MEGROUP

SUSTAINABILITY REPORT

FY2024

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MESSAGE FROM THE BOARD

Dear Stakeholders,

On behalf of MeGroup Ltd. (the "**Company**" or "**MeGroup**", and together with its subsidiaries, the "**Group**"), we are pleased to present our fifth annual sustainability report for the financial year ended 31 March 2024 ("**FY2024**"). This report highlights our ongoing commitment to engaging in responsible business practices, while outlining the steps we have taken to address various environmental, social and governance ("**ESG**") challenges over the past year.

The Board of Directors has considered sustainability issues in setting the strategic direction for the Group. As part of the materiality re-assessment that was conducted in FY2024, we have determined the material ESG factors that are relevant to our operations, by assessing the significance and impact, potential risks and opportunities associated with each factor. The Board actively oversees the management and monitoring of these material ESG factors, ensuring their integration into our decision-making processes.

As an organisation, we understand the importance of fostering an inclusive and equitable work environment that values diversity and provides equal opportunities for all. We are continually striving to build a workforce that reflects the communities we serve, and we are proud of the progress we have made in this area.

We recognise that businesses play an important role in supporting international goals of achieving net-zero emissions. For MeGroup, we have installed solar panels at our primary manufacturing facility in Balakong, Malaysia, and we will be allocating a minimum of 15% of all land area at the Northern Manufacturing Hub in Kedah, Malaysia to green, vegetated spaces. By integrating green spaces and environmentally friendly technologies in our facility, we aim to reduce our carbon footprint, while contributing towards a healthier ecosystem.

Maintaining the highest standards of governance and ethical conduct, including robust anti-corruption measures and stringent data privacy practices, is a core principle at MeGroup. Throughout the reporting period, we have strengthened the internal controls we have in place on corruption and data privacy risks. These efforts have helped us maintain a corruption-free culture, uphold our reputation as a responsible corporate citizen, and safeguard the privacy and data security of our customers, employees, and stakeholders.

We would like to express our gratitude to all our stakeholders for their continued support, engagement, and valuable feedback. Sustainability is an ongoing journey, and our collective efforts play a vital role in driving positive change along the way. Together, we can chart a path towards a more sustainable and inclusive future.

Sincerely,

The Board of Directors

MeGroup Ltd.

ABOUT THIS REPORT

In this report, we present key information about MeGroup's sustainability performance, initiatives, and progress over the past year.

Reporting Scope

Incorporated in the Republic of Singapore on 7 February 2018, the Group is headquartered in Singapore, with most of our operations based in Malaysia. All entities covered in our financial reporting have been included in our sustainability reporting, showcasing our commitment to advancing in our sustainability journey. The following illustration details the Group's structure.
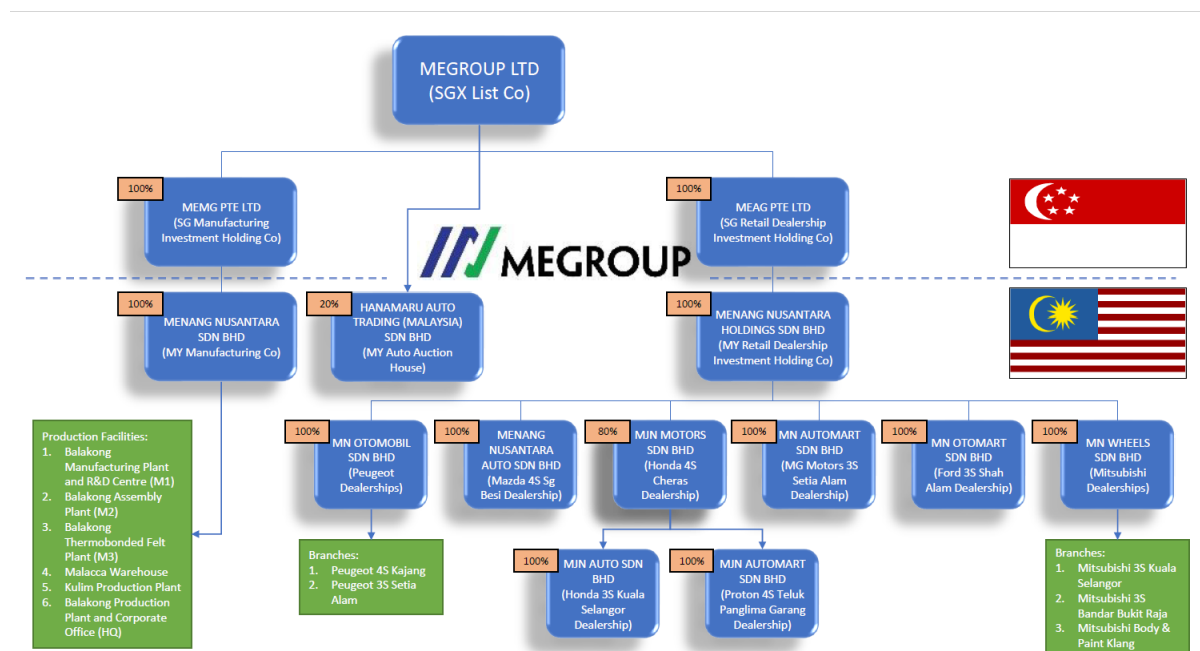
In FY2024, we conducted a comprehensive materiality reassessment, examining the key sustainability issues and impacts that are most relevant and significant to our business and stakeholders. By doing so, we ensure that our sustainability reporting focuses on the areas that truly matter, enabling us to address the evolving needs and expectations of our stakeholders effectively. The Group has assessed that the material topics from FY2024 remain the same as FY2023.

Although we have not obtained external assurance for our report, we will consider doing so in the future. We have diligently ensured the accuracy and reliability of the data presented. We employed a combination of quantitative and qualitative information to offer a comprehensive overview of our sustainability performance. The Group has also engaged its internal auditors to complete an internal review of the Group's sustainability reporting processes.

This report is published annually, with the last report published on 13 July 2023. Data and information from past reporting cycles have been included as a comparative reference where available, and no restatements of information has been made in this report.

Reporting Standards

This report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards, which provides comprehensive guidance on sustainability reporting, to ensure the consistency, comparability, and credibility of our disclosures.

ABOUT THIS REPORT (CONTINUED)

Reporting Standards (Continued)

This report also adheres to the requirements set forth in the Singapore Exchange ("**SGX**") Listing Rules 711A and 711B. We also take reference from the SGX Practice Note 7F Sustainability Reporting Guide, which denotes the best practices that listed companies may adhere to.

We have also advanced our efforts in addressing global climate change issues and assessing the potential impacts on the Group. Consequently, we have started aligning our reporting with certain recommendations from the Task Force on Climate-related Financial Disclosures ("**TCFD**"). We have established a timeline outlining how the Group will achieve full compliance with TCFD recommendations in our upcoming sustainability reports.

Feedback Channel

We encourage readers to provide feedback and engage with us on our sustainability journey. By collaborating with our stakeholders, we can further enhance our sustainability efforts, address emerging challenges, and embrace opportunities for continuous improvement.

For further inquiries or to engage with us on sustainability-related matters, please reach out to us at admin@mnsb.me-grp.com.

