



03

SUSTAINABILITY REPORT 2025

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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.

STRENGTHENING FOUNDATIONS, SUSTAINING RELEVANCE

(GRI 2-1 to 2-5, 2-22, 2-26)

Our sustainability priorities continue to evolve alongside the business, shaped by the same principles that drive our operational growth and people development. As the Group expands its service capacity and global reach, sustainability remains a key framework that connects internal focus with customer needs ensuring resilience, accountability and long-term value creation.

The six Material Matters ("MM") identified in previous assessments: **Energy Management, Waste Management, Water Management, Health and Safety, Data Protection, Service Quality and Regulatory Compliance**, which includes Anti-Bribery & Anti-Corruption ("ABAC") and Whistleblowing ("WB"), remain central to our operations. Their continued relevance reflects the strength of our sustainability foundations and their alignment with current industry standards and stakeholder expectations.

From an operational standpoint, these MM are reinforced through ongoing capacity building and the enhancement of systems and processes across our network. From a stakeholder-centric view, **Data Protection** and **Service Quality** continue to define our customer interface, where digitalisation, service reliability and operational integrity form the core of our performance.

Collectively, these priorities represent how FM translates sustainability intent into measurable outcomes of safeguarding people, strengthening processes and sustaining value across our global operations.

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

FM Global Logistics Holdings Berhad ("FM") continuously reviews, updates and reports on its sustainability performance each year. This Sustainability Report 2025 ("SR2025"), the eight in our series, presents the Group's sustainability performance for the financial year from 1 July 2024 to 30 June 2025.

Unless stated otherwise, the disclosures cover FM's Malaysian operations, including all subsidiaries and joint ventures, with relevant references to overseas operations where applicable.

SR2025 has been prepared with reference to the following frameworks, guidelines and regulatory requirements:

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Bursa Malaysia Corporate Governance Guide
- Global Reporting Initiative ("GRI") Standards
- International Sustainability Standards Board ("ISSB")
- Integrated Reporting Framework

Relevant GRI indicators are noted in parentheses beside the respective headings and subheadings where disclosures correspond to specific GRI Standards.

For a comprehensive understanding of FM's governance structure, ownership and organisational oversight, this Report should be read in tandem with this Annual Report 2025, which provides detailed financial, operational and governance information.

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 SR2025 includes comparative data from the previous three financial years since FY2023, where relevant, to provide consistent performance context. The information presented forms the basis for how we measure progress and evaluate our sustainability performance.

In addition, this SR2025 features expanded ESG performance indicator disclosures, which now include FM's overseas offices where applicable. Coverage varies by topic area and is clearly indicated under each relevant section.

While every effort is made to ensure completeness and accuracy, some data are derived from accepted estimation methods and assumptions, which may result in minor variations in reported figures.

EXTERNAL ASSURANCE (GRI 2-5)

To uphold transparency and strengthen stakeholder confidence, selected disclosures in SR2025 have undergone independent limited assurance by the British Standards Institution ("BSI"). The assurance process was conducted in accordance with recognised international assurance standards.

This external validation reinforces the reliability and integrity of our reported sustainability data.

The Independent Assurance Opinion Statement can be found on pages 119–121.

FEEDBACK (GRI 2-3, 2-26)

FM welcomes feedback on our sustainability practices and reporting approach. Your insights help us refine our disclosures and strengthen our future efforts. Please direct any questions, comments or suggestions regarding our sustainability matters to:

FM GLOBAL LOGISTICS HOLDINGS BERHAD

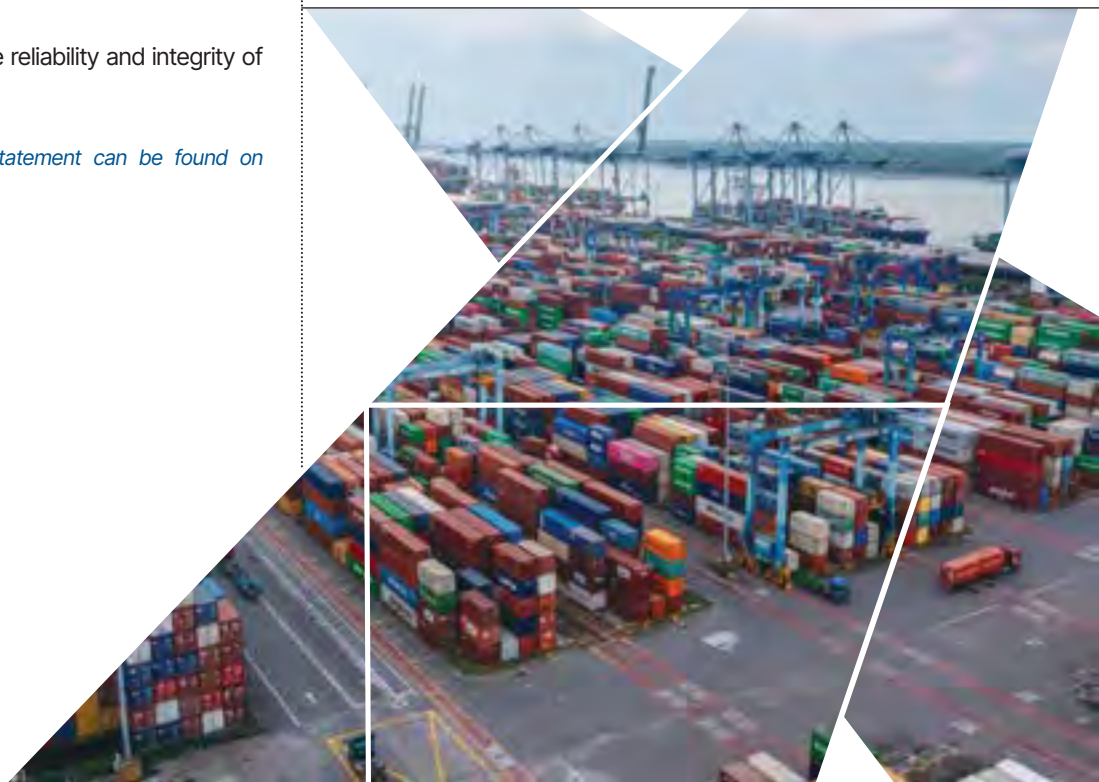
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ESG MATTERS: FROM COMPLIANCE TO STRATEGIC INTEGRATION (GRI 2-22)

Since embarking on its sustainability journey, FM has moved deliberately from compliance to integration, embedding environmental, social and governance (“ESG”) priorities within business strategy and decision-making. What began as a response to regulatory expectations has evolved into a disciplined framework that supports efficiency, resilience and long-term competitiveness.

We recognise the importance of adaptability and risk governance. As a result, we continue to shape and guide how we manage resources, protect our workforce and secure business continuity across global operations. As supply chain dynamics continue to shift, sustainability now serves as both a performance lens and a strategic differentiator.

In FY2025, the focus sharpened on strengthening value creation across our logistics ecosystem. Guided by the theme **SERVICE MATTERS**, we continued to build sustainability into every link of our network, from infrastructure investment and digitalisation to employee development and community engagement. Each initiative is designed to create measurable impact across the six capitals framework, aligning short-term actions with long-term value.

Sustainability now defines how FM operates and competes:



This integrated approach ensures that profitability and positive impact move in tandem. By aligning ESG objectives with core business drivers, FM creates value that endures - for shareholders, clients, employees and the communities connected to our global supply chain.

ADVANCING SUSTAINABILITY THROUGH VALUE CREATION

In FY2025, FM channelled its growth momentum into building a more sustainable logistics network - one that strengthens long-term value creation across markets while addressing environmental and social expectations. Guided by our ESG development strategy, we applied the six capitals framework to measure progress and align decisions with sustainable outcomes.

DRIVING SUSTAINABLE PERFORMANCE ACROSS OUR CAPITALS

In FY2025, we continued to make targeted investments that reinforce long-term value across every dimension of our business. From infrastructure enhancement and digital advancement to workforce capability and environmental performance, each initiative contributes to building a more resilient and sustainable logistics network.

Our progress reflects the synergy between intellectual and human capital, the combination of experience, innovation and disciplined execution. Strategic cost management, productivity gains and effective resource deployment remained key levers supporting financial stability and enabling reinvestment into areas that shape sustainable performance.

ESG MATTERS: FROM COMPLIANCE TO STRATEGIC INTEGRATION (GRI 2-22) (CONTINUED)**FINANCIAL CAPITAL**

- o FY2025 **Revenue RM952.8 million**, marking a 16.6% YoY increase over FY2024.
- o **Twenty-foot Equivalent Units ("TEU") grew by 4.9%, Gross Profit was up 4.9%, reaching RM246.4 million and PATAMI rose by 0.6%** compared with FY2024 results.
- o **Debt-to-Equity ratio of 0.34x**, ensuring balanced financial position.

MANUFACTURED CAPITAL

- o Currently operates approximately **1,300,000 sq ft of bonded and non-bonded warehouse space**.
- o **Strategic infrastructure projects:** Completion of the **200,000 sq ft Lot 16 warehouse** in Q2 2025 and **renovation works at Lot 24** in Port Klang, Selangor to manage demand and expand capacity.
- o **Enhancing productivity, reducing inefficiencies and future-proofing operations** by providing conducive built environments for better financial and operational outcomes.
- o Extensive fleet of **142 trucks, 189 prime movers and 806 trailers**.
- o Expected to **enhance logistics capabilities** and continuous **delivery of exceptional customer service**.

INTELLECTUAL CAPITAL

- o Certifications & Achievements attained:
 - **ISO 9001:2015 Quality Management System** ensures consistent quality standards across all operations, enhancing customer satisfaction and operational efficiency.
 - **ISO 14001:2015 Environmental Management Systems** demonstrates FM's commitment to reducing environmental impact through sustainable practices and efficient resource management.
 - **ISO 45001:2018 Occupational Health & Safety Management System** promotes a safe and healthy workplace, minimising risks and protecting employees from occupational hazards.
 - **MS 2400-1:2019 (Transportation) & MS 2400-2:2019 (Warehousing)** enable FM to transport and store Halal-compliant goods across pharmaceutical sectors, ensuring adherence to religious and industry standards.
 - **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.
 - **Authorised Economic Operator ("AEO") certification** enhances supply chain security and global trade efficiency, strengthening FM's role in secure and compliant international trade.
- o These **globally recognised certifications** support and strengthen **sustainable integrated logistics, supply chain security, ethical practices, operations and customer satisfaction**.

HUMAN CAPITAL

- o **RM381,696.90** invested in training in FY2025.
- 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:
 - **Donation** to Tiam Yam Toh Teng (Old Folks Home) in Malaysia.
 - **Relief goods** for 100 families affected by Typhoon Kristine in Barangay Ambulong, Tanauan, Batangas in the Philippines.
 - **Donation** to support victims of Typhoon Yagi in Vietnam.

NATURAL CAPITAL

- o **Installation of rooftop solar panels at Lot 24 warehouse completed**, while integration of solar power generation is underway at Lot 16 warehouse.
- o 1,210 solar panels installed at Lot 37B **generate in excess of 100 MWh annually** as part of our carbon footprint reduction programme. This setup represents our **Renewable energy ("RE") initiative**, supporting **long-term emissions reduction**.
- o **Euro 5-compliant prime movers, electric trucks and electric material handling equipment ("MHE")** are already in use and gradually being scaled up as part of FM's decarbonisation programme, reducing greenhouse gas ("GHG") emissions from operational activities.

Please refer to the Value Creation Model on pages 52 to 53 of this SR2025. In addition, the SR2025 presents key topics under the Economic and Governance, Environmental and Social segments, along with the corresponding Data Performance Indicators.

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

OUR SIX CAPITALS

Please refer to page 51 of this SR2025 for elaboration of the six capitals.



FINANCIAL CAPITAL

Our financial assets including cash generated from our operations and investments, and other sources of funding.



MANUFACTURED CAPITAL

Our land banks, leased land, physical assets including machinery and technological advancements.



INTELLECTUAL CAPITAL

Our established and systematic procedures and processes, expertise and skills, brand value and reputation in the markets and industries in which we serve.



HUMAN CAPITAL

Our visionary leadership, knowledgeable and skilled workforce, competencies, experience and contributions to growth and innovation.



SOCIAL AND RELATIONSHIP CAPITAL

Our long-established, carefully nurtured, trust-filled and respect-based ties with stakeholders including shareholders, customers, associates, authorities and communities.



NATURAL CAPITAL

The natural resources we consume and utilise in our products, services and solutions.

VALUE CREATION PROCESS

Please refer to the Corporate Structure on page 41 of this Annual Report.



International and Domestic Sea Freight Services LCL/FCL



International and Domestic Air Freight Services



3PL, Warehousing & Distribution



Haulage & Customs Brokerage



Land Transportation



Project Management



E-commerce Fulfilment



Last Mile Distribution

STRATEGY

SUSTAINABILITY COMMITMENTS



ENVIRONMENTAL

Safeguard the environment by adopting sustainable practices that mitigate any negative impacts which our operations may have on the environments.



SOCIAL

Develop our business to create employment opportunities and give back to the community. (Workplace, Marketplace & Community)



ECONOMIC AND GOVERNANCE

Explore business opportunities that facilitate healthy economic and income growth for the Group.

CORPORATE VISION

FM Global Logistics provides multimodal logistics to our clients with customised solutions on a global scale with local expertise.

CORPORATE MISSION

Our Mission is to provide service excellence to our customers with multimodal logistics and customised solutions, with ESG initiatives across our management and operations.

MATERIALITY MATTERS ("MM")



ENVIRONMENTAL

MM1 Energy Management

MM2 Water Management



SOCIAL

MM3 Occupational Safety and Health

MM5 Data Protection



ECONOMIC/GOVERNANCE

MM4 Service Quality

GOVERNANCE

MM6 Regulatory Compliance

10 Operating Countries

MALAYSIA

THAILAND

INDONESIA

VIETNAM

CORPORATE COMMITMENTS

Your Connection to the World

FM is simplifying logistics to connect businesses, customers and communities through efficient, reliable and safer solutions.

STAKEHOLDERS



Employees

Certification
BodiesGovernment/
Regulatory BodiesShareholders/
Investors/Analysts

Clients/Customers

Local Communities,
Civil Society & NGOsVendors
and Suppliers

Media

VALUE CREATED

STAKEHOLDERS
IMPACTED

UNSDGs

ECONOMIC AND GOVERNANCE (FM GROUP)



Revenue

RM952.8 million

(FY2024: RM817.5 million)

Tax Paid

RM13.9million

(FY2024: RM11.1 million)

Total Assets

RM861.1 million

(FY2024: RM824.8 million)

Dividend Declared

RM25.1 million

(FY2024: RM22.3 million)



- Expanding Capacity: **1,300,000 sq ft** Warehousing Space (Bonded & Non-bonded).
- Extensive fleet of **142** trucks, **189** prime movers and **806** trailers.

SOCIAL: WORKPLACE



No. of Employees (FM Group)

1,832

(FY2024: 1,756)

50.4%

Male

49.6%

Female

Human Capital Training (FM Group)

RM381,696.90

(FY2024: RM256,171.00)

New Hires (FM Group)

356

(FY2024: 212)

59.3%

Male

40.7%

Female

SOCIAL: COMMUNITY (FM GROUP)



Employees

- Employee Training & Team Building
- Sports & Recreation
 - Religious Festivals Celebrations with Employees & Communities

CSR

- Sponsorships
- Charitable Donations & Philanthropy

SOCIAL: MARKETPLACE (FM GROUP)

Strengthening partnerships with clients, business partners, suppliers and vendors.

- FY2025 Award:
 - FM Multimodal Services ("FMMS") was selected as Winner of the 2025 LSC APAC Supplier Award for "Supply Agility, Performance and Operational Excellence".
- 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")
- MS 2400-1:2019 (Transportation) & MS 2400-2:2019 (Warehousing)
- Halal Certifications by the Department of Islamic Development Malaysia ("JAKIM")
- Authorised Economic Operator ("AEO")

**1**

NO POVERTY

**3**

GOOD HEALTH AND WELL-BEING

**6**

CLEAN WATER AND SANITATION

**8**

DECENT WORK AND ECONOMIC GROWTH

**9**

INDUSTRY, INNOVATION AND INFRASTRUCTURE

**13**

CLIMATE ACTION

**14**

LIFE BELOW WATER

**15**

LIFE ON LAND



SINGAPORE

AUSTRALIA

PHILIPPINES

INDIA

USA

CHINA

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)

Beginning our ESG journey by applying ESG practices throughout our operations.

2018

- Sustainability governance structure.
- Inaugural Sustainability Statement published.
- First Materiality Assessment Survey conducted.



