



**WE CHANGE AEROSOL,
AEROSOL CHANGES
THE WORLD**

SUSTAINABILITY REPORT 2024

SAMURAI 2K AEROSOL LIMITED

(Company Registration No: 201606168C)

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This sustainability report has been reviewed by UOB Kay Hian Private Limited (the "Sponsor").

This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, and telephone (65) 6590 6881.

Dear Valued Stakeholders,

The Board of Directors (the “**Board**”) is pleased to present Samurai 2K Aerosol Limited’s (the “Company” or “Samurai 2K”, and together with its subsidiaries, the “Group” or “we”) seventh annual Sustainability Report for the financial year ended 31 March 2024 (“**FY2024**”). This Report demonstrates the Group’s commitment to transparency and good corporate governance by detailing Samurai 2K Aerosol’s sustainability performance over the past year and outlining our plans for a sustainable future.

Sustainability for us means balancing market competitiveness, empowering employees, enriching local communities, and effectively managing our environmental footprint. We oversee all sustainability matters and collaborate closely with our Sustainability Committee to formulate the Group’s strategy, identify material ESG factors, implement initiatives across our operations, and manage related risks and opportunities. Our sustainability strategy is deeply integrated with our business operations, with the Board setting, managing and monitoring our objectives through a sustainability lens.

We are living through an intensifying climate crisis, which casts its shadow over every living creature on this planet. As we move forward, our team continues to work diligently in making attempts to address and tackle issues related to climate change and restoration of nature. This Report marks our first climate-related disclosures, consistent with the Task Force on Climate-related Financial Disclosures (“**TCFD**”) recommendations. While we have made progress in disclosing information about our climate-related risks and opportunities, we will continue to enhance the quality of sustainability-related disclosures.

Finally, we would like to express our appreciation to all our stakeholders for your continued support throughout our sustainable journey.

Sincerely,

The Board of Directors

Reporting Period & Scope

This Report details the Group's sustainability performance for FY2024. To facilitate comparisons, we have incorporated historical performance data wherever applicable. Our reporting scope covers all direct operations in Johor, Malaysia, including our production facility, warehouses for inventory storage, collection point for purchases from suppliers, and office facilities for the research and development ("R&D"), finance and management functions.

Our internal audit team has reviewed our sustainability processes. While we have not sought external assurance for this report, we are actively exploring this option for future reports to enhance transparency and stakeholder confidence.

Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021, recommendations of TCFD, Catalist Rules 711A and 711B and the SGX Sustainability Reporting guide. We have opted to adopt the GRI Standards for its international recognition, universal applicability, and comprehensive guidelines.

Report Contact and Feedback

This Report is published digitally via the SGXNet portal. Physical copies of the Report will not be printed. We invite all stakeholders to provide us with feedback on this Report and our sustainability performance. Please address your suggestions, comments, and/or enquiries to ir@samurai2kaerosol.com or our headquarters at 6, Jalan Dato' Yunus 1, Taman Perindustrian Dato Yunus Sulaiman, Lima Kedai 81120 Skudai, Johor, Malaysia.

Samurai 2K has established its position as a market leader in the repainting and aftermarket space in automotive industry over the years. Our extensive product range caters to both custom painting enthusiasts and those seeking to restore their automobiles to original condition. Our products are manufactured in Johor and distributed to countries across Malaysia, Indonesia, Thailand, Philippines, Vietnam, Cambodia, United Kingdom, United States of America, Singapore and India. Our advanced spray paint formulations deliver exceptional finishes on a wide range of surfaces, alongside a comprehensive variety of products including primers, putties, clear coats and specialty paints.

At the heart of Samurai 2K's advancements lie the following core technologies :-

- 2K technology, no air compressor required: Our innovative design allows for the unique storage of two crucial paint components within a single can - resin and hardener - separated by a breakable metal inner sleeve. This eliminates the need for bulky compressors, making professional-quality painting accessible to DIY enthusiasts.
- TINTATEK, enabling manually match & fill colors without machines: Unleash creativity with the ability to create or match millions of colors. Our post-filled color matching technology comes in a compact and easy-to-use kit, allowing seamless blending of repaired areas with surrounding surfaces. This technology offers a cost-effective solution for tackling specific damaged areas.
- MIRRORTEK, a mirror effect coating technology that transforms ordinary objects into reflective masterpieces with mirror chrome coating. The unique selling point of this technology are as follow :-
 - Highly reflective pigments for a stunning mirror effect;
 - Easy application for smooth and even coverage on various type of materials;
 - Quick drying time that allows faster project completion;
 - Durable finish resistant to scratches, chipping, and fading; and
 - The ability to be tinted with any color for ultimate customization.
- WATERTEK, a high gloss water-based paint technology: Embrace a greener approach with our innovative water-based paint technology. Samurai 2K's WATERTEK features:
 - Compliance with environmental regulations.
 - Low VOC (Volatile Organic Compounds) emissions for a safer and more environmentally friendly approach;
 - Fast drying and high-gloss finish for professional-looking result; and
 - Easy application and clean up for hassle-free experience.



Recognizing the evolving needs of our customer base, Samurai 2K embarked on a strategic Online to Offline (“O2O”) initiative in FY2023. This exciting venture allows us to bridge the gap between our online presence and physical customer touchpoints. Through the launch of the Samurai Paint Store (<https://samuraipaint.com/pages/samurai-service>), customers can now enjoy the convenience of online product browsing and purchasing, with the added benefit of potentially accessing these products at a physical store location.

This O2O approach signifies Samurai 2K’s commitment to continuous improvement and providing our customers with a seamless and convenient purchasing experience.

For more information on our product and service offerings, please visit our official website at www.samurai2kaerosol.com.

Our Philosophy

Our sustainability strategy is guided by our mission, vision, and core values, which act as strong reference point. We regularly assess our sustainability objectives to ensure they harmonize effectively with our business goals. Our primary focus is to generate enduring value for our stakeholders while actively driving significant transformations within the aerosol industry.



Sustainability Governance and Principles

To effectively address sustainability challenges, Samurai 2K recognizes the importance of a well-established top-down management approach. The Board takes overall responsibility for overseeing all significant ESG issues and collaborates closely with the Sustainability Committee, which consists of senior management and department heads, to identify and execute sustainability initiatives throughout our operational procedures. The Board has also complied with SGX's requirement for all Directors to undergo mandatory sustainability training.