SUSTAINABILITY AT MEGROUP

Sustainability stands as a cornerstone in our corporate vision and strategy. We acknowledge the necessity of harmonising economic advancement with environmental preservation and societal accountability. Through the incorporation of sustainable principles into our operations, our goal is to foster enduring value for our stakeholders, all while addressing potential environmental and social ramifications inherent in the automotive sector.

Sustainability Governance

The Group is committed to achieving high standards in our sustainability programme and to integrate our principles into our reporting practices. This involves disclosing information related to our performance in areas such as environmental impact, social responsibility, human rights practices, labour conditions, and anti-corruption efforts. Our dedication to our sustainability objectives demonstrates a commitment to responsible business conduct and helps build trust with stakeholders.

To achieve efficient administration and execution of our sustainability endeavours, we have established a governance framework highlighting accountability and strategic direction. At the helm, our Board of Directors offers strategic supervision and counsel on sustainability affairs. They rigorously monitor our sustainability achievements, endorse pivotal topics, and allocate support and resources to propel the Group's sustainability objectives. In an effort to deepen their grasp of sustainability concerns and stay updated on regulatory advancements, all Directors have fulfilled the mandatory sustainability training mandated by SGX.

The Board of Directors are supported by the Sustainability Committee, spearheaded by our Head of Engineering and R&D, Manufacturing, shoulders the task of devising and executing our sustainability strategy, establishing ambitious objectives, and evaluating the Group's sustainability progress.

At a working level, the Sustainability Committee collaborates to implement sustainability initiatives at the operational level and facilitate the Group's advancement toward its ESG objectives. We have put in place Employee Handbooks and Manuals where our Human Resources Department documents our policy commitments. We ensure these documents are easily accessible, regularly updated, and are distributed to all workers.

Our organisation's current practice is to seek continuous improvement through regular review and evaluation of our human rights policies and practices, with a focus on identifying areas for enhancement and taking proactive measures to prevent future violations. We also pledge to engage with and consult affected communities in decision-making processes that impact their rights and well-being, particularly in projects with significant social or environmental implications. Our organisation strives to demonstrate our commitment to respecting human rights and contribute to building a more socially responsible and sustainable business environment.

To foster long-term value for our stakeholders, we actively engage in identifying, evaluating, and mitigating sustainability risks and challenges encountered by the Group. By prioritising and respecting human rights in every aspect of our operations, we are dedicated to minimising any negative impacts arising from our business activities.

SUSTAINABILITY AT MEGROUP (CONTINUED)

Stakeholder Engagement

At MeGroup, we recognise that engaging with stakeholders is an ongoing and vital practice crucial to our business's success. We appreciate the diverse viewpoints and valuable insights shared by our stakeholders, which inform our decision-making and shape our sustainability objectives.

We have identified stakeholders as groups that have an impact or have the potential to be impacted by our business, as well as external organisations that have expertise in aspects that we consider material. We also continually refresh our list of key stakeholders to ensure that the people most crucial to our materiality assessment process will be involved. Continual engagement and communication with these key stakeholders are vital to the longevity of our business and being open to their feedback would allow us to identify and prioritise the sustainability issues that matter to them the most.

The Group takes steps to proactively engage our stakeholders through a variety of channels. Through such engagement, our stakeholders are updated on the Group's developments; in addition, the Group is able to receive feedback which would in turn allow us to tailor our sustainability strategy and initiatives. Moving on, the Group is also evaluating our engagement with external stakeholder groups to better understand their expectation and concerns.

Our stakeholder engagement efforts over the past year are summarised in the following table.

List of stakeholder groups	Engagement Channels/ Type of stakeholder engagement	Frequency of Engagement	Key topics/concerns	Organisation's response
Employees	- Performance appraisal - Training - Dialogues - Survey	- Yearly - Monthly - Ad-hoc - Yearly	- Career advancement opportunities - Comprehensive benefits and fair remuneration - Workplace health and safety	- Implemented HR policies to promote fair employment practices - Held regular internal meetings to review health and safety issues - Sponsored employees to attend courses, seminars, and conferences - Organised team building activities for employees

SUSTAINABILITY AT MEGROUP (CONTINUED)

Stakeholder Engagement (Continued)

List of stakeholder groups	Engagement Channels/ Type of stakeholder engagement	Frequency of Engagement	Key topics/concerns	Organisation's response
Customers	- Feedback and engagement sessions, - Dialogues, consultations, and meetings	- Yearly - Ad-hoc	- Competitive pricing - Timely delivery of products and services - Technical expertise - Stringent quality control	- Achieved ISO9001 and IATF 16949 certification as part of our quality assurance process - Held regular internal meetings to review customers' requirements and monitor the status of their orders
Government and Regulators	- Scheduled or ad-hoc site visits - Meetings and seminars	- Ad-hoc	- Environmental and socio-economic compliance	- Ensure adherence to applicable law and regulations - Meeting the relevant authorities as and when necessary
Shareholders and Investors	- Annual general meeting - Annual reports - Periodic announcements on SGXNET and our website	- Yearly - Yearly - Ad-hoc	- Financial returns and long-term shareholders value - Transparency and corporate governance	- Providing relevant and prompt disclosure on Group's financial announcements and corporate developments - Implementing robust risk management and corporate governance policies

Furthermore, since our listing in Singapore in 2018, the Group has been an engaged participant in the Singapore Business Federation. Through our involvement, we gain valuable insights from industry peers and experts, enabling us to compare our performance with industry benchmarks and stay informed about the latest sustainability trends, technologies, and strategies.

SUSTAINABILITY AT MEGROUP (CONTINUED)

Materiality Assessment

The materiality assessment process forms the cornerstone of our integration of ESG considerations into our fundamental business strategy. Through pinpointing the most pertinent areas for our stakeholders, we actively cultivate a more responsible and adaptable organisation, poised to address shifting challenges, and capitalise on emerging opportunities.

The Group undertook the following steps to arrive at the list of material factors for reporting

1. **Identification**: Based on stakeholder input, industry research and regulatory requirements, we identified a comprehensive list of potential ESG issues that may impact our business and stakeholders.
2. **Prioritisation**: The Sustainability Committee evaluates the identified issues based on their significance, both in terms of their potential impact on our business and their importance to our stakeholders.
3. **Validation**: The results of our materiality assessment is presented to the Board for validation and endorsement, to ensure alignment with our overall business strategy and goals.
4. **Review:** In subsequent reporting cycles, sustainability topics are reviewed and updated to ensure their continued relevance and significance considering evolving stakeholder expectations and global sustainability trends.

