



**Upholding
Ethical
Leadership**

SUSTAINABILITY REVIEW

**Embedding Sustainable,
Innovative Business Practices and
Acting with Integrity**

MATERIAL MATTERS

Governance,
Ethics and
Integrity

Regulatory
Compliance

Economic
Performance

Data Privacy
and Security



Our Performance

GOVERNANCE, ETHICS AND INTEGRITY

Why It Is Important

Governance, ethics, and integrity are fundamental pillars of Malakoff's success. These pillars establish trust with stakeholders, mitigate risks, ensure compliance, safeguard reputation and drive sustainable growth. By adhering to ethical standards and governance principles, we demonstrate accountability, foster a positive work culture and attract stakeholders who value integrity. Ultimately, prioritising governance, ethics and integrity is essential for building a resilient and reputable organisation capable of thriving in today's dynamic business landscape.

Our Approach

Our approach to governance, ethics, and integrity is deeply embedded in our organisational culture, guided by a comprehensive set of policies, frameworks, and guidelines. These serve as the cornerstone of our organisational culture, ensuring transparency, accountability, and adherence to ethical principles. Key components of our approach include:

Aligned with the ISO 37001 standard, our ABMS framework is robust and proactive. We have implemented a suite of policies designed to uphold good governance practices. These include the Anti-Bribery and Anti-Corruption (ABAC) Policy, Corruption Risk Assessment, Internal Compliance Audit Protocol, Gift Policy and Whistleblowing Policy. Each policy plays a vital role in managing bribery risks effectively, thereby safeguarding the integrity of our operations.

KEY COMPONENTS

Anti-Bribery & Corruption Management System (ABMS)

Adequate Procedure (TRUST Principles)

In compliance with Section 17A of the MACC Act, our Adequate Procedure framework is founded on the TRUST Principles. These principles incorporate Top Management Commitment, rigorous Risk Assessment, implementation of Control Measures systematic Review mechanisms and continuous Training initiatives. By adhering to these principles, we ensure a proactive approach to mitigating corruption risks, fostering a culture of integrity and accountability at every level of our organisation.



AIGA 2023 Gold Award for Excellence in Governance and Integrity

We proudly received the Gold Award at the 2023 Integrity, Governance and Anti-Corruption Awards (AIGA 2023), hosted by the esteemed Malaysian Institute of Integrity (MIM). This remarkable achievement underscores Malakoff’s unyielding dedication to governance and integrity, setting a shining example in shaping Malaysia’s global integrity landscape.

Our journey to excellence is illuminated by our steadfast adherence to rigorous standards like the ISO37001 Anti-Bribery Management System (ABMS) and ISO31000 Enterprise Risk Management Guideline certification. Moreover, we have consistently raised the bar for integrity, seamlessly aligning with the National Anti-Corruption Plan, led and guided by our Integrity and Governance Unit.

Our Initiatives

During the year under review, we successfully implemented the following initiatives:

<p>1</p> <p>ABAC AWARENESS PROGRAMME</p>	<p>2</p> <p>CORRUPTION RISK REGISTER ONLINE DATABASE</p>
<p>1 Quarterly sessions raised awareness of anti-bribery and corruption, fostering ethical conduct and enhancing vigilance against corrupt practices.</p>	<p>2 Implemented via the TRICOR System, this centralised database streamlines corruption risk assessment, ensuring systematic identification and mitigation of potential threats.</p>

▶▶ Going Forward

Continuing our commitment to integrity and governance enhancement, we are dedicated to developing of the Malakoff Organisational Anti-Corruption Plan (OACP). This document serves as a cornerstone in our ongoing efforts to address governance challenges and foster a culture of transparency and accountability within our organisation. Aligned with the National Anti-Corruption Plan 2019 – 2023, the OACP outlines comprehensive strategies and measures to combat corruption effectively. By implementing this proactive framework, we aim to strengthen our resilience against corrupt practices, uphold ethical standards, and promote a culture of integrity across all aspects of our operations.

