

Sustainability Statement

CORE VALUE #3: INTEGRITY



GOVERNANCE

Upholding Ethical Business Practices and High Values on Ethics, Integrity and Compliance

CORPORATE GOVERNANCE



Why It Matters

We believe that upholding good corporate governance is crucial for safeguarding the multifaceted interests of our stakeholders and ensuring that our operations are conducted with integrity, transparency and accountability. Our approach is guided by the principles outlined in the Malaysian Code of Corporate Governance, which emphasises board leadership, effective audit and risk management, and integrity in corporate reporting and meaningful relationship with stakeholders.

Our Approach and Performance

Good Governance Practices

The Board provides strategic leadership for the Group, overseeing the development and implementation of strategic objectives. The Board is entrusted with formulating and regularly reviewing our strategic direction, core values, and management practices. This commitment goes beyond mere compliance, embracing a comprehensive approach that nurtures integrity and ethical conduct.

Aligned with a strong corporate governance culture, we navigate the intricate landscape of industry dynamics with a dedicated resolve to adhere to all relevant laws, rules, and regulations.

Apolitical company

We maintain a nonpartisan stance, unequivocally prohibiting all donations to political parties, organisations, or their representatives. In the past three years, including FY2024, no contributions were made to any political parties, organisations, or their representatives.

Anti-money laundering and anti-terrorism

We adhere to the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 reflecting our commitment to no money laundering and terrorism financing.

Zero tolerance on fraud

We remain resolute in not engaging in any scheme designed to defraud individuals of money, property, or honest services.

Governing gift and hospitality

We acknowledge the significance of cultivating relationships through gifts and hospitality within our business transaction. To proactively prevent any perception of corrupt conduct, we have established stringent restrictions through the Gift, Hospitality, Donation and Sponsorship ("GHDS") Procedure.

Sustainability Statement

Board Diversity

The Board maintains a carefully considered composition that ensures balanced representation and distribution of power and authority. The selection of board members adheres to objective criteria, considering proven skills, merit, and capabilities in their respective fields. By emphasising on diversity across expertise, experience, age, cultural background, gender, and outlook, the Board takes on the role of a dedicated custodian of the business. This deliberate approach results in an effective fusion of entrepreneurial drive, business acumen, and professional expertise, enhancing the overall operational dynamics of the Board and contributing to its multilayered decision-making capabilities.

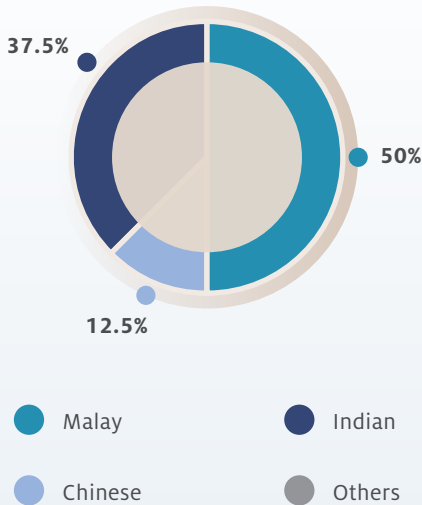
A total of 8 directors in FY2024

FY2023: 7
FY2022: 7

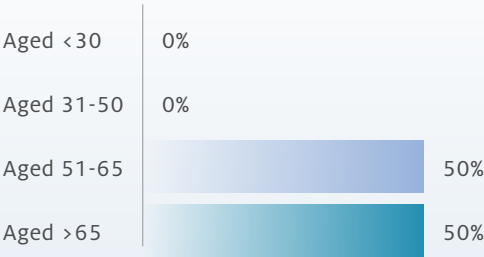
Gender Group



Ethnicity



Age Group



Others represent ethnic groups for Bumiputera Sabah and Sarawak, such as Iban, Dayak, Kadazan, Bidayuh and more.

Sustainability Statement

BUSINESS ETHICS



Why It Matters

Ethics, honesty, and integrity are the cornerstones of our approach to conducting business. We are committed to upholding the highest ethical standards in our workplace, across all business dealings and relationships. This commitment to ethical practices helps us to maintain investor confidence and supports our long-term growth.