2019

- Implemented ESG initiatives in key operations.
- Adopted Global Reporting Initiative ("GRI") Standards reporting format.



Laying the groundwork to comply with NSRF reporting standards and fulfil the requirements of IFRS S1 and S2.

2023

- Inducted as a constituent of the F4GBM Index.
- Expanded sustainability initiatives with clearly defined climate change mitigation measures.
- Incorporated a GRI Content Index to enhance traceability, credibility and transparency.
- Developed ESG Slogan: **Sustainability Our Way of Life.**

2024

- Enhanced materiality assessment.
- Obtained third-party independent assurance for sustainability disclosures.



2025

- Enhanced GHG emissions reporting scope to include Scope 3, Categories 5, 6, 7, 8 and 9, strengthening transparency and accountability in value chain emissions.
- Integrated Economic and ESG considerations into operations and reporting, including investment assessments, analysis and case studies to support carbon reduction and sustainability initiatives.
- Developed and implemented impactful ESG campaigns and engagement programmes, driving internal awareness and external stakeholder participation.



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)

Shaping our path forward with a sustainability roadmap.

2020

- Sustainability roadmap implemented.
- Key performance indicators ("KPIs") set and action plans developed.
- Disclosed sustainability practices in accordance with the GRI Standards.
- Aligned sustainability approach with the GRI Standards, FTSE4Good Bursa Malaysia ("F4GBM") criteria and United Nations Sustainable Development Goals ("UNSDGs").

2021

- Reviewed sustainability topics to include Energy Management.
- Focused on pandemic mitigation efforts for the Group and stakeholders.
- Expanded disclosures with reference to the GRI Standards, F4GBM criteria, while aligning sustainability priorities with the UNSDGs.

2022

- Compiled Scope 1 and Scope 2 greenhouse gas ("GHG") emissions data for the Central Business Hub ("CBH"), establishing the baseline for Group-wide carbon accounting.
- Initiated the groundwork for climate-related disclosures in alignment with the ISSB IFRS S1 and S2 (formerly Task Force on Climate-related Financial Disclosures) framework.

2026-2030 (Future Plans)

5 Year ESG Roadmap:

To operate responsibly and remain competitive.

- Establish carbon emissions baseline and formulation of climate targets.
- Digitalise ESG data and transform it into actionable insights.
- Invest in ESG systems to support Measuring, Reporting and Verification ("MRV") activities.
- Adopt International Financial Reporting Standards ("IFRS") S1 & S2.
- Establish FM Youth to champion initiatives ESG.
- FM aiming to achieve low carbon emissions by 2030.

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)

FY2025 Sustainability Highlights:



Strategic Partnerships



Solidifying Carbon Boundaries Across FM



ESG MATTERS Sustainability Our Way of Life



Investing in Employees' Well-being



Earth Day 2025



Safety Day 2025

SUSTAINABILITY GOVERNANCE AND STRUCTURE (GRI 2-9 TO 2-18)

The Board of Directors ("the Board") provides strategic oversight and formal endorsement of FM's Sustainability and ESG Strategy. Implementation is driven by the Sustainability Committee ("SC"), chaired by the Group Managing Director ("GMD") and composed of representatives from FM's subsidiaries and Heads of Departments ("HODs"). The SC plays a central role in operationalising the Group's sustainability initiatives by coordinating cross-functional engagement, assigning accountability and ensuring that ESG priorities are embedded throughout the Group.



Board of Directors ("the Board")

- Oversees the overall implementation of the Group's sustainability initiatives.
- Endorses the Group's MM and SR.
- Endorses sustainability strategies and initiatives proposed by the SC.



SC Chairman (GMD)

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



Sustainability Committee ("SC")

The GMD heads the SC and reports directly to the Board.



Export



Import



Finance



Haulage & Customs Brokerage



Land Transport



Compliance



3PL, Warehousing & Distribution



Human Resources

Sustainability Committee

- The Chairman of the SC reports the overall progress of the Group's sustainability efforts to the Board
- Identifies MMs that are relevant to the Group's business operations.
- Proposes sustainability initiatives and measures to be implemented across the Group.
- Implements sustainability initiatives that have been approved by the Board throughout the Group.
- Conducts data gathering and analyses information with reference to recognised frameworks and guidelines to prepare FM's SR sustainability reporting.

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 FY2025, FM's Board continued to provide strategic oversight in advancing the Group's sustainability agenda. The Board reviewed progress against ESG targets, assessed emerging risks and ensured alignment between operational execution and long-term sustainability goals. Key matters such as risk register updates, mitigation planning for high-risk areas and strategic adjustments were actively addressed, reinforcing governance effectiveness and organisational resilience.

Sustainability Committee ("SC") Meetings

In FY2025, the SC, chaired by the GMD, convened regularly to monitor progress, resolve implementation challenges and ensure alignment of ESG initiatives with FM's strategic direction. Comprising representatives from subsidiary companies and Heads of Departments ("HODs"), the SC facilitated cross-functional coordination and accountability, enabling effective integration of sustainability priorities across the Group.

Key Initiatives and Outcomes

- Conducted Anti-Bribery and Anti-Corruption ("ABAC") and Whistleblowing ("WB") training and assessments across all employee levels.
- Annual Conflict of Interest ("COI") declarations to reinforce transparency and ethical conduct.
- Ongoing enforcement of the Code of Business Conduct and Work Ethics Policy to uphold integrity and responsible workplace practices.

MEMBERSHIP OF ASSOCIATIONS (GRI 2-28)

- International Federation of Freight Forwarders Association ("FIATA")
- International Air Transport Association ("IATA")
- Federation of Malaysian Manufacturers ("FMM")
- Association of Malaysian Haulers ("AMH")
- Selangor Freight Forwarders & Logistics Association ("SFFLA")

SUSTAINABILITY STATEMENT AND COMMITMENTS (GRI 2-23 TO 2-25)



ECONOMIC AND GOVERNANCE

Explore business opportunities that facilitate healthy economic and income growth for the Group.



ENVIRONMENTAL

Safeguard the environment by adopting sustainable practices that mitigate any negative impacts which our operations may have on the environments.



SOCIAL

Develop our business to create employment opportunities and give back to the community. (Workplace, Marketplace & Community)

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 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 FRAMEWORK AND PRINCIPLES			
 Economic	Governance	 Environment	 Social
- Long term value creation - Cost-effective operations - Innovation for resilience - Supply chain sustainability	- Regulatory compliance - Data security and integrity - Leadership and accountability - Anti-corruption and transparency	- Fuel and energy efficiency - Green logistics practices - Carbon footprint reduction - Renewable energy	- Employee welfare and development - Health, Safety, Security and Environment ("HSSE") - Community engagement - Stakeholder inclusion
Our Strategies			
- Supply chain sustainability and revenue enhancement - Integrate ESG into business strategy	Creating shared value for all stakeholders	- Fleet replacement plan - Material Handling Equipment ("MHE") replacement plan - Baseline review and target setting	Cultivate a safe, compliant and health-conscious workplace
Our Focus Areas			
- Green corridors (eg. green freight corridors, integrating carbon offsetting or sequestration as part of route planning) - Green financing	- External audit and assurance - Effort in risk assessment and sustainability strategy - Leadership development	Energy management roadmap (target setting in emissions reduction, fleet optimisation, supporting cleaner technologies and sustainable practices)	- Employee safety and well-being - Business knowledge in Corporate Governance and ISO - Community development

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)

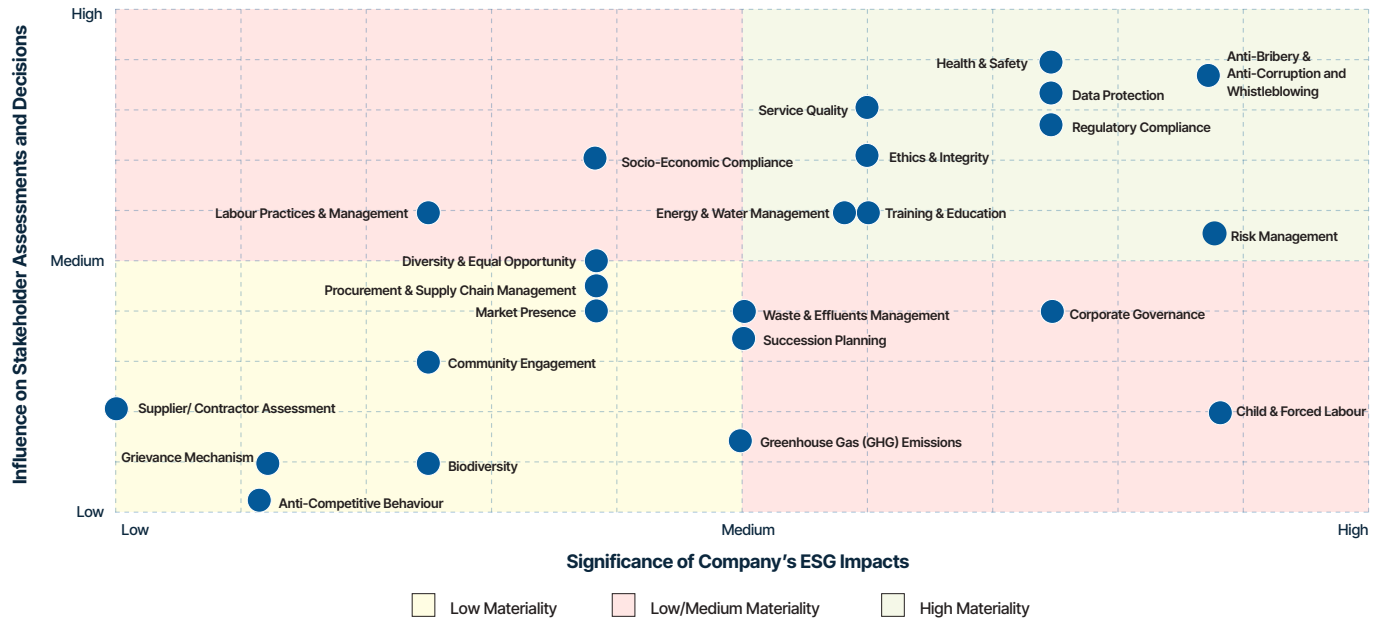
FM's sustainability priorities were guided by the Materiality Assessment conducted in FY2024, which continued to form the foundation of our ESG strategy. During FY2025, a review of these MMs was carried out to evaluate their continued relevance to the Group's strategic direction and stakeholder expectations. The assessment confirmed that the existing MMs remained applicable and well aligned with FM's operational focus and long-term sustainability objectives.

The three focus areas introduced in FY2024 - **Data Protection**, **Service Quality** and **Water Management** - remained key priorities in FY2025, alongside **Energy Management**, **Health and Safety** and **Regulatory Compliance (covering Anti-Bribery & Anti-Corruption and Whistleblowing)**. Together, these six MMs reflected the ESG aspects most material to FM's business and stakeholder interests.

A refreshed Materiality Survey is planned for FY2026 to identify emerging priorities and capture evolving stakeholder expectations as the Group progresses in its sustainability journey.

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 MATRIX



MATERIALITY MATTERS ("MM")	MANAGEMENT (DIRECTORS)	INTERNAL (EMPLOYEES)	EXTERNAL (BANKERS & VENDORS)	SELECTED KEY KPIs	IMPROVEMENT PROGRAMMES & FOCUS AREAS
MM1 Energy Management	4.75	4.30	4.22	• Increase renewable energy utilisation	• Solar Project • LED Installation
MM2 Water Management	4.75	4.30	4.22	• Reduce pipewater utilisation	• Rain Water Harvesting (New Warehouse)
MM3 Health and Safety	4.75	4.47	4.46	• Eliminate speeding and reduce harsh braking	• Implement monitoring systems
MM4 Service Quality	4.75	4.37	4.41	• ISO 9001:2015 • ISO 14001:2015 • ISO 45001:2018 • Customer Satisfactory Assessment • GDPMD • MS 2400-1:2019 (Transportation) • MS 2400-2:2019 (Warehousing) • 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
MM5 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
Governance MM6 Regulatory Compliance	4.88	4.45	4.10	• ABAC Policy & WB Policy • Training & Assessments	• Continuous monitoring of the existing programme

RANKING MM



1 Energy Management (MM1) ----- ↑

2 Water Management (MM2) ----- NEW

3 Health and Safety (MM3) ----- ↑

LEVEL

RANKING MM



4 Service Quality (MM4) ----- NEW

5 Data Protection (MM5) ----- NEW

6 Regulatory Compliance (MM6) ----- =

LEVEL

Environment

Social

Governance

Economic

↑ Increased importance compared to FY2024
= Importance unchanged
NEW New Material Matters in FY2025

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 MATTERS
("MM")

IMPORTANCE TO VALUE CREATION

RISKS

ENVIRONMENTAL	MM1: ENERGY MANAGEMENT	- Improving operational excellence and reputation. - Conserving the environment and utilising Renewable Energy ("RE").	High initial investment costs.
	MM2: WATER MANAGEMENT	Efficient water management is critical for reducing operational costs and enhancing the sustainability of FM's operations.	- 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	Safeguarding our human resources and other stakeholders.	- 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	Safeguarding sensitive information is crucial to maintaining stakeholder trust and ensuring compliance with regulatory standards.	- Non-compliance with data protection regulations could result in 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 AND ECONOMIC	MM4: SERVICE QUALITY	Delivering reliable services is essential for maintaining customer satisfaction and upholding FM's market reputation.	- 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	- 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.	- 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	TARGETS	ALIGNMENT TO THE UN SDGs
Reducing costs and increasing efficiency in the long-term.			Read more on pages 76 to 83	
- 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 86	
Prioritising a culture of health and safety to attract and retain employees, strengthening operational reliability and meeting customers' requirements.			Read more on pages 109 to 111	
- 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 112	
- Maintaining the scopes of certifications 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 82	
- 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 page 69	

STAKEHOLDERS



Employees

Certification
BodiesGovernment/
Regulatory BodiesShareholders/
Investors/Analysts

Clients/Customers

Local Communities,
Civil Society & NGOsVendors
and Suppliers

Media

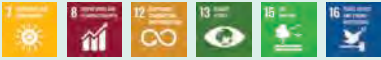
SUSTAINABILITY ROADMAP (GRI 2-9 TO 2-18, 2-22 TO 2-25, 2-27, 2-28, 2-29, 201-2, 201-4, 205-2, 207-3, 3-1 TO 3-3, 301-1, 301-2, 403-1 TO 403-10, F4GBM) (CONTINUED)

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
 Employees Why we engage: To provide professional and career advancements and create a conducive workplace environment that encourages employee-valued contributions.      	• 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 Well-being, Health and Safety. • Work-life Balance. • Cultural & Religious Celebrations. • Employee Activities & Events.	• Dialogue Sessions with Management Team. • Training Programmes.
 Clients/Customers Why we engage: To address customers' requirements, identify opportunities and improve service offerings.   	• Pricing. • Service Delivery.	• Customer Feedback Surveys. • Virtual and Physical Meetings. • Market Research.
 Shareholders, Investors and Financial Institutions 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.      	• Financial Performance. • Transparent Reporting.	• Annual General Meeting. • Extraordinary General Meeting. • Networking Sessions. • Website. • Announcement of Quarterly Results. • Analyst Briefings. • Annual Report. • Group Meetings.

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
 Government Agencies/Regulators Why we engage: To ensure compliance and opportunities to participate in Government-related projects. 	• 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.	• Regulatory Discussions and Meetings with Authorities. • Public Consultation with Local Authorities. • Site Inspections. • Seminars, Briefings and Training.
 Vendors/Suppliers Why we engage: To strengthen the supply chain and encourage best practices in governance and sustainability. 	• Procurement Policy and Practices. • Supplier Code of Conduct. • Conflict of Interest. • Payment Schedule. • HSSE Policy.	• Procurement Policy. • Performance Evaluation. • Virtual Meetings and Site Visits.
 Local Communities Why we engage: To build better relationships, uplift the underserved in our society and create job opportunities. 	• Community Engagement. • Community Uplifting Programmes. • Environmental and Social Impacts. • CSR.	• Job Creation. • Sponsorship of Community Service Events. • Social and Environmental Initiatives. • Donations.
 Industry Groups and Strategic Partners Why we engage: To collaborate effectively, exchange ideas and explore opportunities for partnerships. 	• Financial Stability. • Capability and Capacity. • Reputation.	• Virtual Meetings and Site Visits.
 Media 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. 	• Brand positioning, Image and Credibility.	• Media Interviews, Briefing Sessions and Media Conferences. • Press Releases. • Bursa Malaysia Announcements.

