value. Tax contributions registered at RM12.9 million from RM15.1 million in FY2023, indicating a 14.2% decrease.

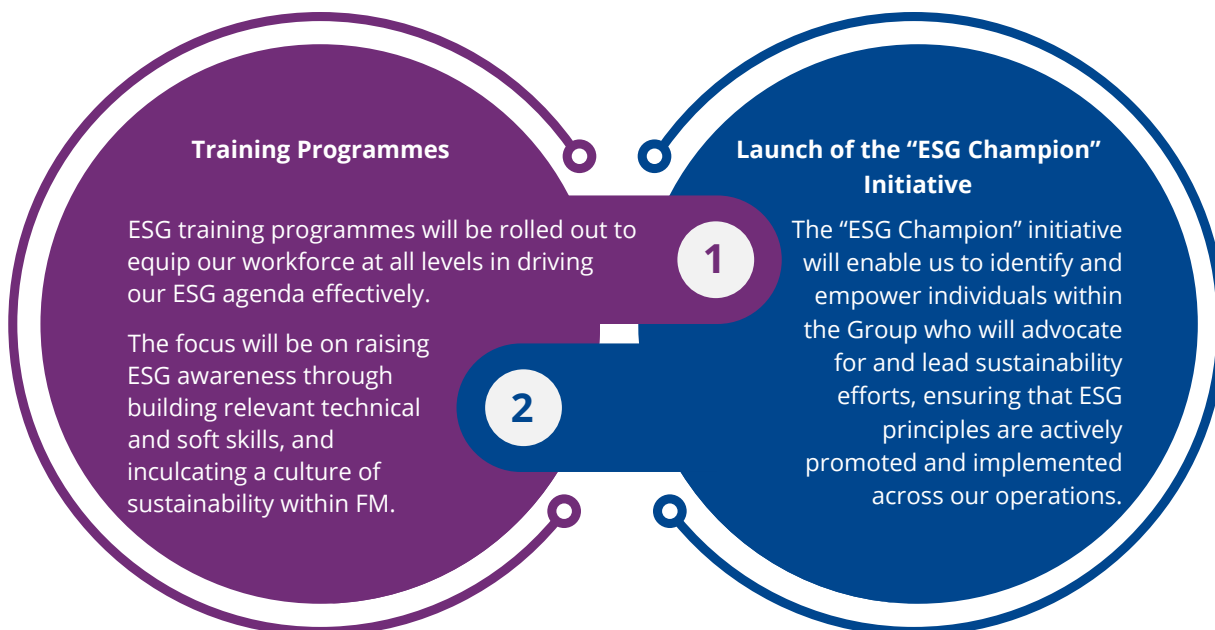
While CSR contributions were not recorded in FY2024, a renewed focus on translating our economic success into tangible social benefits is planned for the FY2025 reporting period.

Business Growth and Expansion Plans
(GRI 2-15, 2-23, 205-1, 205-2, 205-3, F4GBM)

In FY2025, FM intends to further strengthen its standing in the ASEAN Logistics Network by integrating sustainability as a core element of its business strategy. This involves launching the ESG framework to guide our future growth and shape our operations.

These efforts are designed to position FM as a forward-thinking entity in eco-conscious logistics while enhancing brand reputation and strengthening partnerships. By embedding ESG principles into our business growth and expansion plans, we are future proofing our operations and driving impact across the responsible global logistics industry.

KEY COMPONENTS OF OUR ESG STRATEGY



Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (continued)

GOVERNANCE AND RISK MANAGEMENT

(GRI 2-15, 2-23, 205-1, 205-2, 205-3, F4GBM)

Good governance and effective risk management are central to FM's economic sustainability. In FY2024, we strengthened our governance framework by identifying and mitigating key risks. **Health and Safety, Data Protection** and **Regulatory Compliance**, including ABAC and WB, were our top material matters under the Governance pillar.

Key Actions from FY2024 and Strategic Outlook

In response to the three key governance issues identified in FY2024, FM took remedial steps to counted and mitigate these risks.

Health and Safety

Health and Safety remained central throughout FY2024, with ongoing protocol enhancements through regular Process Improvement and Near Miss ("PINM") assessments. These measures were necessary to identify potential hazards and implement preventive action to secure a safer workplace.

In FY2025, we will expand PINM assessments and roll out enhanced training programmes to cultivate a safety-first culture that anticipates and mitigates risks before they impact operations.

Data Protection

Data Protection activities were monitored throughout FY2024, with reports made accessible through a designated email channel. This approach ensured that any potential data breaches or vulnerabilities were quickly identified and addressed, maintaining the integrity of our information systems.

To reinforce our data protection strategy, we will execute refined cybersecurity protocols and increase employee awareness through targeted training initiatives in FY2025.

Ongoing surveillance will be essential to our approach, which will continuously assess vulnerabilities and optimise defences. Regular updates and comprehensive reports will be disseminated to key stakeholders, maintaining transparency and enhancing our collective security posture.

Anti-Bribery & Anti-Corruption and Whistleblowing

In FY2024, FM rolled out its ABAC and WB Policies across the entire Group, including all international offices. This endeavour reflects the Group's serious take on ensuring ethical conduct throughout our operations.

In FY2025, we plan to strengthen the ABAC framework by implementing audits and conducting ongoing training for all employees and partners. We will strive to integrate these principles into our corporate culture, making ethical behaviour a fundamental aspect of our organisational identity.

Employees and business partners are expected to understand and adhere to these policies, as these measures are essential for safeguarding our operations through best governance practices. As we move into FY2025, we will build on these intentions, proactively addressing challenges and enhancing our framework for responsible business practices.

Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (continued)**BUILDING RESILIENCE THROUGH STRATEGIC PLANNING** (GRI 2-16, 2-25, F4GBM)

Through our Enterprise Risk Management (“ERM”) framework, we systematically identify, assess and mitigate potential risks, ensuring we remain firm in the face of both anticipated and unforeseen challenges.

We recognise the significance of effective governance and sound risk management. These factors, as well as their potential effects on business operations, demand serious consideration.

Business Continuity Planning (“BCP”)

The effectiveness of our BCP is central to our ability to navigate disruptions and maintain operational continuity. The BCP is meticulously reviewed at least once a year to ensure it remains relevant and responsive to the evolving risk landscape.

A risk assessment accompanies each review, the results of which are reported to the Board. Recommendations for improvements and enhancements are made to refine our preparedness and response strategies continually.

- **Legal/Regulatory Compliance:** Ensuring adherence to all applicable laws and regulations, safeguarding the company from legal risks.
- **Governance:** Upholding good corporate governance practices to maintain transparency, accountability and ethical standards.
- **Operations:** Protecting the continuity of our core logistics operations, including supply chain management and service delivery.
- **Finance:** Managing financial risks, including those related to liquidity, credit and market fluctuations.
- **Environment:** Addressing environmental risks, such as those posed by climate change, to minimise our ecological footprint and ensure compliance with environmental regulations.
- **Supplier Relations:** Securing our supply chain by managing supplier-related risks, ensuring that our partners adhere to our standards and that we maintain a stable supply of goods and services.

Proactive Measures for Digital Security

In FY2024, FM prioritised cybersecurity, recognising the increasing importance of protecting our digital infrastructure from potential threats. No cybersecurity breaches, substantiated complaints regarding violations of customer privacy or losses of customer data were reported during the financial year, which is a positive outcome for our organisation. However, our information Technology (“IT”) team remains vigilant, continuously monitoring all organisational workstations.

Upon detecting any unauthorised applications, immediate actions are taken to mitigate potential risks. This involves implementing appropriate security measures and engaging with relevant stakeholders. By taking these proactive steps, we ensure that our IT systems remain secure, safeguarding the integrity of our operations and our clients' data.



Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (continued)

The financial risks posed by climate change have been a growing concern and in FY2024, these risks were addressed and incorporated into our ERM framework.

The risks are two fold:

- **External Factors:** Prolonged heavy rainfall, exacerbated by high temperatures, has caused severe flooding in areas surrounding our warehouse facilities near Port Klang. In response, we are collaborating with local authorities on flood mitigation efforts, including designing and installing tidal ponds and raising road kerbs to minimise the impact of flooding on our operations.
- **Operational Factors:** Our fleet of prime movers, trucks and forklifts currently emits high levels of pollutants, creating challenges in transitioning to cleaner, lower-emission technologies. We are exploring the benefits of adopting clean fuel systems and sustainable technologies to reduce emissions. This shift will better align our operations with environmental standards and minimise environmental impact.



Emerging Risks Identified and Mitigation Strategies

In FY2024, new Legal and Regulatory Compliance risks were identified due to the introduction of updated tax regulations and the expanded Sales and Service Tax (“SST”) and E-invoicing coverage area.

Risk Identification: Legal and Regulatory Compliance

The new tax regulations and expanded SST and E-invoicing coverage presented compliance challenges impacting financial operations and reporting. These changes required immediate attention to ensure the Group fully complies with the updated legal framework.

Impact Assessment

These changes increased the risk of financial liability and administrative burden, requiring adjustments in pricing and invoicing to avoid penalties.

Mitigation: Training and Awareness

Employees underwent upskilling to improve their preparedness for these risk areas. In addition, processes and systems were updated to ascertain full compliance with the new regulations.

By proactively addressing new risks, FM has strengthened its legal and regulatory compliance, minimising financial impact and maintaining its responsible standing. Ongoing training and process improvements will support continued compliance.

In preparation for the FY2025 reporting period, we will further integrate climate-related risks into the ERM framework, ensuring its adaptability.

Economic and Governance (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (continued)

RISK MITIGATION (GRI 2-16, 2-25, F4GBM)

TYPE OF RISK	IMPACT	MITIGATION MEASURES
FINANCIAL		
Economic Downturn	Reduced trade and lower demand leading to loss of revenue.	Setting growth strategies, meeting KPIs of key accounts and regular monitoring of plans, achievements as well as economic indicators.
OPERATIONAL		
Improper Cargo Handling	Claims for missing or damaged cargo.	Establishing SOPs for cargo handling and training, with site supervision conducted by HODs to ensure the adequacy of insurance coverage.
Inventory Inaccuracy	Loss, shortage or misplaced goods affecting on-time delivery.	Establishing procedures for inventory control, stocktaking schedule and appointment of dedicated supervisors.
SUPPLY CHAIN		
Poor Supplier Performance	Potential financial losses for customers and damage to the Group's reputation.	Implementing processes in the ISO 9001:2015 Quality Management System including regular assessments of suppliers and their respective KPIs.
SOCIAL		
Communicable Health Diseases	Manpower shortage.	Strict adherence to the directives issued by the Ministry of Health ("MOH") and maintaining a set of internal SOPs that underscore the importance of vigilance in the workplace. When potential exposure is identified, testing is promptly carried out and affected employees are given the option to work remotely.
GOVERNANCE		
Act of Bribery or Corruption	Breach of the MACC Act.	Ensuring compliance with the Group's ABAC and WB Policies involves maintaining awareness through periodic training for existing employees and orientation for new hires. Additionally, our proactive approach includes continuous monitoring for red flags and potential violations, conducting regular audits and implementing reporting mechanisms to promptly address non-compliance issues.