Our Approach and Performance


69%

of our operations assessed for corruption-related risks in FY2024

FY2023: **69%**
FY2022: **60%**


All

our directors and employees received anti-bribery and corruption training in FY2024


RM0

of total amount of political contributions made in FY2024


ZERO

number of confirmed incidents of corruption and action taken in FY2024

FY2023: **0**
FY2022: **0**


ZERO

number of workforces disciplined or dismissed due to non-compliance with anti-corruption policy / policies in FY2024

FY2023: **0**
FY2022: **0**


RM0

cost of fines, penalties or settlements in relation to corruption in FY2024

FY2023: **0**
FY2022: **0**

We actively invest efforts in preventing bribery and corruption, demonstrating our commitment to ethical business practices and legal compliance:

Policies and procedures

Deleum has established the following:

- Anti-Bribery Management System
- Anti-Bribery and Corruption Policy
- Anti-Money Laundering and Counter-Financing of Terrorism Guidelines
- Code of Business Conduct
- Conflict of Interest Guidelines
- Gift, Hospitality, Donation and Sponsorship Procedure
- Third-Party Anti-Bribery and Corruption Management Guidelines
- Whistleblowing Policy and Procedure

The establishment of a commitment to prohibit bribery and corruption in the business conduct of the Group is collectively overseen by the Board, BRIC, and MCRC. This encompasses the approval of relevant policies and a meticulous review process to ensure alignment with the Group's legal and ethical obligations

Sustainability Statement

**ISO 37001:2016
Anti-Bribery
Management
System (“ABMS”)**

Deleum Berhad, Deleum Services Sdn. Bhd. and Deleum Technology Solutions Sdn. Bhd. were accredited with ABMS on 27 January 2024

**Zero tolerance
for any kind
of bribery and
corruption**

Deleum adopts a zero-tolerance policy for any form of bribery or corruption, encompassing activities such as offering or taking bribes, double-dealing, illegal transactions, tampering with elections, kickbacks, money laundering, and investor fraud. We strictly adhere to all local and foreign applicable laws, rules, and regulations, including criminal laws, laws combatting bribery, anti-corruption, anti-money laundering, and anti-terrorism. Any attempt or action that could compromise the integrity and accuracy of the Group’s financial reporting is strictly prohibited

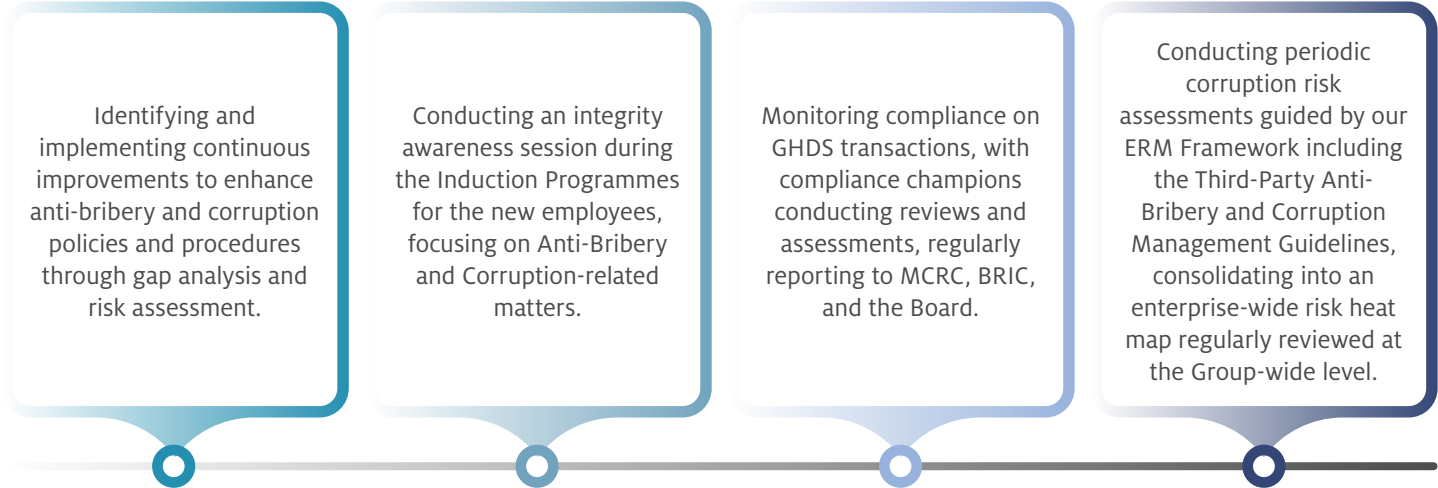
**Zero tolerance on
fraud**

Deleum remains resolute in not engaging in any scheme designed to defraud individuals of money, property, or honest services

Assessing Corruption and Due Diligence

We conducted thorough risk assessments for both existing and prospective projects, as well as prior to engaging new suppliers and contractors. To ensure effective governance and mitigate potential corruption risks, we conduct annual Corruption Risk Assessments across the Group. Additionally, due diligence assessment is performed before engaging new suppliers and contractors to ensure compliance with ethical standards and address corruption-related risks.

