

SUSTAINABILITY REPORT

PEOPLE (Cont'd)

Governance and Oversight

Oversight of health and safety risks forms part of the ARMC mandate, in line with its charter covering compliance, risk assessment and ERM, including Environmental, Health and Safety ("EHS")-related risks. At the operational level, our EHS Committee, which meets quarterly, is responsible for monitoring safety performance, reviewing incidents and overseeing the implementation of EHS initiatives.

The EHS Committee comprises equal representation from employees and employers, ensuring meaningful worker participation in OSH matters. In addition, local Penang's EHS sub-committees are established at all facilities with 40 or more employees. These sub-committees conduct quarterly Gemba Walk safety audits to assess workplace conditions, identify hazards and ensure regulatory compliance. Audit findings are subjected to root-cause analysis, with corrective and preventive actions tracked to closure.

Incident Management and Reporting

All workplace accidents and near-miss incidents are immediately escalated for investigation and corrective action. Incidents are formally documented within 24 hours, and progress on corrective actions is monitored monthly and reported to the Executive Board. Key safety updates and learnings are also communicated to employees through a quarterly EHS Bulletin, reinforcing transparency and continuous awareness.

Training, Awareness and Worker Wellbeing

To sustain a strong safety culture, we conduct regular safety briefings, toolbox meetings and structured training through both classroom-based and e-learning platforms. Training is tailored to job-specific hazards, ensuring relevance and effectiveness for different roles.

During FY2025, more than 1,700 employees participated in health and safety training programmes, including onboarding for new hires and refresher courses. These programmes covered, among others:

- Hazard Identification, Risk Assessment and Risk Control ("HIRARC")
- Hazard Prevention and Control
- Equipment and Machinery Handling Safety
- Chemical Safety and Chemical Management
- Personal Protective Equipment ("PPE")
- Emergency Response Team ("ERT") Practical Training
- Fire Safety Training and Drills
- Lift Truck / Forklift Safety
- Lockout-Tagout ("LOTO")
- Incident Management
- Occupational First Aid and Automated External Defibrillator ("AED")
- Noise Awareness
- Environmental Impact Assessment ("EIA")



Fire Safety Training and Drills



First Aid Training



Hazard Prevention and Control



Road Safety Training

In parallel, we continue to promote employee wellbeing beyond physical safety. During the year, initiatives such as World Health Day programmes and a six-month in-house counselling programme in collaboration with Open University Malaysia were implemented to support employees' mental health and emotional wellbeing.

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Continuous Improvement

The Group continuously reviews its health, safety and wellbeing practices through regular audits, risk assessments, employee engagement, performance monitoring and alignment with recognised international standards. These efforts support the Group's objective of providing a safe, healthy and productive workplace, while ensuring compliance with regulatory requirements and alignment with recognised best practices.

The following represents the total number of employees who participated in our health and safety training as at the end of the financial year:

	FY2025	FY2024	FY2023
Number of employees who are trained in health and safety standards ⁽¹⁾	1,763 (100%)	1,532 (100%)	1,445 (100%)

Note:

⁽¹⁾ The areas of training include Health and Safety Training, Legal & Compliance Training, Competency Training, Environmental Training, and Management System Training (ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018).

Hazard Identification, Risk Assessment and Risk Control ("HIRARC")

The Group adopts a systematic HIRARC approach across all facilities, covering all work activities, personnel and third parties operating within our workplaces. This framework ensures that OSH risks are consistently identified, assessed and managed.

Risk assessments are conducted using the Group's EHS Risk Matrix, which evaluates both the likelihood of occurrence and severity of potential consequences. Identified risks are prioritised, and appropriate control measures are implemented to eliminate or reduce exposure to acceptable levels.

Employees are encouraged to report unsafe conditions, near misses and potential hazards to their immediate supervisors or directly to the EHS Committee, even where such situations do not result in immediate harm. The Group maintains formal reporting channels that allow employees to raise safety concerns without fear of retaliation, supporting an open and proactive safety culture.