FM's economic sustainability strategy is a balanced approach that integrates strategic market presence, innovation-driven growth and good governance. By investing in our people, strengthening our supplier relationships and maintaining strong financial and risk management practices, we ensure that our business remains capable of delivering sustained value to our stakeholders. As we navigate the complexities of the global logistics landscape, FM remains dedicated to driving sustainable economic growth, developing long-term partnerships and contributing positively to the economies and communities we serve.

Further details of FM's economic and business performance, financial results and business strategies are presented in the Management Discussion and Analysis, Financial Highlights and Audited Financial Statements in this Annual Report 2024.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1)

STRATEGIC INITIATIVES AND PERFORMANCE

In FY2024, FM reaffirmed its commitment to environmental sustainability through a series of meticulously planned and executed initiatives focusing on fleet and energy management. These initiatives were designed to reduce carbon emissions significantly, optimise energy consumption and ensure compliance with environmental regulations. The following is a detailed account of our sustainability efforts, highlighting the progress made in FY2024 compared with FY2023 and setting the stage for continued advancements in the coming year.

FLEET MANAGEMENT INITIATIVES

Our vehicle checklist assessment and driver app ensure road readiness through pre-trip safety checks and real-time diesel tracking. Data analysis monitors fuel consumption, comparing it to benchmarks to measure environmental impact. The digitised process also reduces paper waste and supports ecological goals.

While idling control measures have long been a component of our sustainability strategy, FM has placed a stronger emphasis on improving overall vehicle efficiency as a more impactful method of reducing emissions. This approach involves an assessment of vehicle performance, focusing on factors such as fuel economy, engine health and driving behaviour.

By investing in newer, more efficient vehicles, we aim to reduce carbon emissions. This strategic shift underscores our commitment to minimising the environmental impact of our fleet operations.



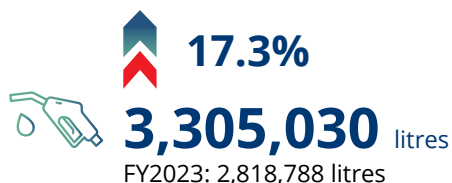
In a tactical move towards cleaner energy use, FM transitioned to the use of cleaner burning fuels across our fleet in FY2024. These types of fuels are known for their lower sulphur content and reduced emissions of particulate matter and nitrogen oxides compared to their predecessors.

This shift not only supports our sustainability goals but also ensures compliance with increasingly stringent environmental regulations. By adopting this cleaner fuel alternative, FM has enhanced the environmental performance of our fleet, contributing to improved air quality and a reduction in our overall carbon footprint.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

FUEL CONSUMPTION OVERVIEW

Total Fuel Consumption in FY2024



FUEL CONSERVATION PROGRAMME FOR PRIME MOVERS

FUEL AND COST DATA OVERVIEW

To assess the effectiveness of our Fuel Conservation Programme for Prime Movers, we examined the fuel usage and associated costs for FY2023 and FY2024.

Fuel Usage

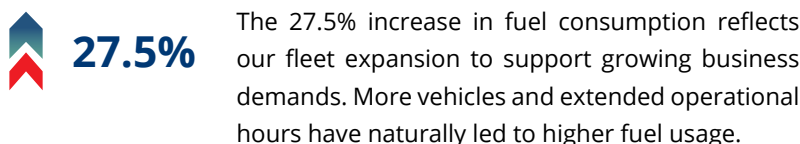


Fuel Cost

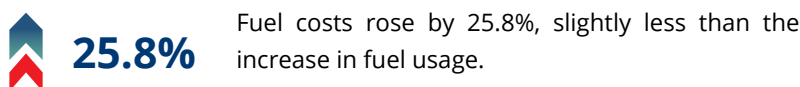


ANALYSIS OF FUEL AND COST TRENDS

INCREASE IN FUEL USAGE



INCREASE IN FUEL COSTS



Intensity Ratio Analysis

A slight decrease of approximately 1.3% in the cost per litre indicates improved fuel efficiency. Despite the overall increase in fuel consumption and total costs, the marginal reduction in the intensity ratio suggests that FM has maintained or slightly improved fuel cost efficiency through strategic measures.

IMPLICATIONS AND STRATEGIC FOCUS FOR FY2025

The Fuel Conservation Programme for Prime Movers in FY2024 has demonstrated both successes and areas for improvement. While fuel usage and costs have increased in line with fleet expansion, the slight improvement in the intensity ratio indicates progress in cost efficiency.

Moving forward, FM remains committed to enhancing fuel efficiency and implementing strategic initiatives to manage and reduce fuel consumption and costs. These efforts are crucial for sustaining our growth, maintaining economic viability and upholding our commitment to environmental sustainability.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

KEY INITIATIVES

FUEL EFFICIENCY

Investing in Fuel-Efficient Vehicles

Prioritising the procurement of EURO 5 compliant vehicles will position FM to meet higher emissions standards and improve fuel efficiency. We will also explore adopting electric vehicles (“EVs”), which despite higher initial costs, promise environmental benefits and long-term savings.

Advanced Telematics

Implementing advanced telematics will allow for real-time tracking and optimisation of fuel usage, helping to identify inefficiencies and encourage more economical driving behaviours.

Driver Training

Ongoing education and training programmes focused on eco-friendly driving techniques will improve fuel efficiency and reduce unnecessary fuel consumption.

FUTURE COST MANAGEMENT

Expanding the Fuel Conservation Programmes

These programmes will be extended to all operational areas beyond Port Klang, ensuring that every division benefits from enhanced fuel efficiency and reduced emissions. This will involve training drivers on eco-friendly driving techniques and implementing advanced telematics to monitor fuel usage in real time.

Ongoing Monitoring and Optimisation

FM will continue to monitor fuel consumption across all divisions. Using data-driven insights to track fuel usage and costs in real time will enable more precise control and timely interventions to address any inefficiencies, optimise routes, improve vehicle maintenance and reduce unnecessary fuel usage. This proactive approach will help us achieve our sustainability targets while maintaining high standards of operational efficiency.

ADVANCING ENERGY MANAGEMENT

IDLING MONITORING TECHNOLOGY

In FY2024, FM utilised idling monitoring technology to reduce unnecessary engine idling, which wastes fuel and increases CO₂ emissions. By tracking idling times, we implemented measures that led to lower fuel consumption and reduced emissions.

This measure supports unnecessary fuel wastage and lessens atmospheric pollution emitted from our vehicles. In addition, we focused on several energy management initiatives to decrease emissions further and maximise resource use, addressing both immediate and long-term environmental impacts to maintain sustainable business practices.

EDUCATION AND AWARENESS

Recognising the importance of driver behaviour in achieving our environmental goals, continuous education and awareness programmes for drivers and fleet managers were organised during the reporting period.

These programmes focused on best practices for fuel efficiency, the importance of reducing idling and broader environmental stewardship. We have made notable strides in reducing our overall environmental impact by equipping our team with the knowledge and tools necessary to adopt eco-friendly driving habits.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

ROUTE OPTIMISATION

Route optimisation was a critical focus in FY2024 to reduce fuel consumption by identifying the most efficient travel routes. This initiative involved the use of sophisticated route planning software that takes into account traffic conditions, road quality and fuel efficiency. The results were two fold: reduced emissions and a significant increase in operational productivity. Feedback from our Haulage and Transport teams confirmed the effectiveness of this initiative, highlighting the tangible benefits of optimised route planning.

REGULAR MAINTENANCE

FM maintained a consistent vehicle maintenance schedule throughout FY2024 to ensure all fleet vehicles operated at peak efficiency. Regular maintenance checks are crucial for reducing emissions associated with poor vehicle performance, such as increased fuel consumption and higher pollutant output. By keeping our fleet in optimal condition, we not only ensure compliance with environmental regulations but also extend the lifespan of our vehicles, contributing to long-term sustainability.

ENERGY CONSUMPTION OVERVIEW



Diesel Consumption

3,300,998 litres
127,418.56 GJ (33,929.32 MWh)

FY2023: 2,804,531 litres
108,254.90 GJ

FY2022: 2,295,798 litres
88,617.80 GJ

Petrol Consumption

4,031 litres
137.89 GJ (30.96 MWh)

FY2023: 14,258 litres
456.26 GJ

FY2022: 14,343 litres
458.98 GJ

Central Business Hub Diesel Consumption

3,139,468 litres
112,392.94 GJ (32,269.03 MWh)

FY2023: 2,586,591 litres
92,599.95 GJ

FY2022: 2,075,800 litres
74,313.64 GJ



Electricity Consumption

5,743,768 kWh
20,677.56 GJ (5,743.77 MWh)

FY2023: 6,282,044 kWh
22,615.36 GJ

FY2022: 5,736,757 kWh
20,652.32 GJ

Central Business Hub Electric Consumption

2,701,987 kWh
9,727.15 GJ (2,701.99 MWh)

FY2023: 2,822,126 kWh
10,159.65 GJ

FY2022: 3,046,500 kWh
10,967.40 GJ



Total Energy Consumption

148,234.02 GJ
(139,704.04 MWh)

FY2023: 131,326.51 GJ
FY2022: 109,729.10 GJ

Central Business Hub Energy Consumption

122,120.09 GJ
(34,971.01 MWh)

FY2023: 102,759.60 GJ
FY2022: 85,281.04 GJ

Energy Intensity Ratio

8.86 GJ/TEU

FY2023: 10.23 GJ/TEU
FY2022: 9.46 GJ/TEU

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

ANALYSIS OF ENERGY CONSUMPTION TRENDS

The increase in energy consumption in FY2024 compared to FY2023 can be attributed to several key factors:

EXPANDING OPERATIONAL CAPACITY

We expanded our warehousing facilities as part of our strategic plan to broaden our market presence and operational reach. While necessary for supporting our business objectives, this growth also increased energy usage.

