LMS Compliance Ltd

Sustainability Report 2024

This report was crafted in accordance with the sustainability reporting requirements prescribed for a company listed on the Catalist Board of the SGX-ST.

Advancing Sustainability: Transitioning from GRI to ISSB

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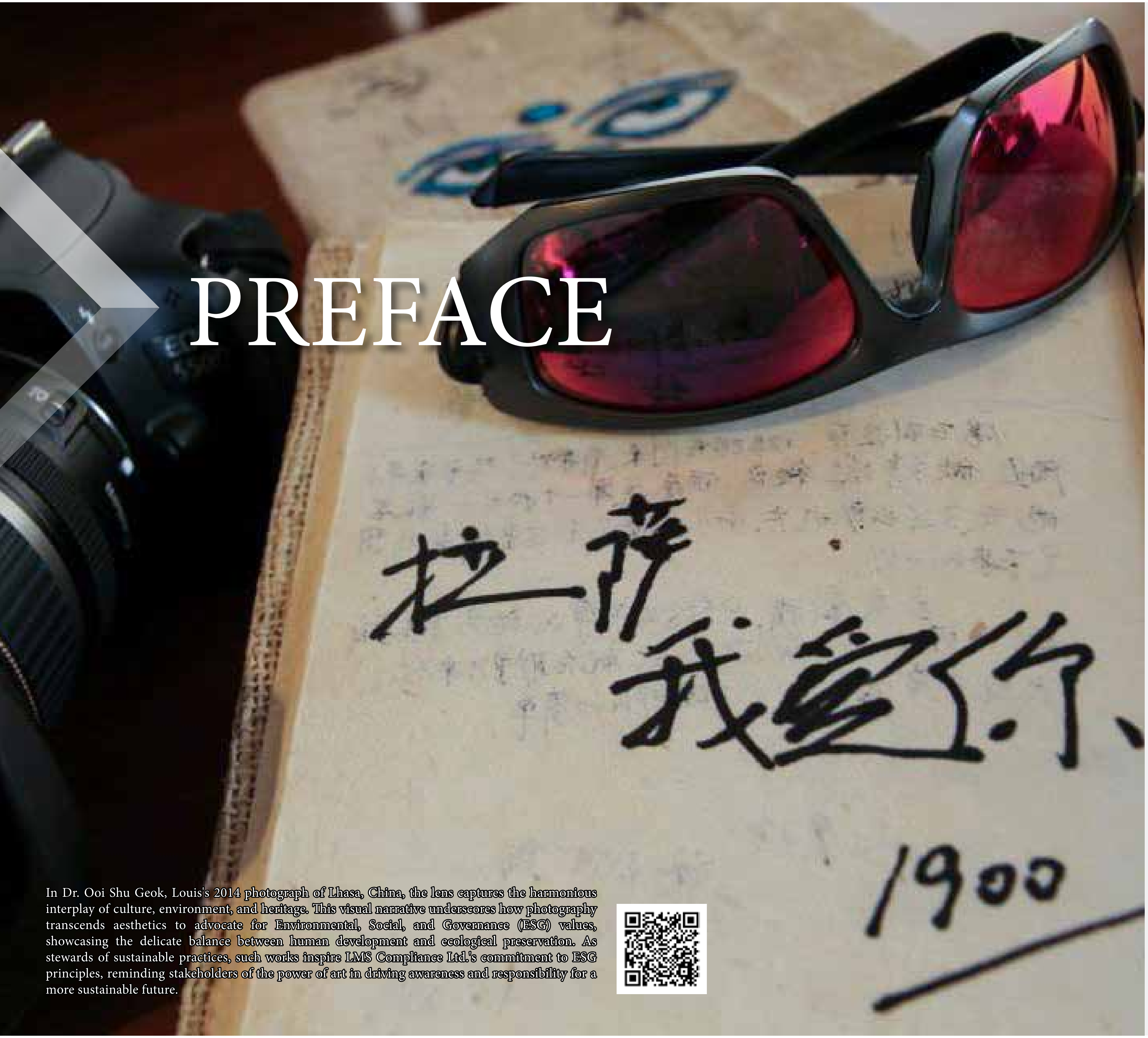


PREFACE

In Dr. Ooi Shu Geok, Louis's 2014 photograph of Lhasa, China, the lens captures the harmonious interplay of culture, environment, and heritage. This visual narrative underscores how photography transcends aesthetics to advocate for Environmental, Social, and Governance (ESG) values, showcasing the delicate balance between human development and ecological preservation. As stewards of sustainable practices, such works inspire LMS Compliance Ltd.'s commitment to ESG principles, reminding stakeholders of the power of art in driving awareness and responsibility for a more sustainable future.

Balanced Reporting Approach

LMS COMPLIANCE LTD (the "**Company**"), and together with its subsidiaries (the "**Group**" or "**LMS**"), is a public limited liability company, incorporated and headquartered in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). We specialise in the provision of testing, assessment, certification and assurance services, as well as the design, building, and commercialisation of decarbonisation solutions. The Group engages stakeholders including regulators, accreditation bodies, manufacturers, and consumers in Malaysia, Singapore and the Asia Pacific region. For more details about our business activities, please visit our Group's corporate website at URL https://lmscompliance.com/.

Our commitment to robust governance practices and transparency ensures that our performance reporting is comprehensive, reliable, and impartial. This sustainability report for the financial year ("**FY**") ended 31 December 2024 ("**Reporting Period**") exemplifies this dedication by presenting key disclosures, applied frameworks, and strategic insights into our short-, medium-, and long-term business outlook.

The financial figures in this Report are expressed in Ringgit Malaysia ("**RM**") and rounded to the nearest thousand ("**RM'000**"), unless otherwise stated.

Key Frameworks Applied and Scope of the Report

The sustainability report of the Group for FY2024 ("**Sustainability Report**" or "**Report**") has been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as an overarching framework supported by the Global Reporting Initiative ("**GRI**") Universal Standards and SGX Core ESG Metrics, ensuring comprehensive, transparent, and accountable disclosures. This Report aligns with the requirements outlined in Rules 711A, 711B, and Sustainability Reporting Guide of Practice Note 7F of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), which guide sustainability reporting obligations for listed entities.

The Reporting Period covered spans from 1 January 2024 to 31 December 2024. The scope of the Report encompasses the sustainability performance and practices across the Group and its subsidiaries and associates directly held by the Group as disclosed in our audited financial statements, for FY2024 at page 83 of the Company's annual report dated 8 April 2025, with subsidiaries adhering to the Malaysian Financial Reporting Standards ("**MFRS**") and the Companies Act 2016 of Malaysia. The Report provides disclosures on all subsidiaries in which the Group holds a 100% ownership interest.

Unlike previously in FY2022 and FY2023, during which LMS's sustainability reporting has been prepared in accordance with the Sustainability Accounting Standards Board ("**SASB**") and the Task Force on Climate-related Financial Disclosures ("**TCFD**") frameworks, the Group has, in recognising the evolving sustainability reporting landscape, adopted the IFRS S1 and S2 sustainability disclosure standards for FY2024. This transition underscores LMS's dedication to enhancing the quality, consistency, and comparability of its sustainability disclosures in alignment with global best practices. By integrating the IFRS Sustainability Disclosure Standards, the Group aims to provide stakeholders with more precise insights into its sustainability risks, opportunities, and financial impacts while reinforcing its commitment to transparent and investor-relevant sustainability reporting. Therefore, the Group has designated FY2024 as the interim base period to align the transition to IFRS Sustainability Disclosure Standards.

As part of the expanded reporting dataset, the Group's emissions disclosures now include, *inter alia, refrigerant gases, passenger and freighting goods vehicles* in Scope 1 and other Scope 3 emissions, as follows:

Category 1	*Purchases of products and services include chemicals.*
Category 3	*Fuel- and energy-related activities Include Well-to-Tank (WTT) of fossil oil and Generation, Transmission and Distribution (GTD) of electricity.*
Category 5	*Waste generated in operations includes wastewater treatment.*
Category 12	*End-of-life treatment of sold products*
Category 15	*Investment in association company*

The Group recognises the challenges in reporting emission avoidance initiatives as part of our commitment to addressing climate change. However, emission avoidance is not classified as a primary category under the Greenhouse Gas ("**GHG**") Protocol standards for Scopes 1, 2, and 3. While ISO 14064-1 of the International Organization for Standardization focuses on emission reductions, emission avoidance is a separate category demonstrating how our climate actions result in lower emissions than a baseline scenario. These reductions are reflected in the Group's overall GHG inventory for assurance purposes. While adhering to the GHG Protocol in this Report, the Group has opted for reasonable assurance under the ISO 14064-1 standard that can cater to the Group's emission avoidance initiatives, in which the standard offers specifications for quantifying and reporting GHG emissions and avoidances at the organisational level. The Group aims to report its emission avoidance efforts transparently, ensuring they are accurately reflected in the overall GHG inventory that could grant a reasonable assurance statement.

Global Reporting Initiative Universal Standards 2021 was chosen for its global recognition for reporting an organisation's economic, environmental, and social impacts.

Reasonable Assurance Statement

The Group's subsidiary, MY CO2 CERTIFICATION SDN BHD, acting as a first-party assurance provider, has verified the data and information disclosed in this Report to enhance the accuracy, completeness, and reliability of the reported data. As an accredited verification and validation entity, MY CO2 CERTIFICATION SDN BHD conducted assurance on the sustainability segment of this Report, reinforcing LMS's commitment to high-quality, transparent, and investor-relevant sustainability disclosures. The scope of assurance based on the ISO14064-1 standard focuses explicitly on GHG emissions and avoidance, covering the following key metrics:

- Scope 1 / Category 1* : Direct GHG emissions
- Scope 2 / Category 2* : Indirect GHG emissions from purchased energy
- Scope 3 Indirect GHG emissions
  - Category 3* (GHG emissions from transportation)
  - Category 4* (GHG emissions from products used by the Group)
  - Category 5* (GHG emissions associated with the organisation's use of products)
- Emission Avoidance

* ISO 14064-1 Catagories

In accordance with Rule 711B(3) of the Catalist Rules, the Company has subjected its sustainability reporting processes to an internal review conducted by its internal auditor.

Materiality

This Report focuses on the most significant materiality topics impacting our business and stakeholders, ensuring that disclosures are relevant, transparent, and aligned with industry best practices. We implement a structured four-step materiality assessment process to identify, assess, prioritise, and verify material matters. This enables us to address the most critical sustainability risks and opportunities affecting our operations and long-term value creation. The materiality assessment process informs our sustainability strategy by recognising sixteen (16) material matters that significantly influence our business performance and stakeholder interests. These material matters are evaluated based on their financial and non-financial impact, ensuring the Report reflects short-, medium-, and long-term sustainability-related considerations and feedback.

Feedback

We remain committed to continually improving the quality and relevance of our sustainability reporting. Understanding the importance of stakeholder engagement, we actively encourage feedback to enhance our materiality assessment process and disclosure practices. Stakeholders are invited to share their queries, insights, or feedback on this Report through the following communication channels:

Name : Emily Choo
Position : Investor Relations Director
Email : ir@lmscompliance.com

Disclaimer

This Report may include forward-looking statements that incorporate assumptions, risks, and uncertainties that could cause restatements of information or error. However, the Group presents the sustainability-related metrics and targets for comparability which allow for meaningful analysis. Nevertheless, future performance, outcomes, and results may differ materially from those projected in these statements due to various influencing factors, including economic conditions, regulatory changes, and evolving sustainability risks.

These statements reflect the Group's management's current expectations regarding future events, which are subject to change based on new information or developments that may be included in sustainability-related financial disclosures by cross-reference to another report published by the Group on the importance of providing historical context to sustainability disclosures, enhancing their usefulness for decision-making. Multiple factors, including unforeseen risks and uncertainties, may lead to outcomes that significantly deviate from the expectations outlined in these forward-looking statements. As such, stakeholders are encouraged to interpret forward-looking information cautiously, recognising its inherent limitations, such as restatements.

Restatements

No restatements were made from the previous sustainability reports of the Group, indicating that all disclosed data, methodologies, and assumptions remain consistent with prior reporting periods. This reflects the accuracy, reliability, and robustness of the Group's sustainability reporting processes, ensuring stakeholders receive transparent and consistent information regarding the Group's environmental, social, and governance ("**ESG**") performance. The absence of restatements signifies no material changes in reported figures, calculation methodologies, or sustainability performance metrics from the previous disclosure. This stability demonstrates the Group's commitment to high-quality data governance, verification processes, and adherence to established reporting standards, reinforcing trust among investors, regulators, and other stakeholders.

Dr. Louis Ooi's photograph of a white bicycle in Japan portrays a compelling story of simplicity and sustainability. The imagery symbolizes a low-impact lifestyle, highlighting the essence of Environmental, Social, and Governance (ESG) values. Through photography, this vision speaks to the importance of eco-conscious mobility and its role in fostering societal harmony.

Board Responsibility Statement

Dear Stakeholders,

As the newly appointed Chairman of LMS Compliance Ltd, I am honoured to address you for the first time in this capacity. I want to express my sincere appreciation to my predecessor, Datuk Fadilah Binti Baharin, for her exceptional leadership and invaluable contributions to the Group. Her dedication has laid a strong foundation, enabling LMS Compliance Ltd. to embark on the next phase of its growth journey with confidence.

Upholding Transparency and Accountability

The Company's Board of Directors (referred to as the "**Board**" or "**Directors**") acknowledges its responsibility to uphold the credibility, accuracy, and integrity of this Report. The Board is committed to ensuring that this report provides a comprehensive, transparent, and balanced representation of the Group's sustainability performance, strategy, and value-creation efforts.

For the first time, this Sustainability Report has been prepared based on guiding principles from IFRS S1, S2, GRI, and SGX Core ESG Metric standards. It also aligns with best practices for sustainability reporting, highlighting the governance body's role in sustainability-related disclosures.

Following a Board discussion, this Sustainability Report received the official approval of the Board on 24 February 2025, to adopt the IFRS Sustainability Declaration Standard ("**IFRS SDS**"), marking our collective endorsement of its accuracy, comprehensiveness, and adherence to reporting standards. The Board recognises this Report's crucial role in communicating the Group's sustainability commitments, ESG performance, and corporate governance practices to all stakeholders.

Robust Financial Performance Driving Growth

The Group recorded a 21.4% year-on-year revenue growth for FY2024, reaching RM25.38 million. Operating cash flows remained strong at RM9.43 million before factoring in working capital changes and income tax payments. By the end of the year, we held RM22.35 million in cash and financial assets, ensuring a solid foundation for future investments and acquisitions. A key milestone in our expansion strategy was the Group entering into an agreement on 23 January 2025, to acquire 75% stake in Anchor Technology Holdings Co., Limited ("**Anchor Technology**"), further reinforcing our growth trajectory. Anchor Technology serves as an investment holding company, with its wholly owned subsidiaries: (i) Anchor Center for R&D and Certification (Shanghai) Co., Ltd. ("美安康质量检测技术(上海)有限公司") ("**ACC Shanghai**") and Anchor Technology (Hainan) Co., Ltd. ("美安康科技(海南)有限公司") ("**ACC Hainan**"), offering a comprehensive range of certification services for food and edible agricultural products, as well as research and development services. Additionally, these subsidiaries specialise in product design and development for the food and beverage industry and provide consulting services on quality, safety, and regulatory compliance for food and beverage clients.

In light of our strong financial performance, the Board has recommended a tax-exempt (one-tier) final dividend of S$0.011 per share of the Company. This reflects our commitment to delivering sustainable returns to our shareholders while strategically reinvesting in business growth.

Commitment to Continuous Improvement

As we move forward, the Board remains steadfast in its commitment to enhancing corporate governance, sustainability disclosures, and financial resilience. We will continue to monitor emerging ESG trends, adapt to evolving regulatory frameworks, and refine our reporting practices to uphold the highest standards of transparency and accountability.

We encourage stakeholder engagement and welcome feedback to strengthen our sustainability journey further. Please feel free to reach out with any insights, questions, or recommendations regarding this Report.

The Board firmly believes that this Report encapsulates all material matters significantly impacting the Group's ability to create long-term value, addressing key ESG factors. By adhering to robust corporate governance and sustainability disclosure standards, the Board ensures that the Report aligns with regulatory requirements and stakeholder expectations.

Mr. Ong Beng Chye
Independent Non-Executive Chairman

PREFACE > The CEO's Message on Sustainability

Dr Ooi Shu Geok
Executive Director and
Chief Executive Officer (CEO)

The CEO's Message on Sustainability

2024: A Year of Milestones and Progress

LMS Compliance Ltd. has achieved significant milestones and impactful progress in FY2024, further strengthening its presence in the testing, certification, and ESG advisory sectors. Through strategic initiatives and a steadfast commitment to innovation and sustainability, we have successfully navigated an evolving business landscape with resilience and focus, positioning the Company for long-term growth and success.

Advancing Sustainability Leadership

LMS continues to enhance its role in sustainability by, expanding our ESG advisory and reporting services. Through our subsidiary, My CO2 Certification Sdn Bhd, we empower organisations to measure, verify, and manage Scope 1, 2, and 3 greenhouse gas emissions. Our recent collaboration with the Malaysian Semiconductor Industry Association ("**MSIA**") led to the launch of the ESG Readiness Self-Assessment & Action Plan Program, a three-stage initiative offering free ESG self-assessment tools, ESG readiness certificates, and one-on-one consultations. This initiative is designed to help small and medium-sized enterprises ("**SMEs**") develop actionable business plans to enhance their ESG readiness. By leveraging digital tools and forging strategic partnerships, LMS aims to empower SMEs, raise sustainability awareness, and strengthen Malaysia's role in the global semiconductor supply chain. Our services enable clients to mitigate risks, meet regulatory and stakeholder expectations, and improve operational efficiencies, ensuring alignment with global decarbonisation goals.

Driving Digital Innovation

Digital innovation is a cornerstone of our long-term strategic vision and is crucial for adapting to evolving ESG requirements and client needs. With sustainability standards and regulations becoming increasingly complex, our commitment to cutting-edge technology ensures we stay ahead of industry trends. In FY2024, we introduced Aizenz GHG, a suite of digital tools that simplifies carbon accounting and ESG compliance. These innovations enhance service delivery and enable LMS Compliance to adapt quickly to shifting regulatory landscapes. Our digitalisation strategy reinforces our commitment to innovation and operational excellence, helping us to remain in a competitive in the industry.

Strategic Expansion Across Key Markets

LMS has expanded its presence in key growth markets, including Singapore, Malaysia, and China, which aligns with our strategic vision. The acquisition of a 30% stake in Prismatic Technologies Sdn Bhd marks a significant step in strengthening our technological capabilities and service offerings. FY2024 also saw the launch of our first-ever bonus issue, granting one bonus share for every five existing ordinary shares of the Company—a testament of our commitment to delivering value to stakeholders. A key focus of our expansion is Singapore's "30 by 30" food security initiative, first announced in 2019 as part of the Singapore Green Plan 2030. This initiative aims to increase local food production to 30% of the nation's nutritional needs by 2030, addressing food security risks posed by heavy import dependence (over 90%) and global supply chain disruptions, climate change impacts and geopolitical tensions. On 23 January 2025, LMS has entered into an agreement to acquire a 75% stake in Anchor Technology, a specialised provider of novel food certification and registration services to support this vision. This acquisition strengthens our market expansion efforts and reinforces our commitment to supporting Singapore's sustainability and food security goals.

Recognition of Sustainability Initiative

Adding to our achievements, LMS Compliance was honoured with three prestigious awards in 2024, reinforcing our dedication to sustainability, talent development, and industry leadership:

- AMMI ESG Governance Award – Recognizing our commitment to transparent ESG reporting, regulatory compliance, and ethical business practices;
- Talent Development Award – Honouring our efforts in training, upskilling, and fostering a culture of continuous learning in ESG compliance; and
- Industry Expert Sharing Award – Acknowledging our thought leadership and contributions to sustainability education and policy development.

These accolades reinforce our position as a trusted partner in sustainability and regulatory compliance. They testify to our unwavering commitment to driving positive change, fostering responsible business practices, and strengthening industry collaboration. As we move forward, we remain dedicated to expanding our impact and shaping a more sustainable future for businesses worldwide.

Strong Financial Performance

LMS Compliance delivered robust financial results in FY2024, with revenue surging 21.4% year-on-year to RM25.38 million, driven by growth across all five business segments:

- Laboratory testing services: +RM3.73 million (+18.6%);
- Training and assurance: +RM0.39 million (launched in January 2024);
- Sales of goods: +RM0.26 million (+83.0%),
- Certification services: +RM0.06 million (+14.0%); and
- Distribution of conformity assessment technology: +RM0.04 million (+31.7%).

Profit before tax rose modestly by 2.8% to RM7.81 million, impacted by a decrease in other income of RM1.44 million (80.4%), primarily due to lower government grant income and wage subsidies (RM0.84 million) and absence of foreign exchange gains (RM0.75 million). The Group's bottom-line growth would have been more substantial, excluding these factors.

A Vision for the Future

Looking ahead, LMS remains steadfast in its commitment to empowering businesses with innovative solutions that address sustainability challenges, digitalisation, and operational efficiency. As the green economy accelerates and ESG compliance becomes increasingly critical, we see unparalleled opportunities to create lasting value for our stakeholders. With a clear strategic direction, continued investment in innovation, and an unwavering commitment to excellence, LMS can drive sustainable growth and lead the industry into the future.

Dr Ooi Shu Geok
Executive Director and
Chief Executive Officer ("**CEO**")

The author of LMS's Sustainability Report FY2022, FY2023, and FY2024

A GLANCE AT LMS

Dr. Ooi's panorama of Ireland's Blarney Castle illustrates the seamless connection between cultural preservation and environmental stewardship. This image resonates with Environmental, Social, and Governance (ESG) principles, aligning with LMS's dedication to fostering sustainable heritage and responsible growth.

Our Philosophy

Vision
The Global Local Laboratories

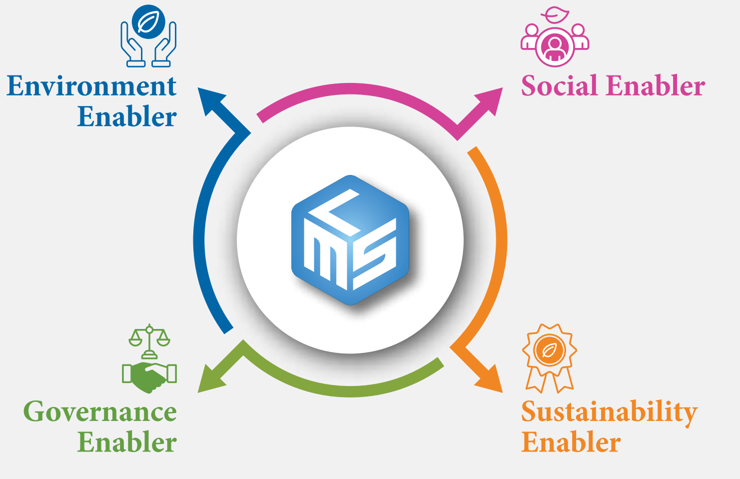
Mission
Contribute to Business Excellence

Core Value
Flexibility, Improvement, Teamwork, Commitment, Opportunity, Recognition, Peak Performance

Brand Tagline
Driving Compliance, Enabling Sustainability

Our Positioning

LMS strategically positions the group as an Environmental, Social, and Governance Enabler ("**ESG Enabler**") with a central focus on enabling our client's sustainability goals and combating climate change. This deliberate positioning underscores a commitment to proactively contribute to business excellence in environmental stewardship, social responsibility, robust governance practices, and sustainability, anchored in four (4) enablers.



ESG Enabler

In 2024, LMS Compliance Ltd experienced a year of remarkable growth, innovation, and strategic partnerships, further strengthening its commitment to excellence and sustainability. A key milestone was the expansion of MY CO2 (KL) Sdn Bhd in Shah Alam, Selangor, Malaysia, with the completion of three state-of-the art buildings in November 2024, enhancing our testing capabilities and service efficiency.

In January 2024, LMS launched ESG Disclosure and Sustainability Report Assurance services, further expanding its capabilities in sustainability advisory. Continuing its innovation-driven strategy, LMS acquired a 30% stake in Prismatic Technologies Sdn Bhd in May 2024, advancing real-time decarbonisation solutions and diversifying its service offerings.

LMS is a established provider of testing, assessment, certification, and assurance services catering to diverse industries. Our expertise spans food and healthcare, medical devices, industrial operations, and Greentech. With over 18 years of experience in the testing and certification industry, we are committed to upholding the highest standards. We rigorously adhere to local and international protocols, ensuring precision and reliability in all our services. Our diverse business portfolio encompasses the following conformity assessment activities:

Assurance Services

When you are concerned about climate change, we provide assurance of our client's operations and products' reliability, integrity, and quality, particularly concerning carbon emissions and footprint verification. Our assessments adhere to internationally recognised standards such as ISO 14046 (Corporate and Project Carbon Footprint) and ISO 14067 (Product Carbon Footprint), ensuring transparency, accuracy, and compliance with global sustainability frameworks.

Testing Services

When you are committed to product quality, we offer extensive testing and assessment services across multiple industries. We use cutting-edge methodologies and state-of-the-art testing equipment to ensure product quality, safety, and regulatory compliance standards. Our expertise spans chemical, microbiological, nucleic acid, and mechanical testing, providing clients with precise and reliable results.

