

UNLOCKING VALUES

FOR A SUSTAINABLE FUTURE



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ABOUT BOUSTEAD HOLDINGS BERHAD

Boustead Holdings Berhad (“BHB” or “the Company”) and its subsidiaries (“Boustead Group”) are committed to maximising shareholder value while making a positive impact on the economy, environment and society. We also strive to support a sustainable and inclusive economy for all our stakeholders and foster harmonious relationships with the communities where we operate.

VISION

Place the interest of our shareholders as the highest priority by maximising shareholder value, especially Lembaga Tabung Angkatan Tentera as our majority shareholder. Enhance the lives of the Malaysian Armed Forces service members, veterans and their family members.

MISSION

- Embrace a strong value of creativity and innovation in all our work
- Improve corporate discipline and adhere to the highest standards of governance and integrity
- Nurture talent that will achieve a higher level of excellence in all endeavours that the Boustead Group undertakes

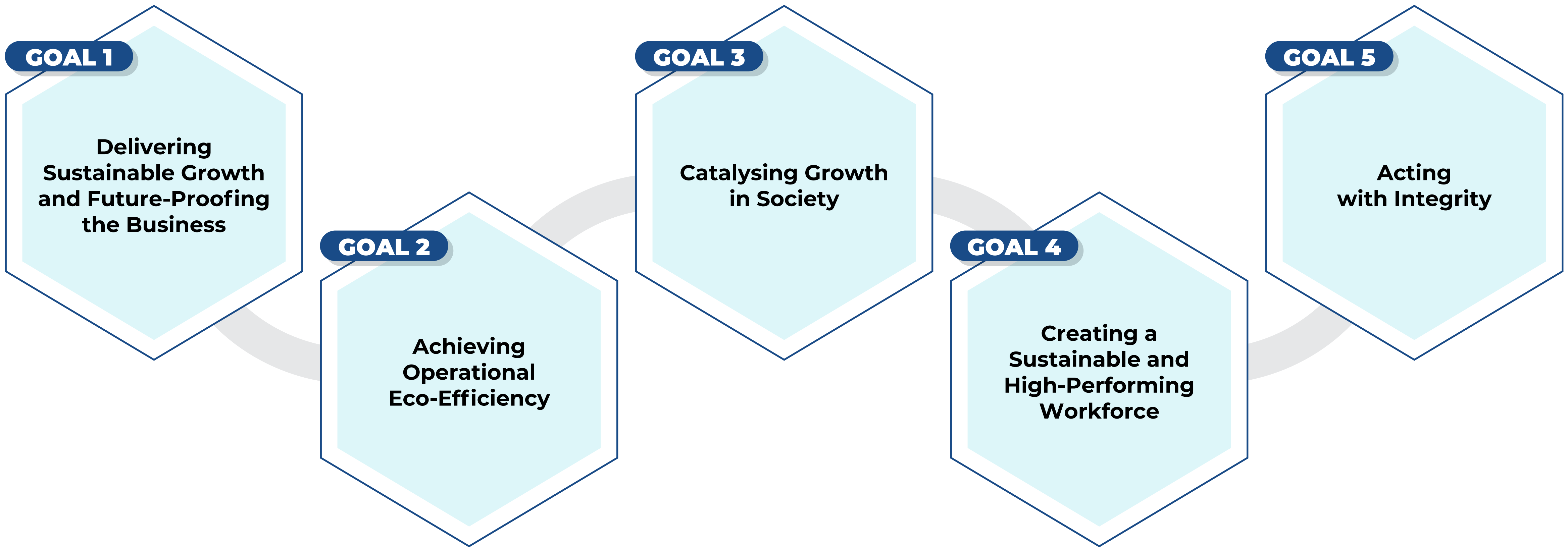
CORE VALUES



SUSTAINABILITY GOALS

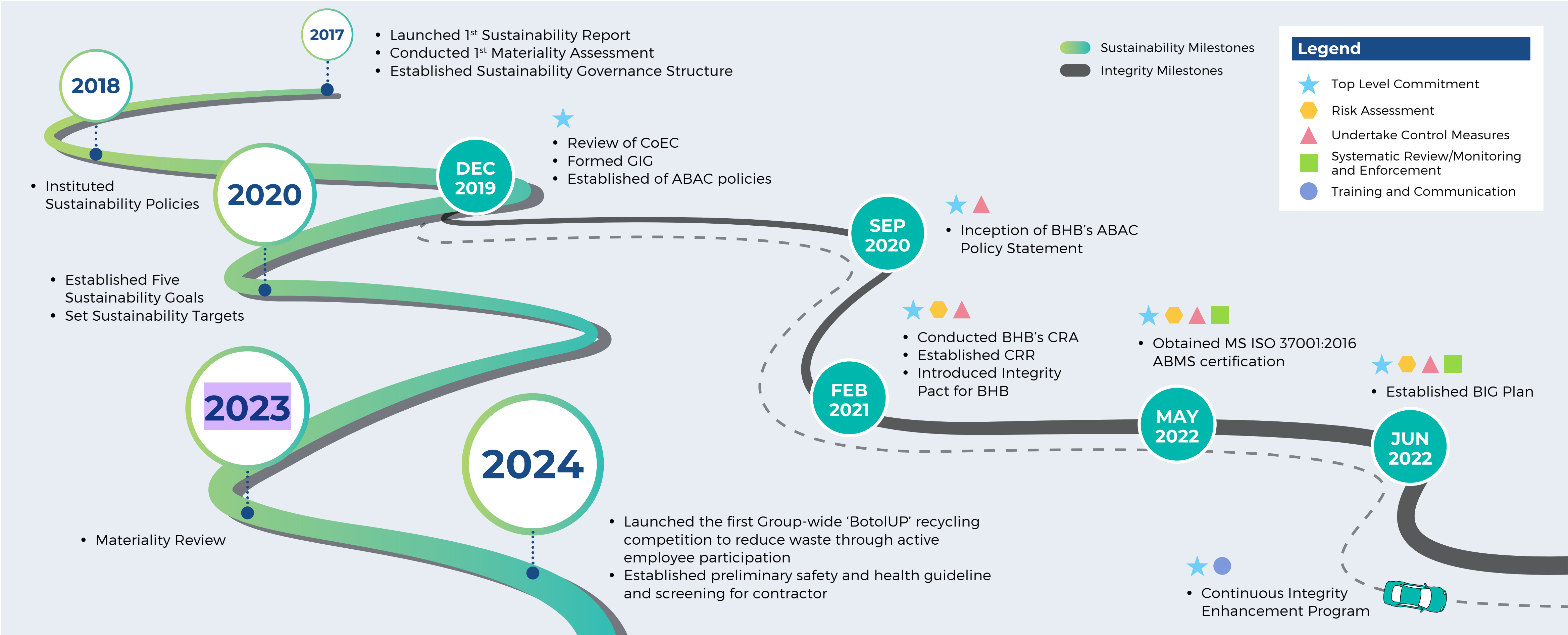
We have created Five Sustainability Goals to ensure that our subsidiaries integrate the Group agenda and stakeholder interests into our business and operations. Each Goal corresponds to the Group’s Environmental, Economic, Social and Governance (“EESG”) pillars, which create lasting shared values to drive progress and advance sustainability in the Group.

All our subsidiaries will adopt this goal and align their businesses and operations to create economic value whilst considering the interests of various stakeholders, including employees, customers, locally affected communities and the environment.



SUSTAINABILITY MILESTONES

Every decision we make is rooted in our Vision and Mission. Our approach includes transforming our business in line with the national and international agendas, enhancing the well-being of stakeholders by improving the quality of life across all socio-economic levels, protecting the environment and governing with integrity, transparency and accountability.



SUSTAINABILITY MILESTONES

INTEGRITY MILESTONES

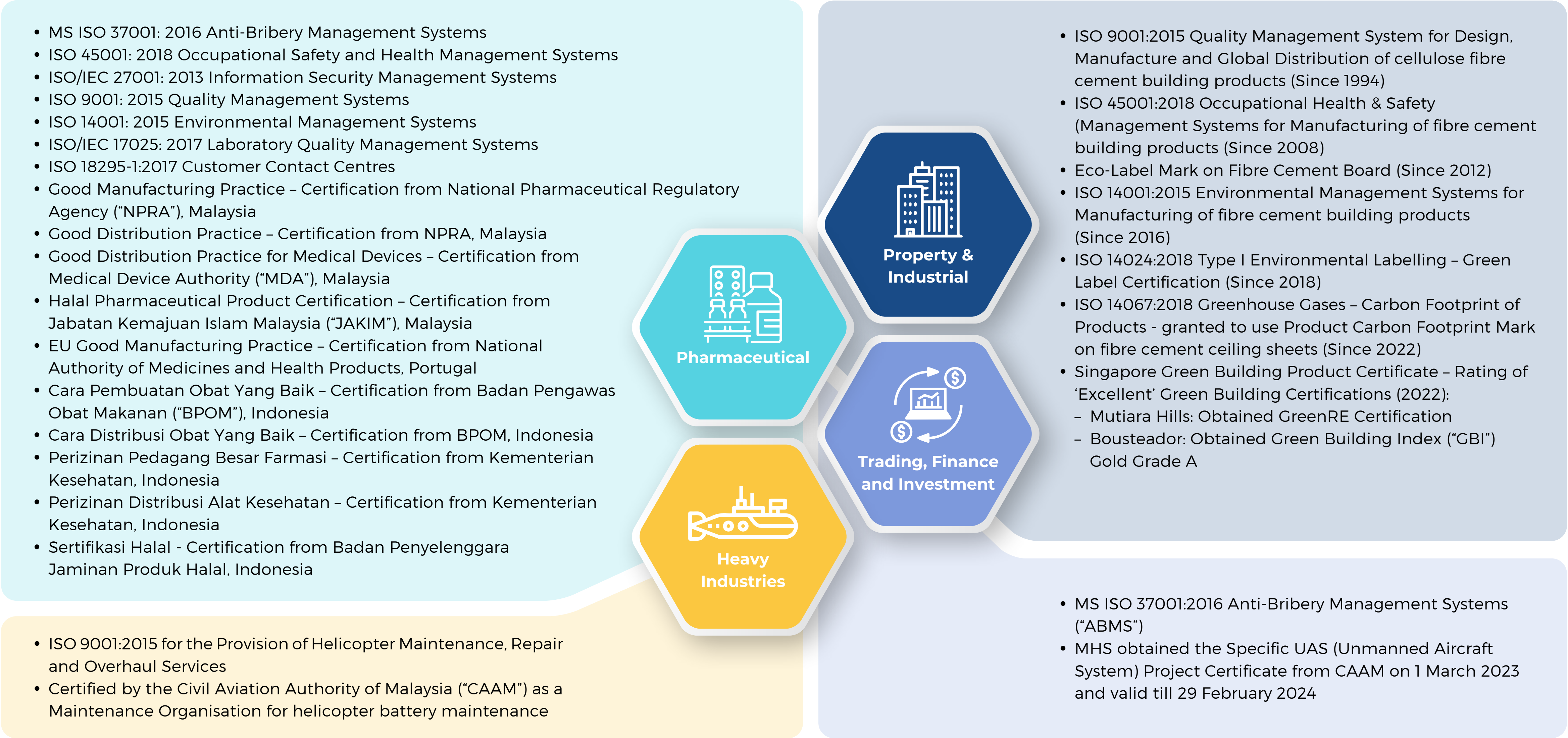
In FY2022, the BIG Plan was established. It is a strategic plan developed to address any potential corruption, integrity and governance issues that may arise within BHB. It is part of our commitment to prevent corruption by taking the necessary measures and cultivating integrity among Bousteadors.

2023/24
Established New BHB Fixed Asset Disposal Procedure

Implemented the Asset Declaration by Boustead Group CEOs, in line with Directive of the Prime Minister No.1 of 2023 Series 1 of 2024: National Governance Strengthening Movement – Governance of Government-Linked Companies (“GLCs”) and Companies Limited by Guarantee (“CLBG”).



SUSTAINABILITY MILESTONES





FY2023/24 HIGHLIGHTS


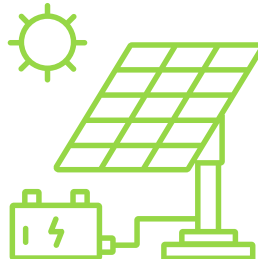


TFI Division - In FY2023, BH Petrol’s Northport Installation (NPI) Terminal won
“Best Installation Operator for Health, Safety and Environment”
awarded by Lembaga Pelabuhan Klang (“LPK”) during their 60th Anniversary (Diamond Jubilee) celebration


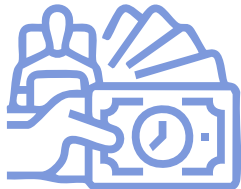

GOAL 1 ECONOMIC

 <p>Revenue RM13,571.8 million 2023 : RM13,628.4 million</p>	 <p>No. of Employees 7,120 2023 : 6,954</p>	<p>Local spending RM1.9 billion 2023 : RM3.2 billion</p> <p>Research & Development Investment RM18 million 2023 : RM43 million</p>
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GOAL 2 ENVIRONMENT

<p>105% Increase in water recycling in 2024 20.46 megalitres 2023 : 10 megalitres</p>	<p>Cost savings from solar power and energy efficiency initiatives RM11.1 million 2023: RM2.5 million</p>	<p>Number of EV cars 2</p> 
 <p>18% increase in solar powered energy from 2023 to 2024</p>	<p>Energy consumption reduced by 12% from 2023 to 2024</p>	

GOAL 3 & 4 SOCIETY

 <p>LTIFR 3.28 2023 : 2.29</p>	 <p>Entry-level salary is 2.1 times the national minimum wage</p>	<p>Community Programmes Investment RM5.5 million 2023 : RM4.5 million</p> 
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GOAL 5 GOVERNANCE

 <p>0% Zero fines or monetary sanctions</p>	 <p>Zero corruption and bribery incident</p>
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ABOUT THIS REPORT

GRI 2-1, 2-2, 2-6

This report demonstrates Boustead Group's continuous and transparent commitment to communicating our sustainability performance as we work diligently to ensure sustainable business and operations. It showcases the Company's portfolio of companies that generate positive EESG impacts through their core activities.

SCOPE AND BOUNDARY:

The disclosure covers information from listed and non-listed subsidiaries, as shown below, where the Group exercises direct operational control. The report does not include the subsidiaries divested in the years under review.

The information and performance indicators cover two financial reporting periods from 1 January 2023 to 31 December 2024 ("FY2023/24"). Unless otherwise specified, this report's sustainability indicators and performance data are reported as a Group.

Pharmaceutical Division
("Pharma or Pharmaniaga")

Heavy Industries
Division ("BHIC")

Property and Industrial
Division ("P&ID")

Trading, Finance and
Investment Division ("TFI")

REPORTING FRAMEWORKS AND STANDARDS:

- Bursa Malaysia Securities Berhad Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance ("MCCG") 2021
- Task Force on Climate-related Financial Disclosures ("TCFD")
- Global Reporting Initiative ("GRI") Standards
- United Nations Sustainable Development Goals ("UN SDGs")

FEEDBACK AND COMMENTS:

Please direct your feedback and comments to the following:

Group Sustainability,
Level 10, The Bousteador, 10, Jalan PJU 7/6,
Mutiara Damansara, 47800 Petaling Jaya, Selangor
or email us at: sustainability.bhb@boustead.com.my

NAVIGATION ICONS

Material Matters

Economy

- MM1

Economic and Business Performance
- MM3

Quality and Customer Satisfaction
- MM2

Technology and Innovation
- MM4

Sustainability-Oriented Products and Services

Environment

- MM5

Resource Efficiency and Pollution Prevention
- MM6

Climate Change

Social

- MM7

Community Investment and Contribution
- MM9

Human Rights and Labour Practices
- MM8

Safety and Health

Governance

- MM10

Integrity and Corporate Governance

Stakeholders

- Shareholders and Investors
- Regulatory Bodies
- Employees
- Suppliers and Business Partners
- Customers
- Communities

RELATED UN SDGS





CHAIRMAN’S MESSAGE

Dear Stakeholders,

It is with great pride and purpose that I present Boustead Holdings Berhad’s inaugural standalone Sustainability Report, covering the two financial years of 2023 and 2024. This report represents a significant step forward in our commitment to transparency, accountability and responsible business conduct as we navigate a rapidly evolving global and national landscape.

This report also marks a new chapter in Boustead’s corporate journey. On 28 June 2023, Boustead Holdings Berhad was officially taken private by our majority shareholder, Lembaga Tabung Angkatan Tentera (“LTAT”) and consequently ceased to be a publicly listed company on Bursa Malaysia. As a result of this transition, we are no longer required to publish sustainability disclosures in the form previously prescribed for public listed entities. However, we believe that sustainability is not just a regulatory obligation — it is a moral and strategic imperative. This inaugural report is therefore a deliberate and principled decision by the Board to continue demonstrating our Environment, Social and Governance (“ESG”) performance and progress, regardless of listing status.

TAN SRI ABU BAKAR HAJI ABDULLAH
Chairman
Boustead Holdings Berhad

CHAIRMAN’S MESSAGE

Over the past two years, we have witnessed significant global, regional and industry changes. Climate change, social inequality, resource scarcity and technological disruption continue to redefine the role of corporations in society. At Boustead, we are embracing these shifts with resilience and foresight. Sustainability has become an intrinsic part of our corporate strategy, guided by our Five Sustainability Goals and aligned with national priorities and global frameworks including the Paris Agreement, the United Nations Sustainable Development Goals and the IFRS S2 disclosure standards.

This period was also marked by internal transitions. The divestment of Boustead Plantations Berhad and the restructuring of Boustead Naval Shipyard required us to recalibrate and refocus our sustainability efforts across our remaining core businesses. Despite these changes, I am pleased to report that our Group has remained committed to integrating sustainability into the heart of our operations.

We achieved tangible progress in many areas. From an 12% reduction in energy consumption to the rollout of solar energy projects and waste reduction initiatives like BotolUP, our subsidiaries are demonstrating that environmental responsibility and operational efficiency go hand in hand.

Equally important is the social dimension of our work. The welfare of the Malaysian Armed Forces veterans and their families remains central to our purpose and our ESG initiatives are designed to uplift these communities meaningfully. From investments in employee well-being and inclusive career development to contributions to education and disaster relief programmes, Boustead has demonstrated our role as a responsible corporate citizen. Our performance over these two years also enabled us to distribute significant value back to our stakeholders, with dividends amounting to RM300 million in FY2023 and RM200 million in FY2024. We have continued to enhance employee welfare, workplace diversity and community engagement, with over RM10.1 million invested in impactful CSR programmes across the Group.

Our governance systems have also matured. We have taken proactive steps to uphold the highest standards of ethics and transparency. We introduced the CEO Asset Declaration initiative and formalised the BHB Fixed Asset Disposal Procedure – both of which form part of a broader framework to uphold transparency and ethical conduct in all aspects of our operations. Additionally, the development of the Organisational Anti-Corruption Plan (“OACP”) reinforces our commitment to preventing misconduct before it can occur.



“Sustainability has become an intrinsic part of our corporate strategy, guided by our Five Sustainability Goals and aligned with national priorities and global frameworks.”

CHAIRMAN’S MESSAGE

We maintained a record of zero corruption incidents and full compliance with environmental and governance regulations, even as a private entity.

Sustainability is also about our impact on the environment and the economy. Over the reporting period, we had introduced electric vehicles into our fleet – marking an early but important step in our broader efforts to reduce carbon emissions and promote cleaner energy solutions across our operations. On the economic front, we maintained strong local supplier engagement with RM3.2 billion spent locally in FY2023 and RM1.9 billion in FY2024, reflecting our role in supporting the national economy and SME ecosystem.

As we reflect on the past year and look toward the future, Boustead remains steadfast in our commitment to adapt, innovate and lead with purpose in an evolving landscape. The global challenges ahead – from the escalating impacts of climate change to the intensifying demands on natural resources and rising stakeholder expectations – are formidable. Yet, within these challenges lie transformative opportunities to future-proof our business and create long-term value.



We recognise that navigating the challenges ahead demand bold leadership and responsible innovation. As we evolve our business portfolio and deepen our transformation journey, sustainability will continue to guide our strategic choices and operational priorities. We are laying the foundation for a more circular economy, investing in green technologies, enhancing data-driven decision-making and reinforcing ethical leadership across the Group, aligning with the National Sustainability Reporting Framework in anticipation of future disclosure requirements.

In closing, I wish to express my deepest appreciation to my fellow Board members, all Bousteadors, our investors, regulatory bodies, partners and the wider community for your continued support and engagement. I would also like to extend my gratitude to LTAT for their unwavering support in our transformation journey. This report is a reflection of our collective dedication to responsible growth, transparency and long-term value creation.

Sustainability is not a destination but a continuous journey – one that requires commitment, discipline and collaboration. As we move forward, we will continue to honour our legacy, serve our nation and build a Boustead that is future-ready, resilient and respected.

Tan Sri Abu Bakar Haji Abdullah
Chairman
Boustead Holdings Berhad



GROUP CHIEF EXECUTIVE OFFICER STATEMENT

Navigating Sustainability in an Era of Transformation

The world today is facing a range of unprecedented global challenges – from escalating climate risks and macro-economic shifts driven by geopolitical tensions, to rapid technological disruptions and rising stakeholder expectations for ethical and responsible business practices. In the face of this evolving and complex landscape, Boustead has embraced sustainability not as a passing trend but as a core strategic priority. We firmly believe that the pursuit of long-term value creation must be aligned with environmental protection, social equity and robust governance practices.

Sustainability has become deeply embedded in the Boustead DNA – from our boardroom to our business units and across our entire value chain. We recognise that achieving sustainable development is no longer a matter of “why” but “how fast” and “how well” we can transition toward a future that is climate-resilient, inclusive and circular.

IZADDEEN DAUD
Group Chief Executive Officer
Boustead Holdings Berhad

GROUP CHIEF EXECUTIVE OFFICER STATEMENT



Sharpening Our Focus: Materiality, Strategy and Achievement

The last two years have taught us that sustainability is a living, evolving discipline. In 2023, we undertook a comprehensive materiality review to sharpen our focus on what matters most to our business and stakeholders. This process allowed us to refine our strategy, streamline our sustainability priorities and ensure our initiatives were aligned with the expectations of our investors, partners, communities and regulators. It has also helped us lay a stronger foundation for forward-looking, data-driven sustainability governance.

One of the standout achievements of the reporting period is the launch of our Group-wide BotoLUP initiative in 2024. This recycling campaign successfully diverted over six tonnes of plastic waste from landfills while creating awareness and participation among our employees, subsidiaries and wider stakeholder network. It showed us that even modest beginnings, when scaled thoughtfully, can have a significant impact. In parallel, we managed to transform 5.72 metric tonnes of scheduled waste to alternative raw material, demonstrating measurable progress in responsible waste management.

Our climate action efforts also took a significant step forward with the generation of 208 MWh of solar power in 2023 and 236 MWh in 2024. These efforts not only contribute to our carbon reduction goals but have yielded tangible business benefits, including RM1.3 million in cost savings. These figures demonstrate our conviction that environmental responsibility and operational efficiency are not mutually exclusive but mutually reinforcing.

Empowering Our People and Building Inclusive Value

Our people – the heart and soul of Boustead – continue to be our greatest strength. From 6,954 employees in 2023, our workforce grew to 7,120 in 2024. This growth is a reflection of not only our expanding business footprint, but also of our commitment to job creation, skills development and inclusive workplace practices. Across every level, we are investing in our people, empowering them with the tools, training and opportunities they need to thrive in a changing world. We are proud to have upheld a strong employee satisfaction score, with the Suara Kita Index exceeding 87% in both FY2023 and FY2024.

Our health and safety record is strong, with zero fatalities and targeted reductions in Lost Time Injury Frequency Rates (“LTIFR”).

Our supply chain ecosystem is also evolving with sustainability in mind. Through the Vendor Development Programme, we have deepened our engagement with local businesses, particularly SMEs. In 2024, we worked with 7,058 vendors, more than half of whom were local. In 2024, the TFI Division welcomed 402 new vendors to operate BHPetrol service stations. These relationships reflect our broader mission of fostering inclusive economic participation and supporting national development goals.

Embracing Digital and Emerging Technologies

Technological advancement is now a defining theme of our transformation. I am particularly excited about the digital leaps we have made across business divisions – from the integration of the IDB Hotel Property Management System at Boustead Hotels & Resorts to the launch of the MutiaraX super app by Boustead Properties, which redefines how we engage with customers. These innovations are not isolated upgrades; they are part of a broader digitalisation agenda aimed at improving responsiveness, efficiency and stakeholder value.

In the realm of emerging technologies, we are exploring into drone-assisted medical deliveries in urban areas. This initiative reflects

GROUP CHIEF EXECUTIVE OFFICER STATEMENT

the type of forward-looking thinking that will shape the next generation of Boustead’s capabilities. In a world where agility, access and speed define customer experience and societal impact, we are building the capacity to be future-ready.

At the same time, combined total investment of RM62 million during the reporting period is a signal of our continued drive to lead, not follow. Through innovation and experimentation, we are not only solving today’s problems but laying the groundwork for a resilient, sustainable tomorrow.