Our Sustainability Governance Structure is set out as follows:

The Board
<ul style="list-style-type: none">• Examines the Group's approaches, guidelines, and financial accomplishments, with sufficiency and effectiveness of internal controls and risk management.• Establishes values and principles of the Company (including ethical standards) and guarantees the fulfilment of responsibilities towards shareholders and other stakeholders.• Offers strategic direction for Samurai 2K's sustainability policies and identifies risks and opportunities related to sustainability during the development of our sustainability plan.
Sustainability Committee
<ul style="list-style-type: none">• Formulates and implements sustainability practices throughout various business divisions• Oversees the Group's advancement and achievements in each significant ESG material topic, and regularly informs the Board about noteworthy advancements.

Stakeholder Engagement

Establishing effective channels of communication with crucial stakeholders is vital for securing the sustained prosperity of the Group. Throughout our organisation, we have identified various stakeholder groups with substantial significance and influence on our operations. We consistently engage with internal and external stakeholders through diverse platforms, as detailed in the following table, in order to actively seek their input on enhancing our management of sustainability-related issues encountered by the Group.

STAKEHOLDER GROUPS	ENGAGEMENT PLATFORMS	KEY CONCERNS	HOW WE ADDRESS THEIR CONCERNS
Customers/End-users	<ul style="list-style-type: none"> ● Customer service feedback forms ● Social media channels ● Workshops, roadshows and exhibitions 	<ul style="list-style-type: none"> ● Business continuity ● Good services and product quality ● After-sales services ● Ethical purchasing practices 	<p>We have implemented measures to guarantee that our products adhere to stringent quality standards, promote environmental sustainability, and ensure consumer safety.</p>
Suppliers	<ul style="list-style-type: none"> ● In-person meetings ● Communication via our supplier management system ● Supplier surveys 	<ul style="list-style-type: none"> ● Maintain ethical standards by adhering to the terms and conditions of purchasing policies and procedures 	<p>We frequently communicate with our suppliers on our code of conduct for procurement practices and our expectation for the timely delivery of high-quality supplies.</p>
Employees	<ul style="list-style-type: none"> ● Induction and orientation ● Annual performance appraisals ● Dialogue sessions with management 	<ul style="list-style-type: none"> ● Safe work environment ● Foreign workers' rights ● Child labour policy ● Employees' rights and welfare ● Personal development ● Inclusive working environment 	<p>We have a strict policy of completely rejecting child labor practices and closely monitor the well-being and safety of our employees.</p> <p>Also, we are actively developing a talent management strategy to foster professional growth and advancement of our staff.</p>
Shareholders	<ul style="list-style-type: none"> ● General 	<ul style="list-style-type: none"> ● Profitability 	<p>We offer prompt and</p>

	<ul style="list-style-type: none"> meetings • Annual reports • Circulars to shareholders 	<ul style="list-style-type: none"> • Transparency • Timely reporting • Fair purchasing practices • Dividend pay-outs 	transparent updates to shareholders regarding the Group’s business progress, and we continue to maintain shareholders’ confidence with innovations in the pipeline.
Government & Regulators	<ul style="list-style-type: none"> • Discussions with and notices from government agencies and departments 	<ul style="list-style-type: none"> • Environmentally friendly business approach • Regulatory compliance • Timely reporting and resolution of issues 	We adhere rigorously to all applicable laws and regulations mandated by government agencies and departments.

Sustainability In Our Value Chain

We recognize the importance of active monitoring, evaluation, and addressing the sustainability effects linked to our organization. Our long-standing alliance with suppliers, distributors, and wholesalers, some lasting over a decade, solidifies our commitment to sustainability. Together, we uphold strict environmental, health, and safety standards while minimizing environmental footprints. We subject all our suppliers to a comprehensive pre-selection process to ensure the quality of the products we procure. Furthermore, as part of our sustainable procurement practices, we continuously strive to utilize recycled packaging materials.



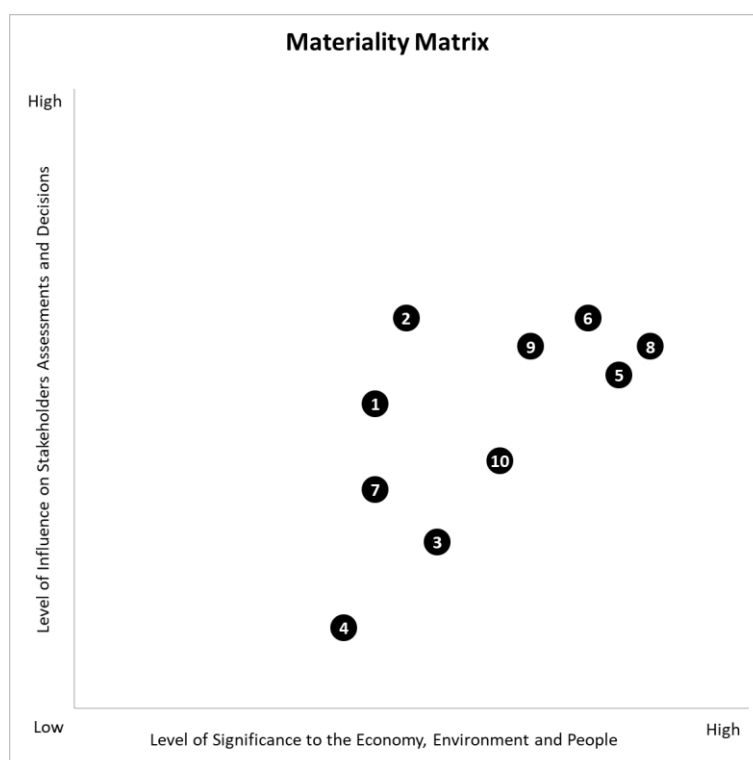
Beyond our business operations, Samurai 2K Aerosol addresses our responsibility towards sustainability throughout product lifecycle, from sourcing raw materials to responsible end-of-life practices. We actively build strong and impactful partnerships with individuals, communities, ecosystems, and businesses around the world to promote sustainable practices at every stage of our value chain.



Our Material ESG Topics

In FY2024, we conducted a materiality assessment to identify, prioritize and validate the ESG risks and opportunities that were most material to our business and stakeholders. Through a collaborative process, we identified and assessed the degree of influence and impact that each ESG topic had on them and our business.