Assessment Services

When you care about workplace safety and health, we offer comprehensive workplace safety and health assessment services, including hazard identification, risk assessment, and compliance evaluation. Our assessments enhance safety programs, provide actionable recommendations, and tailored training initiatives. Continuous monitoring and reporting help foster a safe work environment while ensuring compliance with regulatory standards.

SYSTEM CERTIFICATION

Certification Services

We offer certification services that validate the alignment of management systems and processes with industry and ISO standards. Our certifications are a benchmark of excellence, bolstering trust, credibility, and operational efficiency.

Conformity Assessment Technology (CAT)

When you embark on digital transformation, we develop Conformity Assessment Technology ("**CAT**") such as Aizenz GHG, our carbon accounting apps for manufacturers, laboratories, certification bodies, and inspection agencies. Staying at the forefront of innovation, we enable efficient and accurate conformity assessments, reinforcing industry best practices and regulatory compliance.

aizenz

Carbon Action Solutions (CAS)

When you believe in sustainability, we provide Carbon Action Solutions ("**CAS**") to support organisations in managing and mitigating their carbon footprints. By integrating digital solutions and strategic frameworks, we empower businesses to implement effective decarbonisation strategies and contribute to global climate goals.

PRISMATIC

At LMS, we take a holistic approach to serving diverse industries, positioning ourselves as a one-stop solution provider for assurance, testing, assessment, certification, and sustainability-driven services. With our technical expertise, industry knowledge, and commitment to excellence, we empower conformity assessment activities to enhance product quality, regulatory compliance, and environmental responsibility. LMS – The ESG Enabler.

Conformity Assessment

In FY2024, the Group compiled approximately 137,798 sustainability datapoints collected from sample tags under "Environment", "Social", "Governance", and "Digitalisation" marking a 19.2% increase from FY2023. These datasets stem from daily operations in testing, assessment, certification, and assurance services across industries.

Conformity Activities	Contribute to sustainability pillars	FY2021	FY2022	FY2023	FY2024
Total	ESGD	100,223	107,401	115,441	137,798

GOVERNANCE STRUCTURE

Dr. Ooi's photograph of the Roman-built heritage site at Ephesus Ancient City, Turkey, reflects the architectural ingenuity and governance principles of 300 BC. This historic marvel showcases early frameworks of urban planning and civic organization, highlighting timeless governance values. Such imagery aligns with LMS's dedication to fostering sustainable practices rooted in enduring principles of responsibility and development.

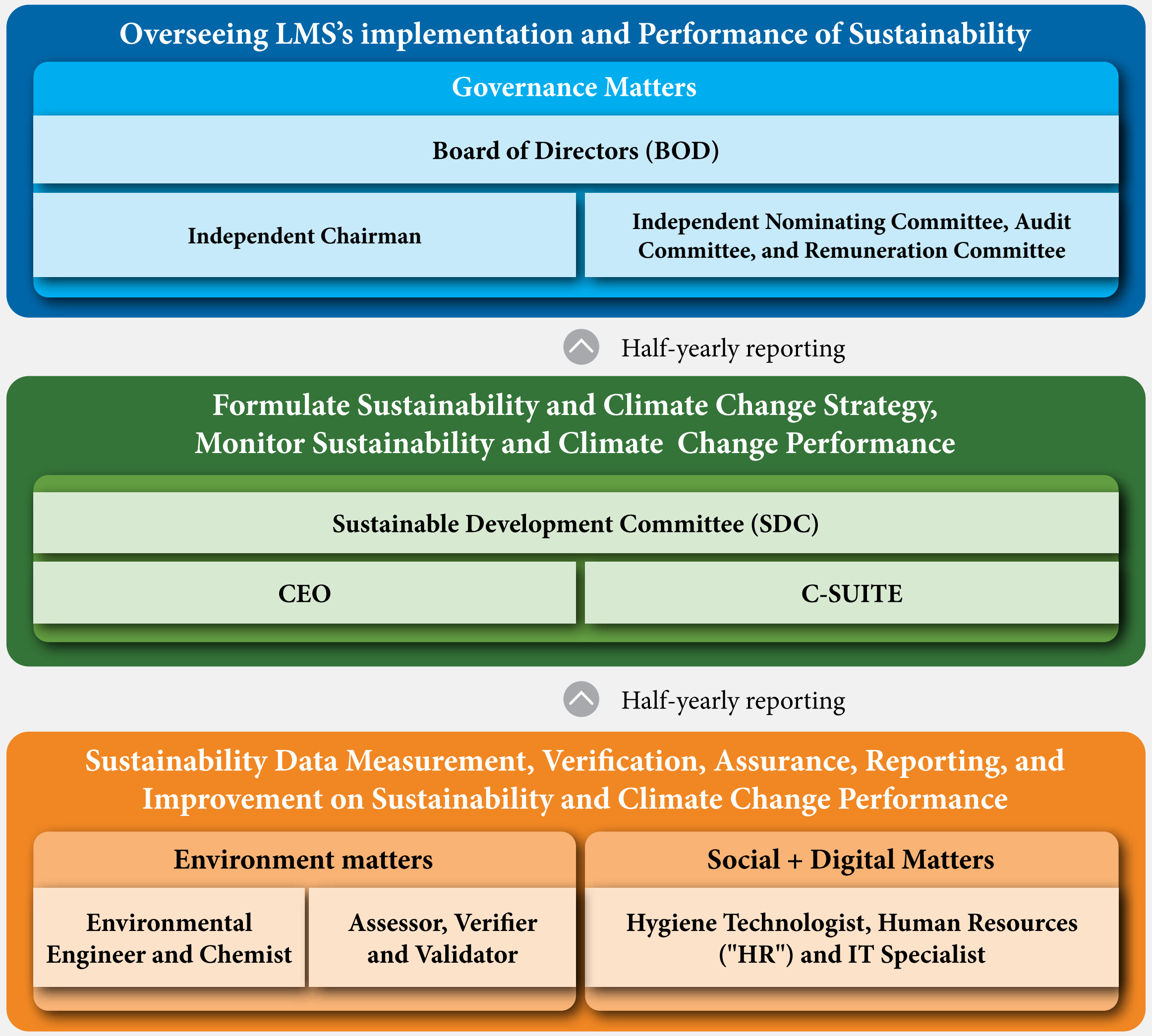
Sustainability Framework

At LMS, we recognise that sustainability-related risks and opportunities ("**SrROs**") and climate change-related risks and opportunities ("**CrROs**") are integral to our long-term success. As part of our commitment to sustainability governance, we have embedded SrROs and CrROs into our decision-making processes at the highest levels.

The Group has established a comprehensive performance evaluation framework to assess the effectiveness of our highest governance body in overseeing the management of the organisation's impacts on the economy, environment, and people. As part of this framework, we have integrated RobecoSAM's Economic Dimension Score ("**EDS**") into our annual evaluation process, ensuring that the governance body's performance aligns with globally recognised sustainability and governance benchmarks. The evaluation process assesses the Board's effectiveness in embedding sustainability-related considerations into strategic decision-making, risk management, and stakeholder engagement. This includes oversight of key ESG impacts and the organisation's progress towards achieving sustainability objectives.

The evaluations are conducted annually and led by the Nomination Committee of the Company to ensure objectivity and credibility. The independent evaluations provide an impartial assessment of the Board's performance, identifying areas for improvement and benchmarking against industry best practices. The assessment criteria include the Board's ability to oversee financial and non-financial risks, integrate ESG factors into business strategy, be responsive to stakeholder concerns, and effectively foster a corporate culture of accountability and sustainability.

In response to the evaluation findings, targeted actions are implemented to enhance governance effectiveness. These actions may include revisions to Board composition, appointment of directors with specialised expertise in sustainability and ESG governance, and enhancements to Board training programs on emerging regulatory requirements and sustainability risks. Through this rigorous and transparent evaluation process, LMS ensures that its highest governance body remains effective, accountable, and aligned with global sustainability expectations. This ultimately drives responsible business practices on SrROs and CrROs for long-term value creation of all stakeholders by the governance body, namely the Board.



Board of Directors

The Board has ultimate responsibility for the Group's sustainability reporting. The Board considers sustainability issues in the Group's business and strategies, determines the material ESG factors and oversees the management and monitoring of the material ESG factors.

Our Board, which consists of independent and executive directors, are regularly informed about SrROs and CrROs through structured reporting mechanisms, half-yearly sustainability briefings, CEO-led sessions, and a standing agenda item in all Board meetings, ensuring ongoing engagement. The Board also receives reports from the Sustainable Development Committee (“**SDC**”) led by the CEO, which provides in-depth insights into climate risks, regulatory changes, and market trends that impact LMS's strategic direction.

The Board plays a crucial role in setting and monitoring sustainability-related targets, particularly those linked to achieving net-zero emissions and improving environmental performance. Targets related to greenhouse gas (GHG) reduction, energy efficiency, and ESG performance indicators are established based on scientific methodologies and regulatory frameworks. The Board monitors progress against these targets through key performance indicators (“**KPIs**”), ensuring alignment with the Net Zero Emissions (“**NZE**”) 2050 Roadmap. These sustainability KPIs are integrated into executive remuneration policies to drive accountability, linking performance-based incentives to progress on sustainability-related and climate-related goals. This reinforces a company-wide culture of sustainability performance and incentivises leadership to achieve measurable environmental outcomes.

To systematically incorporate SrROs and CrROs into the Company's strategy and major decision-making processes, the Board evaluates their impact when assessing significant action plans, annual budgets, and capital allocation. Key SrROs and CrROs are factored into risk management policies, investment strategies, and operational planning. Before approving substantial capital expenditures, acquisitions, or divestitures, the Board undertakes a risk-benefit analysis that considers environmental trade-offs and long-term sustainability impacts. By integrating SrROs and CrROs into these processes, LMS ensures resilience against sustainability and climate-related risks while capitalising on growth opportunities in the low-carbon economy. The Board also oversees risk mitigation strategies, ensuring that sustainability risks are embedded in enterprise risk management frameworks and aligned with international standards such as IFRS S1 and S2 disclosures.

In FY 2024, two Board meetings were conducted, focusing on long-term sustainability risks, the Company's response to climate-related financial risks, and strategies to enhance LMS's market positioning in a transitioning economy led by our chairman and respective board committees. These discussions also addressed governance-related issues and compliance with IFRS S2 disclosure.

Independent Chairman and Committees

At LMS, the Chairman of the Board is independent. He does not hold any executive position within the organisation, ensuring a clear separation of governance and management in line with GRI 2-11 requirements. This independence prevents potential conflicts of interest and enhances transparency and accountability in decision-making. Additionally, all board committees of the Company—the Nominating Committee ("**NC**"), Audit Committee ("**AC**"), and Remuneration Committee ("**RC**")—comprise at least of two (2) independent non-executive directors, ensuring unbiased oversight in critical governance areas. This structure strengthens checks and balances, allowing the Board to effectively oversee corporate strategy, risk management, sustainability priorities, executive remuneration and competencies, reinforcing stakeholder trust and corporate integrity.

The AC oversees risk management and regulatory disclosures, ensuring compliance with GRI, IFRS S1 and S2. It works with auditors to provide independent assurance on ESG disclosures, integrating climate risks and governance factors into risk management. There are regular assessments of significant transactions and risk management processes and related policies to ensure proactive ESG risk mitigation and strategic opportunities.

The RC integrates ESG priorities into executive compensation, linking incentives to sustainability KPIs like carbon reduction, diversity, and responsible resource management. By aligning remuneration with long-term ESG performance, LMS fosters a sustainability-driven culture, ensuring leadership accountability and reinforcing stakeholder confidence in the Company's commitment to sustainable business practices and corporate responsibility.

The NC transparently selects the highest governance body, ensuring board diversity, expertise, and strategic alignment. Regular evaluations assess board effectiveness, fostering continuous improvement in corporate governance. This structured approach ensures strong leadership, accountability, and alignment with LMS's long-term sustainability and governance objectives, enhancing stakeholder trust and corporate success.

The Sustainable Development Committee (SDC)

The Sustainability Development Committee is led by the CEO and supported by the C-suite leadership team, which includes the Chief Development Officer, Chief Operation Officer, Chief Technology Officer, Chief Strategy Officer, Chief Compliance Officer, Chief People Officer, and Group Finance Manager. The SDC plays a pivotal role in guiding and overseeing the Group's sustainability initiatives, ensuring the seamless integration of sustainable development principles into the Group's operations, strategies, and decision-making. By working closely with the management of the Group and stakeholders, the SDC strives to foster positive environmental, social, economic, and climate-related outcomes, aligning these efforts with the Group's long-term objectives. The SDC has the responsibility to ensure that the ESG factors are monitored on an ongoing basis and properly managed.

The SDC is also responsible for developing and implementing sustainability strategies that align with the Group's vision and values. It establishes clear goals and targets to improve the Company's environmental performance, social responsibility, and governance standards. A key function of the SDC is to monitor and assess the Group's environmental impact, including carbon emissions, resource consumption, waste management, and water usage, identifying areas for improvement and implementing action plans to reduce the Company's ecological footprint. Additionally, the SDC identifies and manages ESG risks, ensuring the development of effective risk management strategies that safeguard the Group's resilience against sustainability and climate-related challenges. The committee also oversees sustainability reporting, ensuring compliance with relevant reporting frameworks and industry standards.

Stakeholder engagement is a core component of the SDC's responsibilities, involving regular interactions with investors, customers, employees, regulators, and NGOs to address their concerns and expectations. The SDC integrates stakeholder feedback into its decision-making processes, reinforcing its commitment to continuous improvement in sustainability. It actively promotes the adoption of sustainable technologies and innovations, enhancing both environmental and social performance while contributing to long-term business success. Furthermore, the SDC ensures compliance with environmental and social regulations, industry benchmarks, and international sustainability agreements. By establishing and tracking key performance indicators (KPIs), the committee evaluates the effectiveness of the Group's sustainability initiatives, ensuring measurable progress in its sustainable development efforts derived from the competent professional team of the Group ("**Competent Professional Team**").

The Competent Professional Team

The Competent Professional Team is vital in measuring, verifying, and validating ESG data and compiling them into comprehensive assurance reports. This team comprises our in-house environmental engineers, scientists, auditors, hygienists, validators, and verifiers, all of whom undergo rigorous training to enhance sustainable practices across the Group. Their responsibilities extend beyond data verification to fostering an ESG-centric culture and integrating advanced data measurement technologies to drive sustainability progress.

With a commitment to precision and excellence, the team ensures that the Group's ESG initiatives are accurately documented, verified, and aligned with global sustainability standards. They actively explore innovative technologies and methodologies to enhance data collection, analysis, and reporting, continuously refining processes to strengthen ESG governance and accountability. Their expertise contributes to ensuring compliance with sustainability frameworks, reinforcing the Group's commitment to environmental and social responsibility.

As key stakeholders within the ESG framework, the Competent Professional Team champions transparency, accountability, and environmental stewardship across the organisation. Their proactive engagement in sustainable development efforts supports the Group's long-term ESG objectives, fostering positive social impact and ensuring a robust, future-focused sustainability strategy. Their work is instrumental in driving continuous improvement and embedding ESG excellence into the Group's core operations.

STAKEHOLDERS ENGAGEMENT

Dr. Ooi's photograph of a shopping arcade in Tokyo, Japan, highlights the vibrant interplay of commerce and community, embodying the essence of stakeholder engagement. This imagery reflects the dynamic interactions between businesses and society, aligning with LMS's commitment to fostering inclusive dialogues and partnerships that drive sustainable growth and shared value creation.

Divergence of IFRS and GRI

Recognising the distinct focus of the IFRS on financial materiality and the broader impact-driven approach of GRI, our Group has elected to prioritise stakeholder engagement within our GRI reporting. This decision stems from our commitment to understanding and managing our broader societal and environmental impacts. While IFRS provides crucial insights for investors, GRI's emphasis on stakeholder engagement allows us to capture the perspectives of a diverse range of affected parties, including employees, communities, and communities. This broad engagement is essential for identifying material topics beyond financial risks, enabling us to address our ethical and social responsibilities. By proactively engaging with stakeholders, we aim to build trust, enhance transparency, and ensure our sustainability strategies reflect the concerns of those directly impacted by our operations, thereby fostering long-term, sustainable value creation via the Group multi-stakeholder engagement approach.

Multi-Stakeholder Approach

Our longstanding expertise in the testing, assessment, and certification sector is built on the trust and support of our stakeholders. A key aspect of our sustainability initiatives is maintaining open and transparent communication across the value chain, ensuring stakeholders, including investors, clients, employees, regulators, suppliers, and communities, remain informed and actively engaged. These stakeholders are identified based on their influence, interest, and impact on our business operations and sustainability objectives. We prioritise understanding stakeholder expectations to create lasting value through our sustainability efforts. Regular engagement—via surveys, meetings, forums, and partnerships, helps the Group gather insights that shape our strategies, guide decision-making, and align with global sustainability standards. This ensures that our ESG commitments address critical concerns such as regulatory compliance, ethical business practices, environmental stewardship, and social responsibility. By fostering meaningful engagement, we enhance resilience, drive innovation, and ensure our sustainability approach aligns with stakeholder priorities. Through transparent reporting, collaboration, and proactive dialogue, we strengthen trust and reinforce our commitment to sustainable development, ultimately delivering long-term benefits across the value chain that could remediate the negative impact.

Remediate the Negative Impact

LMS maintains a strong compliance framework and engages stakeholders to understand their needs and enhance satisfaction. Mechanisms for seeking advice and raising concerns, including a grievance system for suppliers, vendors, and the local community, ensure issues are addressed promptly and impartially. This proactive approach fosters transparency, trust, and accountability, supporting LMS's commitment to responsible business practices.

Who	Purpose of engagement (Why?)	When?	How do we engage?	What are the issues?	Action Taken and Response
Employees	We actively engage with our team members to foster an environment where creativity thrives and new ideas flourish. We recognise that each member brings a unique perspective and skill set, and we value the diversity of thought they contribute.	Half-yearly	mySuite* **Intranet of the Group*	Utilising resources efficiently and responsibly propels LMS's sustainability agenda forward, ensuring long-term environmental and social goals are aligned.	**Efficient Resource Management**: LMS optimises energy use, reduces carbon emissions, conserves water, and minimises waste through recycling and circular economy practices. **Water Conservation and Resource Optimization**: The Company has adopted water-saving technologies and policies to reduce consumption and prevent water pollution.
Vendors	We actively collaborate with raw materials and solution providers to ensure seamless business operations while minimising our carbon footprint. We aim to achieve business continuity through strategic partnerships and sustainable sourcing practices while prioritising environmental stewardship and sustainability throughout our supply chain.	Yearly	Vendor Evaluation and Assessment.	Fluctuations in foreign exchange ("**Forex**") rates may influence the pricing of raw materials, potentially affecting overall production costs and financial performance.	**Forex Risk Management**: Implement hedging strategies to mitigate currency fluctuations and stabilise costs. **Reduce Dependency**: Source raw materials from multiple sources to reduce dependency. **Cost Optimization**: Adjust procurement strategies, negotiate supplier contracts, and enhance operational efficiencies to manage or reduce costs.
Clients	We actively involve our clients, the downstream of our value chain, to understand their requirements across pillars like accuracy, agility, security, simplicity, and sustainability. By engaging in dialogue and feedback loops, we tailor our services to meet their specific needs, ensuring excellence and relevance in our offerings.	Yearly Real-time	Clients' survey. Satisfaction Index through aikinz, our laboratory information management system	A deep understanding of technical trade barriers ("**TBT**") enables effective compliance with regulatory standards, fosters international trade relationships, and ensures the smooth flow of goods and services across borders.	**Regulatory Compliance**: Continuously monitor and adapt to evolving TBT regulations to ensure seamless market entry and adherence to international standards. **Stakeholder Collaboration**: Engage with industry bodies, policymakers, and trade partners to address regulatory challenges and facilitate smoother cross-border trade

Who	Purpose of engagement (Why?)	When?	How do we engage?	What are the issues?	Action Taken and Response
Consumers	We actively involve indirect users, particularly consumers, in our process by offering impartial and independent reports accessible through quick response ("**QR**") code scanning methodology. This empowers consumers with transparent and easily accessible information about our products and services.	Real-time	aisinz Voluntary Real-time surveillance	Asymmetry of information refers to situations where producers possess more information, such as quality and carbon footprint, but do not share it with consumers.	**Transparent Disclosure**: The Group continues to promote product quality and carbon footprint reporting to enhance consumer trust and informed decision-making by introducing voluntary certifications (aisinz™) to ensure consumers have accessible and accurate environmental impact information.
Regulators	We actively shape industry challenges by engaging with formal governing institutions and formulating rules, regulations, and guidelines.	Ad-hoc	Participate in formal meetings, round table meetings, and working committees.	Compliance and traceability.	**Regulatory Collaboration**: Work closely with governing bodies to develop and refine industry standards, ensuring alignment between sustainability and compliance goals. **Policy Advocacy**: Contribute expertise to shape regulations and best practices, promoting responsible and ethical industry advancements.
Strategic Partners	We actively involve our regional subsidiaries and associated companies to ensure alignment with corporate values and growth targets. By fostering collaboration and sharing strategic objectives, we strengthen cohesion across our network and work collectively towards achieving common goals for sustainable growth and development.	Bi-yearly	Physical and online meetings.	Integration and trust.	**Strategic Alignment**: Engage regional subsidiaries and associated companies to consistently uphold corporate values, sustainability goals, and growth targets. Conduct management retreats to foster synergy through shared strategies, best practices, and resource optimisation, driving unified progress towards long-term sustainable development.
Community	It is paramount to ensure the local community remains unaffected by our operations. Engaging with community stakeholders, we actively listen to concerns and implement proactive strategies to promote harmony, preserve natural resources, and contribute positively to the local population's well-being.	Yearly	Engage resident association.	Social issues such as unemployment in the community may pose security and break-in issues resulting in threats to the safety and integrity of our operations.	**Enhanced Security Measures**: Implement advanced surveillance systems, access controls, and security protocols to safeguard facilities and assets. **Proactive Risk Management**: Conduct regular security audits, employee training, and emergency response drills to mitigate break-in risks and ensure operational integrity.

Employee

LMS ensures open communication, transparency, and swift issue resolution through various channels. An open-door policy allows employees to approach supervisors directly. A whistleblower policy provides employees a channel for confidential reporting for unethical behaviour. Additionally, town hall meetings enable direct engagement between employees and senior management. Employee surveys gather anonymous feedback, while online platforms offer accessible resources. LMS fosters a safe environment for seeking advice and raising concerns without fear of retaliation. By encouraging open dialogue and actively addressing employees' issues, the organisation cultivates trust, accountability, and a positive workplace culture, ultimately supporting long-term success and stakeholder well-being.

Vendor

The value chain is crucial beyond the laboratory operations, covering raw material sourcing, supply, and distribution. Strong partnerships with suppliers, manufacturers, and retailers ensure efficiency, innovation, and responsiveness to market needs. LMS conducts annual vendor assessments, evaluating GHG emissions and social compliance, including labour practices and workplace safety. Comprehensive audits help measure environmental impact and uphold ethical supply chain standards. By fostering sustainable partnerships, LMS ensures responsible sourcing and operational excellence. This commitment to environmental and social responsibility strengthens the business ecosystem while promoting long-term sustainability and accountability across the value chain.

Client

Our client engagement strategy is centred on understanding and meeting their unique needs across key pillars: accuracy, agility, security, simplicity, and sustainability. By fostering open dialogue and feedback, we gain valuable insights into expectations. We assess satisfaction and identify improvements using tools like the aikinz satisfaction index and client surveys. In FY2024, the Group's customer satisfaction index ("**CSAT**") reached 4.1 out of 5, while the Net Promoter Score ("**NPS**") stood at a positive 55.5 out of 100, reflecting strong client trust and advocacy.

Consumer

Transparency and consumer empowerment are fundamental to our approach. Our innovative QR code scanning system grants consumers easy access to unbiased, independent reports, helping them make informed purchasing decisions about our clients' products and services. Additionally, our proprietary surveillance platform, aisinz, enhances accountability by providing real-time monitoring and reporting of data (such as safety and hygiene information about products or premises) protect consumer rights and interests.

Regulator

We proactively address industry challenges by engaging with governing institutions to shape regulations and guidelines. Our involvement includes participation in meetings, round tables, and working committees to influence industry best practices. Compliance and traceability remain key priorities, ensuring regulations support accountability and transparency across the supply chain. Through these engagements, we drive positive change, promote industry-wide standards, and foster stakeholder collaboration. Contributing to regulatory frameworks, we help create a more sustainable, transparent, and responsible industry, benefiting all stakeholders and reinforcing our commitment to ethical and compliant business practices.

Strategic Partner

We actively engage our regional subsidiaries and associated companies through regular meetings and management retreats, fostering collaboration and alignment with corporate values and growth targets. By promoting open dialogue and trust, we strengthen cohesion across our network, enabling collective efforts toward sustainable growth. These engagements facilitate the sharing of strategic objectives and best practices, ensuring adaptability to dynamic market conditions. Leveraging diverse expertise within our network enhances responsiveness while upholding corporate values and sustainability principles. This collaborative approach fosters ownership, accountability, and continuous improvement, driving innovation and long-term success across our operations.