ENERGY MANAGEMENT STRATEGY FY2025

Continuous Monitoring of Energy Consumption

We will enhance our monitoring capabilities by continuously tracking energy consumption across all branches within the group. This will allow us to identify areas of inefficiency and implement targeted interventions to reduce energy use. Advanced energy management systems will be employed to provide real-time insights into consumption patterns, enabling more precise control over energy use.



Expanding Energy Management Initiatives

Our plans include extending energy management initiatives to additional operational areas and ensuring that all aspects of our business are aligned with our sustainability objectives. This will involve adopting best practices in energy efficiency, exploring renewable energy options such as solar power, and integrating energy-saving technologies into our operations.

Optimising Resource Utilisation

FM will optimise resource utilisation to balance operational efficiency with environmental responsibility. We will update our energy management strategies to align with business objectives and sustainability commitments, focusing on reducing energy and waste reduction.

Our plans include:

- Expanding energy management initiatives to additional operational areas.
- Adopting best practices in energy efficiency.
- Exploring RE options like solar power.
- Integrating energy-saving technologies into our operations.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

GHG EMISSIONS AND AIR QUALITY MANAGEMENT

We monitored our operations to reduce environmental impact while ensuring compliance with regulatory prerequisites. Our initiatives align with global frameworks and requirements to mitigate climate change and enhance air quality, reinforcing FM's commitment to regulatory adherence as a logistics provider.

GHG EMISSIONS OVERVIEW

Total GHG Emissions

12,351.13 tCO₂e

FY2023: 11,388.50 tCO₂e

FY2022: 9,652 tCO₂e

GHG Emissions Central Business Hub¹

8,350.98 tCO₂e

FY2023: 6,880.33 tCO₂e

FY2022: 5,521.63 tCO₂e

GHG Emission Intensity Ratio

0.74 mt/TEU

FY2023: 0.87 mt/TEU

FY2022: 0.84 mt/TEU

¹ GHG Emissions for Scope 1 is quantified from Diesel Usage (Transport & Haulage) from the Central Business Hub FY2024.

ANALYSIS OF GHG EMISSION TRENDS

In FY2024, FM's total GHG emissions amounted to 12,351.13 tCO₂e, representing an increase from the restated 11,388.50 tCO₂e in FY2023. This rise in emissions aligns with FM's operational expansion, reflecting the growing scope of the business and the corresponding increase in energy usage. A closer look at the emissions generated by the Central Business Hub reveals a more pronounced upward trend: emissions rose from 6,880.33 tCO₂e in FY2023 to 8,350.98 tCO₂e in FY2024, against 5,521.63 tCO₂e recorded in FY2022.

The rise in total GHG emissions is directly tied to the expansion of FM's operational activities, particularly at the Central Business Hub. The increase in FY2024 at this location can be attributed to the heightened energy demands required to support growing service delivery.

Nevertheless, the reduction in the GHG Emission Intensity Ratio reflects FM's success in implementing energy efficiency measures, optimising resource use and transitioning to more sustainable practices. This means that while the company's operations have grown, the efficiency with which resources are used has improved, resulting in a lower rate of emissions per unit of output.

Implications of the Intensity Ratio Improvement

- Enhanced Operational Efficiency**
 The reduction in the intensity ratio suggests that FM has been able to scale its operations to optimise energy use and reduce emissions per unit of activity. This indicates improvements in operational processes, including better energy management, route optimisation and increased use of fuel-efficient vehicles.
- Impact of Energy and Fuel Management Initiatives**
 The lower intensity ratio reflects the effectiveness of the energy and fuel management initiatives implemented in FY2022. The transition to more efficient vehicles, the use of cleaner fuels and the optimisation of routes have all contributed to reducing the overall carbon footprint relative to the scale of operations.
- Balancing Growth with Sustainability**
 The data reflects that FM has successfully expanded its operational capacity while effectively mitigating environmental impact. This growth and reduced emission intensity highlight the efforts to intensify sustainable practices and responsible business development.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

What's Next

- **Continued Focus on Efficiency**

As the group scales its operations, precedence will be on improving operational efficiency to sustain or decrease GHG emissions.

- **Investment in Green Technologies**

To sustain and enhance this trend, FM will consider and evaluate integrating green technologies, such as EVs and RE sources, to further reduce GHG emissions.

- **Monitoring and Reporting**

Monitoring the GHG Emissions Intensity Ratio on an ongoing basis will enable the Group to remain on track to meet its sustainability agenda. Transparent reporting on these metrics will reinforce FM's commitment to environmental stewardship.

The reduction in emission intensity accentuates FM's responsible operational practices over time. By effectively managing and optimising energy use, we have successfully scaled operations while consciously minimising environmental impact. This trend supports our operational objectives and recognises responsible practices within the logistics industry. Continued improvements in efficiency and investments in eco-friendly technologies will be essential for maintaining this positive performance moving forward.

DARK SMOKE MONITORING

Dark smoke observation monitoring was conducted in FY2024, focusing on vehicles and generators across our operations. This ensured that emissions remained within the permissible limits set by environmental regulations.

- **Vehicles and Generators Inspected:** All relevant vehicles and generators within our operations are required to undergo smoke test inspections.
- **Results:** The dark smoke observations for the genset exhausts were found to be within the permissible dark smoke limits specified under the Malaysian Environmental Quality (Clean Air) Regulations 2014. No instances of non-compliance were recorded.

Action Plans for Compliance

If any vehicle or generator falls short of compliance, FM has established a clear action plan, which includes immediate maintenance and adjustment procedures to bring emissions within allowable limits. Regular monitoring and corrective actions will ensure continuous compliance with air quality regulations, safeguarding environmental and operational integrity.



Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)**Emissions Management Plans in FY2025**

Moving forward into FY2025, FM will continue to prioritise the management and reduction of GHG emissions through several strategic initiatives:

- **Investment in Cleaner Technologies**

We will explore the potential adoption of cleaner burning fuel technology in our fleet. These investments are designed to reduce our carbon footprint while maintaining operational efficiency. We will also consider investing in RE sources to power our operations, further reducing our reliance on fossil fuels.

- **Expanding Monitoring Initiatives**

Continuous monitoring of emissions and energy consumption will be extended across all operational areas to minimise our environmental impact. This includes the ongoing use of advanced monitoring technologies for fuel and electricity consumption and the implementation of real-time emissions tracking systems.

- **Ongoing Compliance and Training**

FM will reinforce its commitment to environmental compliance through regular staff training sessions and continuous review of our environmental management practices. This will ensure that all team members have the knowledge and tools necessary to support our sustainability objectives. We will also work closely with regulatory bodies to stay updated on the latest environmental standards and best practices.

In FY2024, FM's environmental sustainability strategy centred on emission reduction through targeted fleet and energy management initiatives. By utilising advanced technology, enhancing vehicle efficiency and transitioning to cleaner fuel options, we have made meaningful strides in minimising our carbon footprint. These initiatives will remain integral to our sustainability efforts, reaffirming our environmental responsibility in integrated logistics operations.

WATER CONSUMPTION AND EFFLUENT DISCHARGE MANAGEMENT

In FY2024, FM elevated its management of water resources and effluent discharge to mainly conserving natural resources, particularly as we expand operations to meet growing market demands.

**Water Consumption Overview****Water Consumption****31.01** ML

FY2023: 29.13 ML

FY2022: 16.19 ML

Central Business Hub**16.36** ML

FY2023: 22.17 ML

FY2022: 4.5 ML

Data Boundary

The water consumption data reflects usage at our Central Business Hub and major offices across Malaysia, where operational activities are most concentrated. This focus allows us to accurately measure and manage the areas of highest water usage within our operations.

Water Consumption Trends

The 6.5% increase in water consumption from FY2023 to FY2024 is directly linked to the heightened intensity of our operations. As FM scaled up to address growing customer needs and market demands, the corresponding rise in water usage was necessary to sustain these operations. This uptick underscores the importance of implementing strategic water management practices to mitigate impact on natural resources.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

However, at FM’s Central Business Hub, there was a contrasting trend. Water consumption at the hub decreased from 22.17 ML in FY2023 to 16.36 ML in FY2024. This reduction reflects the effectiveness of water conservation initiatives implemented specifically at this location, such as improved water monitoring systems and optimisation of operational processes that rely on water. While overall water consumption increased across FM’s broader operations, the hub’s performance underscores the potential for targeted water-saving strategies to yield tangible results.

Water Conservation Plans in FY2025

FM plans to introduce rainwater harvesting systems in its new warehouse facilities. These systems are expected to reduce our reliance on water supply by capturing and reusing rainwater for various non-potable uses. This initiative will conserve water and align with our environmental sustainability objectives of reducing the demand for water resources.

Effluent Discharge Quality

Data Boundary

Effluent discharge data is restricted to our Central Business Hub. This allows us to maintain a focused approach to managing and monitoring effluent quality in areas with the highest potential for environmental impact.

Effluent Quality Monitoring and Results

Throughout FY2024, FM conducted scheduled effluent discharge monitoring, focusing on critical parameters such as pH levels, Chemical Oxygen Demand (COD), and Suspended Solids. The results of these tests consistently fell within the permissible limits established by local environmental regulations, demonstrating the effectiveness of our sewage treatment processes.



Parameters Tested Included:



pH Levels

Essential for maintaining the balance of acidity and alkalinity in discharged water.



Chemical Oxygen Demand (“COD”)

Measures the amount of oxygen required to break down organic matter in water, an indicator of the organic pollution level.



Suspended Solids

Reflects the particulate matter in water that can affect aquatic life and water clarity.



Ammoniacal Nitrogen

Represents the concentration of ammonia, which is crucial to monitor as it can be toxic to aquatic organisms.



Oil & Grease

Indicate the presence of hydrocarbons, which can have detrimental effects on water quality and aquatic ecosystems.



Heavy Metals (e.g., Lead, Mercury, Cadmium)

Monitored due to their toxic effects on both the environment and human health.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)**Reasons for Compliance**

FM's adherence to a strict maintenance schedule and continuous monitoring played a pivotal role in ensuring that all parameters remained within acceptable limits throughout FY2024. Our proactive approach includes regular inspections and timely interventions to address potential issues before they escalate, ensuring ongoing compliance with environmental standards and protecting local water bodies from contamination.