In FY2024, we conducted a comprehensive reassessment to identify the material sustainability topics that are most relevant to our business and stakeholders. Through this reassessment process, we refined our understanding of the key issues that have the greatest impact on our operations and the expectations of our stakeholders. The following topics emerged as significant material concerns across the Group:

Material Topics	Potential and/or Actual Negative and Positive Impacts on Economy, Environment, People
Ethics and Anti-Corruption (GRI 205: 2016)	Corruption and unethical practices may lead to legal penalties, fines, and lawsuits, resulting in significant financial implications and reputational damage.
Customer Data Privacy (GRI 418: 2016)	By establishing a robust data protection system, we can avoid privacy breaches, effectively prevent identity theft and fraudulent activities, and maintain the trust of our stakeholders.
Employee Engagement (GRI 401: 2016)	Failure to attract qualified candidates can hinder productivity and innovation, while high turnover rates result in increased recruitment costs and loss of institutional knowledge.
Talent Development (GRI 404: 2016)	Investing in our employees' personal and professional growth improves employee satisfaction and enhances productivity, leading to increased competitiveness and growth for the Group.
Diversity and Inclusion (GRI 405: 2016)	Providing equal opportunities for participation at all levels of the organisation positively impacts employee engagement, fostering innovation, creativity, and greater inclusivity.
Workplace Health and Safety (GRI 403: 2018)	Promoting a strong safety culture throughout our operations reduces the risk of workplace accidents, injuries, and illnesses that would lead to increased medical expenses, legal liabilities, and higher insurance premiums.
Energy and GHG Emissions (GRI 302: 2016)	Minimising energy usage by adopting renewable energy and implementing greener solutions improves resource management and reduces greenhouse gas emissions.

TCFD RELATED DISCLOSURES

Governance

Board's oversight of climate-related risks and opportunities

Our Board is committed to staying informed on ESG matters and regularly attend seminars twice a year dedicated to this topic and staying abreast of changes in the regulatory landscape.

The Board considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, business plans. It also does so when setting the organisation's performance objectives, monitoring implementation and performance, as well as when overseeing major capital expenditures, acquisitions, and divestitures. For example, in our new HQ office, we are looking into the feasibility of solar panels and green building components in office renovations or construction projects, such as energy-efficient HVAC systems, insulation, and green roofs. As ongoing retrofitting of our other plants occur, we also target to evaluate if they are suitable to have solar panels installed.

Management's role in assessing and managing climate-related risks and opportunities

Under the Board's guidance, our Sustainability Committee formulates and implements strategies to address climate-related issues, integrates climate risks and opportunities into the Group's business operations and decision-making processes, and establishes targets to monitor climate-related performance. The Sustainability Committee reports to the Board at least annually on the Group's climate-related activities and performance, seeking feedback on potential improvements. The Sustainability Committee keep abreast of any development about climate-related issues through participating in ESG & Sustainability seminars, conferences and forums, supported by external ESG consultants.

TCFD RELATED DISCLOSURES (CONTINUED)

Governance (Continued)

Our phased approach towards full adoption of the TCFD recommendations is reflected in the implementation timeline below:

TCFD Pillar	Implementation Year	
	Year 1 (FY2024)	**Year 2 (FY2025)**
Governance	• Described the Board's oversight and role in relation to climate reporting and managing climate risks and opportunities • Described the Management's oversight and role in relation to climate reporting and managing climate risks and opportunities	
Strategy	• Described the climate risks, opportunities and impacts we had identified over varied time horizons	• Describe the resilience of our strategy under different climate scenarios
Risk management	• Described the processes for identifying, assessing, and managing climate risks	• Describe how processes for identifying, assessing, and managing climate risks are integrated with our enterprise risk management • Monitor and manage the risks, opportunities and impacts assessed in the prior years
Metrics and Targets	• Disclosed Scope 1 and 2 emissions	• Disclose targets used to assess and manage climate-related risks and opportunities

TCFD RELATED DISCLOSURES (CONTINUED)

Strategy

Climate-related risks and opportunities

Based on our first year of climate reporting, we consider a timeframe of three years (FY2027), seven years (FY2031), and twenty years (FY2044) to be the relevant short-, medium-, and long-term time horizons respectively for our target setting. The following table describes the climate-related risks and opportunities identified for the organisation's businesses, strategy, and financial planning.

Name of Risk	Description of Risk	Timeframe (short/ medium/ long)	Potential (Financial) Impact	Risk Management and Mitigation
Disruptions in supply chain	Crop failures or disruptions in transportation routes due to extreme weather events can lead to shortages of raw materials, increased procurement costs, and delays in production. This may impact revenue streams and profitability.	*Short-term*	Increase in cost	Our manufacturing plants source raw materials from multiple regions to mitigate dependency on any single area susceptible to extreme weather conditions, thereby minimising the risk of disruptions in supply chain.
Reputation & Brand Risks	With the increasing demand of Energy Efficient Vehicles ("EVs"), brands that are part of our Group Dealership but are not offering EVs may affect our overall reporting profitability as a retailer due to the decreasing demand of non-EVs.	*Medium-term*	Lower profitability	Our dealership offers many brands that also have EV models to support the different consumption demands.
Market Trend	If the market trend is moving towards EVs, we run the risk of serving brands that currently do not offer EVs, hence offering products that are not in line with the market expectations.	*Long-term*	Our business will not be relevant in the market	Our dealership is taking more brands related to EVs and our manufacturing is trying to obtain projects related to EV car makers to be more aligned with market trend.

TCFD RELATED DISCLOSURES (CONTINUED)

Risk management

Processes for identifying and assessing climate-related risks

Climate-related risks were identified and assessed during a meeting with various high-level executives including the Executive Director, the Head of Group Expansion & Strategy, the Head of R&D and Engineering, and the Head of Sales.

Processes for managing climate-related risks

The Company uses the following processes to manage climate risks:

1. Mitigate: By implementing measures to reduce the likelihood or impact of the risk. This could include implementing internal controls, improving processes, or investing in technology.
2. Transfer: By transferring the risk to another party, such as through insurance, outsourcing, or contractual agreements.
3. Accept: By acknowledging the risk and deciding not to take any action to mitigate or transfer it. This might be appropriate if the cost of mitigation exceeds the potential impact of the risk, or if the risk is deemed to be within acceptable tolerance levels.
4. Monitor: By establishing monitoring and control mechanisms to manage the risk effectively over time. This could involve setting up risk management frameworks, regular assessments, and reporting mechanisms.

Metrics and Targets

Greenhouse gas emissions and related risks

Given the heightened global focus on tackling climate change, there is increasing expectation from nations and consumers for businesses to quantify and reduce their greenhouse gas ("**GHG**") emissions. We acknowledge the imperative to assess our carbon footprint and implement strategies to mitigate it.

In FY2024, we have introduced quantitative data on our GHG emissions, for which we have adopted the calculation methodology of the Greenhouse Gas Protocol. FY2024 serves as our baseline year, enabling us to monitor and evaluate our progress in GHG emissions management going forward.

The following tables illustrate the total GHG emissions produced by the Group for FY2024. We adopted the operational control method for our consolidation approach.

TCFD RELATED DISCLOSURES (CONTINUED)

Metrics and Targets (Continued)

Greenhouse gas emissions and related risks (Continued)

Scope 1 emissions

	Fuel Type	Fuel Usage	Units for Usage	Total amount of fuel used in FY2024	Emissions[1] (tCO2e)
Stationary combustion – M3	LPG Gas	126 tank/month	50kg/tank	75,600kg	225.83
Vehicle A	RON 95	Sedan/ SUV	Litre	54,973L	128.13
Vehicle B	Diesel	Pickup Truck	Litre	36,287L	96.50
Vehicle C	Diesel	Forklift	Litre	22,884L	60.86
Other vehicles used	RON 95	Manufacturing	Litre	47,202L	110.92
	RON 95	Retail	Litre	179,374L	421.53
	RON 97	Retail	Litre	5,447L	12.80
				Total emissions (tCO₂e)	**1,056.57**

Scope 1 emissions are attributable to the fuel used by all our vehicles and equipment. In addition to our fuel combustion, we also created Scope 1 emissions from refrigerants. We are currently in the process of collecting data for the amount of refrigerant used and target to disclose them in the FY2025 sustainability report. Our retail dealership and manufacturing plants use non-inverter air-conditioning and refrigerators with inverter compressors.