We constantly seek to create long-term value for all our stakeholders by prudently managing the Group's sustainability impacts, risks and opportunities. The Group's material ESG topics are summarized as follows:



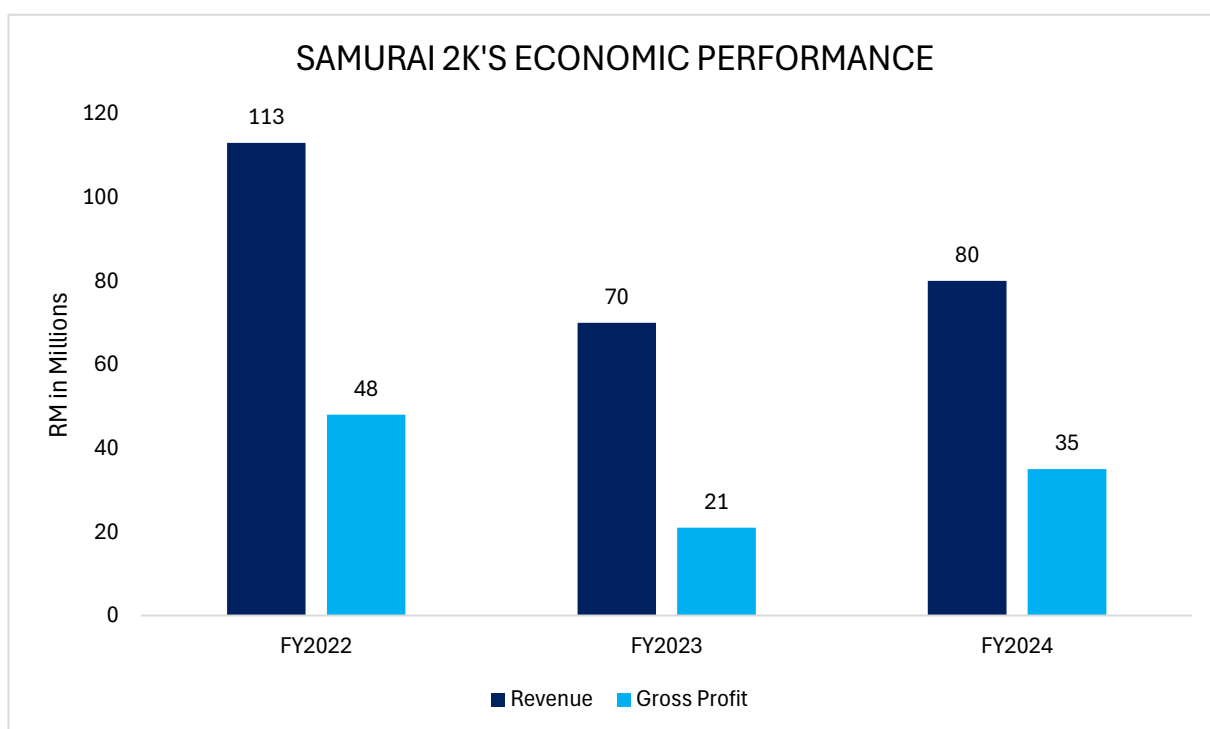
Material Topics	Our Targets
1. Economic Performance	To achieve higher sales while tightening cost controls.
	To enhance online marketing activities and reduce offline marketing activities.
	To develop innovative products and maintain our market competitiveness.
2. Anti-Corruption	To promote a corporate culture that emphasises transparency and accountability.
	To maintain a zero record of non-compliance with laws and regulations.
3. Water and Energy	To implement energy and water efficiency improvements that also

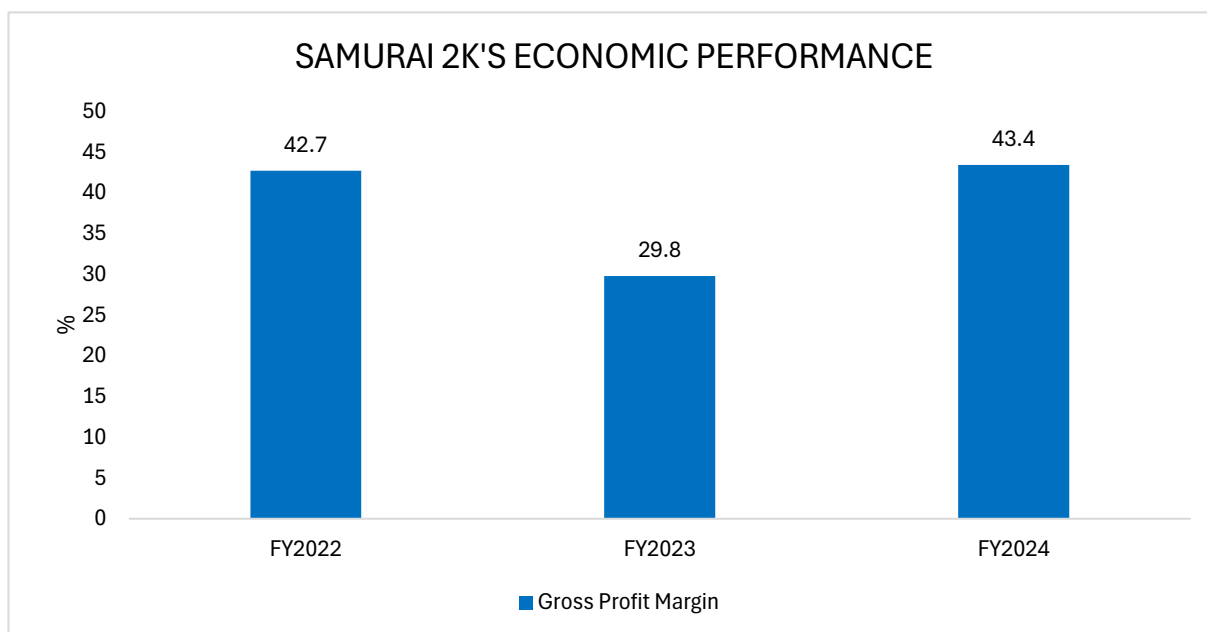
Management	bring cost savings.
4. Climate Change	To maintain or reduce our total greenhouse gas emissions intensity in the financial year ending 31 March 2025 (“FY2025”), using 36.37 tons of carbon dioxide equivalent (“tCO ₂ e”) per million cans in FY2024 as the baseline.
5. Waste Management	To ensure responsible waste disposal at the locations where we operate.
6. Training and Education	To prepare our employees for the evolution of digital economy, we continue to upskill and reskill our workforce so that their knowledge remain relevant and applicable in the industry.
7. Diversity and Equal Opportunity	To maintain zero reported issues of discrimination and continue promoting a culture of unity.
8. Occupational Health and Safety	To monitor all health and safety risks through effective risk mitigation management.
	To achieve zero incidents of non-compliance with occupational safety and health regulations.
9. Employee Well-being	To maintain zero incidents of non-compliance with employment regulations.
10. Customer Health and Safety	To maintain zero incidents of non-compliance with regulations concerning the health and safety impacts of our products.

