

SUSTAINABILITY STATEMENT

INTRODUCTION

Ajiya presents its annual Sustainability Statement, offering a comprehensive overview of our sustainability endeavors and spotlighting our Environmental, Social, and Governance (ESG) performance for the financial year ended 2023. At Ajiya Berhad (referred to as “Ajiya” or the “Group”), sustainability is at the heart of our business practices. We are committed to operating in a socially responsible and ethical manner, while generating lasting value for our stakeholders. Within these pages, we detail the initiatives implemented to foster sustainability across our business and operations, ultimately contributing to the well-being of our stakeholders and the environment. This Statement delves into the notable risks and opportunities that shaped our operations, encompassing challenges in both ESG and economic domains during the review period. At the core of our sustainability journey lie strategic approaches, a robust framework, and diverse initiatives propelling us toward our sustainability goals and targets. Essentially, this Statement serves as a record of the progress, achievements, and challenges encountered on our sustainability journey throughout the financial year ended 2023.



ECONOMIC • ENVIRONMENTAL • SOCIAL • GOVERNANCE



OUR PURPOSE

To Build Trust & Commitment Together



OUR VISION

To Enrich Wellbeing for the Community



OUR MISSION

Explore New Frontiers

REPORTING SCOPE AND BOUNDARIES

This Sustainability Statement encapsulates Ajiya's commitment, initiatives, and achievements throughout the financial year 2023, offering a comprehensive overview of our impact on economic, environmental, social, and governance aspects. Covering our operations in Malaysia, including two main business divisions representing over 98% of our revenue, this statement is issued annually and seamlessly integrates into our broader Annual Report. The selected content ensures meaningful, accurate, and balanced representation, providing shareholders with a deeper understanding of the Group's sustainability performance and its unique context. The included business divisions are as follows:

Metal Base Division (“AMG”)

Asia Roofing Industries Sdn Bhd
ARI Utara Sdn Bhd
ARI Timur (KB) Sdn Bhd

Glass Base Division (“AGG”)

Ajiya Safety Glass Sdn Bhd

ASSURANCE STATEMENT

The data presented in this Sustainability Statement is sourced internally from within the Group. It is compiled and measured against industry standards in alignment with our sustainability targets. To the best of our ability, the results are verified by the Management and undergo a review by the Sustainability Management Committee before being presented to the Board.

As part of our continuous improvement efforts, the Group is actively working to enhance our data collection processes, address any reporting gaps and expand our assurance has been sought for the disclosures made in this report.

GUIDELINES AND STANDARDS

We ensure that the production of this Statement conforms to the highest reporting standards and best industry practices. This Statement has been prepared in accordance with:



- Global goals – United Nation Sustainable Development Goals (UN-SDGs) Reporting frameworks
- Sustainability Reporting Guide 2022, 3rd Edition and Toolkits issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”)
- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia

While Ajiya acknowledges that there may be significant ESG impacts across its value chain, this Statement focuses on the impacts of its own operations. Nevertheless, Ajiya remains committed to embedding sustainability practices throughout the entire Group and sharing its ESG commitments with business partners, suppliers, and contractors. We are also in the process of implementing a more rigorous data-gathering process to address any gaps in our sustainability reporting.

We advise shareholders that forward-looking statements in this report regarding future plans, targets, and expectations are made with reasonable assumptions based on current business trajectories. Actual results may vary as Ajiya adjusts its business strategies and operational decisions to respond to emerging risks, opportunities, and changing circumstances.

Regarding data quality and assurance, all information disclosed in this Statement has been sourced internally and verified by the respective information owners. The Board of Directors has reviewed this Statement and is satisfied that it provides a fair representation of the Group’s sustainability impacts for the year under review.

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

In FY2023, our Group had an exciting year as we further geared up Ajiya for our next phase of growth by aligning our Company’s strategies. Our Board collaborated seamlessly with our Management team, which has a proven track record in the building materials industry. In addition, we made significant strides in our succession planning by promoting executive management members from within our talented pool of employees, thereby infusing new energy into our management team.

The Board constantly reinforces our commitment to our sustainability journey. Our aim is to offer affordable and sustainable building solutions that inspire trust and commitment within the community. We strive to maintain our position as leaders in the industry by providing innovative and eco-friendly building solutions to our clients and partners. We achieve this by:

- Pushing the boundaries in search of ground-breaking sustainable building solutions that enhance the community’s well-being.
- Establishing ourselves as the preferred business partner for our clients by providing constant technical support and value-added services that enhance building efficiency.

We are dedicated to pursuing a sustainable future while adhering to strong governance principles and promoting economic, environmental, and social well-being in the community. Our purpose, vision, and mission statements reflect our unwavering commitment to this journey.

SUSTAINABILITY STATEMENT



SUSTAINABILITY GOVERNANCE FRAMEWORK

For a company to effectively manage sustainability and achieve successful implementation, committed leadership, clear direction, and strategic influence are vital. At Ajiya, we have established a governance structure that ensures sustainable practices are integrated into our business strategies in alignment with the Group's purpose, vision, and mission.

BOARD OF DIRECTORS

- Ensures all businesses embrace sustainability with commitments
- Approves sustainability strategy



MANAGEMENT TEAM

- Approves sustainability targets and disclosures
- Oversees implementation of sustainability strategy



ON-GROUND MEMBERS

- Supports strategy implementation
- Ensures processes and controls are in place within its departments / functions
- Reports on the performance of processes and controls
- Reports management targets












SUSTAINABILITY MANAGEMENT TEAM

- Develops sustainability strategy and recommend revisions to the management
- Evaluates overall sustainability risks and opportunities
- Oversees departments / functions in ensuring the robustness of system of sustainability management
- Considers input of all departments / functions in sustainability processes
- Develops plan and timeline for disclosure



AJIYA'S SUSTAINABILITY SCORECARD HIGHLIGHTS AND ACHIEVEMENTS

The table provided below presents Ajiya's Sustainability Scorecard highlights and accomplishments for FY2023. These achievements are linked to the Group's 4 Sustainability Pillars, demonstrating the progress made in pursuing our comprehensive sustainability objectives and priorities. Furthermore, we have correlated these highlights and achievements with the UNSDGs, thereby aligning our efforts with the global sustainability agenda.




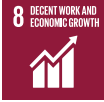



ESG Pillars (Material Matters)	Targets	Current Progress Against Targets	Progress Tracking	Linkage to UNSDGs'
ECONOMIC RESILIENCE & EXCELLENCE	1. Upholding Customer Satisfaction Index (CSI) at minimum of 75% (rated good and above)	1. The Metal Division achieved a CSI score of 75% and above, while the Safety Glass Division came close to reaching the 75% mark.	● ● ●	  
	2. To achieve a minimum of 80% satisfaction for Supplier Evaluation (Raw Materials)	2. Attained scores of 93% for Supplier Evaluation (Raw Material) in AMG and 79% in AGG.		
ENVIRONMENTAL - ECO- CONSCIOUS CORPORATE CITIZEN	1. To conduct a baseline assessment of GHG emissions and energy efficiency for our operations in FY2024, followed by setting targets. Note: These targets will be established with the aim of reducing GHG emissions and improving energy efficiency, and will be compared with the 2024 baseline levels to track our progress.	1. In FY2023, we commenced collecting GHG emission data, achieving disclosure for GHG scope 2 emissions. Plans are underway for GHG scope 1 emissions data collection, and comprehensive efforts are outlined for GHG scope 3 emissions, including business travel and employee commuting. A thorough energy efficiency review and data collection are scheduled for FY2024.	● ● ●	    
	2. Zero (0) environmental violations	2. Achieved Zero (0) environmental violations		
	3. Maintain material waste reduction at 10% per annum.	3. Planning for a baseline assessment in FY2024 on waste quantum (raw material).		
	4. Conduct Awareness Training on environmental and energy conservation, focusing on 3R (Reduce, Reuse, Recycle), water, and energy conservation.	4. In the planning phase for awareness training on 3R (Reduce, Reuse, Recycle) and resource conservation.		
	5. Aim for ARI HQ (L142) Factory certification to ISO14001 by the 1st quarter of 2025.	5. Deferred the implementation of ISO 14001 in FY2023 due to requirement of additional time for the improvement actions.	● ● ●	