Looking Forward: Our Roadmap to 2025 and Beyond

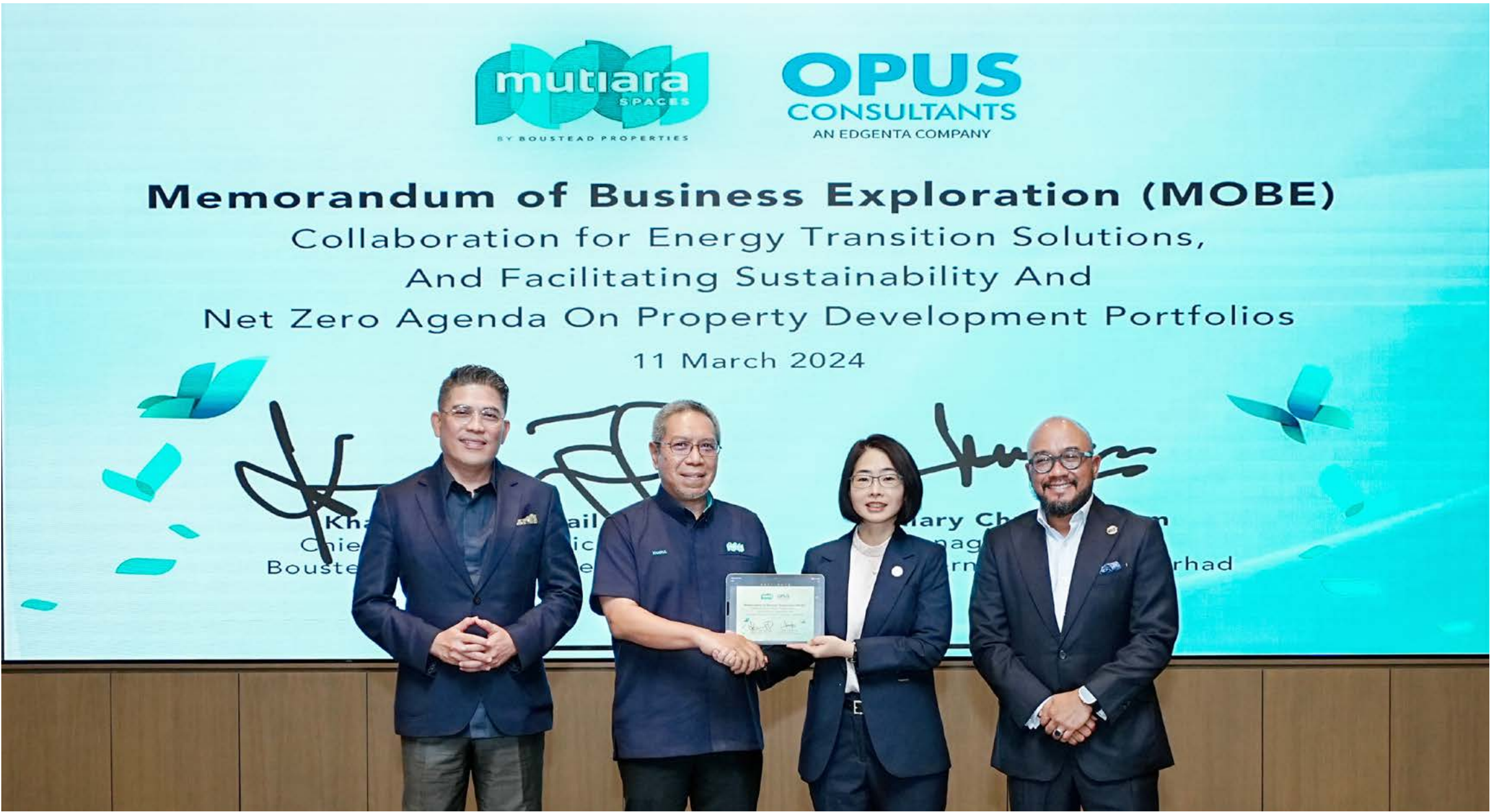
Looking ahead to 2025 and beyond, the Group is preparing for a new era of sustainability governance and disclosure. With the National Sustainability Reporting Framework (“NSRF”) set to come into effect and global standards like IFRS S1 and S2 on the horizon, Boustead is taking proactive steps to future-proof our reporting capabilities. As we deepen our climate-related disclosures, enhance data integrity and scale digital ESG monitoring systems, we are determined to build a reporting culture that supports informed decision-making and creates lasting stakeholder confidence.

We are focused on several key priorities. Establishing a comprehensive greenhouse gas (GHG) emissions baseline – including Scope 3 categories – is a central component of our climate strategy. We are also expanding the adoption of solar and other renewable energy solutions across more sites and enhancing energy and water efficiency through the deployment of smart technologies. In parallel, we are embedding circular economy principles across our value chains and investing in future-skilling our employees with sustainability-focused competencies.

A significant milestone on our roadmap is the implementation of an ESG-focused sustainability framework by 2025. This will serve as a unified structure for guiding our initiatives, measuring progress and reporting outcomes across the Group. We are particularly excited about the new opportunities emerging in green finance, AI-driven resource optimisation and cross-sector collaboration, which we believe are key to unlocking climate innovation.

Conclusion: A Collective Journey

Sustainability at Boustead is a collective journey, built on the commitment and collaboration of every stakeholder. To our investors, fellow Bousteadors, customers, regulators and partners – thank you for your trust,



engagement and unwavering support. Your voices continue to shape our direction.

The road to a sustainable future is long but it is one we walk with purpose and conviction. We are not at the finish line – and we never will be. Sustainability is not a checklist or a target. As we move forward, guided by our purpose and powered by our people, we remain committed to driving a sustainability agenda that is ambitious, inclusive and rooted in long-term value creation. We recognise that addressing climate change,

enhancing equity and fostering innovation are not isolated goals but interdependent priorities that define modern leadership.

We will continue to act with integrity, embrace innovation and champion meaningful change. The future belongs to those who prepare for it today and at Boustead, we are ready.

Izaddeen Daud

Group Chief Executive Officer
Boustead Holdings Berhad

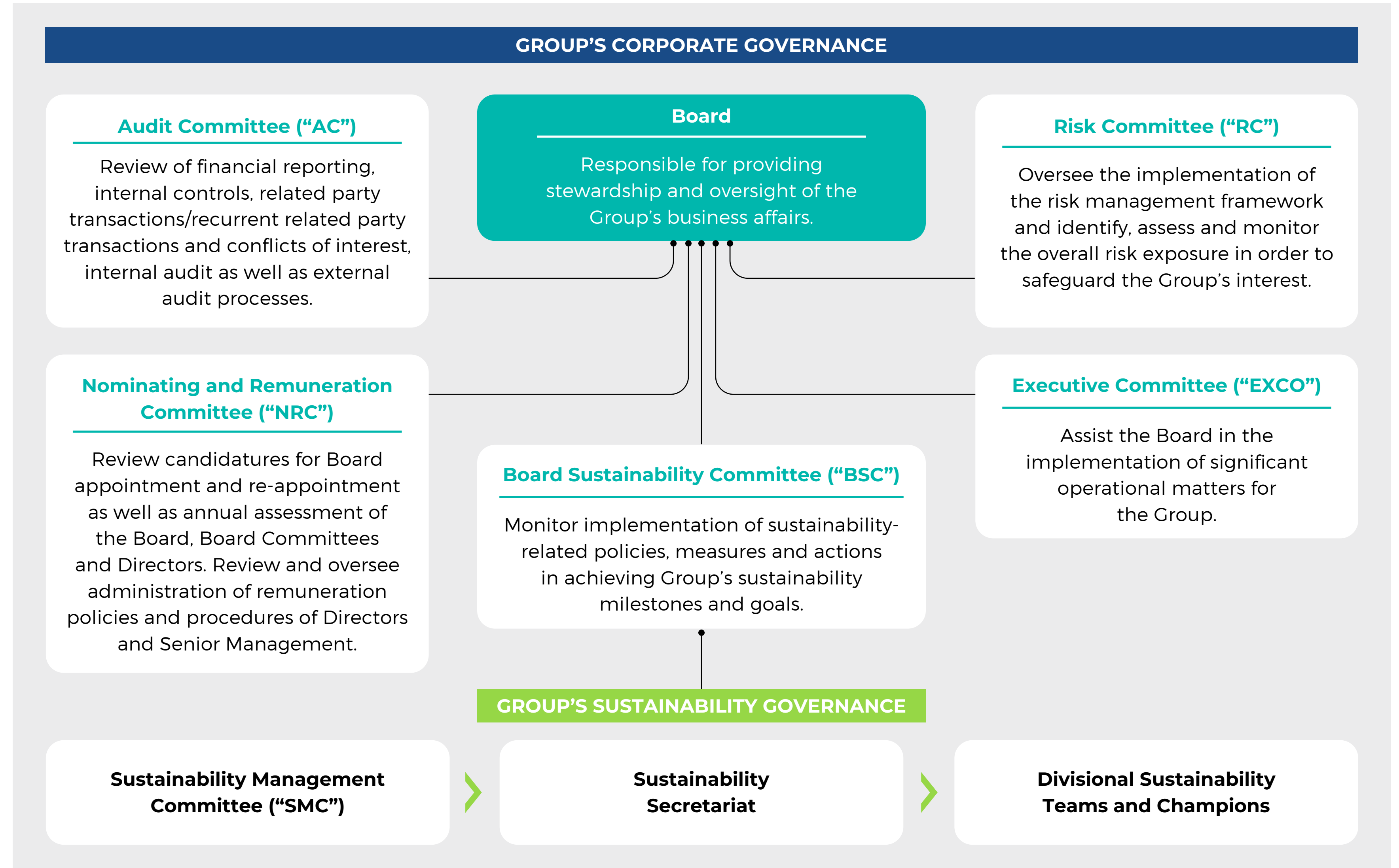
OUR APPROACH TO SUSTAINABILITY

With the ambition to lead sustainable development in our industry, our approach to sustainability considers the expectations of our stakeholders alongside the economic, environmental, social and governance (“EESG”) themes that are most material to our business activities across the value chain. The sustainability themes are grouped into five goals to better focus our contribution on each theme.

GOVERNANCE

The Board is committed to a robust and effective corporate governance system to support the successful execution of the Boustead Group's strategies. The BHB's Corporate Governance ensures sustainable long-term performance, maximises stakeholder returns and creates long-term economic value and growth. On the other hand, the Boustead Group's Sustainability Governance safeguards all stakeholders' rights and supports long-term value creation and strategies on sustainability matters, including climate change.

The diagram on the right illustrates the Boustead Group's Sustainability Governance Structure.



OUR APPROACH TO SUSTAINABILITY

Board Sustainability Committee

A Board Sustainability Committee was established, comprising members from the Board. Their responsibilities include:

- Advising the Board and recommending business strategies in the area of sustainability, including climate change and its related risks and opportunities;
- Monitoring the implementation of sustainability strategies as approved by the Board;
- Recommending to the Board sustainability-related policies for adoption and monitoring their implementation;
- Overseeing the management of sustainability matters, with a particular focus on material matters for the Boustead Group; and
- Overseeing the preparation of sustainability disclosures as required by laws and rules and recommending it for the Board’s approval.

Sustainability Management Committee

The SMC comprises the Executive Committee Members and the Group Risk Management Department (“GRMD”). It supports, monitors and ensures the allocation of resources to implement the board-approved sustainability strategies, objectives, policies and practices. The SMC is led by the Chief Executive Officer, who updates the BSC on the status of the Group sustainability matters.

Sustainability Secretariat

The Secretariat Chief coordinates with the SMC and divisional sustainability teams, championing and supporting corporate sustainability matters. The secretariat reports to the SMC on the progress of the sustainability initiatives undertaken by the divisional sustainability teams and champions.

Divisional Sustainability Teams and Champions




Divisional Teams and Champions provide on-the-ground support in executing the Boustead Group’s sustainability initiatives, submit progress reports and monitor sustainability performance in various departments or functions. They also oversee stakeholder engagement and conduct materiality assessments.



STAKEHOLDER ENGAGEMENT

Maintaining ongoing engagement of stakeholders enables the Boustead Group to adapt to emerging issues, enhance stakeholder satisfaction and foster continuous growth across various stakeholder groups. The Boustead Group engages with stakeholders throughout the year using multiple platforms depending on the stakeholders’ needs and the urgency of the issues. Our constant communication with stakeholders ensures we have a clear understanding of the issues that matter most to them, which, in turn, enables us to identify and prioritise the sustainability risks and opportunities that must be managed.

The table below shows the list of our stakeholders, how we respond to their concerns and the communication channels we use to engage.

<div></div> <div><h2>SHAREHOLDERS AND INVESTORS</h2><div>Interests and Concerns:<ul style="list-style-type: none">Timely and transparent reportingGood governance and reputationGoal alignment</div><div>Communication Channels and Responses:<ul style="list-style-type: none">Timely updates on Company websites and conduct Annual General MeetingsComply with the Code on Corporate Governance 2021Certified with ISO 37001:2016 Anti-Bribery Management SystemsEnsure that Mission and Vision are streamlined with shareholder values</div></div>	<div></div> <div><h2>EMPLOYEES</h2><div>Interests and Concerns:<ul style="list-style-type: none">Career progression and growthSafe and healthy work environmentFair compensationEqual opportunityCareer advancement</div><div>Communication Channels and Responses:<ul style="list-style-type: none">Relevant operations are certified with ISO 45001: 2018 Occupational Safety and Health Management SystemsSetting of Safety and Health targetsSet competitive remuneration and benefits and provide above minimum wage salaryEstablished Diversity and Inclusive PolicyUpholds non-discriminatory policy in career advancement and trainingConducts management-employee dialogue sessionsSet in place a Talent Management Framework and succession planningCarry out Employee Survey</div></div>	<div></div> <div><h2>REGULATORY BODIES</h2><div>Interests and Concerns:<ul style="list-style-type: none">Legal and regulatory complianceConformance with the National Policies and AgendaContribute to the reduction of CO₂ EmissionAnti-Bribery and Corruption</div><div>Communication Channels and Responses:<ul style="list-style-type: none">Update and familiarise our employees with new regulations by attending seminars and trainingFull compliance with regulatory requirementsRenewal and updates of regulatory certificates and licenceGrievance platformCertified to ISO 37001:2016 Anti-Bribery Management Systems</div></div>
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STAKEHOLDER ENGAGEMENT




CUSTOMERS

Interests and Concerns:

- Sustainable products and services
- Efficient and proactive customer channels
- Environmental and social protection

Communication Channels and Responses:

- ISO 14001: 2015 Environmental Management Systems
- ISO 9001: 2015 Quality Management Systems
- ISO 18295-1:2017 Customer Contact Centres
- Customer Satisfaction surveys




SUPPLIERS AND BUSINESS PARTNERS

Interests and Concerns:

- Mutual growth
- Ethical and transparent vetting and tendering process
- Support local business
- Timely payments

Communication Channels and Responses:

- Vendor vetting and auditing
- Periodic meetings and dialogue sessions
- Distribution of the Boustead Group Policies
- Workshops and training sessions
- Implementation of Vendor Development Programme (“VDP”)



COMMUNITIES

Interests and Concerns:

- Healthcare
- Quality Education
- Local Employment
- Community Development

Communication Channels and Responses:

- Sponsorship of events that promote social well-being
- Collaboration with professional bodies, peers and neighbouring communities
- Participation in campaigns and support non-governmental organisation (“NGO”) to support their initiatives
- Donations to charitable causes

MATERIAL MATTERS

GRI 2-1, 2-2, 2-6

BHB remains committed to monitoring, managing and reporting on the focus areas of our sustainability agenda and regularly conducts formal materiality assessments. Our material matters (“MM”) are topics that are important to the Boustead Group and our stakeholders and significantly impact the achievement of our business objectives and our ability to create value in the short, medium and long term. Understanding and identifying these material matters are crucial in guiding our areas of focus as we drive sustainability and move towards achieving our corporate aspirations. The material matters also help us leverage our business and expertise to address and prioritise the environmental, economic and societal challenges, support our clients and provide targeted resources to contribute to an inclusive, sustainable economy.

In 2020, we undertook a comprehensive Materiality Assessment Process. In 2023, we reviewed and updated our material matters, narrowing them down from 13 to 10. By focusing on ten issues, we can create value for our stakeholders in a more inclusive, integrated and sustainable manner. This iterative refinement underscores our commitment to a dynamic and responsive sustainability strategy. The realignment process entailed several adjustments, including merging topics for cohesion and renaming issues for clarity, as shown in the table on the right:

	FY2021/22 Material Matters	FY2023/24 Material Matters
ECONOMIC	Economic and Business Performance	MM1: Economic and Business Performance
	Technology and Innovation	MM2: Technology and Innovation
	Quality and Customer Satisfaction	MM3: Quality and Customer Satisfaction
	Sustainability-Oriented Products and Services	MM4: Sustainability-Oriented Products and Services
ENVIRONMENT	Resource Efficiency & Pollution Prevention	MM5: Resource Efficiency and Pollution Prevention
	Greenhouse Gas (“GHG”) & Climate Change	MM6: Climate Change
SOCIAL	Diversity and Inclusion	MM9: Human Rights and Labour Practices
	Talent Management	
	Labour Practices	
	Safety and Health	MM8: Safety and Health
	Supporting Local Businesses	MM7: Community Investment and Contribution
	Community Investment and Contributions	
GOVERNANCE	Business Ethics and Corporate Governance	MM10: Integrity and Corporate Governance

Diversity and Inclusion, Talent Management, and Human Rights - are now merged under Human Rights and Labour Practices.

The reason for the incorporation is that human rights and labour practices relate to the hiring practices of the Group and our business partners, such as the avoidance of child labour and human slavery, the inclusive treatment of all employees, and the promotion of diversity, equal rights, and opportunities. This material matter is also associated with the dignity and worth of our employees, providing them with conducive, decent, and safe working environments.

Supporting local businesses is now recognised under Economic and Business Performance because most of our supply chain belongs to local businesses, and their sustainability and reputation impact our business.

Business Ethics and Corporate Governance was renamed Integrity and Corporate Governance because integrity encompasses transparency, ethics and accountability.

MATERIAL MATTERS

MATERIALITY ASSESSMENT

The materiality assessment was conducted using the following steps:



1

IDENTIFICATION

By reviewing our risks and mitigation strategies, we were able to analyse our business operations and the impact of their activities on the EESG factors. In tandem, we also conducted a broad analysis of issues relevant to our business based on media reports, regulatory requirements, sustainability practices across the industry, global megatrends as well as key standards and frameworks such as the GRI Standards, SDGs and Bursa Malaysia’s Sustainability Reporting Guide.

PRIORITISATION

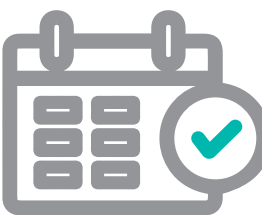
We prioritise our material matters based on their impact on EESG areas as well as their contributions to the SDGs. We conduct this analysis by mapping out our business activities against the identified material matters, sustainability goals and relevant EESG as well as our stakeholders’ interests and concerns.

2



VALIDATION

Our material matters are validated via a review by the Sustainability Management Committee at the management level as well as the Board of Directors’ Sustainability Committee. Our material matters in 2023 and 2024 were aligned with the material matters reported in 2022 following the Group’s Sustainability Management Committee’s internal review and enhancement to the material matters.



3

SUSTAINABILITY POLICIES

To ensure streamlined decision-making and internal processes across all the Company’s activities, businesses and operations, we have established the Boustead Group Policies. These policies guide the decision-making of our subsidiaries and business partners, ensuring compliance with laws and regulations, as well as national and international sustainability best practices. The Board oversees the review of these policies, while the Boustead Group Integrity and Governance Department acts as their custodian.

The following is a list of the policies established by BHB. Some are published on our website and some are internally distributed to stakeholders affected by the policy or procedures.

 Sustainability Policy	 Acceptance Use of Wireless Network	 Workplace Bullying Policy
 Safety and Health Policy	 Information Classification and Handling	 Group People Policy
 IT Standards	 IT Budget and Procurement Policy	 Capital Management Policy
 General IT	 IT Asset Inventory	 Dividend Distribution (Unlisted Subsidiaries)
 IT Control and Monitoring	 Group Legal & Compliance Policy	 Limit of Authority
 IT Operation Management and Backup	 Sponsorship & Donation	 Enterprise Risk Management Policy
 Cybersecurity Management Policy	 Corporate Disclosure	 Anti-Bribery and Corruption Policy Statement
 Acceptance Use of Internet Service	 Group Investment Policy	 Whistleblowing Policy
 Acceptance Use of Email Service	 Social Media Policy	 No Gift Policy
 Acceptance Use of IT Asset	 Sexual Harassment Policy	 Document Control Policy

SUSTAINABILITY RISK MANAGEMENT

BHB employs risk management processes to identify, assess and manage the sustainability risks to our businesses and operations. The process helps us consider potential risks, address them and take advantage of the opportunities.

MATERIAL MATTERS				RISK	OPPORTUNITIES
GOAL 1: ECONOMIC PILLAR	MM1	Economic and Business Performance	➤	Poor financial performance threatens business continuity and loss of investment opportunity.	Sustainable financial performance attracts investors and delivers long-term value for all stakeholders.
	MM2	Technology and Innovation	➤	Technology and Innovation have become essential business tools for maintaining competitiveness and relevance.	Leveraging on Technology and innovation can improve productivity and efficiency, brand recognition and reduced costs. Innovation can also lead to the delivery of new products, encourage new partnerships and relationships.
				Utilising old technology can negatively impact product quality, services and productivity.	Take advantage of the opportunities offered by the government through the National Fourth Industrial Revolution (“4IR”) Policy.
	MM3	Quality and Customer Satisfaction	➤	Inability to meet high-quality products and services, as well as customer expectations and requirements, impacts customers’ confidence and loyalty, which leads to lower revenue.	Obtaining international quality management standard certification and conducting regular customer engagements facilitate continuous product and service improvement.
	MM4	Sustainability-Oriented Products and Services	➤	Consumers are getting environmentally savvy and choosing sustainable products as part of their purchasing decisions.	Develop new products or enhance existing products to serve the emerging market demand.
GOAL 2: ENVIRONMENTAL PILLAR	MM5	Resource Efficiency and Pollution Prevention	➤	Environmental non-compliance can result in fines or stop work orders from authorities and boycotts from environmental activists and consumers.	Resource efficiency measures can reduce costs and pollution prevention measures can reduce hazards and foster stakeholder trust.
	MM6	Climate Change	➤	Inadequate climate change adaptation and mitigation measures may lead to physical damage, financial loss or business disruption.	Effective mitigation and adaptation strategies ensure business continuity and contribute to the nationally determined contributions to reducing climate change risks.

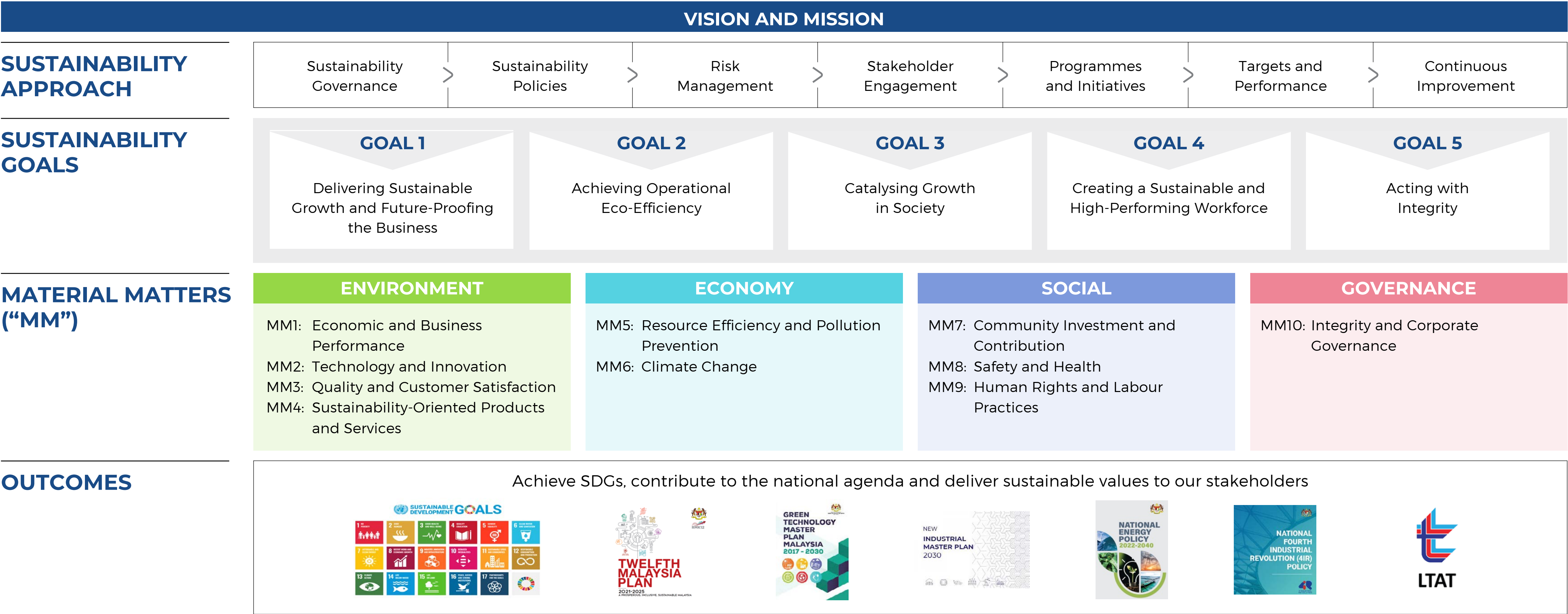
SUSTAINABILITY RISK MANAGEMENT

MATERIAL MATTERS		RISK	OPPORTUNITIES
GOAL 3 AND 4: SOCIAL PILLAR	MM7 Community Investment and Contribution	Business activities that negatively impact the communities will affect the social standing in the community.	Regular engagements through community impact programmes and development will foster good community relationship.
	MM8 Safety and Health	Accidents and injuries in the workplace lead to productivity loss, legal repercussions such as penalties and reputational damage.	Strong safety culture with conducive working environment improves employees' wellbeing and productivity and helps maintain reputation.
	MM9 Human Rights and Labour Practices	<p>Breaches in human rights practices and labour laws can lead to regulatory penalties, impact employee retention and culture, and damage reputation.</p> <p>Disengaged and untrained employees, as well as discriminatory employment practices, contribute to lower productivity and performance.</p>	<p>Strong human rights and labour practices, as well as inclusive and upskilling of the workforce, enable the Group to retain and attract top-quality talents.</p> <p>Human rights practices that follow international standards align with global customers.</p> <p>Compliance with labour law prevents penalties and employee lawsuits.</p>
GOAL 5: GOVERNANCE PILLAR	MM10 Integrity and Corporate Governance	Poor corporate governance practices may tarnish reputation, image and company's financial value.	Adopting good corporate governance practices and staying updated on governance developments helps build the Company's reputation as a trustworthy organisation among stakeholders.

SUSTAINABILITY MODEL

GRI 2-1, 2-2, 2-6

BHB’s sustainability model is the overall structure for advancing sustainability across all our subsidiaries. Our vision and mission outline our aspirations and what we hope to accomplish. The sustainability approach details the management structure and strategies we establish to attain the mid-term and long-term goals of the five Goals we endeavour to achieve. The Goals are built into the corresponding EESG factors and material matters relevant to our stakeholders and the Group, where we strive to create shared value. With the model in place, we will endeavour to achieve SDGs associated with our business and operations, contribute to the national agenda and deliver sustainable value to our stakeholders.



PERFORMANCE SCORECARD

	MATERIAL MATTERS		TARGET	PERFORMANCE
GOAL 1: ECONOMIC PILLAR	MM1	Economic and Business Performance	Vendor Development Programme for local vendors.	Partnered with 7,058 vendors in FY2024 (4,882 are locals). VDP: • 7 vendors in 2024 • 39 vendors since inception
	MM2	Technology and Innovation	Expand in digital and innovative product and service offerings.	Completed the digitalisation of Boustead Credit.
	MM3	Quality and Customer Satisfaction	Increase in board satisfaction survey as well as internal customer satisfaction survey ratings.	Maintained ISO 9001 Certification.
	MM4	Sustainability-Oriented Products and Services	Enhance sustainable product offerings.	Green label certification on fibre cement and ceiling sheets.
GOAL 2: ENVIRONMENTAL PILLAR	MM5	Resource Efficiency and Pollution Prevention	100% regulatory and statutory compliance. Maintain the ISO 14000 certified sites.	Maintained the ISO 14000 certified.
	MM6	Climate Change	Pharmaceutical division to install solar panels at six sites.	Signed Solar Power Purchase Agreement for solar panel installation at six manufacturing and logistics sites; commencement by end-FY2025. Solar energy generated: • FY2023: 749 GJ • FY2024: 851 GJ
GOAL 3 and 4: SOCIAL PILLAR	MM7	Community Investment and Contribution	Implement a strategic CSR initiative across the Group.	Allocated RM10 million (2023 & 2024) towards impactful CSR projects.
	MM8	Safety and Health	Zero fatality. 10% reduction in Lost Time Injury Frequency Rate (“LTIFR”) every year.	Achieved zero fatality. LTIFR reduced by 4.18% from 2022 to 2023.
	MM9	Human Rights and Labour Practices	Achieve the target of 30% women in Senior Management level. Maintain ‘Suara Kita’ Satisfaction Index to above the national level of 75%.	Achieved 29% in FY2023 and 27% in FY2024 of women in Senior Management level. Achieved Suara Kita Score: • FY2023: 87.2% • FY2024: 87.9%
GOAL 5: GOVERNANCE PILLAR	MM10	Integrity and Corporate Governance	Full governance compliance with MCCG and Bursa Malaysia. Increase in privacy and data security. Zero incidents of bribery and corruption across all operations.	100% full compliance. No breach on data and security. Zero incidents of bribery and corruption.