ECONOMIC PERFORMANCE

With one of our primary business objectives to ensure favorable returns for our stakeholders, we are dedicated to pursuing sustainable and consistent economic growth that will benefit not just the Group but the society as well.

The Group achieved strong financial results in FY2024, with revenue reaching RM79.82 million, representing an increase by 13.6% compared to the financial year ended 31 March 2023 (“FY2023”). The increase in revenue was mainly due to increase in demand from Malaysia and other markets such as Thailand, Vietnam, Philippines, Cambodia, USA, UK and India. The Group’s gross profit increased by 65.2% from RM20.97 million in FY2023 to RM34.63 million in FY2024, which was in line with the increased revenue and decreased cost of sales. There was an impressive increase in gross profit margin, from 29.8% in FY2023 to 43.4% in FY2024 mainly due to decrease of raw material, packing material and ocean freight cost. The Group remains optimistic and is actively working towards expanding its business in the international platform to meet the global aerosol market demands and ultimately become the world’s best aerosol spray service provider. The FY2024 target to achieve higher sales and tightening cost control was met.





As we have penetrated the USA and India markets by having our own subsidiary in the respective countries, we are now focusing on solidifying market presence through the launch of our e-commerce platforms.

The Group continues its effort to enhance online and offline marketing activities and to develop innovative product. Currently, the Group is in the final stage of improvising its product i.e. TINTATEK followed by other innovations i.e. WATERTEK and MIRRORTEK being finetuned concurrently for the launch in coming years. For end-users to enjoy the benefits of these products in a wholesome manner, the Group has introduced Samurai O2O Service in year 2022, that provides spray painting service for customers by merely making reservation through its user-friendly digital platform.

ANTI-CORRUPTION

Samurai 2K is committed to fostering a culture of integrity and ethical conduct across all our operations. Our employees uphold high standards by adhering to the Group’s Code of Conduct, which prohibits accepting any gifts or favors from business partners, contractors, suppliers, customers or any other party having business dealing with the Group. We have zero tolerance for corruption, fraud, bribery, and other unethical behavior.

To achieve this, we have implemented robust policies, including our Anti-corruption Policy. This policy provides a clear framework for preventing, detecting, and responding to potential misconduct. The Group is focused on fostering a business environment with high standards of integrity in all its conduct as well as business practices and adopts a zero tolerance approach against all forms of bribery and corruption to achieve higher level of professionalism in reaching corporate governance and corporate

social responsibility.

We also have a Whistleblowing Policy that empowers employees to report suspected wrongdoing confidentially. We prioritise confidentiality for all reports concerning potential corruption and significant matters, made in good faith. Whistleblower identities are protected to the fullest extent possible throughout the investigation. Even if the initial report contains factual errors, the employee who reports internally receives protection from retaliation. For further information on the Company's whistleblowing policy, please refer to page 38 to 39 of the Annual Report.

We regularly brief our employees to raise awareness on the Group's anti-corruption policy and to inform them of our official whistleblowing and/or grievance channel at whistleblowing@samuraipaint.jp and/or grievances@samuraipaint.jp.

FY2024 Performance

We have achieved our FY2024 target by maintaining our clean track record this year with no instances of non-compliance with laws and regulations, bribery, corruption or, dishonest practices. To uphold this exceptional standard of zero non-compliance incidents with laws and regulations, Samurai 2K remains committed to nurturing a work environment that prioritizes transparency and accountability. In addition, the Group has a dedicated legal officer who is responsible for ensuring adherence to all applicable laws and regulations.

Water and Energy Management

Since November 2018, we have been regulating energy usage in our production facility in Johor, Malaysia, which included initiatives such as installing motion sensor lighting in common areas that automatically switch off after five minutes of inactivity. In addition, we have sought to cultivate energy-saving habits among our employees by posting signboard reminders to switch off lighting and air-conditioning units across our factory and offices. As for water management, we have taken similar steps to encourage mindful usage. Eye-catching reminders have been placed next to water taps throughout the facility to prompt employees to conserve water. These measures are part of our ongoing commitment to efficient resource management, aiming to promote a culture of conservation.

We are also certified under the ISO14001: Environmental Management which offers a framework for us to establish, implement, maintain, and continually improve our environmental management practices. By following ISO14001, we can identify, manage, and minimise our environmental impact while complying with relevant environmental regulations. This leads to several benefits, including a reduced environmental footprint, improved resource efficiency and cost savings through reduced waste and energy use. In FY2024, we have met the target by maintaining zero incidents of non-compliance with environmental laws and regulations.

We constantly seek to do our part for the environment by consuming electricity and water in the most efficient way possible, thus minimizing our environmental footprint.

FY2024 Performance

Resource Usage			
Resource	FY2024	FY2023	FY2022
Petrol consumption (kWh) ¹	127,557	N/A	N/A
Liquefied petroleum gas consumption (kWh) ¹	2,682	N/A	N/A
Electricity consumption (kWh)	701,306	661,592	761,337
Water consumption (litres)	3,812	6,579	5,298
Sales volume – cans (million)	11.5	10.8	16.8
Resource Ratios			
Energy intensity ratio (kWh/can)	0.0723	0.0613	0.0453
Water intensity ratio (litres/can)	0.000331	0.000609	0.000315

For FY2024, our energy consumption intensity increased compared to FY2023. This is primarily due to the expansion of our data collection system, which included petrol and liquefied petroleum gas consumption from FY2024 onwards. Our electricity consumption increased by approximately 6% year-on-year in FY2024 mainly due to the increase in our production activities. Our water consumption decreased significantly in FY2024 compared to FY2023 due to the effective implementation of water conservation measures. The Group aims to improve the efficiency of our electricity and water consumption in our day-to-day operations, and we will continue to closely monitor our environmental performance in the coming years. We remain undeterred in our efforts to promote eco-friendly, resource-saving practices across the organization.

Climate Change

The Group acknowledges that TCFD provides recommendations regarding the disclosure of climate-related financial information. TCFD has four overarching elements, including Governance, Strategy, Risk Management and Metrics and Targets, to assess the impact of key climate-related risks and opportunities. In this Report, the Group provides climate-related disclosures consistent with the TCFD recommendations, which are compliant with the relevant requirement of the Listing Rule of SGX-ST. The summary of the Group's responding actions to the TCFD recommendations is as follows:

¹ Relevant figure was disclosed from FY2024 onwards.