We will continue our effort as part of our ongoing sewage management efforts across operations. These measures will ensure effective wastewater treatment, prevent environmental harm and ensure regulatory compliance. Our focus on water consumption and effluent quality in FY2024 affirms our pledge to ensure that water bodies remain safe. Continued investments in water conservation technologies and stringent effluent monitoring will address the issue of water quality and scarcity, positioning FM as a responsible business entity.

We are preparing to schedule semi-annual sewage tests and bi-monthly cleaning operations to effectively treat wastewater, prevent environmental harm and maintain regulatory compliance. Our emphasis on water consumption and effluent quality in FY2024 is mainly to keep water bodies safe. Ongoing investments in water conservation technologies and rigorous effluent monitoring will strengthen our efforts to address water quality and scarcity, positioning FM as a responsible business entity.

ADVANCING WASTE MANAGEMENT REDUCE, REUSE AND RECYCLE MODEL (3R MODEL)

In FY2024, FM's Central Business Hub generated 145.21 tonnes of waste across its operations. This substantial volume underscores ongoing efforts to reduce waste generation, divert materials from landfills and ensure that all disposal practices adhere to high standards of environmental responsibility. The increase in waste generation can be attributed to several factors, including increased throughput and greater operational intensity across key sites.

Despite this rise in waste output, the Central Business Hub managed to divert 3.05 tonnes of waste from disposal in FY2024. By intensifying the 3R (Reduce, Reuse, Recycle) principles, we have diverted waste from landfills, contributing to the conservation of natural resources and limiting the release of pollutants.

However, while progress has been made, 142.16 tonnes of waste was still directed to disposal in FY2024. This figure highlights opportunities for further improvement in waste management. Efforts are ongoing to address this challenge through waste segregation practices, increasing recycling initiatives and exploring innovative waste management technologies to optimise resource efficiency.

Optimising Waste Segregation Practices

A key element of our waste management strategy in FY2024 was optimising waste segregation practices. By effectively distinguishing between recyclable and non-recyclable materials at the point of disposal, FM ensured that waste was categorised correctly and managed. This approach reduced the amount of waste sent to landfills and increased the volume of materials diverted for recycling.

The enhanced segregation process enabled us to make substantial progress in reducing our environmental footprint and promoting a culture of environmental responsibility within the organisation.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

• **Recycling and Reusing of Wooden Pallets**

As part of FM's ongoing commitment to environmental sustainability, the recycling and reusing of wooden pallets improved in FY2024 by 151.4% while repairing pallets increased by 81.2%, reinforcing our efforts to minimise waste and conserve natural resources. These initiatives signified responsible resource management and sustainable operational practices within the organisation.

Recycling and Reuse of Wooden Pallets Overview



Recycled
64,865 pallets
 FY2023: 16,534 pallets
 FY2022: 10,530 pallets

Repaired
6,038 pallets
 FY2023: 3,332 pallets
 FY2022: 2,170 pallets

Data Boundary

The data for recycling and reusing wooden pallets is confined to FM's operations, encompassing all relevant business activities and locations in Malaysia. This focus ensures that our efforts to reduce waste and enhance resource efficiency are applied where they can have the most significant environmental impact.

Recycling and Reuse Trends

In FY2024, new pallet purchases were reduced by 23.8%, from 71,636 in FY2023 to 54,588 in FY2024, by prioritising the recycling and repair of wooden pallets. This purposeful approach promotes circular economy practices, extending the lifecycle of pallets, lowering waste output and conserving natural resources while reducing our carbon footprint.

Reasons for Increased Recycling and Repair in FY2024

➤ **Strategic ESG Alignment**

FM's commitment to sustainability has driven a shift towards more sustainable procurement practices, focusing on reducing the need for new wooden pallets through enhanced recycling and reuse.

➤ **Cost Efficiency**

By recycling and repairing pallets, FM has reduced the costs of purchasing new pallets frequently, thereby improving overall operational efficiency.

➤ **Resource Conservation**

This initiative supports FM's broader environmental goals by conserving natural resources and reducing the ecological impact of producing and disposing of wooden pallets.

FY2025 Recycling and Reuse Strategies

FM is set to further strengthen its pallet recycling and reuse strategies by introducing H-support bars, which will help clients reinforce and extend pallet durability. This innovation will reduce the need for repairs or new purchases, supporting environmental sustainability by lowering resource consumption and waste generation.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

Ongoing and Future Initiatives

Investment in H-Support Bar

H-support bars help clients extend pallet lifespan, reducing repairs and new purchases, supporting sustainability by minimising resource use and waste.

Continued Focus on ESG Goals

We will continue prioritising the 3R concept as a key component for pallet management practices to align with our long-term sustainability objectives.

Monitoring and Reporting

We will monitor pallet recycling and reuse activities, ensuring that these practices effectively contribute to our sustainability targets. Regular reporting will provide transparency and accountability in our efforts to minimise environmental impact.

Promoting Recycling in the Workplace

In recognising the importance of embedding recycling into the daily operations of our workforce, we explored the feasibility of providing dedicated recycling bins at all office locations. This objective was to make recycling accessible and encourage employees to adopt sustainable habits, both in the workplace and beyond, promoting environmental stewardship in daily life.

Managing Scheduled Waste Disposal

We have carefully managed scheduled waste disposal as part of our ongoing commitment to environmental sustainability. We have instilled this practice for several years in efforts to minimise environmental impact by appointing certified contractors to dispose of scheduled waste in compliance with regulations.

Scheduled Waste Disposal Overview FY2024 (Tonnes)



Battery Waste (SW102)

0

FY2023: 5.47
FY2022: 0.00



Spent Lubricating Oil (SW305)

5.44

FY2023: 7.27
FY2022: 5.37



Contaminated Cotton Rags (SW410)

0.06

FY2023: 0.06
FY2022: 0.06



Contaminated Filters (SW410)

0.67

FY2023: 0.48
FY2022: 1.76



Total Scheduled Waste

6.17

FY2023: 13.28
FY2022: 7.19

Data Boundary

The data presented is confined to in-house maintenance activities within our workshop operations. This boundary ensures that the waste management strategies are focused on areas where waste generation is most concentrated and where FM can exert the most control over disposal practices.

Analysis of Waste Disposal Trends

The total scheduled waste disposal in FY2024 saw a noticeable decrease compared to FY2023. This decline was primarily attributed to strategically replacing older vehicles with newer models. The comprehensive maintenance of the new vehicles were outsourced.

Reducing battery waste and contaminated materials such as cotton rags and filters is particularly significant. It underscores the effectiveness of our waste minimisation strategies and the positive environmental impact of transitioning to more efficient and less waste-intensive vehicle maintenance practices.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

Reasons for Decrease in Scheduled Waste

➤ **Vehicle Replacement Strategy**

Maintenance of new vehicles were outsourced due to their warranty period. This has reduce in-house waste generation, which directly contributed to the lower figures for scheduled waste disposal in FY2024.

➤ **Enhanced Waste Management Practices**

Our ongoing commitment to effectively managing waste management practices has further contributed to the decrease in scheduled waste, ensuring that all waste is handled by certified contractors.

➤ **Managing Scheduled Waste in FY2025**

Continuing our vehicle replacement strategy will remain central to our efforts to reduce scheduled waste.

FY2025 Key Initiatives

➤ **Ongoing Vehicle Replacement**

We plan to replace older vehicles with newer models as part of our long-term fleet management strategy. This approach improves operational efficiency and reduces the environmental impact associated with vehicle maintenance.

➤ **Sustainable Waste Management**

We are mindful of waste management practices, ensuring that all scheduled waste generated within our operations is disposed of in compliance with environmental regulations. FM will also explore opportunities to further reduce waste through process optimisation and the adoption of best practices in waste management.

➤ **Continuous Monitoring and Compliance**

We will continue to monitor waste generation closely, ensuring compliance with all regulatory requirements and striving to minimise our operations' environmental impact. Regular reviews of our waste management processes will be conducted to identify areas for improvement and ensure the highest standards of environmental stewardship.

E-Waste Management in FY2024

In FY2024, FM reinforced its commitment to environmental sustainability by focusing on responsible E-Waste management practices. Our efforts aim to minimise the environmental impact of electronic waste while ensuring compliance with data protection regulations and promoting the sustainable use of resources.

Data Boundary

The E-Waste data encompasses all FM operations within Malaysia, including outstation locations. This boundary ensures that our E-Waste management practices are consistent across all business units within the country, reflecting our commitment to environmental stewardship at every level of operation.

Outdated Laptops and Computers



44 units

FY2023: 81 units

Outdated units were either repaired or sent to recycling centres.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

E-Waste Management Trends

The reduction in the number of outdated laptops and computers from FY2023 to FY2024 is primarily due to FM's increased focus on repairing and recycling parts. By prioritising repairs over replacements, we have successfully extended the lifecycle of our electronic devices, thereby reducing the volume of E-Waste generated. These efforts minimise the need for new resources and reduce the environmental impact associated with manufacturing and disposal.

Reasons for Decrease in E-Waste

Focus on Repairs

FM has placed a greater emphasis on repairing electronic devices, decreasing the number of units for disposal.

Recycling of Parts

Where possible, components from faulty devices are repurposed, further reducing the need for new equipment and supporting our sustainability initiatives.

Repurposing and Recycling of E-Waste

In FY2024, FM took significant steps to repurpose faulty electronic devices, primarily by harvesting spare parts from outdated units. However, the practice of donating these repurposed devices to schools has not been implemented as of FY2024. Instead, the focus has remained on internal reuse, which supports operational efficiency and sustainability.

Units Repurposed as Spare Parts



Desktop
45 units



Laptops
54 units



Monitors
27 units



Printers
11 units

Recycling Initiatives

As part of our ongoing commitment to sustainability, FM has identified a total of 137 faulty units, including desktops, laptops, monitors and printers, for the next recycling programme, scheduled for FY2025. While direct donations to schools are not currently part of our E-Waste management strategy, FM is committed to ensuring that all electronic waste is disposed of responsibly.

E-Waste Management Strategies in FY2025

We will continue to prioritise responsible E-Waste management through the following initiatives:

Certified Recycling

All faulty electronic devices will be sent to certified recycling centres. This guarantees that E-Waste is processed in an environmentally responsible manner, minimising its impact on the environment. These centres are equipped to handle electronic components safely, recycle valuable materials and ensure that hazardous substances are properly managed.

Scrapping Faulty Hard Disks

Due to concerns related to the PDPA, FM will implement a scrapping process for faulty hard disks through a registered party. This measure ensures that sensitive data is securely destroyed, protecting both our stakeholders' privacy and the environment.