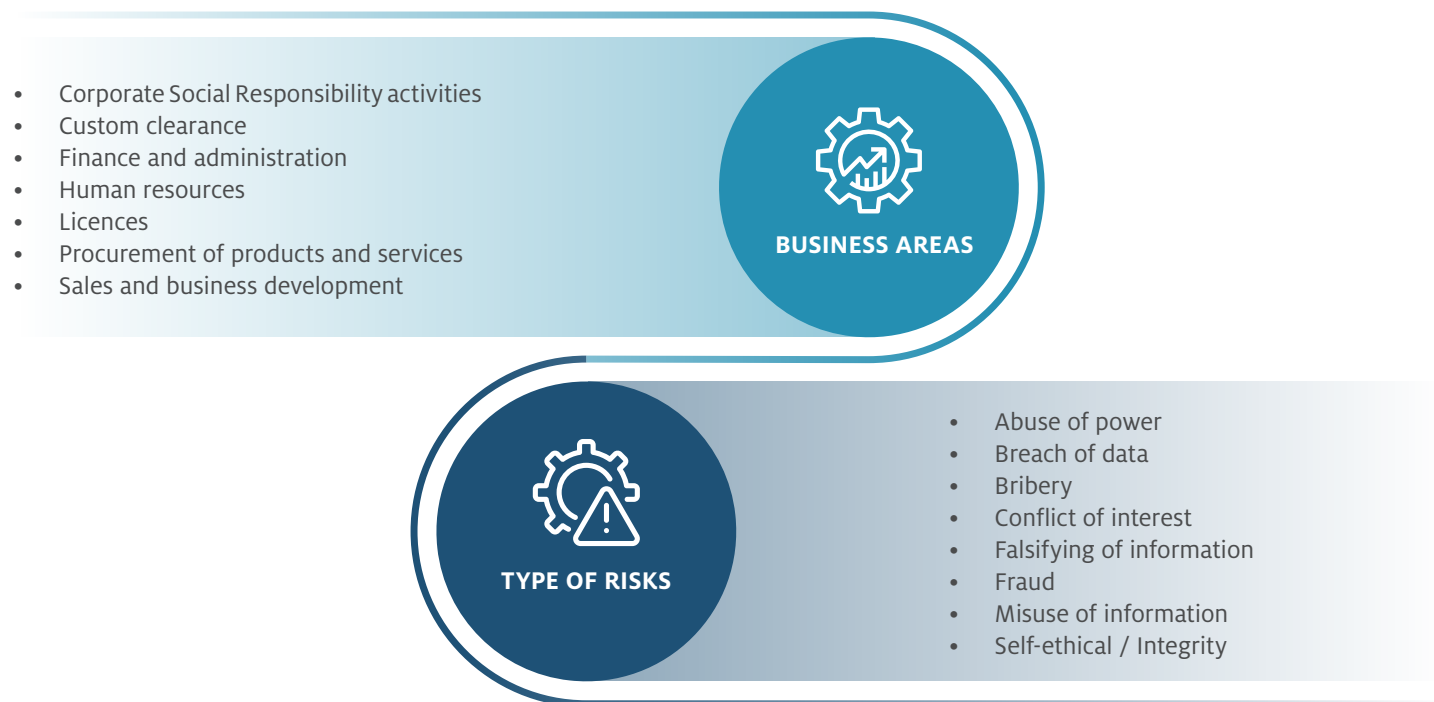
We identified specific areas with significant or high exposures to bribery and corruption risks covering areas like conflict of interest, political relationships, government ties, potential corruption, money laundering, and financing of terrorism by:



To address significant or high risks of bribery and corruption, we have implemented investigation protocols. This entails engaging designated investigators and following a structured process, including case assessment, investigation planning, fact establishment, conducting the investigation, and reporting the results.

Sustainability Statement

The following are the business areas with significant or high exposures of bribery and corruption risks (not listed in any particular order):



Our goal is to ensure a fair, objective, unbiased, and impartial investigation on behalf of the Group, so there will be no abuse of discretion, discrimination, capricious or arbitrary decisions or actions during the process. Individuals with actual, perceived or having potential conflicts of interest are prohibited from participating in the investigation or making judgment calls on corrective actions or appeal procedures.