Community

We prioritise minimising our operations' impact on local communities through continuous dialogue, addressing concerns, and fostering harmony. By preserving natural resources and enhancing well-being, we build strong community relationships. To ensure security, we implement advanced measures, including surveillance, access controls, and regular audits, to protect the integrity of our operations and reduce potential disruptions or threats to our operations. Our proactive community engagement and security approach reinforces our commitment to responsible corporate citizenship. We maintain a safe and secure environment through collaboration and preventative strategies while creating shared value for all stakeholders. This integrated approach ensures sustainable operations aligning with community interests and business objectives.

Membership of Association

Joining an association offers corporations strategic advantages, including expanding their network, gaining industry insights, and strengthening their influence. It creates opportunities for growth, collaboration, and maintaining a competitive edge. For LMS, engaging with these organisations provides valuable benefits, supporting the Group's objectives and enhancing its position within the industry. Please refer to the table below for a list of our membership of associations, as well as our respective roles in the following types of associations:

Industry Insights and Information: Associations typically provide access to industry-specific insights, market trends, research, and information essential for corporations to stay abreast of the latest developments in their sector. This knowledge plays a pivotal role in making well-informed business decisions.

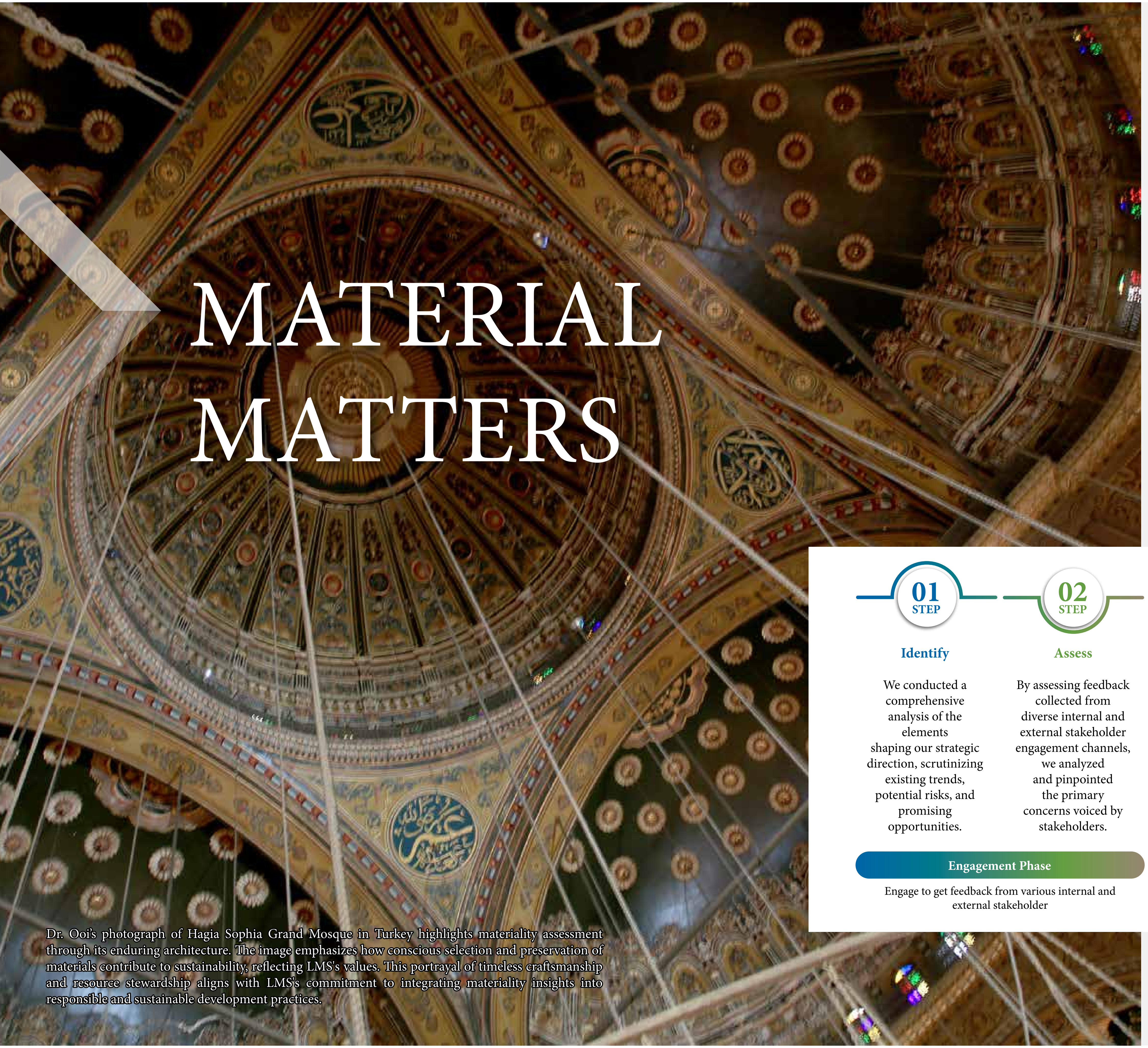
Professional Development: Many associations offer training programs, workshops, and conferences designed to nurture the professional growth of corporate employees. Participation in these initiatives enhances skills and knowledge, benefiting individual employees and the broader Group.

Advocacy and Representation: Associations often advocate for their members' interests and serve as their representatives before regulatory bodies and government agencies. Membership in an association grants companies a platform to shape policies and regulations that directly impact their industry.

Collaboration and Knowledge Sharing: Associations foster a collaborative environment where corporations can exchange experiences, share ideas, and draw insights. This cooperative spirit frequently sparks innovation and facilitates effective problem-solving.

Social Responsibility and Sustainability: Several associations champion sustainable business practices and social responsibility. Corporations can align with such associations to uphold these values and integrate sustainability into their operational frameworks.

Association	LMS Contribution	Roles
Malaysia Association of Accredited Laboratory ("**PMAM**")		Executive Committee
Agriculture Laboratory Association of Malaysia ("**AGLAM**")		Corporate Member
Malaysian Employers Federation ("**MEF**")		Corporate Member
Malaysia Semi-Conductor Association ("**MSIA**")		Sub-committee (Sustainability)
Malaysia Institute of Food Technology ("**MIFT**")		Corporate Member
Association of Malaysian Medical Industries ("**AMMI**")		Corporate Member
Small and Medium Enterprises Association ("**SAMENTA**")		Corporate Member
Penang Chinese Chamber of Commerce ("**PCCC**")		Corporate Member



MATERIAL MATTERS

Dr. Ooi's photograph of Hagia Sophia Grand Mosque in Turkey highlights materiality assessment through its enduring architecture. The image emphasizes how conscious selection and preservation of materials contribute to sustainability, reflecting LMS's values. This portrayal of timeless craftsmanship and resource stewardship aligns with LMS's commitment to integrating materiality insights into responsible and sustainable development practices.

Methodology of Materiality Assessment

The FY2024 materiality assessment process followed GRI 3-1: Material Topics 2021 and was conducted in the following two phases: Engagement and Determination. The Engagement Phase involved stakeholder consultations and industry benchmarking to identify material matters relevant to the Group. The Determination Phase prioritised these topics based on their impact on business operations and stakeholder concerns. This structured approach ensured material topics aligned with corporate strategy, sustainability goals, and global best practices. The outcome of this assessment strengthens transparency, enhances ESG performance tracking, and supports effective decision-making in addressing key sustainability risks and opportunities with a materiality approach.

01 STEP – Identify

We conducted a comprehensive analysis of the elements shaping our strategic direction, scrutinizing existing trends, potential risks, and promising opportunities.

02 STEP – Assess

By assessing feedback collected from diverse internal and external stakeholder engagement channels, we analyzed and pinpointed the primary concerns voiced by stakeholders.

03 STEP – Verify

We brought forward the identified material matters to both the Sustainability Development Committee (SDC) and the management team for in-depth discussion and validation.

04 STEP – Prioritise

We structured the identified topics into a matrix to prioritize the most impactful concerns that influenced both business expansion and stakeholder decision-making.

Engagement Phase

Engage to get feedback from various internal and external stakeholder

Determination Phase

Determine material topics for reporting. Verify and prioritise the material topics

Materiality Approaches

In response to evolving European Union regulations, particularly the Corporate Sustainability Reporting Directive ("**CSRD**"), the double materiality assessment has become essential for global companies. Organisations today face complex sustainability challenges, from decarbonisation initiatives to diversity and ethical business practices. Double materiality enables companies to identify and prioritise sustainability topics based on their societal and environmental impact (impact materiality) or their influence on financial performance (financial materiality).

Per the IFRS SDS, information is deemed material, if its omission, misstatement, or obscuration could reasonably be expected to influence decisions made by investors or potential investors. In contrast , GRI Standards define material topics as representing an organisation's most significant impacts on the economy, environment, and people, including human rights impacts. The IFRS SDS is primarily designed to address the informational requirements of investors, whereas GRI Standards cater to a broader range of stakeholders, including investors.

Within the Group's context, sustained value creation requires a deep understanding of market dynamics, operational challenges, and stakeholder engagement. Our strategies align with business growth while addressing stakeholder needs, ensuring the Board and leadership team make informed decisions that drive sustainable development. The Group navigates an evolving industry landscape, and we remain committed to delivering value via different approaches from both standards, exceeding stakeholder expectations from investors' perspectives and integrating sustainability into laboratory operations. Our focus on responsible corporate stewardship reinforces our long-term prosperity while ensuring meaningful stakeholder engagement.

Identification of Material Matters

In our latest materiality assessment for FY2024, we carefully identified fifteen (15) sustainability-related material matters and five (5) climate-related matters, consistent with the findings from FY2023, while prioritising the most critical areas. However, in FY2024, the Group consolidated nineteen (19) of the initially identified material matters into fifteen (15), recognising that three (3) are repeated pursuant to IFRS requirements. The materiality matrix below visually represents the significance and impact of these matters on our overall sustainability strategy. We aim to ensure that our sustainability initiatives are strategically aligned with the most relevant and high-impact areas, effectively addressing stakeholder needs and expectations.

Recognising the ever-evolving landscape of sustainability and the dynamic nature of the Group operations, we remain committed to conducting regular materiality assessments. This proactive approach enables us to anticipate and respond swiftly to emerging challenges and opportunities. Through this continuous refinement process, we adapt our sustainability strategy to stay aligned with stakeholder priorities and the broader societal and environmental context we operate for further assessment.

Material Matters			
Pillar	**Sustainability-Related**	**Climate-Related**	**Pillar**
Social	Workplace Safety	Extreme weather events	Environment
Social	Innovation & Novelty	Water availability	Environment
Social	Talent Transformation	Waste management	Environment
Social	ESG Culture	Temperature fluctuations	Environment
Social	Employee Rights	Power outages	Environment
Social	Customers' Value Creation		
Governance	Board Diversity		
Governance	Strategic Alliance & Compliance		
Governance	Financial Sustainability		
Digitalisation	Accuracy, Agility, and Security		

Assessment of Material Matters

We have illustrated the material matters and their implications to ensure stakeholders understand each issue comprehensively. This visualisation allows stakeholders to see the significance of these matters concerning our sustainability strategy, business operations, and long-term objectives. Furthermore, we have enhanced the process of mapping these material matters by incorporating a more detailed assessment of their impacts, responses, and opportunities. This includes evaluating actual and potential effects on our organisation, the environment, and society and identifying appropriate mitigation strategies and value-creation opportunities. Refining our approach ensures that our materiality assessment remains robust, responsive, and aligned with emerging sustainability challenges and stakeholder expectations that the Group could prioritise the critical material matters.

Prioritisation of Material Matters

Addressing and resolving key sustainability issues across Environmental, Social, Governance, and Digitalisation ("**ESGD**") dimensions is essential for our organisation and its stakeholders. These critical concerns shape our understanding of industry trends and enable us to evaluate related risks and opportunities. In FY2024, we comprehensively reviewed our fifteen (15) material matters, emphasising six (6) high-priority areas to ensure alignment with evolving industry standards and best practices. This assessment formed the foundation of LMS's four (4) sustainability pillars, guiding our approach to ESGD integration. The process was informed by internationally recognised frameworks, including the GRI, IFRS, and United Nations Sustainable Development Goals ("**UNSDGs**"). Prioritising material topics strengthens our sustainability initiatives, ensuring a holistic approach to business operations that delivers value to our Group and stakeholders. As GRI 3: Material Topics outlines, identifying and managing material topics is fundamental to sustainability reporting, enhancing transparency and accountability.

By leveraging these frameworks, we ensured that our materiality assessment reflects global sustainability expectations and business imperatives. The matrix below illustrates the visualisation of our fifteen (15) material matters, demonstrating their significance to our strategic sustainability direction and stakeholder priorities, as GRI 3-2 recommended: Determining Material Topics. Through this structured approach, we remain committed to continuous improvement, fostering sustainable growth, and reinforcing our leadership in responsible business practices in the verification process.

Verification: Material Matters

Through a rigorous validation process, we confirmed that most of our material matters align with key sustainability frameworks. This validation reinforces our commitment to integrating globally recognised standards into our sustainability initiatives. As outlined in GRI 3: Material Topics, material matters should reflect an organisation's most significant impacts on the economy, environment, and people. Following a detailed assessment, we retained fifteen (15) material matters categorised under four (4) sustainability pillars, ensuring their continued relevance to our business operations and stakeholder expectations.

The validated material matters were subsequently presented to the SDC and management team of the Group for review and discussion. After thorough deliberation and analysis, the Board formally endorsed these material matters, emphasising their strategic significance to our sustainability agenda. As recommended by GRI 2-12: Role of the Highest Governance Body in Sustainability Reporting, Board-level approval ensures that sustainability issues remain a core business priority. The Company further prioritises six (6) key material matters coloured in green critical to long-term value creation and stakeholder engagement. This structured validation process highlights our commitment to transparency, accountability, and responsible business practices, as outlined in GRI 2-22: Statement on Sustainable Development Strategy. By aligning our sustainability strategy with established best practices and global standards, we proactively address the most pressing environmental, social, and governance challenges through in-depth risk management while driving sustainable growth across our operations strategy.

Material Matters			
Pillar	**Sustainability-Related**	**Climate-Related**	**Pillar**
Social	Workplace Safety	Extreme weather events	Environment
Social	Innovation & Novelty	Water availability	Environment
Social	Talent Transformation	Waste management	Environment
Social	ESG Culture	Temperature fluctuations	Environment
Social	Employee Rights	Power outages	Environment
Social	Customers' Value Creation		
Governance	Board Diversity		
Governance	Strategic Alliance & Compliance		
Governance	Financial Sustainability		
Digitalisation	Accuracy, Agility, and Security		

Coloured green is the prioritised material matter.

RISK MANAGEMENT AND STRATEGY

Dr. Ooi's photograph of overloaded public transportation in Tamil Nadu highlights the critical need for risk assessment in infrastructure and safety planning. This striking visual emphasizes the societal and operational risks of overcapacity, reinforcing LMS's commitment to proactive risk management and sustainable solutions that prioritize the well-being and safety of communities.

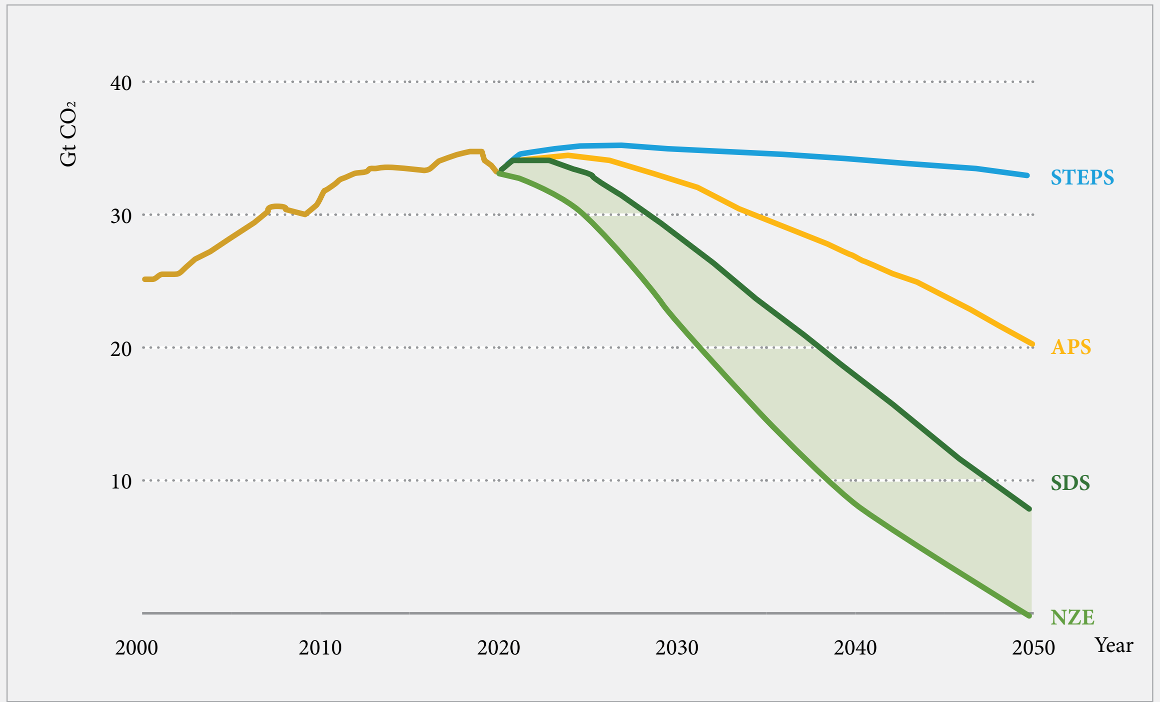
The Group has established a comprehensive framework to identify, assess, prioritise, and monitor SrROs, ensuring they are effectively managed within our overall risk management process. Our approach includes leveraging multiple data sources, such as industry reports and regulatory guidelines, to evaluate the scope of operations covered in our risk analysis. We integrate climate-related scenario analysis to assess future climate trajectories, allowing us to anticipate risks related to extreme weather events, regulatory changes, and market transitions. The nature, likelihood, and magnitude of these risks are assessed using both qualitative factors and quantitative thresholds to ensure a balanced and informed evaluation. Climate-related risks are prioritised based on potential financial and operational impacts, ensuring high-risk areas receive targeted mitigation strategies.

Our CrROs management processes are fully integrated into the Group's broader risk management strategy to ensure a cohesive and proactive approach. Regular reviews and updates of our climate risk framework ensure adaptability to evolving climate science and policy changes. We align these processes with corporate governance structures, ensuring CrROs inform key decision-making at all levels. Our commitment to transparency in climate-related financial disclosures strengthens stakeholder confidence, enabling investors and business partners to make informed decisions. This integrated approach enhances our resilience against climate-related disruptions while driving sustainable growth and innovation across our operations based on the following scenario analysis.

Scenario Analysis

To better understand CrROs, our Group employs scenario analysis to explore potential future pathways concerning transition and physical factors. These scenarios do not serve as precise forecasts but help identify key drivers shaping future outcomes. While acknowledging uncertainties and assumptions, they offer valuable insights into emerging trends relevant to our business operations. Our scenario analysis is reviewed and updated annually to reflect the latest data, ensuring alignment with emerging climate risks and opportunities.

We consider four key climate scenarios. The Stated Policies Scenario ("**STEP**") reflects current energy and climate policies, commitments, and announced government intentions, serving as a baseline projection for energy production, consumption, and environmental impacts. The Sustainable Development Scenario ("**SDS**") aims to meet global climate goals, particularly those under the Paris Agreement, by limiting temperature rise well below 2°C and striving for 1.5°C, strongly focusing on emissions reduction and renewable energy adoption. The Announced Pledges Scenario ("**APS**") assumes full implementation of all global climate commitments, including Nationally Determined Contributions ("**NDCs**") and net-zero targets. Meanwhile, the Net-Zero Emissions Scenario ("**NZE**") outlines a stringent yet achievable pathway for the energy sector to reach net-zero CO_2 emissions by 2050 without relying on external reductions.



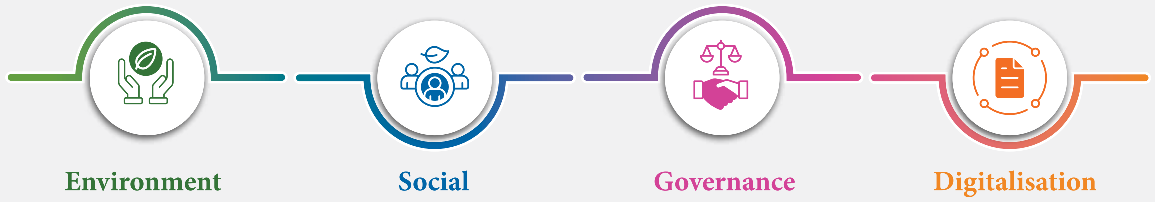
STEP is a conservative projection based on declared policies, whereas SDS represents a more ambitious approach requiring additional measures to combat climate change. Anchoring our climate risk analysis in STEP and SDS will give the group a structured framework to assess and respond to transition risks, ensuring resilience and alignment with global sustainability efforts that could impact the decision-making of the Group's sustainability strategy.

Sustainability Strategy

The Group integrate sustainability into our business strategy and operations to create long-term value for people and the planet. Our commitment to managing sustainability-related risks and opportunities is reflected in our Net Zero Emissions ("**NZE**") 2050 Roadmap, developed in collaboration with the United Nations ("**UN**"). As part of our broader Sustainability Agenda, we prioritise transparency in sustainability-related financial disclosures, ensuring stakeholders understand our strategic approach to sustainability challenges and opportunities. Our Sustainability Agenda is built upon four key pillars: Environmental, Social, Governance, and Digitalization ("**ESGD**"). It encompasses several key focus areas and aligns with fifteen (15) carefully selected UN Sustainable Development Goals ("**UN SDGs**"), spanning all four pillars, similar to FY2023.

In FY2023, we strengthened our agenda by adopting a holistic sustainability approach, positioning ourselves as an "ESG Enabler." This approach embeds sustainability across our Group and encourages vendors, clients, and stakeholders to embrace responsible business practices. Additionally, we refined our key focus areas to ensure our sustainability initiatives address the most critical topics affecting our business and stakeholders through thorough risk management.

Risk Management



The Group fulfils the IFRS S1 paragraphs 43 and 44 requirements by integrating SrROs and CrROs into its overall risk management framework. A dedicated SDC led by the CEO oversees risk assessments, ensuring alignment with the sustainability framework and reporting directly to the Board. The Group utilizes internal operational data from stakeholders' engagement, industry benchmarks, and regulatory guidelines to assess risks, covering supply chain and compliance. Scenario analysis is applied to model climate-related, regulatory, and financial risks, prioritizing them based on likelihood and magnitude of impact. The Group defined risks per IFRS SDS requirements based on the following barometer.