Governance

The Board guides the Group’s sustainability strategy, including overseeing climate-related risks and opportunities. It takes part in the determination of material ESG factors, including factors relating to climate change, while also supervising ESG matters and regularly reviewing sustainability risks, encompassing climate change considerations.

The Sustainability Committee plays a critical role in ensuring the Group readiness for the challenges and opportunities posed by climate change. By establishing clear goals, identifying and assessing risks, developing mitigation strategies, and monitoring and reporting on progress to the Board, the management assists the Group in reducing its exposure to climate-related risks and seize the opportunities presented by climate change.

Strategy

To help us better understand the resilience of our climate strategy and business model to climate change, we conducted an analysis of the identified physical and transition risks as well as opportunities that have the potential to influence our strategy and operations against two scenarios, namely (i) the Representative Concentration Pathway (“RCP”) 2.6, which represents scenarios in the literature leading to very low GHG concentration levels and aiming at limiting global warming to below 2°C above pre-industrial levels and (ii) RCP 8.5 which represents a high-emissions pathway with warming likely to surpass 4°C. To evaluate our physical risks, we assessed the impact of acute and chronic hazards, including extreme rainfalls and extreme heat, on our operations. To evaluate our transition risks, factors including, but not limited to, ESG reporting obligations and concerns of stakeholders were selected.

Based on our analysis, the Group’s major climate-related risks, as well as its corresponding mitigation measures are as follows:

Risk Type	Time Horizon	Potential Impacts	Risk Level		Mitigation Measures
			Below 2°C	Above 4°C	
Physical risks					
Extreme rainfall	Long-term	Increase in extreme rainfall may result in operational delays, increased costs, customer dissatisfaction, and	Low	Low to Moderate	Ensure business continuity plans and extreme rainfall response plans are implemented.
					Develop flood control measures, including rain gardens and permeable

		revenue losses, thereby affecting profitability.			pavements to manage stormwater runoff where appropriate.
Extreme heat	Long-term	Hot days and extreme heat could become more common and/or severe, which could result in increase in cooling demand and higher electricity costs	Low	Low to Moderate	Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions.
					Implement health and safety initiatives to protect people from extreme heat risk, including special work arrangements during peak temperature hours and provision of reminders of staying hydrated and consequences of dehydration for employees, as required.
Transition risks					
ESG reporting obligations	Short-term	Increased demand from governments and regulators for ESG information disclosure by enterprises, requiring greater transparency and detailed data	Moderate to High	Moderate	Ensure ESG information are disclosed in accordance with the latest requirements and reporting guidelines.

In addition to risk assessment, climate-related opportunities were also explored. Realizing the potential increase in awareness of climate change among our clients, we have been exploring

opportunities to incorporate sustainability elements into our business. We see opportunities in improving energy efficiency and cost savings. By implementing energy-efficient technologies across our operations, we can substantially reduce our energy consumption and costs. This not only aligns with our ISO14001-certified environmental management standards but also enhances our financial performance by lowering operational costs. Additionally, our approach to continuously strive to utilise recycled packaging materials and source from environmentally conscious suppliers reinforces our commitment to sustainable procurement. This enhances our brand reputation and customer loyalty, as consumers increasingly favor environmentally responsible companies. It also reduces our carbon footprint and contributes to a lower environmental impact.

We will strive to integrate climate-related opportunities into our core business operations, which reinforces our commitment to sustainability and strengthens our market position. By investing in sustainable practices and technologies, we drive innovation and open new revenue streams, positioning ourselves as a forward-thinking and responsible company.

Risk Management

In FY2024, the Group completed a process to identify and assess the nature and extent of climate-related risks within the Group's business operations. It also ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems.

After conducting the process to identify, assess and manage climate-related risks covering FY2024, the Group acknowledged the existence of climate-related risks, including physical risks and transition risks, which could affect its financial performance, reputation, and long-term development to a range of extent. This enabled the Group to better identify, evaluate, and possibly exploit the right opportunities at the right time, ensuring all the appropriate controls are in place to mitigate risks and prevent any non-compliance issues

Metrics and Targets

The Group used direct (Scope 1) GHG emissions, indirect (Scope 2) GHG emissions and intensity as its metrics to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Group is aware that its businesses involve emissions and recognises that reduction of emissions is essential. The Group's major sources of GHG emissions is from fuel consumption for vehicles and manufacturing processes (Scope 1) and purchased electricity (Scope 2).

The Group's direct (Scope 1) GHG emissions, indirect (Scope 2) GHG emissions, total GHG emissions and total GHG emissions intensity in FY2024 can be found below:

Indicator	FY2024
Direct (Scope 1) GHG emissions (tCO ₂ e)	32.54
Indirect (Scope 2) GHG emissions (tCO ₂ e)	385.72
Total GHG emissions (tCO ₂ e)	418.26
Total GHG emissions intensity (tCO ₂ e/million cans)	36.37

GHG emissions data is calculated based on, including but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, emission factors published by Singapore’s National Environment Agency and Sustainability Report 2022 published by Tenaga Nasional Berhad.

We have set a target of maintaining or reducing our total greenhouse gas emissions intensity in FY2025, using 36.37 tCO₂e per million cans in FY2024 as the baseline. In view of this target, we performed efficient planning on driving routes to optimize fuel consumption and adopted various energy-saving measures. The relevant energy-saving measures are described in the section headed “Water and Energy Management”.

Waste Management

Running a manufacturing facility generates a significant amount of waste. Hence, proper management and disposal of the waste generated in our operations is key to reducing our environmental impact across all aspects of our business.

We have put in place the necessary infrastructure to allow for the proper disposal of waste from our manufacturing operations. In accordance with the stated requirements of the Malaysia Environmental Quality Council’s Environmental Quality (Prescribed Conveyance) (Scheduled Wastes) Order 2005, this includes designating a waste area within our factory and arranging for an authorized waste collector to recycle and dispose of our waste products once every two weeks.

Hazardous materials like resins, pigments, additives, solvents, and propellants are often used as a key input in the R&D and production of aerosol paint and coatings spray cans. In line with industry’s best practice, we have established protocols to monitor the creation of hazardous byproducts and to responsibly treat and dispose of such hazardous waste.

For most of our waste, we engage a third-party company – Ranama Resources Sdn Bhd. – that is involved in our operations to ensure that our hazardous waste and by-products are to be properly disposed of, mitigating possible adverse impacts on people and the environment. As such, we are

unable to provide quantitative figures on the amount of waste generated in our operations.