GOAL 1

DELIVERING SUSTAINABLE
GROWTH AND FUTURE PROOFING
THE BUSINESS



Boustead Group believes that balancing the dual objectives of economic growth and sustainability is essential for ensuring prosperous and resilient development. Thus, as we strive to improve and foster economic progress, we also consider environmental and social concerns and the imperative to achieve sustainability.

Goal 1 is interlinked with the economic pillar and covers four material matters. The objective is to achieve SDGs 1, 9 and 12. Successfully managing the Goal 1 material matters ensures lasting financial stability, creating value for all stakeholders in a way that contributes to a sustainable society and economy.

Material Matters

MM1	Economic and Business Performance
MM2	Technology and Innovation
MM3	Quality and Customer Satisfaction
MM4	Sustainability-Oriented Products and Services

SDGs

	End poverty in all forms
	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
	Responsible consumption and production

MM1: ECONOMIC AND BUSINESS PERFORMANCE

Total Direct Economic Value Generated

✓

Revenue
RM13,571.8 million
FY2023: RM13,628.4 million

Tax Expenses
RM131.4 million
FY2023: RM97.5 million

Employee Wages
RM502.5 million
FY2023: RM776.7 million

Number of Employees
7,120
FY2023: 6,954

Dividend
RM200 million
FY2023: RM300 million

Total investments in R&D
RM18 million
FY2023: RM43 million

The Boustead Group's economic and business performance is one of the highest priorities in our material matters because it benefits all our stakeholders. Our economic activities generate direct and indirect impacts for our stakeholders, such as job and education opportunities for community development and contributions to government taxes. Our capacity to meet our business obligations and create value for stakeholders, whilst maintaining the Company's economic sustainability, is contingent upon our financial performance.

DIRECT ECONOMIC IMPACTS

The Company's direct economic impacts are reflected by our business activities' income, profit, taxes, dividends and employment. All our subsidiaries have consistently delivered top-quality products and services that benefit our employees, Malaysia's socioeconomic development and the shareholders.

INDIRECT ECONOMIC IMPACTS

Boustead Group's indirect economic impacts comprise economic effects along the entire value chain. Our business activities create job opportunities by prioritising local content and expanding the knowledge and skills of the workforce, thereby boosting community growth. The indirect effects of our activities stem from business-to-business purchases in the Malaysian supply chain and the number of jobs and households supported through the supply chain.

Vendor Development Programme

One of the Company's sustainability goals is to support the growth and aspirations of local suppliers and vendors. The programme is carried out via the Vendor Development Management Department, aimed at upholding the Bumiputera Empowerment Agenda. We take a comprehensive, multi-pronged approach in its VDP by covering various areas such as training, technical and financial advisory in nurturing the development of our vendors. We also develop SMEs by nurturing innovative, reliable, competitive and competent local vendors to attain self-reliance in the maritime defense industry.

The BHIC VDP benefits the vendors through training in project management skills, technical knowledge, shipyard production integration and other value-added services related to shipbuilding and repair and attaining self-reliance in the maritime defence industry. At Pharmaniaga, the programme aims to assist in the Ministry of Health's ("MOH") agenda to improve the pharmaceutical industry in Malaysia by helping vendors build their capabilities and skills to secure public grants for initiatives such as manufacturing innovative local equipment.

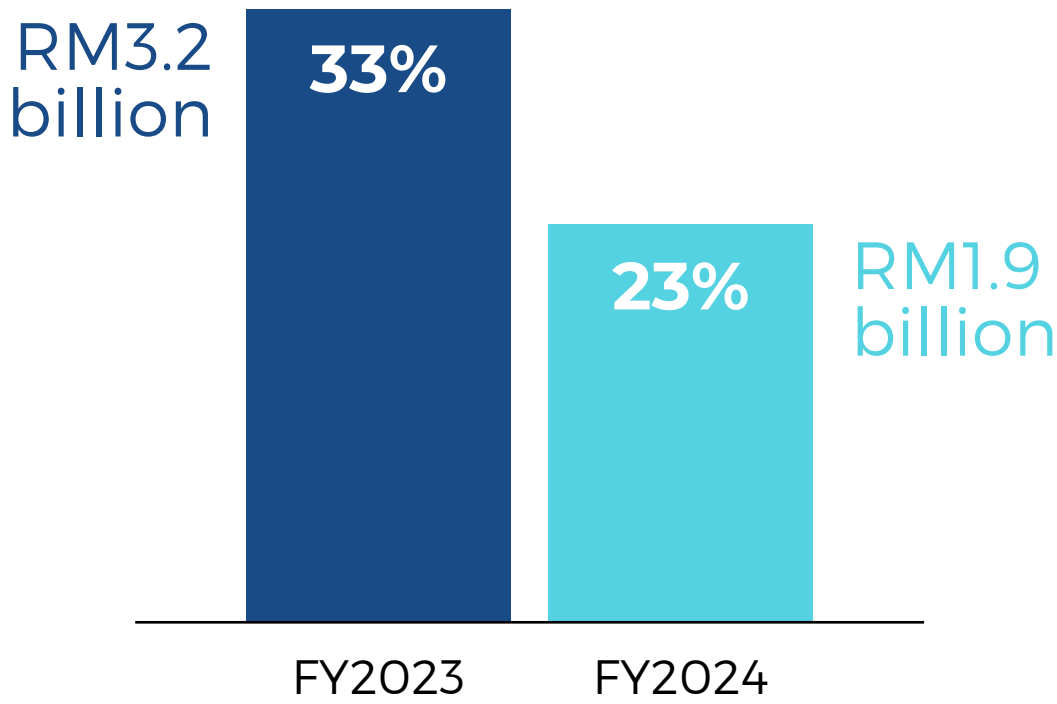
The P&ID segment collaborated with 7,389 vendors of which 4,264 are local vendors over the two-year period, supporting regional businesses and fostering economic growth.

As of 2024, the TFI's Oil and Gas segment has onboarded sixteen new BHPetrol service stations, bringing the total to 402 locations nationwide, thereby enhancing operational efficiency and expanding its network in the fuel retail sector.

Local Procurement

Boustead Group is committed to prioritise local vendors whenever possible, recognising their vital role in supporting the local economy. However, we engage the services of foreign suppliers in some cases, given that certain materials are locally unavailable. In FY2023, spending on local suppliers amounted to RM3.2 billion, representing 33% of total procurement. In FY2024, local supplier spending stood at RM1.9 billion, accounting for 23%.

Proportion of spending on local suppliers



MM2: TECHNOLOGY AND INNOVATION

Technology and Innovation is identified as one of our material matters, because at BHB, we see technology and innovation as transformable drivers for enhancing our business and operations, attaining resiliency, achieving Goal 1 and future-proofing our business. Harnessing technological innovation also aligns ourselves with the National Fourth Industrial Revolution (“4IR”) Policy and the 12th Malaysia Plan (“12MP”) where the government has decreed it a national agenda to promote the high adoption of technology.

Emerging technologies such as automation, robotics, artificial intelligence (“AI”), machine-to-machine (“M2M”) and the Internet of Things (“IoT”) are essential in ensuring economic growth and relevance and are undeniably changing the way the world operates. Harnessing the latest innovative technologies will improve and automate our processes, digitalise and simplify our services while enhancing our business and operations. Moreover, having a technological advantage will improve productivity, reduce costs as well as improve efficiency, competitiveness, brand recognition and value. It will encourage new partnerships and relationships, as well as increase turnover profitability.

All our subsidiaries leverage technology's potential and promote a culture of innovation to produce higher-value products and services.



PHARMACEUTICAL

Automation in Operation

The automation of online coding for the tube filling machine at Idaman Pharma Manufacturing Sdn Bhd, Sungai Petani (“IPMSB SP”) enhanced operational efficiency and precision in the manufacturing process.

Digitalisation

The ClickUp app is utilised across all quality control (“QC”) labs within the manufacturing division, fostering efficient collaboration and streamlined planning for laboratory activities.

Overall Equipment Efficiency (“OEE”)

The OEE has been updated across all manufacturing sites through the Power BI Dashboard to provide real-time monitoring and optimise equipment performance.

All-In-One Pharmacy Management System (“OLIN”)

Launched by PT Millennium Pharmacon International Tbk (“MPI”), OLIN is designed to assist pharmacies and drugstores in managing their day-to-day operations; featuring pharmacy inventory management, point-of-sales functionality, direct distributor purchasing and other business monitoring advantages.

Qlik Sense Integration

The integration of Qlik Sense with Systems, Applications and Products (“SAP”) data for the Manufacturing Division reporting and the introduction of the Power BI Overall Equipment Effectiveness (“OEE”) Dashboard and Power BI Manufacturing Dashboard enhanced the company's ability to analyse and interpret data, fostering informed decision-making processes.

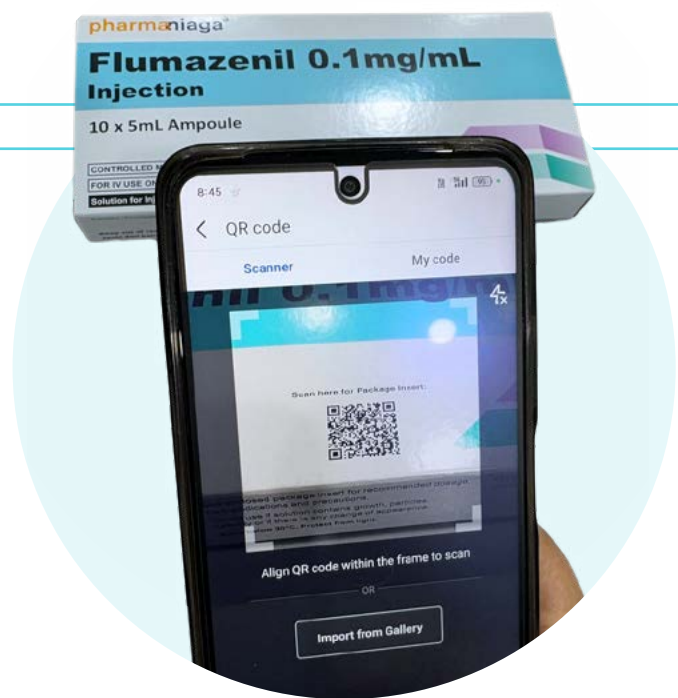
Operational Technology (“OT”) Network

Establishing a new OT network and server supports the Node Red software and IoT tools (sensor and gateway) for tracking machine efficiency, enabling real-time data integration, data analytics and connectivity.

E-Labelling

Details of Activities: In line with the National Pharmaceutical Regulatory Agency's initiative, we have started rolling out e-labelling. The QR code will improve the accessibility of medical information, encourage better patient care management and disseminate information in an eco-friendly manner.

Outcome/Achievements: As at FY2023, 13 artwork variation submissions have been made to NPRA for all manufacturing sites in support of the initiative.



MM2: TECHNOLOGY AND INNOVATION



HEAVY INDUSTRIES

BHB’s subsidiary, BHIC, protects Malaysia's national security and defence by maintaining military assets, systems and facilities. Technology, automation, robotics and AI are the keys to product development and deployment in the defence industry. These technologies are moving far faster than the defence industry and research and development cannot keep up. Therefore, having the right partner in the industry is crucial because it is better to adapt than to lead innovation and get favourable outcomes.

Knowledge Transfer

When we purchase specialised military defense supplies and equipment, our business partners provide knowledge transfer. The supplier’s team of highly experienced professionals will bring their expertise to share the critical process that enables our employees to acquire skills and knowledge, such as maintaining the technical airworthiness of helicopters and conducting classes on training simulators. With the new skills acquired by the local employees, we can diversify our business and contribute to future-proofing our business.

BHIC Submarine Engineering Services Sdn Bhd (“BSES”) - Computerised Maintenance Management System (“CMMS”) Data Base Management on Submarine Maintenance Module:

a

Development Completed

Configuration Management,
Preventive Maintenance, Corrective
Maintenance, Tests & Trials

b

Pending Under Acceptance Trail (“UAT”) Sign Off

Planning & Project Management,
Engineering Analysis, Work
Breakdown Structure



PROPERTY AND INDUSTRIAL

The Property sector proudly features innovative and eco-friendly concepts, ideas and designs to capture various markets, including environmentally conscious buyers and hotel guests. Our subsidiary UAC Berhad (“UAC”) is Asia’s pioneer in a comprehensive range of innovative cellulose fibre cement products, including flat boards, patterned boards, eave linings, skirting and cornices, smooth and wood-grained planks and panels, wood-like strips, perforated boards and flush-joinable flat boards.

Boustead Hotels and Resorts

IDB subscription



Hotel Property Management System (“PMS”) integration

Boustead Hotels and Resorts has successfully subscribed to and completed the integration of the IDB Hotel Property Management System (“PMS”). This seamless integration enables efficient data exchange between the IDB platform and the hotel's PMS, significantly enhancing operational efficiency, data accuracy and overall guest experience.

The integrated system supports smooth connectivity across various hotel departments, streamlining workflows and promoting better coordination. With operations and distribution consolidated into a single enterprise platform, the PMS offers comprehensive functionalities including reservations, front office services, cashiering, housekeeping, group booking management and real-time dashboards.

This advancement marks a significant step forward in the hotel's digital transformation journey, empowering teams with modern tools to deliver improved service quality and operational excellence.

MM2: TECHNOLOGY AND INNOVATION

Boustead Properties



Introduction of Mutiara X Super App by Mutiara Spaces – designed to transform customer experience and loyalty. Mutiara X combines exclusive privileges, personalised rewards and seamless access to property listings, events and lifestyle content. Leveraging big data, it enables Boustead Properties to create customer-focused programs that elevate user experiences and drive engagement.

UAC

Completed Phase 1 of the Manufacturing Execution System. All Sales & Marketing data are now on dashboard and being analysed by powerBI.

BCredit

Completed the digitalisation of the hire purchase processes.

BHPetrol

The obsolete Retail Automation System has been replaced with a new system.



TRADING, FINANCE & INVESTMENT

The highlight of the TFI Division is the foray of its subsidiary, MHS Aviation Berhad (“MHS”), into Unmanned Aerial Vehicle (“UAV”) or drone technology. In collaboration with the Malaysian Army’s Rejimen Askar Wataniah (“AW”), MHS has successfully integrated UAVs and Geographic Information System (“GIS”) technology into Military Operations in Built-Up Area. This initiative demonstrates MHS’s pivotal role in advancing aerial defense solutions and strengthening national security through innovation and collaboration.



MM3: QUALITY AND CUSTOMER SATISFACTION

Boustead Group’s quality products and services, along with customer satisfaction, are of great importance because they are a testament to customer confidence, which impacts business continuity. Quality and customer satisfaction consist of various metrics because of the broad businesses under the Boustead Group umbrella. The applicability of the Quality Management System (“QMS”) under each of the Group’s segment is assessed and if deemed necessary, QMS and certification relevant to the business and operation is obtained. Surveys tailored to the industry are also conducted to measure customer satisfaction.

Quality Certifications

The factors influencing pharmaceutical product quality and service are the recognition by national and international bodies. Our customers can rest assured that our products and services are reliable and compliant with various international and national standards and certifications. Specifically, we are certified with ISO 9001:2015 Quality Management Systems and ISO 18295-1:2017 Customer Contact Centres.



**Portugal**

- Good EU Manufacturing Practice Certification by INFARMED

**Indonesia**

- Perizinan Distribusi Alat Kesehatan Sertifikasi from Kementerian Kesehatan
- Cara Pembuat Obat Yang Baik Sertifikasi from BPOM
- Perizinan Perdagangan Besar Farmasi Sertifikasi from Kementerian Kesehatan
- Sertifikasi Halal from Badan Penyelenggara Jaminan Produk Halal

**Malaysia**

- Manufacturing License from NPRA
- ISO/IEC 17025 :2017 Laboratory Quality Management System
- ISO 9001:2015 Quality Management System
- ISO 18295-1:2017 Customer Contact Centres
- Wholesaler License from NPRA
- Good Distribution Practice for Medical Devices Certification from SIRIM
- Malaysian Halal Certification

MM3: QUALITY AND CUSTOMER SATISFACTION

Property and Industrial

Across all our properties, we work only with reputable consultants and contractors and we carefully monitor every project to ensure timely and quality execution. Our industrial business arm, UAC Berhad, is also ISO 9001:2015 certified to guarantee high-quality building materials and components.

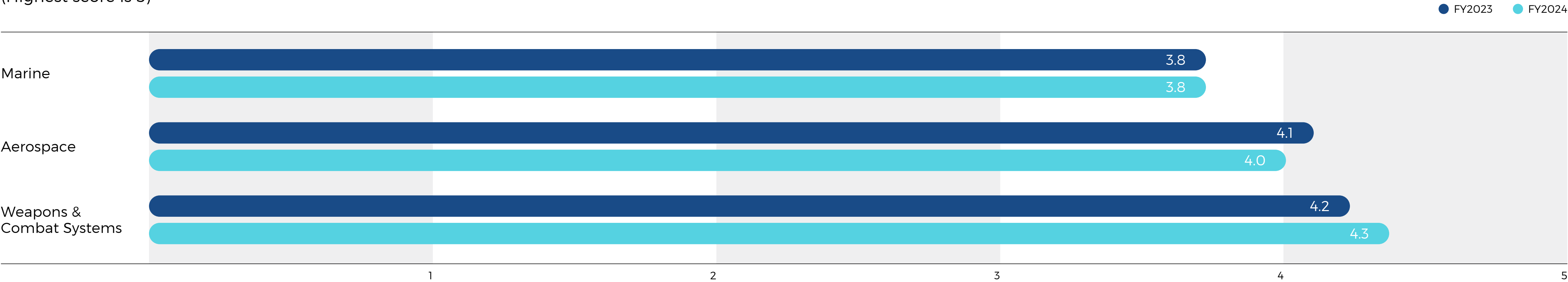
Heavy Industries

<div>BHIC Submarine Engineering Services Sdn Bhd (“BSES”)</div>	<ul style="list-style-type: none">• ISO 9001:2015 Quality Management Systems• Docking for Essential Defect (“DED”) for the Royal Malaysian Navy (“RMN”) Submarine <i>Kapal Diraja</i> (“KD”) Tun Razak• Performed Assisted Maintenance Period (“AMP”) 9 and 10 for the RMN Submarine KD Tunku Abdul Rahman• Performed Preventive Maintenance for RMN submarine facilities• Rectified identified defects of RMN submarine facilities
<div>BHIC Bohor Asia Sdn Bhd (“BBA”)</div>	<ul style="list-style-type: none">• ISO 9001:2015 Quality Management Systems• Rated four stars in Malaysian Industry Council for Defence, Enforcement & Security (“MIDES”) competitiveness rating for enhancement• Completed six Depot Level Maintenance (“DLM”) and 21 Emergency Repair works• Initiated Standard Exchange Program for RMN through the upgrading of former Swedish Naval Guns
<div>BHIC AeroServices Sdn Bhd (“BHICAS”)</div>	<ul style="list-style-type: none">• ISO 9001:2015 Quality Management Systems• Approved Airbus Helicopters Maintenance Centre• Certified by Civil Aviation Authority of Malaysia (“CAAM”) as a Maintenance Organisation to engage in helicopter battery maintenance• Completed Phase 1 and 2 Main Gearbox (“eMGB”) installation on Royal Malaysian Air Force (“RMAF”) EC725 helicopters - first in Asia Pacific and 2nd globally• Completed 2 RMAF 3Y/1200H inspection• Provided manpower supply to Airbus Helicopters Japan for eMGB works• No major Corrective Action Requests in all 2023 audits by Airbus, International Organization for Standardization (“ISO”) and Directorate General Technical Airworthiness (“DGTA”)

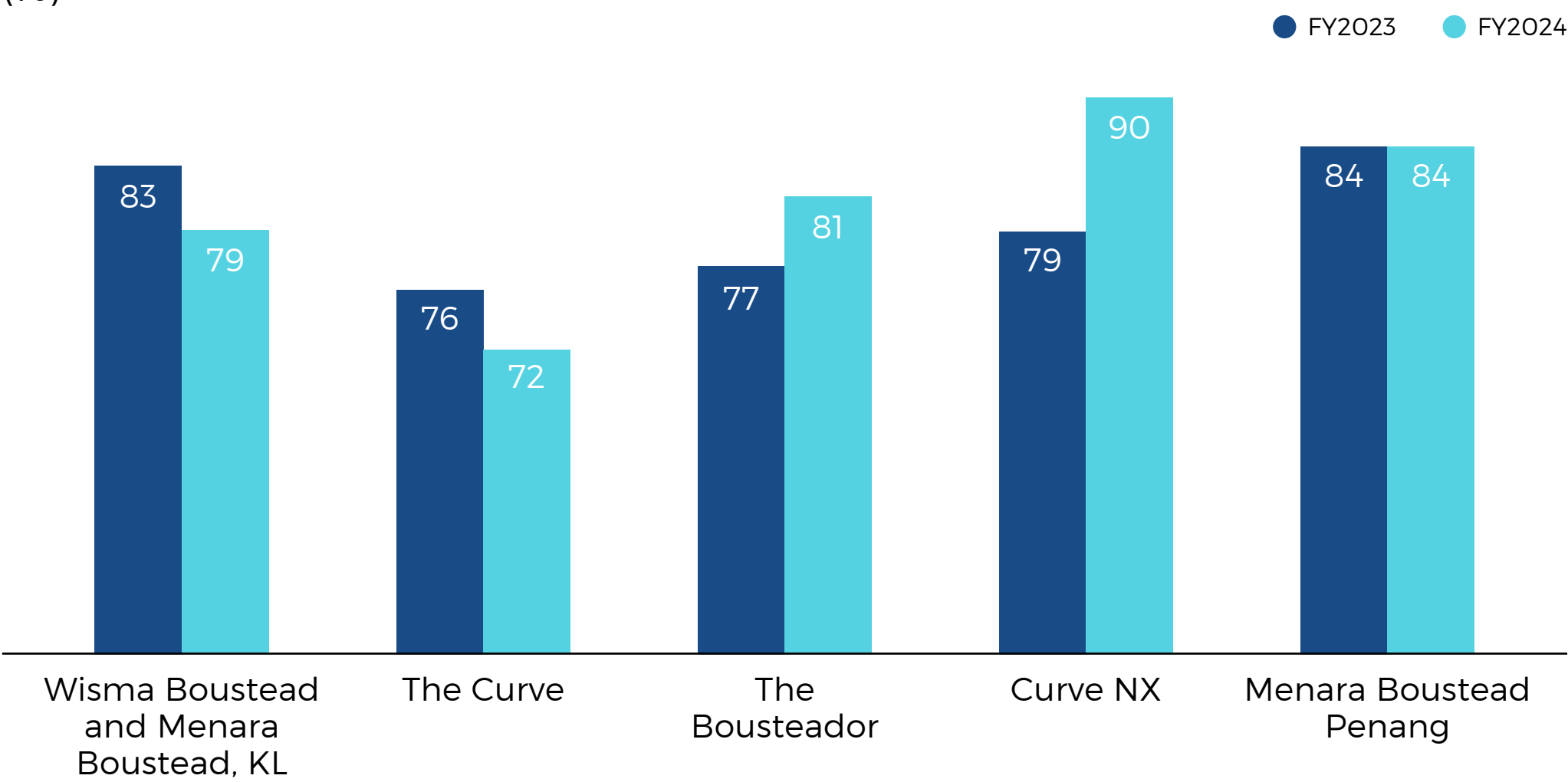
MM3: QUALITY AND CUSTOMER SATISFACTION

Customer Satisfaction Survey

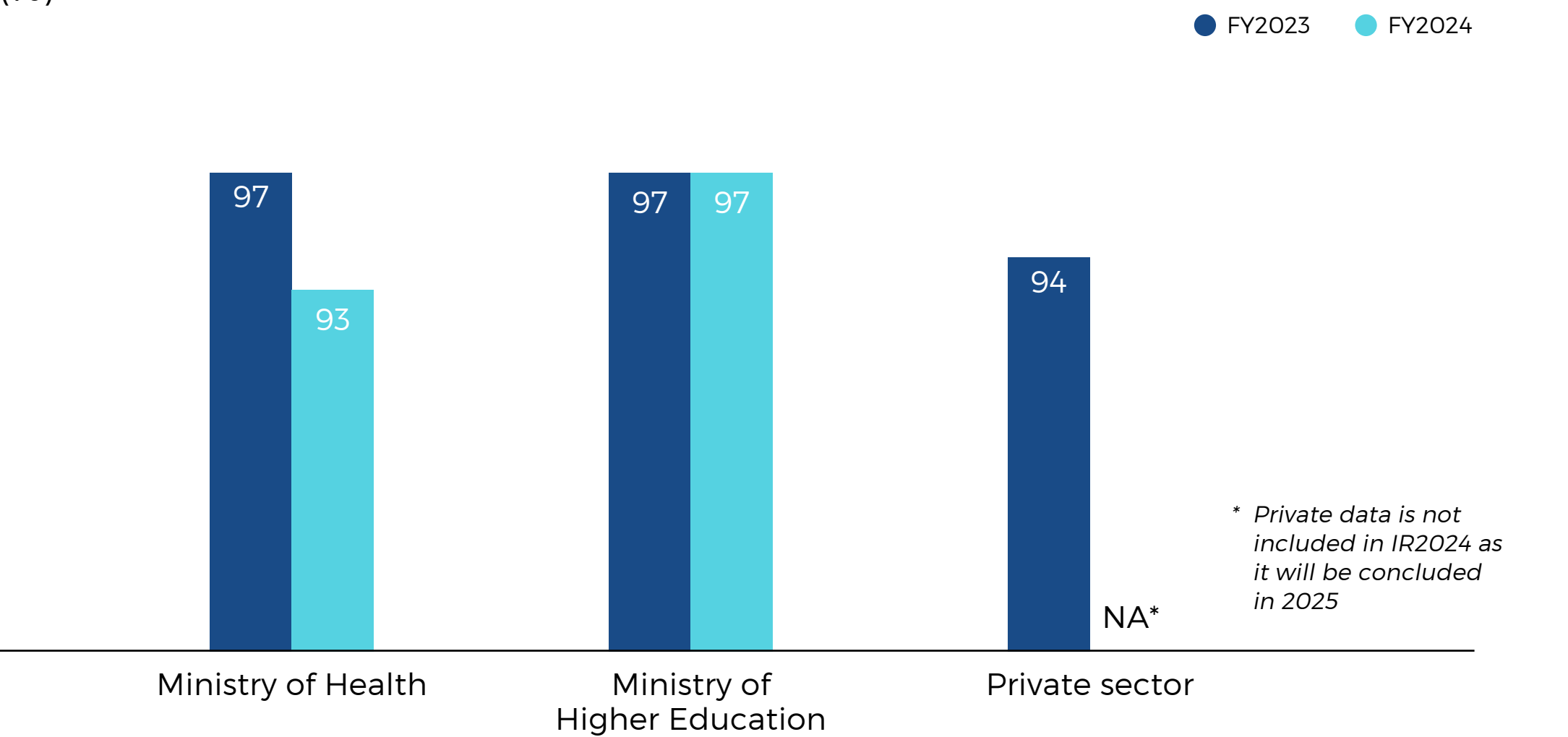
BHIC Customer Satisfactory Score
(Highest score is 5)



Boustead Properties Tenant Satisfaction Survey
(%)



Pharmaniaga Customer Satisfaction Survey
(%)



MM4: SUSTAINABILITY-ORIENTED PRODUCTS AND SERVICES



MM4 relates to SDGs 1 and 12, which include ensuring no poverty and sustainable consumption and production processes.

