

SUSTAINABILITY STATEMENT

About this Report

AIMFLEX Berhad ("AIMFLEX" or "the company") is honoured to present our Annual Sustainability Statement for the financial year ending 31 December 2024 ("FY2024"). This Statement provides an overview of the Group's sustainability performance during the period 1 January 2024 to 31 December 2024.

Scope and Basis of Scope

This Statement covers the Group's sustainability performance and progress of our business operations in Malaysia, and selected geographical locations we operate in, namely Singapore.

The following has been excluded from the reporting scope:

- Operations in the Philippines, as it consists solely of a sales office with minimal impact on the Group's overall sustainability performance and progress.

Moving forward, we are committed to expanding our reporting coverage to include all significant geographical locations where the Group operates within the next three years.

SUSTAINABILITY GOVERNANCE

AIMFLEX remains unwavering in its commitment to advancing excellence in Specialised Automation Machines, continuously driving innovation and operational proficiency. With a strategic focus on sustainable, long-term growth, the mission extends beyond financial prosperity to the creation of lasting value and meaningful impact for a broad spectrum of stakeholders. At the core of this vision is an unrelenting dedication to embedding sustainability into the organisation's strategic foundation, ensuring resilience, responsibility, and sustained progress.

The Board of Directors serves as the guiding force in steering the company towards sustainable development, providing strategic oversight and ensuring that business strategies are both holistic and future-proof. Their role encompasses setting the strategic direction, overseeing risk management across the Group, and championing sustainability across environmental, economic, and social dimensions.

Within the Group Management structure, comprising the Group Managing Director, Senior Management, and Department Heads, the responsibility lies in formulating and executing sustainability strategies. This includes establishing tailored objectives, defining measurable goals, and integrating responsible business practices that align with the organisation's core values and long-term aspirations.

The operationalisation of these strategies is driven by key committees, including Quality, Environment, Safety & Health and Corporate Social and Environmental Responsibility (CSER). Under the leadership of the Managing Director, Senior Management, and appointed Management Representatives, these committees play a vital role in implementing sustainable initiatives, fostering organisational awareness, and engaging stakeholders in meaningful ways. Their collective efforts ensure that sustainability is deeply embedded across all facets of the business, reinforcing AIMFLEX's commitment to responsible growth and long-term value creation.

SUSTAINABILITY GOVERNANCE Cont'd



SUSTAINABILITY POLICIES

AIMFLEX has made significant strides in advancing its sustainability agenda, demonstrating a steadfast commitment to responsible and ethical business practices. The Group's sustainability framework is underpinned by a robust set of policies, including the Environmental Management System, Quality Management System, Occupational Safety & Health, and Corporate Social and Environmental Responsibility policies. These guiding principles form the foundation of AIMFLEX's sustainability initiatives and are readily accessible on the corporate website at www.aimflex.com.my.

To ensure the continued effectiveness and relevance of these commitments, these policies undergo regular implementation and systematic reviews. This proactive approach enables the Group to maintain alignment with evolving sustainability objectives, industry best practices, and regulatory standards, reinforcing its dedication to long-term responsible growth.

Beyond environmental and operational sustainability, AIMFLEX upholds the highest ethical standards by endorsing the Universal Declaration of Human Rights—a commitment deeply embedded in both corporate governance and the Federal Constitution of Malaysia. This pledge underscores an unwavering advocacy for fairness, equality, and inclusivity, ensuring that employees are treated with dignity and respect, regardless of gender, nationality, race, religion, or cultural background. Through this principled approach, AIMFLEX continues to foster a workplace culture that prioritizes diversity, equity, and ethical excellence, reinforcing its position as a responsible global corporate citizen.

SUSTAINABILITY COMMITMENTS AND TARGETS

AIMFLEX is committed to fostering a sustainable future while actively contributing to the social, economic, and environmental well-being of the communities in which it operates. Through a strategic and responsible approach, the Group integrates sustainability into its core business practices, ensuring long-term value creation and positive societal impact.