Time Horizon ((IFRS S1-30(b))	Short-term	Medium-term	Long-term
	Days	> 1 year	> 5 years
Climate Barometer	2020 2030 2040 2050		
Physical Risk (IFRS S2-3, Appendix A)	Acute		Chronic
Transition Risk (IFRS S2-3)		Policy, legal, technological, and market risks impact NZE by 2050	

Regular monitoring through Key Risk Indicators (KRIs) allows for proactive adjustments, with annual reviews ensuring alignment with evolving industry standards as articulated below:

Material Matters	IFRS SDS Perspective		GRI Perspective		Policy	Pillars	UN SDGs
	Risk / Financial Impact	Opportunity / Strategy	Financial Materiality (Outside-in)	Impact Materiality (Inside-out)			
Extreme weather events	**Risk:** The Group dealing with chemicals may be vulnerable to severe weather occurrences such as storms or floods. These incidents can interrupt testing functions, cause infrastructure damage, and present safety hazards to personnel and the nearby environment. **Risk Profile:** Type: Acute Time horizon: Short-Term Likelihood: High Impact: High **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM400,000) **:** We anticipate more frequent extreme weather events, leading to operational disruptions from flooding. The impacts occur in three phases: immediate operational interruptions, post-flood cleanup costs, and asset losses (e.g., vehicles and equipment) estimated at RM200,000 per disruption. Based on the NZE 2050 scenario, two floods in 26 years represent a potential earning before interests, tax, depreciation, and amortization ("**EBITDA**") loss of **RM400,000**.	**Opportunity:** The Group mitigates flood risks by relocating scientific equipment to upper floors and using flood-resistant metal and cement materials to protect office equipment and assets. **Strategy / Mitigation Cost (RM300,000*):** In FY2024, the Group enhanced its Selangor plant's shop floor and office spaces ("**Plant**") to mitigate flood risks. Key measures included relocating scientific equipment to upper floors to reduce damage and using flood-resistant metal and cement materials to protect assets. A capital expenditure of **RM300,000** has been allocated, with capital allowances helping offset financial impacts. While this investment affects financial records over the next decade, it strengthens EBITDA protection for 26 years, ensuring long-term resilience against potential operational disruptions. The Plant was completed and began operations in FY2024. 	Refer to **	The Group contribute to extreme weather like floods through high energy consumption, greenhouse gas emissions, and improper waste disposal, exacerbating climate change. Sustainable practices, such as energy efficiency and responsible waste management, are essential to reducing their environmental footprint and mitigating climate risks. TOP PRIORITY	Climate Change Policy	Environment	6 Clean Water and Sanitation 7 Affordable and Clean Energy 13 Climate Action 14 Life Below Water 15 Life on Land

Material Matters	IFRS SDS Perspective		GRI Perspective		Policy	Pillars	UN SDGs
	Risk / Financial Impact	Opportunity / Strategy	Financial Materiality (Outside-in)	Impact Materiality (Inside-out)			
Water Availability	**Risk:** The Group frequently depends on water for diverse processes and cooling systems. Alterations in precipitation patterns and water availability resulting from climate change may make ensuring an adequate water supply for the Group operations challenging. **Risk Profile:** Type: Acute Time horizon: Short-Term Likelihood: High Impact: High **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM312,000) **:** The Group anticipate that water scarcity will interfere with operations such as distillation, chemical mixing, and glassware washing, particularly during water rationing periods when dam water levels are low. The shortage of water may halt operations, and affect our ability to meet client's deadlines. The loss of workforce during water rationing can amount to **RM6,000** per occurrence per day for 2 days every year. The provided figure represents a potential EBITDA loss and productivity decline, computed based on the NZE scenario by 2050, with an estimated two failures yearly over 26 years.	**Opportunity:** The Group can enhance water availability by developing efficient water treatment, recycling, and conservation technologies. Implementing sustainable practices reduces consumption, promotes reuse, and supports responsible water management in industrial and community settings. **Strategy / Mitigation Cost (RM120,000):** In FY2024, the Group implemented a water reuse and storage system at the Johor plant to reduce downtime. An allocation of **RM120,000** was designated for this system, which provides one day's worth of usage capacity. This investment ensures the preservation of EBITDA over the next 26 years despite the impact of capital expenditure on the books for the following five years.	Refer to **	The Group impacts water availability through high water consumption in testing processes, chemical waste discharge, and inefficient water management. Sustainable practices, such as wastewater treatment, recycling, and conservation efforts, are essential to minimise their environmental footprint and ensuring responsible water usage. TOP PRIORITY	Climate Change Policy	Environment	6 Clean Water and Sanitation 7 Affordable and Clean Energy 13 Climate Action 14 Life Below Water 15 Life on Land

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Waste management	**Risk:** Climate-related hazards can affect waste disposal procedures, mainly when extreme weather occurrences like floods may result in heightened hazardous waste generation or impede waste collection and treatment protocols. **Risk Profile:** Type: Chronic Time horizon: Short-Term Likelihood: Low Impact: Low **SDS** **Scenario < 2ºC** **STEP** **Financial Impact (RM4,000) **:** We anticipate challenges in waste collection during severe weather conditions. For example, flooding may disrupt waste collection services, impede treatment processes, and increase waste accumulation, amounting to an estimated **RM2,000** per disruption. The figure provided represents a potential EBITDA loss, projected based on the NZE scenario by 2050, with an expectation of two (2) floods occurring within 26 years.	**Opportunity:** The Group can drive innovation in waste management by developing advanced testing, recycling, and treatment solutions. Implementing sustainable practices minimises waste, ensures compliance, and supports circular economy initiatives for environmental and economic benefits. **Strategy / Mitigation Cost (RM300,000*):** The Group plans to revamp both the shop floor and office space to better prepare for potential extreme weather events, particularly floods. Segregating scientific equipment to the upper floor is part of our strategy to mitigate potential damage. Additionally, we aim to utilise new building materials that can withstand water during floods, reducing the risk of asset loss, especially for office equipment. We have allocated **RM300,000** for this initiative, covering the cost of new materials and redesigning the shop floor. While this capital expenditure will impact our books for the next ten (10) years, we anticipate protecting our EBITDA over the next 26 years to mitigate financial impacts. Capital allowances may also cushion this expenditure. **sunk cost for mitigating extreme weather events declare risk under flood*	Refer to **	The Group contributes to waste by generating chemical and biological waste that requires proper disposal. Without effective handling, hazardous waste can pollute ecosystems.	Climate Change Policy	Environment	6, 7, 13, 14, 15

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Temperature fluctuations	**Risk:** The Group experiments and chemical reactions frequently necessitate precise temperature regulation. Variations in ambient temperature resulting from climate fluctuations, such as extreme heat or cold spells, can disrupt stable conditions, posing challenges to maintaining accuracy and reproducibility in experiments. **Risk Profile:** Type: Chronic Time horizon: Long-Term Likelihood: Medium Impact: Low **SDS** **Scenario < 2ºC** **STEP** (IFRS S2-15) **Financial Impact (RM221,000) **:** The Group anticipate that the increasing ambient temperature will lead to warmer conditions inside the building. Consequently, we will need to expend more energy to cool down the temperature of the shop floor. On average, for every 2 degrees, the thermostat is adjusted over eight hours, and there is an approximate 3% variance in the overall electricity bill, translated to **RM8,500** annually. The figure represents a potential EBITDA loss calculated based on the NZE scenario by 2050 in 26 years.	**Opportunity:** The Group can develop climate monitoring and adaptation solutions, enhance resilience against temperature fluctuations, and use sustainable cooling technologies to help mitigate impacts. It can also ensure energy efficiency and environmental sustainability by adopting prismatic decarbonisation solutions. PRISMATIC **Strategy / Mitigation Cost (RM200,000):** The Group is poised to enhance its reliance on renewable energy sources by expanding the utilisation of green energy, including installing solar panels and implementing efficient energy management practices to alleviate the impact. **RM170,000** has been earmarked for the Solar Panel project, while **RM30,000** has been designated for the efficiency energy management program. Over the next 26 years, EBITDA is expected to see improvement to mitigate the financial impact, notwithstanding the anticipated effect of the costs on the EBITDA over the next five (5) years.	Refer to **	The Group contributes to temperature fluctuations through high energy consumption from equipment like autoclaves, incubators, and refrigeration units. Excess heat generated impacts indoor and surrounding temperatures, increasing cooling demands and overall energy use, potentially intensifying environmental heat stress and climate effects.	Climate Change Policy	Environment	6, 7, 13, 14, 15

RISK MANAGEMENT AND STRATEGY > Risk Management

Material Matters	IFRS SDS Perspective		GRI Perspective		Policy	Pillars	UN SDGs
	Risk / Financial Impact	Opportunity / Strategy	Financial Materiality (Outside-in)	Impact Materiality (Inside-out)			
Power outages	**Risk:** Extreme weather occurrences, such as severe storms, can potentially result in power failures, posing a significant concern, especially within the Group environment. Uninterrupted power is essential for adequately functioning critical equipment such as fume hoods, refrigerators, and safety systems. **Risk Profile:** Type: Acute Time horizon: Short-Term Likelihood: Medium Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM300,000) **:** Power outages can significantly disrupt operations, leading to improper shutdowns that may cause electronic component failures due to excessive current. This not only halts operations, results in missed client deadlines, and incurs high replacement costs. The financial impact of lost man-day is minimal compared to potential EBITDA losses, estimated at **RM300,000** by 2050 under the NZE scenario, assuming three failures over 26 years. Each detector or motherboard failure could cost **RM100,000**, highlighting the need for reliable power solutions.	**Opportunity:** The Group can enhance power availability by adopting energy-efficient equipment, backup power solutions, and renewable energy sources. These measures improve operational resilience, reduce dependency on the grid, and contribute to sustainable energy management. **Strategy / Mitigation Cost (RM80,000):** The Group plans to install an Uninterruptible Power Supply (UPS) for sophisticated equipment to mitigate the loss of assets, particularly the need for part replacements. A capital expenditure of **RM80,000** has been designated for the UPS installation. The EBITDA will be safeguarded over the next 26 years to mitigate financial impacts despite the capital expenditure affecting the books for the next five (5) years.	Refer to **	The Group contribute to power outages through high energy consumption for equipment, temperature control, and ventilation systems. Sudden surges in electricity demand can strain local grids, increasing outage risks. Implementing energy-efficient technologies and backup power solutions can help mitigate these impacts.	Climate Change Policy	Environment	6 Clean Water and Sanitation 7 Affordable and Clean Energy 13 Climate Action 14 Life Below Water 15 Life on Land

Material Matters	IFRS SDS Perspective		GRI Perspective		Policy	Pillars	UN SDGs
	Risk / Financial Impact	Opportunity / Strategy	Financial Materiality (Outside-in)	Impact Materiality (Inside-out)			
ESG Culture	**Risk:** If ESG values are not embraced and integrated into the Group's culture, missed opportunities to improve sustainability performance are riskier. **Risk Profile :** Type: Entity's strategy and decision-making Likelihood: Medium Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM500,000)**:** The financial impact of not embracing sustainability values and failing to integrate them into the Group's culture could lead to increased operational costs, regulatory penalties, reputational damage, and loss of investor confidence. If sustainability-related risks such as climate regulations, inefficient resource use, and stakeholder disengagement are not managed, the Group could face a potential decline in profitability. Assuming a conservative 10% impact due to missed sustainability opportunities and higher risk exposure, the Group's profit could shrink by **RM500,000**, significantly affecting long-term financial stability and market valuation.	**Opportunity:** A strong sustainability-focused culture allows the the Group to embed ESG principles into its operations by promoting awareness and engagement. Employees are empowered to adopt sustainable practices through induction programs and talent transformation initiatives, ensuring ESG integration across all levels and driving long-term environmental and social responsibility. **Strategy / Mitigation Cost (RM500,000):** We seize the opportunity to foster an ESG-driven culture among employees through targeted initiatives. A proposed budget of **RM500,000 for the next 10 years** will support comprehensive induction programs to educate new hires on ESG principles and talent transformation programs to enhance sustainability skills. These efforts ensure long-term ESG integration, driving responsible business practices and sustainable growth.	Refer to **	By being ESG-focused the Group earns stakeholders' trust by demonstrating a strong commitment to sustainability, ethical governance, and social responsibility. This enhances relationships with investors, regulators, and clients, strengthening t the Group's reputation. The Group encourages sustainable practices across the industry by actively promoting ESG awareness among external stakeholders through partnerships, training, and transparent reporting. This influence fosters a culture of accountability and long-term value creation, reinforcing the Group's commitment to supporting positive environmental and social change within its sector.	HR Policy and Work From Home ("WFH") guideline	Social	2 Zero Hunger 3 Good Health and Well-Being 5 Gender Equality 10 Reduced Inequalities 11 Sustainable Cities and Communities

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Employee Right	**Risk:** Demotivation resulting from a lack of respect for employee rights could adversely impact productivity and performance within the Group. Failure to uphold employee rights may lead to increased turnover, decreased morale, and possible legal liabilities for the Group. **Risk Profile :** Type: Entity's strategy and decision-making Likelihood: Medium Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM500,000)**:** Failure to uphold employee rights could reduce the Group's profit due to increased turnover, lower morale, and legal liabilities. Recruitment and training costs may reach **RM100,000**, productivity losses **RM300,000**, and legal penalties **RM100,000**, potentially cutting profit to **RM500,000**.	**Opportunity:** By instilling employees' fundamental right to strive for health and wealth, the Group can create a positive work environment conducive to high performance and employee satisfaction. **Strategy / Mitigation cost (RM100,000):** To enhance employee rights and maintain productivity, the Group will allocate **RM100,000 annually**. Regular compensation reviews ensure fairness and competitiveness, reducing turnover and improving morale. A budget of **RM50,000** will support job empowerment and skill development initiatives, fostering engagement and efficiency. Additionally, **RM50,000** will be used to strengthen workplace ethics and communication. By investing in a supportive work environment, the Group enhances sustainability, safeguards its reputation, and ensures long-term profitability while maintaining stakeholder confidence in its responsible business practices.	Refer to **	The Group's commitment to employee rights strengthens its reputation and stakeholder credibility, earning three prestigious ESG awards. The Group fosters a motivated workforce by ensuring fair compensation, job empowerment, and professional growth, improving efficiency and reducing risks of employee turnover. 	HR Policy and WFH guideline	Social	2 Zero Hunger; 3 Good Health and Well-being; 5 Gender Equality; 10 Reduced Inequalities; 11 Sustainable Cities and Communities

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Talent Transformation	**Risk:** A lack of employee empowerment and autonomy can result in siloed work practices, limiting collaboration within the Group. Without strong management support, talent transformation initiatives may face challenges in execution, reducing their effectiveness and overall impact on workforce development. **Risk Profile :** Type: Entity's strategy and decision-making Likelihood: High Impact: High **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM1,000,000)**:** The economic impact of a lack of employee empowerment and autonomy can significantly influence the Group's profit. Reduced collaboration and ineffective talent transformation may lead to lower productivity, inefficiencies, and employee turnover. If operational inefficiencies and disengagement result in a **20%** productivity loss, the Group could face a potential financial impact of **RM1,000,000 annually**. Additionally, recruitment and training costs for replacing disengaged employees could further strain resources, affecting long-term profitability.	**Opportunity:** Empowering talent with independence for decision-making aligns their actions with the company's values and fosters a culture of innovation and ownership. Implementing the Amoeba Management System (AMS) provides a structured approach to talent transformation. **Strategy / Mitigation cost (RM600,000):** To enhance workforce efficiency and collaboration, we actively support talent empowerment initiatives by providing essential resources and structured training programs. These initiatives develop employees' decision-making capabilities, foster teamwork, and improve operational effectiveness. We create an engaged, high-performing workforce by investing in leadership development, mentorship programs, and digital learning platforms. To ensure success, we allocate an annual budget of **RM600,000** for training, professional development and rewards annually. This investment strengthens employee autonomy, innovation, and productivity while reducing operational risks. Ultimately, empowering employees supports long-term business sustainability, enhances workplace culture, and secures the Group's reputation as a responsible and forward-thinking organisation.	Refer to **	This strategic approach attracts top talent, ensuring a skilled and motivated workforce that drives innovation and efficiency. By fostering a culture of continuous learning and professional growth, the Group enhances employee satisfaction and retention. Strengthening its talent pool solidifies the Group's competitive position in the industry, ensuring long-term success and sustainability. TOP PRIORITY	Amoeba Management System and Guide	Social	2 Zero Hunger; 3 Good Health and Well-being; 5 Gender Equality; 10 Reduced Inequalities; 11 Sustainable Cities and Communities

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Workforce Safety	**Risk:** Accidents can lead to injuries or even fatalities, resulting in the loss of valuable talent. Additionally, accidents can damage equipment and disrupt operations. **Risk Profile:** Type: Entity's strategy and decision-making Likelihood: Medium Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM250,000)**:** Workplace accident could lead to injuries and fatalities which would significantly impact the Group's profit, resulting in the loss of valuable talent and disrupting operations. The financial burden includes medical expenses, compensation payouts, equipment damage, and regulatory fines. Additionally, productivity losses due to workforce shortages and downtime further strain profitability. Legal costs and potential penalties for non-compliance with safety regulations can also escalate expenses. The Group could face an estimated profit reduction of **RM250,000** annually.	**Opportunity:** Ensuring workforce safety fulfils a basic human need and creates a productive and conducive workplace environment. **Strategy / Mitigation cost (RM150,000):** To ensure workplace safety and minimise financial and operational risks, we allocate **RM150,000 annually** for Occupational Safety and Health ("**OSH**") initiatives. Our mitigation strategy includes regular OSH assessments to identify and address potential hazards, reducing exposure to toxic raw materials through improved safety protocols, and providing comprehensive training to employees. Additionally, we foster a culture of safety and accountability, encouraging proactive hazard reporting and reinforcing compliance with safety regulations. These measures enhance employee well-being, reduce accident-related disruptions, and protect the Group's profitability, reputation, and long-term sustainability.	Refer to **	Strong occupational safety and health (OSH) measures can help the Group achieve long-term cost savings and financial sustainability by preventing accidents and minimising liabilities. Comprehensive safety training, regulatory compliance, and hazard prevention reduce workplace incidents, legal costs, and equipment damage. A strong safety culture boosts employee morale and retention, enhancing productivity. These efforts ensure operational efficiency, lower insurance costs, and support the Group's long-term financial and reputational stability.	Safety and Health Policy	Social	2, 3, 5, 10, 11

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Innovation & Novelty	**Risk:** The risk associated with innovation and novelty in the Group is the allocation of significant resources, including financial investment, time, and human resources. **Risk Profile:** Type: Entity's Business Model and Value Chain Likelihood: High Impact: High **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM1,500,000)**:** Investing in innovation requires substantial financial, time, and human resources. If 30% of the profit of **RM1,500,000** is allocated to innovation without yielding returns, it could significantly impact profitability. Misallocated resources may lead to productivity losses and financial strain. The Group should adopt structured innovation frameworks to mitigate risks, conduct feasibility studies, and align investments with strategic business objectives for sustainable growth.	**Opportunity:** Embracing innovation allows the Group to create value and establish a competitive edge. By developing new technologies, processes, or products, the Group can differentiate itself from competitors, enhance efficiency, and strengthen its market position. **Strategy / Mitigation cost (RM100,000):** The Group allocates **RM100,000 annually** to research and development efforts, ensuring continuous innovation and technological advancement. By collaborating with industry partners and academic institutions, the Group gains access to cutting-edge expertise and resources, accelerating innovation and enhancing market competitiveness. Additionally, fostering a culture of creativity among employees encourages the development of novel solutions, process improvements, and breakthrough technologies. These efforts drive continuous improvement, strengthen the Group's industry position, and ensure long-term business sustainability in an evolving market landscape.	Refer to **	This strategic approach reinforces the Group's industry standing by showcasing its commitment to innovation and excellence. By fostering collaborations with industry leaders and academic institutions, the Group gains access to valuable expertise and resources. Additionally, this proactive engagement enhances credibility, attracting funding opportunities from investors and government grants, ultimately driving long-term growth and sustainability. TOP PRIORITY	Innovation Policy	Social	2, 3, 5, 10, 11

RISK MANAGEMENT AND STRATEGY > Risk Management

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Customers Value Creation	**Risk:** The risk associated with Customers' Value Creation in the Group is consistently meeting and exceeding customer expectations. **Risk Profile:** Type: Entity's Business Model and Value Chain Likelihood: Medium Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM500,000)**:** Failing to meet customer expectations could result in a 10% revenue loss, impacting profitability by **RM500,000**. This decline may lead to higher marketing and customer acquisition costs, further straining financial resources. Additionally, dissatisfied customers may damage the Group's reputation, making it harder to attract new business.	**Opportunity:** Customer value creation in the Group presents a chance to create value for customers and differentiate them from competitors. **Strategy / Mitigation cost (RM100,000):** We prioritise customer engagement and feedback mechanisms such as surveys, interviews, and focus groups. By actively listening to customers and understanding their needs, laboratories can tailor their products, services, and processes to deliver exceptional value and experiences that resonate with customers. To mitigate risks, the Group can invest **RM100,000** annually in customer experience programs and quality improvements to enhance loyalty, sustain revenue, and protect long-term profitability.	Refer to **	A company that consistently creates value for its customers can differentiate itself from competitors by winning more contracts in the market. This competitive advantage enhances brand reputation, strengthens client relationships, and drives long-term growth.	ISO 17025, 17021, and 17029 Quality Manual on customer relationship policy	Social	2 Zero Hunger 3 Good Health and Well-Being 5 Gender Equality 10 Reduced Inequalities 11 Sustainable Cities and Communities

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Board Diversity	**Risk:** The risk associated with Board Diversity in the Group is the potential cost of recruiting directors who could enhance board diversity. This includes expenses related to compensation and other benefits for directors. **Risk Profile:** Type: Entity's strategy and decision-making Likelihood: Low Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM125,000)**:** Recruiting directors to enhance board diversity may lead to additional costs, including competitive compensation packages, relocation expenses, and other benefits. If these costs amount to 2.5% of the Group's profitability, it could impact financials by **RM125,000**. While this investment strengthens governance, global insights, and decision-making, failure to manage these expenses effectively may strain financial resources. A balanced approach ensures that board diversity enhances strategic value without significantly impacting profitability.	**Opportunity:** To strengthen board effectiveness and governance practices, incorporating directors with diverse backgrounds, experiences, and perspectives provides valuable insights, innovative ideas, and specialised expertise. This diversity fosters more informed decision-making, enhances risk management, and improves strategic planning, ultimately driving the organisation's long-term success and resilience. **Strategy / Mitigation Cost:** The Group proactively recruits and integrates diverse directors. This may include conducting targeted searches for qualified candidates from different demographic groups, providing cultural competency training for board members, and fostering an inclusive boardroom culture where diverse perspectives are valued and respected.	Refer to **	Board diversity strengthens the Group's reputation by demonstrating a commitment to inclusive governance, ethical leadership, and diverse perspectives. This fosters trust and confidence among external stakeholders, including investors, customers, partners, and the community, ultimately enhancing credibility, attracting new opportunities, and promoting long-term business sustainability and growth.	Anti-bribery policy, Whistleblowing policy, and Conflict of Interest policy	Governance	1 No Poverty 2 Zero Hunger 3 Good Health and Well-Being 8 Decent Work and Economic Growth 16 Peace, Justice and Strong Institutions

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Strategic Alliance & Compliance	**Risk:** One risk associated with Strategic Alliance & Compliance in the Group is the time-consuming and challenging integration process. Bringing together different entities, methods, and systems can be complex and may result in delays or disruptions to operations. **Risk Profile:** Type: Entity's Business Model and Value Chain Likelihood: Medium Impact: Low **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM500,000)**:** The integration process for strategic alliances and compliance can be complex, causing delays and inefficiencies that impact profitability. A 10% drop in efficiency could reduce profits by **RM500,000**. Additional compliance costs may further strain resources.	**Opportunity:** Strategic alliances and compliance in the Group present an opportunity to expand the Group's footprint in the Asia-Pacific region more quickly and efficiently. By forming strategic alliances with compatible partners and leveraging their resources, networks, and expertise, our laboratory can gain access to new markets, customers, and growth opportunities. **Strategy / Mitigation cost (RM200,000)**: The Group proactively approach due diligence, risk management, and compliance. This may include conducting thorough assessments of potential partners, ensuring alignment with regulatory requirements, and establishing clear communication channels and governance structures to facilitate collaboration and compliance oversight. Additionally, participating in tradeshows, forums, and industry events can help the Group expand its regional network, forge new partnerships, and stay abreast of emerging trends and opportunities in the market. To mitigate risks, the Group allocate **RM200,000** for structured integration planning, compliance audits, and staff training, ensuring smoother transitions and minimising disruptions to operations while maintaining regulatory adherence and financial stability.	Refer to **	By forming strategic partnerships, laboratories can strengthen their market position, enhance innovation, and expand service offerings. Collaborations with industry leaders, research institutions, and regulatory bodies can drive credibility, attract investment, and unlock new business opportunities, ultimately fostering long-term growth, profitability, and a competitive edge.	ISO 17025, 17021, and 17029 Quality Manual on subcontracting policy	Governance	1, 2, 3, 8, 16

Material Matters	IFRS SDS Perspective: Risk / Financial Impact	Opportunity / Strategy	GRI Perspective: Financial Materiality (Outside-in)	GRI Perspective: Impact Materiality (Inside-out)	Policy	Pillars	UN SDGs
Financial Sustainability	**Risk:** Loss of investor interest in non-sustainable-compliant stocks due to weak financial sustainability practices. **Risk Profile**: Type: Entity's prospects in the short-term Likelihood: High Impact: High **SDS** **Scenario < 2oC** **STEP** **Financial Impact (RM225,000)** **: From an investor's perspective, assuming profitability of RM5,000,000, the Group's inability to uphold sustainable financial practices poses a significant threat to its Market-Based Valuation ("**MBV**"). A declining profit margin due to inefficiencies and rising operational costs signals weakened financial health, potentially reducing investor confidence. The erosion of RM225,000 in profit may impact short-term earnings and devalue the Group's market position and long-term growth prospects. Investors prioritising Environmental, Social, and Governance (ESG) factors may perceive heightened risks, leading to reduced investment appeal and potential capital outflows. To sustain MBV and investor confidence, the Group must reinforce its commitment to financial sustainability.	**Opportunity:** Strengthen business sustainability by prioritising environmental and social well-being while setting a benchmark for non-financial disclosure. **Strategy / Mitigation cost (RM300,000):** By incorporating ESG factors and decarbonisation solutions into our decision-making process, we will strengthen our reputation and appeal to responsible investors through transparent climate change disclosures. We will adopt decarbonisation solutions at RM300,000 for the next three years. PRISMATIC Our financial sustainability initiatives enhance operational efficiency, attract top talent, and maximise resource utilisation. Furthermore, maintaining financial sustainability allows us to invest in green initiatives such as solar energy and energy-efficient systems, reinforcing long-term business resilience. These efforts ensure that our operations remain sustainable, cost-effective, and aligned with global environmental and economic priorities, securing future growth.	Refer to **	A solid financial foundation allows for strategic investments in sustainability initiatives, including solar energy and energy-efficient systems, to improve operational efficiency. These investments enhance long-term resilience, reduce environmental impact, and drive cost savings, ensuring sustainable growth while aligning with global sustainability goals. TOP PRIORITY	Budget planning policy, cash flow monitoring policy, and financial compliance policy.	Governance	1, 2, 3, 8, 16

Material Matters	IFRS SDS Perspective		GRI Perspective		Policy	Pillars	UN SDGs
	Risk / Financial Impact	Opportunity / Strategy	Financial Materiality (Outside-in)	Impact Materiality (Inside-out)			
Accuracy, Agility and Security	**Risk:** The potential leakage of sensitive data. This could result in financial and reputational damage and loss of clients' trust and business. A possible risk is operational errors or inefficiencies due to inadequate systems or processes. This could result in delays, inaccuracies, or inconsistencies in testing, assessment, or certification processes, affecting quality. **Risk Profile:** Type: Entity's Business Model and Value Chain Likelihood: High Impact: High **SDS** **Scenario < 2°C** **STEP** **Financial Impact (RM750,000)**:** A data breach or operational inefficiencies could affect up to 15% of profitability, costing **RM750,000**. This encompasses legal penalties, cybersecurity investments, and client loss. Strengthening data protection, enhancing automation, and reviewing security protocols can mitigate risks, ensure financial stability and regulatory compliance, and maintain client trust in the Group.	**Opportunity:** Enhance security measures and capabilities to meet clients' increasingly sophisticated needs. By investing in robust data security protocols, encryption technologies, and access controls, the laboratory can safeguard sensitive information, mitigate risks, and differentiate itself as a trusted and reliable service provider. **Strategy / Mitigation cost (RM150,000):** We allocate **RM150,000** annually to implement a comprehensive data management, security, and operational excellence approach. This includes maintaining secure data centres, implementing data recovery mechanisms, and leveraging cloud computing solutions to enhance agility, scalability, and resilience. Regular cybersecurity training and audits ensure robust protection against data breaches and operational disruptions.	Refer to **	A company prioritising operational accuracy and agility can establish a strong competitive advantage by consistently delivering reliable results. This enhances customer trust, attracts repeat business, and fosters long-term client relationships. Improved efficiency also reduces errors and delays, strengthening the laboratory's reputation and positioning it as a preferred industry partner. TOP PRIORITY	ISO 17025, 17021, and 17029 Quality Manual	Digitalisation	4 Quality Education 8 Decent Work and Economic Growth 9 Industry, Innovation and Infrastructure 10 Reduced Inequalities 11 Sustainable Cities and Communities 13 Climate Action 16 Peace, Justice and Strong Institutions

Note: The disclosed amounts are subject to significant estimation uncertainty. The ranges were derived from climate scenario analysis, which incorporated specific variables as inputs and are subject to certain limitations outlined in the Report. Such report estimation uncertainty is expected to decrease as advancements in the scientific understanding of the macroeconomic impacts of climate change enable further refinement of the inputs and modelling techniques used in such analysis from time to time.