Our Performance

REGULATORY COMPLIANCE

Why It Is Important

We strongly emphasise regulatory compliance, recognising its significance in driving success in our organisation. Adhering to laws and regulations minimises risks, ensures legal compliance and protects our reputation. Furthermore, through a commitment to regulatory compliance, Malakoff demonstrates its dedication to ethical conduct and builds trust with stakeholders, paving the way for sustainable growth in the current regulatory landscape.

Our Approach

In our dedication to regulatory compliance, we have established and followed a robust set of policies, frameworks and guidelines, such as:

Audit and Verification Programmes

Our Anti-Bribery & Corruption Policy highlights our dedication to continually enhancing governance at Malakoff Group. In 2023, we conducted three distinct audit programmes to uphold this commitment:

Third-Party Surveillance Audit

Internal Compliance Audit

Group Internal Audit

These initiatives, guided by our policies and guidelines, enable us to proactively manage regulatory compliance and strengthen our governance structures, fostering trust and transparency in all our operations.

Our Initiatives

During the year under review, we implemented the following initiatives:

Employees who have received training on anti-corruption by employee category

In the year under review, 85% of our 941 Malakoff employees received information and attended training related to anti-corruption.

Employee category	No. of employees who received training on anti-corruption	Percentage of employees who received training on anti-corruption	Initiatives or programmes implemented for anti-corruption training (e.g.: e-module on anti-corruption)
Top Management	4	1%	Anti-Corruption Training Module
Senior Management	30	3%	
Middle Management	203	22%	
Executive	312	33%	
Non-Executive	249	26%	

Communication and training about anti-corruption policies and procedures

We disseminated our anti-corruption policies and procedures to our Board of Directors, employees, and business partners such as suppliers and vendors through various channels, including awareness sessions, posters, banners, and email communications. These efforts aimed to ensure comprehensive understanding and adherence to the company's commitment to combating corruption across all levels and stakeholders within the organisation and its external partnerships.

All relevant stakeholders within the organisation, including the Board of Directors, Top Management, Senior

Management, Middle Management, Executives, and Non-Executive Employees are 100% thoroughly informed about the anti-corruption policies and procedures through various channels such as policy statements, email communication, and the company's intranet. Additionally, all 49% of our business partners have been informed about the anti-corruption policies and procedures through Vendor Day Awareness Sessions. One member of the Board of Directors has received formal training on anti-corruption, representing 11%, which was conducted as part of the On-Boarding Programme.

Operations assessed for risks related to corruption

We assess operations for Malakoff's risks related to corruption by conducting a comprehensive examination of operational activities to identify and mitigate potential corruption risks.

Indicators	2023
Total number of operations	218
Total number of operations assessed for corruption-related risks	218
Percentage of operations assessed for corruption-related risks (%)	100

Confirmed incidents of corruption and actions taken

In 2023, there has been zero number of confirmed incidents of corruption reported within our organisation.

▶▶ Going Forward

We are committed to strengthening our verification, awareness, and enforcement mechanisms to ensure robust adherence to regulatory standards. By prioritising continuous improvement and investing in resources dedicated to compliance, we aim to meet and exceed regulatory expectations, safeguarding our reputation and ensuring sustainable business practices for the future.