In addition to employee feedback, hazards are identified through task-based and workplace risk assessments, inspections and audits. All assessments are reviewed by the EHS team to determine the adequacy of existing controls and whether corrective or preventive action plans are required.

During FY2025, the EHS team worked closely with area owners to conduct HIRARC assessments and EIA, ensuring that risk controls remained effective and aligned with the requirements of ISO 45001 and ISO 14001.

Occupational Safety Performance

Fatalities

In FY2025, the Group recorded:

- Zero work-related fatalities, including contractors, suppliers and customers working at our premises
- Zero road fatalities involving the Group's own fleet
- Zero cases of work-related occupational illness

The Group remains committed to its target of zero fatalities and zero work-related injuries or illnesses.

	FY2025	FY2024	FY2023
No. of Work-Related Fatalities	0	0	0

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Injury Rates and Severity

The Group monitors occupational injury performance through the Lost Time Injury Rate ("LTIR") and Severity Rate ("SR"), calculated per 1,000,000 hours worked in accordance with OSHA guidelines. These indicators apply to all employees and contract workers under the Group's operational control.

Indicator	Measurement Interval	FY2025	FY2024	FY2023
LTIR ⁽¹⁾ – Employees	Quarterly	1.8	1.5	2.2
SR ⁽¹⁾ – Employees	Quarterly	25.1	3.8	44.3

Notes:

- ⁽¹⁾ LTIR is based on the number of lost time injury cases whilst Severity Rate represents the total number of days lost due to work-related injuries. Injuries are defined as registered accidents resulting in sick leave of more than one (1) day. Both indicators are standardised using 1,000,000/total hours worked and is computed based on OSHA guidelines.
- ⁽²⁾ The total working hours for each year are as follows: 3.9 million (2024: 3.4 million; 2023: 3.2 million).

In FY2025, the Group recorded seven (7) work-related lost-time injuries, compared to five (5) cases in FY2024, resulting in an LTIR of 1.8. While this represents a slight increase from the prior year, the rate remains within acceptable industry ranges aligned with international manufacturing best practices and reflects continued vigilance in safety management.

No work-related fatalities were recorded for employees or contract workers during the reporting period.

The majority of reported injuries were associated with manual handling activities, consistent with prior year trends. In response, the Group has strengthened ergonomic risk assessments, reinforced safe work procedures and progressively increased the use of mechanical aids to mitigate strain-related risks.

The severity rate increased to 25.1 in FY2025. Four (4) cases involved four or more lost working days, compared to one (1) case in FY2024, contributing to the higher severity outcome. Management has conducted detailed root cause analysis for these cases to prevent recurrence.

All reported work-related injuries are formally investigated to identify root causes and contributing factors. Investigations are led by EHS team in collaboration with department managers. Corrective and preventive actions implemented include:

- Workplace hazard inspections
- Review and enhancement of safe work procedures
- Targeted retraining and toolbox briefings
- Engineering controls and workstation improvements where necessary

During FY2025, several improvement programmes and initiatives were implemented to strengthen workplace safety, including:

- Regular safety meetings and awareness sessions
- ISO14001 and ISO45001 internal audit training
- Ongoing safety inspections across production facilities
- Continuous risk analysis and review of control measures
- Task-specific training and certifications to enhance employee competency

These initiatives support the Group's commitment to continuous improvement and the provision of a safe, healthy and productive working environment for all.

COMMUNITY

Community Engagement and Social Investment

The Group is committed to creating positive social value in the communities where we operate by extending our corporate values through responsible community engagement and targeted social investment. Our approach to social sustainability focuses on building meaningful partnerships that address the needs of disadvantaged and vulnerable groups, contributing to inclusive and sustainable community development.

Our community initiatives primarily support financially underprivileged individuals and vulnerable groups, particularly children, with an emphasis on education, culture and sports. We believe that access to quality education and holistic development is fundamental to long-term social mobility, and we strive to ensure that children in our local communities are not left behind due to socioeconomic constraints.