ENVIRONMENT STEWARDSHIP

Dr. Ooi's photograph of the waterfall in Pingxi, Taiwan, celebrates the beauty and vitality of natural ecosystems, embodying the principles of environmental stewardship. This striking image underscores the importance of protecting such resources, aligning with LMS's dedication to preserving nature's treasures through sustainable practices and responsible environmental management.

From the perspective of environmental stewardship, the Group has prioritised two material matters, as follows:

Extreme Weather Events such as Flood

The increasing prevalence of extreme weather events, particularly floods, poses a significant threat to the Group's operational resilience. The Group undertook a strategic flood mitigation initiative at its Selangor plant in FY2023. Key preventive measures included relocating critical scientific equipment to upper floors to prevent water damage and utilising flood-resistant metal and cement materials to safeguard assets. These enhancements ensured business continuity and minimised financial losses from potential flooding. A capital expenditure of RM300,000 was allocated to this initiative, with capital allowances helping to offset the financial impact over time. While the investment affects financial records for the next decade, it enhances long-term EBITDA protection for the next 26 years. Given the NZE 2050 scenario projections, the Group anticipates experiencing two major floods over this period, potentially resulting in a total EBITDA loss of RM400,000 due to operational disruptions, cleanup costs, and asset damage. By proactively mitigating these risks, the Group ensures sustained productivity, financial stability, and long-term operational resilience.

Water Availability

Water scarcity is a growing concern that can severely impact the Group's operations, particularly those reliant on distillation, chemical mixing, and glassware washing. To address this, the Group implemented a water reuse and storage system at its Johor, Malaysia plant in FY2024. With a storage capacity for one day's worth of usage, this system helps reduce downtime during water shortages. An investment of RM120,000 was allocated to this initiative, ensuring operational continuity despite the impact of capital expenditure on financial records for the next five years. The Group anticipates that water rationing events will occur twice annually due to climate-driven water shortages, leading to workforce disruptions and potential EBITDA losses of RM6,000 daily. Over 26 years, this would result in a cumulative financial impact of RM312,000. By implementing this mitigation strategy, the Group safeguards operational efficiency and productivity, minimising potential revenue losses and securing long-term financial sustainability.

The total mitigation cost for both strategies amounts to RM420,000. Compared to the projected financial impact of RM712,000 under the NZE 2050 scenario, these investments represent a prudent approach to risk mitigation, yielding a net financial benefit of RM292,000 over 26 years. The likelihood of success is high, as both strategies directly address foreseeable climate-related disruptions using proven solutions. By proactively managing extreme weather and water scarcity risks, the Group reinforces its commitment to sustainability, operational resilience, and long-term financial stability, supporting its journey towards achieving Net Zero Emissions (NZE) by 2050. By implementing these initiatives and measuring the impact, we aim to fortify our sustainability agenda, ensuring it comprehensively addresses topics crucial to our Group and stakeholders in alignment with the selected UN SDGs.

The Group employs comprehensive environmental metrics, including Scope 1, 2, and 3 GHG emissions, to evaluate environmental stewardship and identify improvement opportunities from CrROs. The Group addresses challenges such as extreme weather events and water availability by establishing preliminary emission reduction targets, thereby enhancing climate resilience. Integrating these considerations into decision-making processes enables the Group to mitigate risks, bolster sustainability initiatives, and uphold long-term environmental responsibility.

Emissions

The Group adheres to the GHG Protocol and ISO 14064-1 standards to quantify and manage greenhouse gas (GHG) emissions across Scopes 1, 2, and 3. This involves evaluating various environmental metrics, including energy consumption, water usage, waste generation, transportation activities, product use and end phases. GHG Protocol methodologies convert these emissions into tonnes CO_2-equivalent units, facilitating a comprehensive understanding of the Group's environmental impact. This approach aligns with IFRS S2 requirements, ensuring that climate-related risks and opportunities are effectively disclosed and managed with the following metrics and targets.

Metrics and Targets

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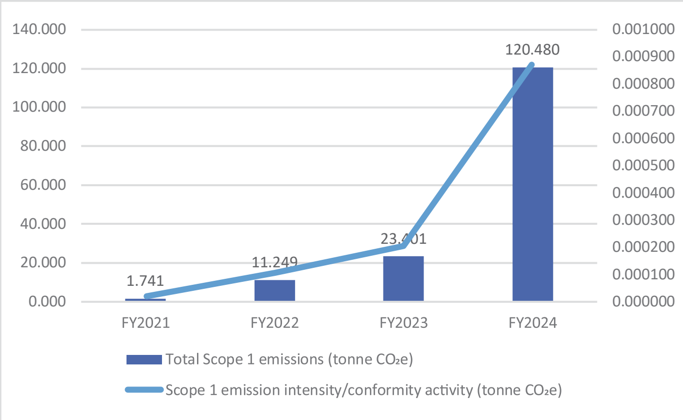
Coloured green is the prioritised material matter.

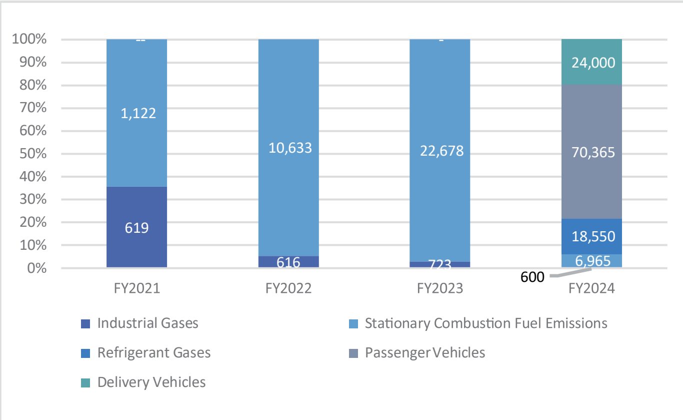
Scope 1

Scope 1 emissions	FY2021	FY2022	FY2023	FY2024
Industrial Gases	619	616	723	600
Stationary Combustion Fuel Emissions	1,122	10,633	22,678	6,965
Refrigerant Gases	-	-	-	18,550
Passenger Vehicles	-	-	-	70,365
Delivery Vehicles	-	-	-	24,000
Total Scope 1 emissions (kg CO_2e)	1,741	11,249	23,401	120,480
Total Scope 1 emissions (tonnes CO_2e)	1.741	11.249	23.401	120.480
Scope 1 emission/conformity activity (tonnes CO_2e)	0.000017	0.000105	0.000203	0.000874

From FY2021 to FY2024, total Scope 1 emissions sharply increased, rising from 1.741 tonnes CO_2e in FY2021 to 120.48 tonnes CO_2e in FY2024. The most notable jumps occurred between FY2021 and FY2022 and between FY2023 to FY2024, primarily driven by increased refrigerant gas usage, passenger vehicles and delivery vehicles. This trend indicates higher operational energy demands and expansion in activity data requiring fossil fuel consumption, which were expanded upon in FY2021, FY2022, and FY2023. Additionally, industrial gas emissions steadily increased, suggesting a consistent reliance on these gases for industrial processes.

A similar upward trend is observed when analysing emission intensity per conformity activity. The emission intensity rose from 0.000017 in FY2021 to 0.000874 in FY2024, reflecting an increased carbon footprint per unit of conformity activity. This significant rise suggests the Group's operational efficiency in managing emissions relative to its conformity activities has been challenged. Likewise, the steepest increase in FY2024 was attributed to expanded activity data, higher equipment utilisation, and a shift in fuel consumption patterns that resulted in elevated emissions were omitted in FY2021, FY2022, and FY2023. To address these rising emissions, the Group targets a 30% reduction in emission intensity by 2030, a 60% reduction by 2040, and ultimately a Net Zero Emission (NZE) by 2050. These targets will be achieved through enhanced energy efficiency, increased reliance on renewable energy, and improved emission management strategies. The following graph illustrates the trends in Scope 1 emissions and emission intensity over the four years.





The graph illustrates the increasing trend in total Scope 1 emissions and emission intensity per conformity activity from FY2021 to FY2024. The sharp rise in FY2024 highlights the urgent need for mitigation measures to achieve the Group's long-term reduction targets: a 30% decrease by 2030, a 60% reduction by 2040, and NZE by 2050.

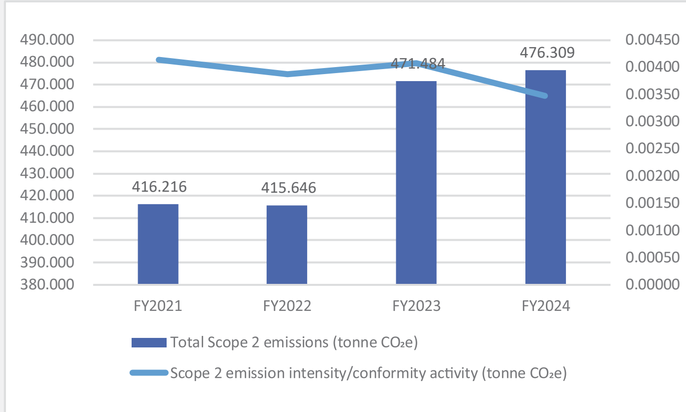
Scope 2

Scope 2 emissions	FY2021	FY2022	FY2023	FY2024
Consumption (kWh)	533,610	532,880	604,466	628,376
Electricity (kg CO_2e)	416,216	415,646	471,484	476,309
Total Scope 2 emissions (kg CO_2e)	416,216	415,646	471,484	476,309
Total Scope 2 emissions (tonnes CO_2e)	416.216	415.646	471.484	476.309
Scope 2 emission intensity/conformity activity (tonnes CO_2e)	0.00415	0.00387	0.00408	0.00346

From FY2021 to FY2024, Scope 2 emissions exhibited an overall increasing trend. Emissions remained steady between FY2021 (416.216 tonnes CO_2e) and FY2022 (415.646 tonnes CO_2e). However, a significant rise occurred in FY2023, reaching 471.484 tonnes CO_2e, followed by a marginal increase of 1.00% in FY2024 to 476.309 tonnes CO_2e. This trend was from an expansion in operational activities, leading to higher electricity consumption and, consequently, increased Scope 2 emissions.

In contrast, emission intensity (tonnes CO_2e per conformity activity) showed a different trend. It declined from 0.00415 in FY2021 to 0.00387 in FY2022 but slightly increased to 0.00408 in FY2023. A notable decrease of 15.20% occurred in FY2024, bringing the intensity down to 0.00346. Despite the rise in absolute emissions, this reduction demonstrated improved energy efficiency, increased production output, and/or adopting greener energy sources, leading to lower emissions per unit of conformity activity.

To achieve long-term sustainability goals, the Group is committed to reducing emission intensity by 30% by 2030, 60% by 2040, and reaching NZE by 2050. Strategic initiatives, including energy efficiency improvements, increased use of renewable energy, and operational optimisations, will be crucial in meeting these targets. The graph below illustrates the emission and emission intensity trends from FY2021 to FY2024.

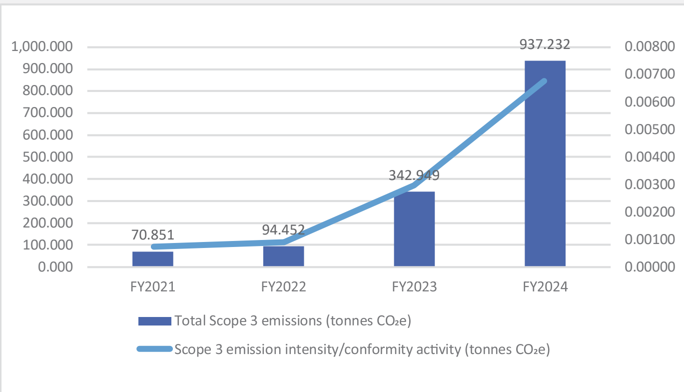


The graph illustrates the trends in Scope 2 emissions and emission intensity from FY2021 to FY2024. While total emissions have increased, emission intensity has declined in FY2024, reflecting improved operational efficiency and sustainability measures.

Scope 3

Scope 3 emissions	FY2021	FY2022	FY2023	FY2024
Total Scope 3 emissions (tonnes CO_2e)	70.851	94.452	342.949	937.232
Scope 3 emission intensity/conformity activity (tonnes CO_2e)	0.00071	0.00088	0.00297	0.00680

From FY2021 to FY2024, Scope 3 emissions have shown a substantial increase, reflecting the expansion of business activities, supply chain operations, and employee commuting. The emissions rose sharply from FY2022 onward, with the most significant increase occurring between FY2023 and FY2024. This increase aligns with heightened business travel, increased procurement of goods, and expanded logistics operations. Notably, business-related air travel and upstream freight operations contributed significantly to the surge in emissions. Comparing FY2024 with FY2023, there was a notable increase in emissions across multiple categories, including business travel, purchased products, and fuel- and energy-related activities. The rise in emissions from employee commuting also played a significant role, driven by increased office attendance following post-pandemic workplace reintegration.

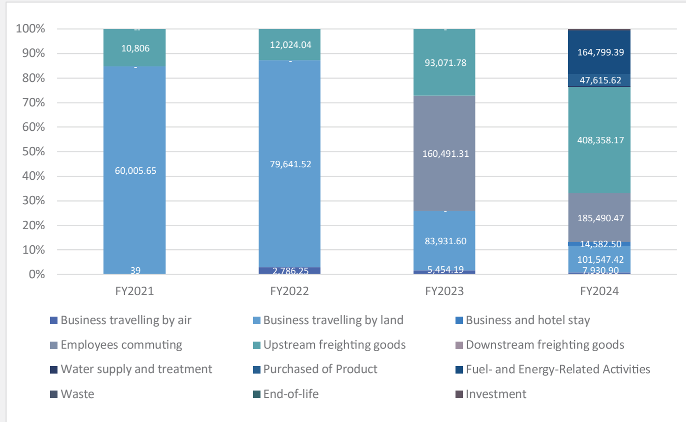


Additionally, the introduction of new business operations requiring greater material procurement has led to an increase in purchased goods emissions. A key driver behind the increase in Scope 3 emissions is the fuel growth- and energy-related activities, which were not recorded in prior years but emerged as a significant contributor in FY2024. This category includes upstream energy production and fuel transportation emissions, suggesting a broader organisational reliance on energy-intensive processes. Similarly, the procurement of goods saw a sharp increase, reflecting the organisation's expansion and increased demand for raw materials.

On the other hand, upstream freighting emissions decreased in FY2024 compared to FY2023. This decline may be attributed to improved logistics efficiency, such as route optimisation, supplier consolidation, or a shift towards more sustainable transportation methods. These efforts partially mitigate Scope 3 emissions despite overall growth in the Group's business activities. Emission intensity per conformity activity has also steadily risen, correlating with the increase in total emissions. The intensity metric reflects the Group's growing reliance on external suppliers, logistics partners, and energy consumption, underscoring the challenge of managing indirect emissions. However, the emission intensity increased between FY2023 and FY2024 was not as steep as the total emissions increase, possibly due to efficiency measures and improved sustainability practices.

To address these rising emissions, the Group must implement targeted reduction strategies. Initiatives such as supplier engagement for lower-carbon materials, transitioning to renewable energy sources, and promoting sustainable travel options for employees can significantly mitigate Scope 3 emissions. Integrating climate-related requirements into procurement policies will also help drive long-term emission reductions. The Group is committed to reducing emission intensity by 30% by 2030, 60% by 2040, and achieving net-

zero emissions (NZE) by 2050. A structured roadmap incorporating energy efficiency, low-carbon procurement, and supply chain decarbonisation will be crucial to meet these targets. Continuous monitoring and strategic investments in emission reduction initiatives will ensure sustainable business growth while progressing toward NZE.



The graph illustrates the rising trend in total Scope 3 emissions and emission intensity per conformity activity from FY2021 to FY2024. A detailed analysis of these trends will be presented in the next few paragraphs, followed by a conclusion outlining the emission reduction targets. The water consumption and waste generation have been illustrated in the table below:

Scope 3 emissions	FY2021	FY2022	FY2023	FY2024
Government water (m^3)	6,991	6,535	7,817	7,759
Rain harvesting water (m^3)	0	0	0	0
Recycle water (m^3)	0	0	0	0
Waste water (m^3)	0	0	0	7,759
Waste (tonnes)	0.012	0.542	0.387	0.4646

Water Discharge Management

The Group takes a responsible approach to managing water discharge from laboratory processes, prioritising reuse and regulatory compliance. Techniques such as coagulation and filtration are employed to remove contaminants effectively. Proper management of water discharge helps protect water resources, ecosystems, and public health. Sustainable water management requires a collective effort, with collaboration among governments, industries, communities, and individuals playing a vital role in maintaining clean and healthy waterways for future generations.

Hazardous Waste Management

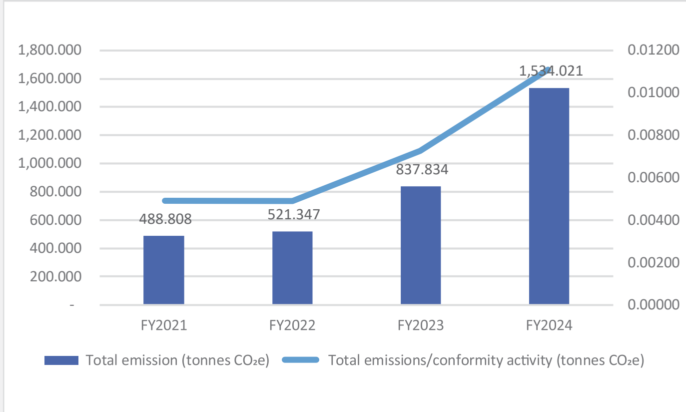
With increasing waste generation posing significant environmental and health risks, addressing waste-related impacts has never been more critical. The Group is committed to responsible waste management, focusing on proper handling, treatment, and disposal to minimise adverse effects on ecosystems and human health. The most effective strategy is to reduce waste at its source through awareness campaigns, educational programs, and promoting sustainable consumption habits. Implementing source separation of recyclables and organic materials, such as acids and alkalines, improves waste-handling efficiency. Additionally, the Group's laboratories actively encourage reuse initiatives to reduce landfill and incineration waste, fostering a more sustainable waste management approach while alleviating environmental pressures.

Scope 3 emissions	Standards ISO 14064-1		FY2021	FY2022				FY2023				FY2024			
	GHG Protocal	ISO 14064-1	Total	CO_2	NH_4	N_2O	Total	CO_2	NH_4	N_2O	Total	CO_2	NH_4	N_2O	Total
Business travelling by air	Category 6	Category 3	39	2,786.10	0.06	0.09	2,786.25	5,453.94	0.07	0.17	5,454.19	7,858.67	6.02	66.21	7,930.90
Business travelling by land	Category 6	Category 3	60,005.65	79,622.92	14.99	3.61	79,641.52	83,910.54	17.07	3.98	83,931.60	100,669.27	604.40	273.76	101,547.42
Business and hotel stay	Category 6	Category 3	-	-	-	-	-	-	-	-	-	14,582.50	-	-	14,582.50
Employees commuting	Category 7	Category 3	-	-	-	-	-	160,469.34	16.65	5.32	160,491.31	184,368.65	689.88	431.94	185,490.47
Upstream freighting goods	Category 6	Category 3	10,806	12,023.40	0.33	0.31	12,024.04	93,066.80	2.59	2.39	93,071.78	402,693.35	74.84	5,589.97	408,358.17
Downstream freighting goods	Category 9	Category 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Water supply and treatment	Category 5	Category 4	-	-	-	-	-	-	-	-	-	1,187.98	-	-	1,187.98
Purchased of Product	Category 1	Category 4	-	-	-	-	-	-	-	-	-	47,615.62	-	-	47,615.62
Fuel- and Energy-Related Activities	Category 3	Category 4										164,799.39	-	-	164,799.39
Waste	Category 5	Category 4	-	-	-	-	-	-	-	-	-	9.89	-	-	9.89
End-of-life	Category 11	Category 5	-	-	-	-	-	-	-	-	-	2.85	-	-	2.85
Investment	Category 15	Category 5	-	-	-	-	-	-	-	-	-	5,706.42	-	-	5,706.42
Total Scope 3 emissions (kg CO_2e)			70,850.74	94,432.42	15.39	4.01	94,451.82	342,900.62	36.38	11.87	342,948.87	929,494.58	1,375.15	6,361.89	937,231.63
Total Scope 3 emissions (tonnes CO_2e)			70.851	94.432	0.015	0.004	94.452	342.901	0.036	0.012	342.949	929.495	1.375	6.362	937.232
Scope 3 emission intensity/ conformity activity (tonnes CO_2e)			0.001	0.001				0.003				0.007			

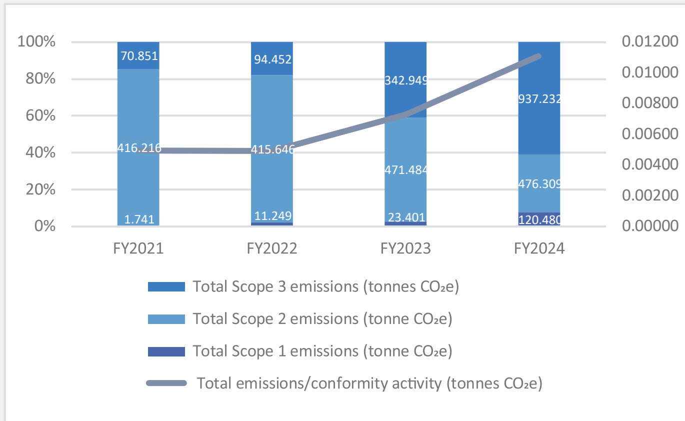
Total Emissions Intensity

Emission intensity	FY2021	FY2022	FY2023	FY2024
Total Scope 1 emissions (tonne CO_2e)	1.741	11.249	23.401	120.480
Total Scope 2 emissions (tonne CO_2e)	416.216	415.646	471.484	476.309
Total Scope 3 emissions (tonnes CO_2e)	70.851	94.452	342.949	937.232
Total emission (tonnes CO_2e)	488.808	521.347	837.834	1,534.021
Total emissions/conformity activity (tonnes CO_2e)	0.00488	0.00485	0.00726	0.01113
Emission data points reported in Scope 1, 2, and 3	6	6	7	17

The total emissions from FY2021 to FY2024 exhibited a continuous upward trend. In FY2021, the total emissions stood at 488.808 tonnes CO_2e, which increased to 521.347 tonnes CO_2e in FY2022. A significant rise was observed in FY2023, reaching 837.834 tonnes CO_2e, and continued to grow in FY2024, peaking at 1,534.021 tonnes CO_2e. This steady increase indicates that overall operational activities and energy consumption have escalated over the years, contributing to higher emissions. The sharpest rise between FY2023 and FY2024 suggests an extension of emission data points from seven (7) to seventeen (17) that previously were not reported and partly demonstrated an expansion in operations.