BHB's Pharmaceutical Division addresses Goal 1 by expanding affordable healthcare products under the 10-year development programme of Over-the-Counter Medicine ("OTC"). To date, the pharmaceutical division successfully developed 19 in-house products approved by the NPRA, mainly in the antibiotics, antiviral and Central Nervous System drug categories. We have also expanded our range of high-quality Halal-certified products to address the challenges of providing Halal-certified products, which can lead to a more inclusive healthcare landscape.



Affordable Medicine

Certified Halal Products

201

2023: 190

In-house developed OTC

8

2023: 7



The P&ID Division has eco-labels. The eco-friendly cellulose fibre cement products were endorsed by Eco Label, Green Label Singapore, MyHijau Mark, Taiwan Green Building Council, Korea Healthy Building ("HB") Mark, British Board of Agreement ("BBA") and the Green Environmental Product Declaration by Institut Bauen und Umwelt e.V., Germany. The Property Division has also achieved green building certifications. Mutiara Hills has been certified as a GreenRE project, reflecting its status as an energy, water and resource-efficient high-performance township. Boustead Properties' developments, including Bousteador, are rated as Green Building Index ("GBI") Gold Grade A and incorporate numerous environmentally friendly features.

GOAL 2

ACHIEVING OPERATIONAL
ECO-EFFICIENCY

By embracing sustainability, we can unlock numerous benefits, including cost savings, brand enhancement and increased market competitiveness. Goal 2 aligns with this vision by identifying and capitalising on business opportunities that improve our environmental performance while boosting our bottom line. To ensure sustainable growth and address climate change, we prioritise eco-efficient technology as a key driver of operational efficiency and environmental responsibility.

Goal 2 is focused on addressing environmental matters: Resource Efficiency, Pollution Prevention and Climate Change. It continues to the achievement of SDGs 13, 14 and 15.

Material Matters

MM5	Resource Efficiency and Pollution Prevention
MM6	Climate Change

SDGs

13 CLIMATE ACTION	Combat Climate Change
14 LIFE BELOW WATER	Life Below Water
15 LIFE ON LAND	Life on Land

GOAL 2: ACHIEVING OPERATIONAL ECO-EFFICIENCY



BHB’s Group Sustainability Policy is committed to upholding environmental laws and regulations. We aim to combat climate change, safeguard endangered species listed by the International Union for Conservation of Nature (“IUCN”), optimise the use of raw materials and natural resources, conserve water, prevent water pollution and minimise waste generation.

We extend our commitment to sustainability to our supply chain. By conducting environmental assessments of our suppliers, we ensure their operations align with our Company’s values.

Sustainability Policy

BHB’s Group Sustainability Policy is to address and manage the following impacts on the environment:

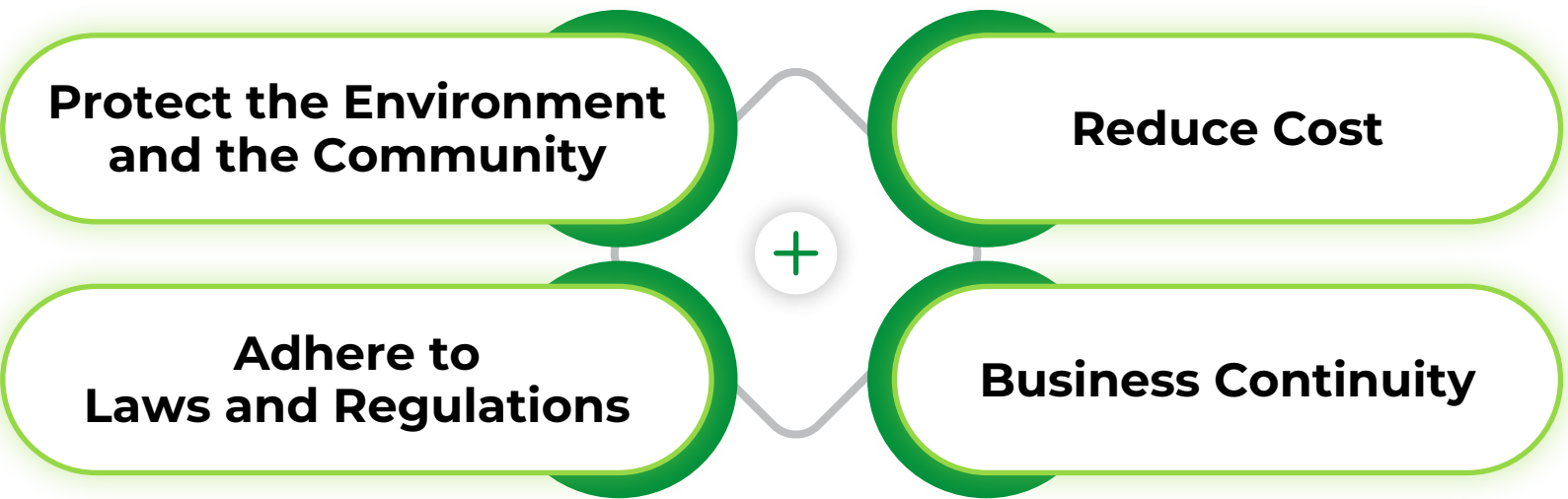


Environmental Management System

BHB demonstrates leadership in environmental stewardship through our Environmental Management System (“EMS”), our tool for managing the environmental impacts of our business and operational activities. This system guides our efforts to minimise environmental impacts, integrate sustainability into daily operations and inform long-term planning. The UAC is ISO 14001:2015 certified for fibre cement building material products manufacturing and all Pharmaniaga sites are ISO 14001:2015 for the provision of procurement, storage and distribution of pharmaceuticals and medical products.

MM5: RESOURCE EFFICIENCY & POLLUTION PREVENTION

We prioritise Resource Efficiency and Pollution Prevention as they facilitate protecting the environment, building strong community relationships, regulatory compliance and cost reduction. Our subsidiaries actively work to minimise environmental impacts by implementing measures to optimise the use of energy, water and raw materials, aligning with our goal of sustainable operations. By leveraging technical advancements, we streamline production, reduce environmental risks and enhance operational resilience, ensuring the sustainable delivery of our products and services.



Environmental Compliance

Complying with environmental laws and regulations is vital for securing social acceptance, managing risks and ensuring long-term success. Environmental compliance encompasses many responsibilities, including properly disposing of hazardous waste, reducing air and water pollution and safely handling and storing chemicals. Given the diverse nature of our business segments, we must navigate a complex regulatory landscape.

In the years under review, we are pleased to announce that Boustead Group has recorded zero non-compliance incidents with all environmental regulations and orders issued by the Department of Environment ("DOE") under the Environmental Quality Act of 1974.

Waste and Resource Management

The efficient use of resources and waste management are intrinsically linked. By optimising resource consumption, we can minimise raw material usage and reduce waste. We actively pursue initiatives and leverage technological advancements to achieve these goals across our various business segments.

The Pharmaceutical Division prevents waste through a five-tier waste mitigation hierarchy. Additionally, monthly inventory monitoring ensures effective scheduled waste management. The division has also implemented an Electronic Scheduled Waste Information System ("eSWIS") to track the disposal of medical devices.

Recycling Initiatives

Boustead launched a recycling competition called BotoIUP across the Group, which ran from 15 December 2024 to 15 April 2025. The objective was to educate employees and instill a long-term 3R (Reduce, Reuse, Recycle) mindset over a 4- to 5-month period, rather than treating it as a one-time event. A total of 21 teams, each consisting of 8 members, participated in the plastic bottle collection (Types 1, 2 and 5). Collection and weighing were conducted twice a month.

As of April 2025, six collection rounds had been completed, resulting in 6.1 tonnes of plastics recycled. Participating subsidiaries included those from Kedah, Perak, Penang and the Klang Valley. Waste collected comprised items such as mineral water bottles, toiletries packaging, cooking oil bottles, meal takeaway containers and more. Throughout the competition, continuous awareness materials were shared to educate and engage participants.

Pharmaceutical

Non-hazardous waste diverted from disposal

1,447.29 metric tonnes ("MT")

2023: 1,559.03 MT

Transformation of Scheduled waste to alternative raw material

5.72 MT

2023: 4.63 MT

Alternative Water Source

Harvested Rainwater

0.14 megalitres ("ML")

2023: 0.22 ML

Recycled Water

19.72 ML

2023: 8.71 ML

Property & Industrial

2024

An RM2,000 investment by UAC in waste segregation has saved **RM252,720**

2023

3R initiative diverted 90 MT of non-hazardous waste, generating **RM7,200** in value

Trading, Finance & Investment

Northport Installation ("NPI") Terminal won

"Best Installation Operator for Health, Safety and Environment" awarded by Lembaga Pelabuhan Klang ("LPK") during their 60th Anniversary (Diamond Jubilee) celebration

Installation of Plastic Bottle Collector ("KLEAN") 1 outlet: BHPetrol Damansara Utama

Heavy Industries

In 2023, BHIC successfully diverted **86.21%** of its hazardous waste from disposal

MM5: RESOURCE EFFICIENCY & POLLUTION PREVENTION

Hazardous and Non-Hazardous Waste	Waste Generated (MT)		Waste Diverted from disposal* (MT)		Waste Directed to disposal** (MT)	
	2023	2024	2023	2024	2023	2024
Pharmaceutical	1,956	1,873	1,559	1,447	397	426
Heavy Industries	49	54	42	4	7	50
Property & Industrial	55,102	48,576	1,655	1,628	53,447	46,948
Trading, Finance & Investment	87	53	87	***N/A	0	***N/A
Total	57,194	50,557	3,343	3,079	53,851	47,424

* Diverted – reuse, recycling, composting, recovery (including energy recovery), on-site storage
** Directed – incineration (mass burn), landfill, solidification
*** Waste disposal at TFI has yet to be tracked and monitored

Water Management

As a vital resource for all life, clean water is essential for sustaining future generations, agriculture and biodiversity. To promote responsible water use, Boustead Group has implemented various water management practices. Additionally, we have strategically avoided establishing water-intensive operations in regions facing water stress to minimise our impact on local communities.

Boustead Group minimises both water consumption and emission management. Recognising the significance of using water efficiently, we have implemented various measures to enhance efficiency levels, such as modifying and improving processes across our operations and promptly monitoring and addressing water leakages to prevent wastage.

We are committed to ensuring that our water emissions comply with DOE regulations. We monitor our effluents regularly to prevent water pollution, testing for parameters such as Chemical Oxygen Demand (“COD”) and Biological Oxygen Demand (“BOD”). Additionally, we invest in research and development (“R&D”) to explore solutions for reducing our effluent discharge.

The Pharmaceutical Division and the Property & Industrial Division have implemented water harvesting initiatives. We have installed On-Site Detention (“OSD”) systems at our property development sites to prevent flooding and collect water for cleaning and landscaping. Additionally, Pharmaniaga has implemented water recycling initiatives at several sites, including the Bandung plant in Indonesia, which began operations in FY2023.

Water Saving Initiatives

The Group subsidiaries carry out various water management initiatives to reduce dependency on freshwater sources. These initiatives are described as follows:

- Water recycling at five BHPetrol service stations
- Boustead Properties harvested 1.68 megaliters of rainwater for non-potable use

MM5: RESOURCE EFFICIENCY & POLLUTION PREVENTION

Water Recycling Programme in Indonesia

Our operations rely heavily on groundwater, making us susceptible to potential water scarcity challenges. Thus, we have adopted various sustainable water management practices that facilitate responsible resource utilisation. Our Bandung plant in Indonesia has implemented a water recycling programme in July 2023. This significant initiative enables us to transform wastewater into a valuable resource. Data on the amount of recycled water is reported in this Sustainability Report.



Pharmaniaga has increased its water recycling capacity from 8.71 ML in 2023 to 19.72 ML in 2024, achieving a 127% improvement. This initiative enhances sustainable water management, reduces overall water consumption and supports environmental conservation efforts.

BOUSTEAD GROUP WATER CONSUMPTION (Megalitres)					
	Municipal potable water	Surface water	Groundwater	Total	Recycled Water
FY2024	2,749.4	1.67	14.46	2,765.53	20.46
FY2023	2,384.25	3.36	15.36	2,402.97	10
FY2022*	2,201.72	0	21.38	2,223.10	11.36

* Please note that the FY2022 Integrated Report (“IR2022”) included the results of BPlantation and Boustead Naval Shipyard. As these entities are no longer under Boustead Holdings’ control in FY2023, the data for FY2022 presented in this Sustainability Report (“SR”) has been recalculated to exclude both entities, ensuring a more accurate year-over-year comparison.

Biodiversity

The property development segment promotes biodiversity by promoting the integration of native plants and trees in common area landscaping across our developments. These native species enhance biodiversity, support local ecosystems and create habitats for native wildlife, including birds and pollinators. Avoiding invasive species contributes to a more balanced and resilient environment. They also evolve alongside local wildlife, such as native birds and pollinator insects, thereby significantly improving urban biodiversity.

At all our sites, we have not observed any species listed as critically endangered, endangered, vulnerable, or near threatened under the International Union for Conservation of Nature (“IUCN”) Red List.

MM6: CLIMATE CHANGE

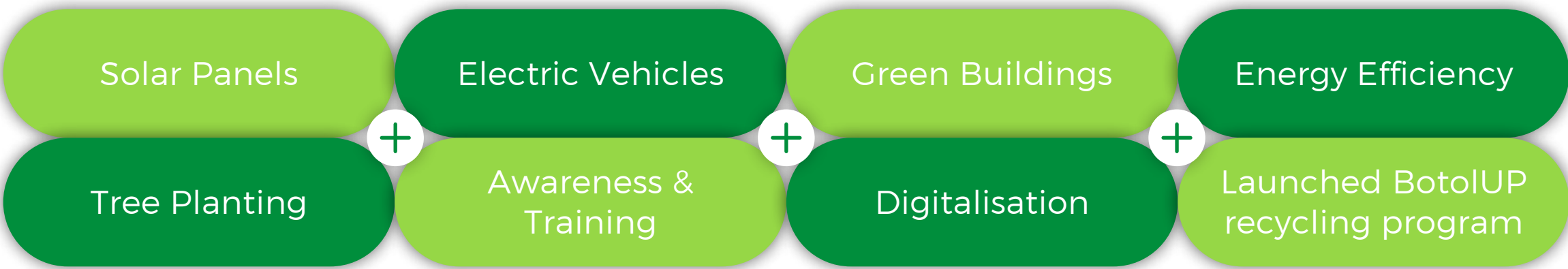
Climate change refers to long-term shifts in global temperatures and weather patterns. Whilst some climate variations are natural, human activities, particularly the burning of fossil fuels, are the primary driver of the current climate crisis. Beyond an environmental issue, climate change poses significant risks to human rights, livelihoods and global stability. Rising temperatures are exacerbating water scarcity, drought, forest fires, melting polar ice, sea-level rise, extreme weather events and biodiversity loss.

Malaysia's National Determined Contribution ("NDC") to climate action aims to reduce its economy-wide carbon intensity by 45% compared to 2005 levels by 2030 and achieve net-zero greenhouse gas emissions by 2050. The National Climate Change Policy 2.0 provides a framework for Malaysia's transition to a low-carbon economy. In alignment with the NDC, relevant ministries have developed specific plans and policies to contribute to the national climate goals.



Climate Change Reduction Initiatives

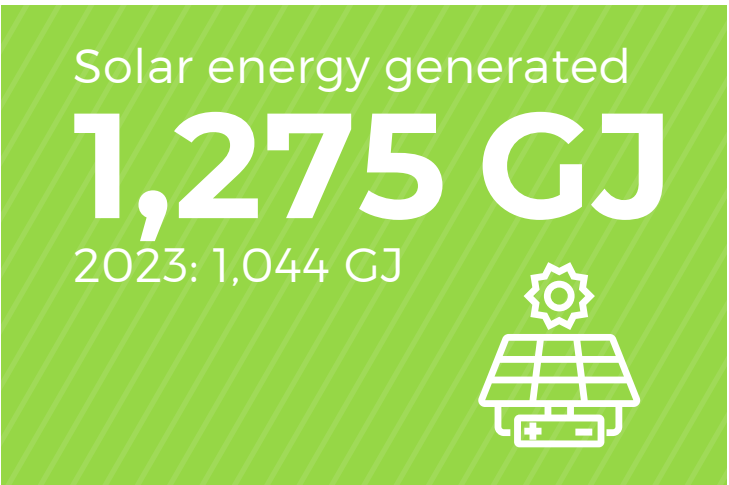
In alignment with Malaysia's NDC, BHB has initiated the following environmental initiatives



Solar Energy

The Pharmaceutical division installed solar panels, generating clean and renewable energy. Additionally, the division expanded its fleet to include electric vehicles, further reducing carbon emissions. Optimisation programs were also implemented to enhance energy efficiency.

In 2024, the Pharmaceutical Division has achieved total cost savings of RM542,448 in purchased electricity through the implementation of several energy efficiency initiatives across its sites. These initiatives include Optimised Chiller Operations, Energy-Efficient HVAC Upgrades, Sustainable Lighting Solutions, Upgraded Equipment for Efficiency, Smart Temperature Control and a complete conversion to 100% LED lighting. To date, the decarbonisation programmes have generated 4,532.33 GJ solar energy and avoided 923.37 tCO₂e.



The Property and Industrial division's real estate development is certified as a Green Building through the Green RE and Green Building Index ("GBI"). These certifications recognise the design and construction of sustainable buildings that promote energy and water efficiency, improved indoor air quality, better public transport access and the incorporation of recycling and green spaces. By reducing their environmental impact, these buildings contribute to a more sustainable future.

Property

- Implemented Proper Construction Planning, Machinery Efficiency Measures, Optimised Soil Transport, used Fuel-Saving Equipment and Effective Logistic Management, along with the Use of EV Bikes, resulting in reduction of diesel and petrol. Total cost savings of RM37,988.
- Lights Off in Unoccupied Areas, Optimised Motor Pump Speed and Thermal Energy Storage, reducing electricity consumption by 18,534 MWh and achieving cost savings of RM9 million.

Industrial UAC

- Rising raw material prices, particularly for pulp, cement and Medium Fuel Oil ("MFO"), remained a major source of concern for UAC, as these increases had a direct impact on the company's profitability. In 2024, UAC converted the fuels used for boilers from using medium fuel oil to natural gas, saving RM2.7 million.

MM6: CLIMATE CHANGE

Green Building Concept



Though fossil fuel use remains prevalent in the current economic landscape, TFI's BHP Petrol has partnered with a German company to improve the efficiency of fuels sold at BHP outlets, mitigating the environmental impact of fossil fuel consumption.

TFI – 2024

- EV charging with JomCharge at Sg. Besi Harmony BHPetrol service station.

Improved Friction Modifier For Improved Instantaneous Fuel Economy

About 10% fuel is lost to friction caused by the engine's moving parts. New revolutionised infiniti is fortified with the latest formulation that reduces friction between piston rings and cylinder walls. This reduces energy loss that translates into instant, constant mileage gain.

Better detergency performance at GDI vehicles

Instantaneous and constant mileage gains

A Cleaner Environment

Infiniti **RON95 Euro4M** and **RON97 Euro4M** were designed with a mere 50 ppm sulphur content to ensure you enjoy a cleaner fuel and better driving experience that reduces toxic emissions. Vehicles with high sulphur levels in their fuel emit harmful pollutants during combustion and hinders exhaust after-treatment technologies from operating as they should. This causes further harm to our health and environment.

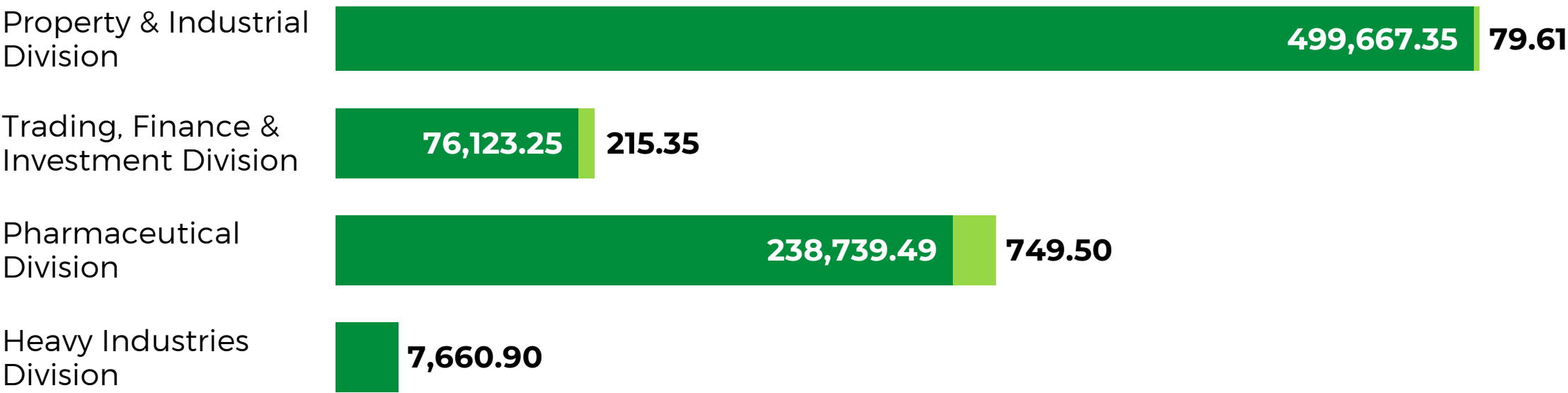
Superior Fuel Economy

Infiniti **RON95 Euro4M** and **RON97 Euro4M** are advanced formulations with proprietary Friction Reducing Agents that minimise friction between the priston rings and cylinder walls to avoid fuel loss so you can enjoy added mileage, or more kilometres per tank.

MM6: CLIMATE CHANGE

FY2023 ENERGY CONSUMPTION
(GJ)

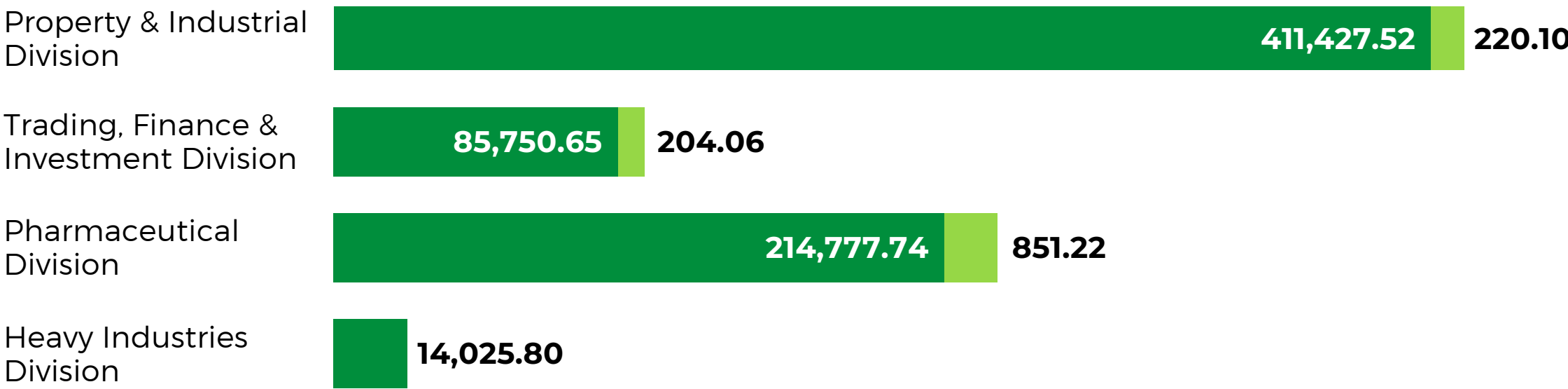
- Total Energy Input (excluding Renewable Energy)
- Total Renewable Energy Input



Total for 2023: 823,235 GJ

FY2024 ENERGY CONSUMPTION
(GJ)

- Total Energy Input (excluding Renewable Energy)
- Total Renewable Energy Input



Total for 2024: 727,257 GJ

Adopt a Tree Project

In 2023, Pharmaniaga launched the ‘Adopt-a-tree’ project to raise awareness about preserving nature for a sustainable future and to support the 100 million Tree Planting Campaign implemented by the Ministry of Natural Resources, Environment and Climate Change (“NRECC”).



No. of Trees Planted
1,000

No. of Employee Volunteers
30

MPI, Jakarta

Initiative	: Tree Planting
Collaborators	: Camar Group
Location	: Tambakrejo, Semarang



No. of Trees Planted
20

No. of Employee Volunteers
150

PT Errita, Bandung

Initiative	: Tanaman Lidah Mertua
Collaborators	: -
Location	: PT Errita, Bandung



No. of Trees Planted
40

No. of Employee Volunteers
40

Pharmaniaga Berhad, Malaysia

Initiative	: Adopt a Tree
Collaborators	: -
Location	: Bukit Raja

MM6: CLIMATE CHANGE

CLIMATE CHANGE DISCLOSURE

Climate change is a global challenge. Ongoing carbon emissions are contributing to dangerous levels of greenhouse gases, resulting in an increase in the frequency and intensity of climate-related events around the world.

Boustead Group’s initial climate disclosure statement outlines some thematic areas representing the basic elements of tackling climate change. In the next financial year, the Group’s climate change disclosure will start its transition to the International Financial Reporting Standards (“IFRS”), International Sustainability Standards Board (“ISSB”)/S1 & S2, to comply with the National Sustainability Reporting Framework (“NSRF”).

Climate Change Governance

The Board Sustainability Committee oversees climate-related matters. The committee is assisted by the BSC who is directly involved in evaluating Sustainability risk and opportunities (“SRO”) and its financial implications. The Group has also established an internal Sustainability team to co-ordinate the management of climate-related matters, including climate-related data collection such as GHG emissions and mitigation efforts.