Legend: Progress Tracking

- ● ● Progressing well and on track to achieving targets by 2030
- ● ● Progressing but slightly behind targets, to increase efforts
- ● ● Progressing with delays, to review current approach

SUSTAINABILITY STATEMENT

AJIYA'S SUSTAINABILITY SCORECARD HIGHLIGHTS AND ACHIEVEMENTS (CONT'D)

ESG Pillars (Material Matters)	Targets	Current Progress Against Targets	Progress Tracking	Linkage to UNSDGs'
SOCIAL - SUSTAINABLE WORKFORCE & COMMUNITY	1. Conduct a minimum of 8 hours of training annually for at least 60% of employees at the executive and above levels.	1. Successfully achieved a minimum of 8 hours of training per annum for 65% of employee in FY2023 (Executive & above level)	● ● ●	     
	2. Maintain zero workplace fatalities.	2. Accomplished Zero (0) workplace fatalities.		
	3. Aim for zero incidents of Human Rights violation complaints.	3. Successfully maintained Zero (0) reported cases of human rights violations.		
	4. Enhance supplier disclosure process and evaluation to include ESG aspects.	4. Currently in the planning stage for enhancing supplier evaluation criteria to include ESG considerations		
	5. Diversity Target: To achieve a representation of 20% woman employees in Senior Management position by 2025.	5. Achieved 14% representation of women employees in Senior Management position in FY2023.		
	6. Investment in Local Supplier Target: To achieve at least 70% annual spending on local raw material supplies.	6. Achieved a minimum of 70% annual spending on local raw material suppliers.		
	7. OHS target: Continuing OHS enhancement in FY2024 and beyond.	7. Updated the HIRARC and sustained the implementation of sound Occupational Health and Safety (OHS) practices in FY2023.		
RESPONSIBLE GOVERNANCE	1. Aim for zero (0) incidents of whistleblowing cases.	1. Successfully maintained zero (0) reported whistleblowing cases.	● ● ●	 
	2. Strive for zero (0) incidents of corruption cases.	2. Successfully maintained zero (0) reported corruption cases		
	3. Target zero (0) incidents of customer data leaks.	3. Successfully maintained zero (0) incidents of customer data leaks.		

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SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

We value meaningful stakeholder engagement. The outcome of the engagement helps us to identify upcoming market trends, anticipate challenges and align our sustainability strategy and business activities with broader interests of the economy, environment and society. The Group consistently engages with our stakeholders via various methods and platforms. The table below illustrates our key focus areas and methods of engagement with our stakeholders:

STAKEHOLDERS	KEY FOCUS AREA	METHODS OF ENGAGEMENT
Shareholders, Financiers and Investors	<ul style="list-style-type: none"> • Profitability • Dividend • Shareholders' value/responsibility 	<ul style="list-style-type: none"> • Annual General Meetings • Company website • Annual Reports
Clients/Customer, Suppliers, and Industry Partners	<ul style="list-style-type: none"> • Product and service quality • Timely delivery of products/ projects • Payment terms and timeliness • Product innovation 	<ul style="list-style-type: none"> • Customer satisfaction survey and supplier evaluation form • Customer service platforms, including phone calls and emails • Face-to-face meetings • Events and site visits • Company policies compliance declarations • Social media platform
Regulators and Government Authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations • Certifications/awards • Industry best practices and updates 	<ul style="list-style-type: none"> • Compliance and certification exercises • Periodic site visits and audits • Company representation at initiatives/technical working groups • Briefings and training
Employees	<ul style="list-style-type: none"> • Business performance and direction • Career development • Learning and development • Employee welfare and benefits • Employee wellness • Health and safety 	<ul style="list-style-type: none"> • Regular meetings and discussions • Townhall meetings • Annual performance appraisal • Forums, training, and workshops • Sports clubs, i.e., Y2K and One AJIYA Club • Employee events including festive celebrations and annual gathering • Company policies compliance declarations
Local Community, Industry Associations, Academia and Non-Governmental Organisations ("NGOs")	<ul style="list-style-type: none"> • Company reputation and branding • Corporate social responsibility • Best management practices and industry-related research • Partnerships • Research and collaborations with the industry and academia institutions 	<ul style="list-style-type: none"> • Community outreach and development programs • Public events e.g., forums and symposiums • Annual Report • Educational site visits • Briefings and training

OUR MATERIALITY MATTERS

MATERIALITY ASSESSMENT

To create enduring value, it is imperative for us to gain insight into industry trends, risks, opportunities, and the expectations of our stakeholders. Our sustainability strategies and business plans are shaped by critical aspects of business growth and stakeholder requirements. Through a thorough materiality assessment, we identify pertinent sustainability issues, guiding the Group's sustainability direction and priorities.

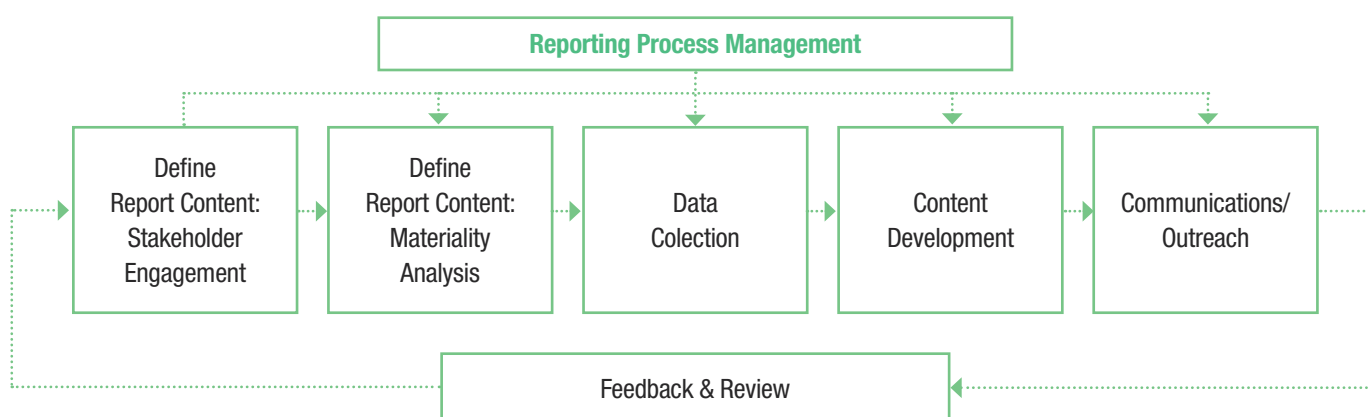
Our materiality matters are crafted by considering inputs from both internal and external stakeholders, as well as factors influencing our financial stability, economic growth, and the significance of environmental, social, and governance impacts.