Our Performance

ECONOMIC PERFORMANCE

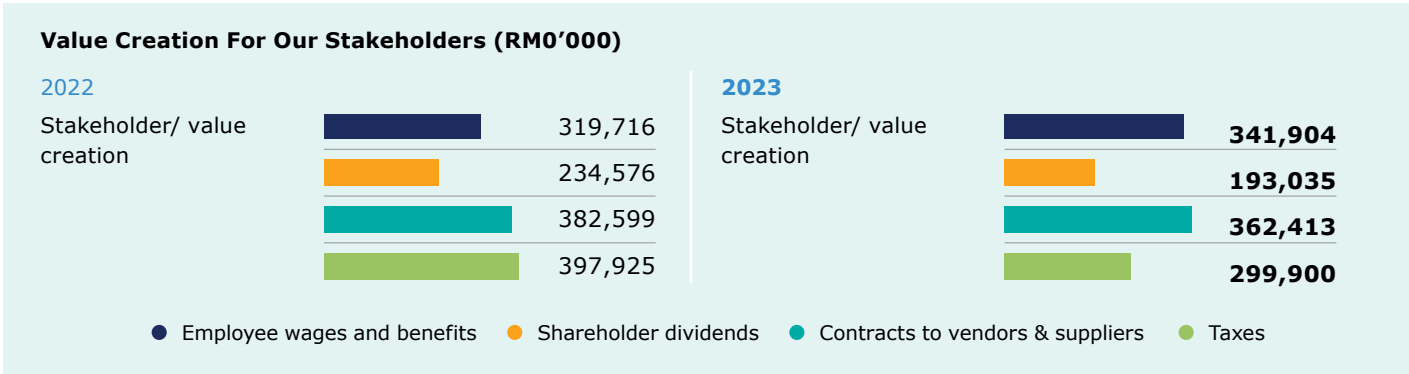
Why It Is Important

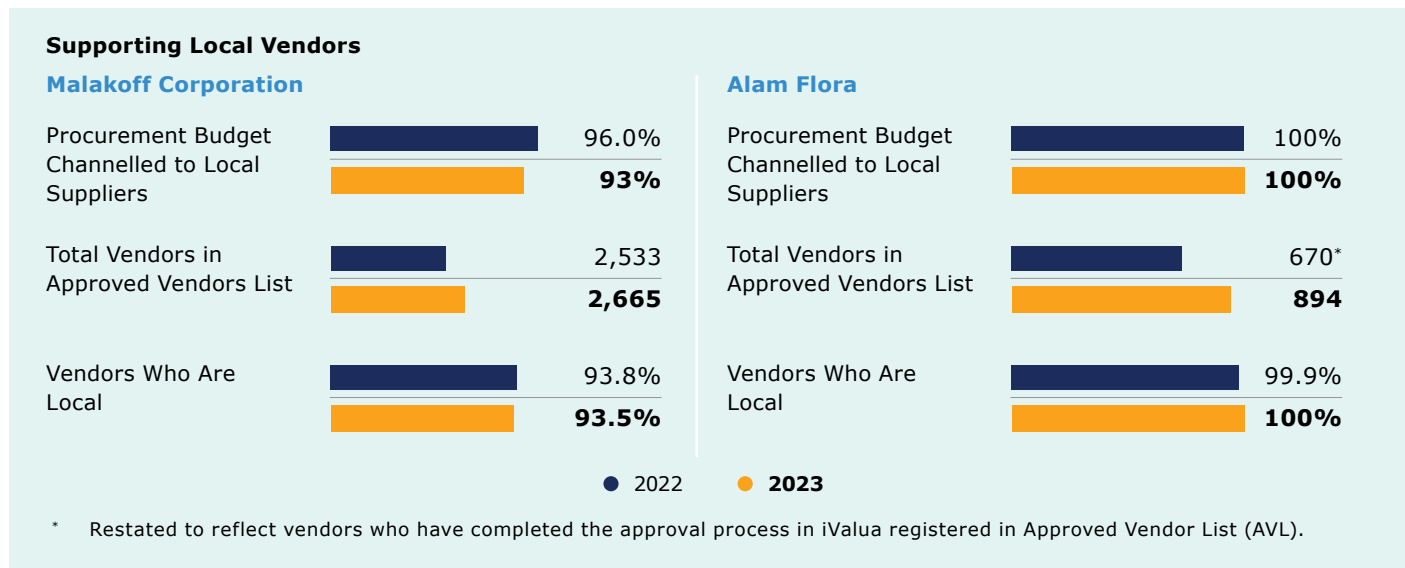
Our commitment to driving economic performance is grounded in its power to stimulate innovation, attract investment, and foster job creation—critical drivers of overall economic growth. We actively prioritise value creation for our stakeholders and underscore local procurement practices’ importance, ensuring prosperity resonates within the communities we serve. Furthermore, we recognise that a resilient economy depends on the seamless flow of essential goods and services. Central to our operational ethos is an unwavering commitment to transparency and ethical conduct in all our vendor interactions. Through these principles, we aim to cultivate strong, mutually beneficial relationships and facilitate equitable processes that benefit all parties involved.