Each department is responsible for identifying risks within their scope and documenting those risks in the risk register. The risk register is reviewed quarterly. Risk is identified via risk assessment workshops and risk review sessions. The process involves understanding the objectives of the department or business unit and identifying potential obstacles that could prevent their achievement.

Strategy

Strategies and action plans are recorded in the risk register, guided by ISO 31000:2018. Each department is responsible for identifying risks within its scope and documenting those risks in the risk register, which is reviewed quarterly. Risk is identified via risk assessment workshops and risk review sessions. The process involves understanding the department or business unit's objectives and identifying potential obstacles preventing their achievement.

Some of the strategies identified are:

- Venturing into new sustainability-related businesses as a second growth engine, reducing growth from consumption-based carbon emission.
- Implementation of business continuity management-related procedures that address physical climate hazards such as natural disasters.

Metrics and Targets

As an organisation deeply aware of our environmental impact, we have set attainable climate-related targets to drive meaningful change. Our focus is on both resource efficiency and actively mitigating climate change. To that end, we are committed to increasing our reliance on renewable energy sources and enhancing our water use efficiency across all operations. Furthermore, we are actively working towards reducing the waste we generate. In terms of direct emissions reduction, we have set a clear goal to achieve a 15% reduction in our absolute emissions by the year 2025, using our 2022 emissions as the baseline. These targets reflect our dedication to a more sustainable future and will guide our strategic decisions and operational improvements in the coming years.

GOALS	TARGET
Resource Efficiency and Pollution Prevention	<ul style="list-style-type: none">• Increase the use of renewable energy sources• Increase water use efficiency• Reducing waste generated
Mitigate Climate Change	15% reduction in absolute emissions by 2025 against 2022 baseline

MM6: CLIMATE CHANGE

GHG EMISSIONS (tCO ₂ e)						
Period	Scope	Pharmaceutical	Heavy Industries	Property & Industrial	Trading, Finance & Investment	Total
FY2024	Scope 1	5,610.63	108.85	32,414.76	142.44	38,276.68
	Scope 2	30,328.97	2,002.86	79,328.67	17,967.33	129,627.83
	Scope 3	6,660.77	-	-	-	6,660.77
FY2023	Scope 1	6,576.49	79.69	13,157.43	156.92	19,970.53
	Scope 2	29,081.55	1,093.16	63,256.51	15,210.38	108,641.60
FY2022*	Scope 1	6,044.78	138.12	14,298.22	210.27	20,691.39
	Scope 2	25,049.72	1,940.05	64,730.03	8,557.67	100,277.47

Notes:

Scope 1: Emissions from sources owned and controlled by the Group
Scope 2: Emissions from energy (electricity) purchased and consumed by the Group
Scope 3: Employee commuting and business travel by road
*Please note that the FY2022 Integrated Report (“IR2022”) included the results of BPlantation and Boustead Naval Shipyard. As these entities are no longer under Boustead Holdings' control in FY2023, the data for FY2022 presented in this SR has been recalculated to exclude both entities, ensuring a more accurate year-over-year comparison.

GHG Standard: GHG Protocol
Emission Factor: Grid Emission Factor (“GEF”) Malaysia, 2017-2021, Malaysia Energy Information Hub (MEIH), UK Government GHG Conversion Factors for Company Reporting, US EPA Emission Factors for GHG Inventories, The Climate Registry

Climate-Related Risks and Opportunities

The Risk Committee is responsible for the Company’s integrated ERM process, which includes risk assessment (identification, analysis and evaluation), treatment and monitoring of all risks to which the Company is exposed, including climate-related risks.

I. Transition Risks

Transition risks are market-related impacts from the effort to transition towards a lower carbon economy to reach the goal of limiting the warming to below 2 degrees Celsius (Paris-aligned target).

Climate Change Risks	Potential Financial Impact
Policy and Legal Risks: Regulations and sustainability standards are becoming stricter in addressing sustainability issues.	Failure to meet potential disclosure requirements by regulators and adapt to climate change frameworks and standards may result in penalties and litigations.
Technology Risks: No investment in technology and innovation.	Investment in technology and innovative equipment and machinery is costly.
Market Risks: Inability to adapt to change.	Mismatch of business purposes against stakeholders’ needs can lead to poor financial performance.
Reputational Risks: Business must play a part in driving sustainability to ensure our business stays relevant.	Poor sustainability index rating can affect investor confidence and cause difficulty acquiring loans/ sustainability-linked financing, Greenwashing may lead to legal implication and damaged reputation.

MM6: CLIMATE CHANGE

II. Physical Risks

Physical Risks arise from the physical climate/weather impacts due to changing climate, which can be either acute or chronic hazards, including weather-related or weather-exacerbated events, such as floods, wildfire, sea level rise, draughts, water stress, heat waves.

Climate Change Risks	Potential Financial Impact
<p>Acute Risks:</p> <p>Increased severity of extreme events such as floods and drought.</p>	<p>Acute risks can cause soil erosion and landslides at Royale Chulan Cherating and car park basement flooding at some of the Group properties such as Mytown, Menara Bousteador and Menara Boustead.</p>
<p>Chronic Risks:</p> <p>Changes in precipitation, weather patterns and rising temperature.</p>	<p>Financial losses due to property damage, loss of workers' productivity, business and supply chain disruptions, stranded assets, higher insurance premiums, an increase of raw material prices due to repricing, or changing consumer demand.</p>



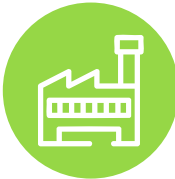


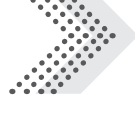



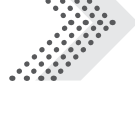

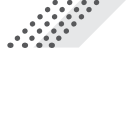
SPOTLIGHT

In the year under review, the Pharmaceutical Division established its Business Continuity Strategies using the cold, warm and hot strategy classification which represents its readiness and resiliency in response to both current and future climate related hazards. The division also mapped Malaysia and Indonesia’s climate scenario severity and likelihood of climate change and risks. The mapping enables the Group to develop a strategic plan.



MM6: CLIMATE CHANGE

Business Continuity (“BC”) Strategies

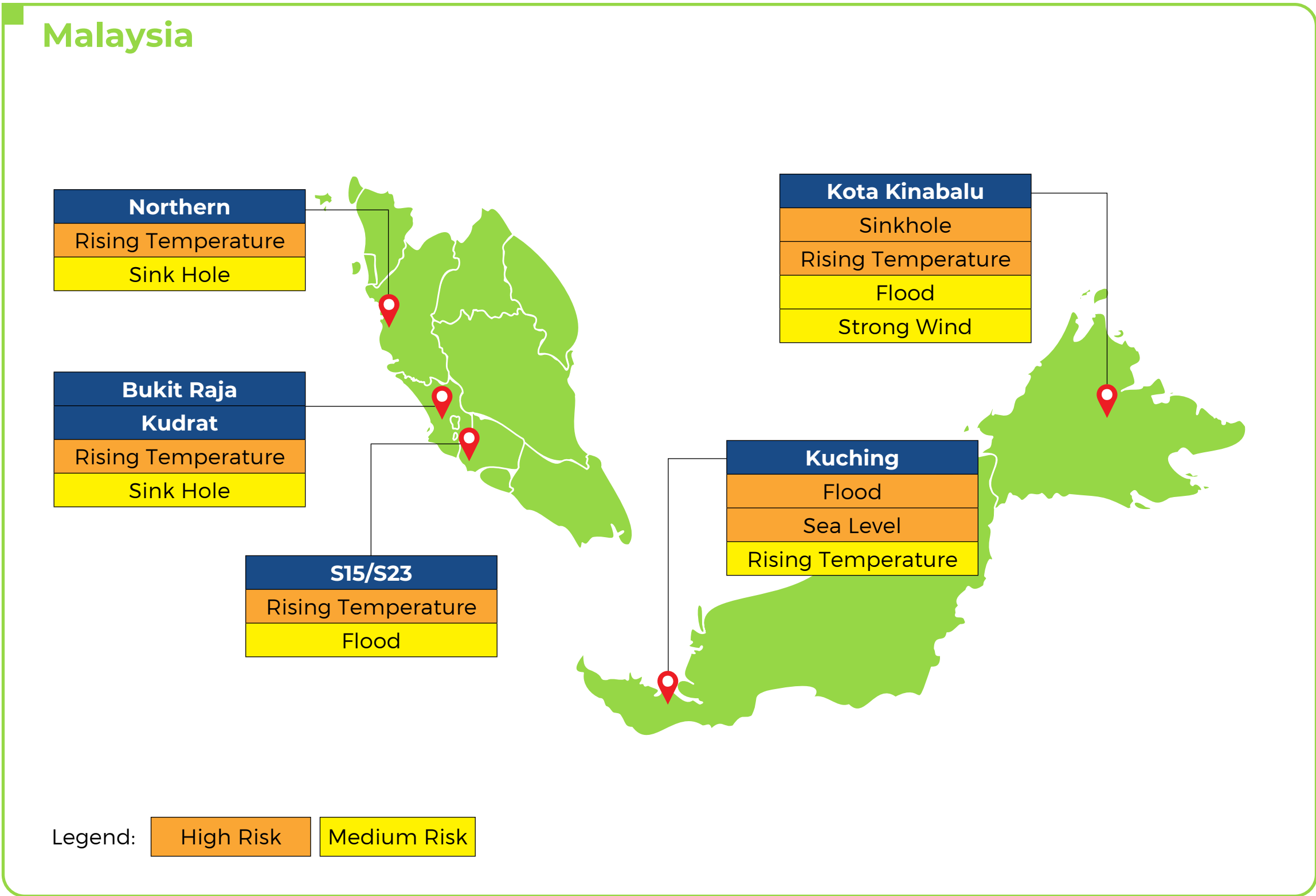
Key Impact Indicator	(Standby)		(Replication)	(Diversification)
	Cold Strategy		Warm Strategy	Hot Strategy
 Employee Business disruption due to loss of/inadequate crucial workforce.		Individuals in another location that have been trained to do the same activity, but are not yet experienced and will require guidance.	People in another location that are experienced and able to undertake the same activity, but not yet doing so.	People in separate locations that are concurrently undertaking the same activity.
 Work Area Business disruption due to loss of access to crucial work area.		Separate premises that have some of the facilities required to undertake an activity, but additional facilities will be required before the activity can be undertaken.	Separate premises that have all facilities required to undertake an activity, but it is not currently being used.	Separate premises where the same activity occurs in parallel.
 Raw Material Business disruption due to loss of/lack of essential supply.		Replacement items held in a separate location that could be used with modification.	Duplicated items held in a separate location that are not currently being used.	Duplicated items held in separate locations with stock being supplied from both locations.
 System Business disruption due to loss of critical system.		An operational copy of the system held in a separate location and a backup of its data that needs to be loaded and tested with manual switching to be made live.	An operational copy of a system and its data held in a separate location that is periodically synchronised with the live version and needs switching to be made live.	Two copies of a system and its data in separate locations that are kept synchronised and live.
 Asset Business disruption due to loss of crucial asset/technology.		Replacement equipment held in a separate location that needs to be made operational.	An exact non-operational copy of the equipment held in a separate location that can be rapidly made live.	Duplicated operational equipment held in a separate location, with an automatic transfer from one to the other.
 Distribution Business disruption due to loss of primary distribution routes.		Pre-plan multiple alternative routes.	Diversify transportation modes by using a mix of road, rail and air transport.	Maintain buffer stock at satellite office/warehouse to handle delays.

MM6: CLIMATE CHANGE

Climate Change Scenarios

The two images below depict a climate change risk assessment mapping for Malaysia and Indonesia, highlighting the severity and likelihood of various climate-related hazards across different regions. This mapping serves as a foundation for the Group to develop a targeted strategic plan to mitigate and adapt to these risks.

These climate change scenario maps for Malaysia and Indonesia are valuable tools for the Group, enabling a data-driven approach to strategic planning and the development of targeted actions to manage the identified climate change risks across our operational footprint.



GOAL 3

CATALYSING GROWTH
IN SOCIETY



The Boustead Group believes that a thriving society is the foundation of a resilient economy. The Group recognises that meaningful community investment and grassroots growth, particularly among the youth and small and medium-sized enterprises (“SMEs”), are essential to catalysing sustainable development and uplifting communities across Malaysia and other regions where we operate.

Our support for local businesses contributes to economic growth and strengthens our social and relationship capital. Through strategic initiatives, we foster trust, strengthen partnerships and create shared value. Our efforts include empowering youth through educational programs and mentorship, supporting local businesses by providing financial assistance and capacity-building programs, promoting health and wellness initiatives and preserving the environment through sustainable practices. By investing in communities and empowering local businesses, we enhance our social license to operate and ensure the long-term sustainability of our businesses.

Goal 3 aligns with our core values and reinforces the United Nations, particularly SDG 8, which promotes inclusive and sustainable economic growth and SDG 11, which aims to make cities and communities inclusive, safe, resilient and sustainable.

Material Matters

MM7 Community Investment and Contribution

SDGs

-  Decent Work and Economic Growth
-  Sustainable Cities and Communities

MM7: COMMUNITY INVESTMENT AND CONTRIBUTION

As a responsible and mindful organisation, BHB is committed to creating shared value by investing in our communities. We leverage our resources, expertise and partnerships to uplift those in need, focusing on creating pathways to long-term sustainability and economic inclusion.

Building Resilient and Inclusive Communities

Boustead Group invests in various corporate social responsibility (“CSR”) initiatives to empower communities and drive positive change. Our comprehensive approach involves both localised community programs and larger-scale national projects. By collaborating with local stakeholders, we aim to address specific community needs and create lasting benefits. Simultaneously, our nationwide initiatives contribute to broader societal goals, such as community welfare, education, environmental conservation and economic development. Through these multifaceted efforts, Boustead Group strives to catalyse growth and prosperity, leaving a positive legacy in the communities we serve.

A key focus area for BHB is the well-being of the Malaysian Armed Forces, military veterans and their families. We are dedicated to supporting these brave individuals and their families, supporting their needs - especially in times of hardship and recognising their invaluable contributions to the nation. Our flagship Anak Angkat Boustead program reflects our commitment to long-term community impact. This program provides comprehensive support to eight children orphaned by COVID-19, ensuring their well-being until they reach adulthood.

Community and Society Investments

Total amount invested in the community where the target beneficiaries are external to the Group

Number of Beneficiaries of the Investment in Communities >	2024	2023	2022
	RM5,538,487	RM4,505,921	RM19,276,995*
	<ul style="list-style-type: none">• 63 communities• 10 families• 177 children and young talents• 21 individuals• 220,000 Armed Forces Veterans• 4 charity homes• 3 hospitals and district health clinics• 10 educational institutions• 6 houses, religious facilities and police station• 10 Associations and Clubs• 1 NGO• 23 events	<ul style="list-style-type: none">• 8 communities• 53 children• 1,101 individuals• 4 hospitals• 6 educational institutions• 10 religious facilities• 2 NGOs• 13 events	<ul style="list-style-type: none">• 8 communities• 681 families• 141 children• 1,950 individuals• 1,078 students• 7 charity homes• 6 hospitals• 31 educational institutions• 1 religious facility• 31 houses• 7 Association & Clubs• 1 NGO• 24 events

* Please note that the FY2022 Integrated Report ("IR2022") included the results of BPlantation and Boustead Naval Shipyard. As these entities are no longer under Boustead Holdings' control in FY2023, the data for FY2022 presented in this Sustainability Report has been recalculated to exclude both entities, ensuring a more accurate year-over-year comparison.

MM7: COMMUNITY INVESTMENT AND CONTRIBUTION

Health Initiatives

The health programmes are committed to improving community health by providing essential medications and other pressing healthcare needs to individuals and hospitals. We also conduct blood donation drives in collaboration with the National Blood Bank.

Community Well-being and Welfare

The community programmes are implemented with various initiatives to support the vulnerable groups in our communities. We provide essential assistance and contribute to the well-being of children in orphanages, the abandoned elderly in the homes and disaster relief services during natural calamities.

Education

Boustead Group's educational assistance is dedicated to nurturing future talent and empowering individuals through education, particularly in the business sector where we operate. We participate in the Professional Training and Education for Graduating Entrepreneurs ("PROTEGE") internship programme and Yayasan LTAT's JEBAT programme, which aims to enhance the employability of Malaysian Armed Forces personnel's children. We also support public schools' extra curricular initiatives and provide aid to underprivileged school children.



MM7: COMMUNITY INVESTMENT AND CONTRIBUTION

Looking Ahead Towards a Brighter Future for Our Communities

As we move forward, BHB is committed to scaling up our CSR initiatives to reach even more individuals and communities. We aim to increase the number of beneficiaries across key sectors such as education, healthcare and environmental sustainability. By focusing on these areas, we can address critical societal challenges and create a more sustainable future for generations to come.

To maximise the impact of our efforts, we will prioritise greater employee engagement in volunteer activities. By encouraging our employees to participate in community initiatives, we can foster a culture of giving back and empower our workforce to make a positive difference.

Furthermore, we will explore innovative partnerships with other organisations to leverage collective resources and expertise. By collaborating with like-minded organisations, we can amplify our impact and achieve greater social and environmental outcomes.

Through these strategic initiatives, Boustead is poised to become a leading corporate citizen, driving positive change and building stronger, more resilient communities.



Supporting Local Businesses

Supporting local businesses, especially SMEs, lies at the core of BHB's commitment to catalysing economic growth. Our commitment to sustainable development is built on the premise that by supporting local businesses, especially SMEs, we create a ripple effect that fosters resilience, inclusivity and shared prosperity. SMEs play a critical role in economic ecosystems, driving innovation, generating employment and contributing significantly to GDP.

As part of our commitment to fostering a vibrant and sustainable economy, BHB actively seeks innovative solutions and partnerships. By investing in these enterprises, we help address socioeconomic disparities, promote inclusive growth and uplift communities. Through strategic partnerships, capacity-building initiatives and resource-sharing, we aim to create a supportive ecosystem that enables SMEs to thrive, thus strengthening the foundation for long-term, sustainable economic development.

In the years under review, we explored collaborations with local start-ups to meet our procurement needs, not only to optimise our operations but also to support emerging businesses and contribute to the growth of the local entrepreneurial ecosystem.

Across our operations in various industries, we have collaborated with a wide range of vendors both upstream and downstream.

Further details on the Company's commitment to supporting local businesses can be found in the Indirect Economic Impact section on page 27.



GOAL 4

CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

Our People, Our Future

Recognising that our people are our greatest strength, we are dedicated to creating a dynamic, inclusive environment that empowers our employees to thrive, innovate and drive our success.

In line with our commitment to sustainability, Goal 4 focuses on prioritising employee well-being by fostering a resilient, inclusive and high-performing workplace that champions equality, diversity and professional growth.

We are committed to building a sustainable, high-performing workforce aligned with the UN SDGs, especially SDGs 3, 5, 8, 10 and 11. A diverse, inclusive and supported team is key to our long-term success.

Material Matters

MM8	Safety and Health
MM9	Human Rights and Labour Practices

SDGs

3	GOOD HEALTH AND WELL-BEING	Good Health and Well-Being
5	GENDER EQUALITY	Gender Equality
8	DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth
10	REDUCED INEQUALITIES	Reduced Inequalities
11	SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities

MM8: SAFETY AND HEALTH

At Boustead Group, the safety and health (“S&H”) of our employees, contractors, visitors and the surrounding community is paramount. We recognise that a secure and healthy work environment is not merely a regulatory obligation but a cornerstone of our business operations. Our commitment extends to fostering a positive and productive workplace.

Safety and Health Policy

Our Safety and Health Policy underscores our steadfast commitment to safety and well-being. We are dedicated to adhering to all applicable laws and regulations, providing and maintaining a secure work environment and integrating safety and health into every operational aspect. We firmly believe that a robust safety culture is cultivated through heightened awareness, effective communication and ongoing improvement. By fostering a culture where everyone takes ownership of safety, we empower our employees to recognise and mitigate potential hazards, thereby promoting a sense of responsibility and accountability.

Safety and Health Management



To demonstrate our dedication to exceptional Occupational Safety and Health (“OSH”), all of our Pharmaceutical Division's manufacturing, logistics and distribution subsidiaries, along with our Heavy Industries Division, Boustead DCNS Naval Corporation Sdn Bhd) and Property and Industrial Division (UAC Berhad), have adopted the ISO 45001:2018 OSH management system.

Safety and Health Committee

Boustead Group holds the belief that safety and health are a shared responsibility, extending beyond management to every employee. Each individual plays a crucial role in establishing and maintaining a secure and healthy work environment. By strictly following safety procedures, promptly reporting hazards and actively engaging in safety initiatives, we can collectively foster a safer workplace. To further this commitment, BHB has formed the Sustainability Committee, which is dedicated to overseeing our safety and health performance. Moreover, we have formalised a collaborative management-worker Safety and Health committee, the Boustead Occupational Safety and Health ("BOSH") Committee. This joint effort promotes a proactive approach to identifying, assessing and mitigating potential hazards, cultivating a culture of safety and well-being throughout the Group.

The BOSH Committee is instrumental in advancing our OSH initiatives.

Duties and Responsibilities

- Assist in developing safety and health rules and safe systems of work.
- Review the effectiveness of safety and health programmes.
- Study accident trends, near-miss incidents, dangerous occurrences and occupational diseases.
- Review safety and health policies and recommend revisions.
- Inspect the workplace regularly.
- Discuss reports from safety officers, enforcement officers, etc.
- Recommend corrective actions.

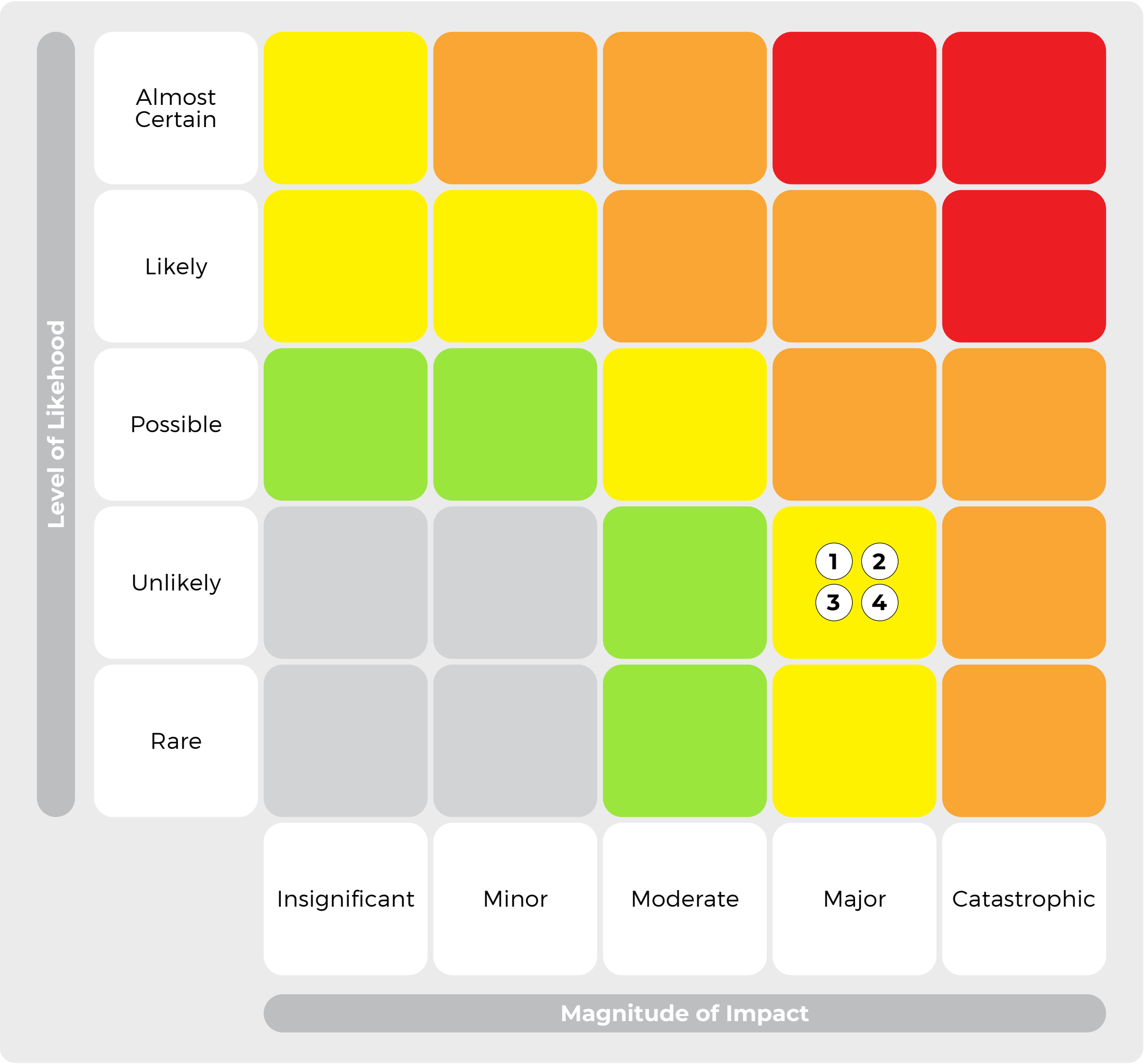
MM8: SAFETY AND HEALTH

The risks related to Boustead Group’s OSH practices has been a key focus of discussion during the BOSH Committee meetings. These discussions were particularly pertinent in light of recent legislative developments.

The Occupational Safety and Health (Amendment) Act 2022 (“Amendment Act”), which was passed and gazetted in 2022, officially came into force on 1 June 2024. The Amendment Act introduces several enhanced obligations for stakeholders in the workplace ecosystem. Notably, Section 18B of the Act now mandates that employers, self-employed persons and principals have a legal duty to conduct and implement risk assessments to identify, evaluate and control potential hazards in the workplace.

In response to this legislative requirement, BHB has proactively addressed the implications of Section 18B during BOSH Committee meetings. The committee reviewed the company’s existing S&H risk register to ensure alignment with the new statutory requirements and initiated updates to reflect a more robust, systematic approach to hazard identification and risk control. These efforts aim to reinforce BHB’s ongoing commitment to maintaining a safe and healthy working environment across our operations.

Risk Dashboard - Residual Rating



List of Risks

- 1 Non-compliance to OSH Act
- 2 Man-loss injuries due to poor work environment
- 3 Incompetent/untrained first-aiders members
- 4 Injury to visitors/ vendors/contractors & subcontractors

- Very Low
- Low
- Medium
- High
- Very High

MM8: SAFETY AND HEALTH

Safety and Health Officers

A team of 16 certified safety and health officers oversees safety and health management across our operations. We encourage employees to report work-related hazards and unsafe conditions through established guidelines and Standard Operating Procedures (“SOPs”). Employees are assured of protection against retaliation for reporting safety concerns. Additionally, employees are invited to participate in consultations on OSH matters, ensuring their voices are heard and their input is valued.