Whistleblowing Mechanisms

Our Whistleblowing Policy and Procedure allows employees, suppliers, and the public to report any unethical conduct such as bribery, corruption, policy violations, or breaches of applicable laws for investigation. Reports can cover various matters, including financial crimes, harassment, misappropriation of assets, and breaches of health and safety or environmental concerns. Whistleblowers, whose identities are kept and treated confidentially, can submit reports anonymously, and the reports will be addressed without fear of reprisal. Currently, there are two channels to reach us:

1. Email to whistle@deleum.com
The Whistleblowing Committee will have the direct access to this email.
2. Letters/documents/reports (in sealed envelope with labelled "STRICTLY PRIVATE AND CONFIDENTIAL TO BE OPENED BY THE ADDRESSEE ONLY") to be addressed to:

*Whistleblowing Committee Chairman,
C/o Corporate Secretarial Department,
Deleum Berhad
No. 2, Jalan Bangsar Utama 9,
Bangsar Utama,
59000 Kuala Lumpur.*

Sustainability Statement

Anti-Corruption Training and Communication

By educating our stakeholders at all levels, from leadership to frontline employees, we reinforce adherence to ethical standards while fortifying our defences against the detrimental impacts of corruption. We aim to strengthen the culture of transparency, accountability, and ethical conduct, fostering trust among stakeholders and enhancing our resilience against legal, financial, and reputational risks associated with corrupt practices.

	FY2022	FY2023	FY2024
Number of workforces received anti-bribery and corruption training	781	775	1,324
Senior Management	-	36	47
%	-	100%	100%
Junior Management	-	89	115
%	-	100%	100%
Executive	-	252	332
%	-	100%	100%
Non-Executive	-	398	830
%	-	100%	100%

We continuously organise a series of comprehensive anti-corruption related training, learning, and communication sessions tailored for our Board, senior management, and employees. The initiatives included:



Deleum's Integrity Day 2024 conducted on 7 March 2024.



Induction training for all new employees covering the general topic of anti-bribery and corruption, as well as providing an understanding of COBC, COI, and anti-bribery and corruption.

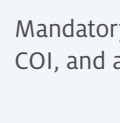


Employees and directors undergo training and awareness sessions on the anti-bribery and corruption related policy

Corruption Risk Assessment Workshop for Business Units and Corporate Resources Functions.



Ongoing Speak-Up and Listen-Up programme: Continuously fostering a culture of open communication and attentiveness to ensure that all voices are heard.



Mandatory annual refresher and assessment on COBC, COI, and anti-bribery and corruption for employees.



Regular communication via digital communication platforms such as the company website, intranet, and emails.

Sustainability Statement

CYBER AND INFORMATION SECURITY



Why It Matters

In this digitalisation era, safeguarding data privacy from any digital security threats is essential to safeguard the level of confidence of our stakeholders in our integrity and system reliability.

Our Approach and Performance

We adhere to the cybersecurity practices outlined in our Cybersecurity Policy. Regular security assessments, including Information, Communication and Technology governance, are carried out by internal and external auditors.

Building on these practices, in FY2024, we conducted an internal audit of our newly implemented Enterprise Resource Planning (“ERP”) system and a comprehensive penetration test to evaluate and enhance our security resilience. We remain committed to ongoing risk assessments to identify opportunities for improvement and strengthen our defences against evolving cyber and information security threats.

In compliance with Malaysia’s Personal Data Protection Act (“PDPA”) requirements, the PDPA Committee oversees the compliance and implementation of PDPA requirements. A designated PDPA Compliance Officer undertakes the implementation of PDPA compliance and reports to the PDPA Committee on its compliance. Our commitment to conventions are reflected in the Personal Data Policy which we expect our employees to follow by not processing personal data regarding third parties, employees, or others unless the necessary steps for compliance are undertaken.

Throughout the year, we have focused on a risk-based approach to identify and manage localised risks through specific actions and mitigations. MCRC and BRIC periodically review our risk management practices in digital transformation and cyber and information security, including personal data protection.



ZERO

number of substantiated complaints concerning breaches of customer privacy and losses of customer data