Our Approach

Our Procurement Policy is a robust framework designed to uphold integrity across all our processes. At its core, we prioritise trust-building with our vendors through equitable and transparent subcontracting and procurement methods. We ensure that every transaction is conducted with the utmost integrity. Central to our approach is the steadfast commitment to patronise local suppliers whenever viable, recognising our role as catalysts for sustainable national development. By fostering strong partnerships within our local ecosystem, we bolster the regional economy champion but also ethical business practices on a broader scale.

Our Initiatives





Supplier Environmental And Social Assessment

In 2023, our commitment to sustainability and integrity extends to our assessment of suppliers’ environmental and social practices, as shown below.

<p>Environmental Assessment</p> <p>We are cognisant of the importance of environmental assessment for suppliers in ensuring they are integral to the sustainability of our business. We acknowledge the importance of environmental assessment of our suppliers and ensuring the expected deliverables are met. Towards this end, we will continue our effort to further enhance our requirements and incorporate them into our procurement process with our suppliers.</p>	<p>Social Assessment</p> <p>All of our suppliers are required to comply with our MCB Group’s Code of Conduct. We are cognisant of the importance of social assessment for suppliers in making sure integral to the sustainability of our business. We are committed to Social sustainability efforts, particularly integrity, in all business dealings and stakeholder relationships. Suppliers are required to comply with MCB Group Vendor Code of Conduct, which consists of integrity requirements.</p>
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▶▶ Going Forward

We are committed to ongoing assessments and enhancements of our procurement protocols to ensure optimal outcomes. Additionally, we are dedicated to fostering sustainability and adhering to ESG principles. To support this, in November 2023, a Vendors Day event was held to brief our vendors to help them navigate and adapt to the increasing ESG awareness and preparedness to our requirements.

Our Performance

DATA PRIVACY AND SECURITY

Why It Is Important

Data privacy and security are fundamental for Malakoff, to comply with regulatory frameworks like the Personal Data Protection Act (PDPA) in Malaysia and safeguard sensitive information about our business and stakeholders. Ensuring the confidentiality, integrity, and availability of data is essential for maintaining business continuity and safeguarding our reputation in the industry.

Our Approach

Malakoff adopts a proactive approach towards data privacy and security. We regularly conduct comprehensive risk assessments to identify potential vulnerabilities and threats to our information assets. These assessments enable us to prioritise risks and allocate necessary resources effectively. Our approach is centred around continuous improvement, striving to enhance our controls and mitigate risks to an acceptable level.

Our Initiatives

To address data privacy and security concerns effectively, Malakoff has implemented several key initiatives:



1

This platform enables us to manage and secure mobile devices, applications, and data to prevent unauthorised access and ensure compliance with security policies.

2

We conduct regular training sessions and awareness programmes to educate our employees about cybersecurity best practices, including identifying phishing attempts, safeguarding sensitive information, and recognising potential security threats.

3

This initiative adds an additional layer of security by alerting employees about emails from external senders, reducing the risk of falling victim to email-based attacks.

4

We conduct regular vulnerability assessments and penetration tests to identify and remediate potential security weaknesses in our systems and infrastructure. This ensures robust protection against cyber threats.

5

Malakoff's Information Security Policy defines the security controls that must be implemented to protect our information assets from unauthorised access, disclosure, alteration, and destruction. This policy is a foundation for our data privacy and security initiatives, ensuring consistency and adherence to best practices.

In 2023, we have had no substantiated complaints concerning breaches of customer privacy or losses of customer data. This achievement reflects our commitment to maintaining high standards of data privacy and security across all aspects of our operations.

Malakoff remains steadfast in its commitment to ensuring the confidentiality, integrity, and availability of data through proactive measures, continuous improvement, and robust initiatives aimed at mitigating risks and safeguarding our stakeholders' interests.