All relevant employees have received training on proper waste handling procedures, and external trainings on waste management has also been carried out. Even so, we are committed to maintaining full compliance with all relevant environmental legislation on responsible waste disposal.

HUMAN CAPITAL

In FY2024, employment in the Group was divided into two categories i.e. permanent employment and contractual employment. The table below shows our breakdown of employees by gender and region which is inclusive of both permanent and contractual employees. Contractual employment was introduced as a measure to mitigate labour cost, keeping in mind the expansion of business activity. As the Group requires additional manpower for department such as Digital Marketing, it is highly relevant to secure manpower that have the relevant skill set, experience and ability to demonstrate the said aspects during employment with the Group in order to achieve the goal set by the Group. Contractual employment allows labour cost to be mitigated and concurrently secure right talent for the Group's growth. Current contractual employment in the Group involve a one year contract with performance of the contractual employees being measured through quarterly KPI review.

Permanent & Contractual Employees		
By Gender		By Region
Male	Female	Malaysia
134	59	193

Diversity and Equal Opportunity

At Samurai 2K, we consider having a diverse workforce to be our differentiating factor. By recognizing and respecting the individual strengths of our employees, we are able to tap on their creativity in an efficient manner and bring about our desired business outcomes. Across the Group, we are working to build a culture of unity and inclusion in the workplace.

We are committed to promoting equal employment opportunities and consider all forms of discrimination unacceptable in the workplace. All appointments and promotions are made on the grounds of performance and ability alone, regardless of employees' race, age, gender, religion, or ethnicity.

Our Workforce

Gender		Senior Management	Middle Management	Executives and Assistants
FY2024	Male	65%	55%	78%
	Female	35%	45%	22%
Age Group		Senior Management	Middle Management	Executives and Assistants
FY2024	< 30 years old	0%	48%	67%
	30 – 50 year old	53%	50%	32%
	> 50 years old	47%	2%	1%

Though we operate in a male-dominated industry, we constantly seek to promote equal gender representation in the workplace at all levels by maintaining a gender-neutral compensation structure.

Samurai 2K is committed to fostering a respectful and inclusive work environment for all employees. Our comprehensive Employee Handbook outlines clear policies on workplace harassment. The Employee Handbook policy prohibits any form of verbal or physical conduct that may cause physical or psychological harm to colleagues. Harassment based on any grounds, including gender, race, disability, age, pregnancy, marital status, family responsibility, religious or political conviction, sexuality, or health status, is strictly prohibited. We take all substantiated complaints of harassment seriously and will take appropriate disciplinary action, including termination of employment.

On 8 March 2024, the Group organized its first International Women’s Day event, highlighting its commitment to fostering a workplace that values and empowers women. The event comprised of a speech from Samurai 2K’s Chief Operating Officer, Ms Kelly Lim who emphasized on remarkable achievement of women in Malaysia and the need for female employees to dream bigger and work towards achieving their dreams despite challenges. The event featured a cake-cutting ceremony and a fun photo session, fostering a sense of community and celebrating achievements.

Our commitment to gender equality extends beyond this celebration. In September 2023, we implemented Workplace Harassment Prevention Policy to reinforce our zero-tolerance approach towards violence against women.

We are pleased to share that there have been no incidents of gender discrimination reported in FY2024.



A detailed breakdown of our employee categories by age and gender can be found in the tables below:

Our Workforce					
Gender		Senior Management	Middle Management	Executives and Assistants	
FY2022	Male	11	34	38	
	Female	5	36	18	
FY2023	Male	9	19	41	
	Female	6	27	19	
FY2024	Male	11	34	89	
	Female	6	28	25	

Our Workforce					
Employee Category		Senior Management	Middle Management	Executives and Assistants	
FY2022	< 30 years old	1	50	34	
	30 – 50 years old	8	20	22	
	> 50 years old	7	0	0	

FY2023	< 30 years old	0	25	34
	30 – 50 years old	7	21	24
	> 50 years old	8	0	2
FY2024	< 30 years old	0	30	77
	30 – 50 years old	9	31	36
	> 50 years old	8	1	1

Training and Education

As a Group, we are invested in the personal and professional development of our employees. Over the year, we have consistently provided our employees with learning and development options to upskill and reskill themselves in preparation for the digital economy. By extension, developing our employees' capabilities helps us maintain market competitiveness.

We encourage all employees to discuss their professional development needs with their supervisors and/or Heads of Departments at any point throughout the year. At the same time, we mandate that every employee is subject to annual performance appraisal. These annual reviews serve as an invaluable platform to help us identify and assess employees' training and development needs, as supervisors and/or Heads of Departments and their subordinates engage in a meaningful conversation on how the Group can better support them in achieving further productivity gains.

We regularly provide our employees with skills upgrading opportunities by sending them to workshops for Operational Management, Social Media Marketing SEO and Google SEO Content Writing and Forklift Safety Training. In FY2024, our employees from several departments participated in training courses through UDEMY platform. This initiative enabled them to enhance their skills and knowledge, which they subsequently shared through detailed feedback and reports. These insights were valuable not only for their personal development but also for improving team dynamics and departmental performance. This continuous learning approach fosters a culture of growth and collaboration within the Group.

A detailed breakdown of average training hours conducted for our employees (both permanent and contractual), by management level and by gender, can be found in the tables below:

Category	Total training hours	Total headcount	Average training hours	
			FY2023	FY2024
By Gender				
Male	736.5	134	17.56	5.50
Female	922.0	59	26.08	15.63

By Employee Category				
Senior Management	24.0	17	30.13	1.41
Middle Management	217.0	62	29.47	3.50
Executive and assistants	1,417.5	114	12.67	12.43

Training related to ISO generally is time consuming compared to training related to skill sets. In FY2023, our employees attended ISO related training that led to high average training hours being recorded in FY2023. Overall, there has been regular training for employees in different categories in FY2024. Regular training will enable our workforce to be more productive and will prepare them to competently perform their roles as the Group implements new business strategies and operations.

A detailed breakdown of the number and percentage of employees under performance reviews and appraisals, by management level and by gender, can be found below:

Category	Employees given appraisal	Total headcount	%
By Gender			
Male	56	134	41.79%
Female	35	59	59.32%
By Employee Category			
Senior Management	11	17	64.71%
Middle Management	38	62	61.29%
Executive and assistants	42	114	36.84%

Overall, 47.15% (FY2023: 72%) of our employees receive performance appraisals. Decrease in the percentage of employees who received performance appraisals is due to the high volume of new hirers. Upon completion of probation period, relevant Heads of Departments shall review work performance of the said employee to determine whether the said employee is suitable for the organization. The employees who receive confirmation of employment will automatically be qualified for appraisal. All our contract employees were entitled and given appraisal in FY2024.