SUSTAINABILITY STATEMENT









In the financial year 2022, our focus rested on 19 sustainability matters, carefully chosen for their relevance to our businesses in terms of environmental, social, and governance aspects.

As we entered the financial year 2023, we undertook a comprehensive survey questionnaire that delved into 29 material matters. From this pool, we refined the considerations into 13 core material matters. Subsequently, we prioritized from these thirteen (13) material matters that best encapsulate our areas of focus. While our goal is to conduct a comprehensive materiality assessment every three years, we commit to an annual review, ensuring the continued relevance of our prioritized economic, environmental, social, and governance impacts resulting from our daily operations. The following flow diagram outlines our materiality assessment process, accompanied by a table illustrating our materiality matters and their correlation to the United Nations Sustainable Development Goals (UNSDGs)

Materiality Assessment Process Flow









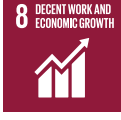










Materiality Matters and Their Correlation to the United Nations Sustainable Development Goals (UNSDGs)

CATEGORY	MATERIAL MATTER	DESCRIPTION	SDG
 Economic	Company Financial Performance	Addressing environmental and social risks, as well as governance issues, can lead to better financial resilience, and stability over time and may attract capital and financing opportunities.	 8 DECENT WORK AND ECONOMIC GROWTH
	Digital Transformation	To embrace technological advancement in all aspects of the business to improve productivity, traceability, and data privacy.	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Product Quality & Product Safety	To deliver quality products and assure product safety through quality management practices.	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Environment	Conservation of Energy & Resources	Responsible management of natural resources and energy to minimize waste, reduce environmental impact, and ensure sustainability for the future. It includes promoting energy efficiency, using renewable energy sources, and practicing recycling and responsible sourcing of resources.	 6 CLEAN WATER AND SANITATION
	Effluent and Waste Management	Proper handling and treatment of liquid and solid waste to minimize environmental harm, conserve resources, and promote a cleaner and healthier environment.	 7 AFFORDABLE AND CLEAN ENERGY  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



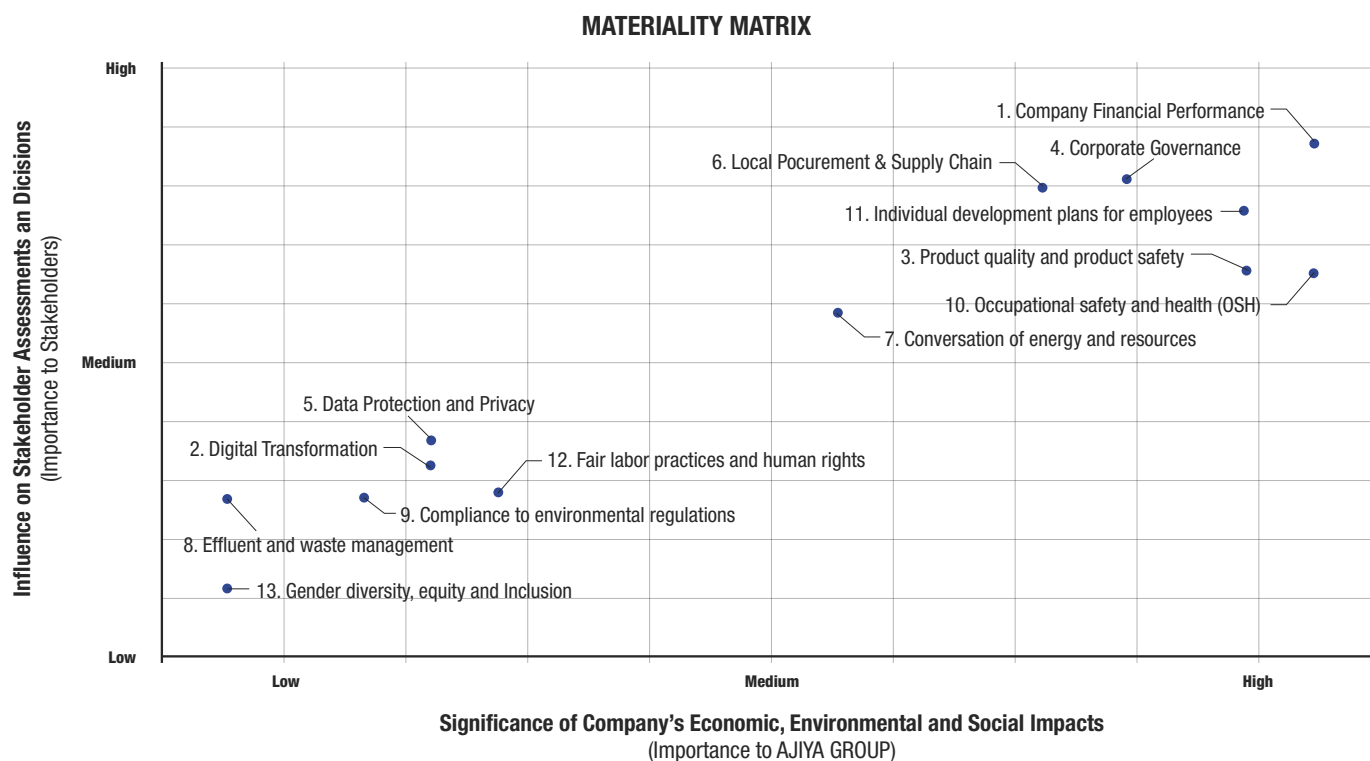
SUSTAINABILITY STATEMENT

CATEGORY	MATERIAL MATTER	DESCRIPTION	SDG
 Environment	Compliance to Environmental Regulations	Adhering to legal requirements for protecting the environment, conserving resources, and promoting sustainability. Essential for preserving ecosystems and community well-being.	  
 Social	Local Procurement & Supply Chain	To create decent jobs and economic growth within local communities, fostering sustainable economic development, local procurement aligns with the goal of responsible consumption and production. This is achieved by reducing the environmental impact of transportation, promoting sustainable sourcing, and minimizing waste in the supply chain	   
	Occupational Health & Safety (OHS) at Workplace	To ensure the safety and health of employees at the workplace.	  
	Individual Development Plans for Employees	To increase opportunities for employee's career growth & advancement to broaden their skills and add value to the company	 
	Fair Labor Practices and Human Rights	Treating workers with dignity, providing safe conditions, fair wages, and equal opportunities. Upholding fundamental freedoms and non-discrimination for an inclusive and equitable society.	
	Gender Diversity, Equity and Inclusion	To achieve gender equality and empower all women and girls by eliminating discrimination, violence, and harmful practices against women and girls. It also advocates for equal access to opportunities, education, healthcare, and decision-making positions regardless of gender.	
 Governance	Corporate Governance	To ensure that good governance is practiced throughout the Company for business sustainability and also enhancing shareholders value.	 
	Data Protection and Privacy	Ensuring data protection and privacy helps build trust between institutions and the public, fosters transparency, and promotes accountability in data handling practices.	

SUSTAINABILITY STATEMENT

MATERIALITY MATRIX

From the materiality assessment, seven (7) key issues emerged as top priorities for stakeholders, considering their impact on our operations. These material issues signify our transition to a multi-value perspective, going beyond a solely profit-driven approach. We recognize the influence of Environmental, Social, and Governance (ESG) factors on our financial performance. The resulting material matters are visually depicted in the accompanying materiality matrix below.



Note: A total of 13 material matters and 7 priorities were concluded through the assessment.

The outcomes of our materiality assessment have directed resource allocation by management, leading to the creation of long-term value for our business and stakeholders. Each material matter profoundly influences our decision-making and aligns with the 4 pillars of sustainability.