ECONOMIC AND GOVERNANCE (GRI-2-6, 2-24, 2-27, 3-3, 201-207, 401-2)

ECONOMIC

SUSTAINING STRENGTHS, CREATING VALUE

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

Economic sustainability remains the cornerstone of FM's strategy to simplify and streamline its integrated logistics services. This foundational approach has enabled the Group to earn global recognition, reflected in the numerous accolades received since its inception.

Over the past three decades, FM has demonstrated consistent earnings growth, driven by disciplined financial stewardship and prudent management practices. Strategic investments in talent development and operational excellence, coupled with well-established governance and risk management frameworks, have strengthened the Group's ability to navigate evolving market conditions with agility and resilience.

FM offers a comprehensive suite of logistics solutions that address every aspect of the supply chain, reinforcing our commitment to operational efficiency and customer-centric service delivery.

In an era defined by stakeholder capitalism, FM is deeply committed to generating and sustaining long-term value for all stakeholders, which includes 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 extensive footprint across our strategic international markets underscores our capability to provide logistics solutions tailored to these diverse operational areas. Our international operations currently reside in markets located in Malaysia, Singapore, Thailand, Vietnam, the Philippines, Indonesia, Australia, India, China and the USA. This geographic reach reflects our commitment to operational excellence and our ability to adapt services to meet the unique requirements of each market, reinforcing FM's position as a trusted partner in integrated logistics worldwide.

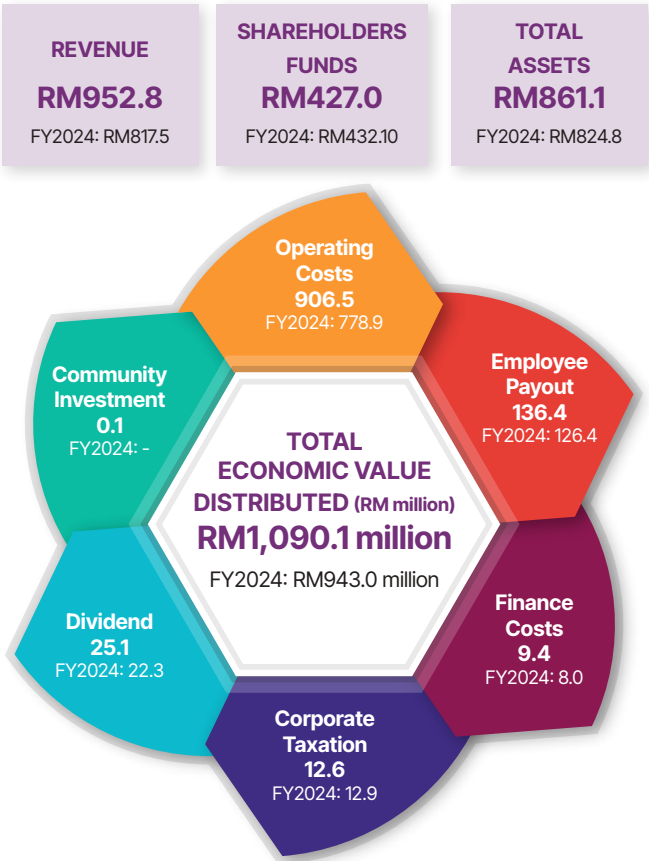
SUSTAINABLE FINANCIAL GROWTH AND VALUE

DISTRIBUTION (GRI 2-22, 201-1, F4GBM)

In FY2025, FM continued to incorporate Economics, Environment, Social and Governance ("EESG") principles into its enterprise wide growth strategy and the outcome results in returned economic value back to the markets we operate in.

Economic value generated increased by RM135.3 million from FY2024 to FY2025.

TOTAL ECONOMIC VALUE GENERATED (RM million)



HUMAN CAPITAL INVESTMENTS

(GRI 3-3, 202, 401-2, F4GBM)

In FY2025, salaries, employee benefits and statutory payments to the Employee Provident Fund ("EPF"), Social Security Organisation ("SOCSO") and Employment Insurance System ("EIS"), totalled RM80.0 million.

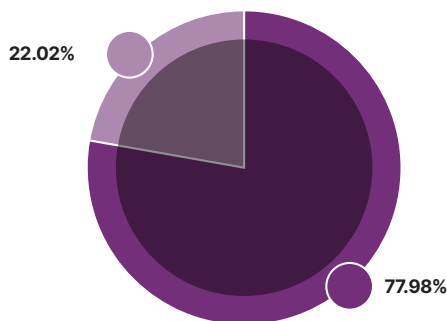
ECONOMIC AND GOVERNANCE (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (CONTINUED)

FINANCIAL DISCIPLINE AND SUSTAINABLE IMPACT

(GRI 202-204, F4GBM)

FM's FY2025 financial capital and interest repayments rose to RM9.4 million from RM8.0 million in FY2024. This represents a 17.5% increase which is consistent with the increase in topline business growth and the major capital expenditure culminating from the on-going expansion of warehouse space.

Procurement spending for FY2025 remained relatively unchanged from FY2024 with a 2.0% increase of total purchases in FY2025 made to foreign vendors. The ratio for local purchases relative to overseas purchases now sit at 78:22 which is consistent with the ratio recorded for FY2024 at 80:20.



● Local Purchases : **RM477.3 million**

● Overseas Purchases : **RM134.8 million**

Total : RM612.1 million

Details of CSR expenditure can be found on page 112.

BUSINESS GROWTH AND EXPANSION PLANS

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

In FY2025, FM focused on strengthening its logistics capabilities, all the while having a sustainability element incorporated into the decision making. This practice, consistent with previous years, will continue into the future. The 'Partnership for Growth' programme and the **ESG Champion** initiative, are two examples of future growth opportunities while contributing to climate goals and operational resilience.

FM is currently pursuing green financing initiatives to support its sustainability-focused investments.

Key initiatives include:

**Fleet Expansion:**

Acquisition of 20 new Euro 5-compliant fuel-efficient prime movers to enhance logistics capabilities and meet growing demand.

**Green Mobility Transition:**

Introduction of 2 electric trucks, marking FM's first step toward electrifying its fleet and reducing carbon emissions.

**Renewable Energy ("RE") Investment:**

Deployment of solar panels with a combined capacity of 1,270 kWp across strategic facilities, aimed at reducing energy costs and environmental impact.

These initiatives are aligned with global megatrends such as decarbonisation, energy transition and the rise of sustainable logistics. They position FM to capitalise on future growth opportunities while contributing to climate goals and operational resilience.

AWARD-WINNING PERFORMANCE IN INTEGRATED LOGISTICS

FM's commitment to operational excellence and strategic collaboration has earned industry recognition, reflecting our leadership in logistics and dedication to high-performance standards.



ECONOMIC AND GOVERNANCE (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (CONTINUED)

GOVERNANCE

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

FM has adopted its Enterprise Risk Management ("ERM") framework with reference to the ISO 31000:2018 guidelines. This internationally recognised standard provides a structured and systematic approach that enhances our ability to identify, assess and effectively manage key risks. In particular, it strengthens our focus on sustainability and climate change risks, which are critical to ensuring long-term business resilience and maintaining the trust of our stakeholders.

SUSTAINABILITY RISK MANAGEMENT

Our ERM framework addresses both internal and external risk factors across a broad range of areas, including financial, human capital, operational, legislation compliance, cybersecurity, operational safety, economy, climate change, partnership and competition risks.

Key risk indicators and contributing factors are regularly assessed, with risk scores determined based on the potential impact and possibilities associated with each indicator. These findings are systematically mapped and reported to the Board and the Audit and Risk Management Committee ("ARMC") at least once annually.

In particular, climate change risks have become increasingly critical due to evolving regulatory requirements and shifting market expectations, and are therefore given thorough and careful evaluation within our risk assessments.

RISK MANAGEMENT PROCEDURES

The risk management process is adopted in accordance with the Terms of Reference ("TOR") of the ARMC. At its core, our approach is guided by a structured framework of controls, procedures and assessments aligned with the Group's defined risk appetite.

To ensure consistent identification and management of risks across the Group, a structured model is applied to prioritise risks based on their potential impact and the effectiveness of existing controls. Each identified and registered risk undergoes a formal assessment, with corresponding mitigation strategies developed and monitored, particularly for high-risk areas.

These risks and their mitigation plans are presented to the ARMC for review. The risk assessment model is also subject to periodic or ad-hoc review to ensure its continued effectiveness and responsiveness to emerging risks, including recommending policy updates to strengthen the overall risk management framework.

In line with IFRS S2, which emphasises the disclosure of climate-related risks and opportunities, the process incorporates climate considerations into the broader enterprise risk framework. This includes identifying, assessing and managing physical and transition risks associated with climate change, ensuring transparency, comparability and alignment with sustainability-related financial reporting standards.

ECONOMIC AND GOVERNANCE (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (CONTINUED)

Building Resilience Through Strategic Planning



ERM strengthens FM's ability to anticipate, respond and adapt to changing risk environments, ensuring sustainable growth and long-term value creation.

Business Continuity Planning ("BCP")

Our BCP initiatives continue to be refined and remain focused on the six key areas below:

Finance: Managing financial risks, including those related to liquidity, credit and market fluctuations.

Legal/Regulatory Compliance: Ensuring adherence to all applicable laws and regulations, safeguarding the Group from legal risks.

Environment: Addressing environmental risks, such as those posed by climate change, to minimise our ecological footprint and ensure compliance with environmental regulations.

Governance: Upholding good corporate governance practices to maintain transparency, accountability and ethical standards.

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.

Operations: Protecting the continuity of our core logistics operations, including supply chain management and service delivery.

For further information, please see the MD&A and Climate Resilience.

ECONOMIC AND GOVERNANCE (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (CONTINUED)

Operational Safety Risk

- **Health and Safety**

Workplace safety and environmental preservation remain ongoing priorities for management, driven by the need to prevent accidents, minimise liability, ensure regulatory compliance and safeguard employee well-being and operational continuity. Beyond risk mitigation, these efforts also present opportunities to foster a strong safety culture, enhance employee engagement, improve operational efficiency and strengthen FM's reputation among stakeholders.

Cybersecurity Risk

- **Cybersecurity Risk**

Cybersecurity risks, including data breaches, financial losses and reputational damage, pose significant threats to the Group. To mitigate these risks, we have strengthened access controls, enhanced system monitoring and increased awareness and response capabilities. The Personal Data Protection Act ("PDPA") notice has been updated to align with current operational practices and regulatory requirements, underscoring our commitment to the seriousness of this matter.

A data protection committee has been established to strengthen governance in data breach management and personal data protection. This committee undergoes continuous training to improve organisational resilience in an increasingly digital business environment.

Legislation Compliance Risk

- **Anti-Bribery and Anti-Corruption ("ABAC") & Whistleblowing ("WB")**

Implementing strong ABAC and WB frameworks serves as both a risk mitigation measure and a strategic opportunity. These mechanisms ensure compliance with the Malaysian Anti-Corruption Commission ("MACC") Act and relevant international standards, minimising risks of legal penalties, reputational harm and operational disruption.

Through clear reporting channels and protective measures for whistle-blowers, FM promotes a culture of transparency and accountability, enabling early detection and resolution of unethical practices.

Beyond risk reduction, these initiatives strengthen stakeholder trust, reinforce internal governance and uphold ethical business conduct. This proactive stance enhances investor confidence, supports long-term business sustainability and positions FM competitively in markets that value integrity and responsible practices.

EMERGING RISK IDENTIFIED AND MITIGATION STRATEGIES**Economic Risk**

- **Uncertainty Market Shifts**

Uncertain market shifts can disrupt business operations by causing revenue instability, complicating planning and increasing operational costs. Rapid changes in customer demand and supply chain dynamics may require swift operational adjustments, while evolving regulations can introduce additional compliance risks.

To mitigate these risks, FM adopts agile planning processes, strengthens scenario analysis and builds resilient supply chain strategies. At the same time, these market shifts present opportunities to innovate product offerings, explore new customer segments and enhance competitiveness through faster adaptation and improved responsiveness to emerging trends.

ECONOMIC AND GOVERNANCE (GRI 2-6, 2-24, 2-27, 3-3, 201-207, 401-2) (CONTINUED)

Competition Risk▪ **Competitive Market And Pricing**

A competitive market and pricing landscape can exert pressure on FM to deliver greater value, innovate continuously and manage costs efficiently. Competitive pricing may compress profit margins, influence customer preferences and demand agility in responding to shifting market trends.

To mitigate these risks, businesses must strengthen cost control measures, enhance operational efficiency and invest in data-driven pricing strategies. At the same time, this environment presents opportunities to differentiate through innovation, improve customer loyalty, expand market share and develop more resilient and adaptive business models.

Our international workforce which comprises a headcount of 605 personnel has also achieved 100% completion rate for ABAC and WB training.

During the reporting period, training for all personnel on ABAC and WB was conducted as part of FM's commitment to an ERM framework that promotes a transparent, ethical and accountable organisation.

Moving ahead, FM continues to adopt digital tools and is in the midst of setting up a Group-wide compliance framework for on-going monitoring and reporting. This framework is targeted to complete in FY2026.

ETHICS AND INTEGRITY**Confirmed Incidents Of Corruption and Action Taken**

FY2025: **ZERO** incidents
FY2024:

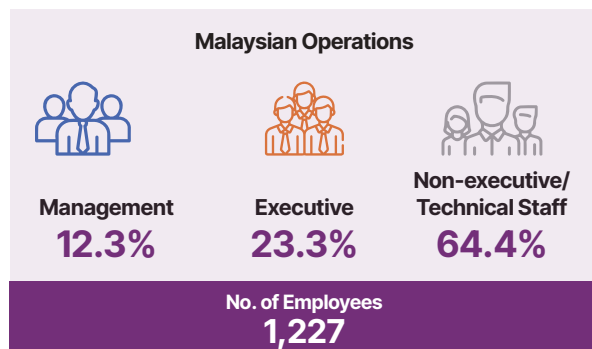
FM continues to record zero cases of ABAC related incidences in FY2025.

There were no recorded WB cases in FY2025.

ABAC AND WB TRAINING

Achieved
FY2025: **100%**
FY2024**:
FY2023:

** Restatement 1,199 total participants for Malaysian Operations.



In Malaysia, we have achieved a 100% completion rate for ABAC and WB training and assessments across all employee levels, with 151 participants from Management (12.3%), 286 Executives (23.3%) and 790 Non-executives (64.4%). Malaysia represents the majority of our workforce, accounting for approximately 67.0% (1,227 employees) of our total global headcount.





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

ADDRESSING CLIMATE RESILIENCE

In FY2025, measuring and reporting emissions across the Group's logistics network remained a central focus. Efforts are underway to strengthen accuracy and transparency, with plans to introduce digital tools for greenhouse gas ("GHG") data collection to streamline tracking and reporting across all operations. Energy efficiency remains integral to FM's environmental and financial strategy, underscoring the Group's commitment to sustainable practices that yield both cost and environmental gains.

Incremental progress is being made through asset optimisation in our fleet, in our warehouses and operational processes. These ongoing improvements support prudent use of financial, manufactured and natural capitals, while preserving and growing the value of human, intellectual and social and relationship capitals through knowledge sharing and operational discipline.

By linking climate action to capital management, FM aims to minimise capital erosion and strengthen long-term business resilience in an increasingly climate-conscious global market.

SCOPE 3 EXPANSION

Note:

Although GHG emissions are positioned within the low-to-medium materiality quadrant of FM's Materiality Matrix, the Group continues to prioritise carbon reduction, waste minimisation and water conservation as part of its responsible business practices. This focus ensures alignment with FM's operational footprint and commitment to sustainable logistics solutions.

In FY2025, we continued to broaden our focus on Scope 3 categories to include Upstream and Downstream emissions categories that is applicable to FM.

SHAPING A CLIMATE-RESILIENT FUTURE

FM's climate change strategy goes beyond regulatory compliance. As a forward thinking organisation, this initiative shapes and aligns long-term business objectives with evolving climate priorities and regulatory expectations. By incorporating energy efficiency and resource optimisation into our operations, we aim to reduce costs while minimising the environmental impact in our daily activities.

In addition, a climate strategy supports informed decision-making by leveraging data to guide investments, innovation and strategic planning toward sustainable low-carbon solutions. It reinforces stakeholder trust and corporate reputation by demonstrating a clear commitment to environmental stewardship, which is also an increasingly important factor for investors, regulators, customers, employees and other stakeholders. Furthermore, it can unlock new market opportunities for FM by expanding climate conscious logistics solutions and services.

BUILDING CLIMATE AWARENESS

FM continues to strengthen climate awareness across its operations through practical measures that balance environmental responsibility with business value. Energy efficiency, resource optimisation and data-driven insights are embedded into daily operations, enabling smarter decisions in fleet and warehouse management and reinforcing a disciplined cost structure.