Employee Well-being

To encourage our employees to embrace healthier habits, we have a Samurai Sport Recreation Committee, tasked with organising a range of sports activities and providing gym facility that is open to all staff members. Moreover, smoking is strictly prohibited within the factory premises. As a company, we are dedicated to introducing new welfare programs that prioritise the well-being and safety of our employees. Additionally, we have incorporated health assessments as a key performance indicator for our employees.

Occupational Health and Safety

Samurai 2K prioritizes occupational health and safety (“**OH&S**”) issues by fostering a culture of safety and well-being. Our dedicated Health and Safety Committee (“**HSC**”), comprised of safety professionals and employee representatives, meets monthly to review and update safety procedures, identify potential hazards, and implement proactive measures to minimize risks throughout our manufacturing operations.

To proactively manage OH&S risks, we have established a protocol for hazard identification, risk assessment, and risk control. Each department regularly reviews, monitors, and reports OH&S risks to the HSC. The HSC also conducts random safety inspections to enforce standards and improve workplace safety, particularly in areas with potentially hazardous materials.

Significant OH&S risks arise from the use of potentially hazardous, toxic, and flammable raw materials in our manufacturing processes. Therefore, the use of potentially hazardous materials requires mandatory personal protective equipment for all personnel entering the factory, including employees, visitors, contractors, and suppliers.

Samurai 2K empowers our workforce with the knowledge and skills to prioritize safety. We invest in external training programs like Forklift Safety Training and Operational Problem-Solving Series. Additionally, we conduct biennial on-the-job training aligned with our Management’s Safe Operating Procedures to ensure employees remain up to date on essential safety protocols.

For new hires, we prioritize comprehensive guidance. Before operating complex machinery independently, they undergo thorough training in necessary safety procedures. Department heads and safety officers then evaluate this on-the-job safety training to guarantee adherence to internal policies.

We foster a strong culture of safety at our production facilities. Daily safety briefings involving supervisors, line leaders, quality control technicians, and operators raise awareness of safety protocols. These briefings occur every morning before work begins, followed by daily safety inspections. Employees are empowered to report any potential hazards directly to the HSC Chairman.

To ensure employee safety in emergency situations, we conduct emergency drills every year. These

drills familiarise employees with evacuation procedures. Additionally, we have an in-house Emergency Rescue Team comprised of qualified personnel certified by the Fire and Rescue Department of Malaysia.

The Department of Occupational Safety and Health (“**DOSH**”) conducts frequent and random inspections at our factory to check for potential compliance issues pertaining to Malaysia’s Occupational Safety and Health Act 1996 (“**OSHA**”). Any violations of OSHA can result in significant financial penalties and even the termination of our business license. We are fully committed to adhering to OSHA regulations to maintain a safe and compliant working environment.

FY2024 Performance

In FY2024, there have been three incidents of work-related injuries reported. One of our employees suffered a minor injury on his left eyelid during his attempt to get a product that was beneath a conveyor wherein there were protruding bolts. The excessive bolt protrusion was removed and protection caps were placed to conceal the bolts. Other work-related injuries include a right toe injury while cutting zinc pieces due to failure of wearing safety shoes and minor injury on an index finger while the employee was making an attempt to adjust a brush holder while cleaning. Among the preventive measures taken include the review of the Standard Operating Procedure for zinc cutting, additional emphasis on the importance of wearing personal protective equipment while working, regular inspection of equipment and emphasis to discard broken equipment.

In order to increase awareness among employees on importance of having a strong safety culture, induction training with briefing from safety department is incorporated as part of employee onboarding process. The briefing include visual presentation of hazards that could potentially harm employees. Safety audit is conducted on monthly basis with discussion on how to prevent incidents and ways to foster safe work environment. Regular briefing is also given to employees on the importance of identifying and eliminating hazards which serves as reminder to minimize risks. The Group will continue to monitor and implement effective control measures for all work-related hazards that have been identified in relation to our business activities. By efficiently mitigating OH&S risks, we hope to minimize workplace accident rates and safeguard our employees’ health and safety. We have not received any DOSH penalty notices for non-compliance in FY2024.

Customer Health and Safety

At Samurai 2K, trust and integrity are the cornerstones of our business. We understand that customers expect high-quality products, comprehensive after-sales support, and ethical sourcing practices. We strive to earn their trust by being attentive to their needs and ensuring the health and safety of those using our products.

Our commitment to safety starts with product development. The R&D team collaborates closely with product safety and regulatory affairs to evaluate the health, environmental, and safety impact of our products from the outset. We are dedicated to addressing any potential safety concerns, and all R&D products undergo rigorous lab testing before moving to manufacturing. This include safety evaluation. Depending on the product's intended use, additional screening and modelling may be conducted.

Our ISO 9001:2015 certified production facilities ensure consistent, high-quality products. We conduct annual quality assessments to maintain these standards. Our Enterprise Resource Planning System integrates quality controls, guaranteeing that all manufactured products are tagged with an official Safety Data Sheet issued by Quality Assurance. Precautionary protocols are also established for employees in case of product recalls.

Our sales and marketing teams work together with research and regulatory departments to ensure that all health and safety information presented to customers is accurate and aligns with the product labelling. We encourage open communication, and customers with product safety concerns can reach out to their assigned sales representative or submit a formal complaint via the appropriate channels.

FY2024 Performance

Within the reporting period, there have been zero incidents of non-compliance with regulations and voluntary codes relating to the health and safety impacts of our products. We believe that we have put in place the necessary safeguards to ensure that this will remain the case in the future.

CORPORATE EVENTS & CORPORATE SOCIAL RESPONSIBILITY

Career Fair

On 23 – 24 September 2023, Samurai 2K hosted its first career fair at its headquarters in Gelang Patah. This event, initiated by our Strategic Human Resource Manager, is organised regularly to connect with potential candidates from diverse backgrounds and showcase our brand, products, and upcoming innovations. Given the initiation of multiple Artificial Intelligence and Digital Marketing projects, we require additional manpower. On-the-spot interviews were conducted to identify profiles that align with our work culture. We plan to collaborate with the State Strategic Human Capital Unit, PERKESO, and other governmental organisations to increase our workforce and provide valuable information to help individuals make informed employment decisions.