Scope 2 emissions

	Manufacturing segment (kWh)	Retail segment (kWh)	Total electricity used (kWh)	Total emissions[2] (tCO₂e)
FY2024	3,838,692	1,053,173	4,891,865	3,708.03
FY2023	2,233,490	617,195	2,850,685	2,160.82

Our Scope 2 emissions are attributable to our purchase of electricity from the national grid.

Scope 3 emissions are excluded from the scope of this Sustainability Report.

Emissions offset

We have implemented solar energy generation at our M1 plant, which we aim to contribute around 10% of our electricity consumption. We were granted an approval for Net Energy Metering 2.0 ("**NEM**") by the Sustainable Energy Development Authority ("**SEDA**") Malaysia, which administers and manages the implementation of the feed-in tariff mechanism under the Renewable Energy Act 2011 [Act 725]. In FY2024, we generated 325,426kWh of solar energy, which was 6.24% of our total electricity consumption.

OUR FOCUS AREAS

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[1] Emissions for LPG gas calculated with NEA Reckonable Emissions Calculator. Emissions factor for vehicles taken from https://assets.publishing.service.gov.uk/media/649c5358bb13dc0012b2e2b7/ghg-conversion-factors-2023-full-file-update.xlsx

[2] CO2 emissions from electricity use are calculated based on the average operating margin grid emission factor published by Malaysia's Energy Information Hub for 2021 (0.758 kgCO2e/kWh)

Ethics and Anti-Corruption Practices

At MeGroup, we uphold unwavering ethical standards in every facet of our operations. Aligned with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and Singapore's Prevention of Corruption Act, we adopt a zero-tolerance stance against bribery and corruption. Our commitment lies in conducting all business dealings and relationships with professionalism, fairness, and utmost integrity.

Our Code of Conduct manual provides a comprehensive framework for our employees, encompassing principles such as honesty, integrity, fairness, respect for human rights, and compliance with relevant laws and regulations. Adherence is expected from all employees, and we conduct regular training programs to reinforce these fundamental principles.

In line with our Whistleblowing Policy, we have instituted an anonymous reporting system to encourage employees and stakeholders to report any suspicions of corruption or ethical misconduct. We guarantee protection from retaliation for whistle-blowers and undertake swift and thorough investigations into their concerns. Any employees found to violate our anti-corruption and anti-bribery principles may face disciplinary measures or termination.

In addition to the Group's existing Whistleblowing Policy and Human Resource Manual, we have a robust Anti-Corruption and Anti-Bribery Policy in place to mitigate the Group's vulnerability to bribery and corruption risks. This policy mandates employees to complete an annual conflict of interest declaration form to minimise the risk of corruption and bribery occurring within the Group. The policy documents are available on the Company's website, at https://me-grp.com/wp-content/uploads/2023/05/MeGroup-Ltd_Anti-Bribery-and-Corruption-Policy-and-Procedures.pdf.

We are pleased to share that over the past reporting period, there has been zero whistleblowing reports received by the Audit Committee, zero confirmed incidents of corruption, and zero significant instances of non-compliance with laws and regulations. We target to maintain this record in the years to come.

OUR FOCUS AREAS (CONTINUED)

Customer Data Privacy

By establishing a robust data protection system, we can avoid privacy breaches, effectively prevent identity theft and fraudulent activities, and maintain the trust of our stakeholders. We are dedicated to adhering to the relevant data privacy laws in every country of operation, such as the Personal Data Protection Act 2012 in Singapore and the Personal Data Protection Act 2010 in Malaysia. Through ongoing evaluation and improvement of our data privacy protocols, we strive to stay ahead of emerging risks and changing regulatory requirements.

To ensure the confidentiality, integrity, and accessibility of personal data belonging to both our employees and customers, we have instituted a range of systems and protocols. These measures oversee the collection, handling, and storage of information at every stage of its lifecycle.

We acquire personal data from customers and prospective employees through transparent and lawful methods, ensuring that proper consent is obtained before any personal information is collected. To safeguard customer data, we adhere to rigorous data handling protocols to prevent unauthorised access, disclosure, alteration, or destruction. Furthermore, access controls have been implemented to limit data access to authorised personnel, ensuring that personal information is accessible only on a need-to-know basis.

In FY2024, we have received zero substantiated complaints concerning breaches of customer privacy or loss of customer data. In the future, we will maintain our vigilance and ensure compliance with all relevant laws and regulations, aiming to avoid any substantiated complaints regarding breaches of customer privacy or loss of customer data.

By maintaining our dedication to customer data privacy and cybersecurity, our goal is to bolster the trust and confidence our customers have in us. We firmly believe that safeguarding personal data is not just a legal and ethical responsibility but also a vital component in fostering enduring and sustainable relationships with our esteemed customers.
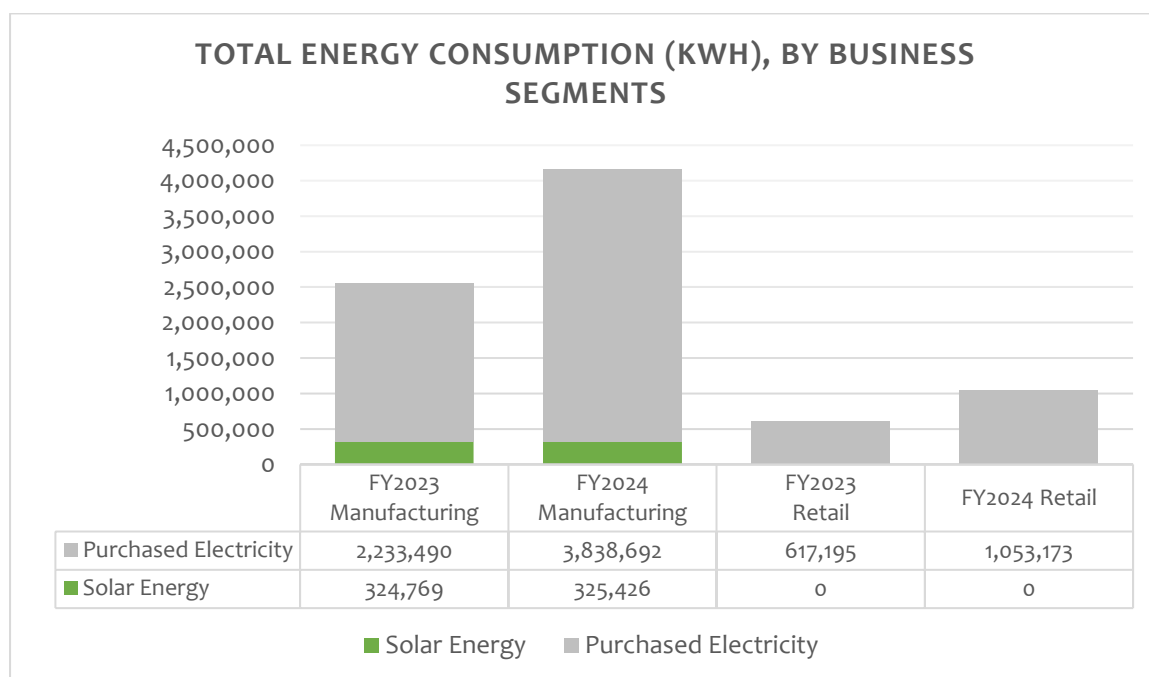
OUR FOCUS AREAS (CONTINUED)

Energy and GHG Emissions

Mitigating our energy consumption and decreasing our carbon footprint stands as a cornerstone of our sustainability approach. Through prioritising the adoption of renewable energy and enhancing energy efficiency, we may realise significant cost savings for the Group and play a role in fostering a more sustainable future.