Safety and Health Performance

In 2024, the Group’s safety and health efforts saw a notable increase in several key areas compared to 2023. With 16 safety officers, up from 13 the previous year, the Group conducted 764 work inspections, a significant rise from 503. Internal safety audits decreased to 29 from 62, however, the number of safety training sessions increased to 78 from 70. Although the total number of safety participants decreased to 1,444 in 2024 from 2,293 in 2023, the increased number of inspections and training sessions suggests a focused effort on proactive safety measures.

Period	Total safety officers	Total work inspection done	Total internal safety audits conducted
2024	16	764	29
2023	13	503	62

The Group maintained a strong safety record from 2022 to 2024, reporting zero fatalities across all three years. While the Lost Time Injury Frequency Rate (“LTIFR”) saw a slight increase in 2024, the Group proactively expanded its safety training initiatives, increasing the number of sessions from 67 in 2022 to 78 in 2024. This commitment to training highlights the Group’s dedication to continuous improvement in safety practices. Though the number of employees trained varied, the focus on increasing training sessions ensures a strong foundation for a safe work environment.

Group Safety and Health Data			
	2024	2023	2022
Fatalities	0	0	0
LTIFR	3.28	2.29	2.39
Number of safety training conducted	78	70	67
Number of employees trained	1,444	2,293	2,594

Note: LTIFR = Lost time injury accident/ total man-hours worked x 1,000,000

MM9: HUMAN RIGHTS AND LABOUR PRACTICES

Boustead Group is committed to upholding human rights and promoting social responsibility. We treat all stakeholders equitably, ensuring no discrimination and adhere strictly to all relevant labour laws. In Malaysia, we comply with key legislations such as the Employment Act 1955, the Industrial Relations Act 1967 and the Trade Unions Act 1959. Additionally, we align our practices with the UN Guiding Principles on Business and Human Rights, fostering ethical and inclusive workplaces globally.

Promoting Diversity, Inclusivity and Respect

We prioritise fair and equitable treatment of all employees. Our hiring and promotion decisions are based on merit, ensuring that all individuals have equal opportunities to grow and succeed within our organisation. We have implemented robust policies and proactive measures to support this commitment and promote a positive work environment.

We are guided by the following employee policies, commitments and guidelines:



We are dedicated to fostering a diverse and inclusive workplace. Our Diversity Policy is publicly available on our website and our Sexual Harassment and Workplace Bullying Policies are easily accessible via the intranet, with translations provided to ensure comprehension across our diverse workforce.

We value our diverse workforce and are committed to creating an inclusive environment where everyone feels valued and respected. Our policies prioritise diversity, equity and inclusion, ensuring that all employees have equal opportunities to succeed. We actively cultivate diversity at all levels, from the Board to our wider workforce and continually evaluate our approach to uphold these principles.

Workforce Composition and Dynamics

The Group adheres to strict equal opportunity and anti-discrimination policies. We ensure fair treatment of all employees, regardless of race, gender, religion, age or nationality. Our recruitment practices prioritise merit and align with our Policies.

In 2024, the company's total workforce reached 7,120 employees, an increase from 6,954 in 2023. The workforce is primarily based in Malaysia, comprising 79% of the total in 2024, slightly up from 78% in 2023. The Indonesian workforce accounted for the remaining 21% in 2024, a decrease from 22% in 2023. The employment rate remained consistent, with a 12% new hire rate in both years. However, the turnover rate decreased from 14% in 2023 to 12% in 2024.

New hires in 2024 totaled 887, with 60% below the age of 30, 38% between 30 and 50, and 2% above 50. The gender distribution of new hires was 62% male and 38% female. Regionally, 72% of new hires were in Malaysia and 28% were in Indonesia. In comparison, 2023 saw 824 new hires, with a slightly different age distribution. The majority of new hires in 2023 were also male 63%, with 37% female and the regional split was 68% in Malaysia and 32% in Indonesia.

Turnover in 2024 involved 871 resignations, with 43% of those leaving being under 30, 46% between 30 and 50 and 11% above 50. The gender breakdown of resignations was 61% male and 39% female and regionally, 68% were from Malaysia and 32% from Indonesia. In 2023, there were 951 resignations, with a slightly higher percentage of those aged 30-50 leaving (51%). The gender and regional distribution in 2023 followed a similar pattern, with a higher percentage of resignations from Malaysia.

The Group's employment type is predominantly permanent, with 92% of employees holding permanent positions and only 8% on contractual terms in 2024. The company also demonstrates a commitment to diverse abilities, with 12 employees with diverse abilities in Malaysia in 2024. The gender distribution of the overall workforce remained consistent across both years, with 63% male and 37% female. The age distribution also remained relatively stable, with 23% of employees aged 30 and below, 65% between 30 and 50 and 12% aged 51 and above in both years.

During the years under review, there were zero reported incidents of discrimination amongst our employees.

MM9: HUMAN RIGHTS AND LABOUR PRACTICES

Number of Total Workforce

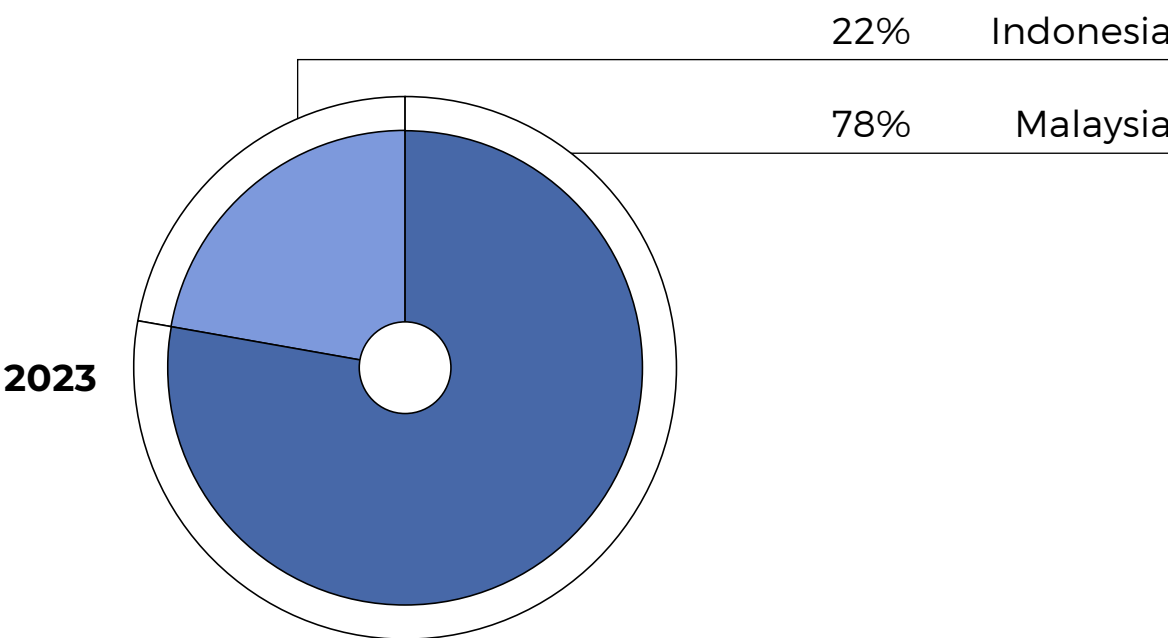
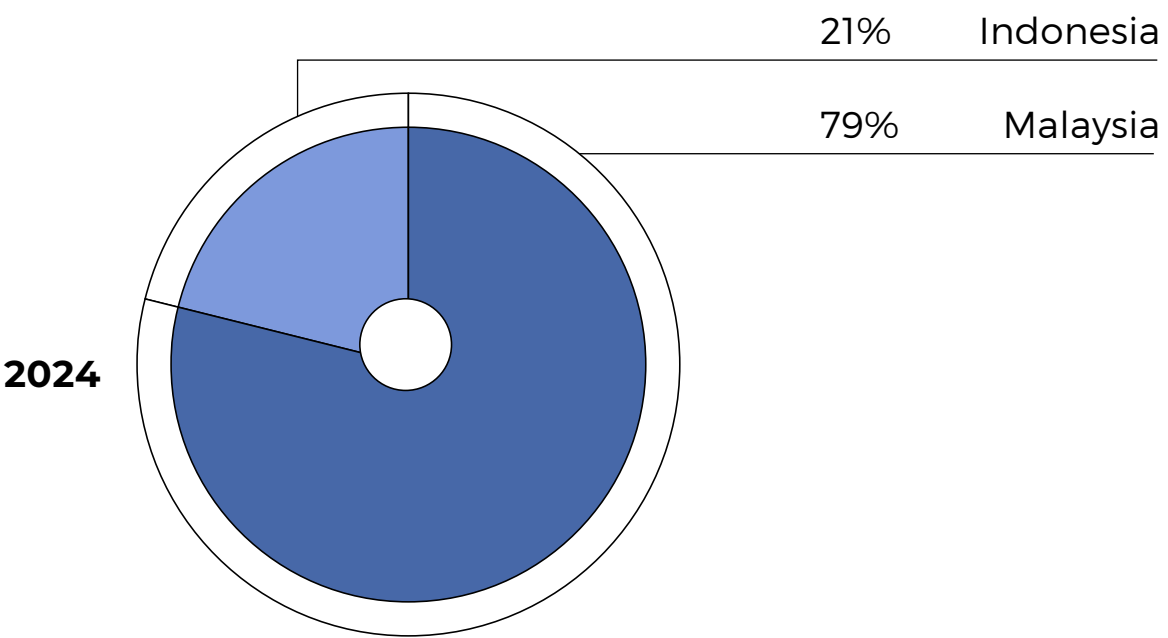
2024

7,120

2023

6,954

Percentage of Total Workforce by Region



Percentage of Employees

Employee by Gender



Male

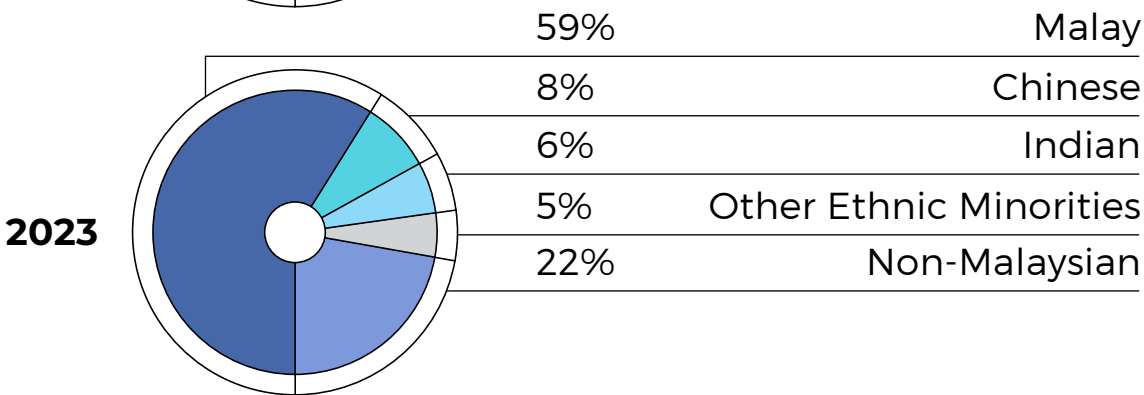
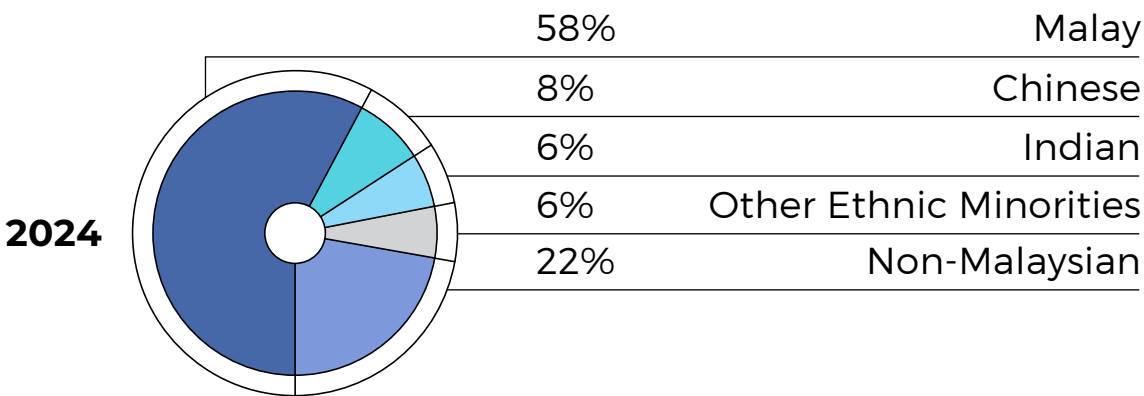
2024	63%
2023	63%



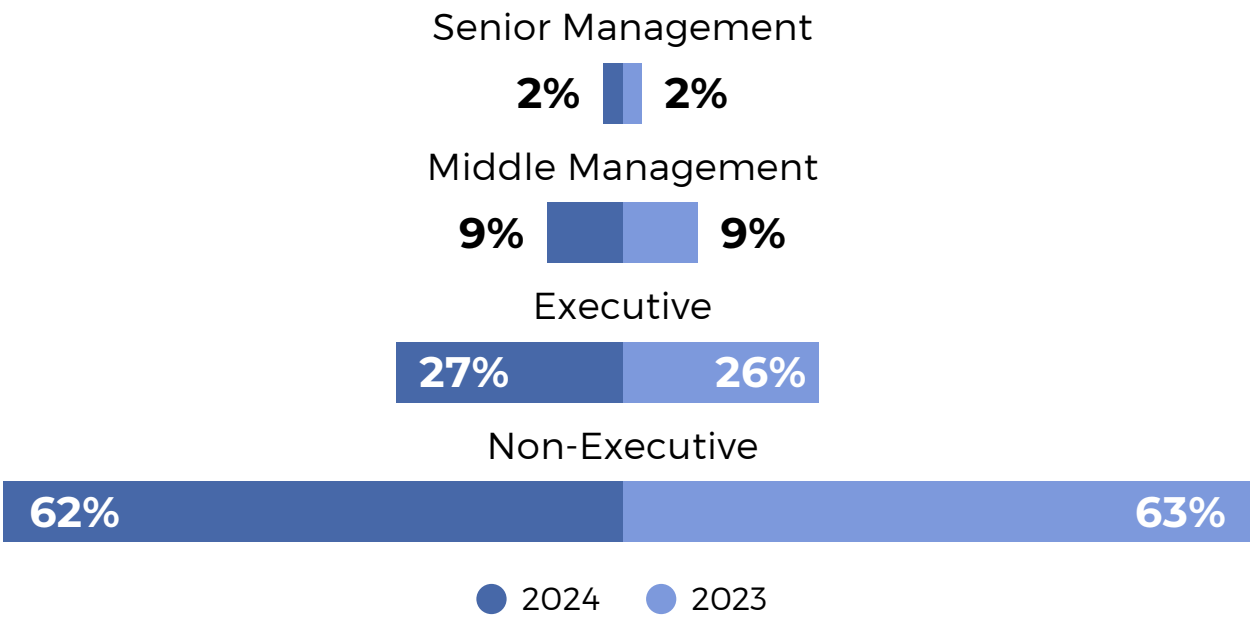
Female

2024	37%
2023	37%

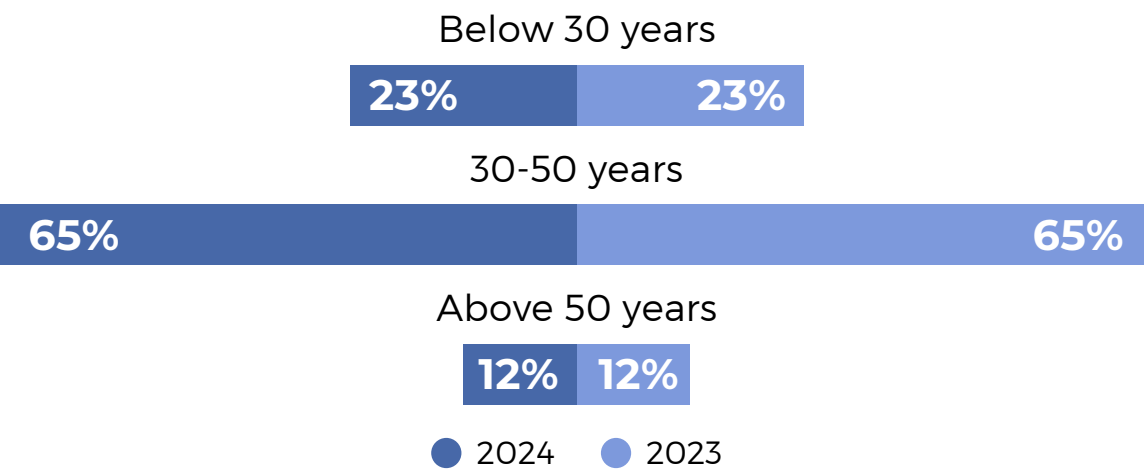
Employee by Ethnicity



Employee by Category



Employee by Age



Percentage of Employee by Employment Type

Permanent

92%

Contractual

8%

Number of Employees with diverse abilities
(excluding Indonesia)

2024

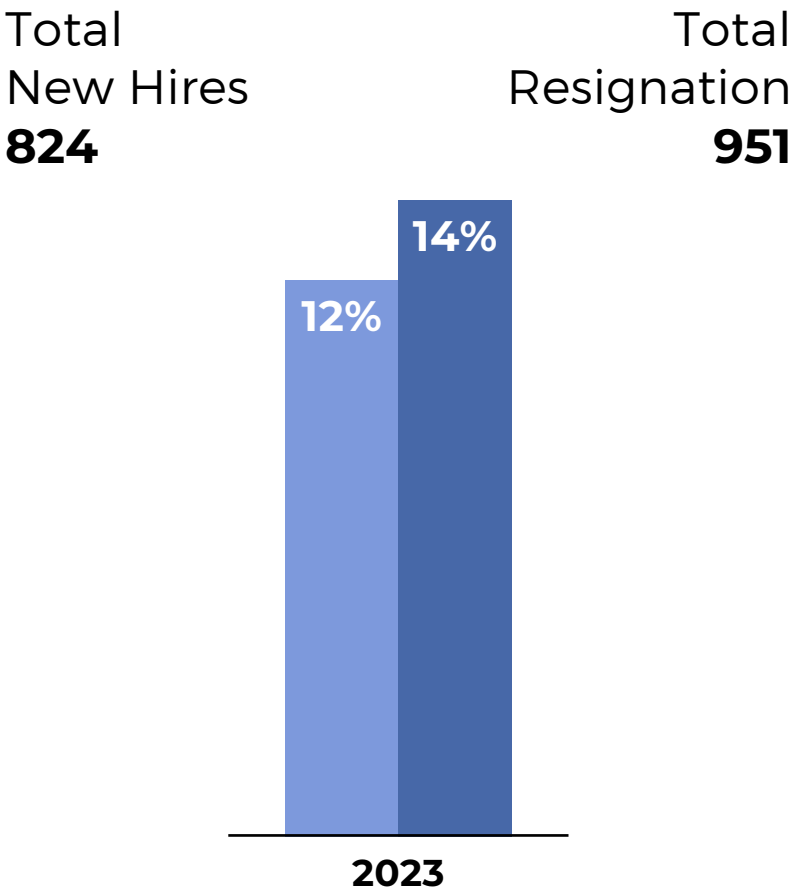
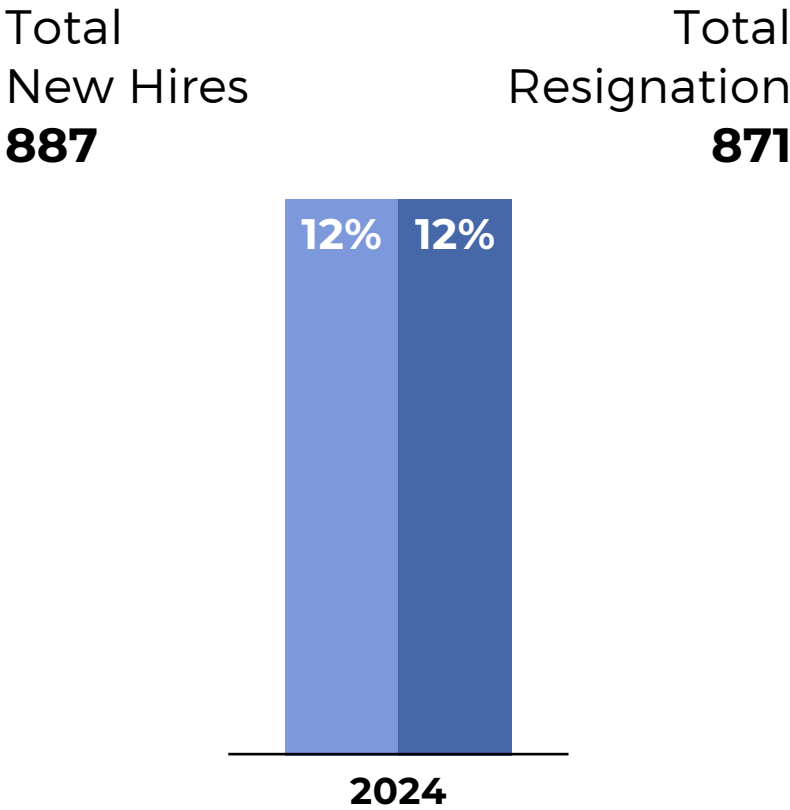
12