Sustainability at FM is guided by shared responsibility across all levels of the Group. Environmental and social considerations are systematically integrated into operational planning and management reviews to identify areas for improvement. This structured approach ensures that sustainability remains aligned with business performance, advancing FM's commitment to responsible long-term growth and a climate-conscious logistics network.

This pragmatic and measured approach ensures that sustainability remains closely tied to business performance that emphasises value creation across the six capitals - Financial; Manufactured; Intellectual; Human, Social and Relationship; and Natural. Through this alignment, FM continues to preserve long-term value while reinforcing the Group's strategic direction.



Please refer to page 51 and the Value Creation Model on pages 52 to 53 of this SR2025.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

ESG MATTERS: GROWING THROUGH STRATEGIC PARTNERSHIPS

Integrating sustainability into our expansion plans ensures FM's operations remain future-ready while creating tangible impact across the global logistics landscape. Reducing GHG emissions remains a long-term priority, pursued in tandem with business growth. Strategic partnerships across stakeholder groups strengthen collaboration and reinforce responsible practices throughout the logistics value chain.

SUSTAINABILITY OUR WAY OF LIFE

In February 2025, FM established partnerships with three well-established and reputable organisations.

The collaboration was officially announced at the FM event themed **"ESG MATTERS: Sustainability Our Way of Life"** at the JW Marriott Hotel, Kuala Lumpur. This event strengthened partnerships with Scania (Malaysia) Sdn. Bhd., Solarvest Holdings Berhad and JAC Auto (Malaysia) Sdn. Bhd. to advance our ESG initiatives, reduce GHG emissions and promote a healthier environment in compliance with market regulations.

These partnerships reflect the growing adoption of renewable energy ("RE") solutions and green technologies within the logistics sector, reinforcing our collective commitment to a cleaner, more sustainable future.



From left: Jack Tan Qi Jie, Group Vice President - Solarvest; Joyce Antar, Managing Director for Southeast Asia - Scania; Chew Chong Keat, FM Group Managing Director; and Jason Jia, Executive Deputy General Manager - JAC Motors Malaysia, at the signing ceremony in February 2025. The collaboration marks a key milestone in FM's decarbonisation roadmap, reinforcing the Group's pursuit of cleaner mobility solutions and sustainable logistics practices.



A global leader in sustainable transport solutions.



A leading expert in clean energy, offering integrated solar solutions.



A trusted international provider of innovative and reliable automotive technologies.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

PARTNER	INVESTMENT	EXPECTED OUTCOME
	20 units of fuel-efficient EURO 5-compliant Super Trucks (≈ RM11 million)	- Up to 8.0% fuel savings per vehicle. - Annual reduction of approximately 719 tCO₂e*.
	2 units of i75 Electric Trucks (≈ RM557,000)	- Estimated CO₂* avoidance of 29,223 kg over 200,000 km in five years. - Equivalent to approximately 6,000 kg of CO₂ avoided annually.
	Solar panel installations at Lot 16 and Lot 24 warehouses in Port Klang, Selangor (≈ RM1.5 million)	- Rooftop solar systems installed at Lot 37B warehouse in Port Klang (550 kWp*) in 2023. - Contributes a combined capacity of ~1,000 kWp producing ~1,270 MWh* annually. - Potential annual GHG reduction of ~806 tCO₂e through ongoing efficiency measures.

* tCO₂e : metric tonnes of carbon dioxide equivalent* CO₂ : carbon dioxide

* kWp : kilowatt peak

* MWh : megawatt-hour



FM participated in the User Acceptance Test for the Simplified GHG Emissions Calculator organised by Capital Markets Malaysia held in June 2025. The session introduced a new emissions calculation tool that aligns with FM's strategy to digitalise and simplify ESG data management. This event also served as a valuable platform for knowledge exchange and engagement with GHG experts.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

EXPANDING ESG DISCLOSURE SCOPE

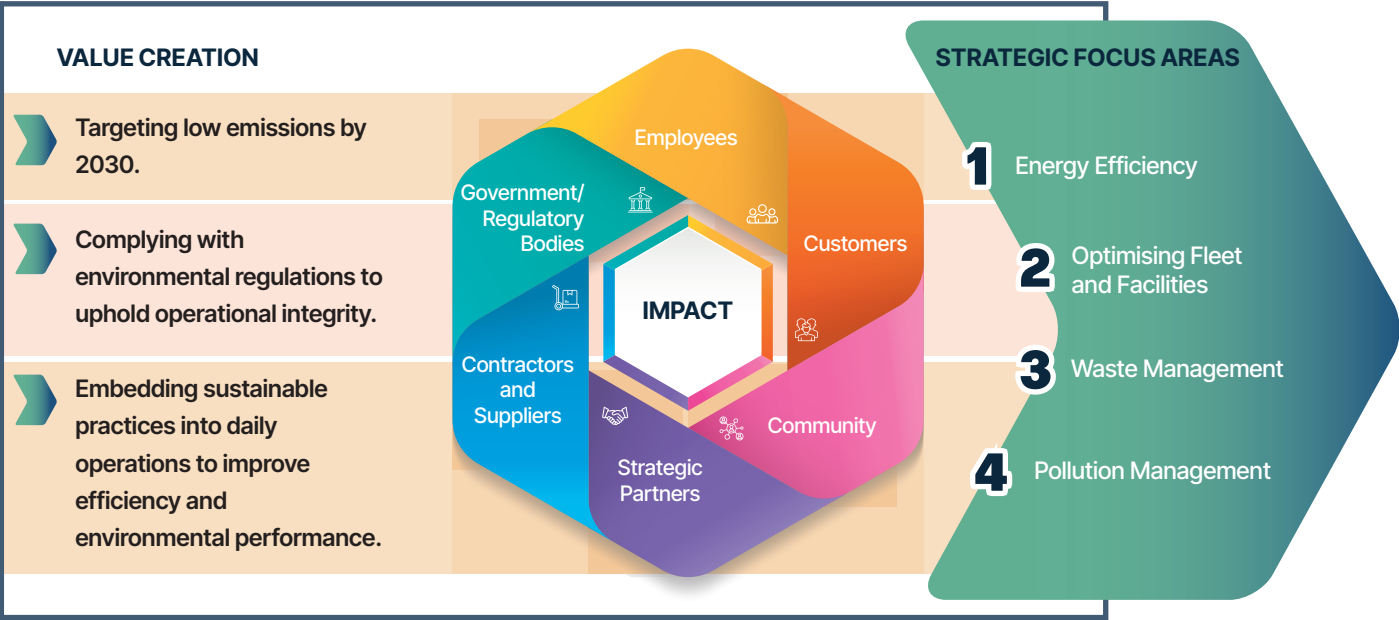
In FY2025, FM expanded its Materiality Matters (“MM”) assessment to ensure alignment with stakeholder priorities and evolving business expectations. The exercise identified and prioritised key issues affecting both the Group and its stakeholders, setting a focused direction for the year ahead.

Building on the identified top six priorities - **Health and Safety**, **Data Protection**, **Service Quality**, **Energy and Water Usage**, and **Regulatory Compliance** - GHG emissions were further expanded to include Scope 3 emissions, where data collection and reporting efforts reflect the nature of FM’s operations.

Definitive steps are being taken to improve operational efficiency, RE, decarbonisation and carbon offset initiatives. We plan to further align our sustainability strategy with priority MMs and areas with potential to attain sustainable progress.

Please refer to the Materiality Matters segment in this Sustainability Report.

MANAGING CLIMATE RISK AND OPPORTUNITY



FM remains focused on reducing carbon emissions by 2030 as part of its commitment to responsible growth and sustainable development. Climate change is a major focus area for the Group given the nature of our business, making internal awareness and engagement critical to building collective responsibility.

FM’s initiatives are aimed to benefit a wide range of stakeholders, including local communities, by addressing key environmental priorities. Focus areas include improving energy efficiency, optimising the performance of the Group’s fleet and facilities, strengthening waste management practices and ensuring effective pollution control.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

CLIMATE CHANGE RISK

Both carbon emissions and prolonged rainfall present tangible risks to FM's operations. Through proactive mitigation, strategic investment and strengthened reporting, the Group is building a more adaptive, responsible and climate-resilient logistics platform.



Reducing Our Carbon Footprint

Given the scale of FM's logistics operations, emissions from fleet activity represent a significant contributor to its carbon footprint. The Group acknowledges this risk and is progressively transitioning to cleaner, lower emission technologies to reduce environmental impact. Investments in fuel-efficient and electric vehicles, together with RE adoption at key facilities, are helping FM align with environmental standards while improving resource efficiency.

This transition supports compliance with the IFRS S2 requirements on climate-related disclosures and reflects FM's commitment to managing operational risks, enhancing resilience and contributing to a lower-carbon logistics sector.



Prolonged Rainfall

Prolonged rainfall remains one of FM's key operational risks due to its direct impact on logistics and supply chain reliability. Inclement weather can affect delivery routes and schedules due to flooding or road closures.

These disruptions also elevate operating costs through extended transit times and potential insurance adjustments. Recognising this, FM continues to strengthen contingency planning and route optimisation measures to ensure service continuity and minimise disruption across its network.



Environmental Compliance

FM upholds stringent compliance with environmental regulations to maintain operational integrity and protect its reputation. As a logistics Group with direct environmental impact through fuel use, emissions and packaging waste, adherence to regulatory requirements is essential. Compliance ensures responsible operations, safer practices and sustained competitiveness in a market that is increasingly focused on sustainability. FM's key environmental regulations include:

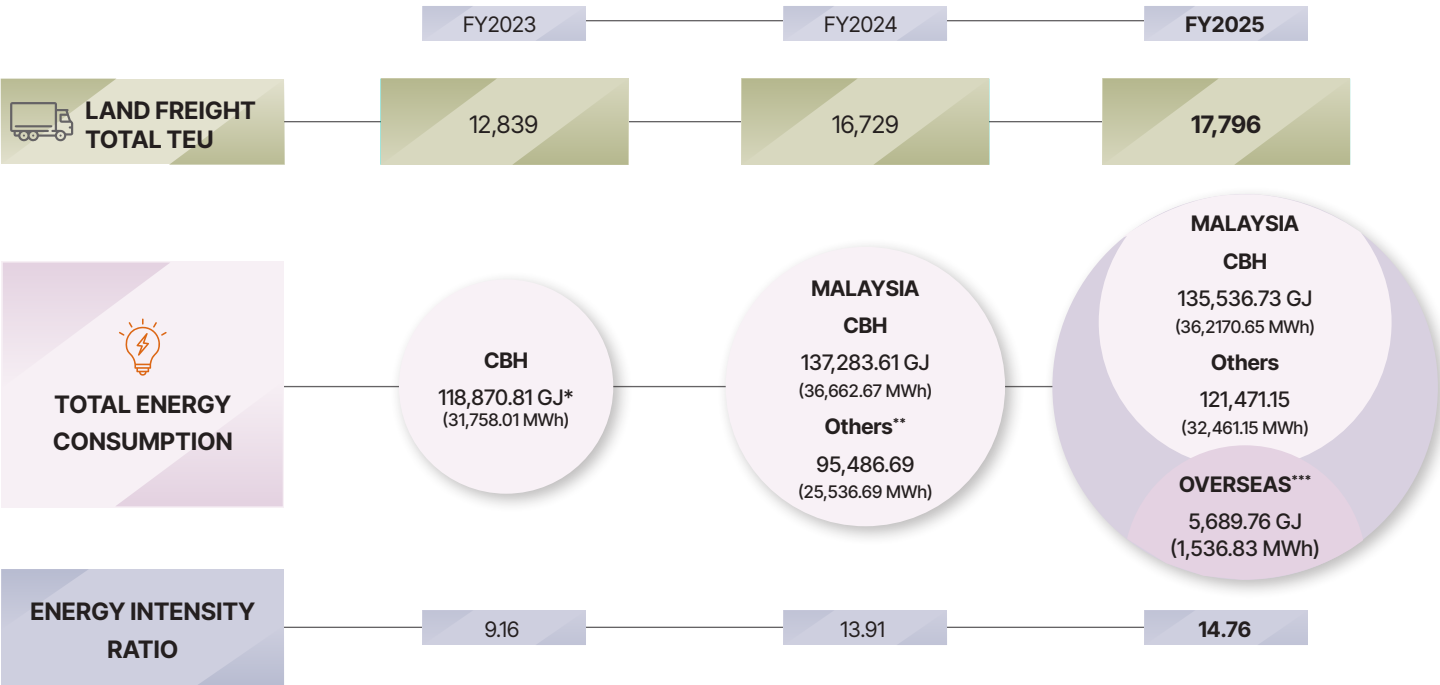
- ✓ Environmental Quality Act (Amendment) Act 2024
- ✓ Environmental Quality (Scheduled Wastes) (Amendment) Regulations 2007
- ✓ Environmental Quality (Clean Air) Regulations 2014
- ✓ Environmental Quality (Industrial Effluents) Regulations 2009
- ✓ Environmental Quality (Sewage) Regulations 2009
- ✓ Environmental Quality (Motor Vehicle Noise) Regulations 1987
- ✓ Environmental Quality (Control of Emissions from Diesel Engines) (Amendment) Regulations 2000
- ✓ Environment Quality (Refrigerant Management) Regulations 2020



ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

ENERGY MANAGEMENT

Total Energy Consumption



* While Central Business Hub ("CBH") began recording energy in FY2022, the data presented in SR2025 covers the period from FY2023 to FY2025.

** Energy consumption recording for other locations in Malaysia started in FY2024.

*** Energy consumption recording for overseas locations started in FY2025.

* GJ: gigajoules

Energy Consumption Overview

FM's energy consumption comprises two primary sources: electricity utilised across warehouses, offices and operational facilities and fuel usage from logistics and transportation activities.

In FY2024, data coverage was limited to the Malaysian operations, whereas FY2025 expanded to included energy consumption data from international operations. As such, FY2024 figures were used as the initial baseline for the Group.

Total energy consumption rose by 29,927.35 GJ (12.9%), from 232,770.30 GJ in FY2024 to 262,697.65 GJ in FY2025. Of this total, Malaysia contributed 257,007.88 GJ (97.8%) in FY2025, reflecting a relatively minor increase of 24,237.58 GJ (10.4%) year-on-year ("YoY").

The expanded data coverage enabled a more comprehensive analysis of energy trends across the countries in which FM operates, supporting data-driven decisions on energy allocation and management. It also helped identify optimisation opportunities aligned with ESG and regulatory expectations.

The Group's energy intensity ratio increased from 13.91 in FY2024 to 14.76 in FY2025, reflecting a 6.1% rise. Malaysia reported a nominal 3.8% increase to 14.44 (FY2024: 13.91). The upward trend corresponded with higher TEU of cargo handled during the year, highlighting the importance of strengthening energy efficiency measures to manage future demand and minimise environmental impact.

Within the context of the CBH, total energy consumption increased by 18,826.63 GJ (18.8%) in FY2023 and by a further 18,412.80 GJ (15.5%) in FY2024. However, in FY2025, consumption decreased by 1,860.84 GJ (1.4%).

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

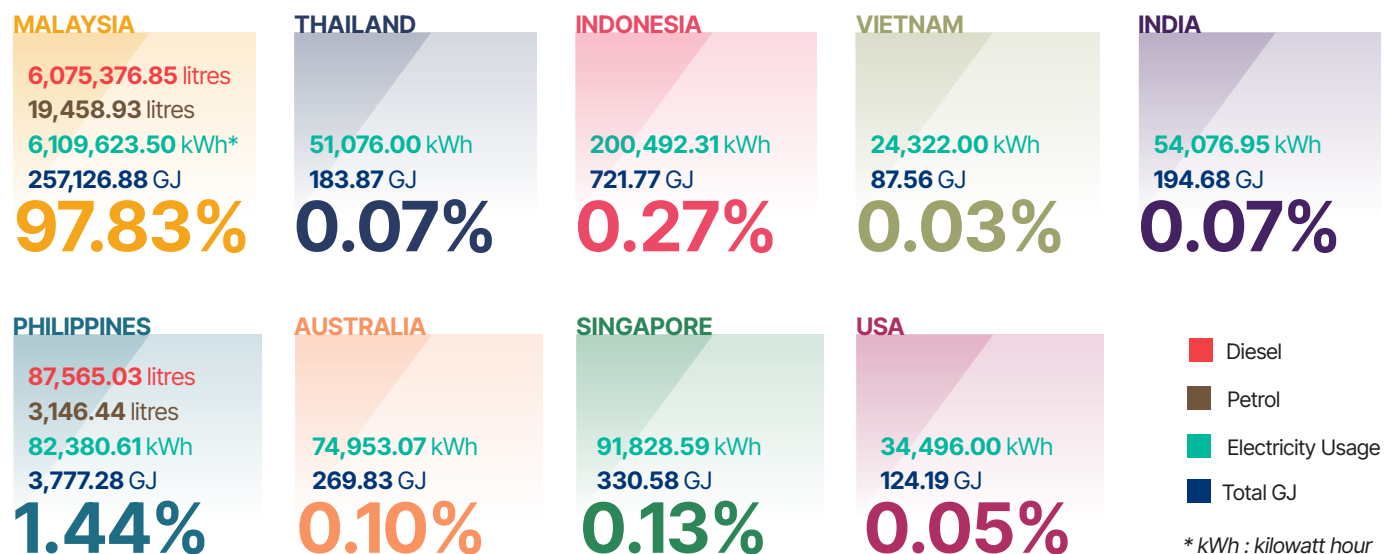


Although operational capacity expanded, the YoY growth in energy consumption between FY2023 and FY2024 moderated by 413.83 GJ (2.2%), reflecting a relative slowdown in the rate of increase. Subsequent efficiency initiatives contributed to a reduction of 20,273.64 GJ in total energy consumption in FY2025, representing an improvement in overall energy performance.