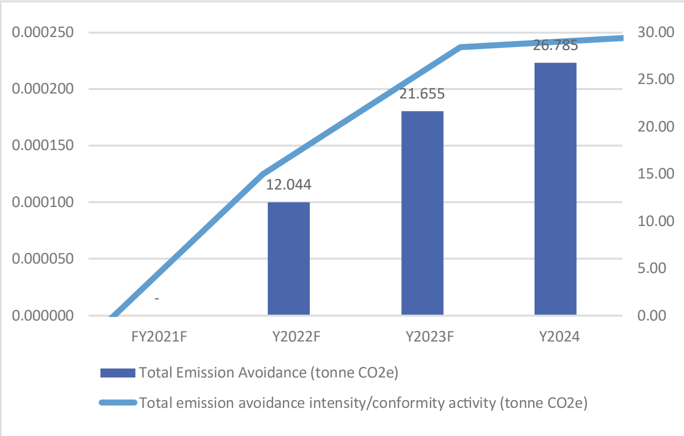
Likewise, emission intensity per conformity activity rose over the years. In FY2021, it was recorded at 0.00488 tonnes CO_2e/conformity activity, increasing to 0.00485 tonnes CO_2e/conformity activity in FY2022. This upward trajectory continued, reaching 0.00726 tonnes CO_2e/conformity activity in FY2023 and peaking at 0.01113 tonnes CO_2e/conformity activity in FY2024. The primary driver behind this increase is the expansion of emission data points, which grew from six (6) in FY2021 to seventeen (17) in FY2024. Notably, between FY2023 and FY2024, eleven (11) additional Scope 3 emission data points were incorporated, including emissions from the use and end-of-life phases of the Group's products. As a result, Scope 3 now accounts for approximately 61% of the Group's total emissions, significantly influencing overall emission intensity.



The increase in total emissions and emission intensity indicates a pressing need for strategic sustainability interventions. LMS aims to achieve a 30% reduction in emission intensity by 2030 and 60% by 2040, ultimately reaching NZE by 2050. To meet these targets, the Company must implement robust energy efficiency measures, transition to renewable energy sources, and invest in sustainable technologies to decouple emissions growth from business expansion. The current trends emphasise the importance of taking proactive steps to mitigate emissions and drive long-term sustainability based on Science-Based Targets.

Emission Avoidance Initiatives

Emission intensity	FY2021	FY2022	FY2023	FY2024
Solar energy avoids use of fossil fuel electricity	-	12,044	21,655	21,208
Digitalise workflow avoid use of paper	-	-	-	3,932
EV avoid use of fossil fuel	-	-	-	1,645
Total Emission Avoidance (kg CO_2e)	-	12,044	21,655	26,785
Total Emission Avoidance (tonne CO_2e)	-	12.044	21.655	26.785
Total emission avoidance intensity/conformity activity (tonne CO_2e)	-	0.000112	0.000188	0.000194



The Group's emission avoidance initiatives include implementing solar energy to avoid fossil fuel electricity, digitalised workflow to reduce paper consumption, and introducing electric vehicles (EVs) to minimise fossil fuel usage in transportation. While these initiatives have helped curb emissions in certain areas, the Group realised that they have not been sufficient to counterbalance the overall increase in emissions. The data suggests that while individual efforts may have reduced emissions in specific categories, the growing scale of operations and inclusion of broader emissions categories have resulted in an overall upward trend. To strengthen emission avoidance efforts, the Group consider energy efficiency enhancements, renewable energy adoption, supply chain decarbonisation, electrification of operations, and carbon offsetting programs. Implementing these strategies can significantly reduce emissions across all scopes.

The emission avoidance data illustrates a significant increase from FY2023 to FY2024. Total emission avoidance rose from approximately 21.655 tonnes CO_2e in FY2023 to about 26.785 tonnes CO_2e in FY2024, marking an increase of approximately 5.13 tonnes CO_2e, which translates to a percentage increase of about 23.7%. This substantial growth reflects the effectiveness of various emission avoidance initiatives undertaken by the Group, including integrating solar energy and digitalisation efforts to reduce reliance on fossil fuels and paper.

The rationale behind these emission avoidance initiatives is fundamentally rooted in the Group's strategy to combat climate change. By focusing on renewable energy sources, such as solar power, and implementing digital workflows, the Group reduces greenhouse gas emissions and promotes sustainability and operational efficiency. These strategic initiatives align the Group with global climate goals, enhance corporate responsibility, and foster positive stakeholder engagement, ultimately demonstrating a commitment to creating long-term environmental and economic benefits.

Migration to Science-Based Targets Initiative

To strengthen its commitment to combating climate change, the Group should consider setting Science-Based Targets (**"SBTs"**) aligned with the latest climate science rather than relying on the current generic emission reduction targets. The existing targets—a 30% reduction in emission intensity by 2030, 60% by 2040, and achieving NZE by 2050—were established in 2022 and may be influenced by external factors such as national policies and the decarbonisation strategies of key service providers. While these targets provide a general direction, they may not be sufficient to drive deep emission cuts in line with global climate goals.

The Group is committed to establishing clear, measurable, and time-bound objectives in alignment with the Paris Agreement's goal of limiting global warming to below 2°C, preferably 1.5°C. This ensures that emission reduction efforts follow scientifically proven methodologies. Adopting SBTs allows the Group to drive internal decarbonisation initiatives proactively rather than relying solely on national energy transitions. By embedding SBTs into its climate strategy, the Group can enhance sustainability leadership, mitigate climate-related risks, and future-proof its business against evolving market and regulatory changes.

To adopt Science Based Targets Initiative (**"SBTi"**), the Group follow the SBTi framework, beginning with a comprehensive GHG inventory covering Scope 1, Scope 2, and Scope 3 emissions. Then, select a target-setting methodology, such as the absolute contraction approach (which reduces absolute emissions) or the sectoral decarbonisation approach (which aligns with industry-specific pathways). Once defined, short- and long-term targets should be set based on a 1.5°C or well below 2°C trajectory. Implementation involves enhancing energy efficiency, transitioning to renewable energy, decarbonising supply chains, and engaging stakeholders. Continuous progress tracking, transparent reporting, and verification ensure accountability. The Group can establish a data-driven emissions reduction strategy by embedding Science-Based Targets enhancing long-term business resilience and climate leadership.

Dr. Ooi's photograph of the cultural Kawadi in Tamil Nadu, India, vividly highlights the rich tapestry of social and cultural diversity. This vibrant imagery celebrates communal traditions and heritage, aligning with LMS's commitment to fostering inclusivity and respecting global cultural identities. It underscores how photography connects diverse communities, promoting understanding and unity through visual storytelling.

Likewise, under the narrative of social responsibility, the Group has identified and prioritised two material matters, as follows:

Talent Transformation

The Group actively supports talent empowerment initiatives to enhance workforce efficiency and collaboration by providing structured training programs and essential resources. These initiatives strengthen employees' decision-making capabilities, foster teamwork, and improve operational effectiveness. The Group cultivates an engaged, high-performing workforce through leadership development, mentorship programs, and digital learning platforms, ensuring long-term business sustainability. An annual budget of RM600,000 is allocated to support training sessions, professional development, and employee rewards. This strategic investment enhances employee autonomy, innovation, and productivity while reducing operational risks. However, failing to empower employees could result in a financial impact of RM1,000,000 annually due to lower productivity, inefficiencies, and employee turnover. Without proper engagement, the Group risks increased recruitment and training costs, further straining financial resources. By prioritising employee empowerment, the Group strengthens workplace culture, secures its reputation as a forward-thinking organisation, and ensures long-term profitability.

Innovation and Novelty

The Group recognises the critical role of research and development ("**R&D**") in maintaining competitiveness and driving long-term sustainability. To foster continuous innovation, RM100,000 is allocated annually to R&D efforts, enabling collaboration with industry partners and academic institutions. These partnerships grant access to specialised expertise and cutting-edge technologies, accelerating the development of novel solutions, process improvements, and breakthrough innovations. Additionally, promoting a culture of creativity among employees ensures that the Group remains at the forefront of industry advancements. However, innovation carries financial risks, particularly if substantial resources are invested without generating returns. If 30% of profits, amounting to RM1,500,000, are allocated to unstructured innovation efforts, profitability could be significantly impacted due to misallocated resources and productivity losses. To mitigate this, the Group must adopt structured innovation frameworks, conduct feasibility studies, and align R&D investments with strategic business goals to ensure sustainable growth and financial stability.

The total mitigation cost for both strategies amounts to RM700,000 annually. In contrast, the potential financial impact of failing to empower employees and innovate effectively is estimated at RM2,500,000 annually. Compared to this risk, the investment in training, talent transformation, and R&D represents a strategic approach to securing long-term sustainability and competitiveness. The likelihood of success is high, as these initiatives directly address critical business risks and align with the Group's broader goals for achieving NZE by 2050. By investing in workforce development and innovation, the Group ensures operational resilience, market leadership, and long-term profitability aligned with five designated UN SDGs. Through these efforts, we uphold rigorous product standards and safety protocols and contribute to broader societal well-being and sustainable development objectives.

The Group utilises comprehensive social metrics, in line with IFRS S1-45, to assess its social responsibility and identify areas for improvement concerning social-related risks and opportunities ("**SrROs**"). These metrics include **average amoeba achievement**, a proxy for measuring talent transformation, and **productivity** metrics reflecting innovation and novelty. By establishing specific targets to tackle challenges related to talent development and fostering innovation, the Group enhances its social resilience. Integrating these factors into the decision-making process enables the Group to mitigate risks, strengthen sustainability initiatives, and maintain a commitment to long-term social responsibility.

Social Performance Data

	Social Data	FY2021	FY2022	FY2023	FY2024
Diversity	Number of employees	112	121	131	139
	Number of employees with disabilities	-	-	-	-
	Percentage of employees with tertiary education (%)	91	88	90	91
	Number of foreign employees	-	-	-	-
	Number of female managers	7	11	12	12
	Percentage of female managers (%)	41	55	50	52
	Percentage of top 30 female employees (%)	53	54	54	56
	Percentage of female C-suite members (%)	25	25	25	29
Safety and Health	Total work days	247	244	244	247
	Total working hours	2,058	2,033	2,033	2,058
	Total overtime hours	254	748	2,625	5,458
	Total lateness hours	380	498	561	736
	Total medical leave taken (days)	281	449	457	568
	Average paid leave taken (days)	11	10	10	11
	Total Recordable Incident Rate (TRIR)	1	1	-	-
	Fatality	-	-	-	-
Performance	Total training hours	387	336	1,544	2,245
	Annual training cost (RM)	44,645	26,342	109,122	36,894
	Number of appraisals (time)	4	4	4	2
	Number of performance bonuses issued	7	4	4	2
	Productivity (RM)	151,676	154,344	159,560	182,622
	Average amoeba achievement (%)	73	70	66	88
	No. of amoeba criteria (quarter)	96	114	120	92
Engagement	Employee engagement score	7.9	8.1	8.3	8.0
	Relationship with manager score	8.0	8.3	8.4	8.2
	Wellness and Happiness score	7.7	7.5	7.4	7.4
	Ambassadorship score*	8.3	7.9	7.9	7.6
	Management review (times)	2	2	2	2

** The ambassadorship score is an internal survey to gather opinions about the Company*

The analysis of social data from FY2023 to FY2024 highlights significant trends in various categories. Key findings include the total number of employees, which increased from 131 in FY2023 to 139 in FY2024, indicating a growth in workforce size. Notably, the percentage of female managers slightly rose from 50% to 52%, showcasing a positive trend in promoting gender diversity in leadership roles. Additionally, total training hours surged dramatically from 1,544 hours in FY2023 to 2,245 hours in FY2024, reflecting an increased commitment to employee development. Conversely, total medical leave taken rose from 457 to 568 days, signalling potential health or workload issues that must be addressed. Among other metrics, the employee engagement score slightly decreased from 8.3 to 8.0 out of 10, while training costs decreased to about RM36,894.

The upward trend in total training hours from FY2023 to FY2024 can be attributed to a heightened focus on employee development and skills enhancement, which is crucial for maintaining competitiveness in a rapidly changing market. This increase reflects the Group's commitment to ensuring employees are well-equipped to meet current and future challenges. Additionally, the growth in the number of employees indicates organisational expansion, due to increased operational needs, which can and should be complemented with strategic talent management initiatives.

Despite the positive trends in training and employee numbers, the rise in total medical leave and declining employee engagement scores by 0.3 points raise concerns about workforce well-being and satisfaction. These metrics suggest that increased workload or health-related issues may impact employee morale and productivity. Therefore, addressing the underlying causes of increased medical leave should be a priority, potentially through wellness programs or workload assessments to ensure employees can perform at their best without compromising their health.
FY2024 demonstrates a complex landscape in social metrics, with positive advancements in employee training and diversity intertwined with challenges in health and engagement. The average amoeba achievement stands at 88%, and aiming for a target of 75% achievement will be vital for measuring talent transformation. Additionally, setting a productivity target of RM165,000 reflects a commitment to fostering innovation and novelty within the organisation. In FY2024, the Group's productivity rose 14.5%, amounting to RM182,622 compared to the target. This dual focus on enhancing capabilities and driving performance will be essential for the Group to navigate future challenges successfully while fulfilling its social responsibility metrics and targets.

Metrics and Targets

Pillar	Material Matters	Metrics	Perpetual Target	Current Year Performance
Social	Talent Transformation	Average Amoeba Achievements	75%	88% (Achieved)
	Innovation and Novelty	Productivity	RM165,000	RM182,622 (Achieved)
	Workplace Safety	Case of work incident	Zero cases of work-related accidents and fatalities.	Zero cases of work-related accidents and fatalities.
	ESG Culture	Score	To reinforce the Company's values that are committing to ESG targets.	While the relationship with manager score has decreased slightly from 8.4 to 8.2, the scores are still relatively high, paving the right direction to foster an ESG culture.
	Employee Rights	Case of non-compliance	Zero cases of non-compliance with laws and regulatory requirements.	Zero cases of non-compliance with laws and regulatory requirements.
	Customers' Value Creation	Satisfaction Index and Net Promoter Score (NPS)	To sustain a Customer Satisfaction Index above +20% based on NPS.	The Group customer satisfaction index is 4.1 over 5, and NPS is positive 55.5.

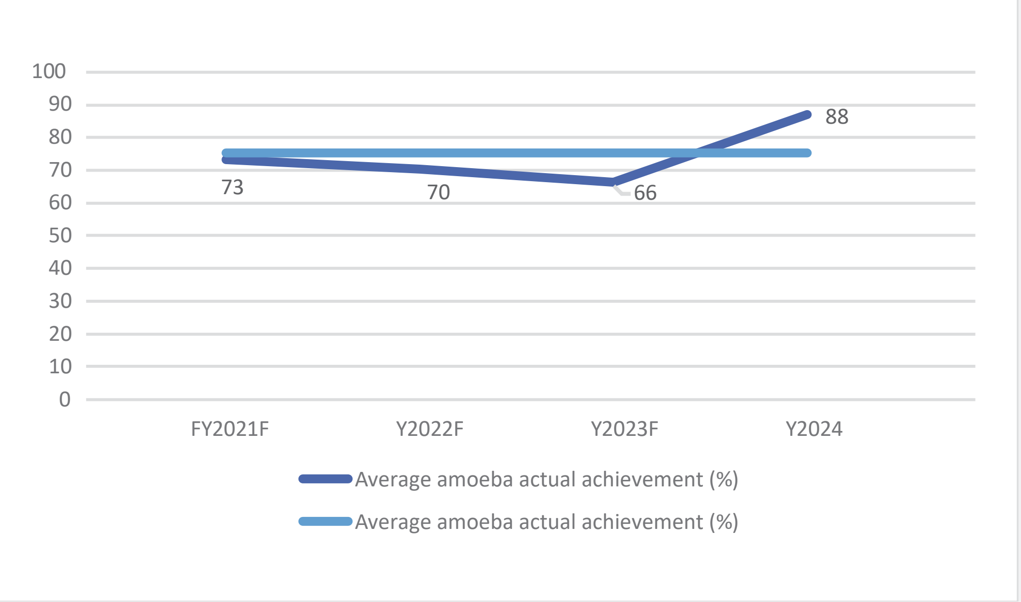
Coloured green is the prioritised material matter.

Average Amoeba Achievements

From FY2023 to FY2024, the Group achieved an average amoeba achievement percentage of 88%, exceeding the target of 75% by 13%. This overachievement can be seen as a direct reflection of effective talent transformation strategies implemented within the organisation. The increase from 66% in FY2023 to 88% in FY2024 showcases a commitment to developing workforce capabilities, aligning with the Group's overall vision of fostering an innovative and productive work environment.

The rationale behind achieving such a high average amoeba can be attributed to several key factors. First and foremost, the significant increase in total training hours, from 1,544 hours in FY2023 to 2,245 hours in FY2024, indicates a robust investment in employee development. This focus on training likely enabled employees to enhance their skills, leading to greater efficiency and productivity. Moreover, by incorporating innovative methodologies and practices, the training program would empower employees to thrive, positively contributing to the overall amoeba achievement metric.

Furthermore, a supportive organisational culture underpinning employee engagement is another contributing factor. Despite a slight dip in the employee engagement score from 8.3 in FY2023 to 8.0 in FY2024, the sustained engagement levels suggest that employees feel connected and motivated. The Group's emphasis on growth and development and clear communication from management would have helped mitigate any potential disengagement. As employees perceive their contributions as valued, they are more likely to cultivate ownership and accountability, directly impacting their performance metrics.



Lastly, aligning organisational goals with individual objectives was crucial to this success. With clear targets for productivity and talent transformation, employees will likely have rallied around these shared goals. Setting a target for the average amoeba achievement at 75% encouraged a focused effort towards continuous improvement. The 88% achievement illustrates how setting higher benchmarks can drive a culture of excellence.

Productivity

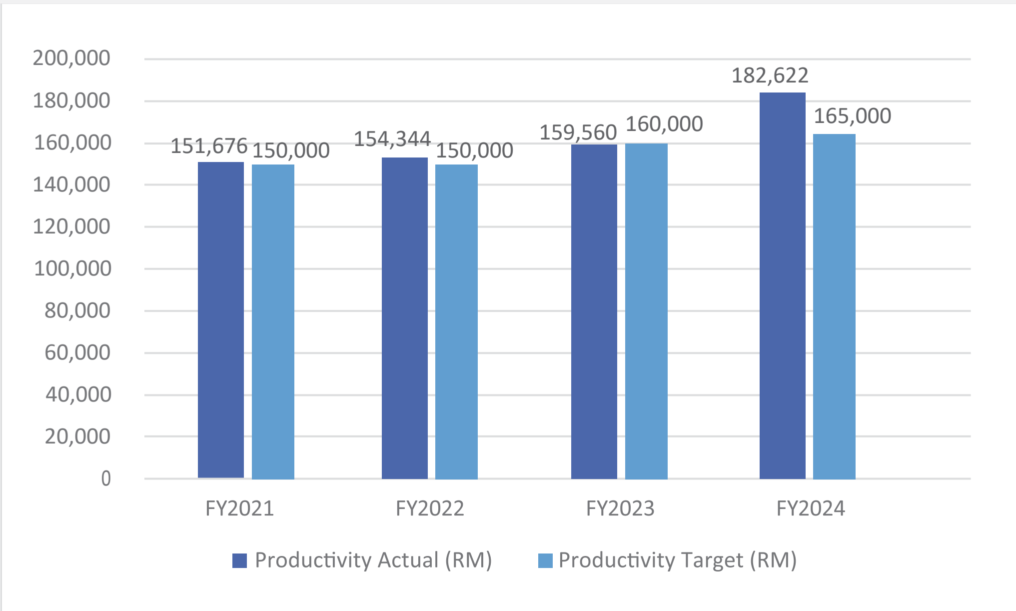
In FY2024, the Group achieved a productivity figure of RM182,622, surpassing the target of RM165,000 by 10.7%. This performance indicates not only effective resource utilisation but also the successful execution of strategies aimed at fostering an innovative and productive business environment. The increase in productivity can be attributed to various factors that reflect the Group's commitment to continuous improvement and adaptation.

One significant contributing factor to this achievement is the intensified focus on employee training and development. As noted in the social data trends, training hours dramatically increased from 1,544 hours in FY2023 to 2,245 hours in FY2024. This investment in employee development enhances individual skill sets and collectively enhances teams' capabilities, leading to greater efficiency and innovation. With employees better equipped to tackle challenges, the Group will likely see an increase in creative problem-solving and higher-quality outputs, thereby boosting productivity metrics.

Furthermore, the positive shift in the organisational culture plays a pivotal role in this success. The Group has fostered an environment that encourages employee engagement and participation in innovation efforts, cultivating a sense of ownership among staff. While the relationship with manager scores slightly decreased from 8.4 to 8.2 out of 10, the consistently high levels suggest a culture where employees feel valued and motivated to contribute. Engaged employees are often more productive, and this engagement ensures that teams are not only meeting but exceeding expectations, culminating in enhanced productivity outcomes such as the recorded RM182,622.

Moreover, effectively aligning business objectives with individual performance metrics supports this productive achievement. The Group harnessed collective efforts towards a common purpose by setting clear targets, such as the RM165,000 productivity goal. This alignment encourages accountability and motivates employees to strive for excellence, resulting in higher productivity. The fact that the Group exceeded its target signifies that these performance measures were aspirational and achievable, providing a robust framework for assessing success.

The Group's productivity figure of RM182,622 for FY2024 reflects a successful commitment to fostering innovation and novelty beyond the set target of RM165,000. The increase is primarily due to intensified employee training efforts, a supportive organisational culture, and the effective alignment of business objectives with individual performance. Maintaining this momentum will be critical as the Group aims to sustain its competitive edge and drive further improvements in productivity and innovation in subsequent fiscal years.



Demographic Data

Diversity Data		FY2022			FY2023			FY2024		
Gender Diversity		Female	Male		Female	Male		Female	Male	
Current employee	%	55.4	44.6		58.0	42.0		59.7	40.3	
New hires	%	43.9	56.1		54.5	45.5		63.2	36.8	
New hires	no.	18	23		18	15		24	14	
Separation	no.	21	8		9	16		17	13	
Employee at the start period	no.	71	41		67	54		76	55	
Employee at the end period	no.	67	54		76	55		83	56	
Turnover	%	30.4	16.8		12.6	29.4		21.4	23.4	
Age-based Diversity		< 30	30 – 50	>= 50	< 30	30 – 50	>= 50	< 30	30 – 50	>= 50
Current employee	%	47.9	49.6	2.5	42.7	54.2	3.1	43.2	49.6	7.2
New hires	%	83	17	-	76	24	-	76	11	13
New hires	no.	34	7	-	25	8	-	29	4	5
Separation	no.	18	11	-	18	7	-	17	11	2
Employee at the start period	no.	49	60	3	58	60	3	56	71	4
Employee at the end period	no.	58	60	3	56	71	4	60	69	10
Turnover	%	33.6	18.3	-	31.6	10.7	-	29.3	15.7	28.6
Employment										
Separation	no.		29			25			30	
Turnover	%		24.9			19.8			22.2	
Total employee	no.		121			131			139	
Development & Training		Female	Male		Female	Male		Female	Male	
Training hours	Hrs	714	318		990	554		1,340	906	
Avg. training hrs / employee	Hrs / no.	10.6	5.9		13.0	10.1		16.1	16.2	
Avg. training hrs / employee	Hrs / no.		8.5			11.8			16.2	

Between FY2023 and FY2024, the demographic data concerning gender diversity exhibited noteworthy trends. The proportion of female employees over total employees increased from 58.0% in FY2023 to 59.7% in FY2024, while male employees decreased from 42.0% to 40.3% during the same period. Moreover, the percentage of female new hires grew from 54.5% in FY2023 to 63.2% in FY2024, underscoring a concerted effort to attract more female talent into the organisation. This upward trajectory in female representation in current and new hires reflects the Group's commitment to promoting gender diversity and creating an inclusive workplace, which can enhance organisational performance through diverse perspectives and collaborative innovation.

The age-based demographic data indicates a slight fluctuation in the distribution of employees under 30 years old and those aged between 30 and 50. In FY2024, 43.2% of employees were under 30, a marginal increase from 42.7% in FY2023, while the proportion of employees aged 30 to 50 remained relatively stable at 49.6%. However, the percentage of new hires under 30 shows a consistent trend of predominance, comprising 76% of new hires in FY2024. This youthful hiring trend reflects the Group's strategy to infuse fresh talent into the organisation, bringing innovative ideas and perspectives to drive the Group's objectives forward, particularly in rapidly evolving industries.

Additionally, the focus on hiring younger employees helps promote a diverse age range and aligns with the goal of sustaining long-term innovation. Younger employees tend to be more adaptable to new technologies and methodologies, which is essential for fostering a progressive workplace culture. This careful balancing of gender and age diversity is a strategic initiative that enables the Group to harness varied viewpoints and encourage creative solutions, thereby enhancing overall organisational effectiveness.

The demographic trends from FY2023 to FY2024 reflect positive advancements in gender diversity, particularly in increasing female representation among current and new hires. Focusing on young talent further enriches the organisation's workforce, promoting innovation and adaptability essential for growth. These trends indicate a solid commitment to building a diverse and effective workforce that fosters creativity, drives performance and helps achieve the Group's strategic objectives.

Discussion of Employee Safety and Health

The safety and health metrics analysis from FY2021 to FY2024 reveals significant trends highlighting the necessity for a robust Environment, Safety, and Health ("**ESH**") policy within the Group. Over these years, although the Total Recordable Incident Rate ("**TRIR**") has dropped to 0, and there have been no fatalities reported, the total medical leave taken has steadily increased from 281 days in FY2021 to 568 days in FY2024, which raises serious concerns about employee well-being. Furthermore, the total lateness and overtime hours have seen remarkable increases, indicating potential issues related to workload and employee stress that must be addressed to enhance workplace safety and health.