The Group's greenhouse gas ("**GHG**") emissions mainly comprise of Scope 1 emissions from the use of motor fuel and Scope 2 emissions from electricity consumption. As we continue to work on building our internal data collection capabilities, we aim to continue improving our data collection methodology to generate more in-depth data. This will enable us to identify trends, set targets, and assess the effectiveness of our energy management and emission reduction efforts.

Since installing on-site solar panels at Balakong Main Manufacturing Plant in FY2022, we were able to generate 325,426 kWh of renewable solar energy for our own consumption in FY2024. We also purchased an additional 3,838,692 kWh of electricity for manufacturing and 1,053,173 kWh of electricity for retail operations in FY2024, all of which was sourced from the national grid.[3] Energy consumption has increased due to increase of production activities in line with the increase in our revenue.

TOTAL ENERGY CONSUMPTION (KWH), BY BUSINESS SEGMENTS

	FY2023 Manufacturing	FY2024 Manufacturing	FY2023 Retail	FY2024 Retail
■ Purchased Electricity	2,233,490	3,838,692	617,195	1,053,173
■ Solar Energy	324,769	325,426	0	0

■ Solar Energy   ■ Purchased Electricity

While we did not achieve one of our goals for FY2024, which was to have renewable energy make up at least 10% of our overall energy mix, we are delighted to announce that in FY2024, we successfully met our goal of zero incidents of non-compliance and penalties related to environmental issues, and we are committed to upholding this achievement in FY2025. Both the Board and Management remain dedicated to enhancing our environmental management systems continually, ensuring alignment with regulatory standards and customer expectations.

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[3] Data Source: Utility bills

OUR FOCUS AREAS (CONTINUED)

Employee Engagement

At MeGroup, our employees represent our most invaluable resource, with their dedication, expertise, and enthusiasm being crucial drivers of our sustained business expansion.

As of 31 March 2024, the Group employed a total of 182 employees for its upstream manufacturing operations (FY2023: 172 employees) and 184 employees for its downstream retail dealerships (FY2023: 166 employees). A breakdown of our employees, all based in Malaysia, by employment type and gender is as follows:

	FY2024		FY2023	
	Permanent, Full-time Employees[4]	Temporary, Part-time Employees[5]	Permanent, Full-time Employees	Temporary, Part-time Employees
Male	241	31	219	20
Female	88	6	93	6
Total	329	37	312	26

We frequently undertake internal salary benchmarking assessments to guarantee the equity and competitive nature of our compensation offerings. Additionally, all full-time staff members enjoy complimentary healthcare benefits and parental leave privileges. Given the elevated risk associated with specific roles, some employees are covered by Malaysia's Social Security Organisation ("**SOCSO**"), which extends social insurance protection through various schemes like the Employment Injury Scheme and the Invalidity Scheme.

As a component of our employee engagement initiatives, we mark significant festivals and host monthly birthday celebrations to foster a convivial and united ambiance in the workplace. Additionally, we arrange frequent team-building exercises, recreational sports competitions, and annual dinners to bolster teamwork and camaraderie among our staff members.
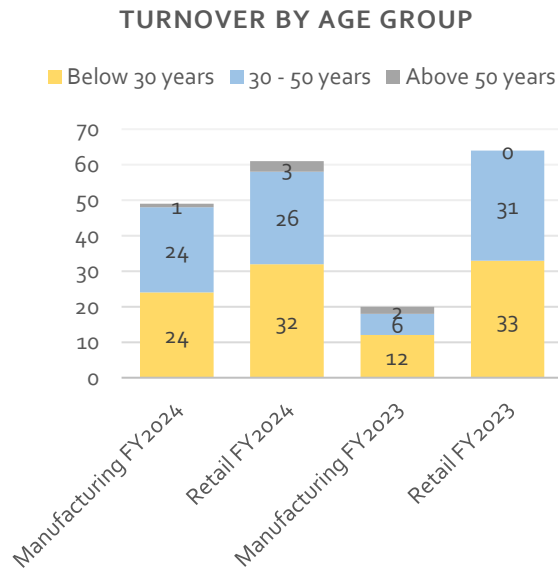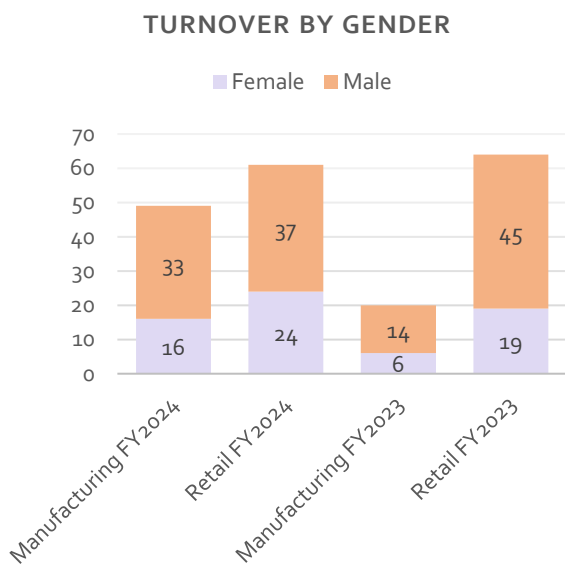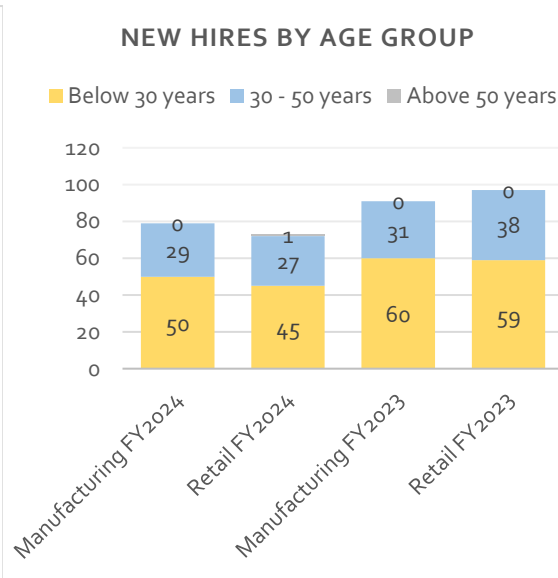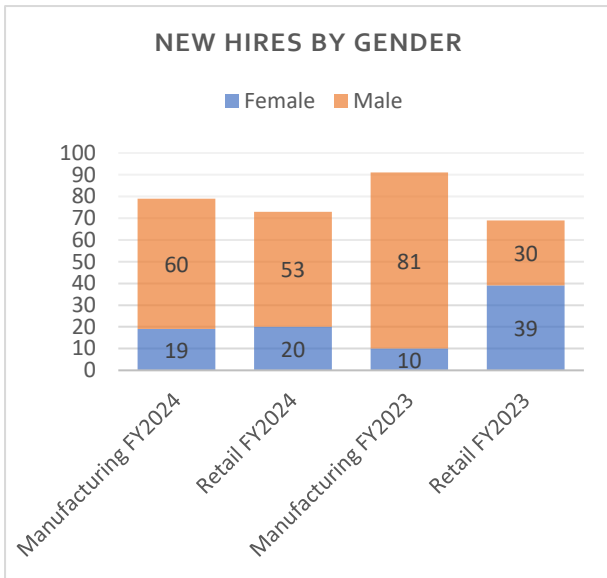

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[4] Full-time employment is defined as a work arrangement where an employee is expected to work a predetermined number of hours per week, typically around 40 hours per week.
[5] Temporary or Part Time employees refer to a work arrangement where the employee's hours of work are not fixed or may be limited in duration, and their compensation are commission-based.