The deceleration in energy consumption growth indicated the effectiveness of FM's energy management measures and the measurable outcomes of its efficiency initiatives. Contributing factors included the use of energy-efficient equipment in key operations, process optimisation that reduced unnecessary energy use without affecting output and increased employee awareness through targeted training. The integration of monitoring systems also enabled proactive tracking and management of energy performance.

These measures reflected FM's steady progress towards more sustainable energy management while supporting business growth.

Energy Consumption by Country



Data was collected across nine operating countries in FY2025: Malaysia, Thailand, Indonesia, Vietnam, India, the Philippines, Australia, Singapore and the USA. Based on the analysis, Malaysia accounted for over 97.0% of the total energy consumption, followed by the Philippines with less than 2.0%. The remaining countries contributed marginally to total consumption.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Energy Management Strategy and Initiatives

Total energy usage at FM was measured across two main components: electricity consumption and vehicle fuel usage.

Malaysia recorded the highest usage due to the concentration of core activities, key infrastructure and fleet operations. Despite the higher energy consumption, ongoing initiatives such as the introduction of energy-efficient vehicles, the use of cleaner fuels and the implementation of RE solutions continued to progress.



Electricity Management

Electricity Consumption

CBH

2,890,028 kWh
2,890.03 MWh | 10,404.10 GJ

FY2024: 2,701,987 kWh | 2,701.99 MWh | 9,727.15 GJ
FY2023: 2,822,126 kWh | 2,822.13 MWh | 10,159.65 GJ

MALAYSIA

6,076,568 kWh
6,076.57 MWh | 21,875.64 GJ

FY2024: 5,743,768 kWh | 5,743.77 MWh | 20,677.56 GJ
FY2023: 6,282,044 kWh | 6,282.04 MWh | 22,615.36 GJ

FM GROUP

6,690,193 kWh
6,690.19 MWh | 24,084.70 GJ

FY2024: 5,743,768 kWh | 5,743.77 MWh | 20,677.56 GJ

* Data was not collected from overseas operations in the previous year.

Analysis of Electricity Consumption Trend

Electricity consumption at the CBH indicated a declining trend from FY2022 to FY2024 before rising again in FY2025. Usage decreased from 10,967.40 GJ in FY2022 to 10,159.65 GJ in FY2023, a reduction of 4.3% and continued to fall to 9,727.15 GJ in FY2024, representing a total reduction of 7.4% compared to FY2022.

However in FY2025, electricity usage increased to 10,404.10 GJ, marking a 7.0% rise from FY2024. Although the YoY reduction between FY2023 and FY2024 (3.1%) was modest, continuous improvement remained a key focus as we actively identified new opportunities for efficiency. The increase recorded in FY2025 reflected operational growth that required higher electricity consumption to support expanded activities.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)



At Group level, electricity consumption rose from 20,677.56 GJ (FY2024) to 24,084.70 GJ in FY2025, representing an increase of 16.5%. In Malaysia, consumption grew by 1,963.04 GJ (9.5%) in FY2023, followed by a reduction of 1,937.80 GJ (8.6%) in FY2024, reflecting improved efficiency and the integration of RE sources, particularly in warehouse operations.

However, electricity usage increased again by 1,198.08 GJ (5.8%) in FY2025, rising from 20,677.56 GJ (FY2024) to 21,875.64 GJ. This was not only due to growth in business, but also attributable to the expanded reporting scope that covers more metrics and which is gradually being phased in.

Since FY2023, rooftop solar panels were installed at the CBH Lot 37B warehouse in Port Klang, Selangor, with an estimated peak capacity of 550 kilowatts. In both FY2024 and FY2025, the system generated approximately 700 MWh of renewable electricity, contributing significantly to the Group's sustainable energy usage and subsequent cost savings.

Expanding Operational Capacity

Growth in operational capacity led to higher electricity consumption, driven by increased requirements for lighting, equipment and extended working hours. As activities scaled up, additional infrastructure such as warehouses, distribution hubs and office spaces were introduced, each requiring electricity for lighting, ventilation, air conditioning, machinery and Information Technology ("IT") systems.

Longer operating hours and higher staffing levels further contributed to this increase. The introduction of advanced technologies, including electric Material Handling Equipment ("MHE") and energy-intensive data management platforms also added to the overall electricity demand.

Electricity Management Initiatives

Despite the upward trend in consumption, proactive measures were implemented to manage and reduce usage through energy-efficient solutions. Key initiatives included LED lighting upgrades and the phased integration of RE sources. A major project involved replacing outdated Metal Halide ("M/H") fixtures with LED High Bay Light Sets, modernising ageing infrastructure and ensuring compliance with HSSE standards while minimising e-waste through selective replacement rather than full disposal.

These efforts formed part of a broader strategy to offset increased electrical load arising from operational expansion. The Group progressively extended its energy management initiatives across additional facilities through the adoption of best practices in efficiency, the integration of advanced energy-saving technologies and the continued pursuit of RE applications.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)



SOLARVEST

Solar Energy Expansion and Collaboration

On 20 February 2025, FM issued the Letter of Award ("LOA") to Solarvest Malaysia at a ceremony held at JW Marriott Kuala Lumpur. As a leading clean energy specialist, Solarvest was appointed to undertake a new solar installation project with an additional capacity of 1.0 Megawatt-peak ("MWp") at FM's warehouses located at Lot 16 and Lot 24 in Port Klang, Selangor. The investment, valued at approximately RM1.5 million, marked the continuation of FM's collaboration with Solarvest, which began in 2023 with an initial solar installation with a capacity of 550 kilowatt-peak ("kWp").

The new project would potentially add a combined capacity of 1,000 kWp, expected to generate 1,270 MWh of clean energy annually. With this expansion, the total installed solar photovoltaic ("PV") capacity across FM's warehouses reached 1.6 MWp, projected to produce over 2,000 MWh of clean energy each year. This initiative formed part of FM's broader decarbonisation agenda, contributing to an estimated annual GHG reduction of 806 tCO₂e.

Future Energy Management Plans

As part of its long-term ESG commitment, FM will continue to expand energy management initiatives across its operational footprint. Progress was steady and guided by a focused approach to long-term impact through best practices in energy efficiency. Plans were in place to extend solar installations to additional sites and integrate energy-saving technologies, including charging facilities for future electric vehicle ("EV") trucks. Regular maintenance was also prioritised to maintain system performance, reduce consumption and strengthen operational sustainability. The adoption of electric MHE further improved productivity and workplace safety.



WHAT'S NEXT

FM also pursued the acquisition of additional electric MHE to enhance operational efficiency, safety and ergonomics while supporting long-term sustainability goals. This strategic investment aimed to reduce energy consumption, minimise downtime and ensure scalability for future operational demands, stressing the importance of responsible resource management and compliance with environmental standards.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

FUEL MANAGEMENT

Fuel Consumption

CBH

Diesel Consumption

3,241,778 litres

33,320.62 MWh | 125,132.63 GJ

FY2024: 3,300,998 kWh | 33,929.32 MWh | 127,418.56 GJ

FY2023: 2,804,531 kWh | 28,826.38 MWh | 108,254.90 GJ

Petrol Consumption

Zero litres

0 MWh | 0 GJ

FY2024: 4,031 kWh | 30.96 MWh | 137.89 GJ

FY2023: 14,258 kWh | 109.51 MWh | 456.26 GJ

MALAYSIA

Diesel Consumption

6,075,376.85 litres

62,445.78 MWh | 234,509.55 GJ

FY2024: 5,473,546.99 kWh | 56,259.87 MWh | 211,278.91 GJ

Petrol Consumption

19,458.93 litres

149.45 MWh | 622.69 GJ

FY2024: 25,431.84 kWh | 195.33 MWh | 813.82 GJ

FM GROUP

Diesel Consumption

6,162,941.88 litres

63,345.82 MWh | 237,889.56 GJ

FY2024: 5,473,546.99 kWh | 56,259.87 MWh | 211,278.91 GJ

Petrol Consumption

22,605.37 litres

173.62 MWh | 723.39 GJ

FY2024: 25,431.84 kWh | 195.33 MWh | 813.82 GJ

Note: The value for FY2025 is zero due to change in business direction.

Analysis of Fuel Consumption

Higher fuel consumption recorded in FY2025 stems from FM's expanded monitoring coverage, which now includes multiple sites and activities in addition to the CBH. This development enhances transparency and provides a more complete account of operational energy use.

Business expansion also contributed to the increase, aligning with the Group's strategic response to growing customer demand. This growth, built on consistent service quality and customer confidence, is expected to continue influencing overall fuel consumption as reporting scope widens.

At the CBH, total fuel consumption rose by 19,634.38 GJ (22.0%) in FY2023 and by a further 18,845.30 GJ (17.3%) in FY2024, before recording a minor decrease of 2,423.82 GJ (1.9%) in FY2025. Diesel remained the main fuel type, with consumption increasing by 19,637.09 GJ (22.2%) in FY2023 and 19,163.66 GJ (17.7%) in FY2024, followed by a modest decline of 2,285.93 GJ (1.8%) in FY2025.

In contrast, petrol use dropped by 2.72 GJ (0.6%) in FY2023 and a further 318.36 GJ (69.8%) in FY2024, culminating in a complete phase-out by FY2025 as management realigned operational priorities.

While diesel remained the dominant fuel, the reduction of 473.43 GJ (4.5%) between FY2023 and FY2024, followed by another decline in FY2025, reflected FM's gradual transition towards fuel-efficient and regulatory compliant vehicles, particularly across its Malaysian operations.

At the Group level, total fuel consumption increased by 26,520.22 GJ or 12.5% compared to the previous reporting period. This increase was mainly attributed to diesel usage, which rose by 26,610.65 GJ (12.6%), while petrol consumption declined by 90.43 GJ (11.1%). Malaysia accounted for 98.5% of total Group fuel consumption, with the remaining share contributed by operations in the Philippines.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

In Malaysia, diesel consumption was up by 23,230.64 GJ (11.0%), while petrol usage decreased by 191.14 GJ (23.5%). The higher diesel consumption reflected the expansion of transport operations, including additional fleet vehicles and extended logistics services to support business growth.

To improve efficiency, FM acquired 20 Scania Euro 5-compliant prime movers in FY2025. This initiative was supported by fleet management optimisation and driver behaviour assessments that aimed to strengthen operational performance and reduce environmental impact.

Fuel Management and Emissions Reduction

Fuel management efforts during the year focused on optimising fleet scheduling, improving vehicle efficiency, adopting cleaner technologies and reducing idling and speed violations. Replacing older vehicles with more efficient models, supported by better route planning and scheduling, enabled greater utilisation, lowered idle time and reduced maintenance requirements.

Collectively, these measures strengthened FM's operational efficiency while minimising its environmental footprint.



ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)



Investing in Cleaner Transport Solutions

On 20 February 2025, FM marked a significant milestone in its sustainability journey with the purchase of 20 units of Scania Super trucks, valued at approximately RM11 million. 10 units were delivered in FY2025 and the remaining 10 units will be delivered progressively.

The Scania Super is among the most advanced and efficient combustion-engine vehicles globally, engineered to meet stringent emissions standards while delivering up to 8.0% fuel savings per vehicle. Each unit is equipped with a customised fleet monitoring system designed to optimise performance, improve fuel efficiency and reduce emissions, including CO₂, nitrogen oxides and particulate matter.

This initiative reflects FM's continued investment in cleaner fleet technologies aligned with customer and regulatory expectations for lower-carbon logistics operations.

In tandem, FM invested approximately RM557,000 in two units of the JAC i75 Electric Truck from JAC Motors. Each truck offers a range of up to 220 kilometres ("km") per charge and is projected to avoid around 29,223 kg of CO₂ over a five-year lifespan (200,000 km), equivalent to about 6,000 kg annually. These acquisitions further strengthen FM's commitment to developing a sustainable, low-carbon transport fleet across its operations.



WHAT'S NEXT

With growing service demand and fleet expansion, operational efforts in route optimisation have been prioritised to reduce travel distances, fuel consumption and overall emissions.

The Group continues to refine fleet scheduling and planning to maximise the benefits of its newer, more efficient vehicles and the integrated fleet monitoring system. These initiatives collectively support FM's broader ambition of improving energy efficiency, maintaining competitiveness and reinforcing environmental responsibility across its expanding logistics network.

While these advancements require substantial investment, particularly in energy-efficient technologies such as electric and fuel-efficient vehicles, route optimisation tools and telematics systems are essential in managing fuel use amid fleet expansion.

By acquiring newer vehicles with improved efficiency, FM is on track with reducing carbon emissions and lowering the environmental impact of fleet operations. In FY2025, FM also transitioned to cleaner-burning fuels and technologies, improving air quality, reducing its carbon footprint and ensuring compliance with stricter environmental standards.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Our Expanding Fleet



Trucks

142

FY2024: 128
FY2023: 121

FM’s fleet has expanded steadily each financial year, consistent with past growth trends. As of FY2025, the fleet consists of 142 trucks, 189 prime movers and 806 trailers. Of these, 133 trucks (93.7%), 181 prime movers (95.8%) and 792 trailers (98.3%) are based in Malaysia.



Prime Movers

189

FY2024: 169
FY2023: 165

Although fleet growth in FY2025 was modest, expansion was necessary to meet rising customer demand and support business growth. To maintain safe and efficient operations, vehicle age remained a key factor in replacement decisions.



Trailers

806

FY2024: 749
FY2023: 722

During the reporting period, three trucks and four prime movers exceeding 14 years of service were replaced, reflecting the Group’s commitment to safety and reliability. The larger fleet also improved service dependability, reduced vehicle overuse and downtime, and eased workloads for drivers. Beyond operational needs, the expansion aligned with FM’s ongoing transition to modern, fuel-efficient and low-emission vehicles.



WHAT’S NEXT

FM continues to improve operational efficiency through regular vehicle maintenance, driver training and vehicle monitoring systems. Given budget constraints, fleet replacement will proceed in phases, prioritising compliant and fuel-efficient models that lower long-term costs and meet environmental standards.

Fleet expansion remains a strategic move to strengthen logistics capacity and support business sustainability, reflecting FM’s firm commitment to cost control, fuel efficiency and environmental responsibility.



ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

DARK SMOKE MONITORING

In addition to monitoring GHG emissions, FM conducts dark smoke monitoring as part of its air quality management measures. Implemented since FY2018, this initiative includes annual opacity testing of the Group-owned vehicles and generator sets to ensure compliance with statutory requirements.

A dark smoke assessment carried out in November 2024 confirmed that FY2025 readings were consistent with previous years, remaining within the permissible Dark Smoke Limit and in full compliance with Regulation 12 of the Malaysian Environmental Quality (Clean Air) Regulations 2014



WHAT'S NEXT

FM will continue to prioritise the management and reduction of GHG emissions. Significant investments have been made in adopting cleaner-burning fuel technologies and incorporating high-efficiency vehicles into our fleet operations to reduce the Group's carbon footprint. The acquisition of EVs further demonstrates FM's strong commitment to emissions control and environmental sustainability.

To reinforce this commitment, FM will conduct regular staff training and continuously review our environmental management practices. These measures ensure that all team members are equipped with the necessary knowledge and tools to support our sustainability goals. In addition, we will maintain close collaboration with regulatory authorities to stay aligned with evolving environmental standards and industry best practices.