2023

13

MM9: HUMAN RIGHTS AND LABOUR PRACTICES

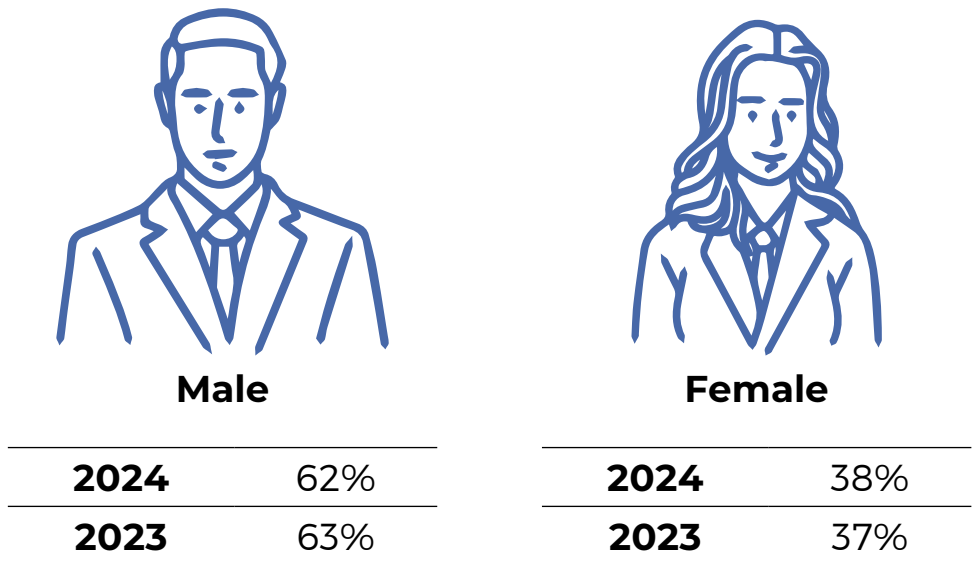
Employment Rate



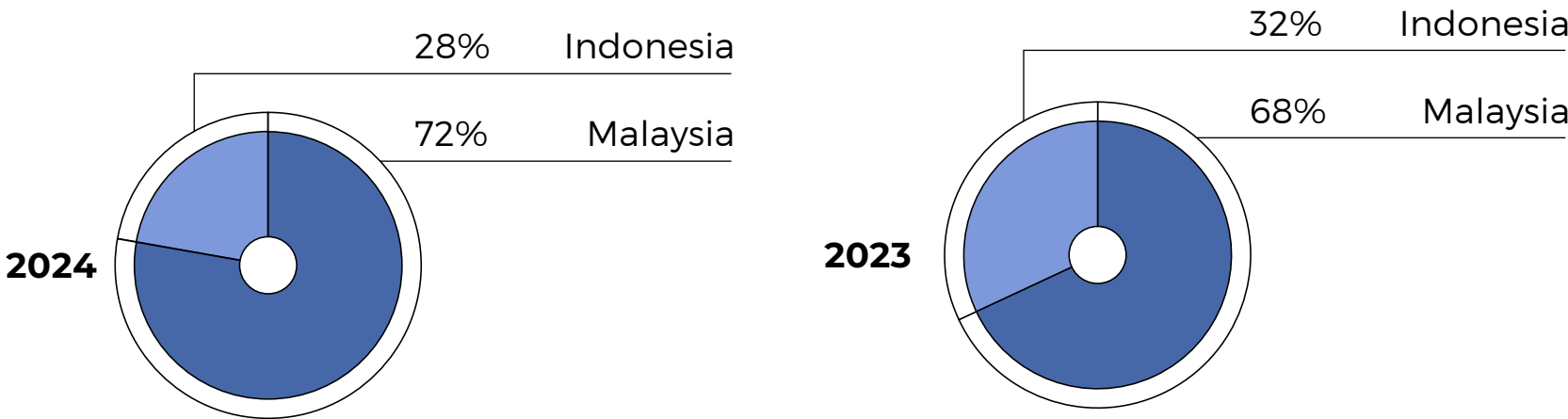
● New Hires rate ● Turnover rate

Percentage of New Hires

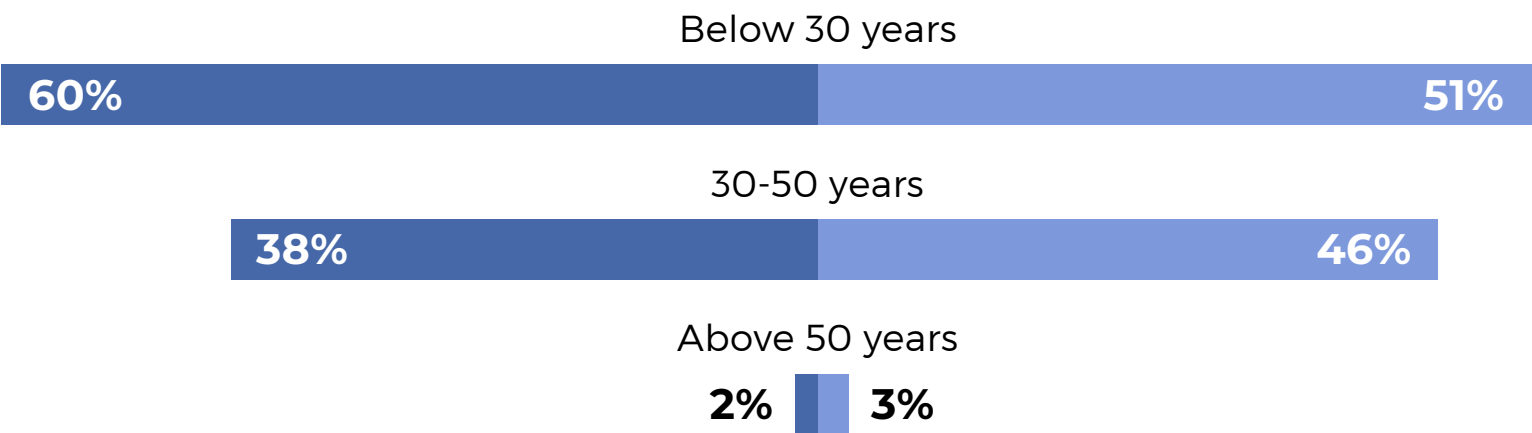
New Hires by Gender



New Hires by Region



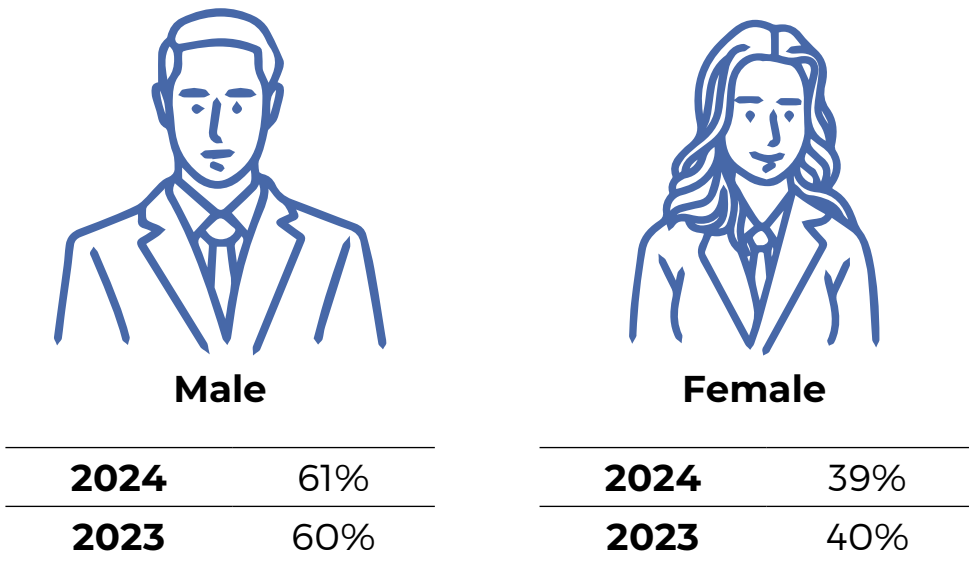
New Hires by Age



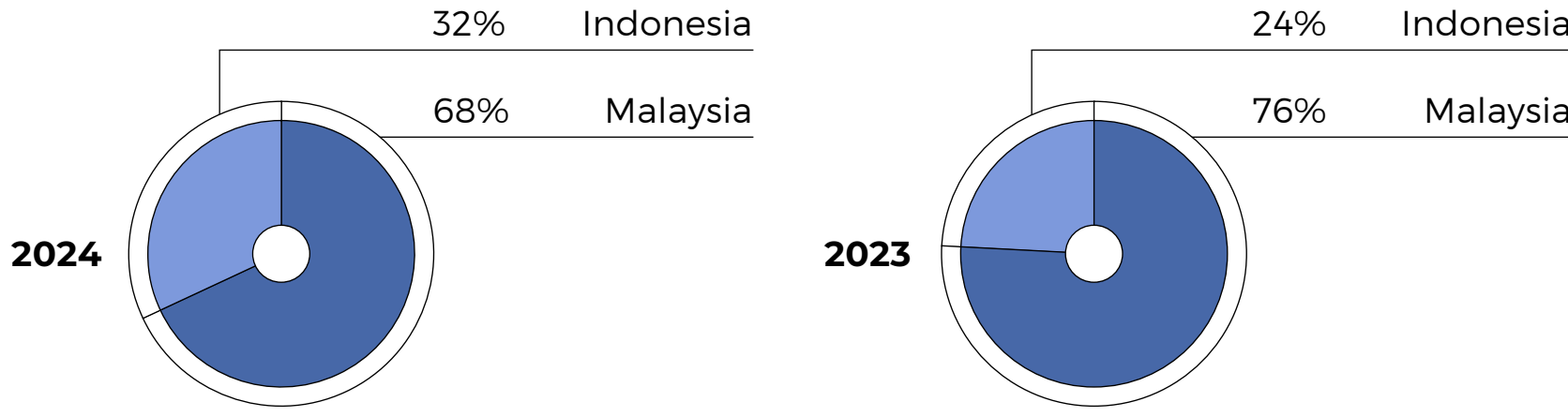
● 2024 ● 2023

Percentage of Turnover

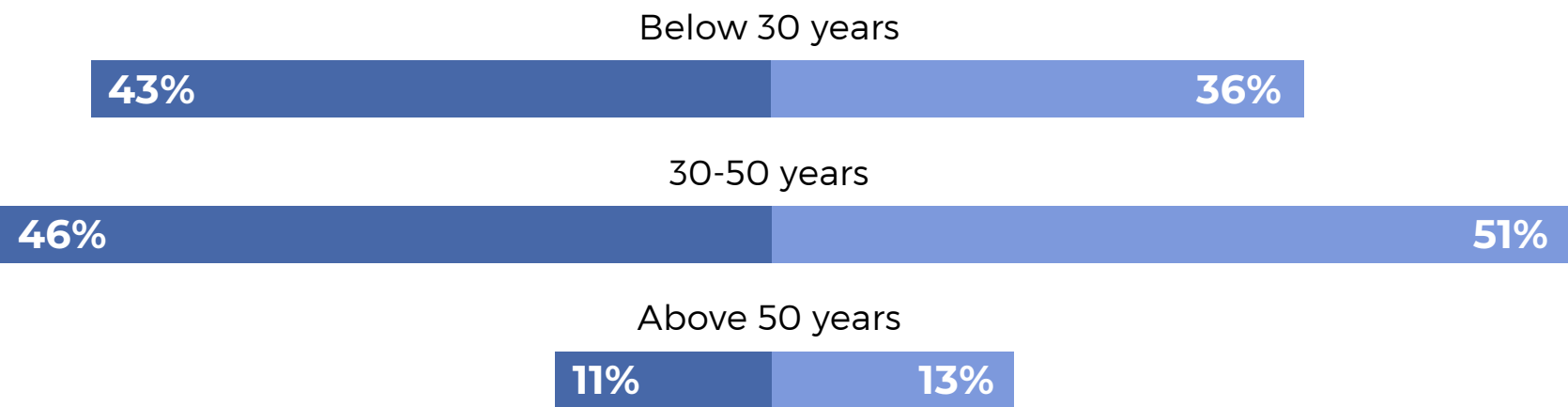
Turnover by Gender



Turnover by Region

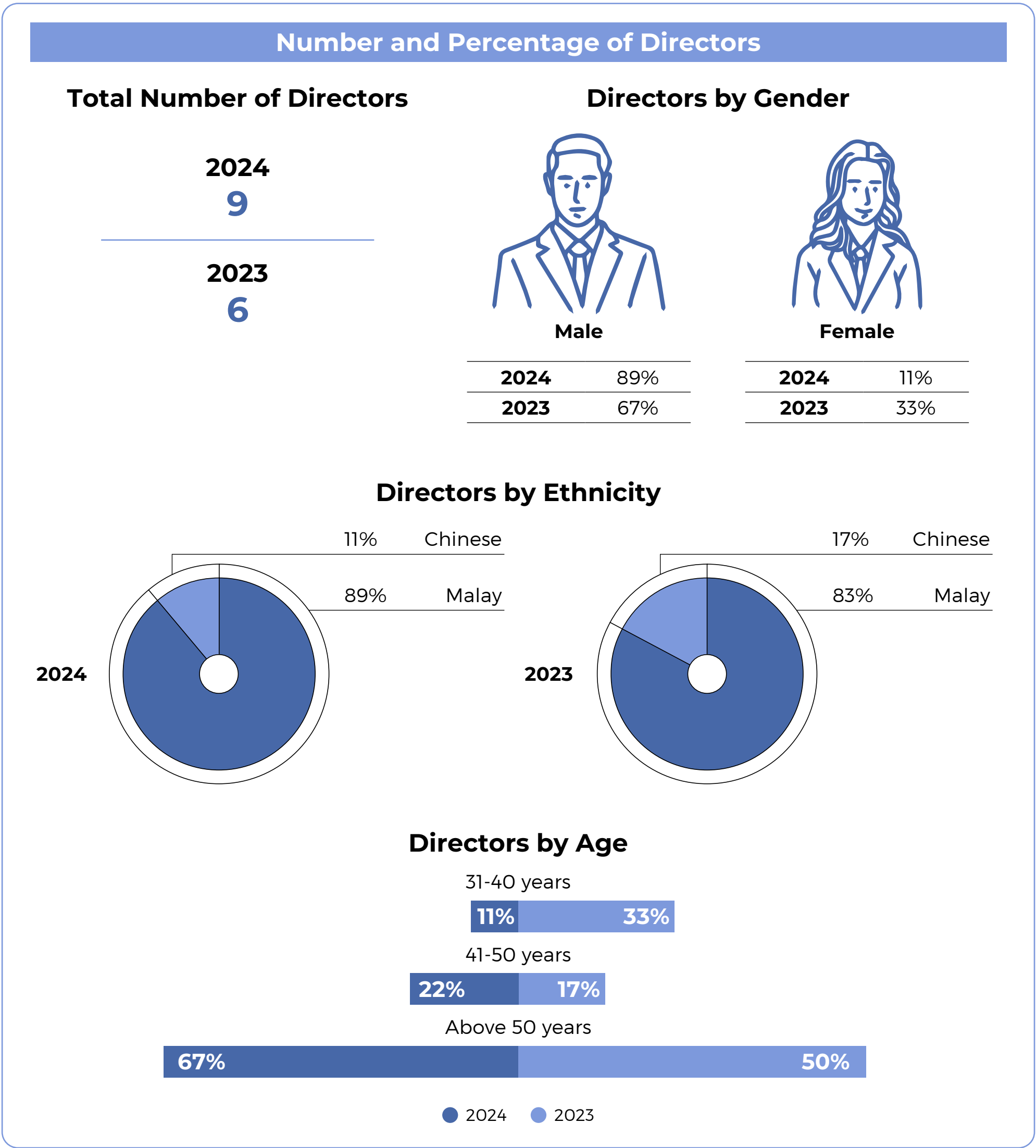


Turnover by Age



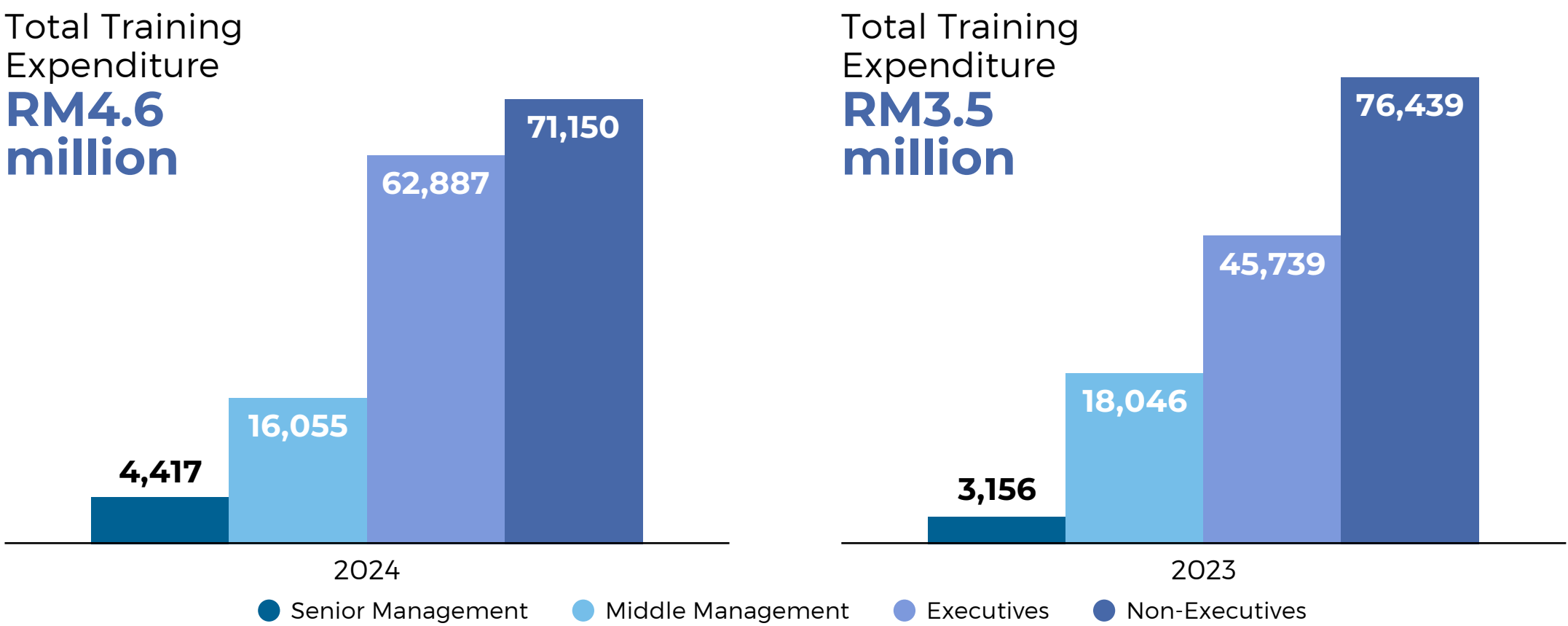
● 2024 ● 2023

MM9: HUMAN RIGHTS AND LABOUR PRACTICES



MM9: HUMAN RIGHTS AND LABOUR PRACTICES

Total hours of training by employee level



Talent Retention and Succession Planning

Boustead Group is dedicated to a sustainable future powered by a high-performing workforce. We prioritise attracting, developing and retaining top talent, as our people are the driving force of our success.

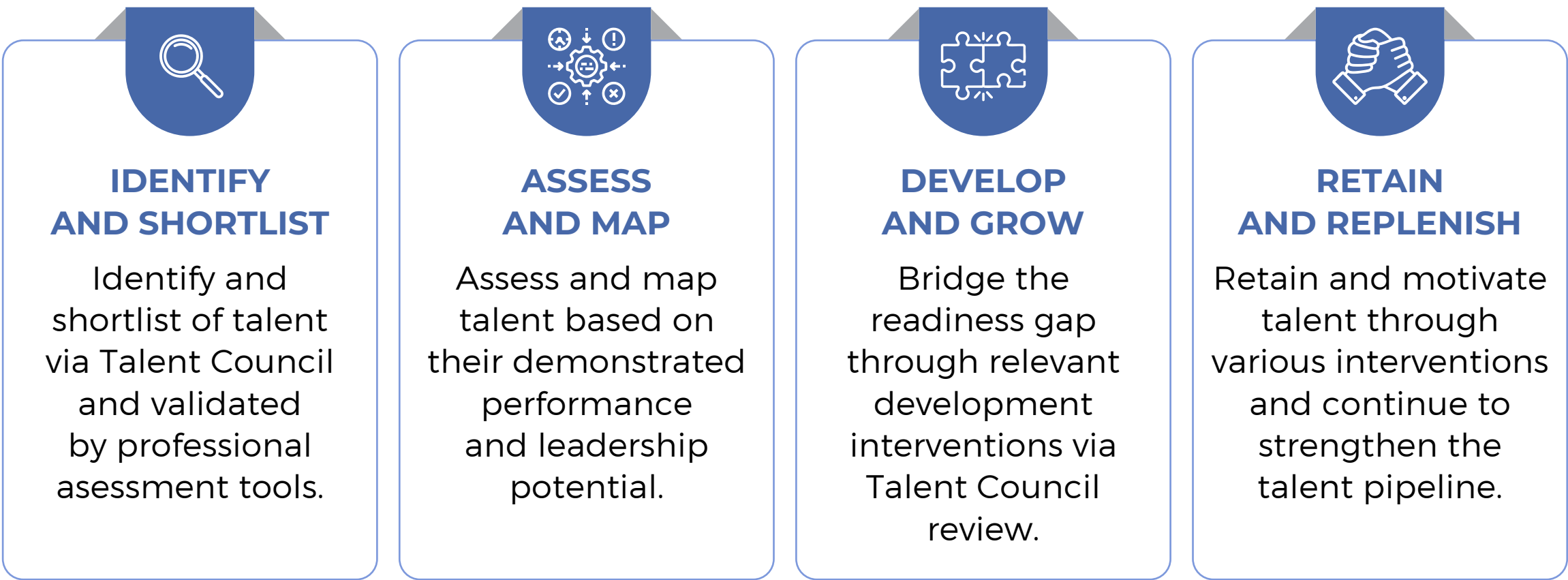
We have implemented a rigorous succession planning process for a smooth leadership succession and sustained organisational momentum. This process identifies, assesses and develops high-potential individuals for pivotal roles, empowering them to assume future leadership positions.

2023 witnessed an evolution in our Talent Management Framework with the introduction of Talent 2.0, a strategic roadmap for talent identification, assessment, development and succession planning. The formation of various Talent Councils throughout all Boustead operating companies serves as the official platform in the strategy towards identification of top talents, leadership development, retention and engagement and succession planning for the organization. The insertion of professional assessment tools in Talent 2.0 has enabled Boustead to tailor and personalize development interventions, effectively preparing talent to assume critical positions.

Talent 2.0 Framework

Talent 2.0 Framework is a progression of the previous B300 initiative designed to identify, assess, develop and retain high potential talent, aligning with our strategic objectives. Our integrated succession planning process is embedded within our overall talent management strategy, ensuring a sustainable pipeline of future leaders.

Our Framework is built upon four key pillars:



Performance Review

The Boustead Group's Performance Monitoring System regularly reviews employee Key Performance Indicators ("KPIs") and Key Result Areas ("KRAs") to drive performance excellence.

Our annual performance and career development appraisals evaluate employee achievements against measurable targets set by supervisors and managers. These reviews provide valuable opportunities for constructive feedback, open dialogue and identifying areas for training and professional development.

MM9: HUMAN RIGHTS AND LABOUR PRACTICES

Competitive Benefits, Rewards and Remuneration

Boustead Group is committed to developing our people. Our merit-based reward system and refined appraisal process, which combines balanced scorecard methodology and collaborative goal setting, foster a high-performance culture. In 2023, 83% and in 2024, 79% of our employees engaged in regular performance and career development reviews, reflecting our dedication to employee growth.

Our competitive remuneration exceeds national minimum wage standards. We uphold equal pay principles and offer inclusive workplace practices. In the past year, we enhanced compensation and benefits to meet evolving employee needs, with our average entry-level salary 2.1 times the national minimum wage.

We prioritise employee well-being and foster a fair and equitable workplace. Our “equal work, equal pay” principle ensures fair compensation and we mandate supplier compliance with minimum wage laws. Additionally, we offer generous parental leave benefits and 98 days of paid maternity leave.

Key benefits offered to Bousteadors include:

FINANCIAL SUPPORT

- > Private Retirement Scheme (“PRS”)
- > Claims and Allowances
- > Company Car and Car Allowance
- > Medical Claims
- > Personal Accident Coverage
- > Group Term Life Takaful Coverage
- > Housing Loan Interest Subsidy Scheme
- > Professional Association Membership Fee
- > Club Membership
- > Memorial Expenses
- > Long Service Award
- > Retirement gift
- > Additional 2% for Employer contribution in EPF after 2 years of service

WELLNESS SUPPORT

- > Annual leave
- > Maternity leave
- > Medical and hospitalisation leave
- > Examination leave
- > Compassionate leave
- > Marriage leave
- > Paternity leave
- > Calamity leave
- > Haj and Umrah leave
- > Gym membership
- > Shuttle van to and from train station

MM9: HUMAN RIGHTS AND LABOUR PRACTICES

Employee Engagement

We prioritise employee engagement and well-being. Through open communication, inclusive activities and recognition initiatives, we foster a strong sense of community. Regular dialogues, festive celebrations and professional development opportunities enhance the employee experience. By recognising contributions through awards, we inspire innovation and drive success.

Employee Engagement Activities and Initiatives Undertaken in 2023 & 2024

Pharmaceutical

- Adopt-a-Tree Project: Fosters a sense of ownership, teamwork and environmental stewardship, while encouraging employees to contribute collectively to sustainability efforts
- Aerobic and Yoga Classes: Promote a fun and active way for employees to connect and relieve stress together
- Healthy Menu Initiative at PharmaCafe: Offers nutritious meal options to support employee well-being
- Brisk Walk with Top Management: Provides a casual, approachable setting for open communication, relationship-building and fostering inclusion and collaboration across all levels
- “Do It Right Always” (“DIRA”) Roadshow: Promotes a culture of integrity, accountability and ethical behavior, while empowering employees to uphold the organisation's core values

Property and Industrial

- Best Attendance Allowance to employees (on 6-month period basis - January to June):
 - RM250 - Employee with no medical leave
 - RM150 - Employee with 0.5 day to 2 days medical leave
- Long Service Award to staff who has been in service for 10, 20 and 30 years
- Company provides Employees' Children Academic Excellence Award to employee's children who score excellent result in Sijil Pelajaran Malaysia (“SPM”), Sijil Tinggi Persekolahan Malaysia (“STPM”) and Sijil Tinggi Agama Malaysia (“STAM”)
- Healthy Eating Active Living (“HEAL”) Programme - 96 activities conducted which includes:
 - 11 spiritual and inner peace practices initiatives
 - 8 social synergy initiatives
 - 48 healthy habits and fitness initiatives
 - 11 mental wellness and stress-relief initiatives
 - 14 workplace and team-building initiatives
 - 4 wealth-wisdom initiatives

Trading, Finance and Investment

- Program Mesra Majikan *Pusat Pungutan Zakat* - Wakalah
- Program Iftar bersama Warga Kerja BHPetrol
- Away Day 2023 - Bali
- Long Service Award
- Goodwill Games
- Townhall meetings
- Mental health awareness roadshows
- Merdeka Step-Up: Weekly Walking Programme

Heavy Industries

- Blood Donation
- Majlis Bacaan Yasin, Majlis Berbuka Puasa & Monthly Tazkirah
- Sport & Recreational Club activities
 - Kendurian by BHICAS Sport & Recreation Club Invitation
 - Badminton tournament
 - Sport Recreational Club Trip to Pulau Tioman
- Townhall - The direction of BHIC to explore the year and beyond

MM9: HUMAN RIGHTS AND LABOUR PRACTICES

Freedom of Association and Collective Bargaining

The Group respects employees’ rights to freely associate and collectively bargain. We adhere to the Trade Union Act 1959 and the Industrial Relations Act 1967, fostering open dialogue and constructive engagement.

Our Engagement with Unions

We respect the rights of our employees. In 2024, 778 employees were covered under unions and collective bargaining agreements with the National Union of Commercial Workers (“NUCW”), representing 10.9% of the total workforce. This reflects a slight decrease in percentage from 2023, where 773 employees, or 11.1% of the workforce were unionised. For non-unionised employees, we ensure their rights are protected through employment contracts and company policies.

Collaborative Milestones and Initiatives

In 2022, we successfully negotiated and signed a Memorandum of Understanding (“MoU”) with the NUCW on 8 September 2022, governing employment terms for the 2022-2024 period. This partnership emphasises our commitment to constructive dialogue and mutual understanding with union representatives. Highlights of this collaboration include:

- > **Scheduled Reviews of Collective Agreements:** Review Collective Agreements every three years to ensure they remain relevant and address evolving workforce needs.
- > **Ongoing Dialogue Platforms:** Conduct regular meetings with union representatives to address employee concerns and improve workplace conditions.
- > **Continuous Improvement:** Remain steadfast in our commitment to upholding workers' rights and has taken steps to ensure compliance with freedom of association and collective bargaining rights.

Child Labour

Boustead Group is committed to ethical business practices. We strictly adhere to Malaysia's Children and Young Persons (Employment) Act 1996 and have no child labour-related issues in 2023 and 2024.

Compliance

Our Safety and Health policies align with International Labour Organisation (“ILO”) and Department of Occupational Safety and Health (“DOSH”) standards and we adhere to the Occupational Safety and Health (“OSH”) Act of 1994. In 2023 and 2024, we achieved zero safety and health non-compliance cases, demonstrating our commitment to a safe and healthy workplace.

Our operations have maintained a strong human rights record, with no recorded controversies in our countries of operation. Our robust grievance management procedures ensure the identification, addressing and resolution of any potential negative impacts. In 2023 and 2024, we confirmed that none of our operations, suppliers, or subsidiaries violated or risked violating workers' rights to freedom of association or collective bargaining.

GOAL 5

ACTING WITH INTEGRITY

Boustead Group’s commitment to integrity forms the foundation of our corporate governance and business ethics. The Board of Directors is responsible for the governance of Boustead Group and oversees the Group’s adherence to these principles. Boustead Group operates with a zero-tolerance policy toward all forms of bribery and corruption, understanding that these principles are essential to maintaining the trust and support of our stakeholders. By adhering to the highest standards of ethical conduct, we protect the interests of our shareholders, employees, clients and communities, while also contributing to a more transparent and accountable global business environment.

To further strengthen our commitment to ethical business practices, the Group Integrity and Governance Department (“GIG”) was established in 2019. GIG is responsible for managing and investigating any reported incidents of corruption, abuse of power, malpractice, or violations of our code of ethics. At BHB, we take these allegations seriously and take the necessary actions to ensure compliance with our ethical standards, fostering a culture of integrity and zero-tolerance towards corruption throughout the organisation. A Certified Integrity Officer (“CeIO”), recognised by the Malaysian Anti-Corruption Academy (“MACA”), serves as the Head of GIG and is accountable to the Board Audit Committee.



Goal 5 demonstrates our commitment to integrity, aligning with two UN SDGs: Decent Work and Economic Growth (SDG 8) and Peace, Justice and Strong Institutions (SDG 16). Through this commitment, we actively promote responsible corporate practices that create long-term value and foster sustainable relationships across all areas of our business.

Boustead Group’s dedication to integrity aligns closely with our support for the SDGs. By fostering a culture of ethical business conduct, we contribute to SDG 8 by promoting decent work and sustainable economic growth. Our dedication to responsible practices and our zero-tolerance stance on corruption supports SDG 16 by promoting peace, justice and strong institutions.

Material Matters

MM10	Integrity and Corporate Governance
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SDGs

	Decent Work and Economic Growth
	Peace, Justice and Strong Institutions

MM10: INTEGRITY AND CORPORATE GOVERNANCE

For Boustead Group, maintaining trust and robust relationships with stakeholders is paramount. This commitment drives our dedication to integrity and strict adherence to ethical standards in every facet of our business. We act in accordance with our corporate values and demonstrate compliance with both local and international laws and frameworks, such as the Malaysian Anti-Corruption Commission (“MACC”) Anti-Bribery Act 2018.

Commitment to Zero Tolerance of Corruption

Our commitment to ethical business conduct is formalised in our corporate policies. The *Boustead Integrity and Governance Plan 2022-2025* (“BIG Plan”) is central to our approach, embedding transparency, accountability and anti-corruption into our culture. Additionally, we have introduced the BHIC Organisational Anti-Corruption Plan (“OACP”) 2024-2026 and BHIC Corruption Risk Management (“CRM”) as part of our initiatives to strengthen corporate ethics and integrity. Key policies include our Code of Ethics & Conduct, Anti-Bribery and Corruption (“ABAC”) Policy, the No Gift Policy and the Whistleblowing Policy. Together, these policies reinforce our zero-tolerance stance on bribery and corruption, creating a robust safeguard for corporate and social integrity.