Ongoing E-Waste Monitoring And Reporting

We will continue to monitor E-Waste generation across all operations and regularly report on the effectiveness of our E-Waste management strategies. This includes tracking the volume of electronic devices repurposed, recycled, and disposed of, ensuring transparency and accountability in our sustainability efforts.

We are taking concrete steps toward a more sustainable future by prioritising waste segregation and promoting recycling. Proper E-waste management align with the global movement towards reducing waste and conserving resources. They underscore FM's role as a responsible corporate citizen committed to long-term environmental stewardship.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

NOISE POLLUTION MANAGEMENT

Boundary for Noise Pollution Assessment

In FY2024, FM’s noise pollution assessment was restricted to our Central Business Hub’s office in Port Klang, Malaysia. This location, being a hub of industrial activity, necessitates careful monitoring of noise levels to ensure compliance with both local regulations and our commitment to environmental sustainability.

Noise Pollution Results for FY2024

The noise level monitoring was conducted near the compressor and motorcycle parking area at the Central Business Hub’s site in December 2023. The following parameters were recorded:

- **L_{Aeq} (Equivalent Continuous Sound Level): 68.3 dB(A)**
- **L_{max} (Maximum Noise Level): 82.6 dB(A)**
- **L_{min} (Minimum Noise Level): 56.8 dB(A)**
- **L₁₀: 68.3 dB(A)**
- **L₅₀: 59.8 dB(A)**
- **L₉₀: 58.1 dB(A)**

The equivalent continuous sound level (L_{Aeq}) recorded was 68.3 dB(A), which is well within the permissible limit of 75 dB(A) set by the Malaysian Department of Environment for industrial zones. The noise levels recorded, particularly the maximum level of 82.6 dB(A), were observed during peak activity periods, indicating a temporary spike rather than a consistent breach of noise regulations.

Compliance and Action Plans

The results from our noise monitoring indicate that we are currently operating within the acceptable noise limits as per the Environmental Quality (Clean Air) Regulations, 2014. Continuous compliance with these limits demonstrates our commitment to maintaining a work environment that adheres to legal standards and minimises disruption to the surrounding community.

Should any noise levels in the future exceed the permissible limits, a comprehensive action plan has been established to address such issues promptly, as follows:

Immediate Mitigation

Implementation of noise-reduction measures, such as installing acoustic barriers or modifying operational practices, to reduce noise at the source.

Regular Monitoring

Enhanced monitoring frequency ensures that deviations from the standard are detected and corrected swiftly.

Noise Pollution Management in FY2025

FM will continue to uphold its commitment to environmental sustainability through diligent noise pollution management. Our plans include:

Adherence to the Environmental Quality Act 1974, Section 23

We will continue to comply with the regulations set forth under this Act, ensuring that our operations do not exceed the prescribed noise levels.

Ongoing Community Engagement

FM will engage in regular communication to maintain good relations with the local community and address any concerns related to noise pollution.

By actively monitoring and managing noise levels at operational sites, we ensure adherence to legal requirements while enabling a more conducive work environment. We will explore related technologies and strengthen community engagement to enhance our environmental sustainability measures while maintaining responsible industrial practices.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

STRENGTHENING SUPPLY CHAIN MANAGEMENT

Effective supply chain management is essential in a globalised world, especially for integrated logistics companies. It ensures the smooth movement of goods across borders, from procurement to customs brokerage, transportation and distribution. FM's role in this complex network involves sourcing, coordinating, transportation and managing inventory and ensuring products reach customers efficiently.

Key elements include:

	<p>PROCUREMENT Sourcing reliable, cost-effective materials based on clients' needs. For international freight, responsibilities include sourcing reliable partners in areas of operations should companies within the Group not be represented in the said terrain.</p>
	<p>TRANSPORTATION Moving goods by sea, air and road.</p>
	<p>INVENTORY Balancing supply and demand.</p>
	<p>WAREHOUSE Storing and managing products until distribution.</p>

Current Supplier and Vendor Assessment Practices

To date, FM's procurement process has primarily focused on ensuring quality and reliability, integrating annual assessment in line with certified standards, including the MS ISO 37001:2016 Anti-Bribery Management System. Our procurement policies also include compliance with our ABAC Policy, WB Policy and Corporate Code of Conduct & Work Ethics Policy. These measures are designed to uphold the highest ethical standards within our supply chain.

Integrating Environmental Parameters in FY2025

Acknowledging the increasing significance of ESG standards in our operations, we will introduce supplier and vendor evaluation processes in FY2025 by integrating ESG criteria. This change aligns with our overarching sustainability strategy and demonstrates our dedication to promoting resilience in our supply chain.

Prioritising ESG-Active Vendors

In FY2025, we are incorporating ESG considerations into our procurement approach, focusing on building awareness among suppliers about the benefits of environmental sustainability. This approach aims to position FM as a brand committed to responsible practices, encouraging vendors to explore more sustainable pathways.

Focus on Environmental Parameters

FM plans to assess suppliers and vendors for their environmental compliance. Key environmental parameters to be reviewed include:

- **Waste Management Practices**
Evaluating whether suppliers have established procedures for the responsible disposal and management of waste, particularly hazardous materials.
- **Energy Efficiency**
Assessing the energy efficiency of suppliers' operations, including their use of RE sources and efforts to reduce their carbon footprint.
- **Resource Conservation**
Assessing suppliers' initiatives to conserve natural resources, such as water and raw materials, and adopting recycling and reuse practices.
- **Environmental Certifications**
We consider suppliers' environmental practices, including certifications such as ISO 14001, as part of our evaluation process to support sustainability efforts, where applicable.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 to 413-2, 416-1) (continued)

Collaboration with Certified Waste Management Vendors

As part of our facilities management strategy, FM has appointed certified waste management vendors. These partnerships are important to manage waste responsibly and minimise our environmental impact.

Proposed Actions for Addressing Non-Compliance

FM seeks to collaborate with suppliers and vendors in meeting environmental requirements and regulations. This may include:

- Guidance**
We seek to collaborate with suppliers and vendors to comply with environmental requirements and regulations and explore ways to incorporate sustainable practices into our operations.
- Conditional Contracts**
To protect the supply chain and ensure business continuity, we are considering conditional contracts that require suppliers to implement environmental improvements as a prerequisite for maintaining our business relationships.
- Regular Assessment**
Implement follow-up evaluations to support suppliers in making the necessary adjustments to meet our standards.

Incorporating environmental criteria into our supplier assessment process in FY2025 encourages our supply chain partners to embrace responsible practices. This initiative aims to enhance our environmental performance and inculcate a culture of accountability throughout our suppliers, vendors and contractors network. By prioritising partnerships with those committed to ESG principles, we strive to ensure our business practices contribute positively to both the environment and society.



Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418)

WORKFORCE COMPOSITION AND INCLUSIVITY

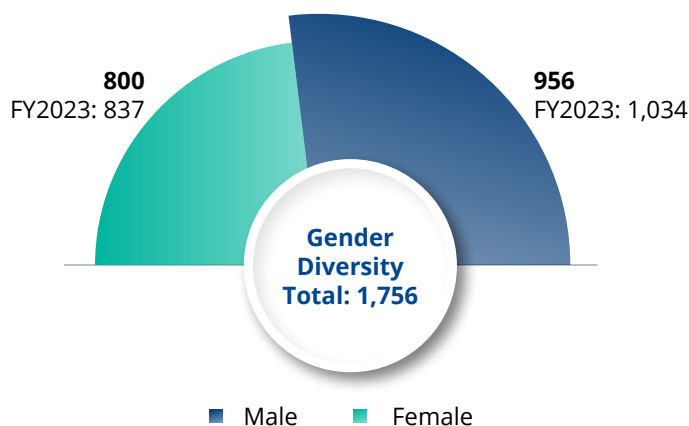
In line with our commitment to social sustainability, we strive to maintain a diverse and inclusive workforce across our operations, ensuring fair representation across countries, gender, age and employment types.



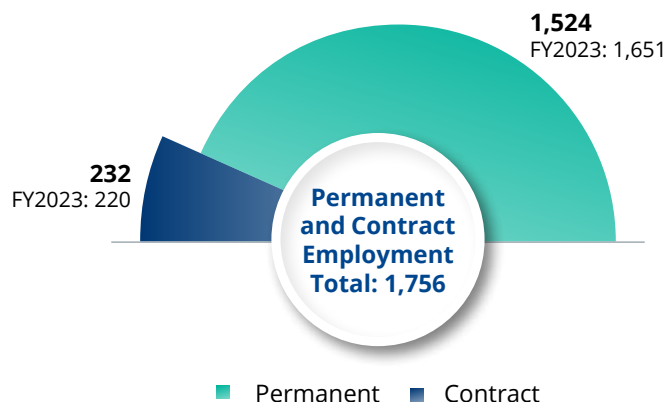
- Malaysia **1,199**
FY2023: 1,321
- India **98**
FY2023: 90
- Indonesia **210**
FY2023: 207
- Vietnam **41**
FY2023: 39
- Singapore **15**
FY2023: -
- Philippines **77**
FY2023: 71
- Thailand **72**
FY2023: 61
- USA **21**
FY2023: 22
- Australia **23**
FY2023: 26

In FY2024, we continued to maintain a strong presence in Malaysia with 1,199 employees representing 68% of total workforce.

In FY2024, we strengthened our workforce across key regional markets, focusing on developing and enhancing our talent pipeline. Following Singapore's entry in FY2023, we expanded our team there to strengthen our presence to meet growing market demand in our core business areas.



Gender diversity remained a priority in FY2024. Male representation was strong at 956, compared to 800 females. This progress aligns with our goals of achieving gender balance and encouraging an equal opportunity work environment.



In FY2024, FM continued to demonstrate its commitment to fostering a diverse and inclusive workplace. Diversity is not merely a social obligation; it is a vital component of sustainable business growth. A diverse workforce enhances creativity, drives innovation and strengthens organisational resilience. This analysis examines the evolution of key diversity metrics from FY2023 through FY2024, offering a clear picture of our progress, challenges and strategic imperatives moving forward.