NOISE POLLUTION MANAGEMENT

Effective noise pollution management involves ensuring compliance with environmental regulations, particularly the Environmental Quality (Motor Vehicle Noise) Regulations 1987. Since FY2018, FM has been conducting annual boundary noise level assessments to identify potential noise issues at the CBH.

Proactive noise monitoring not only demonstrates our commitment to environmental stewardship but also supports broader sustainability and ESG objectives. Ultimately, effective noise management enhances regulatory compliance, protects well-being and reinforces FM's reputation in an increasingly sustainability-focused market.

Noise level monitoring was carried out near the compressor and motorcycle parking area at the CBH site in November 2024. The following parameters were recorded:

- LAeq (Equivalent Continuous Sound Level): 70.8 dB(A)
- Lmax(Maximum Noise Level): 79.3 dB(A)
- Lmin (Minimum Noise Level): 47.1 dB(A)
- L10: 75.8 dB(A)
- L50: 61.3 dB(A)
- L90: 57.6 dB(A)

The recorded LAeq is well within the permissible limit of 75.0 dB(A) as set by the Malaysian Department of Environment ("DOE") for industrial zones. The maximum noise level was observed during peak activity periods and is considered a temporary spike rather than a consistent violation.

These findings confirm that the noise levels at the CBH remain within regulatory limits. This monitoring exercise reflects the ongoing efforts to protect employee well-being by preventing prolonged exposure to excessive noise, aligning with our commitment to creating a safe and sustainable working environment.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)



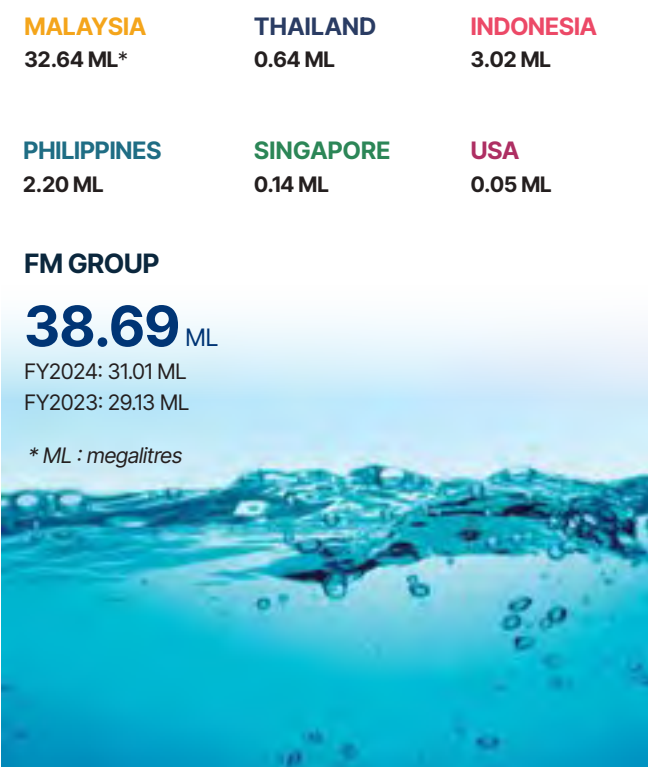
WHAT'S NEXT

Ongoing monitoring efforts reflect our commitment to maintaining a compliant work environment while minimising disturbances to the surrounding community. Moving forward, FM remains dedicated to environmental sustainability through stringent noise monitoring and control in full compliance with Section 23 of the Environmental Quality Act 1974.

WATER MANAGEMENT (GRI 303, 303-1, 303-3)



Water Consumption Overview



Analysis of Water Consumption

The increase in the yearly water consumption is primarily attributed to the expansion of our operational facilities and capacity.

Water consumption rose by 1.88 ML (6.5%) from FY2023 to FY2024, followed by a 7.68 ML (2.5%) increase in FY2025.

Malaysia, as the primary base of operations, accounted for 84.4% of total consumption in FY2025, which amounted to 32.64 ML.

Expanding Operational Facilities

The expansion of operational facilities including an increase in operating branches and workforce has contributed to higher water consumption. Activities such as vehicle washing, equipment maintenance, facility cleaning and the provision of staff amenities require significant amounts of water. Nevertheless, despite the increase in operational offices, water usage remains conservative due to careful monitoring and control measures.

Water Management Initiatives

FM's implementation of water-saving technologies and sustainable practices are essential to further reduce consumption of processed piped water. Rainwater harvesting systems have been installed at its new warehouse facilities. The water quality generated meets intended non-potable usage standards and is regularly maintained and monitored.

This initiative supports our commitment to environmental sustainability by conserving water resources and increasing our use of rainwater.

However, as the initiative has just started, the impact on total water consumption is minimal at this stage and will not be covered in our key performance indicators ("KPIs") for this year.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

EFFLUENT DISCHARGE QUALITY

Annual assessment of effluent discharge quality was conducted to ensure that wastewater released from FM facilities comply with environmental regulations and does not pose a risk to public health. Compliance extends beyond merely meeting regulatory limits; it also serves to prevent potential penalties or enforcement actions. Regular monitoring enables early detection of inefficiencies or malfunctions in wastewater treatment systems, allowing for prompt corrective actions that enhance overall operational efficiency.

In FY2025, FM continued its scheduled effluent discharge monitoring in line with previous years, focusing on key parameters such as pH levels, Chemical Oxygen Demand, Suspended Solids, Ammoniacal Nitrogen and Oil and Grease. The test results remain within the permissible limits established by local environmental authorities, demonstrating the ongoing effectiveness of our sewage treatment processes.



WHAT'S NEXT

Adherence to maintenance schedules and continuous system monitoring is essential to maintaining effluent discharge quality and ensuring all parameters remain within permissible limits. FM will continue its proactive approach through regular inspections and timely interventions to detect and address potential issues before they escalate. These efforts reinforce compliance with environmental regulations while safeguarding local water bodies from contamination.

As part of our ongoing ESG initiatives, FM is improving its sewage management practices by introducing semi-annual sewage testing and bimonthly cleaning operations to ensure the effective treatment of wastewater.

WASTE MANAGEMENT (GRI 303, 303-1, 303-2, 306)

Total Waste Generated

339.08 tonnes

Total Waste Diverted

10.54 tonnes

Total Waste Diverted (e-waste)

1.29 tonnes

Total Waste Disposed

327.25 tonnes

In FY2025, FM generated waste totalling 339.08 tonnes across its operations, an increase of 193.87 tonnes (133.5%) compared to FY2024. Of the total, 11.83 tonnes (3.5%) were diverted from landfills, while 327.25 tonnes (96.5%) were directed to final disposal. Data was gathered from a wider range of locations during the reporting period, which amounts for the increase compared to FY2024.

By embracing the Reduce, Reuse and Recycle ("3R") approach, we aim to minimise landfill disposal and conserve natural resources by preventing the release of pollutants into the environment.



ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Waste Management Initiatives

Since FY2019, FM has implemented structured waste segregation practices, with particular emphasis on scheduled waste management. Beyond segregation, systematic data collection has been undertaken to track waste generation by category and improve oversight of disposal practices. Segregating recyclable and non-recyclable materials remains central to optimising waste handling, minimising environmental impact and reinforcing a culture of accountability in environmental management.

Other Waste Control Initiatives



Wooden Pallets

Wooden pallets continued to constitute the largest portion of FM's total waste. To address this, FM has prioritised the reuse and repair of pallets to extend their lifecycle and minimise disposal volumes.



Electronic Waste ("e-waste")

E-waste monitoring remained a focus area in FY2025, in line with the 3R principles. Efforts were concentrated on the repair and recycling of electronic components to reduce waste generation and promote responsible disposal practices.



Digitalisation and Office Waste Reduction

The fleet operations system was further improved to support waste reduction through digital documentation. Similar practices have been reinforced across office operations, where paper recycling and digital workflows have contributed to a significant decrease in printing.

FM has also expanded the use of reusable alternatives to replace single-use plastics and introduced a more structured recycling bin system to strengthen waste segregation and recycling habits among employees.

Analysis of Solid Waste

In FY2025, FM generated 321.08 tonnes of solid waste, compared to 142.16 tonnes in FY2024. This 178.92 tonnes increase was due to the broader scope of data coverage and more intense monitoring practices.

Recognising the importance of integrating recycling into everyday operations, we have also explored the feasibility of installing dedicated recycling bins across all office locations. This initiative aims to make recycling more accessible, encouraging employees to adopt sustainable habits both in the workplace and in their daily lives.

Engaging employees through training, awareness programmes and the integration of waste responsibilities into standard operating procedures further strengthens implementation. Collaboration with clients and partners to offer return packaging solutions and share best practices contributes to waste reduction across the supply chain.

Scheduled Waste Disposal

 Battery Waste (SW102) 0.00 FY2024: 0.00 FY2023: 5.47	 Spent Lubricating Oil (SW305) 5.25 FY2024: 5.44 FY2023: 7.27
 Contaminated Cotton Rags (SW410) 0.16 FY2024: 0.06 FY2023: 0.06	 Contaminated Filters (SW410) 0.76 FY2024: 0.67 FY2023: 0.48



Total Scheduled Waste

6.17

FY2024: 6.17
FY2023: 13.28

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



Desktop Units

35

FY2024: 45



Laptops

12

FY2024: 54



Monitors

4

FY2024: 27



Printers

5

FY2024: 11

Total Faulty
Units

56

FY2024: 137

In line with our commitment to a circular economic, we retain outdated laptops, desktops, monitors and printers as spare units or sources of usable parts, where feasible. Between FY2024 and FY2025, the total number of faulty devices decreased by 81 units, representing a 59.1% reduction.

To uphold environmental responsibility and ensure compliance with e-waste regulations, we dispose of obsolete equipment through certified recycling partners. Where possible, older laptops are temporarily repurposed for internal operational needs before their final disposal.

E-waste Awareness Campaign: "Let's Give Our Old Gadgets New Life!"

FM organised an e-waste collection campaign titled "Let's Give Our Old Gadgets New Life!", with participation from the CBH at Lot 37, as well as the Penang and Johor offices. The initiative aimed to reduce environmental impact by offering employees a convenient and responsible way to dispose of outdated or unused electronic devices through proper recycling channels. It also sought to raise awareness of effective and sustainable e-waste management practices within the workplace.

A total of 424 e-waste items were collected, including mobile phones, laptops, tablets, computer accessories, batteries, and other small electronic gadgets. The combined weight of the collected items was 749.8 kg, representing an estimated 4.23 tCO₂e in emissions reduction. Contributions by location were as follows:

- **CBH: 470.0 kg (2.65 tCO₂e)**
- **Penang: 246.8 kg (1.39 tCO₂e)**
- **Johor: 33.0 kg (0.19 tCO₂e)**

This campaign was conducted as an internal awareness initiative and was not included in formal reporting data. Nonetheless, it served as a meaningful effort to promote responsible e-waste management and strengthen sustainability awareness among employees.

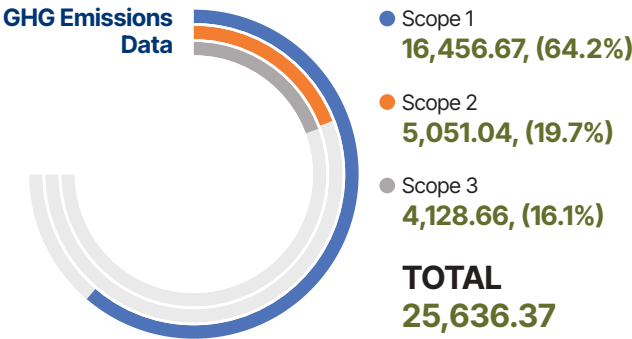


WHAT'S NEXT

Responsible e-waste management remains a priority in our sustainability agenda. This initiative is expected to expand across all operations, with regular monitoring, reporting and training to continue.

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 OVERVIEW



Operating Countries	tCO ₂ e Emissions			
	Scope 1	Scope 2	Scope 3	Total
MALAYSIA	16,215.45	4,685.57	2,811.47	23,712.49
THAILAND	-	22.58	797.80	820.38
INDONESIA	-	143.89	218.52	362.41
VIETNAM	-	16.03	32.89	48.92
INDIA	-	39.31	130.58	169.89
PHILIPPINES	241.22	56.93	78.90	377.05
AUSTRALIA	-	42.07	33.70	75.77
SINGAPORE	-	37.83	8.13	45.96
USA	-	6.83	16.67	23.50
TOTAL	16,456.67	5,051.04	4,128.66	25,636.37

Since FY2022, FM has been developing a comprehensive climate strategy aimed at strengthening GHG emissions management through systematic data collection, tabulation and calculation.

The strategy initially prioritised Scope 1 and Scope 2 emissions, with structured reporting processes established to ensure consistency and accuracy. In parallel, FM has progressively begun incorporating Scope 3 emissions reporting while implementing targeted initiatives to further reduce its overall carbon footprint.

FM Group

25,636.37 tCO₂e

FY2024: 12,351.13 tCO₂e
FY2023: 11,388.50 tCO₂e

GHG Emissions Intensity Ratio

0.19 tCO₂e/TEUs

FY2024: 0.74 tCO₂e/TEUs
FY2023: 0.87 tCO₂e/TEUs

For this reporting year, FM recorded total GHG emissions of 25,636.37 tCO₂e, a 115.7% increase compared to FY2024's 12,351.13 tCO₂e. The Group's GHG emissions from FY2022 to FY2024 were incremental. The increase in FY2025 was the outcome of FM expanding its GHG inventory to include Scope 3 emissions across the Group, which required data collection from a larger number of operational sites.

Despite the uptick in total emissions, the GHG emissions intensity ratio improved to 0.19 tCO₂e/TEU from 0.74 tCO₂e/TEU in FY2024, reflecting stronger energy efficiency and emissions management. This improvement in emissions efficiency reflects clear operational progress, enabling FM to manage higher volumes while reducing emissions on a per-unit basis.

Group-level analysis revealed a consistent upward trajectory in total GHG emissions since FY2022, reflecting the Group's expanding operational footprint. Emissions increased by 1,736.50 tCO₂e (18.0%) in FY2023, followed by a further rise of 962.63 tCO₂e (8.5%) in FY2024. In FY2025, emissions surged by 14,285.54 tCO₂e (115.7%), resulting in a total of 25,636.37 tCO₂e.

While overall emissions rose in tandem with operational expansion, YoY trends point to encouraging progress in emissions management. Between FY2023 and FY2024, the variation recorded was 773.87 tCO₂e. This improvement indicates that FM was already making strides in moderating its environmental impact relative to its operational scale.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Compared to the previous year's increase of 962.63 tCO₂e, the FY2025 spike of 14,285.24 tCO₂e represents an increase in the YoY reflecting the scale of growth and energy demand undertaken in FY2025. Despite this, FM's substantial improvement in GHG emissions intensity from 0.74 tCO₂e/TEU in FY2024 to 0.19 tCO₂e/TEU in FY2025 is a testament of its energy management initiative.

In FY2024, the reporting focused solely on Scope 1 and Scope 2, with emphasis on the CBH. Moving into FY2025, the shift in focus reflects a more decisive and committed effort to intensify our attention on emissions performance across a broader scope.

FM recognises that a comprehensive understanding of its total carbon footprint is essential, particularly as Scope 3 emissions typically represent the largest share of overall emissions. To move beyond the limitations of Scope 1 and 2 data, FM has expanded its Scope 3 data collection to gain a more accurate view of its value chain impacts and to collaborate with stakeholders on effective emissions reduction strategies.

Accurate measurement of current emissions supports FM's internal sustainability objectives while meeting growing investor, customer and regulatory expectations for transparent reporting. It also strengthens FM's ability to anticipate and respond to evolving climate regulations and potential carbon-related costs, thereby mitigating financial and compliance risks. Most importantly, these efforts align FM with its long-term low-carbon and climate goals through robust emissions management across all scopes.

Malaysia

23,712.49 tCO₂e

FY2024: 12,351.13 tCO₂e

FY2023: 11,388.50 tCO₂e

GHG Emissions Intensity Ratio

0.17 tCO₂e/TEUs

FY2024: 0.74 tCO₂e/TEUs

FY2023: 0.87 tCO₂e/TEUs

In FY2025, operations in Malaysia accounted for a substantial 23,712.49 tCO₂e (Scope 1: 16,215.45 tCO₂e; Scope 2: 4,685.57 tCO₂e and Scope 3: 2,811.47 tCO₂e), the largest share of the Group's total footprint. This is reflective of Malaysia's position as the Group's core operational hub, with larger-scale facilities and more intensive energy usage driving higher emissions output.

Outside Malaysia, Thailand registered the next highest emissions at 820.37 tCO₂e, followed by the Philippines with 377.05 tCO₂e and Indonesia at 362.41 tCO₂e. These countries represent key regional markets where business activities are expanding.