Sustainability Pillars	Materiality Matters
E - Economic	1. Company Financial Performance (*) 2. Digital Transformation 3. Product Quality and Product Safety (*)
E - Environmental	7. Conservation of Energy and Resources (*) 8. Effluents and Waste Management 9. Compliance to Environmental Regulations
S - Social	6. Local Procurement and Supply Chain (*) 10. Occupational Safety and Health (OSH) – (*) 11. Individual Development Plans for Employees (*) 12. Fair Labor Practices and Human Rights 13. Gender Diversity, Equity and Inclusion
G - Governance	4. Corporate Governance (*) 5. Data Protection and Privacy



Pillar 1:
ECONOMIC



Pillar 2:
ENVIRONMENT



Pillar 3:
SOCIAL



Pillar 4:
GOVERNANCE

(*) Significant Materiality Matters



PILLAR NO. 1: OUR BUSINESS, AND THE ECONOMIC

ECONOMIC VALUE CREATED



As a responsible corporate citizen, our commitment to sustainability underscores our focus on generating lasting economic value for shareholders, customers, and society. Operating ethically, we foster fair competition and support community economic development. Throughout our supply chain, we advocate for responsible sourcing, ethical labor practices, and environmental sustainability. By aligning economic goals with social and environmental responsibility, we believe in creating enduring value for shareholders, customers, employees, and the wider community.

Our responsibility extends to continuous improvement in financial performance, ensuring relevance to customer needs and providing job security for our workforce. Mindful of finite resources, we strategically allocate resources, making informed trade-offs for optimal value creation across our business.

Stakeholders, including the community, customers, investors, suppliers, and employees, are integral to defining our business's true value. Dedicated to optimizing value and delivering returns, we take a long-term approach to value creation, considering the broader implications of our decisions.

Through ongoing engagement and understanding of stakeholder needs, we seek a harmonious balance that maximizes positive outcomes. Our commitment to sustainable value creation guides our actions, positively impacting stakeholder well-being and the communities we serve.

With an unwavering dedication to improving financial performance and responsible resource allocation, we aim to remain a trusted, successful business, providing long-term value to stakeholders while contributing positively to society and the environment.



DIGITAL TRANSFORMATION

Digital transformation has efficiently streamlined our production cycles, resulting in reduced lead times and a significant decrease in reliance on manual work, ultimately enhancing overall productivity. For the financial year ended 2023, we successfully executed a key initiative. This involved leveraging robotic arms and automatic stacking machines to expedite production, increase capacity, and reduce dependency on manual labor, consequently lowering the risk of injuries.

Simultaneously, our second digital initiative aims to enhance operations by fostering interoperability among various software systems. This facilitates the seamless collection and analysis of operation data for daily monitoring. This, in turn, contributes to heightened efficiency in operational processes, eliminating redundancies and optimizing resource allocation.

SUSTAINABILITY STATEMENT



PRODUCT QUALITY AND PRODUCT SAFETY

As a prominent manufacturer specializing in metal-based and glass-based building products, we prioritize the utmost quality of our products. Our commitment is rooted in the drive to ensure customer satisfaction, safeguard our brand reputation, and maintain industry credibility. Additionally, we acknowledge that product quality transcends business considerations, as it directly impacts public health and safety, given the integral role our products play in our customers' overall product strategy.

The foundation of our commitment to product quality begins at the sourcing stage, where stringent quality control and assurance measures are implemented. We rigorously assess all products sourced from suppliers to meet our high-quality standards, aligning with certifications established by industry bodies such as SIRIM or equivalent entities regulating manufacturing standards.

Throughout our processes, prioritizing quality and safety remains paramount. From concept to prototype and production, we continually monitor product safety, proactively addressing and preventing issues. Our internal experts in Industrial Engineering, Quality, and Operations actively engage in ensuring product safety and driving updates to standards across the Company.

Collaboration with customers and regulatory authorities is crucial to ensuring our products meet specifications and comply with quality and safety standards. For the financial year ended 2023, we proudly report zero product recalls due to safety negligence or defects, underscoring our commitment to maintaining the highest product quality and safety standards. To achieve this, our businesses have implemented certified Management Systems (ISO 9001) and Product Standards recognized by relevant regulatory bodies.

Commitment to Customer Satisfaction

As part of our ongoing commitment, we annually survey our customers to gauge their expectations regarding product quality, the sales process, and services. The most recent survey results for FY2023 indicate favorable feedback across all business segments, reflecting our dedication to superior performance.

QUALITY PRODUCTS & SERVICES		
Subsidiaries	Metal Division	Safety Glass Division
Overall Performance FY2021*	83%	78%
Overall Performance FY2022*	81%	85%
Overall Performance FY2023*	84%	76%

*A performance rating of 75% and above is considered as good.



Quality Assurance In Supply Chain

At Ajiya, effective supply chain management plays a crucial role in upholding product quality and safety standards. Through close collaboration with our suppliers, we emphasize quality assurance programs to ensure adherence to rigorous standards throughout the value chain. This collaborative approach fosters a culture of quality assurance, promoting excellence in our products and operations.

SUPPLIER CONFORMANCE INDEX - AMG

Financial Year Ended (FYE)	2021	2022	2023
Supplier Conformance Index/Score (%), target 80%	92%	87%	93%
Number of supplier surveyed (Raw Material)	12	11	11

SUPPLIER CONFORMANCE INDEX - AGG

Financial Year Ended (FYE)	2021	2022	2023
Supplier Conformance Index/Score (%), target 80%	71%	72%	72%
Number of supplier surveyed (raw material)	13	12	10



PILLAR NO. 2: PROTECTING THE ENVIRONMENT

At the core of our business philosophy lies a deep commitment to environmental responsibility. We take a comprehensive approach, ensuring that every aspect of our operations, from sourcing materials and services to manufacturing products, aligns with sustainable practices. Our environmental sustainability efforts center around crucial material matters, such as the conservation of energy and resources, efficient waste management, and strict compliance with environmental regulations. By proactively addressing these critical areas, we aim to make a positive impact on our planet while fostering a greener and more sustainable future for generations to come.

We acknowledge the crucial significance of environmental sustainability and is steadfastly committed to advocating sustainable practices across all facets of our operations. To diminish our environmental impact and safeguard natural resources, we have executed various initiatives. These include augmenting our reliance on renewable energy sources, conservation of energy, waste management, and promoting sustainable practices within our supply chain. Moreover, we continually foster environmental awareness and responsibility throughout our organization. Interacting with employees, customers, and stakeholders, we aim to foster a culture of sustainability, encouraging practices that contribute to reducing our environmental footprint.



SUSTAINABILITY STATEMENT



WEST MALAYSIA

CONSERVATION OF ENERGY AND ENVIRONMENT

We advocate for eco-friendly building through AGiBS, offering durable and recyclable metal products made from galvanized steel and aluminium coils. Our metal roofing features built-in heat insulation and supports solar PV integration, while prefabricated AGiBS components reduce waste. Our glass-based products contribute to sustainability by reducing energy costs and carbon footprints in buildings.

In line with our commitment to product quality, we introduce resource-efficient alternatives to not only cut costs but also preserve natural resources. Aligned with our vision for a sustainable future, we aim to achieve net-zero carbon emissions by 2050, in accordance with the Malaysian government's goals in the 12th Malaysia Plan. Currently, we are in the initial stages of evaluating greenhouse gas (GHG) data collection for the Group's operational activities.