These policies can be accessed at <https://boustead.com.my/integrity/>

Code of Ethics & Conduct (“CoEC”)

This code outlines the company's beliefs, principles and directives, covering areas such as workplace harassment, conflicts of interest, corruption, confidentiality, financial integrity and environmental, health and safety. To ensure compliance, new hires undergo training and pledge to adhere to the CoEC, which is periodically reviewed by the Board for continued relevance.

BHB has established policies, including the Group People Policy, Workplace Bullying Policy, Sexual Harassment Policy and Employee Grievance Procedure, to address and mitigate issues such as sexual harassment, bullying, conflicts of interest, illegal gratification, business courtesy, confidentiality and financial integrity.

Anti-Bribery & Anti-Corruption Policy



BHB’s Anti-Bribery & Anti-Corruption Policy, established in 2020, emphasises our commitment to integrity, accountability and transparency. This policy aligns with the Company’s core values and reinforces a culture of zero tolerance for bribery and corruption. Guided by the Malaysian Anti-Corruption Commission Act, the policy strictly prohibits all forms of bribery, ensuring employees and business associates adhere to ethical standards in every transaction.

Our Anti-Bribery Management System (“ABMS”) enhances compliance, providing structured guidance for employees and stakeholders to act with integrity. The policy supports “whistleblower” mechanisms, encouraging reporting of any misconduct while ensuring the protection of reporters. By upholding these principles, BHB fortifies our reputation for ethical leadership and sustainable business practices, strengthening trust among stakeholders.

This policy can be accessed at https://boustead.com.my/anti_bribery_policy_statement/

MM10: INTEGRITY AND CORPORATE GOVERNANCE

No Gift Policy

Excerpt of BHB's No Gift Policy

Principles of the Policy are:

i.

Uphold high standards of integrity;

ii.

Exercise reasonable care and proper judgement;

iii.

Avoid conflicts of interest;

iv.

Refrain from misuse of position, title or any authority associated with Boustead Group for personal gain; and

v.

Comply with applicable laws, regulations and Boustead Group's policies and procedures.

Boustead Group's No Gift Policy, implemented since 2019, enforces strict guidelines around the acceptance and giving of gifts, emphasising high standards of integrity and transparency. Employees are expected to exercise good judgment, avoid conflicts of interest and adhere to all laws and company policies. While gift-giving is common in some business contexts, BHB's policy generally prohibits accepting or giving gifts to avoid any real or perceived influence over business decisions. Any gift must be refused or returned to uphold ethical standards. Under no circumstances can Boustead Group personnel or their families accept cash or cash equivalents. This policy safeguards BHB's values, fostering trust and professionalism in all interactions.

Shown above is an excerpt of our No Gift Policy. For a full copy of the Policy, please follow this link: https://boustead.com.my/no_gift_policy/

Whistle Blowing Policy

BHB's Whistleblowing Policy supports integrity, accountability and professionalism across our operations, aligned with core values of respect, integrity, teamwork and excellence. This policy provides a secure channel for employees, business associates and the public to report improper or unethical practices, such as risks to safety and health, environmental harm, human rights violations or threats to business integrity. Whistleblowers are protected from retaliation, discrimination or victimisation for raising concerns in good faith. While specific employment grievances are handled through other channels, this policy emphasises Boustead's commitment to addressing and eliminating improper conduct, reinforcing our ethical standards and Group Code of Ethics.

Excerpt of BHB's Whistle Blowing Policy

The scope of the Policy covers:

>

unlawful acts;

>

breach of Boustead's Code of Ethics and conduct, Letter of Undertaking, rules, regulations, policies and procedures, both expressed and implied;

>

malpractice, impropriety and fraud;

>

bribery or embezzlement;

>

failure to comply with legal or regulatory obligations;

>

failure to comply with health, safety and environment regulations;

>

abuse of power or criminal breach of trust;

>

improper conduct or unethical behavior;

>

miscarriage of justice; and

>

sexual harassment.

A detailed copy of the policy can be accessed at https://boustead.com.my/whistleblowing_policy/

MM10: INTEGRITY AND CORPORATE GOVERNANCE

Grievance Channel Mechanism

BHB is committed to maintaining a transparent and ethical environment where integrity concerns from all parties – employees, stakeholders and external entities – are addressed promptly and effectively. Our Grievance Channel mechanism serves as a structured approach for identifying, managing and resolving complaints related to breaches in our Code of Ethics and Conduct, regardless of the source. All grievances related to integrity issues, whether raised by employees, stakeholders, or external parties, are rigorously investigated according to the Group’s policies and procedures. Where necessary, punitive actions are taken to address violations and recommendations are made to improve policies, procedures and controls for greater effectiveness. In cases of criminal misconduct, complaints are escalated to the relevant enforcement authorities, underscoring our commitment to ethical responsibility and legal compliance.

Our complaint mechanism is designed in line with the guidelines set by the MACC and ISO 37001:2016 Anti-Bribery Management System (“ABMS”) standards. This mechanism undergoes annual reviews to ensure compliance with ABMS requirements and identify improvement areas. The Audit Committee manages oversight, the Group welcomes constructive feedback from all stakeholders. This feedback helps us continuously refine our grievance handling and response practices.

In the years under review, we received 31 grievances in 2023 and recorded 26 grievances in 2024. The outcomes of the filed complaints are shown in the table on the right:

2024 Outcomes of the grievances filed.

Consequence Management (Domestic Inquiry & Show-cause letter)	3
Distribution to HR (Disciplinary action)	1
Refer to other departments (grievances)	1
Refer to subsidiary (grievances)	5
On-going investigation	1
No further action (no prima facie)	15

Internal and external stakeholders can contact the GIG team for advice or to report any concerns.

Whistleblowing and Grievance channels include:

Hotline : 1-800-88-2040
E-form : www.boustead.com.my
Email : alert@boustead.com.my
Write to : Head of Group Integrity & Governance,
Level 7, The Bousteador,
10, Jalan PJU 7/6 Mutiara Damansara
47800 Petaling Jaya, Selangor Malaysia

BIG Plan

The BIG Plan serves as a holistic strategy to anticipate and mitigate risks associated with corruption and governance. Implemented across our divisions, it encompasses actions, protocols and regular evaluations to ensure compliance. Our anti-bribery management system is also certified under ISO 37001:2016 ABMS, marking an international standard of excellence in anti-corruption management.

Enhancing Corporate Governance with the BIG Plan

The BIG Plan, aligned with the National Anti-Corruption Plan (“NACP”) 2019-2023, encompasses a structured framework to bolster corporate governance. Through continuous improvement and adherence to best practices, the BIG Plan ensures Boustead's governance ecosystem is resilient and effective in combating corruption. The framework consists of three strategic pillars – administration and human capital management, finance and procurement and strategic investment and business development.

These pillars serve as a foundation for enforcing and improving transparency, especially within our financial management and procurement activities. By embedding rigorous compliance requirements, we maintain consistency in our ethical practices across all levels of the Company, enhancing accountability and stakeholder confidence.

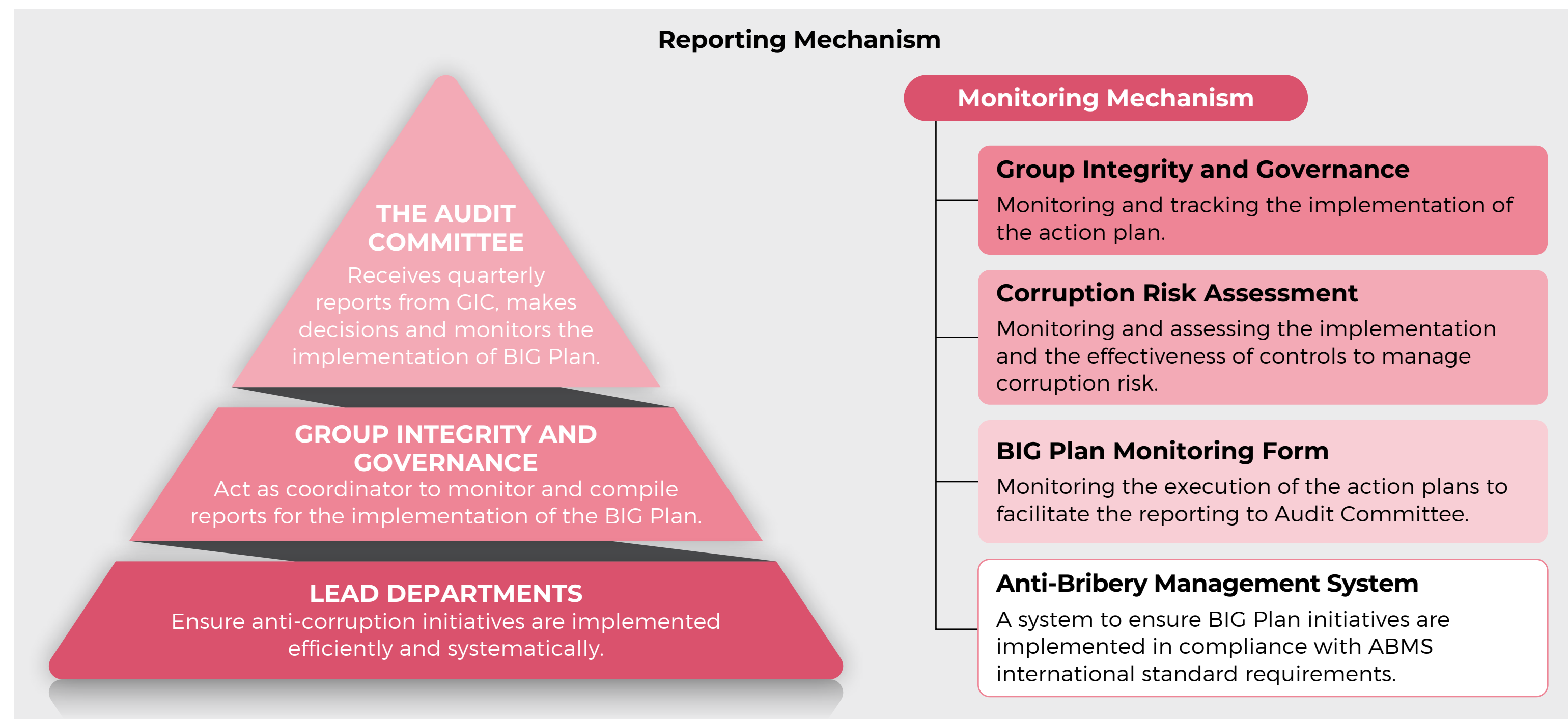
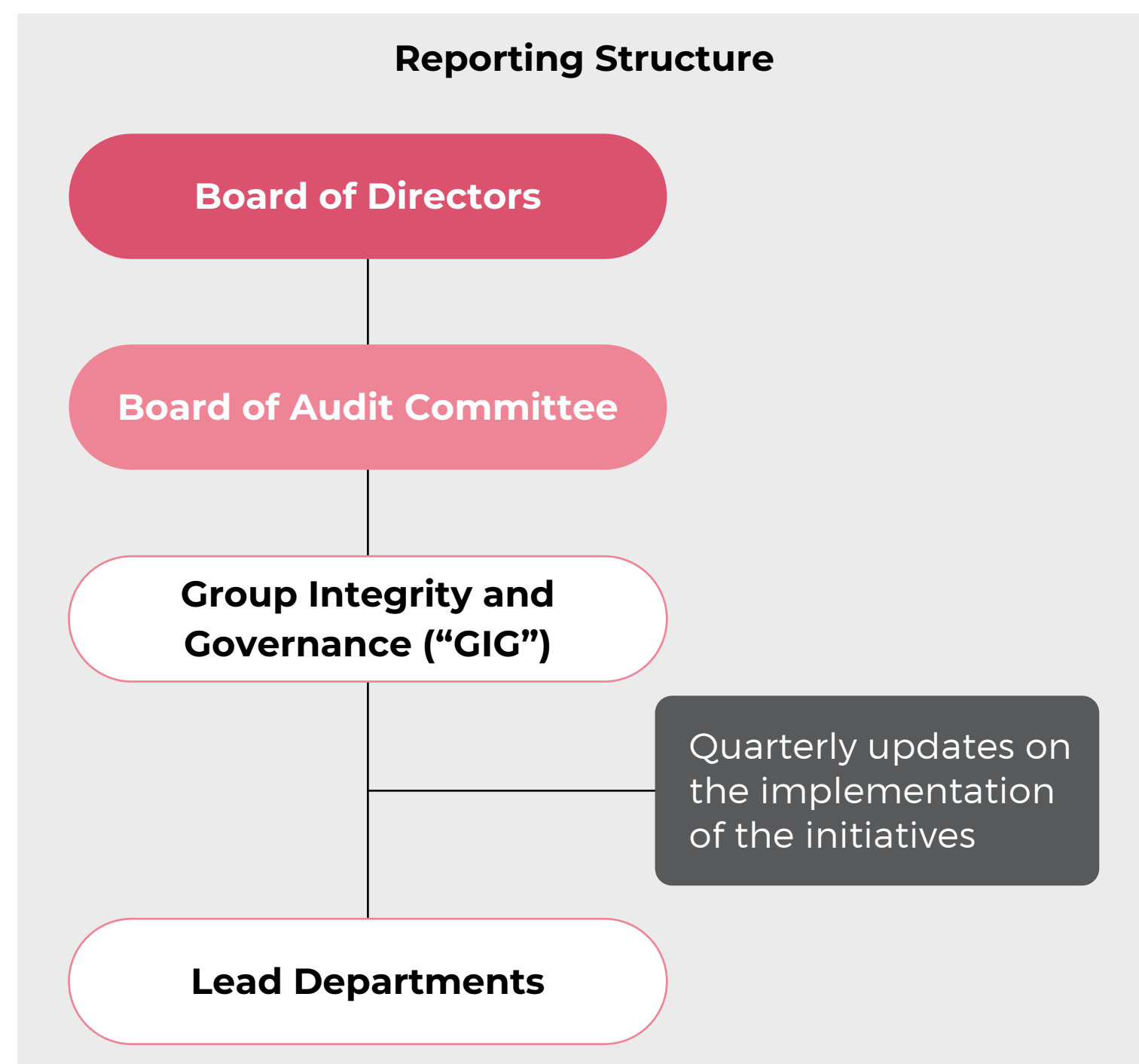
Governance Initiatives

BHB’s governance milestones exemplify our long-term commitment to ethics. Notable initiatives include establishing the GIG unit, implementing comprehensive Corruption Risk Assessments (“CRA”) and developing continuous training and communication plans. These initiatives equip our employees with the knowledge and tools necessary to uphold integrity in their daily operations.

Furthermore, the Integrity Pact for Boustead Group employees exemplifies our proactive approach. This pact ensures that employees acknowledge and commit to anti-bribery and anti-corruption standards, reinforcing a collective culture of ethical responsibility. The commitment extends beyond our employees to suppliers, partners and vendors through statutory declarations required in our procurement processes.

MM10: INTEGRITY AND CORPORATE GOVERNANCE

Monitoring, Reporting and Evaluation Mechanisms



Effective governance requires robust oversight and we uphold this principle through multi-level monitoring and evaluation mechanisms within the BIG Plan. GIG unit oversees the implementation and progress of the plan, providing quarterly updates to the Audit Committee and the Board of Directors. This rigorous reporting system ensures transparency and accountability while enabling strategic adjustments based on real-time data.

Key monitoring mechanisms also include Corruption Risk Assessments, which assess the effectiveness of internal controls and the ABMS framework, which ensures compliance with anti-bribery standards. Additionally, the Business Integrity Survey provides insight into the plan's effectiveness, enabling us to refine our strategies to meet the evolving standards of corporate governance.

In the years under review, Boustead Group implemented anti-corruption training programs across all divisions and employee levels, demonstrating a clear commitment to promoting ethical standards within the Group.

MM10: INTEGRITY AND CORPORATE GOVERNANCE

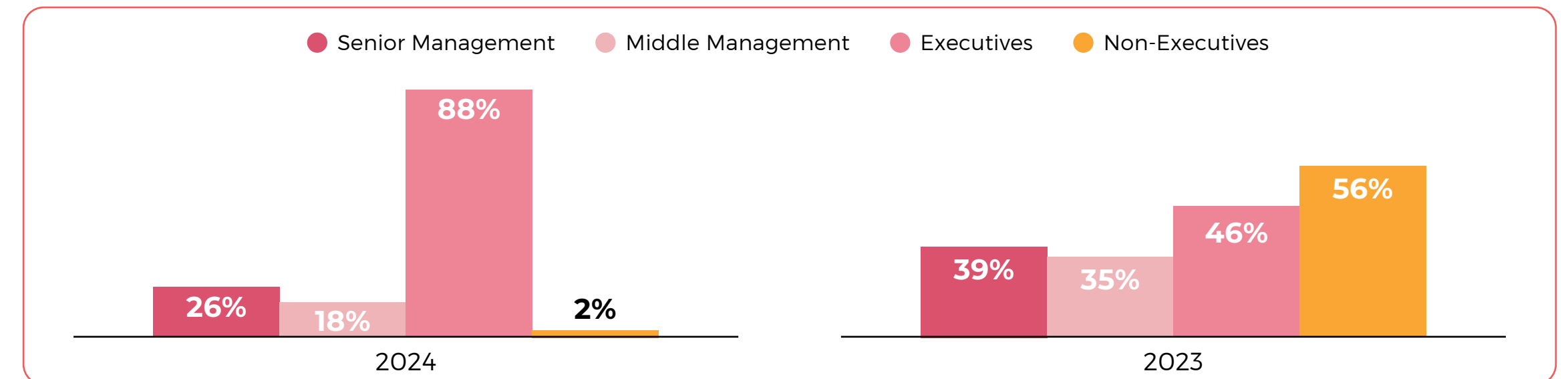
Annual Integrity Pledge

Each year, all employees are required to sign an integrity pledge, affirming their commitment to ethical conduct and compliance with anti-bribery and anti-corruption laws and policies. This pledge consists of the following terms:

- a) To respect and fully abide by all applicable laws, policies, procedures and rules on bribery and corruption prevention as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] and other applicable laws on bribery and corruption at all times;
- b) To refrain from and decline all forms of bribery and corruption and shall give full cooperation to Boustead's GIG department and the Malaysian Anti-Corruption Commission in preventing all forms of bribery and corruption;
- c) To forbear from any acts of bribery and corruption as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] in all business activities under the employee's control and in all business relationships including that with government authorities, business associates and other third parties while representing Boustead Group;
- d) To report any acts of bribery and corruption in all business transactions, activities and projects that comes to the employee's knowledge, to relevant department or persons in the Boustead Group through the Boustead Group Whistleblowing Channels set forth in the Boustead Group Whistleblowing Policy or directly to the Malaysian Anti-Corruption Commission whether involving Boustead Group, Boustead Group Directors, employees and business associates; and
- e) To read, understand and agree to comply with the Boustead Group Anti-Bribery & Anti-Corruption Policy and Code of Ethics & Conduct, including but not limited to any other Boustead Group policies and procedures applicable as supplemented alongside this pledge when carrying out the employee's responsibilities for, on behalf and/or in relation to Boustead Group.

Anti-Corruption and Anti-Bribery Training and Awareness

The Company's commitment to ethical conduct is reflected in our anti-corruption training programmes. However, there has been a significant decrease in the percentage of employees receiving anti-corruption training across all categories in 2024 compared to 2023.



Anti-Corruption Training Topics

- > Anti-Bribery Management System Awareness
- > Do It Right Always (“DIRA”) Roadshow - Integrity
- > Onboarding Program - Start Right Induction - ABMS & Integrity
- > Building Momentum 2.0 - Integrity & Policies
- > Boustead Code of Ethics and Conduct (“CoEC”) and Policies & Procedures (“P&P”)
- > Governance of Government-Linked Companies (“GLCs”) and Companies Limited by Guarantee (“CLBG”) pertaining to Asset Declaration by Boustead Group CEOs
- > Comprehensive Interpretation of Standard, Understanding & Implementing ISO 37001
- > Integrity & ABMS Awareness and Whistleblowing
- > Corruption-Free Pledge

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PHARMACEUTICAL DIVISION

BHB operates its pharmaceutical business through it’s public-listed subsidiary Pharmaniaga Berhad. As a listed entity on Bursa Malaysia’s main market, Pharmaniaga adheres to the Malaysian Code of Corporate Governance (“MCCG”) and international standards. Apart from adopting BHB’s ABAC Policy, the No Gift Policy and the Whistleblowing Policy, Pharmaniaga has enacted the Donation Policy, Anti-Money Laundering Policy and Employee Code of Ethics & Conduct.

In the years under review, 51% of employees have been trained on Anti-Bribery and Corruption in 2023. And in 2024, 27% employees have undergone training on Anti-Bribery and Corruption.

Training on Anti-Bribery and Corruption includes the following:

- > Introduction to ABMS framework
- > Awareness of Anti-Bribery and Integrity for new employees
- > Awareness of Anti-Bribery and Integrity in the DIRA Roadshow together with Sustainability, Quality Safety and Risk Management
- > Awareness of Anti-Bribery Management System and “Ikrar Bebas Rasuah”
- > Anti-Bribery whistleblowing

HEAVY INDUSTRIES DIVISION

The BHIC prioritises integrity and compliance in its daily operations. To foster a culture of ethical behaviour, the Division regularly circulates integrity and governance-themed articles from GIG to its employees.

BHIC extends its commitment to compliance to external stakeholders. The Division maintains fair and transparent procurement practices, adhering strictly to the BHIC Group Procurement Policy. The open bidding system ensures equal opportunities for all vendors, promoting competition and innovation. Furthermore, all vendors are required to formally acknowledge their commitment to the Vendor Code of Business Conduct (“VCBC”).

The Division implemented anti-corruption policies, conducted training and maintained data privacy and security through cybersecurity measures. BHIC Risk Management and Boustead’s Integrity & Governance conducted training for BHIC employees on the revised Boustead Group CoEC and P&P. This training, which took place in September 2023, was attended by 376 employees, representing 96% of the workforce. The programme aimed to enhance awareness and compliance with the COEC, P&P and the MACC Section 17A, focusing on TRUST principles. Additionally, BHIC conducted a CRA in March 2023 across 11 corporate departments, leading to the development of the OACP. The OACP, which emphasises corporate governance, procurement transparency and compliance, was approved by the Board on 8 January 2024.

Data privacy and security are essential to maintaining the trust of BHIC’s clients and vendors. The Division implements robust threat detection and prevention measures for critical systems. Additionally, BHIC conducts regular cybersecurity training, such as the Phishing Email Awareness (Phase 2) training held from 8 March to 28 August 2023. These initiatives empower employees to recognise and mitigate potential cyber threats, thereby strengthening the company’s overall security posture.

Anti-corruption training conducted by BHIC in 2023 includes:

- > CoEC and P&P
- > CRA

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DEVELOPMENT OF THE ORGANISATIONAL ANTI-CORRUPTION PLAN ("OACP")

Corruption Risk Assessment

Corruption presents a significant threat to organisations, potentially leading to reputational damage, legal penalties, financial loss and ethical breaches. To proactively address these risks, Boustead Group conducts thorough corruption risk assessments across all divisions. This process focuses on identifying, assessing and mitigating potential vulnerabilities, such as bribery, fraud and conflicts of interest.

At Boustead Group, we have established a robust framework to ensure that our corruption risk assessment is executed consistently and effectively throughout the organisation. This includes implementing control measures designed to prevent and detect any misconduct. This proactive approach strengthens ethical standards, enhances compliance with anti-corruption laws and safeguards Boustead Group's reputation. By systematically addressing corruption risks, we not only protect our organisation's integrity but also reduce the likelihood of financial losses and costly legal disputes, ultimately, leading to a more sustainable and ethical business environment.

Percentage of operations assessed for corruption-related risks		
Division	2023	2024
Pharmaceutical	85%	87%
Heavy Industries	N/A*	N/A*
Property and Industrial	100%	100%
Trading, Finance and Investment	100%	100%

* Due to major changes in the structure of the Heavy Industries Division, the Division is unable to assess this metric for the financial years of 2023 and 2024.

Our stakeholders have reported no bribery, corruption, or other ethical misconduct. We have maintained a zero-non-compliance record and have not been fined or penalised in this matter.

Cybersecurity: Protecting Our Digital Future

In an increasingly interconnected world, cybersecurity has become a critical concern for businesses of all sizes. At BHB, we understand the importance of safeguarding our digital assets and protecting the sensitive information entrusted to us. We are committed to implementing robust cybersecurity measures to ensure the resilience and security of our systems and data.

Key Cybersecurity Initiatives

- > **Access Control:** We maintain stringent access controls, limiting access to authorised personnel and implementing multi-factor authentication to enhance security.
- > **Regular Security Training:** We prioritise employee awareness by conducting regular security training sessions, equipping our workforce with the knowledge and skills needed to identify and mitigate potential cyber threats.
- > **System Security:** We maintain system security by regularly applying software updates, patches and security measures to protect against vulnerabilities and potential attacks.
- > **Security Audits and Assessments:** We proactively identify and address security risks through regular security audits and vulnerability assessments, ensuring the robustness of our IT infrastructure.
- > **Backup and Recovery Plans:** We have implemented robust backup and recovery plans to ensure the quick restoration of services and data availability in the event of disruptions.
- > **Third-Party Vendor Management:** We actively monitor third-party vendors to ensure they adhere to our security standards, mitigating potential risks associated with external partners.
- > **Security Operations Center (“SOC”):** Our dedicated SOC team monitors cybersecurity threats 24/7, enabling us to respond rapidly to incidents and minimise their impact.
- > **Cloud Security:** We ensure the security and recoverability of our cloud-based services through a well-defined disaster recovery plan, maintaining business continuity during disruptions.
- > **Technology Refresh:** We proactively address technology obsolescence by continuously refreshing our IT infrastructure, ensuring our systems remain up-to-date and secure against emerging threats.

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Achievements and Impact

Our cybersecurity efforts have yielded significant results:

Achievements/Impact	Efforts and Activities Undertaken
Reduced Security Incidents	Successfully reduced security incidents through the implementation of strict access controls and application security measures.
Mitigated Phishing and Social Engineering Attacks	Raised employee awareness and implemented regular security training to minimise phishing and social engineering attacks.
Minimised Vulnerabilities	Consistently applied software updates and patches to effectively protect and maintain our systems.
Reduced Risk of Breaches	Proactively identified and remediated security vulnerabilities, reducing the risk of breaches.
Protected Data	Implemented effective backup strategies to ensure data recoverability and minimise data loss.
Enhanced Threat Detection and Response	Significantly improved our ability to detect and respond to cyber threats, reducing the impact of security breaches by SOC.
Secure and Up-to-Date Infrastructure	Ongoing technology-refresh initiatives have helped us maintain a secure and up-to-date infrastructure.



ZERO
incidents or report
of substantiated
cybersecurity breach or
complaints was received
in 2023 and 2024.

BOUSTEAD HOLDINGS BERHAD

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