Other locations reported relatively modest emissions levels, with India generating 169.89 tCO₂e, Australia at 75.77 tCO₂e, Singapore at 45.97 tCO₂e, and Vietnam at 48.92 tCO₂e. The USA, with 23.50 tCO₂e, recorded the lowest emissions among all reporting countries, consistent with its comparatively smaller operational footprint.

This distribution highlights the geographical concentration of emissions within the Group, emphasising the need for targeted mitigation strategies in high-impact locations like Malaysia, while continuing to embed sustainable practices across all regional operations. As the Group scales up its international presence, it remains committed to managing emissions responsibly and aligning with global climate targets through localised sustainability efforts and regional energy optimisation.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

SCOPE 1: DIRECT EMISSIONS FROM OWNED /CONTROLLED OPERATIONS

Operational Vehicles



Prime Movers

169 units 20 new units



Trucks

128 units 14 New units

Fleet Management Initiatives

Effective fleet management and timely vehicle replacement are essential components in addressing climate change. Older vehicles typically emit higher levels of GHG and other pollutants due to outdated engine technologies and reduced fuel efficiency. By adopting a strategic approach to fleet operations, FM can achieve substantial reductions in carbon emissions. Newer vehicle models offer enhanced fuel economy, which not only helps lower emissions but also contributes to reduced operating costs.

In FY2025, the fleet expanded with the addition of 34 new vehicles compared to 11 in FY2024 and 23 in FY2023. The transition to a more environmentally compliant fleet has been an ongoing initiative, formalised with the introduction of structured fleet data recording in FY2024. In FY2025, FM expanded its monitoring scope to better align with the Group’s climate change strategy. This shift placed greater emphasis on emissions management and operational efficiency, supported by detailed performance comparisons to facilitate informed decision-making.

The acquisition of Euro 5-compliant vehicles underscores our commitment to meeting evolving environmental regulations. Since FY2022, FM has previously invested in Euro 3-compliant vehicles across its Haulage and Transport divisions and has progressively shifted towards acquiring Euro 5-compliant vehicles.

Fleet Size



Prime Movers

189 units

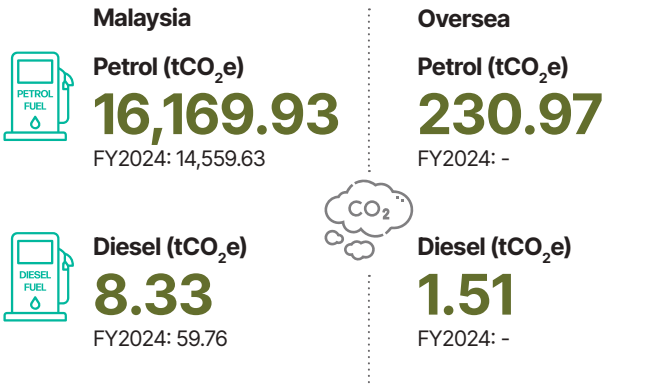
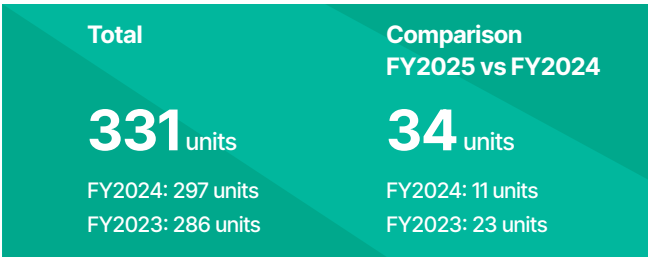
FY2024: 169 units
FY2023: 165 units



Trucks

142 units

FY2024: 128 units
FY2023: 121 units



Of the total 16,410.73 tCO₂e emissions recorded from fuel consumption, Malaysia contributed 16,400.89 tCO₂e, accounting for 98.6% of the total. Despite the significant fleet expansion, the YoY emissions growth showed signs of moderation. Group-wide emissions increased by 1,791.33 tCO₂e, or 12.3%, from FY2024 to FY2025, with Malaysia contributing 1,558.86 tCO₂e (10.7%) to this increase. While emissions from the Philippines remain modest due to its smaller fleet size, they are expected to rise in line with future operational growth.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Zooming in on FM Malaysia, despite an increase in fleet size and fuel consumption, the average emissions per vehicle decreased from 52.21 tCO₂e to 51.52 tCO₂e with a reduction of 0.69 tCO₂e or approximately 1.3%. In comparison, the average emissions per vehicle for FM Philippines stood at 29.06 tCO₂e. Emissions performance will continue to be monitored in the following financial year.

The reduction in the emissions growth rate indicates that decisive actions are proving effective. While the commitment to fleet upgrades marks a significant step forward, it must be complemented by data-driven and well-planned scheduling strategies to maximise impact. Each initiative taken so far has yielded positive results, reinforcing the value of this direction. Expanding on this strategy is not only a logical next step but also a thoughtful approach to sustaining a strong competitive edge in the market.

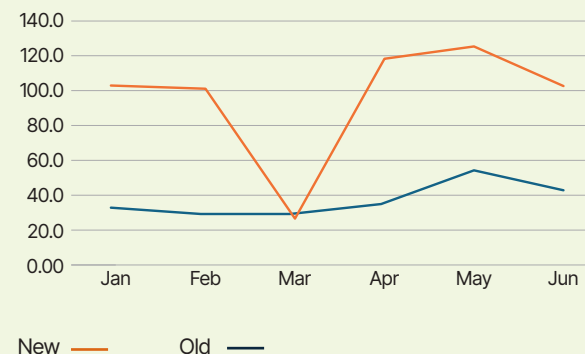
The transition from Euro 3-compliant to Euro 5-compliant vehicles represents a strategic investment aimed at enhancing business efficiency and fulfilling ESG commitments. As ESG considerations gain prominence, they also highlight existing limitations in the comprehensive disclosure of emissions. This initiative goes beyond regulatory reporting as it aims to establish a clearer emissions baseline to support accurate and credible target setting. However, due to data limitations, defining accurate baselines and targets remains a challenge, potentially leading to inconsistencies. To address this, adopting a data-driven approach will be crucial. It will enable more measurable actions, reinforce climate-related commitments and enhance the overall resilience of operations and supply chains.

A YoY comparison of the Malaysian fleet's fuel consumption and carbon emissions indicates a clear upward trend between FY2024 and FY2025. The analysis focused solely on active prime movers, which increased from 149 units in FY2024 to 181 units in FY2025. This increase in fuel usage resulted in a rise in total emissions from 10,761.33 tCO₂e to 12,676.33 tCO₂e, marking an increase of 1,915.00 tCO₂e or 17.8%.

In the Philippines, FM's six active fleet vehicles generated 165.35 tCO₂e of emissions. As this marks the first year of data collection, historical comparisons are not available. However, based on current figures, the average emissions per vehicle stands at 27.56 tCO₂e.

Despite the increase in both fleet size and fuel consumption, the average emissions per prime mover decreased from 72.22 tCO₂e in FY2024 to 70.03 tCO₂e in FY2025, representing a 3.0% improvement in emissions efficiency. This suggests an overall improvement in emissions efficiency on a per-vehicle basis.

Reduction in GHG Emissions Post-Scania Purchase Emissions: New Versus Old Fleet (tCO₂e)

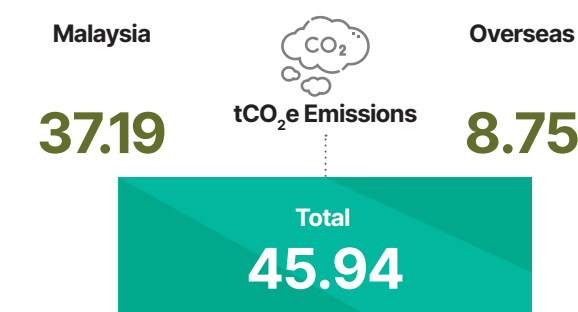


The transition from older vehicles to Scania Super trucks has led to a clear reduction in GHG emissions, reflecting improved fuel efficiency. The older fleet, comprising 21 vehicles, emits an average of 4.50 tCO₂e per vehicle, totalling 94.50 tCO₂e. In contrast, the newer fleet of 10 vehicles records lower average emissions of 3.37 tCO₂e per vehicle, amounting to 33.70 tCO₂e in total. This reflects a 1.13 tCO₂e reduction in emissions per vehicle, highlighting the positive impact of upgrading to more efficient models.

By emitting less, the new vehicles contribute to improved environmental sustainability and align with efforts to comply with green policies and carbon reduction goals. This shift supports ongoing initiatives to reduce the Group's carbon footprint and demonstrates a commitment to responsible fleet management.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Executive Cars



The allocation of executive cars supports both practical business needs and broader organisational objectives. These vehicles also form part of a competitive compensation package. From an operational standpoint, company-provided vehicles offer greater control over safety standards, insurance coverage and emissions policies.

In FY2025, emissions data were systematically captured for fleet vehicles across operations in Malaysia and the Philippines. While complete emissions data were compiled for the Philippines, efforts are on going to achieve full data coverage for Malaysian operations. During this period, Malaysia generated 37.19 tCO₂e in emissions, while Philippines recorded 8.75 tCO₂e, with average emissions of 7.44 tCO₂e and 2.19 tCO₂e per vehicle respectively. Further data is expected to be collected in the following financial year, improving coverage and accuracy.

To strengthen emissions monitoring, the implementation of a centralised fuel system is proposed. This approach will help track fuel efficiency, identify over consumption and detect maintenance-related emissions issues more effectively. Additionally, executive vehicle emissions will be incorporated into the Group’s overall Scope 1 reporting. This integration aligns fleet emissions with corporate sustainability targets and reinforces accountability.

Looking ahead, FM plans to gradually transition from traditional petrol and diesel executive vehicles to hybrid or fully electric vehicles. Acquiring EVs will reduce direct emissions and streamline monitoring, as they generate no tailpipe emissions and offer standardised energy data for reporting and analysis.



WHAT’S NEXT

Operational efficiency and long-term growth have consistently guided our investment strategies. In alignment, the replacement of our fleet with newer, lower-emission vehicles represents a vital step in advancing our broader sustainability objectives. We also recognise that climate action efforts must remain aligned with our commitment to responsible environmental stewardship.

FM will follow a phased fleet transition plan, prioritising the replacement of high-usage vehicles with low-emission alternatives. In parallel, FM is exploring the implementation of centralised monitoring through telematics systems to track fuel consumption, optimise routes and encourage efficient and safe driving behaviour.

Investing in electrical prime movers presents FM with an opportunity to further decarbonise our operations. This is particularly relevant for fleet types such as side loaders, which typically generate higher emissions compared to standard vehicles due to their operating patterns and fuel consumption. Transitioning to electric alternatives not only supports decarbonisation efforts but also improves compliance with evolving environmental and regulatory standards. Although the initial capital and operational costs may be high, the long-term benefits including optimised logistics performance, reduced fuel dependency and enhanced sustainability positioning make this an option worth exploring in the context of future-focused fleet planning. A more detailed analysis is necessary to further substantiate the investment decision in our emissions reduction initiatives.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

SCOPE 2: INDIRECT EMISSIONS FROM THE USE OF PURCHASED ELECTRICITY, STEAM, HEATING AND COOLING**Purchased Electricity**

No	Operating Countries	Total FY2025	
		Usage (MWh)	tCO ₂ e Emissions (tonnes)
1	MALAYSIA	21,875.64	4,685.57
2	THAILAND	183.87	22.58
3	INDONESIA	721.77	143.89
4	VIETNAM	87.56	16.03
5	INDIA	194.68	39.31
6	PHILIPPINES	269.57	56.93
7	AUSTRALIA	296.83	42.07
8	SINGAPORE	330.58	37.83
9	USA	124.19	6.83
		24,084.69	5,051.04

During the reporting period, total electricity consumption across all operations amounted to 24,084.69 MWh, resulting in an aggregated Scope 2 emissions of 5,051.04 tCO₂e. Among all locations, Malaysia recorded the highest electricity consumption at 21,875.64 MWh, contributing 4,685.57 tCO₂e, which accounts for more than 92.8% of total Scope 2 emissions.

In comparison, the other countries reported significantly lower levels. Indonesia (721.77 MWh; 143.89 tCO₂e) and Singapore (330.58 MWh; 37.83 tCO₂e) were the next largest contributors, though still only a small fraction of the overall footprint. On the lower end, Vietnam (87.56 MWh; 16.03 tCO₂e) and the USA (124.19 MWh; 6.83 tCO₂e) recorded the smallest Scope 2 emissions, contributing only 0.3% and 0.1%, respectively.

Electricity consumption and resulting emissions are highly concentrated in Malaysia, largely due to its larger scale of operations relative to other regions. This indicates that decarbonisation initiatives focused on Malaysia such as RE sourcing, efficiency upgrades and optimised building management would have the greatest potential impact in reducing overall Scope 2 emissions. Nevertheless, maintaining energy efficiency and exploring RE opportunities in other locations remain essential to ensure consistent progress toward sustainability targets across all operations.

Harnessing Solar Power

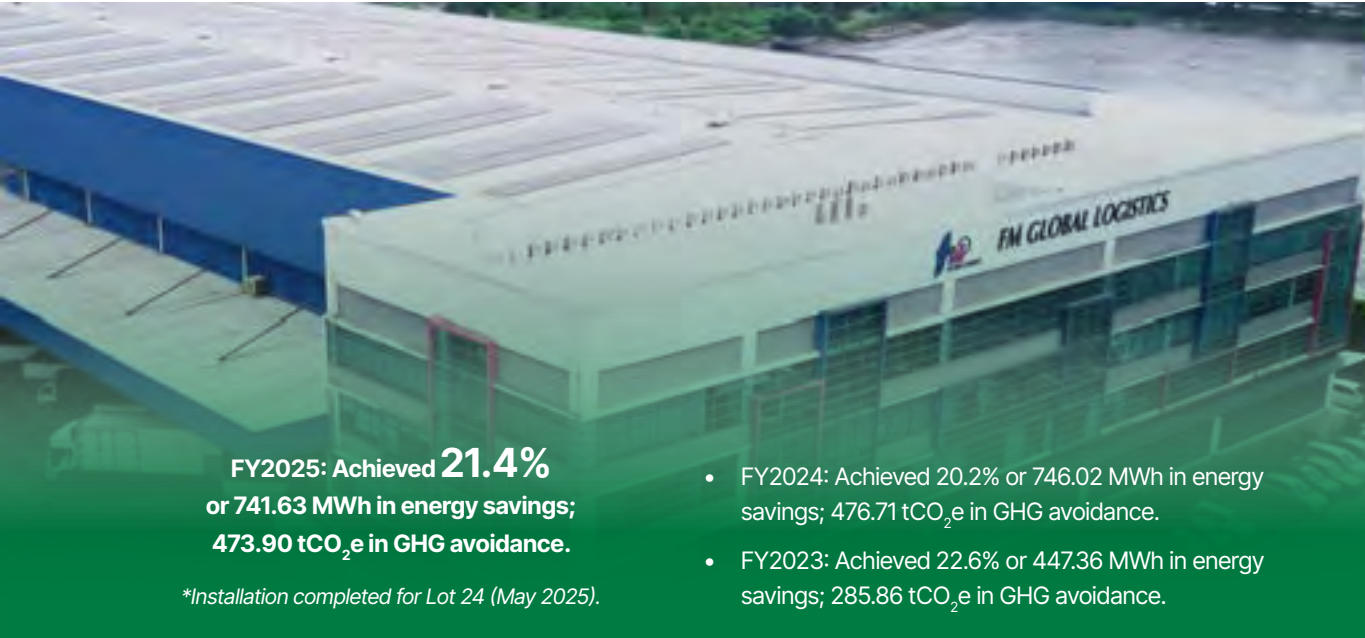
The adoption of solar energy in Malaysia continues to gain strong momentum, underpinned by strong government initiatives and policy support. A range of fiscal incentives, including tax allowances, deductions and net energy metering schemes have been introduced to ease initial capital requirements and deliver long-term operational savings for businesses pursuing RE solutions.

With a long-term commitment to both cost efficiency and environmental stewardship, FM is progressively expanding its investment in RE. This strategic move supports operational excellence and energy cost optimisation while aligning with global decarbonisation targets and national energy transition policies. By integrating RE solutions across our operations, FM strengthens its competitive edge in the integrated logistics sector, enhancing energy resilience, reducing carbon intensity and advancing our ESG agenda in tangible, measurable ways.