Usage Of Renewable Energy

We value sustainability and have embraced renewable energy sources, particularly solar power, across our facilities. We've installed 3.1 megawatts peak (MWp) of solar photovoltaic ("PV") systems on our factory rooftops. This step reflects our commitment to reducing environmental impact and adopting eco-friendly practices, aligning with our broader goal of responsible business operations. Harnessing the sun's energy helps us minimize our reliance on traditional power sources and contributes to a greener, more sustainable future.

WASTE MANAGEMENT

We generate various types of waste, encompassing hazardous waste, classified as scheduled waste, as well as non-hazardous waste like domestic waste, production waste, and recyclable materials. Mismanagement of waste can lead to severe consequences, such as compromised air and water quality, soil contamination, and increased risks of hazardous material exposure for our employees and the communities around our operational areas. In our ongoing efforts, we plan to pursue environmental management system certification to systematically address environmental aspects and impact.

To address this, we implement a waste management process. Production waste is segregated into wood and steel/metal at their respective operations to facilitate reuse and proper disposal. Scheduled waste undergoes on-site management through regular monitoring and data recording. We ensure that all scheduled waste is appropriately stored and managed from its collection point to final disposal, carried out by licensed contractors.



COMPLIANCE TO ENVIRONMENTAL REGULATIONS

Our unwavering commitment extends to ensuring compliance with regulatory requirements outlined in the Malaysian Environmental Quality Act 1974. Notably, there were no legal cases involving violations of discharges during the reporting year. Throughout FYE 2023, and consistent with past practices, we collaborated with licensed waste disposal companies to responsibly manage both scheduled and general wastes.



Metrics related to environmental performance collected during the reporting period include:

ENVIRONMENTAL FOOTPRINT: WATER

Total Volume of Water Consumption (m3)	2021	2022	2023
Municipal water supply (m3)	44,133	49,063	54,372

ENVIRONMENTAL FOOTPRINT: ENERGY

Energy Consumption	2021	2022	2023
Total electricity consumption (MWh) - AMG	483	491	692
Total electricity consumption (MWh) - AGG	8,046	8,763	8,902
Total (MWh)	8,529	9,254	9,592

ENVIRONMENTAL FOOTPRINT: EMISSIONS

GHG Emissions (tCO2e)	2021	2022	2023
Scope 2 - AMG operations	377	383	540
Scope 2 - AGG operations	5672	6650	6,035
Total	6,049	7,033	6,575
Carbon Emissions Intensity			
Scope 2 (tCO2e/m2) - AMG operations	0.0099	0.0101	0.0133
Scope 2 (tCO2e/m2) - AGG operations	0.0014	0.0013	0.0012
Total	0.0113	0.0114	0.0145

ENVIRONMENTAL FOOTPRINT: WASTE

Total Waste (Tonnage)	2021	2022	2023
Hazardous Waste diverted from disposal (Tonnage)	0	0.5	1.1
Hazardous Waste directed to disposal (Tonnage)	0	0.0	0.0
General Waste diverted from disposal (Tonnage)	842	851	1,010
General Waste directed to disposal (Tonnage)	90	110	171
Total Waste (Tonnage)	932	962	1,182

SUSTAINABILITY STATEMENT



PILLAR NO. 3: SOCIAL, PEOPLE AND COMMUNITIES

At the core of our sustainability and growth initiatives is the essence of our relationships with stakeholders. We acknowledge the direct and indirect impacts our business operations can have on employees, suppliers, customers, and local communities. As a result, we are unwavering in upholding health and safety, cultivating an inclusive culture that embraces diversity, and prioritizing human rights.

Managing the Impacts:

To ensure the quality of these relationships, we have identified five material matters of focus:

1. Employee Development: Prioritizing continuous learning and skill enhancement for our employees.
2. Employee Health & Safety: Maintaining rigorous measures to create a secure work environment.
3. Fair Labor Practices and Human Rights: Upholding ethical and responsible business practices.
4. Gender Diversity, Equity, and Inclusion: Fostering an inclusive culture that values diversity and promotes equal opportunities.
5. Local Procurement & Supply Chain: Engaging with local communities, making meaningful investments to create a positive and lasting impact.

EMPLOYEES DEVELOPMENT

At Ajiya, we understand that the success of our company hinges on the quality of our employees. As the backbone and front-liners of our organization, we prioritize upskilling and enhancing the knowledge base of our workforce. Emphasizing the importance of training and development, we continually introduce learning programs for both existing and newly employed staff. Moreover, we conduct annual performance appraisals to monitor the career growth of our employees and address any identified gaps.

We firmly believe that investing in the training and development of our employees not only benefits our organization but also empowers our staff to grow and advance in their careers.

The following table presents our Learning & Development Performance data:

Learning and Development			
Training hours	2021	2022	2023
Total Training Hours - By Gender			
Male	555	3111	3741
Female	294	1231	1548
Average Training Hours - By Gender			
Male	2	13	14
Female	4	18	23

Learning and Development			
Training hours	2021	2022	2023
Total Training Hours By Employee Category			
Senior Management	107	37	58
Middle Management	492	807	1347
Average Training Hours By Employee Category			
Senior Management	15	5	11
Middle Management	15	27	52
Total Amount Invested in Employee Learning and Development (RM)	29,244	118,134	174,122

EMPLOYEE HEALTH & SAFETY

Our OSHA Committee, responsible for regularly reviewing workplace safety and health issues, including the establishment of an Emergency Preparedness and Responsive Team (EPRT), continues to actively fulfil its role. To ensure the safety and health of our employees, we've implemented various measures, including:

- Compliance with relevant laws, regulations, and company policies.
- Implementation of Hazard Identification, Risk Assessment, and Risk Control (HIRARC), with employee feedback and accident investigation processes.
- Reinforcement of safe behaviors through regular safety meetings and awareness campaigns.

In addition to these measures, we prioritize providing our employees with necessary training to ensure their safety and well-being during their tasks. Various safety and health trainings, such as emergency response, basic occupational first aid, machine handling, and fire safety, are organized and conducted across the Group. Employees receive regular updates and reminders on safety procedures and guidelines to remain vigilant and informed.

We firmly believe that training and education are crucial in promoting a safety culture within the organization. By equipping our employees with the necessary knowledge and skills, we empower them to identify and mitigate potential hazards in their work environment. Our commitment to safety is unwavering, aiming for zero work-related fatalities. This commitment is reflected in the trend of work-related fatalities, which has remained at zero since the reporting year, attributable to our stringent precautionary measures.

Workplace Environment: A Safe and Healthy Workplace			
Training hours	2021	2022	2023
Number of work-related fatalities	0	0	0
Lost time incident rate	18.82	20.94	23.28
Number of employees trained on health and safety standards	0	100	92

SUSTAINABILITY STATEMENT

FAIR LABOR PRACTICES & HUMAN RIGHTS

At our company, we are steadfast in upholding human rights and ensuring fair labor practices. Creating a work environment that respects the fundamental rights and well-being of every individual is foundational to our values. Within our organization, we rigorously adhere to all relevant Malaysian statutory requirements, including the amended Employment Act 2022, covering essential provisions such as minimum wage, maximum working hours, extended maternity and paternity leave, and more.

Our employment policies are designed to ensure that each employee enjoys the right working conditions and opportunities. We are committed to providing equal opportunities irrespective of gender, ethnicity, or religion, and eliminating any form of exploitation, including child or forced labor. Respecting and supporting our employees' rights is both a legal obligation and a moral imperative. By upholding these principles, we aim to create a workplace where everyone feels valued and empowered. In FY 2023, we are proud to report zero complaints regarding human rights violations.