Implementing a comprehensive ESH policy is imperative for several reasons. First, the increase in medical leave indicates that employees may be experiencing health challenges that stem from workplace conditions or high-pressure situations related to workload. The rise in overtime hours (from 2,625 hours in FY2023 to 5,458 hours in FY2024) suggests that employees may be overworked, leading to fatigue, which affects productivity and increases the risk of workplace accidents and injuries. A proactive ESH policy would identify these risk factors, promote better work-life balance, and ultimately reduce employee absenteeism and health risks.

Secondly, consistent operational data indicating zero fatalities and a decrease in TRIR signals progress and a culture of safety within the organisation. However, the Group must further strengthen its ESH policies to maintain and build upon this success. Strategic initiatives such as regular safety training, health awareness programs, and ergonomic assessments can significantly mitigate increased workloads and stress risks. By doing so, the Group ensures compliance with legal and ethical standards and fosters a culture of care and responsiveness towards employee well-being.

Lastly, fostering a safe and healthy work environment aligns closely with the Group's overall organisational goals, enhancing employee morale and engagement. Employees who feel secure and well-supported are more likely to contribute positively to their teams and the organisation as a whole. Therefore, an effective ESH policy involving employees in safety initiatives encourages open communication regarding health and safety concerns. By continually monitoring and addressing these aspects, the Group can further solidify its commitment to a healthy workplace environment, ultimately driving productivity and innovation while adhering to its corporate social responsibility objectives.

Discussion of Upstream Supply Chain

Vendor	FY2022	FY2023	FY2024
Number of evaluation	38	65	9
Sustainability Readiness Score	0	47.1	47.0
Environmental Stewardship Score	0	25.7	26.0
Combat Climate Change Score	0	11.7	12.0
Social Responsibility Score	0	48.2	48.0
Governance Score	0	58.6	61.7

The Group's vendor assessment process is critical to its broader strategy to promote sustainability and environmental responsibility throughout its supply chain. The assessment scores from FY2022 to FY2024 reinforce this commitment, highlighting how the Group actively integrates environmental criteria into its vendor evaluations. Notably, the Sustainability Readiness Score (out of 100) reached 47.1 in FY2023 and remained relatively similar at 47.0 in FY2024, signifying an ongoing focus on ensuring vendors are prepared to adopt sustainable practices. The slight increase in the Environmental Stewardship score from 25.7 in FY2023 to 26.0 in FY2024 emphasises the Group's drive to partner with vendors who demonstrate a proactive approach to environmental management and responsibility.

From an environmental perspective, the Group's commitment to greening the supply chain reflects an understanding of the significant impact that suppliers can have on overall sustainability efforts. By prioritising vendors who adhere to environmental standards and practices, the Group mitigates risks associated with regulatory non-compliance and reduces its carbon footprint. The increased scores for Combat Climate Change, from 11.7 in FY2023 to 12.0 in FY2024, suggest a growing emphasis on vendors' capabilities to implement strategies that address climate change issues. This proactive stance is essential for aligning with global corporate responsibility demands and contributing positively to climate action initiatives.

Moreover, the supply chain's focus on social responsibility, maintaining a score of 48 for both FY2023 and FY2024, indicates that it values ethical practices in addition to environmental considerations. This holistic approach ensures that the supply chain is environmentally friendly and socially accountable. By working with vendors who share this commitment, the Group fosters a supply chain culture prioritising sustainability at all levels. This alignment not only enhances the reputation of the Group but also contributes to operational efficiencies, ultimately leading to cost savings in areas such as waste management and resource consumption.

The vendor assessment process is vital for the Group to engage suppliers in its sustainability journey. By integrating environmental criteria and prioritising climate change readiness into vendor evaluations, the Group demonstrates its commitment to greening the supply chain. This approach reinforces ethical considerations in procurement practices and enhances long-term resilience and competitiveness in an increasingly environmentally conscious market. As the Group embraces sustainability within its supply chain, it sets a strong example for industry peers and contributes to broader efforts to protect the planet for future generations.

Discussion of Downstream Supply Chain

Client	FY2022	FY2023	FY2024
Customer Satisfaction Index (CSAT)	4.6	4.2	4.1
Net Promoter Score (NPS)	67.2	67.3	55.5

The Group's commitment to providing high-quality services is exemplified through its focus on client assessments, particularly as evidenced by the analysis of the Customer Satisfaction Index ("**CSAT**") and Net Promoter Score ("**NPS**") over the fiscal years. The CSAT, which measures customer satisfaction on a scale, showed a decline from 4.6 in FY2022 to 4.2 in FY2023 and further decreased to 4.1 in FY2024. This descending trend in the CSAT indicates pressing concerns regarding client satisfaction. The Group will prioritise understanding and addressing the factors contributing to client dissatisfaction to align its services with client expectations.

Moreover, while the NPS—a measure of customer loyalty and advocacy—remained stable at 67.2 in FY2022, it saw a slight increase to 67.3 in FY2023 before experiencing a drop to 55.5 in FY2024. This decline raises red flags about the Group's relationship with its clients, as a lower NPS indicates that fewer customers are likely to recommend the Group's services to others. The falling NPS and the diminishing CSAT highlight the need for the Group to conduct a detailed customer feedback analysis. By identifying common pain points, the Group can implement corrective measures that enhance service quality, ultimately transforming dissatisfied clients into advocates.

The rationale behind focusing on these metrics underlines the Group's recognition of the strong correlation between client satisfaction, loyalty, and organisational success. By committing to regular assessments of CSAT and NPS, the Group actively demonstrates its dedication to fostering a customer-centric culture. This commitment is critical for retaining existing clients and attracting new ones through positive word-of-mouth and referrals. Moreover, the insights gained from these assessments provide invaluable guidance for improving operational processes and service delivery.

Despite recent declines in CSAT and NPS scores, the Group's ongoing commitment to client assessment reflects a proactive approach to service quality. The Group will look into targeted action plans to address specific areas of concern to enhance service delivery and align more closely with clients' needs and expectations. This focus on enhancing customer satisfaction will strengthen the Group's reputation, foster customer loyalty, and drive sustainable business growth.

GOVERNANCE PRACTICES

Dr. Ooi's photograph of the Galata Bridge in Istanbul symbolizes the connection between Asia and Europe, reflecting the principles of governance across continents. This iconic structure portrays unity through shared infrastructure, aligning with LMS's commitment to fostering collaboration and sustainable development across diverse regions while honoring the legacy of thoughtful, cross-border governance.

Financial Sustainability

The Group is committed to incorporating Environmental, Social, and Governance (ESG) factors and decarbonisation solutions into its strategic decision-making process to strengthen its reputation and attract investors. By investing RM300,000 over the next three years, the Group aims to enhance operational efficiency, maximise resource utilisation, and reinforce financial sustainability. Transparent climate change disclosures and responsible financial practices demonstrates the Group's commitment to sustainability, and enhance its appeal to investors prioritising ESG principles. Furthermore, maintaining financial sustainability enables the Group to reinvest in green initiatives such as solar energy and energy-efficient systems, ensuring long-term resilience. These efforts reduce carbon emissions and support the Group's alignment with global environmental and economic priorities, promoting future growth and profitability.

The cost for ESG integration and decarbonisation initiatives is RM300,000 over three years. In contrast, the potential financial impact of failing to uphold sustainable financial practices is estimated at RM225,000 annually, which could weaken investor confidence and reduce the Group's Market-Based Valuation (MBV). Implementing these initiatives will help mitigate financial risks, enhance investor appeal, and contribute to the Group's long-term goal of achieving NZE by 2050, encompassing several key focus areas and aligning with five selected UN SDGs listed below.

Governance Data

	Governance	FY2021	FY2022	FY2023	FY2024
Board Independence	Total directors	0	7	7	7
	Total independent non-executive directors	0	4	4	4
	Total Non-independent non-executive directors	0	1	1	1
	Total Malaysian directors (4 Chinese and 1 Malay)	0	5	5	5
	Total foreign directors	0	2	2	2
	Board independence	0.0%	57.1%	57.1%	57.1%
	Independent chairman[1]	0	1	1	1
	Independent chairman of audit committee[1]	0	1	1	1
	Independent chairman of nomination committee[1]	0	1	1	1
	Independent chairman of remuneration committee[1]	0	1	1	1
	Duality[1]	0	0	0	0
Board Diversity	Board diversity (Ethnicity)	0	57.1%	57.1%	57.1%
	Board meeting (times)	0	1	2	2
	Board tenure (years)	0	16	16	16
	Board experience (years)	0	18.3	18.3	18.3
	Percentage of directors with doctorate education	0.0%	42.9%	42.9%	42.9%
	Percentage of women directors	0.0%	42.9%	42.9%	42.9%
Board Performance	Review business risk and stress testing[3]	0	1	1	1
	Review the supply-chain management[3]	0	0	1	1
	Review tax strategy[3]	0	0	1	1
	Review materiality score on value creation activity[3]	0	0	1	1
	Review public influence investment[3]	0	0	1	1
	Review impact measurement and valuation[3]	0	0	1	1
Other	Number of audits by regulators	0	9	19	14
	Number of audits by other stakeholders	0	12	10	11
	Training on corporate governance[2]	0	0	1	1

Note 1: Independent directors chair all committees and are led by the independent chairman. Hence, our board, especially the executive directors, is not dually constituted.

Note 2: Corporate governance training includes but is not limited to policies on business conduct, antibribery, PDPA, and information security.

Note 3: This is cited from RobecoSAM's Economic Dimension Score (EDS). https://www.spglobal.com/en/research-insights/articles/exploring-the-g-in-esg-governance-in-greater-detail-part-i 2021 Refer to myco2

The Group has made strides in enhancing board independence and diversity. In preparation for its listing on the SGX Catalist in FY2022, the Company has established a Board comprising seven (7) directors, four (4) of whom are independent non-executive directors contributing to a Board independence score of 57.1%. As of FY2023 and FY2024, this independence remained consistent, indicating a stable governance structure that supports transparency and accountability. Additionally, board diversity ethnic diversity score (under board diversity) was 57.1% in FY2022 and sustaining through FY2024, highlighting the Group's commitment to inclusive governance. Notably, the representation of women on the board stood at 42.9%, signifying a balanced approach to diversity in leadership roles.

The rationale for focusing on board independence and diversity is pivotal for the Group's strategic planning concerning sustainability and climate-related risks. An independent board fosters objective decision-making, which is essential for identifying and addressing risks associated with environmental and sustainability issues. With diverse perspectives from various backgrounds, Board members are better equipped to tackle complex climate change and sustainability challenges. Representation from women and diverse ethnicities enhances the decision-making process by incorporating varied viewpoints and aligning with good corporate governance practices. This governance framework enables the Group to proactively strategise around sustainability initiatives, ensuring that climate-related opportunities are identified, capitalised upon, and aligned with broader business objectives.

The board independence and diversity trends from FY2023 to FY2024 demonstrate the Group's commitment to robust governance practices. By fostering a diverse and independent board, the Group positions itself to effectively navigate sustainability challenges and harness opportunities, ultimately driving longer-term value and resilience in an evolving regulatory and environmental landscape. This governance framework ensures that sustainability considerations are embedded in the strategic decision-making processes, further reinforcing the Group's commitment to corporate responsibility and sustainable growth based on the metrics and targets below:

Metrics and Targets

Pillar	Material Matters	Metrics	Perpetual Target	Current Year Performance
Governance	Financial Sustainability	Revenue Growth	20.0%	21.4% (Achieved)
		PBT margin (%)	30.0%	30.8% (Achieved)
		PAT margin (%)	20.0%	20.5% (Achieved)
		Leverage (Debt-to-Equity Ratio%)	20.0%	19.5% (Not achieved)
	Board Diversity	Directors percentage	To sustain the 30% female and foreign directors on Board.	The Board consist of 42.9% female Directors and 33.33% foreign (non-Malaysian) Directors.
	Strategic Alliance & Compliance	Case of non-compliance	Zero cases of non-compliance with laws and regulatory requirements	Zero cases of non-compliance with laws and regulatory requirements.

Coloured green is the prioritised material matter.

Financial Sustainability

	Actual FY2021	Actual FY2022	Actual FY2023	Actual FY2024	Target FY2024
Revenue growth	7.3%	9.9%	11.9%	21.4%	20.0%
PBT %	38.9%	12.9%	36.3%	30.8%	30.0%
PAT %	29.1%	3.9%	26.1%	20.5%	20.0%
Leverage (DE) (Total Debt/Total Equity)	46.7%	20.7%	19.0%	19.5%	20.0%

The analysis of the financial data from FY2021 to FY2024 indicates a strong upward trajectory in revenue growth, with figures rising from 7.3% in FY2021 to an impressive 21.4% in FY2024, surpassing the target of 20.0% for that year. This remarkable growth reflects the Group's strategic initiatives and market positioning. However, when comparing FY2023 to FY2024, revenue growth substantially increased from 11.9% to 21.4%, indicating effective management and operational enhancements that have boosted revenue generation capabilities.

In terms of profitability, the Profit Before Tax ("**PBT**") growth showed fluctuations over the observed years, recording a decline from 36.3% in FY2023 to 30.8% in FY2024. Despite this decrease, the PBT growth remained above the set target of 30%, indicating robust operational performance relative to expectations. Similarly, the Profit After Tax ("**PAT**") growth fell from 26.1% in FY2023 to 20.5% in FY2024, still meeting the target of 20.0%. Albeit the slight reduction, such performance underscores the Group's ability to maintain profitability amidst potential challenges.

From a financial leverage perspective, the leverage ratio (debt-to-equity) increased from 19.0% in FY2023 to 19.5% in FY2024, approaching the targeted 20.0%. This trend illustrates a conservative approach to debt management and equity positioning, highlighting the Group's commitment to maintaining a robust balance sheet while optimising capital structure. The growth in revenue coupled with relatively stable leverage ratios suggests that the Group effectively balances growth while managing financial risk, ensuring sustained financial health.

The rationale behind these governance data and financial performance metrics is integral to the Group's strategy for enhancing financial sustainability. Strong corporate governance practices amplify the Group's ability to achieve its financial objectives responsibly and sustainably. Maintaining an independent and diverse board makes the Group better equipped to provide oversight and strategic direction, particularly in navigating complex financial landscapes and sustainability challenges. This governance framework reinforces the Group's commitment to transparency, accountability, and ethical decision-making, further enhancing its ability to leverage financial data for strategic planning. As the Group prioritises governance practices, it fosters resilience, critical for ensuring long-term financial sustainability and adaptability in an increasingly dynamic market environment.

Discussion on Board Performance

Over the fiscal years from 2021 to 2024, the Group has taken considerable steps to improve its governance and enhance board performance, which is attributed to the evolution of various metrics derived from RobecoSAM's Economic Dimension Score. The fully constituted Board comprise seven (7) directors, out of which four (4) are independent. This independence reflects a governance score 57.1, showcasing the commitment to transparent and accountable decision-making. Additionally, the Board has maintained a consistent ethnic diversity score of 57.1 while ensuring that 42.9% of directors are women, strategically prioritising diverse perspectives in leadership roles. These governance practices are not only about compliance but are crucial in fostering independent oversight that can accurately address sustainability and climate-related risks.

The Board's focused reviews of key areas, including business risk and stress testing, supply chain management, tax strategy, materiality scores on value creation, public influence investments, and impact measurement, underscore its commitment to embedding sustainability into its core strategies. By systematically assessing these dimensions, the Board can identify and mitigate risks tied to climate change while capitalising on emerging opportunities for sustainable growth. This proactive governance structure enables the Group to navigate the complexities of environmental challenges effectively. It reinforces its dedication to responsible business practices that cultivate long-term value — ensuring that sustainability is integral to the organisation's decision-making process and aligns with its overarching vision for the future.

Discussion on Anti-Bribery

Anti-bribery policies are critical for promoting ethical conduct and ensuring compliance with legal standards within organisations, as outlined in the GRI Standards, specifically GRI 205: Anti-Corruption. These policies explicitly prohibit the offering, receiving, or soliciting of bribes in any form and establish clear protocols for ethical behaviour in all business transactions. The Group implements training programs to reinforce these commitments and enhance employee awareness of bribery risks and reporting procedures. Regular audits and monitoring activities are essential to detect potential violations and maintain accountability. By adhering to a robust anti-bribery framework, the Group mitigate legal risks, and fosters trust with stakeholders, ensuring sustainable business practices and reinforcing their commitment to integrity and transparency in all operations. There are zero bribery cases reported in FY2024.

ECONOMIC OF DIGITALISATION

Dr. Ooi's panoramic view of Shanghai's Huangpu River reflects the city's dynamic embrace of digital transformation. The photograph captures urban vibrancy and innovation, illustrating how advanced technologies and connectivity drive progress. This visual narrative aligns with LMS's commitment to leveraging digital solutions for sustainable growth and fostering a future shaped by innovation and modernization.

Accuracy, Agility, and Security

To safeguard business continuity and protect against data-related risks, the Group has allocated RM150,000 annually to implement a comprehensive data management, security, and operational excellence framework. This strategy includes establishing secure data centres, deploying data recovery mechanisms, and integrating cloud computing solutions to enhance agility, scalability, and resilience. Regular cybersecurity audits and employee training sessions are also conducted to fortify defences against cyber threats and operational inefficiencies. By proactively investing in security infrastructure and operational excellence, the Group ensures compliance with regulatory standards, strengthens client trust, and enhances overall business efficiency.

The total mitigation cost for this strategy is RM150,000 per year, while the potential financial impact of a data breach or operational inefficiency is estimated at RM750,000, representing 15% of profitability. By continuously improving cybersecurity measures, automating processes, and conducting rigorous security assessments, the Group can effectively mitigate financial risks, maintain regulatory compliance, and contribute to its long-term objective of achieving Net Zero Emissions (NZE) by 2050.

Metrics and Targets

Pillar	Material Matters	Metrics	Perpetual Target	Current Year Performance
Digitalisation	Accuracy, Agility, and Security	Data Protection	Zero case of misappropriation of data	Zero (Achieved)

Coloured green is the prioritised material matter.

Data Protection

The Group has implemented a comprehensive policy to safeguard personal data and ensure confidentiality for all stakeholders, including employees, clients, vendors, and trainees. Key measures include an induction program for new employees and trainees on the Personal Data Protection ("**PDP**") and Confidentiality Policy, which requires their acknowledgement and commitment from the outset of their engagement. Clients must also acknowledge the PDP policy upon their first login to the Laboratory Information Management System ("**LIMS**"), promoting awareness of data protection efforts. Additionally, all vendors must review and sign the PDP policy during annual assessments, ensuring consistent data protection standards across partnerships. These practices underline the Group's commitment to maintaining high data security and confidentiality standards, reflecting values of trust and accountability while continuously updating the policy to align with best practices and legal requirements. This approach aligns with GRI 418: Customer Privacy, emphasising the importance of data protection in creating sustainable and responsible business practices. No data breaks were reported in FY2024.

A key accomplishment is the complete eradication of misappropriation of data by the intended users, which achieved a 100% success rate. This was driven by strategic digitalisation, which facilitated the implementation of robust systems and controls. These mechanisms effectively detect and prevent unauthorised access or misuse of resources, thereby safeguarding the organisation against financial losses. Consequently, stakeholder trust and confidence have been significantly reinforced, encompassing our valued customers, investors, and partners.

Discussion on the Decarbonised Solutions

The Group's digital transformation is intrinsically linked to our core values, resulting in significant advancements in environmental sustainability, productivity, and competitive advantage. We are dedicated to utilising decarbonised technologies and innovation to foster positive change, deliver value to our stakeholders, and ensure a sustainable future for our organisation and communities. As part of our commitment to environmental stewardship, we adopted Sustainable Building Intelligence of Things ("**SBI**") in FY2023 to segment carbon emissions. We have completed carbon footprint measurements for all significant analytical instruments in Scope 2. Building upon this, in FY2024, the Group measured the carbon footprint of auxiliary analytical devices. This will culminate in a pilot project to report the Product Carbon Footprint ("**PCF**") as kgCO2e on the Certificate of Analysis (COA) footer for each test conducted.

Reasonable Assurance

GHG VERIFICATION STATEMENT

Organization Verification Statement No: GHG-ISO 14064(1)-250006
Version: 00

LMS COMPLIANCE LTD
16, Lengkok Kikik 1, Taman Inderawasih, 13600 Perai, Penang, Malaysia.
40, 46, 48 & 50, Jalan Sepadu B25/B, 40400 Shah Alam, Selangor, Malaysia.
15, Jalan Molek 1/8, Taman Molek, 81100 Johor Bahru, Johor, Malaysia.

For the reporting period *1st Jan 2024* to *31st Dec 2024*
was verified in accordance with ISO 14064-3:2019 and with regard to compliance with the requirements of

ISO 14064-1:2018

We hereby confirm:
Total Direct Emissions:
120.48 t CO2-equ.
Total Energy Indirect Emissions:
476.31 t CO2-equ.
Total Indirect Emissions from Transportation:
717.91 t CO2-equ.
Total GHG Emissions from Product Used by Organization:
213.61 t CO2-equ.
Indirect GHG Associated with the used of organisation's products
5.71 t CO2-equ.
Total Avoided Emissions:
26.79 t CO2-equ
Total Net GHG emissions for year 2024:
1534.02 t CO2-equ
Emission intensity: 0.01 t CO2-equ/conformity

In our opinion, dated 2025-03-21, MY CO2 CERTIFICATION with reasonable assurance, that the GHG Emissions Statement of LMS is free from material misstatement and has been prepared in accordance with ISO 14064-1: 2018.

This verification statement is only valid for the mentioned above and explanation to verification statement

MY CO2 Certification Sdn Bhd
As first- party validation/verification Body takes the responsibility for Greenhouse Gases according to ISO/IEC 17029: 2019 & ISO 14065: 2020

Lead Verifier MYCT Penang
Name: CHONG MOI ME
Date: 21/03/25

MY CO2 Certification Sdn Bhd
16, Lengkok Kikik 1, Taman Inderawasih, 13600 Perai, Penang
Tel: +604-3808282 Fax: +604-3808280
The GHG statemen authenticity can be verified by emailing: certification@myco2.com.my

EXPLANATION TO VERIFICATION STATEMENT

ABBREVIATIONS

LMS	LMS Compliance Ltd.
CH_4	Methane
CO_2	Carbon dioxide
EF	Emission Factor
GHG	Greenhouse Gas(es)
GWP	Global warming potential
HCFC/HFC	Hydrochlorofluorocarbon
IPCC	Intergovernmental Panel on Climate Change
kWh	Kilowatt-hours
LSI	Large-Scale Integration
m^3	Meter cube
MT	Metric tonne
N_2O	Nitrous oxide
OSH	Occupational, Safety and Health
MYCT	MY CO2 Certification Sdn. Bhd
TNB	Tenaga Nasional Berhad
ISO 14064-1	ISO 14064-1:2018 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
ISO 14064-3	ISO 14064-3:2019 Specification with guidance for the validation and verification of greenhouse gas assertions

1.0 INTRODUCTION

MY CO2 Certification Sdn. Bhd. (MYCT) is committed to conducting a first-party reasonable assurance verification of the greenhouse gas (GHG) emissions inventory for LMS Compliance Ltd (LMS), covering the period from 1 January 2024 to 31 December 2024. LMS serves as a holding company for the entire group's business.

The verification is carried out in accordance with ISO 14064-3 specification, which provides guidelines for the validation and verification of greenhouse gas statements. MYCT upholds an independent and impartial approach, ensuring that its verification remains free from undue influence that could compromise objectivity.

2.0 ROLES & RESPONSIBILITY

LMS management, as the RESPONSIBLE PARTY, is accountable for the organization's GHG information system, including the development and maintenance of records and reporting procedures in accordance with that system. This responsible encompass the calculation and determination of GHG emission data and the reporting GHG emissions.

MYCT, as the validation and verification body (VVB), is responsible for assessing the accuracy, completeness, and conformance of the reported data to ISO 14064-1: 2018 standards. It also issues a first-party verification opinion on LMS's GHG statement in accordance with ISO 14064-1:2018 for the reporting period. The verification is conducted based on the agreed scope, objective, and criteria established between LMS and MYCT on 22 November 2024.

3.0 LEVEL OF ASSURANCE

Reasonable.

4.0 SCOPE and Boundary

The objective of this verification is to conduct an impartial and unbiased assessment of the data presented in the *LMS Greenhouse Gas Emission Inventory Report for FY2024 baseline report v.5.0*. The organizational boundary is defined based on the operational control approach, covering activities at the following locations:

MY CO2 PG SDN. BHD. – 16, Lengkok Kikik 1, Taman Inderawasih, 13600 Perai, Penang, Malaysia.

MY CO2 (KL) SDN. BHD. – 40, 46, 48 & 50, Jalan Sepadu B25/B, 40400 Shah Alam, Selangor, Malaysia.

MY CO2 (JB) SDN. BHD. – 15, Jalan Molek 1/8, Taman Molek, 81100 Johor Bahru, Johor, Malaysia.

LMS's physical infrastructure, activities, technologies, and processes inlcude:

- Provision of testing and assessment services,
- Provision of certification services,
- Trading of laboratory equipment and
- Distribution of conformitty

The verification encompasses all GHG sources identified in the GHG inventory report that provided by the Responsible Party. The greenhouse gases assessed include carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6). The verification period covering 1 January 2024 to 31 December 2024.