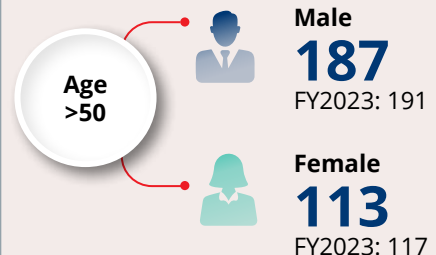
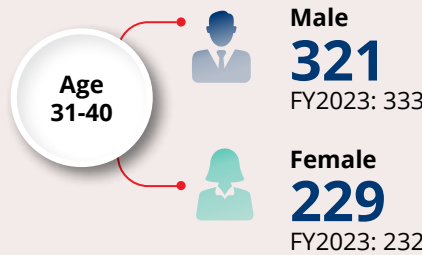
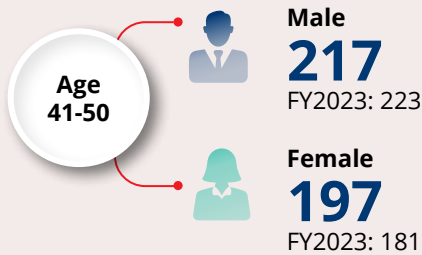
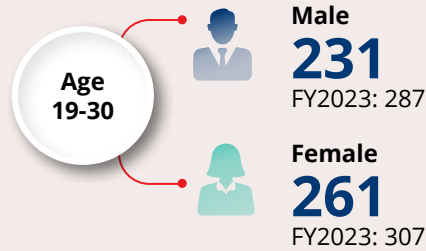
Our employment model remains largely based on permanent contracts, with 1,524 employees in permanent roles in FY2024. However, there has been a slight increase in contract-based employment to 232, reflecting our adaptive approach to workforce management in response to evolving business needs. This balance between permanent and contract staff ensures flexibility and sustainability in our workforce planning.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

A STRATEGIC APPROACH TO SUSTAINABILITY ON DIVERSITY AND INCLUSION

Workforce by Age

Age diversity remains a key component of our inclusivity goals, to ensure a balance between experience and enthusiasm.



GENDER DIVERSITY - A STEADY COMMITMENT TO BALANCED REPRESENTATION

DIRECTOR - ROLE LEVEL



We continue to focus on career advancement for all employees. In FY2024, male director-level employees decreased slightly to 11, while female representation in senior roles remained consistent, with 7 female directors.

MANAGEMENT LEVEL



Between FY2023 to FY2024, FM has demonstrated a steady commitment to fostering gender balance at the management level, reflecting our broader dedication to diversity and inclusion.

The consistent male and female representation in both FY2023 and FY2024 signifies ongoing efforts in achieving a more balanced gender ratio within our management team.

Achieving this balance goes beyond numbers and is not merely a statistical achievement but a strategic imperative. Diverse leadership perspectives enable FM to foster innovation, craft well rounded business strategies and navigate the complexities of the global market. Maintaining a strong focus on gender diversity at the management level is important to building a more inclusive and adaptive leadership culture, which is essential for sustained success.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

EXECUTIVE LEVEL



While the gender proportion is almost balanced at Executive Level, the number of females is considerably higher than their male counterparts in executive roles.

NON-EXECUTIVE/TECHNICAL STAFF



As there has been a reduction in both genders among non-executive technical staff, there is a need for targeted recruitment and retention initiatives, such as mentorship programmes.

PROMOTING DIVERSITY IN FY2024

FM promoted a total of 73 employees across various job functions, reflecting the company's commitment to nurturing internal talent and fostering career growth. The breakdown of promotions by employee ranking and gender exemplifies our dedication to gender diversity and inclusivity within the workplace.



These promotions span across departments, including finance, legal, operations and marketing, underscoring FM's holistic approach to recognising and developing talent at every level of the organisation.

CELEBRATING COMMITMENT OF FM'S LONG SERVICE EMPLOYEES

In FY2024, 307 employees in Malaysia were honoured for their longstanding service, reflecting the Group's appreciation for their ongoing contributions to the organisation's success.

The recipients of the Long Service Award represented a diverse range of job functions, underscoring FM's recognition of employees from all areas of the business. Each individual awarded had completed a minimum of 10 years of service, with the average tenure of 17.12 years. This recognition highlights FM's ability to foster long-term career growth and satisfaction among its staff, supporting the company's broader social sustainability goals by promoting a culture of commitment, inclusivity and employee wellbeing.

By acknowledging the value of long-serving employees, FM reinforces its dedication to building a resilient, engaged workforce that is essential to driving sustainable business practices and maintaining operational excellence.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)**CENTRAL BUSINESS HUB**

This table presents the DEI metrics for our Central Business Hub only, which was externally assured for this Report.

Aspect	FY2023	FY2024
Total number of Board Composition by Gender		
Director (Male : Female)	2 : 1	2 : 1
Total number of Board Composition by Age		
Directors (Under 30 : 30-50 : Above 50)	0 : 0 : 3	0 : 0 : 3
Total Number of Employee Per Employee Category by Gender		
Management (Male : Female)	38 : 52	39 : 50
Executive (Male : Female)	44 : 86	42 : 89
Non-Executive/Technical Staff (Male : Female)	184 : 174	182 : 145
Total Number of Employee Per Employee Category by Age		
Management (Under 30 : 30-50 : Above 50)	3 : 51 : 36	0 : 52 : 37
Executive (Under 30 : 30-50 : Above 50)	25 : 67 : 28	25 : 76 : 30
Non-Executive/Technical Staff (Under 30 : 30-50 : Above 50)	156 : 150 : 52	121 : 155 : 51
Total Number of Contractors/Temporary Staff by Gender		
Contractors/Temporary Staff (Male : Female)	66 : 4	61 : 2
Total Number of Contractors/Temporary Staff by Age		
Contractors/Temporary Staff (Under 30 : 30-50 : Above 50)	22 : 29 : 19	12 : 32 : 19

As part of our ongoing commitment to diversity, inclusion and talent development, we strive to maintain a balanced and dynamic workforce that supports our goals. Our approach emphasises not only gender diversity but also a mix of experience and fresh perspectives to ensure sustainable growth.

In line with this commitment, the composition of our Board demonstrates a strong representation of women, who have accounted for 33% since FY2023, while men make up 67%. All Board members are over 50 years old, bringing a wealth of knowledge and leadership experience to the organisation.

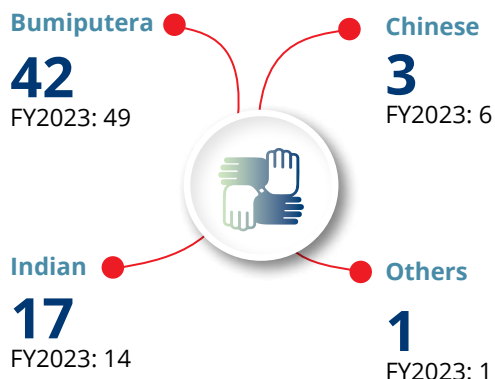
Gender diversity is also reflected across our broader workforce, with females playing a dominant role in Management and Executive positions, while males are more prominent in non-executive roles.

Our workforce is a healthy blend of youth and experience, with 52% of employees falling within the 30-50 age range and 27% under 30 in FY2024, collectivity accounting for 79%. This balance highlights our focus on nurturing young talent and benefiting from the expertise of professionals.

Meanwhile, among our contractor and temporary staff groups, males are overwhelmingly represented, making up 97% of the workforce in these roles. Contract employees constitute 12% of the total workforce.

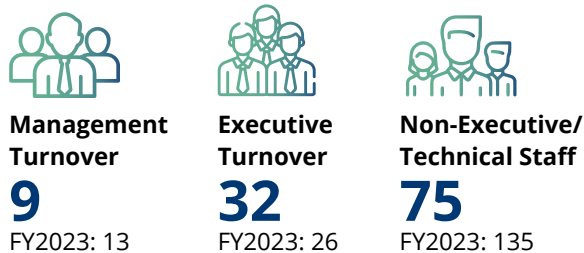
Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

ETHNIC DIVERSITY AMONG CONTRACT EMPLOYEES



FM has consistently aimed to reflect Malaysia’s multicultural identity in its workforce, particularly among its contractor and temporary staff. In terms of ethnic diversity.

CHARTING THE PATH TO WORKFORCE STABILITY
EMPLOYEE TURNOVER



The notable 44% reduction in non-executive turnover from FY2023 to FY2024 indicates a successful retention strategy among the workforce segment. However, overall employee turnover increased to 58%, suggesting that more targeted efforts are needed to retain higher-level talent, based on the executive turnover rates.

This increase highlights a challenge for the Central Business Hub to retain existing employees and reduce new hires. Addressing and managing turnover will be a key part in the coming years.

NEW RECRUITS



In FY2024, we welcomed 83 new recruits in the Central Business Hub in Port Klang (out of 212 new hires for the Group), reflecting our commitment to support local talent and economic development. This forms part of the Group’s strategy in nurturing talent, reaffirming its role as a socially responsible employer. By prioritising recruitment in key regions, we aim for sustainable growth in the communities we serve. In addition, recruitment for the Central Business Hub highlights FM’s focus on establishing a stable, long-term workforce through employee growth and retention rather than ongoing recruitment.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

CELEBRATING CULTURAL DIVERSITY

FM supports inclusivity and respect by actively organising diverse cultural festivals across its global operations. These events encourage collaboration and teamwork among employees from various backgrounds, reinforcing our endeavour to create a harmonious work environment.

In Malaysia, key celebrations included the Chinese New Year Celebrations in February 2024, Buka Puasa event in March 2024 Hari Raya Aidilfitri celebrations in April 2024 and a bowling session with a client that was organised in October 2024. The Deepavali celebration in December 2023 was held at the Customs Brokerage Department (“CBD”), which featured a melting pot of FM staff. Other events across Malaysia included the 35th Anniversary Dinner celebrations in Kuala Lumpur and Penang in July 2023, Deepavali celebrations at our Ipoh office in November 2023, and gatherings to celebrate Christmas and Chinese New Year.

Our subsidiaries organised Teambuilding events in September 2023 and celebrated various cultural festivities celebrations. On the international front, our counterparts in Thailand arranged a Chinese New Year gathering and Songkran, while in the Philippines, Christmas was celebrated on a large scale apart from an Anniversary Team-Building event. In Indonesia, our colleagues organised an Iftar session during Ramadan, while employees in Australia and the USA hosted pertinent cultural celebrations.

These cultural festivals reflect FM’s commitment to social sustainability by fostering mutual understanding and encouraging interaction among employees from diverse backgrounds, ultimately strengthening community bonds both locally and globally.

35TH ANNIVERSARY DINNER

Commemorating FM’s 35th Anniversary with a grand gala dinner in Kuala Lumpur, where Board members, Management and employees gathered in celebration (right). A joyful gathering with our Penang branch team (bottom) in July 2023 marked this significant milestone.



Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)



DEEPAVALI 2023



The Deepavali celebration in December 2023 at the Customs Brokerage Department (“CBD”) brought together a vibrant mix of employees, showcasing the rich diversity of our team.

CHRISTMAS 2023 & NEW YEAR 2024



FM KUL



FM MELAKA

Coming together for Christmas and New Year 2024.



FM THAILAND

FM OVERSEAS BRANCHES CHRISTMAS 2023 & NEW YEAR 2024



FM PHILIPPINES

FM employees at overseas offices joined hands to spread Christmas joy and ring in the New Year.



CHINESE NEW YEAR

Employees from various branches and departments in Malaysia and overseas welcomed the Lunar New Year of the Dragon with traditional treats and auspicious dishes. Dressed in vibrant cultural outfits, the offices were gaily decorated for the occasion. Meanwhile, our colleagues in Thailand celebrated Songkran, the traditional water festival, adding to the festive spirit.



FM MELAKA



FM HQ



FM THAILAND



FM THAILAND

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)



HARI RAYA AIDILFITRI



FM MELAKA



FM HQ



FM KUL



FM MULTIMODAL



FM KUL

Breaking fast in unison during the holy month of Ramadan.

ACTIVITIES MALAYSIA AND OVERSEAS



FM HQ



FM THAILAND



FM PHILIPPINES

FM employees are enthusiastic in organising various activities to strengthen ties.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)**HUMAN RIGHTS AND ETHICAL GOVERNANCE**

There were no substantiated complaints concerning human rights violations across all three years, reaffirming FM's adherence to its Corporate Code of Conduct and commitment to maintaining ethical operations in line with ESG standards. Maintaining zero complaints will remain a priority in the coming years as the company strengthens its governance and ethical policies.

FM's employee diversity, retention and development efforts show a company committed to inclusive and sustainable human capital practices. Key areas for improvement, such as gender representation among contractors, reducing executive turnover and addressing the rising overall turnover rate, are opportunities that align with FM's broader ESG framework. Continued focus on training, workforce stability and retaining a diverse talent pool will ensure FM maintains its trajectory towards a more sustainable and inclusive future.

HEALTH & SAFETY FORM A CORNERSTONE OF SUSTAINABILITY

At FM, ensuring the health and safety of our employees is not just a legal obligation but a core element of our commitment to sustainability. We recognise that the wellbeing of our workforce is integral to the long-term success of our operations. Our efforts in FY2024 have continued to demonstrate our unwavering dedication to providing a safe and secure working environment, driven by training programmes, proactive risk mitigation and a culture of safety awareness.

KEY SAFETY PERFORMANCE INDICATORS**Zero Work-Related Fatalities**

FY2024: **zero**
 FY2023: **zero**
 FY2022: **zero** case


FM proudly reports that we have maintained a zero fatality rate for the third consecutive year. This achievement reflects our commitment to embedding safety at the heart of our operational culture. It also demonstrates the effectiveness of our safety policies and procedures, which are constantly reviewed and improved to meet higher workplace safety standards.

Lost Time Incident Rate (LTIR)

 **0.31**
 FY2023: 0
 FY2022: 0

While the LTIR remained at zero in FY2022 and FY2023, we recorded an LTIR of 0.31 in FY2024 following one lost-time injury incident. The incident has prompted a thorough investigation and we have implemented additional corrective measures to prevent future occurrences. Our aim for FY2025 is to return to a zero LTIR, ensuring all employees can work safely and confidently.

Hours Worked and Lost Time Injuries

 **Total Hours Worked**
641,400 hours
 FY2023: 590,406 hours
 FY2022: 525,277 hours

The total hours worked increased by 12.4% from FY2022 to FY2023 and by 8.6% from FY2023 to FY2024. This steady growth reflects FM's expanding operations while underscoring the need for continued vigilance in maintaining a safe working environment. Despite the growing operational hours, the minimal incidence of lost time injuries, with only one recorded in FY2024, demonstrates FM's commitment to safety, while also reminding us of the ongoing importance of proactive preventive measures.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

Number of Lost Time Injuries



While we regret the occurrence of one case of lost-time injury in FY2024, we view this as an opportunity to learn and strengthen our safety protocols. A detailed investigation has been conducted to identify the root cause and corrective actions have been implemented to prevent similar incidents in the future.

Employee Training on Health and Safety Standards



In FY2023, 147 employees underwent consistent safety training, while in FY2024, 70 employees received targeted health and safety training.

While this represents a reduction in the number of employees trained compared to the previous year, it reflects the successful completion of a full training cycle in FY2023. Our training efforts will focus on refresher courses and specialised safety initiatives tailored to the evolving needs of our workforce.



In FY2024, we implemented a range of OHS training programmes to equip employees with the necessary knowledge and skills to foster a safe and secure working environment. These training sessions targeted various roles within the organisation, ensuring that safety practices are ingrained in daily operations across all levels.

These programmes were tailored to meet the specific requirements of various roles within the company, with employees participating based on the training’s relevance to their duties. This targeted strategy provides compliance with safety regulations and facilitates a proactive culture of safety and accountability.

Financially, FM invested RM45,869 in OHS training in FY2024, a decrease from RM70,480 in FY2023. This reduction reflects a strategic shift towards more streamlined and practical training sessions while reaffirming our commitment to employee safety and wellbeing. This investment aligns with our overarching objective of creating a safe, healthy and sustainable workplace.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)**Safer Future in FY2025**

As we move into FY2025, FM's health and safety strategy will continue to evolve, focusing on achieving zero incidents and injuries. Our approach will be characterised by safety across the region.

Enhanced Training and Awareness Programmes

We will increase the frequency and depth of our safety training programmes, focusing on emerging risks, hazard identification and the importance of near-miss reporting. All employees, regardless of role or location, will receive ongoing training on maintaining a safe working environment.

Advanced Safety Technologies

To further reduce risk, we are exploring integrating advanced safety technologies, including real-time monitoring systems and wearable safety devices. These innovations will enable us to detect and address potential hazards more effectively, safeguarding our workforce in real-time.

Strengthening Risk Mitigation Measures

We will continue to improve our risk assessment protocols and enhance our incident investigation procedures to ensure that all incidents, however minor, are thoroughly analysed. This will allow us to address safety concerns proactively and prevent future incidents.

Promoting a Safety-First Culture

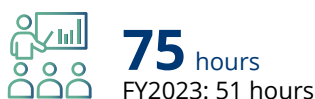
At FM, safety is everyone's responsibility. In FY2025, we intend to enforce an even stronger culture of safety by empowering all employees to take ownership of their wellbeing and that of their colleagues. This culture of vigilance and mutual care will be essential to achieving our safety goals.

FM's commitment to health and safety reflects our dedication to protecting our most valuable asset-our people. By achieving zero fatalities and minimising injuries, our primary focus is on the wellbeing of our employees, ensuring they can thrive and contribute to the long-term sustainability of our operations.

In FY2025, we will intensify efforts to nurture a workplace where every employee feels valued and safe. Our goal is simple yet profound: we want everyone to return home safely at the end of each day. Our pursuit of excellence in health and safety is a continuous journey and it will remain a foundational element of FM's sustainability strategy as we move forward together.

Our Commitment to Employee Development

In FY2023 and FY2024, FM's dedication to nurturing its workforce through continuous learning and development is demonstrated by the significant increase in training hours across various employee categories. This focus on professional growth underscores our commitment to building a skilled and capable workforce that can adapt to evolving business needs and emerging industry trends.

Training Hours by Employee Category**Management Training**

The management category saw a 46.3% increase in training hours, rising from 51 hours in FY2023 to 75 hours for FY2024. This significant rise highlights FM's commitment to enhancing leadership skills and ensuring senior employees are well-prepared to address strategic challenges.

Executive Training

Executive training hours increased substantially, increasing by 46.3% from 77 hours in FY2023 to 113 hours in FY2024. This increase mirrors FM's strategic focus on empowering executives to drive innovation and operational efficiency within their respective areas of responsibility. By investing in the continued education of its executives, FM ensures that the business remains agile and forward-thinking.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

Non-Executive/Technical Staff Training



188 hours
FY2023: 129 hours

The training hours for non-executive and technical staff have also risen significantly to 188 hours in FY2024, marking a 46.3% increase from the 129 hours recorded in FY2023. This emphasis on training reinforces FM's commitment to equipping its technical staff with the skills necessary to enhance operational performance, drive productivity and keep pace with technological advancements.

The average training hours per employee remained steady at eight hours across all three years. However, this consistency suggests an area where FM could expand its efforts. Increasing the total hours of training, especially for management and executive staff, could enhance professional development and overall workforce skills.

Strategic Focus on Workforce Development

In FY2024, FM invested RM256,171 in employee training and development, reflecting our commitment to continuous learning and upskilling. This investment, while slightly lower compared to FY2023, highlights our shift towards more specialised, focused training designed to directly impact business performance and meet evolving environmental standards.

It is a strategic move towards more streamlined training initiatives, focusing on quality over quantity. FM prioritised programmes that directly enhanced employee skills and productivity in line with specific business needs and sustainability goals. This approach ensured that each training programme delivered maximum impact, while also optimising costs.

Training Programmes Conducted in FY2024

Leadership Development Programme: Focused on equipping managers with the tools to inspire teams, drive performance and align leadership practices with corporate sustainability goals.

Environmental Compliance Training: Aimed at enhancing employee awareness and understanding of environmental regulations and best practices in waste management, energy conservation and sustainability reporting.

Digital Transformation and Skills Enhancement: We conducted training sessions for employees to equip them with the skills to effectively use new digital tools and platforms, ensuring they are prepared for the future of work while reinforcing FM's competitive edge

Health, Safety and Environmental (HSE) Training: Reinforced our commitment to workplace safety by equipping employees with up-to-date health and safety protocols aligned with both local and global standards.

Customer Service Excellence Programme: Focused on improving service delivery and customer engagement, ensuring that FM maintains a high standard of client satisfaction in all operations. These training initiatives were designed to empower employees, enhance job performance and support the company's overall sustainability agenda. By investing in employee development, FM ensures that its workforce remains engaged, skilled and ready to meet future challenges, contributing to the organisation's long-term sustainability.

As we progress, we remain committed to expanding training programmes and ensure learning and development opportunities are available to all levels of the organisation. Moving forward, the focus will be on creating a culture of continuous improvement, where every employee has the tools and resources to succeed, contribute to organisational growth and align with FM's sustainability objectives.