Incidents of Human Rights Violations	2021	2022	2023
Incident of human rights violations complaints	0	0	0



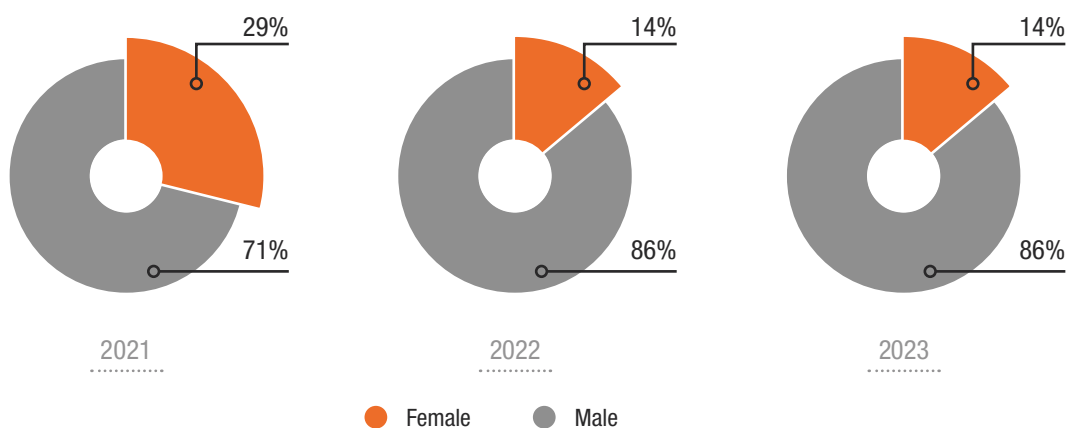
DIVERSITY, EQUITY AND INCLUSION

At our company, we strongly believe in the power of diversity, equity, and inclusion to drive a robust organizational culture. Committed to creating an inclusive environment where employees from all backgrounds feel engaged, empowered, recognized, and valued, our goal is to foster a workplace where everyone can thrive authentically. This extends to our foreign national employees, who contribute unique perspectives to our organization.

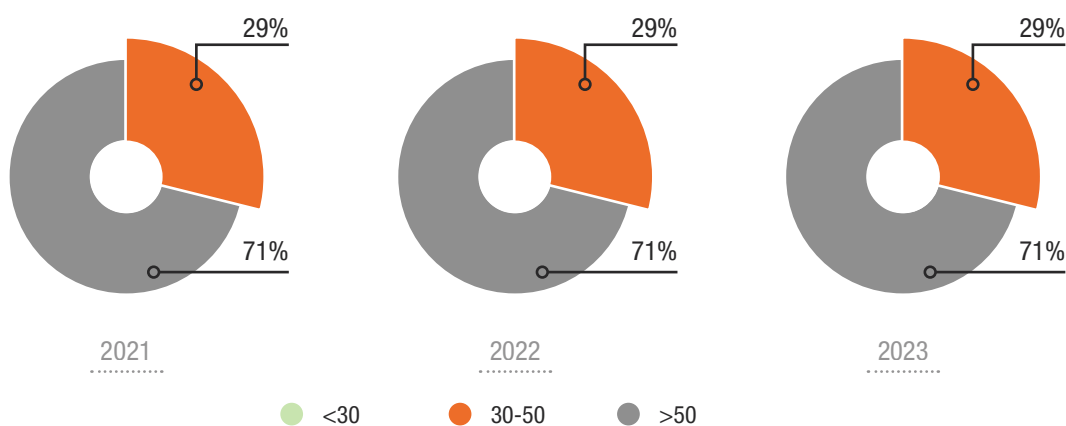
We are dedicated to maintaining a discrimination-free workplace, making all employment decisions based on qualifications, merit, and performance, in full compliance with applicable laws and regulations. Our diverse workforce, including employees from various ethnic groups and foreign nationals, enriches our organization with diverse backgrounds, experiences, and qualifications. This diversity enhances our ability to meet the dynamic challenges of today's world and cater effectively to our diverse customer base.