5.0 OBJECTIVES OF VERIFICATION

The objectives of the verification are as follows:

a. To evaluate the accuracy of the information reported in LMS's GHG documentation for the period from 1 January 2024 to 31 December 2024.
b. To assess the accuracy, completeness, and reliability of the reported coverage for Category 1, 2, 3, 4, 5 and 6;
c. To determine whether the methodology used to calculate the emissions is correct, and whether all assumptions are appropriate, reasonable, and accurate;
d. To verify LMS's GHG statement for conformity with ISO 14064-1: 2018 criteria.

6.0 CONFIDENTIALITY

The verification team members of MYCT are committed to maintaining the confidentiality of all information shared by **LMS** during the verification process. This includes any details mentioned in this verification report, which will not be disclosed to external parties without **LMS**'s consent, unless required by law. In cases where legal disclosure is necessary, **LMS** will be notified accordingly.

7.0 MATERIALITY

The declared GHG emissions have an error of no more than 5% and do not exceed the materiality threshold for omissions or quantifiable misrepresentations.

8.0 METHODOLOGY

The MYCT verification process consists of the following phases:

a. Off-site document review of activity data sources and the calculation of GHG emissions provided by LMS;
b. Verification planning;
c. On-site visit to the facility including interviews with relevant personnel
d. Preparation and issuance of verification findings (if any);
e. Resolution of outstanding issues (if any); and
f. Issuance of final verification report.

DURATION OF VERIFICATION

The verification of the GHG documentation was carried out from Feb 2025 to Mar 2025 with details as follows:

Off-site document review : 17 - 19 Feb 2025
On-site verification : 3 Mar 2025
Preparation of draft report version 00 : 13 Mar 2025
Preparation of final report : 21 Mar 2025

The following list of the documents were reviewed during the verification:

i. LMS Greenhouse Gas Emission Inventory Report for FY2024 baseline report;
ii. GHG spread sheet V5.0 and SG1.0;
iii. UK government GHG conversion factor for company reporting 2024
iv. The global warming potential (GWP) are taken from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) over a 100-year time horizon, in line with the UK Government GHG Conversion Factors for Company Reporting 2024 justification;
v. IPCC Guidelines for National Greenhouse Gas Inventories;
vi. WRI GHG Protocol

9.0 REPORT ON FINDINGS

The Company applies an **operational control** approach to boundary-setting, assigning all emissions from activities it control including those undertaken by contractors. GHG emissions inventory covers all direct emissions (category 1), significant indirect emission categories 2, 3, 4, 5 and category 6 which is assume as non-significant and not quantified.

Emissions category	GHG scope	GHG sources	GHGs types
Direct Emission	Category 1	• Stationary combustion fuel emissions (e.g., diesel and petrol consumption for standby generator). • Fugitive emissions from refrigerant leakage of air conditioning systems in office and laboratory. • Industrial gases emissions. • Passenger and delivery vehicle emissions.	CO_2, CH_4, N_2O other appropriate GHG group
Indirect emissions from imported energy	Category 2	Purchased electricity for laboratory and office operations	CO_2, CH_4, N_2O

Emissions category	GHG scope	GHG sources	GHGs types
Indirect emissions from transportation	Category 3	Upstream transportation and distribution: The transportation and distribution of raw materials from suppliers to the laboratory and office. Downstream transportation and distribution: The land transportation and distribution of sold products to customer sites. Business travel: Includes air , land and sea transportation for business purpose, covering flights, passenger cars, vans, motorcycle. Employee commuting	CO_2, CH_4, N_2O
Indirect emissions from products used by an organization	Category 4	• Fuel-related (WTT) emissions. Passenger and delivery vehicle (WTT) • Electricity generation, transmission and distribution losses. • Business travel (land, air and sea) WTT emissions. • Upstream and downstream freighting goods (WTT) • Purchased raw materials. Waste disposal. • Water supply and wastewater treatment.	CO_2, CH_4, N_2O
Indirect emissions associated with the use of products from the organization	Category 5	• End of life • Investment	CO_2, CH_4, N_2O
Indirect emissions from other sources	Category 6	Be determined as non-significant indirect emissions and not quantified	NA

It has also been verified that neither GHG sinks nor reservoirs were included within the LMS's operational boundaries. LMS justified this exclusion by stating "Our business activities do not involve natural or artificial carbon sinks, such as forests or carbon capture and storage technologies, that would contribute to the removal of GHGs from the atmosphere. Therefore, no GHG sinks or removals have been documented in our GHG inventory report." LMS provided a comprehensive explanation for the exclusion of GHG sources, sink and removal based on consideration of relevance, materiality and consistency with the quantification approach. Additionally, it was confirmed that there were no emissions from the use of biomass in any LMS facility. As a result, these emissions were omitted from the GHG inventory and documentation.

9.1 BASE YEAR

The base year is the specific year chosen as a reference point for measuring and comparing greenhouse gas (GHG) emissions over time. As this was the first verification, in accordance with ISO 14064-1: 2018, the reporting data had been considered the base year. It serves as a reference point for setting reduction targets and evaluating progress.

9.2 METHODOLOGY, GHG DATA AND EMISSION FACTORS

The intent of this section was to verify the accuracy and the appropriateness of the selected methodologies, as well as GHG activity data involved in the GHG computation. This process included identifying GHG sources, data collection and compilation systems, and the selection of emission factors.

With reference to the associated GHG emissions reported in the organization's report, the primary methodology used to collect and calculate emissions data involved multiplying the GHG activity data by appropriate GHG emission factors and the global warming potential (GWP).

It can be confirmed that the methodologies applied in quantification of GHGs were appropriate and aligned with published information

9.2.1 GHG ACTIVITY DATA

Based on the data verification, it has been verified that these data were measured and monitored appropriately for GHG computation input:

Activity data	Unit	Source of data
Diesel and petrol for standby generator	Litre	Total fuel quantities.
Electricity	kWh	Monthly bills from utility provider (TNB)
Quantity of waste and type of treatment	Ton	Invoice from the waste collector.
Distance-based, Vehicle/ km	km	Distance of transportation for receiving and distributing goods, employee commuting patterns (mode used, distance traveled), and petrol claims for business travel.
Quantity of purchased products	KG	Invoice of products.

9.2.1.1 GLOBAL WARMING POTENTIAL

The emission factors follow the UK Government's GHG Conversion Factors for Company Reporting 2024, and the Global Warming Potential (GWP) is aligned with the IPCC's 5th Assessment Report (AR5), as referenced in the relevant documents.

9.2.2 EMISSION FACTORS AND OTHER PARAMETERS

As for the emission factors, it can be confirmed that credible sources were used. The following sources were referred to:

Emission factors	Reference/Source
Fuel (diesel and petrol)	UK government GHG conversion factor for company reporting 2024
Electricity (grid)	Grid emission factor in Malaysia year 2021

9.3 CALCULATION OF GHG EMISSIONS AND REMOVALS

The final GHGs emission from the identified sources were summarized as follows:

Emission category	GHG scope	Emission values (tonnes CO_2e) per annum
Direct emission-stationary combustion	Category 1	120.48
Indirect Emission from imported energy	Category 2	476.31
Indirect GHG emissions from upstream transportation and distribution	Category 3	408.36
Indirect GHG emission from business travel	Category 3	124.06
Indirect GHG emission from employee commuting	Category 3	185.49
Indirect GHG emission from downstream	Category 3	0
Indirect GHG emission from water and waste water treatment	Category 4	1.19
Indirect GHG emissions from waste generated	Category 4	0.01
Electricity transmission and distribution losses	Category 4	2.49
Indirect GHG emission from WTT	Category 4	162.30
Purchased of products	Category 4	47.62
Indirect emmisions associated with the use of products from the organization	Category 5	5.71
Total Emission (tonnes CO_2e) per annum		**1534.02**

9.4 EMISISONS AVOIDANCE AND REDUCTION INITIATIVES

Initiative	Description	Related GHG Scope	Emission avoidance (tonnes CO_2e) per annum
Solar energy usage	Avoids coal-based electricity generation	Category 2	21.21
Digitalization of workflow	Reduces paper consumption	Category 4	3.93
Use of electric vehicles (EVs)	Replaces fossil fuel-dependent transportation	Category 3	1.65
Total avoided emissions (tonnes CO_2e) per annum			**26.79**

10.0 MANAGEMENT SYSTEM AND QUALITY ASSURANCE

From the assessment carried out by the verification team, it was found that the overall approach used to calculate the GHG emissions was technically sound, as it was traceable to known standards and references.

11.0 RECOMMENDATIONS FOR IMPROVEMENT

The following are areas for improvement that should be considered in future reporting:

a. Energy Efficiency & Renewable Energy – Increase solar energy adoption, conduct energy audits, and implement real-time energy monitoring.
b. Sustainable Transportation – Expand EV usage, optimize logistics routes, and promote eco-friendly commuting.
c. Digital Transformation – Enhance workflow digitalization and optimize IT infrastructure to reduce emissions.
d. Product Lifecycle Management – Adopt sustainable product design and establish recycling initiatives.
e. GHG Data Accuracy & Verification – Ensure updated emission factors and conduct internal reviews for compliance.
f. Carbon Reduction Targets & Monitoring – Set science-based reduction goals and implement a digital tracking system

12.0 VERIFICATION OPINION CONCLUSION

MYCT conducted a first-party reasonable assurance verification of the LMS Greenhouse Gas Inventory Emission Report for the Year 2024, along with relevant supporting documents detailing the GHG emissions calculations. This verification was carried out in accordance with the requirements of ISO 14064-3:2019.

The LMS management is responsible for the preparation, reporting, and maintenance of records related to GHG emissions, ensuring compliance with ISO 14064-1:2018. This includes the development of reporting procedures, calculation methodologies, and the determination of emissions reductions.

As the validation and verification body (VVB), MYCT's role is to assess the accuracy, completeness, and conformance of the reported GHG data and to issue a verification opinion on LMS's GHG statement for the reporting period from 1 January 2024 to 31 December 2024. During the verification, it was noted that Category 5 emissions (related to the use stage and end-of-life treatment of products) were included in the reporting. ***Based on the verification activities conducted, it is our opinion, with reasonable assurance, that the GHG emissions Statement of LMS is free from material misstatement and has been prepared in accordance with ISO 14064-1: 2018***

With reference to the verified emission of this report that, it can conclude that GHG emissons for the period from **1 January 2024 to 31 December 2024** as verified by MY CO2 Certification Sdn. Bhd. to **a reasonable level of assurance** consistent with the agreed verification scope, objectives and criteria were summarized as follows:

GHG Scope & category	Emission values (tonnes CO_2e) per annum
Total direct emission (Category 1)	120.48
Total energy indirect emission (Category 2)	476.31
Total indirect emissions from transportation (Category 3)	717.91

GHG Scope & category	Emission values (tonnes CO_2e) per annum
Total GHG emissions from products used by the organization (Category 4)	213.61
Indirect emissions associated with the use of products from the organization (Category 5)	5.71
Total avoided emissions	26.79
Total net GHG emissions for the year 2024	1534.02
Intensity (ton CO2/e/conformity)	0.011

Prepared and verified by:

CHONG MOI ME
Verification team leader, MYCT Penang
Date: 21/03/2025

Example of an acceptable use of a mark (short-form)

In our opinion, dated 2025-03-21, MY CO2 CERTIFICATION with reasonable assurance, that the GHG Emissions Statement of LMS is free from material misstatement and has been prepared in accordance with ISO 14064-1.

Example of an acceptable use of a mark (long-form)

"In its opinion, dated 2025-03-21, MY CO2 CERTIFICATION with reasonable assurance, that the GHG Emissions Statement of LMS below :

Total Direct Emissions:
120.48 t CO2-equ.
Total Energy Indirect Emissions:
476.31 t CO2-equ.
Total Indirect Emissions from Transportation:
717.91 t CO2-equ.
Total GHG Emissions from Products Used by Organization:
213.61 t CO2-equ.

Indirect GHG Associated with the Use of Organization's product
5.71 t CO2-equ.

Total avoided emissions: 26.79 t CO2-equ
Total Net GHG emissions for the year 2024: 1534.02 t CO2-equ.

is free from material misstatement and has been prepared in accordance with ISO 14064-1: 2018

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IFRS SDS Industry-Based Guide (Volume 47-Chemicals)

Industry-based Guidance on Implementing Climate-related Disclosures (Volume 47 – Chemicals) Metrics, where the sustainability disclosure metrics, aligned with the IFRS SDS Industry-Based Guidance on Implementing Climate-Related Disclosure (Volume 47 – Chemicals), are outlined below for the five buildings within the Group's corporate office, commercial office, and retail portfolio covered under this Report's scope.

	ACCOUNTING METRICS	CATEGORY	UNIT OF MEASURE	CODE	RESPONSES / PAGE NUMBER
Greenhouse Gas Emissions	Gross global Scope 1 emissions, Percentage covered under emissions-limiting regulations	Quantitative	Metric tons tonnes CO_2e Percentage (%)	RT-CH-110a.1	61 - 67
Greenhouse Gas Emissions	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	RT-CH-110a.2	61 - 68
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ),Percentage (%)	RT-CH-130a.1	(1) 2262.1536 GJ (2) 95.5% (3) 4.5% (4) 0%
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Cubic metres (m^3), Percentage (%)	RT-CH-140a.1	(1) 0 m^3 (2) 7,759 m^3 (3) Not applicable
Water Management	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	RT-CH-140a.2	Zero
Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	RT-CH-140a.3	43
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Presentation currency	RT-CH-410a.1	RM25,384,494.44
	ACTIVITY METRIC	**CATEGORY**	**UNIT OF MEASURE**	**CODE**	**RESPONSES**
	Production by reportable segment	Quantitative	Cubic metres (m^3) or metric tons (t)	RT-CH-000.A	Not applicable

GRI Index

The GRI functions as a comprehensive standard for sustainability reporting, guiding report content and indicators, and is acknowledged worldwide as the most extensively used standard for such reporting. This Report has been meticulously crafted per the latest GRI Universal Standards 2021 and references our 2024 Sustainability Report and GRI Content Index.

GRI STANDARD		DISCLOSURE	PAGE NUMBER
GRI 2: General Disclosures 2021	**2-1**	Organisational details	3
	2-2	Entities included in the organisation's sustainability reporting	3
	2-3	Reporting period, frequency and contact point	3 - 5
	2-4	Restatements of information	6
	2-5	External assurance	Not applicable
	2-6	Activities, value chain and other business relationships	4
	2-7	Employees	26, 73 - 79
	2-8	Workers who are not employees	Not applicable
	2-9	Governance structure and composition	19 - 23
	2-10	Nomination and selection of the highest governance body	21
	2-11	Chair of the highest governance body	21 - 22
	2-12	Role of the highest governance body in overseeing the management of impacts	21
	2-13	Delegation of responsibility for managing impacts	22
	2-14	Role of the highest governance body in sustainability reporting	21
	2-15	Conflicts of interest	Principle 1 of the Corporate Governance Report in the Company's AR for FY24.
	2-16	Communication of critical concerns	25 - 27
	2-17	The collective knowledge of the highest governance body	19
	2-18	Evaluation of the performance of the highest governance body	19

GRI STANDARD		DISCLOSURE	PAGE NUMBER
	2-19	Remuneration policies	Principles 6, 7 and 8 of the Corporate Governance Report in the Company's AR for FY24.
	2-20	The process to determine the remuneration	
	2-21	Annual total compensation ratio	
	2-22	Statement on Sustainable Development Strategy	8
	2-23	Policy commitments	3
	2-24	Embedding policy commitments	8
	2-25	Processes to remediate negative impacts	26 - 27
	2-26	Mechanisms for seeking advice and raising concerns	26 - 27
	2-28	Membership associations	30
	2-29	Approach to Stakeholder Engagement	25 - 27
	2-30	Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021	**3-1**	The process of determining material topics	33
	3-2	List of material topics	35
	3-3	Management of material topics	35 - 37
GRI 202: Market Presence 2016	**201-1**	Ratios of standard entry-level wage by gender compared to local minimum wage	Minimum salary RM1,500
GRI 203: Indirect Economic Impacts 2016	**203-1**	Infrastructure investments and services supported	42 - 56
	203-2	Significant indirect economic impacts	42 - 56
GRI 204: Procurement Practices 2016	**204-1**	Proportion of spending on local suppliers	>90%
GRI 205: Anti-corruption 2016	**205-2**	Communication and training about anti-corruption policies and procedures	
GRI 302: Energy 2016	**302-1**	Energy consumption within the organisation	62 - 65
	302-4	Reduction of energy consumption	62 - 65
GRI 303: Water and Effluents 2018	**303-1**	Interactions with water as a shared resource	65
	303-2	Management of water discharge-related impacts	65
	303-3	Water withdrawal	Not applicable
	303-4	Water discharge	65
	303-5	Water consumption	65

GRI STANDARD		DISCLOSURE	PAGE NUMBER
GRI 304: Biodiversity 2016	**304-1**	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	304-2	Significant impacts of activities, products and services on biodiversity	Not applicable
	304-3	Habitats protected or restored.	Not applicable
GRI 305: Emissions 2016	**305-1**	Direct (Scope 1) GHG emissions	64
	305-2	Energy indirect (Scope 2) GHG emissions	63
	305-3	Other indirect (Scope 3) GHG emissions	64 - 65
	305-4	GHG emissions intensity	67
	305-5	Reduction of GHG emissions	68
GRI 305: Emissions 2016	**306-1**	Waste generation and significant waste-related impacts	65
	306-2	Management of significant waste-related impacts	66
	306-3	Waste generated	65
	306-5	Waste directed to a disposal	66
GRI 308: Supplier Environmental Assessment 2016	**308-1**	New suppliers that were screened using environmental criteria	26
	308-2	Negative environmental impacts in the supply chain and actions taken	80 - 81
GRI 401: Employment 2016	**401-1**	New employee hires and employee turnover	77
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	77
GRI 403: Occupational Health and Safety 2018	**403-1**	Occupational health and safety management system	79
	403-2	Hazard identification, risk assessment, and incident investigation	79
	403-4	Worker participation, consultation, and communication on occupational health and safety	79
	403-5	Worker training on occupational health and safety	79
	403-9	Work-related injuries	79
	403-10	Recordable work-related ill health cases	79
GRI 404: Training and Education 2016	**404-1**	Average hours of training per year per employee	77
	404-2	Programs for upgrading employee skills and transition assistance programs	Not applicable
GRI 405-1 Diversity of governance bodies and employees	**405-1**	Diversity of governance bodies and employees	77, 84
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	Not applicable

GRI STANDARD		DISCLOSURE	PAGE NUMBER
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1**	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable
GRI 408: Child Labor 2016	**408-1**	Operations and suppliers at significant risk for incidents of child labour	
GRI 409: Forced or Compulsory Labor 2016	**409-1**	Operations and suppliers at significant risk for incidents of forced or compulsory labour	
GRI 411: Rights of Indigenous Peoples 2016	**411-1**	Incidents of violations involving the rights of Indigenous peoples	Not applicable
GRI 413: Local Communities 2016	**413-1**	Operations with local community engagement, impact assessments, and development programs	29
	413-2	Operations with significant actual and potential negative impacts on local communities	29
GRI 414: Supplier Social Assessment 2016	**414-1**	New suppliers that were screened using social criteria	
	414-2	Negative social impacts in the supply chain and actions taken	
GRI 416: Customer Health and Safety 2016	**416-1**	Assessment of the health and safety impacts of product and service categories	Not applicable
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable

SGX Core ESG Metrics

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	PAGE NUMBER
Environment	Greenhouse Gas Emissions	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO2e	GRI 305-1, GRI 305-2, GRI 305- 3, TCFD, SASB 110, WEF core metrics	(a) 67 (b) 62 - 63 (c) 64
		Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tCO2e / organisation-specific metrics	GRI 305-4, TCFD, SASB 110	(a) 67 (b) 62 - 63 (c) 64
	Energy Consumption	Total energy consumption	kWhs or GJ	GRI 302-1, TCFD, SASB 130	63
		Energy consumption intensity	kWhs or GJ/ organisation-specific metrics	GRI 302-3, TCFD	63
	Water Consumption	Total water consumption	ML or m^3	GRI 303-5, SASB 140, TCFD, WEF core metrics	65
		Water consumption intensity	ML or m^3/ organization specific metrics	TCFD, SASB IF-RE-140a.1	Not applicable
	Waste Generation	Total waste generated	tonnes	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	65
Social	Gender Diversity	Current employees by gender	Percentage (%)	GRI 405-1, SASB 330, WEF core metrics	77
		New hires and turnover by gender	Percentage (%)	GRI 401-1, WEF core metrics	77
	Age-Based Diversity	Current employees by age Groups	Percentage (%)	GRI 405-1, WEF core metrics	77
		New hires and turnover by age Groups	Percentage (%)	GRI 401-1, WEF core metrics	77
	Employment	Total turnover	Number and Percentage (%)	GRI 401-1, SASB 310, WEF core metrics	77
		Total number of employees	Number	GRI 2-7	77
	Development & Training	Average training hours per employee	Hours/No. of employees	GRI 404-1, WEF core metrics	77
		Average training hours per employee by gender metrics	Hours/No. of employees	GRI 404-1, WEF core metrics	77
	Occupational Health & Safety	Fatalities (Singapore), SASB 320	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320	79
		High-consequence injuries	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore)	79 Please refer to total recordable incident rate
		Recordable injuries	Number of cases	GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320	79
		Recordable work-related ill health cases	Number of cases	GRI 403-10, WEF expanded metrics, MOM (Singapore)	79

PILLAR	TOPIC	METRIC	UNIT	FRAMEWORK ALIGNMENT	PAGE NUMBER
Governance	Board Composition	Board independence	Percentage (%)	GRI 2-9, WEF core metrics	86
		Women on the Board	Percentage (%)	GRI 2-9, GRI 405- 1, WEF core metrics	86
	Management Diversity	Women in the management team	Percentage (%)	GRI 2-9, GRI 405- 1, WEF core metrics, SASB 330	73
	Ethical Behavior	Anti-corruption disclosures	Discussion and number of standards	GRI 205-1, GRI 205-2 and GRI 205-3	
		Anti-corruption training for employees	Number and Percentage (%)	GRI 205-2, WEF core metrics	>90% of total employees in FY2024 have undergone this training
	Certifications	List of relevant certifications	List	Commonly reported metric by SGX issuers	ISO17025 ISO17021 ISO17029 AA1000SE
	Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/ TCFD/ SASB/ SDGs/ others	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	IFRS S1 S2/ GRI/ UN SDGs
	Assurance	Assurance of sustainability report	Internal/ External/None	GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	Internal (First Party)

This sustainability report has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (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 of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms Leong Huey Miin, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

Abbreviation

AAS	Atomic Absorption Spectroscopy
APS	Announced Pledges Scenario
AC	Audit Committee
AIoT	Artificial Intelligence of Things
AMS	Amoeba management system
BCP	Business Continuity Planning
CBAM	Carbon Boarder Adjusted Mechanism
CEO	Chief Executive Officer
COA	Certificate of Analysis
CSAT	Customer Satisfaction Index
FY	Financial Year
GHG	Green House Gas
GRI	Global Reporting Initiative
IEA	Internation Agency
IFRS	International Financial Reporting Standard
LMS	LMS Compliance Ltd
MFRS	Malaysian Financial Reporting Standards
NC	Nomination Committee
NPS	Net Promoter Score
NZE	Net Zero Emissions
OHS	Occupation Health and Safety
PCF	Product Carbon Footprint
PPE	Personal Protection Equipment
R&D	Research & Development
RC	Remuneration Committee
SASB	Sustainability Accounting Standard Board
SBI	Sustainable Building Intelligence of Things
SBTI	Science-Based Target Initiative
SDC	Sustainable Development Committee
STEP	Stated Policies Scenario
SDS	Sustainability Development Scenario
SR	Sustainability Report
TBT	Technical Barrier of Trade
TCFD	Taskforce on Climate-Related Financial Disclosure
UN	United Nations
UPS	Uninterrupted Power Supply
VVB	Verification and Validation Body

LMS COMPLIANCE LTD. (SGX:LMS)
Company Registration Number: 202225544C

380 Jalan Besar, #07-10 ARC 380,
Singapore 209000.

https://lmscompliance.com

A Group Member of LMS COMPLIANCE LTD. (SGX:LMS)

LMS COMPLIANCE INTERNATIONAL PTE. LTD.
201930639N

SG CO2 PTE. LTD.
202410767R

380 Jalan Besar, #07-10 ARC 380,
Singapore 209000.

MY CO2 GROUP SDN. BHD.
202201032134 (1477831-M)

MY CO2 SDN. BHD.
200601024684 (744438-M)

EMPIRIC SCIENCE SDN. BHD.
201301043397 (1073219-T)

MY CO2 (PG) SDN. BHD.
201701042071 (1256244-P)

MY CO2 CERTIFICATION SDN. BHD.
201601026813 (1197752-X)

16, Lengkok Kikik 1, Taman Inderawasih,
13600 Perai, Penang, Malaysia.
+604-380 8282
enquiry@myco2.com.my
www.myco2.com.my

MY CO2 (KL) SDN. BHD.
201501029820 (1155142-M)

40, Jalan Sepadu B25/B
40400 Shah Alam, Selangor, Malaysia.
+603-5122 3366

MY CO2 (JB) SDN. BHD.
201501029979 (1155302-A)

15, Jalan Molek 1/8, Taman Molek,
81100 Johor Bahru, Johor, Malaysia.
+607-355 8811

PRISMATIC TECHNOLOGIES SDN. BHD.
202101028084 (1428384-P)

19, Jalan Green Hall,
10200 George Town, Pulau Pinang, Malaysia.
https://prismatic.asia/