FY2023: 0
FY2022: 0

Sustainability Statement

SUPPLY CHAIN MANAGEMENT



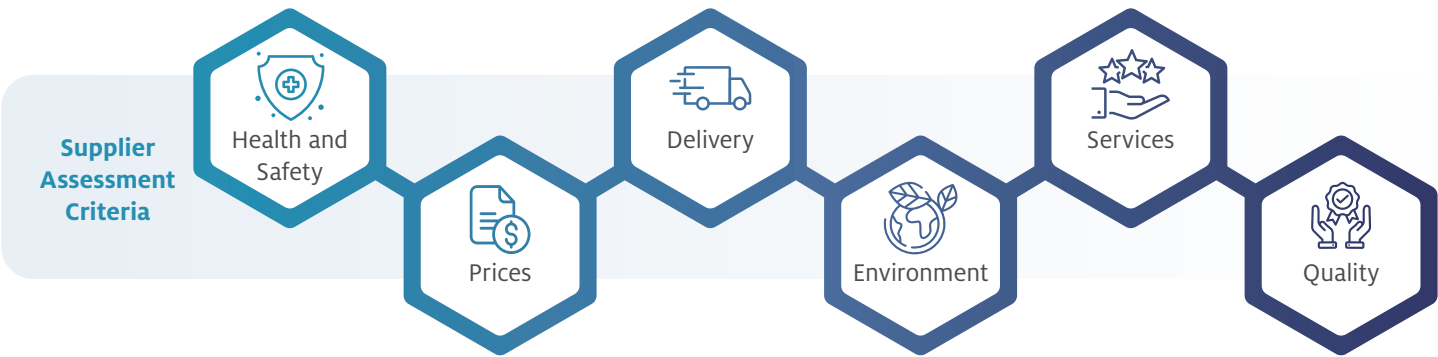
Why It Matters

At Deleum, we are committed to responsible procurement practices by integrating sustainability into our procurement process. We strongly support local businesses and aim to foster economic growth in the communities where we operate. By prioritising these principles, we not only enhance our supply chain’s integrity but also contribute positively to society and the environment.

Our Approach and Performance

Adhering to Ethical Standards

Our procurement practices adhere to the COBC and Group Procurement Policy and Procedure. These guidelines ensure that our suppliers’ adherence to Deleum’s ethical business standards, which include a commitment to zero corruption, minimising environmental impacts, and safeguarding the rights of employees and casual workers as well as zero violation of human rights.



Supporting Local Suppliers

Our suppliers consist of distributors and contractors for sourcing tools and equipment, chemicals and lubricants, labour, spare parts, and services materials among others. As part of our social responsibility and fostering economic growth, we continued our support for local suppliers for values they bring such as lower environmental impact in terms of emission from transportation and the opportunities created for local businesses.

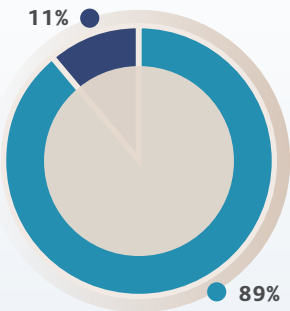
Balancing Local and Foreign Suppliers

Most of our suppliers are locally based, reflecting our commitment to supporting local businesses and fostering economic growth. We increased the local supplier composition from 86% to 89% in FY2024. Our spending on foreign suppliers tends to be higher due to the procurement of specialised products and services from abroad coupled with the impact of foreign currency exchange rates.

Sustainability Statement

Total number of suppliers in FY2024

470 suppliers



● Local:

418 (89%)

Total suppliers:
FY2023: **516 (86%)**
FY2022: **574 (88%)**

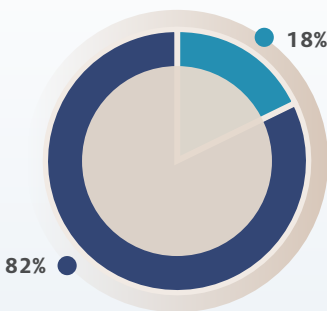
● Foreign:

52 (11%)

Total suppliers:
FY2023: **84 (14%)**
FY2022: **79 (12%)**

Total Procurement spent in FY2024

RM631.6 mil



● Local:

RM112.5 mil (18%)

Past spending:
FY2023: **RM99.5 mil (14%)**
FY2022: **RM83.9 mil (16%)**

● Foreign:

RM519.1 mil (82%)

Past spending:
FY2023: **RM611.8 mil (86%)**
FY2022: **RM429.7 mil (84%)**

Integration of ESG Considerations

In FY2024, Group Supply Chain initiated the integration of ESG considerations into the vendor assessment questionnaire for both new registrations and renewals. This represents our effort towards fostering a sustainable transition in our supply chain.

All new suppliers were evaluated for their environmental policies during the pre-qualification process. We annually visit the business operations sites of our selected major and critical suppliers to review their environmental and social impact, based on the API Q2 (2nd edition) requirements. Our focus includes health and safety, environmental protection activities and commitments, as well as the quality of products and services.

Procurement Awareness Programme

To keep our employees updated with the latest procurement process and procedure, we conducted a procurement awareness programme as a refresher to educate our employees on our latest procurement governance and processes.