FM's RE transition gained further traction in FY2025 with additional solar installations at the Lot 16 and Lot 24 warehouses in Port Klang, Selangor, following the earlier 550.55 kWp system commissioned at the Lot 37B warehouse in FY2023. The installation at Lot 24 was completed in May 2025 and is expected to be energised by Q4 2025. The warehouses have a total built-up area of 150,000 square feet, with the solar panels covering approximately 1,782 square metres of roof space. The system comprises 675 high-efficiency solar panels with a total installed capacity of 418.50 kWp. Solar installation at Lot 16 continues as planned and when completed, will contribute an additional 550.55 kWp to FM's total solar generation capacity.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Performance Highlights and Outcomes



FY2025: Achieved 21.4% or 741.63 MWh in energy savings; 473.90 tCO₂e in GHG avoidance.

**Installation completed for Lot 24 (May 2025).*

- FY2024: Achieved 20.2% or 746.02 MWh in energy savings; 476.71 tCO₂e in GHG avoidance.
- FY2023: Achieved 22.6% or 447.36 MWh in energy savings; 285.86 tCO₂e in GHG avoidance.

Financial Year (FY)	Energy Savings and Environmental Impact			Cost and Efficiency Analysis (Cost per MWh)
	Total Energy Generated (MWh)	Total Savings (RM)	Emissions Reduction (tCO ₂ e)	
2025	741.63	191,495.74	473.90	RM191,495.74 / 741.6 MWh = RM258.22
2024	746.02	220,744.00	476.71	RM220,744.00 / 746.0 MWh = RM295.90
2023	447.36	227,704.00	285.86	RM227,744.00 / 447.4 MWh = RM509.04

Energy savings from FM's existing solar installations have continued to deliver lower costs per MWh, with the recorded figures not yet reflecting the additional capacity from the new Lot 24 and Lot 16 solar projects.



WHAT'S NEXT

FM's next phase of its RE journey will focus on expanding solar capacity across additional operational sites, guided by feasibility studies and site assessments. The planned installations are projected to generate a total capacity of approximately 1.50 MWp, supporting continued reductions in GHG emissions and long-term energy cost savings.

These initiatives form part of FM's strategic capital investment in RE, aimed at strengthening energy resilience, lowering dependence on conventional power sources and reinforcing our commitment to sustainable growth as operational demands evolve.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

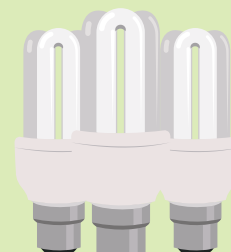
LED Lightning System

To support FM's energy management objectives, we upgraded the lighting system at the Group's largest warehouse in Port Klang, Selangor. The initiative involves a phased replacement of metal halide fixtures with energy-efficient LED high bay systems to reduce energy intensity while managing disposal impact responsibly.

The transition has delivered measurable YoY energy savings, with cost per kilowatt hour remaining stable despite increasing operational volumes, reflecting sustained efficiency gains. Beyond lowering electricity consumption and carbon emissions, the initiative reinforces FM's commitment to environmental sustainability through the adoption of energy-efficient technologies.

The replacement project has been extended to include several warehouses and office locations, namely Lot 37A warehouse, Lot 37B office building and Lot 24 warehouse. While most locations are undergoing batch replacements, only the Lot 24 warehouse is undergoing a full replacement, which coincides with renovation and construction works.

KPIs and Action Plan / Response and Result



FY2025: Achieved 85.99 MWh in energy savings; 65.18 tCO₂e in GHG avoidance.

- FY2024: Achieved 66.68 MWh in energy savings; 41.34 tCO₂e in GHG avoidance.
- FY2023: Achieved 57.61 MWh in energy savings; 35.72 tCO₂e in GHG avoidance.

Financial Year (FY)	Energy Savings and Environmental Impact			Cost and Efficiency Analysis (Cost per MWh)
	Total Energy Generated (MWh)	Total Savings (RM)	Emissions Reduction (tCO ₂ e)	
2025	85.99	43,767.00	65.18	RM43,767.00 / 85.99 MWh = RM508.98
2024	66.68	33,941.00	41.34	RM33,941.00 / 66.9 MWh = RM509.01
2023	57.61	29,323.00	35.72	RM29,323.00 / 57.6 MWh = RM508.99

The LED high bay lighting replacement project achieved energy savings and GHG reductions across three reporting years from FY2023 to FY2025.

In FY2025, FM achieved 85.99 MWh in energy savings and 65.18 tCO₂e in GHG avoidance through the LED high bay lighting replacement project. This marks a 29.0% improvement in energy savings and a 57.7% reduction in emissions compared to FY2024.

The project has shown consistent YoY progress since its baseline year in FY2023, when 57.61 MWh in energy savings and 35.72 tCO₂e in GHG avoidance were recorded. The steady upward trend demonstrates the project's effectiveness in driving measurable efficiency gains and emissions reduction across three reporting years.

ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

From a cost-efficiency standpoint, performance remained steady across the three reporting years. In FY2025, energy savings amounted to RM43,767.00, reflecting a cost efficiency of RM508.98 per MWh saved. Comparable efficiency levels were recorded in FY2024 (RM33,941.00 at RM509.01 per MWh) and FY2023 (RM29,323.00 at RM508.99 per MWh). The consistent cost efficiency, alongside rising savings YoY, underscores the project’s sustained value in reducing energy expenditure while maintaining operational effectiveness.

Overall, the project demonstrates strong performance, showing steady growth in both energy savings and avoided emissions. This supports the effectiveness of the LED High Bay Light replacement initiative as a meaningful contribution to energy efficiency and emissions reduction targets.



WHAT’S NEXT

While annual savings of 85.99 MWh from the LED replacement project may appear modest, the cumulative impact is meaningful, as each unit of energy saved contributes to FM’s overall reduction in consumption and emissions. With growing operational activity driving higher energy demand, FM is proactively integrating energy-efficient features into the design of new warehouses. These include high-efficiency LED high bay lighting, rooftop solar installations and architectural skylights to maximise the use of natural daylight.

Looking ahead, the positive results from current initiatives indicate strong potential to extend LED replacements to additional facilities and incorporate complementary energy-saving technologies to further strengthen both financial performance and environmental outcomes.

Integrating Energy-Efficient Machinery

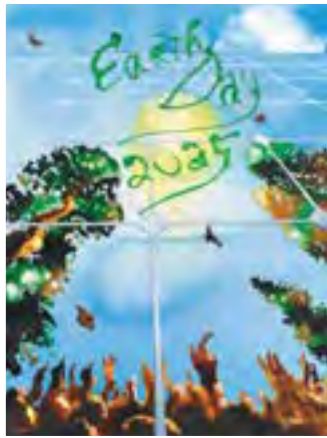
In FY2024, FM started investing in electric MHE to facilitate the lifting and movement of heavier, stacked pallets over longer distances within our warehouses.

In FY2025, electric MHE accounted for 75% of FM’s total MHE units, exceeding the number of fuel-powered models in operation. The adoption of electric MHE supports cleaner and more efficient warehouse operations by reducing emissions and minimising waste generation. These units are also engineered for optimal energy use, equipped with regenerative braking and smart power management technologies that optimise performance and extend operational lifespan.

Lights Off, Earth On

In conjunction with Earth Day on 22 April 2025, FM launched a Group-wide electricity-saving campaign titled “Lights Off, Earth On” to reaffirm its commitment to environmental sustainability. The initiative united employees across 26 offices in seven countries from Malaysia, Thailand, Singapore, the USA, the Philippines, Vietnam and Indonesia, in a symbolic act of energy conservation.

From 10:00 a.m. to 11:00 a.m. local time, all participating offices switched off non-essential lighting, equipment and air conditioning, relying instead on natural daylight. Devices were placed in energy-saving mode or temporarily shut down when not in use. Beyond reducing energy consumption, the campaign demonstrated how collective action can meaningfully reinforce awareness and responsibility towards protecting the environment.



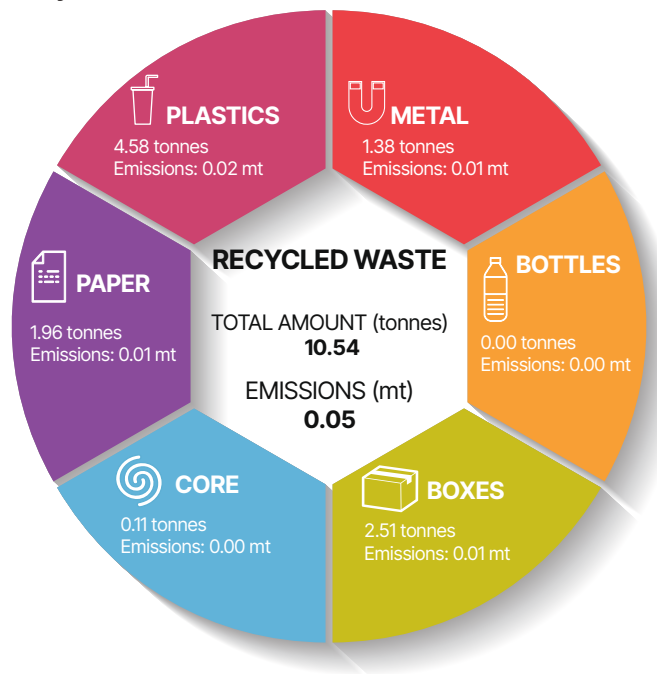
ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

SCOPE 3: UPSTREAM EMISSIONS

Category 5: Waste Generated in Operations

In FY2025, GHG emissions from waste generated in operations totalled 165.95 tCO₂e. The majority, 159.65 tCO₂e, was derived from general waste, followed by 3.21 tCO₂e from scheduled waste, 0.05 tCO₂e from recycling waste and 3.03 tCO₂e from e-waste. Within this category, the Group's e-waste campaign accounted for only 0.0035 tCO₂e, supporting overall waste reduction efforts.

Recycled Waste Overview



FY2025 marks FM's initial disclosure of waste-related emissions, with a total of 0.05 mt of waste generated. The composition includes metal (0.01 mt), boxes (0.01 mt), core (0.0005 mt), paper (0.01 mt) and plastics (0.02 mt).

Establishing this baseline represents an important step towards strengthening accountability and transparency in waste management. It provides a reference point for measuring future performance, identifying reduction opportunities and aligning waste management practices with FM's broader sustainability objectives.

E-waste Disposed



Desktops Units

202.5 kg
FY2024: 157.5 kg



Laptops

145.8 kg
FY2024: 32.4 kg



Monitors

121.5 kg
FY2024: 18.0 kg



Printers

66.0 kg
FY2024: 30.0 kg

Total E-waste

3.03 tCO₂e
FY2024: 1.34 tCO₂e

Quantifying waste streams also enables a clearer assessment of operational efficiency and supports data-driven decision-making to reduce environmental impact.

In FY2025, company-owned e-waste, totalling 535.8 kg was disposed (Desktops: 202.5 kg, Laptops: 145.8 kg, Monitors: 121.5 kg, Printers: 66.0 kg), resulting in 3.03 tCO₂e emissions. In comparison, 237.9 kg of e-waste was recorded in FY2024 (Desktops: 157.5 kg, Laptops: 32.4 kg, Monitors: 18.0 kg, Printers: 30.0 kg), with 1.34 tCO₂e emissions.

The increase of 297.9 kg and 1.69 tCO₂e from FY2024 to FY2025 reflects the good response from employees, who actively participated in the e-waste drive by returning old and unused equipment. The higher numbers show stronger engagement and more thorough collection rather than increased waste generation.

This initiative, which originated at the CBH and was later expanded to other locations across Malaysia, reflects a centralised approach to enhancing operational efficiency. The positive outcomes indicate that the programme has effectively extended the lifespan of electronic devices. By harvesting reusable spare parts and reducing reliance on new equipment, the initiative not only streamlines operations but also reinforces the Group's sustainability goals through a significant reduction in e-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)

Category 6: Business Travel

Emissions (tCO₂e)

CATEGORY	AUSTRALIA	INDIA	INDONESIA	MALAYSIA	PHILIPPINES	SINGAPORE	THAILAND	USA	VIETNAM	TOTAL
Air Travel	4.07	1.36	4.60	27.02	9.88	0.06	0.53	3.63	2.39	53.54
Road Vehicles (Cars & Motorcycles)	-	-	1.56	9.35	-	-	0.13	0.11	-	11.15
Public Transport (Buses, Taxis & E-hailing)	-	-	0.15	-	-	-	-	-	-	0.15
Grand Total tCO ₂ e	4.07	1.36	6.31	36.37	9.88	0.06	0.66	3.74	2.39	64.84

During the reporting period, total GHG emissions from business travel amounted to 64.84 tCO₂e, stemming from five primary modes of transport. Air travel was the dominant contributor, accounting for 82.6% of total emissions (53.54 tCO₂e). This was followed by the use of personal fuel-operated vehicles, which contributed 17.2% (11.15 tCO₂e). The third transport category, public transport, contributed less than 1.0% (0.15 tCO₂e) of total emissions.

From a geographical perspective, Malaysia accounted for the highest proportion of emissions at 56.1% (36.37 tCO₂e), largely due to extensive flight and road vehicle usage. The Philippines was the second-highest contributor at 15.2% (9.88 tCO₂e), followed by Indonesia with 9.7% (6.30 tCO₂e). Other countries with lower contributions included Australia (6.3%), the USA (5.8%), Vietnam (3.7%), India (2.1%), Thailand (1.0%) and Singapore (0.1%).

Air travel emissions were the main emissions contributor across nearly all countries, with Malaysia alone contributing 27.02 tCO₂e or 41.7% of total Group emissions. Public transport usage was only recorded for Indonesia which was the lowest contributing category at 0.15 tCO₂e or 0.2% of total Group emissions.

Overall, the data highlights that air travel remains the most carbon-intensive mode of business transport, especially for travel originating from or within Malaysia. There is also a clear opportunity to reduce emissions by shifting to lower-emission transport modes where feasible and by exploring alternatives to frequent regional flights.



ENVIRONMENTAL (GRI 2-23, 2-24, 2-25, 2-27, 3-3, 301-306, 308, 413-1 TO 413-2, 416-1) (CONTINUED)

Category 7: Employee Commuting

Emissions (tCO₂e)

CATEGORY	AUSTRALIA	INDIA	INDONESIA	MALAYSIA	PHILIPPINES	SINGAPORE	THAILAND	USA	VIETNAM	GRAND TOTAL
Private Vehicles (Cars & Motorcycles)	29.63	115.68	201.51	2,034.39	48.23	3.67	34.72	12.94	21.84	2,502.61
Public Transport (Buses, Cars & Trains)	-	13.53	10.70	40.46	20.80	4.40	7.36	-	8.66	105.91
Grand Total tCO₂e	29.63	129.21	212.21	2,074.85	69.03	8.07	42.08	12.94	30.50	2,608.52

In FY2025, total emissions from employee commuting across the Group amounted to 2,608.52 tCO₂e, with the highest contributions coming from Malaysia, which recorded 2,074.85 tCO₂e, accounting for nearly 79.5% of the total. This significant share reflects the country's larger employee base, heavier reliance on private fuel-based vehicles.

In terms of commuting modes, fuel-powered cars were the largest single source of emissions, contributing 1,599.08 tCO₂e, followed by motorcycles at 858.97 tCO₂e. Public transportation modes such as buses, trains and fuel-based e-hailing vehicles contributed a comparatively lower portion, reflecting both their lower emission intensity and less frequent usage across regions.

This data highlights the need for targeted interventions in employee commuting habits, particularly in Malaysia and other high-emission regions. Opportunities for future reductions include promoting the adoption of EVs, enhancing access to efficient public transportation and encouraging alternative commuting methods such as carpooling and active transport.

Category 8: Upstream Leased Assets

Category	Consumption Volume (Litres/kWh)	tCO ₂ e Emissions (Tonnes)
Consumption Volume (Litres)	199,483.49	530.94
Electric Usage (MWh)	4.35	0.003
Total	203,831.49	534.30

To support its business operations in Malaysia, FM leased vehicles and office space during the reporting period. These leased assets are essential for enabling day-to-day activities and facilitating project implementation.

The project commenced in August 2024 and falls within the current financial reporting year. During this period, 199,483.49 litres of fuel were consumed resulting in 530.94 tCO₂e of emissions. Additionally, electricity consumption from the leased offices totalled 4.44 MWh, contributing 3.37 tCO₂e of emissions. In total, emissions from upstream leased assets amounted to 534.30 tCO₂e for the reporting year.

Category 9: Downstream Transportation and Distribution

Consumption Volume (Litres)

283,854.20

tCO₂e Emissions

755.05

FM Thailand is the only market in the Group that falls under Scope 3, Category 9. In FY2025, 283,854.20 litres of fuel was consumed and this corresponds to 755.05 tCO₂e.