OUR FOCUS AREAS (CONTINUED)

Employee Engagement (Continued)

Across the reporting period, the Group recorded a new hire rate of 43.2% (FY2023: 51.0%) and an employee turnover rate of 31.3% (FY2023: 26.8%). We will be closely monitoring these metrics every month as an indicator of the effectiveness of our recruitment and retention strategies. We have set the objective and goal to achieve a new hire rate of not exceeding 50% (inclusive of any expansion headcounts) and an employee turnover rate of not exceeding 30% in FY2025.

NEW HIRES BY GENDER

Female | Male

	Manufacturing FY2024	Retail FY2024	Manufacturing FY2023	Retail FY2023
Female	19	20	10	39
Male	60	53	81	30

NEW HIRES BY AGE GROUP

Below 30 years | 30 - 50 years | Above 50 years

	Manufacturing FY2024	Retail FY2024	Manufacturing FY2023	Retail FY2023
Below 30 years	50	45	60	59
30 - 50 years	29	27	31	38
Above 50 years	0	1	0	0

TURNOVER BY GENDER

Female | Male

	Manufacturing FY2024	Retail FY2024	Manufacturing FY2023	Retail FY2023
Female	16	24	6	19
Male	33	37	14	45

TURNOVER BY AGE GROUP

Below 30 years | 30 - 50 years | Above 50 years

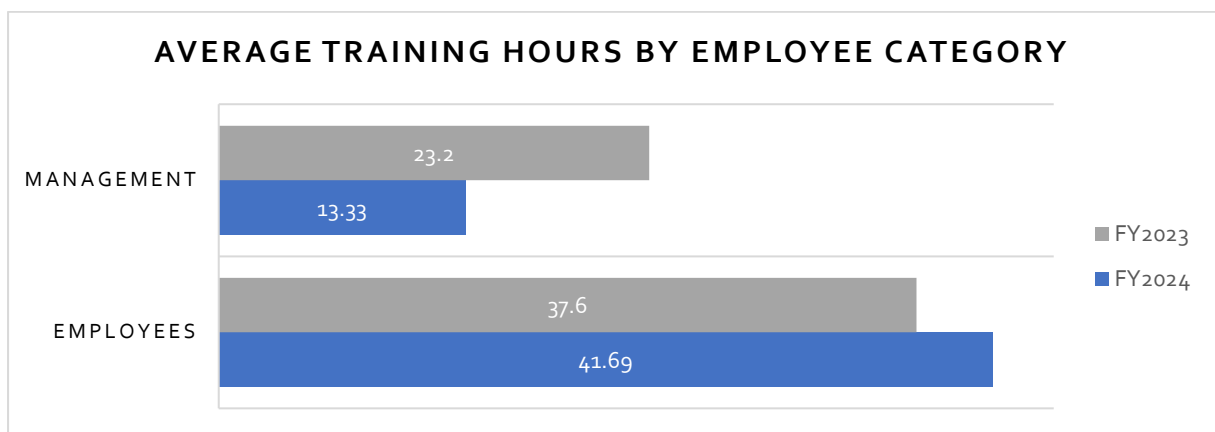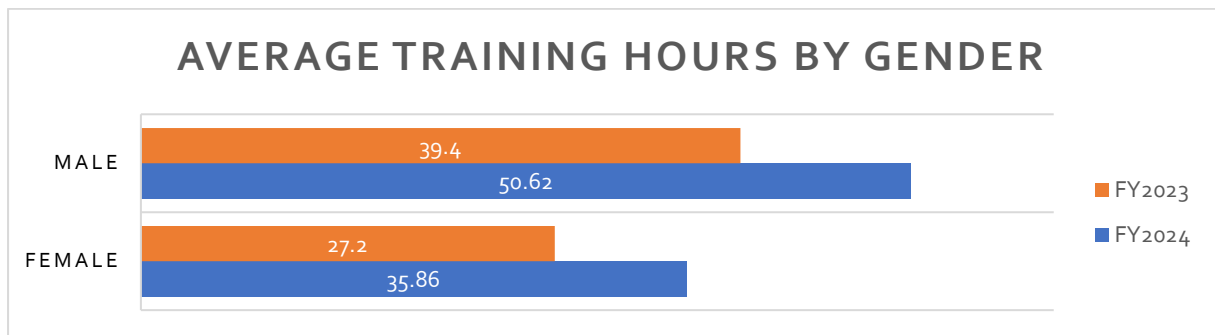|	Manufacturing FY2024	Retail FY2024	Manufacturing FY2023	Retail FY2023
Below 30 years	24	32	12	33
30 - 50 years	24	26	6	31
Above 50 years	1	3	2	0

OUR FOCUS AREAS (CONTINUED)

Talent Development

To cultivate a workforce prepared for the future, we offer abundant opportunities for continuous learning and development to our employees. Through internal courses and hands-on training, our objective is to augment the technical and functional competencies of our workforce.

In our upstream manufacturing division, our training programmes are aligned with the competency criteria linked to particular job roles and responsibilities. We customise our training initiatives to address the specific skill requirements of our manufacturing staff, ensuring they are equipped with the expertise needed to thrive in their positions and bolster the Group's overall performance.

In the downstream retail sector, we collaborate with brand principals in facilitating training sessions for our employees. These sessions are conducted regularly to ensure our retail staff stay abreast of the latest product offerings and emerging trends specific to each brand.

A breakdown of average training hours by gender and employee category is as follows:

AVERAGE TRAINING HOURS BY GENDER

	FY2023	FY2024
MALE	39.4	50.62
FEMALE	27.2	35.86

AVERAGE TRAINING HOURS BY EMPLOYEE CATEGORY

	FY2023	FY2024
MANAGEMENT	23.2	13.33
EMPLOYEES	37.6	41.69

Throughout the Group, employees with over a year of service undergo an annual performance appraisal. This evaluation encompasses an in-depth assessment of each employee's contributions, accomplishments, and areas for growth. Additionally, new hires who have completed six months with the Group receive a one-time career development review, conducted either during confirmation or within the appraisal period. Based on these assessments, we make equitable and transparent decisions regarding career progression, encompassing promotions, salary revisions, and annual performance bonuses.