Feed the Poor Program

On 13 January 2024, Samurai 2K partnered with Kechara Soup Kitchen Society, a local non-governmental organization (“**NGO**”), to distribute food to homeless individuals in Johor Bahru. This initiative was a great opportunity for our employees to give back to the community and directly support those in need. Our dedicated team members volunteered approximately two hours of their time, working alongside Kechara Soup Kitchen to distribute meals and offer assistance to the local homeless population.

The evening began with a briefing on safety procedures, followed by food distribution along Jalan Wong Ah Fook. After distributing the food, employees shared their experiences and the positive impact of volunteering. Samurai 2K is committed to ongoing social responsibility efforts and is grateful for Kechara Soup Kitchen Society’s partnership in supporting this important cause.



Blood Donation Campaign

On 21 February 2024, the Group participated in a Blood Donation Campaign organized by Sultanah Aminah Hospital. This event gained enthusiastic participation from 40 of the Group's employees, who collectively contributed five hours to this life-saving cause. Their efforts helped increase the hospital's blood reserves, which are critical for medical emergencies and surgeries.

Global Recycling Day

On 16 March 2024, Samurai 2K actively participated in Global Recycling Day, an initiative organized by Sutera Good Earth and Kuru Kuru. Four dedicated employees volunteered their time, contributing to waste reduction and promoting sustainable practices within the community.

The event took place at SuteraFOLO Farm, a unique location that utilizes food waste from Sutera Mall to create compost for their gardens. Alongside around 30 volunteers from NGOs and local businesses, our team members participated in various activities and practiced environmentally friendly principles such as the 5Rs principle. Employees of Samurai 2K were stationed at counter of collection and sale of usable items such as used toys, second-hand books, kitchen goods, food grade glass bottles and electronic goods. They were also involved in pledge painting, tree planting and workshop regarding sustainable living environment.

Samurai 2K is committed to ongoing environmental responsibility. We value our partnership with Sutera Good Earth & Kuru Kuru, and look forward to future collaborations that raise awareness among our employees and promote sustainable waste management practices within the Group.



Forbes Asia’s Recognition for Samurai 2K’s Financial Discipline and Innovations

Our commitment to excellence extends beyond social responsibility. We are proud to be recognized among the top performing small and mid-sized companies in the Asia-Pacific region.

In November 2023, Samurai 2K was featured on Forbes Asia’s prestigious “Best Under a Billion” list. Companies were selected based on criteria including debt management, sales growth, earnings per share growth, and average returns on equity. Out of approximately 20,000 companies, only 200 public listed companies in the Asia-Pacific region with sales between US\$10 million and US\$1 billion made it to the Forbes Asia Under a Billion list. Samurai 2K’s inclusion in this esteemed list reflects its prudent financial management, unwavering focus on innovation, and strategic market expansion.

This recognition motivates us to continue on our path. Samurai 2K remains committed to sustainable growth, financial responsibility, and creating value for all our stakeholders.



GRI CONTENT INDEX

Statement of use	Samurai 2K Aerosol Limited has reported the information cited in this GRI content index for the period from 1 April 2023 to 31 March 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI DISCLOSURES		PAGE NUMBER
GRI 2: General Disclosures 2022		
The organisation and its reporting practices		
2-1	Organisational details	2-5
2-2	Entities included in the organisation's sustainability reporting	2
2-3	Reporting period, frequency and contact point	2
2-4	Restatements of information	No restatements
2-5	External assurance	2
Activities and workers		
2-6	Activities, value chain and other business relationships	3-9
2-7	Employees	21-26
2-8	Workers who are not employees	-
Governance		
2-9	Government structure and composition	6,17
2-12	Role of the highest governance body in overseeing the management of impacts	6,17
2-13	Delegation of responsibility for managing impacts	6,17
2-14	Role of the highest governance body in sustainability reporting	6,17
2-16	Communication of critical concerns	13,14
2-17	Collective knowledge of the highest governance body	6,17
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	1,6

2-26	Mechanisms for seeking advice and raising concerns	2, 13
2-27	Compliance with laws and regulations	2
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	6-8
Management Approach		
3-1	Process to determine material topics	6-11
3-2	List of material topics	10-11
Material topics		
Economic Performance		
3-3	Management of material topics	12 – 13
201-1	Direct economic value generated and distributed	12 – 13
Anti-Corruption		
3-3	Management of material topics	13-14
205-2	Direct economic value generated and distributed	13-14
205-3	Confirmed incidents of corruption and actions taken	13-14
Environmental Management		
3-3	Management of material topics	14
302-1	Energy consumption within the organisation	14-15
302-3	Energy intensity	14-15
303-5	Water consumption	14-15
Climate Change		
3-3	Management of material topics	15
305-1	Governance	16
305-2	Strategy	16-18
305-4	Risk Management	18
Waste Management		
3-3	Management of material topics	19-20

306-1	Waste generation and significant waste-related impacts	20-21
306-2	Management of significant waste-related impacts	20-21
HUMAN CAPITAL		
3-3	Management of material topics	21-26
404-1	Diversity and Equal Opportunity	21-24
404-2	Programs for upgrading employee skills and transition assistance programs	24-25
Training and Education		
3-3	Management of material topics	24-26
405-1	Diversity of governance bodies and employees	21-24
Occupational Health and Safety		
3-3	Management of material topics	26-27
403-4	Worker participation, consultation, and communication on occupational health and safety	26-27
403-5	Worker training on occupational health and safety	26-27
403-9	Work-related injuries	27
Customer Health and Safety		
3-3	Management of material topics	28
416-1	Assessment of the health and safety impacts of product and service categories	28
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	28

TCFD CONTENT INDEX	Recommended Disclosures	Page, Reference and reasons for omission, if applicable
Governance	a. Describe the Board’s oversight of climate-related risks and opportunities	Page 6,17
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	Pages 16-19
	b. Describe the impact of climate-related risks and opportunities on the organization’s business, strategy and financial planning.	
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk management	a. Describe the organization’s processes for identifying and assessing climate-related risks.	Page 16-19 Climate related risks were identified using Climate Impact Explorer platform followed by survey to identify and assess the nature and extend of climate related risk in the Group’s business operation.
	b. Describe the organization’s processes for managing climate-related risks.	

	<p>c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.</p>	
<p>Metrics and Targets</p>	<p>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Pages 11,17-20 The Group is currently in the midst of developing calculation methodologies for its Scope 3 emissions.</p>
<p>b. Disclose Scope 1, and Scope 2 and, if appropriate Scope 3, greenhouse gas (GHG) emissions and related risks.</p>		
<p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>		