Workplace Environment: A Diverse and Inclusive Workplace

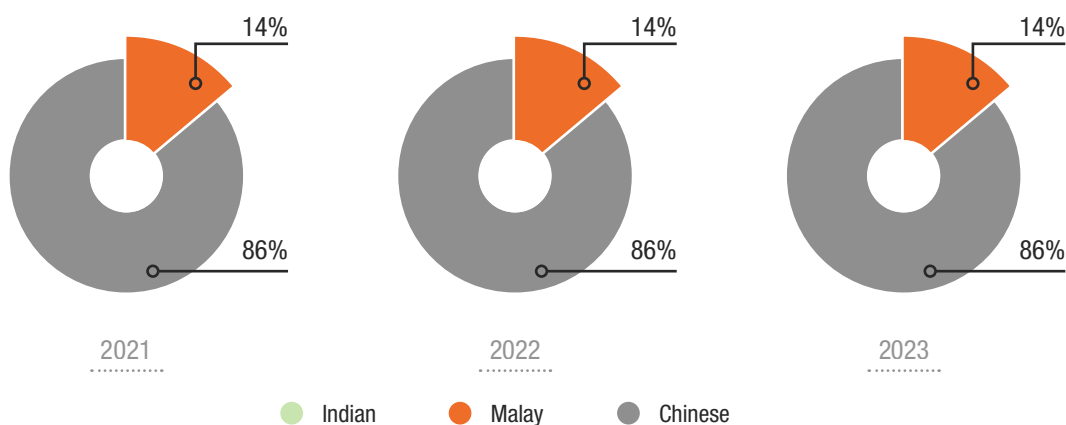
Board Member Breakdown by Gender



Board Member Breakdown by Age

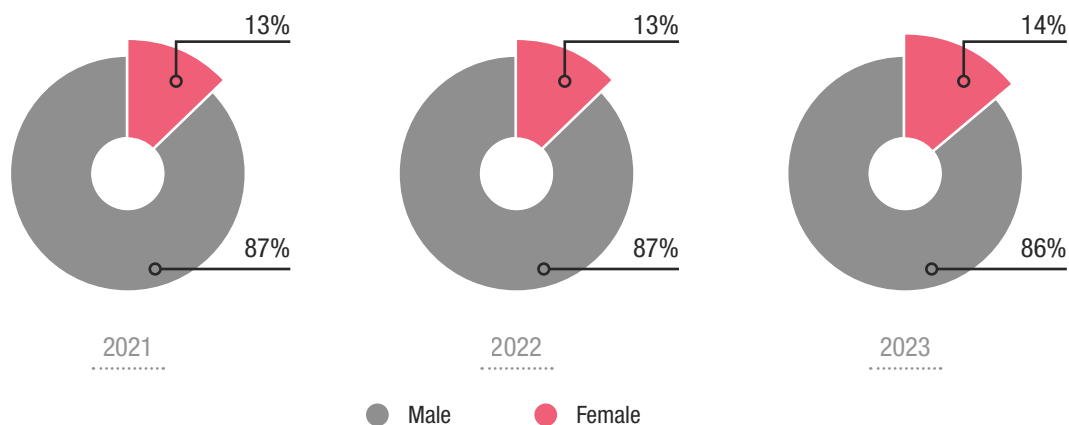


Board Member Breakdown by Ethnicity

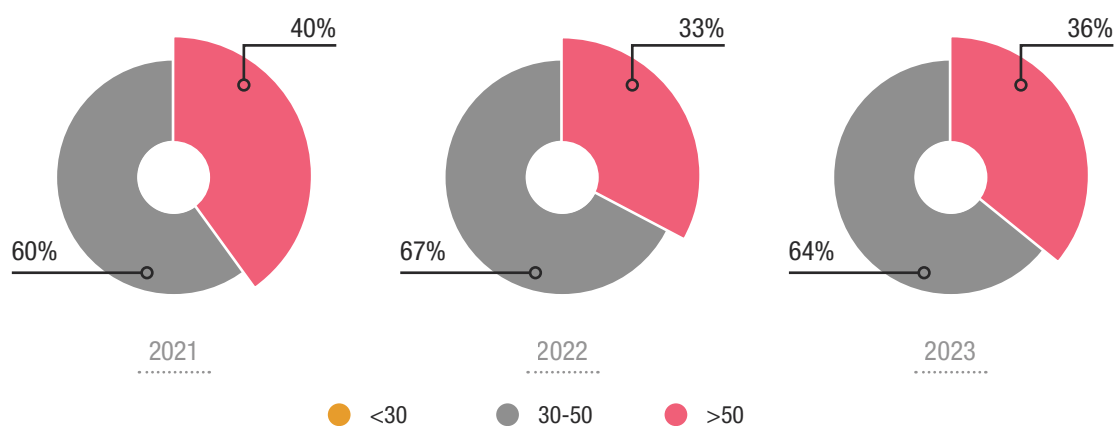


SUSTAINABILITY STATEMENT

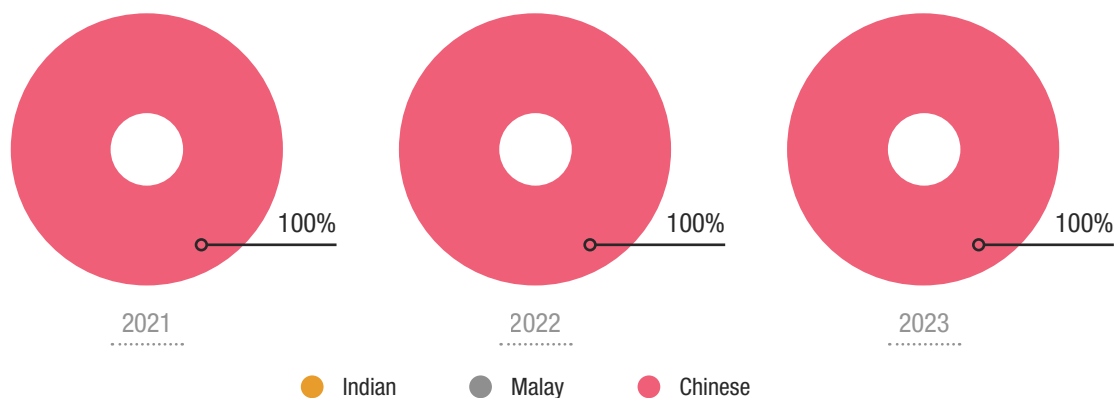
Senior Management Breakdown by Gender



Senior Management Breakdown by Age



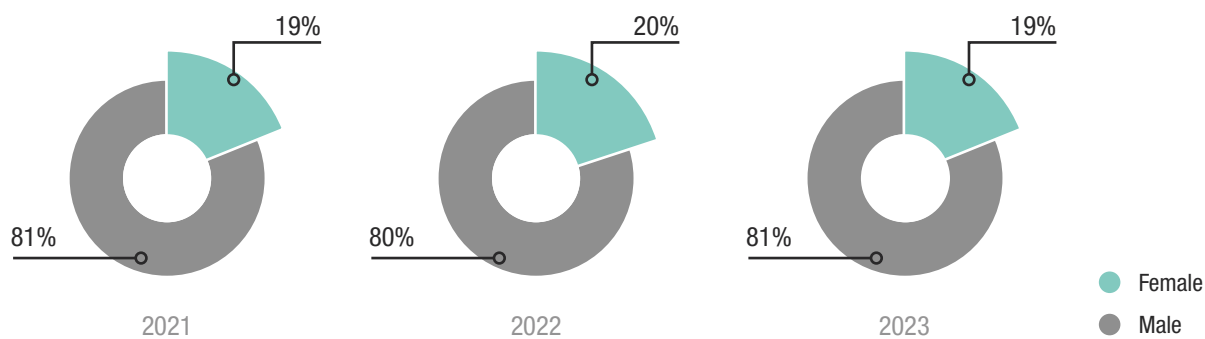
Senior Management Breakdown by Ethnicity



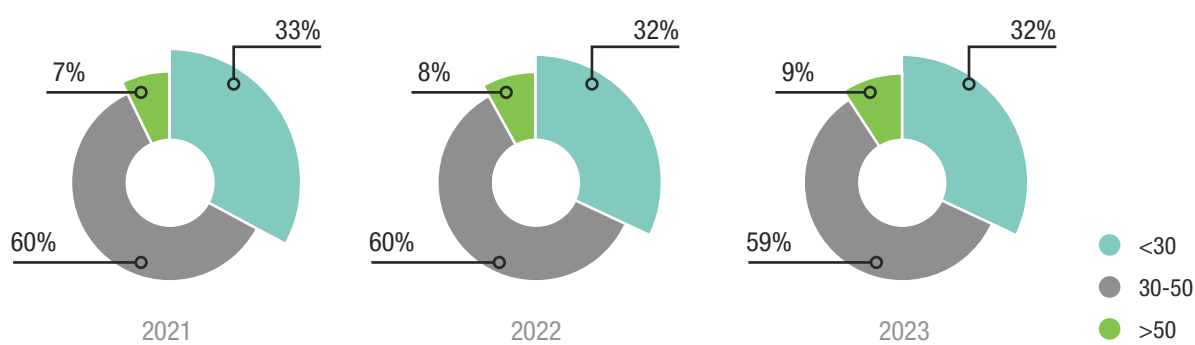
Notes:

1. Senior Management - CEO, COO, CMO, GFC and Director

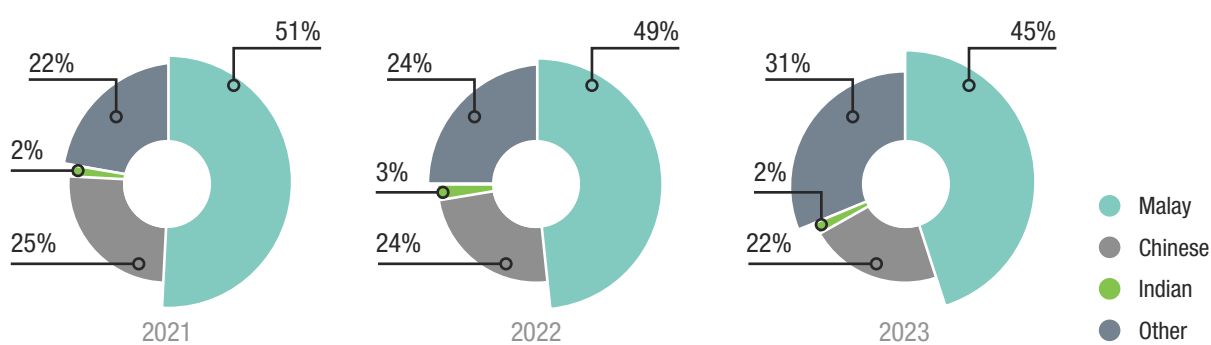
Employee Breakdown by Gender



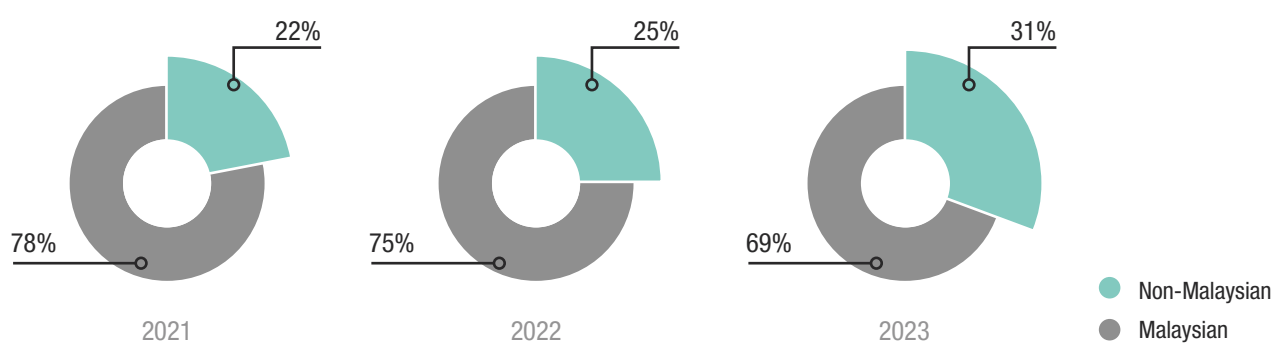
Employee Breakdown by Age



Employee Breakdown by Ethnicity

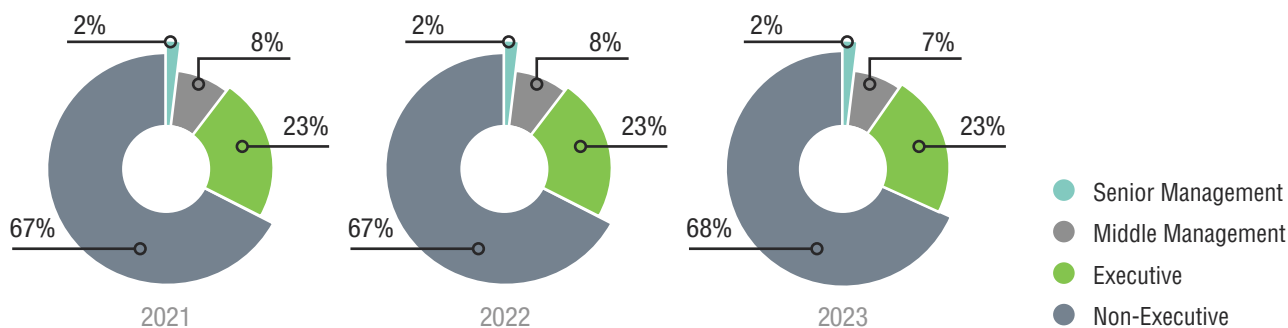


Employee Breakdown by Nationality



SUSTAINABILITY STATEMENT

Employee Breakdown by Category



Total Number of Employee Turnover

	2021	2022	2023
Employee Breakdown by By Gender			
Male	209	232	92
Female	28	31	35
Employee Breakdown by By Age			
<30	108	164	58
30-50	125	97	66
>50	3	2	3

LOCAL PROCUREMENT AND SUPPLY CHAINS

At Ajiya, we are deeply committed to nurturing the local economy and communities in the areas where we operate. Our steadfast commitment to this principle is reflected in our preference for local suppliers, prioritizing those that align with our stringent standards for quality, reliability, and cost-effectiveness.

This preference for local procurement is underpinned by multiple factors, including the advantages of shorter transportation cycles and reduced resource consumption. Sourcing goods and services locally not only minimizes the environmental impact of our operations but also fosters sustainable business practices.

Beyond environmental benefits, local procurement holds substantial social and economic advantages. By supporting local businesses, we actively contribute to stimulating economic development, creating opportunities for growth and innovation, and fostering positive changes within local communities. This holistic approach contributes to job creation, skill development, and overall community enhancement.

While our commitment to local sourcing is unwavering, we acknowledge that in certain cases, reliance on foreign suppliers may be necessary, especially for raw materials not readily available locally. However, we continuously explore avenues to reduce dependence on foreign suppliers, actively collaborating with our stakeholders and suppliers to build a more sustainable and resilient supply chain.



By working together, we are confident in our ability to create a supply chain that not only meets our business needs but also contributes to the sustainable development of the areas we serve.

Supply Chain Management

Proportion of spending on local suppliers	2021	2022	2023
Metal Division - AMG	89%	76%	76%
Safety Glass Division - AGG	87%	81%	77%



PILLAR NO. 4: GOVERNANCE

Our Group is dedicated to upholding the highest standards of corporate governance, transparency, and accountability. We have implemented robust governance policies and procedures, including a strong code of ethics and conduct, to ensure that our business practices are ethical and legal. We also have a strong commitment to transparency, regularly reporting on our performance and engaging with our stakeholders to promote transparency and accountability throughout our organization. By maintaining strong governance practices, we can build trust and confidence with our stakeholders and create a foundation for sustainable success.



CORPORATE GOVERNANCE

In addition to prioritizing business performance, Ajiya acknowledges the importance of integrity, transparency, and commitment in sustaining the business and enhancing shareholder value. The Board and Management are dedicated to nurturing a positive corporate culture that promotes ethical and professional conduct among all employees.

To ensure robust corporate governance, the Board has established key policies and procedures, including the Code of Ethics and Conduct, Corporate Disclosure Policy, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy. Further details about the Group's corporate governance practices in the financial year 2023 are available in the Corporate Governance Overview Statement in the Annual Report 2023 and the Corporate Governance Report 2023. These efforts underscore the Group's commitment to responsible business practices aligned with its core values and principles.

In FY2023, Ajiya received no fines or censures from regulatory authorities for environmental, socio-economic, corporate governance, or anti-corruption non-compliance or misconduct. The Group recorded zero incidents of corruption, Customer Data Breaches, and Regulatory Non-Compliance. As a policy, all employees are briefed on and required to sign the 'Director and Employee Free Anti-Corruption' declaration. In FY2023, this briefing and declaration were completed by all employees across various categories.



SUSTAINABILITY STATEMENT

Data Privacy and Protection

As of FY2023, we are proud to report zero incident of data breaches, underscoring our commitment to data privacy and protection.

Anti-Fraud, Bribery and Corruption			
Percentage of Employees Received Briefing/Training on Anti-Corruption	2021	2022	2023
All employees were briefed and signed off the "Director and Employee Free Anti-Corruption"	100%	100%	100%
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Confirmed incidents of corruption and action taken	0	0	0

Cyber Security and Customer Privacy	2021	2022	2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0



CATALYZING POSITIVE CHANGE : AJIYA'S COMMITMENT TO SUSTAINABILITY

Ajiya is steadfast in its sustainability journey, evaluating Environmental, Social, and Governance (ESG) performance under the leadership of the Board, Management, and Sustainability Team. With a focus on technology adoption, we aim to improve efficiency and reduce environmental impact, aligning with the Malaysian government's vision for carbon neutrality by 2050.

Embracing technology enhances productivity and cost efficiency while minimizing our environmental footprint. Ajiya actively pursues initiatives such as solar energy adoption and eco-friendly product choices, contributing to a sustainable impact on both the environment and society. As we progress, our commitment remains strong to be a leader in sustainability, creating lasting value for a better future where businesses thrive, communities flourish, and the environment prospers.