In FY2024, 100% of all employees, regardless of gender or employment category received their performance and career development reviews, and we target to achieve this in FY2025 as well.
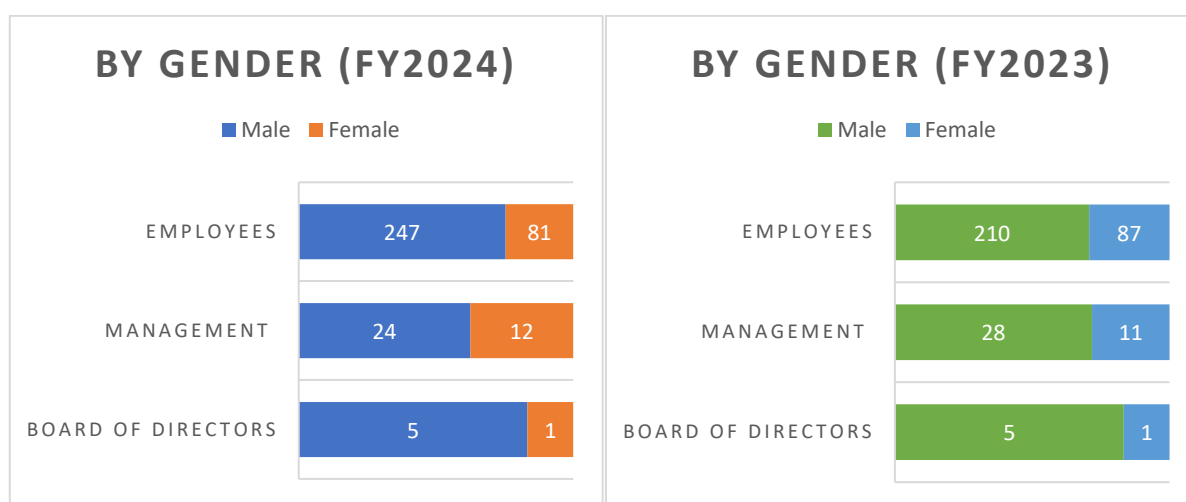
OUR FOCUS AREAS (CONTINUED)

Diversity and Inclusion

At MeGroup, we are dedicated to cultivating a workplace characterised by diversity, inclusivity, and collaboration. We endeavour to assemble a team that reflects a broad spectrum of backgrounds and experiences, recognising the invaluable contributions that diverse perspectives and ideas offer to our organisation.

We are committed to recruiting individuals who resonate with our corporate values of inclusivity and open-mindedness. In our hiring process, we prioritise merit, ensuring that decisions are free from discrimination based on gender, race, language abilities, or any other legally protected characteristic. To uphold fairness and transparency, we include pay ranges for each role in our job postings, and do not allow discriminatory language to be used.

A breakdown of the Board of Directors[6], senior management and employees, by gender and age groups, is as follows:

BY GENDER (FY2024)		BY GENDER (FY2023)	
■ Male ■ Female		■ Male ■ Female	
EMPLOYEES	247 / 81	EMPLOYEES	210 / 87
MANAGEMENT	24 / 12	MANAGEMENT	28 / 11
BOARD OF DIRECTORS	5 / 1	BOARD OF DIRECTORS	5 / 1

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[6] Inclusive of four independent directors, who do not have a direct employment relationship with the Company.

OUR FOCUS AREAS (CONTINUED)

Diversity and Inclusion (Continued)

BY AGE GROUPS (FY2024)

Legend: ■ Below 30 ■ 30-50 ■ Above 50

	Below 30	30-50	Above 50
EMPLOYEES	176	132	20
MANAGEMENT	2	27	7
BOARD OF DIRECTORS	0	3	3

BY AGE GROUPS (FY2023)

Legend: ■ Below 30 ■ 30-50 ■ Above 50

	Below 30	30-50	Above 50
EMPLOYEES	152	127	18
MANAGEMENT	2	28	9
BOARD OF DIRECTORS	0	3	3
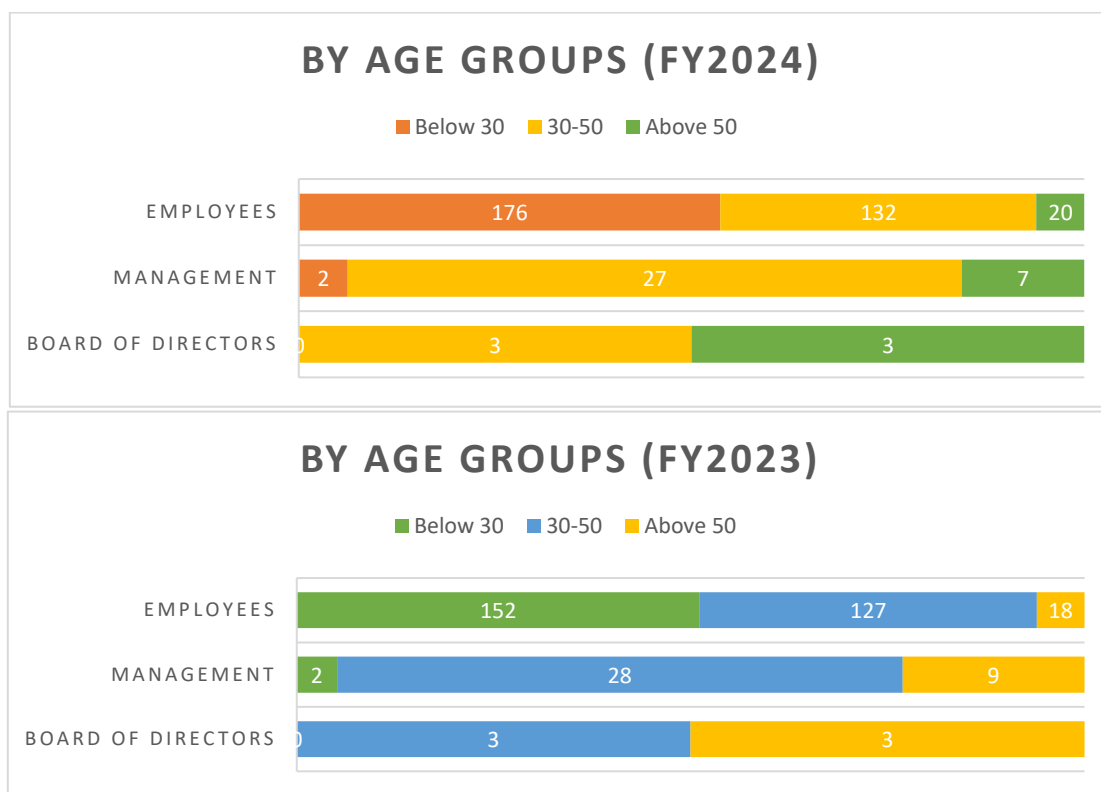
As a part of the automotive industry, we acknowledge the presence of gender imbalances, particularly with a higher proportion of males in specific roles. Nonetheless, our commitment remains steadfast in fostering an equitable environment for all, irrespective of gender or any other attribute. We proactively seek avenues to confront these industry-wide challenges and advocate for equal opportunities for every individual within our organisation.