In addition, with the rapid pace of technological change, FM seeks to integrate more digital and industry-specific training into its curriculum, ensuring employees remain at the cutting edge of their fields. This strategic approach to labour practices ensures that FM prioritises human capital as a core element of its sustainable business model.

Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)**Commitment to Customer Satisfaction and Service Quality**

At FM, maintaining high levels of customer satisfaction is integral to our social sustainability strategy. We recognise that our ability to deliver exceptional service not only impacts our business success but also contributes to fostering long-term, trust-based relationships with our customers.

In FY2024, our Customer Satisfaction Survey revealed a satisfaction rating of 83.4%, compared to 82.4% in FY2023. These ratings reflect a consistent level of satisfaction, demonstrating our commitment to meeting customer expectations.



725 customers

FY2023: 675 customers

FY2022: 808 customers

FY2021: 773 customers



83.4%

Ensuring high satisfaction levels requires the involvement of several key job functions. Our in-house support team plays a crucial role in understanding and anticipating customer needs, offering tailored solutions that address each customer's unique requirements. By staying proactive and attentive to customer feedback, we continuously adapt to their evolving needs and priorities.

To maintain best practices in service delivery, FM complies with the ISO 9001:2015 Quality Management System, which ensures that our processes meet international standards for quality and efficiency. This certification underscores our commitment to applying global best practices in every customer interaction, contributing to the trust and reliability that define our customer relationships.

Looking ahead, we are committed to an ongoing process of improvement. Continuous efforts will be made to refine our customer service strategies, ensuring that every aspect of our operations aligns with our goal of enhancing customer satisfaction and building long-lasting, sustainable partnerships.



Social (GRI 2-7, 2-8, 2-19, 2-20, 3-3, 201-3, 201-4, 401-410, 413-418) (continued)

Driving Social Impact

We firmly believe that our success is intertwined with the wellbeing of the communities in which we operate. Our CSR initiatives in FY2024 reflect our ongoing commitment to positively impact society and promote sustainable development. These programmes are designed to address various social, environmental and community needs across our global operations, reinforcing our dedication to creating a meaningful and lasting difference.

Throughout the year, we have supported diverse CSR efforts across several regions:

- 1 **June 2024:** Donated to Yayasan Taiwan Buddhist Tzu-Chi Malaysia in Melaka, supporting local charity and relief efforts.
- 2 **July 2023:** Participated in a Blood Donation Drive with the Red Cross Society in Thailand, contributing to life-saving efforts through voluntary blood donations.

3 **September 2023:** Organised a Beach Cleaning event at Dong Tran Beach, helping to protect marine ecosystems and promote environmental awareness among local communities.

4 **September 2023:** Sponsored AUD1,000 for the Hilton Bicton Cricket Club in Australia, promoting community sports and physical wellbeing.

5 **November 2023:** Sponsored the Golf Day in Australia to support local sports and encourage community engagement.

6 **December 2023:** Contributed towards youth activities in our adopted community in Brgy. Ampid II, San Mateo, Rizal, Philippines. We donated PHP73,677 to improve the welfare and health of local youth.

7 **December 2023:** Donated PHP15,000 to feed children in Intramuros, Manila, helping to support underprivileged communities and improve the wellbeing of vulnerable populations.



These CSR initiatives not only demonstrate our commitment to supporting local communities but also align with our broader social sustainability goals. By addressing the needs of vulnerable populations, contributing to environmental conservation efforts, and promoting health and wellness, FM aims to create a positive and lasting impact in the regions where we operate. Our CSR programmes are an integral part of our approach to building a more inclusive and sustainable future for all.



Performance Data Table

INDICATOR	UNIT	2022	2023	2024
(1) ANTI-CORRUPTION				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	N/A	N/A	16%
Executive	Percentage	N/A	N/A	23%
Non-executive/Technical Staff	Percentage	N/A	N/A	61%
Bursa C1(b) Percentage of operations assessed for corruption related risks	Percentage	N/A	N/A	N/A
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	N/A	N/A	0
(2) COMMUNITY/SOCIETY				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	N/A	N/A	N/A
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	N/A	N/A	N/A
(3) DIVERSITY				
Bursa C3(a) Percentage of employees by gender and age group by employee category				
Gender group by employee category		545	578	547
Management - Male	Percentage	6%	7%	7%
Management - Female	Percentage	8%	9%	9%
Executive - Male	Percentage	8%	8%	8%
Executive - Female	Percentage	16%	15%	16%
Non-executive/Technical Staff - Male	Percentage	31%	32%	33%
Non-executive/Technical Staff - Female	Percentage	31%	30%	27%
General Workers - Male	Percentage	0%	0%	0%
General Workers - Female	Percentage	0%	0%	0%
Age group by employee category				
Management - Under 30	Percentage	1%	1%	0%
Management - Between 30-50	Percentage	8%	9%	10%
Management - Above 50	Percentage	6%	6%	7%
Executive - Under 30	Percentage	6%	6%	5%
Executive Between 30-50	Percentage	14%	12%	14%
Executive Above 50	Percentage	4%	5%	5%
Non-executive/Technical Staff - Under 30	Percentage	26%	27%	22%
Non-executive/Technical Staff - Between 30-50	Percentage	27%	26%	28%
Non-executive/Technical Staff - Above 50	Percentage	9%	9%	9%
General Workers - Under 30	Percentage	0%	0%	0%
General Workers - Between 30-50	Percentage	0%	0%	0%
General Workers - Above 50	Percentage	0%	0%	0%
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67%	67%	67%
Female	Percentage	33%	33%	33%
Under 30	Percentage	0%	0%	0%
Between 30-50	Percentage	0%	0%	0%
Above 50	Percentage	100%	100%	100%
(4) ENERGY MANAGEMENT				
Bursa C4(a) Total energy consumption	Gj	85,281.04	102,759.60	122,120.09

Performance Data Table (continued)

INDICATOR	UNIT	2022	2023	2024
(5) HEALTH & SAFETY				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	0	0	0.31
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	147	70
Total hours worked	Hours	525,277	590,406	641,400
Number of lost time injuries	Number	0	0	1
(6) LABOUR PRACTICES AND STANDARDS				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	N/A	51	75
Executive	Hours	N/A	77	113
Non-executive/Technical Staff	Hours	N/A	129	188
General Workers	Hours	N/A	N/A	N/A
Bursa C6(b) Percentage of employees that are contractors or temporary staff		47	70	63
Gender diversity – Male	Percentage	96%	94%	97%
Gender diversity – Female	Percentage	4%	6%	3%
Age diversity - Under 30	Percentage	23%	31%	19%
Age diversity - Between 30-50	Percentage	60%	41%	51%
Age diversity - Above 50	Percentage	17%	27%	30%
Ethnic diversity – Bumiputera	Percentage	55%	70%	67%
Ethnic diversity – Chinese	Percentage	9%	9%	5%
Ethnic diversity – Indian	Percentage	32%	20%	27%
Ethnic diversity – Others	Percentage	4%	1%	2%
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	6	13	9
Executive	Number	27	26	32
Non-executive/Technical Staff	Number	138	135	75
General Workers	Number	0	0	0
Employee Management				
Average training hours per employee	Hours	8	8	8
Total new hires	Number	220	210	83
New hire rate	Percentage	56%	55%	42%
Turnover rate	Percentage	44%	45%	58%
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	N/A	N/A	N/A
(7) SUPPLY CHAIN MANAGEMENT				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	N/A	N/A	80%
(8) DATA PRIVACY AND SECURITY				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0
(9) WATER				
Bursa C9(a) Total volume of water used	ML	4.5	22.17	16.36
(10) WASTE MANAGEMENT				
Bursa C10(a) Total waste generated		N/A	N/A	145.21
Bursa C10(a)(i) Total waste diverted from disposal	tonnes	N/A	N/A	3.05
Bursa C10(a)(ii) Total waste directed to disposal	tonnes	N/A	N/A	142.16
(11) EMISSION MANAGEMENT				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	5,521.63	6,880.33	8,350.98
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	2,309.25	2,139.17	2,048.11
Bursa C11 (c) Scope 3 emissions in tonnes of CO ₂ e (i.e., business travel and employee commuting)	tCO ₂ e	N/A	N/A	N/A

Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of FM Global Logistics Holdings Berhad

Holds Statement No: SRA814728

The British Standards Institution (**BSI**) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Sustainability Report 2024 of FM Global Logistics Holdings Berhad.

Scope

The scope of engagement agreed upon with FM Global Logistics Holdings Berhad includes the following:

The assurance covers the information of the following subject matters in the FM Global Logistics Holdings Berhad Sustainability Report for 2024 (Site Selected only for FM Global Logistics (M) Sdn Bhd).

1. Anti-Corruption
 - Percentage of employees who have received training on anti-corruption by employee category
 - Confirmed incidents of corruption and action taken
2. Diversity
 - Percentage of employees by gender and age group, for each employee category
 - Percentage of directors by gender and age group
3. Energy Management
 - Total energy consumption
4. Health and Safety
 - Number of work-related fatalities
 - Lost time incident rate
 - Number of employees trained on health and safety standards
5. Labour Practices and Standards
 - Total hours of training by employee category
 - Percentage of employees that are contractors or temporary staff
 - Total number of employees turnover by employee category
6. Supply Chain Management
 - Proportion of spending on local suppliers

Assurance Statement (continued)

7. Data Privacy and Security

- Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

8. Water

- Total volume of water used

9. Waste Management

- Total waste generated, and a breakdown of the following:
 - (i) total waste diverted from disposal
 - (ii) total waste directed to disposal

10. Emission Management

- Scope 1 emissions in tonnes of CO₂e

The selected information is reported in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019.

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Information is not prepared, in all material respects, in accordance with ISAE 3000 (Revised) and ISO 14064-3:2019

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant FM Global Logistics Holdings Berhad policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on FM Global Logistics Holdings Berhad approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of supporting evidence for claims made in the reports.
- visit of the headquarter office to confirm the data collection processes, record management and practices.

Assurance Statement (continued)

Responsibility

FM Global Logistics Holdings Berhad is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

BSI is independent to FM Global Logistics Holdings Berhad and has no financial interest in the operation of FM Global Logistics Holdings Berhad other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of FM Global Logistics Holdings Berhad only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by FM Global Logistics Holdings Berhad. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by FM Global Logistics Holdings Berhad is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), and management systems and processes.

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For and on behalf of BSI:



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