Our ultimate objective is to foster an inclusive and diverse workforce where everyone feels valued and respected. We are therefore pleased to share that there were zero reports of discrimination made within or against the Group in FY2024, and we target to maintain zero cases of discrimination in FY2025. All employees are encouraged to bring any questions or concerns to the attention of their supervisor, without fear of reprisal. Any reports of workplace harassment or discrimination will be promptly redirected to our Human Resources department, which is responsible for resolving such issues in a fair and unbiased manner.

OUR FOCUS AREAS (CONTINUED)

Workplace Health and Safety

Ensuring occupational health and safety remains paramount within our organisation. Throughout our daily operations, our employees encounter various health and safety hazards, such as the handling of hazardous chemicals, usage of unsafe equipment, and working with machinery. In order to safeguard the well-being of our employees, contractors, and all stakeholders engaged in our activities, we are committed to continuously reducing the risk of accidents, injuries, and illnesses.

Guided by our comprehensive safety management system, we are committed to achieving Workplace Safety and Health ("**WSH**") excellence by:

- ensuring full compliance with applicable WSH legislations, regulations, and voluntary standards, particularly those issued by the Department of Occupational Safety and Health ("**DOSH**");
- consistently establishing and maintaining our WSH management performance;
- operating and maintaining our facilities to prevent and minimise risks to the health and safety of our employees and surrounding communities; and
- communicating our WSH policy to all relevant parties.

In our upstream manufacturing operations, where workplace health and safety are paramount, we have instituted an Employee Health and Safety Committee alongside a Fire Safety Committee. These committees, composed of departmental representatives and advised by our registered safety officers, oversee the execution of our WSH management plan. We only purchase equipment approved by our brand principals and have obtained a license from the Jabatan Keselamatan dan Kesihatan Pekerjaan. This license certifies that all the machines and equipment we buy follow the safety standards set by the Malaysian government.

Each morning, the Heads of Departments ("**HODs**") conduct safety briefings to reinforce the safety protocols that workers are required to follow. We offer on-the-job training covering fire safety, machinery operation, and the correct use of personal protective equipment ("**PPE**"). Training needs assessments are conducted based on job task by each department, according to legal requirements. All training is provided free of charge to all participants, and claimable under HRDF. Additionally, work permits are issued to pertinent staff members to ensure that all activities are conducted safely.

We perform daily inspections on equipment like press machines, rollers, forklifts, electrical devices, and fire safety equipment to verify their operational status. We conduct daily shopfloor inspections using the Hazard Identification, Risk Assessment, and Control ("**HIRAC**") method, using approval permits to control for any high-risk activities done in the factory. Employees are strongly encouraged to report any hazardous situations they encounter or witness to their supervisors. Subsequent actions will be taken by the Safety Committee to address and mitigate these risks, as appropriate.

For all permanent and confirmed local staff, we arrange annual check-ups, which include in-house examinations and clinic visits. Additionally, we provide complimentary first aid training for our employees on weekends, conducted by external training providers. We also promote employee participation in health promotion programmes like a half marathon, hiking, weight-lost challenges, and 10K steps daily challenges.

OUR FOCUS AREAS (CONTINUED)

Workplace Health and Safety (Continued)

Throughout our downstream retail dealerships, we rigorously observe safety protocols outlined by our brand principals. Within our workshops, all heavy equipment undergoes annual license renewal by the DOSH to guarantee operational efficiency and safety. Moreover, our showrooms are equipped with comprehensive fire management systems, including strategically placed fire extinguishers and hydrants. We also maintain adequate fire insurance coverage to mitigate potential losses.

The Group is delighted to report that in FY2024, we accomplished our goal of receiving no complaints from regulatory bodies regarding our WSH practices. Furthermore, there were no fatalities throughout the reporting period. Additionally, there were no instances of work-related ill health or industrial accidents within our facilities. There was 1 high-consequence or recordable work-related injury from press hazard and a rotating machine part recorded. As a result, we have installed a safety sensor, added safety markings on the machine, conducted safety briefings, and tightened processes for working with machinery to avoid further injuries.

In FY2025, our goal is to maintain zero complaints from regulatory bodies regarding our WSH practices and to have zero cases related to workplace health and safety. To uphold this commitment, we will sustain our proactive approach by continuously monitoring risk control measures. This includes implementing regular safety operating procedures, providing comprehensive training, and conducting daily briefings for all members of our operations team. These initiatives align with the Group's overarching objective of ensuring a safe and incident-free working environment.

GRI CONTENT INDEX

Statement of Use	MeGroup Ltd. has reported with reference to the GRI Standards for the period starting 1 April 2023 and ending 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI DISCLOSURES	PAGE NO.
GRI 2: General Disclosures 2021	
2-1 Organisational details	4
2-2 Entities included in the organisation's sustainability reporting	4
2-3 Reporting period, frequency and contact point	4-5
2-4 Restatements of information	4
2-5 External assurance	4
2-6 Activities, value chain and other business relationships	Annual Report ("**AR**"): 1, 4 – 7
2-7 Employees	18 - 19
2-9 Governance structure and composition	AR: 21 – 24
2-10 Nomination and selection of the highest governance body	AR: 23 – 27
2-11 Chair of the highest governance body	AR: 22 – 23
2-12 Role of the highest governance body in overseeing the management of impacts	AR: 17-18, 32-35
2-13 Delegation of responsibility for managing impacts	6
2-14 Role of the highest governance body in sustainability reporting	6
2-15 Conflicts of Interest	AR: 17, 34, 41
2-16 Communication of critical concerns	15
2-17 Collective knowledge of the highest governance body	6
2-18 Evaluation of the performance of the highest governance body	AR: 26 – 28
2-19 Remuneration policies	AR: 28 - 32
2-20 Process to determine remuneration	AR: 28 - 32
2-22 Statement on sustainable development strategy	3
2-23 Policy commitments	6
2-24 Embedding policy commitments	15 - 24
2-26 Mechanism for seeking advice and raising concerns	AR: 36-38
2-27 Compliance with laws and regulations	15
2-28 Membership associations	8
2-29 Approach to stakeholder engagement	8

GRI CONTENT INDEX (CONTINUED)

GRI DISCLOSURES	PAGE NO.
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	9
3-2 List of material topics	9
3-3 Management of material topics	9
GRI 205: Anti-Corruption 2016	
205-1 Operations assessed for risks related to corruption	15
205-3 Confirmed incidents of corruption and actions taken	15
GRI 302: Energy 2016	
302-1 Energy consumption within the organisation	17
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	18 - 19
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	18
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	20
404-3 Percentage of employees receiving regular performance and career development reviews	20
GRI 405: Diversity and Equal Opportunities 2016	
405-1 Diversity of governance bodies and employees	21-22
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	23-24
403-2 Hazard identification, risk assessment, and incident investigation	23-24
403-4 Worker participation, consultation, and communication on occupational health and safety	23-24
403-5 Worker training on occupational health and safety	23-24
403-6 Promotion of worker health	23-24
403-9 Work-related injuries	24
403-10 Work-related illnesses	24
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16

TCFD CONTENT INDEX

Disclosure Focus Area	Recommended Disclosure	Page Reference / Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	10
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	10
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	12
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	12
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	As part of our phased approach, we will be providing this in FY2025
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	13
	b. Describe the organisation's processes for managing climate-related risks	13
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	As part of our phased approach, we will be providing this in FY2025
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	13
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	14
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	As part of our phased approach, we will be providing this in FY2025