In alignment with this commitment, AIMFLEX has strategically aligned its sustainability objectives with the United Nations Sustainable Development Goals (UNSDGs), focusing on key priority areas that drive meaningful and measurable progress:

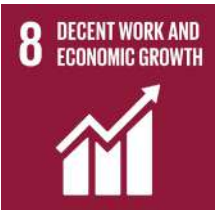
SUSTAINABILITY STATEMENT CONT'D

SUSTAINABILITY COMMITMENTS AND TARGETS Cont'd

UNSDG OBJECTIVES	TARGET	STATUS
	1. Ensure fair wages for all employees as per the Minimum Wage Order. 2. Create sustainable employment opportunities to support economic growth.	1. Full compliance with the Minimum Wage Order across all employee levels. 2. AIMFLEX creates employment opportunities for both local and foreign talent through structured workforce initiatives.
	1. Ensure all employees receive appropriate Personal Protective Equipment (PPE) at no cost to enhance workplace safety. 2. Implement measures to minimize occupational hazards and create a safer working environment. 3. Conduct regular Emergency Response and First Aid training to enhance workplace preparedness and employee safety. 4. Provide comprehensive medical benefits to support employee health and well-being.	1. All personnel are provided with free Personal Protective Equipment (PPE) to ensure workplace safety and compliance. 2. Regular awareness programs and risk assessments are conducted to enhance occupational health and safety. 3. All personnel are required to attend Emergency Response and First Aid training, which is conducted at least once a year. 4. High-risk areas are monitored through Noise Risk Assessments, Audiometric Testing, Boundary Noise Measurement, and Chemical Exposure Monitoring. 5. Drinking water quality is monitored following the Food Act 1983. 6. AIMFLEX provides subsidized medical check-ups, medical expenses, and dental care. Additionally, the Group offers comprehensive insurance coverage, including Medical Cards, Personal Accident, and Life Insurance for all personnel.
	1. Offer scholarships to support higher education and promote lifelong learning opportunities. 2. Implement continuous training and development programs to enhance skills, knowledge, and career growth.	1. Eligible employees are encouraged to further studies in related fields from accredited Universities. In 2024, four (4) personnel were fully sponsored scholarships to pursue their Bachelors and PhD's. 2. AIMFLEX actively upskills its workforce by providing training across various job disciplines, leveraging the Human Resource Development Corp Fund and internally allocated resources to support continuous learning and professional growth.

SUSTAINABILITY STATEMENT CONT'D

SUSTAINABILITY COMMITMENTS AND TARGETS Cont'd

UNSDG OBJECTIVES	TARGET	STATUS
 5 GENDER EQUALITY	1. Ensure paid maternity and paternity leave to support work-life balance and gender-inclusive workplace policies. 2. Uphold a zero-tolerance policy towards sexual harassment, fostering a safe and respectful work environment.	1. Paid maternity and paternity leave is provided to all eligible employees, supporting work-life balance and family well-being. 2. The Code of Conduct, including a formal grievance procedure, is implemented to uphold ethical standards and ensure a safe, respectful workplace.
 6 CLEAN WATER AND SANITATION	1. Ensure access to safe drinking water, sanitation, and hygiene facilities for all personnel.	1. Annual assessments of drinking water quality are conducted in compliance with the Food Act 1983. 2. Handwashing facilities are maintained to ensure adequate access to proper hygiene. 3. Sanitation facilities are regularly monitored, maintained, and kept in optimal working condition.
 8 DECENT WORK AND ECONOMIC GROWTH	1. Sustainability and Certification. 2. Ensure equal pay for work of equal value, promoting fairness and inclusivity in the workplace. 3. Enforce strict policies prohibiting child and forced labour, ensuring ethical employment practices.	1. AIMFLEX is certified under the Quality Management System ISO 9001:2015 and the Environmental Management System ISO 14001:2015, ensuring compliance with international standards for quality and sustainability. 2. Equal pay practices are upheld without discrimination, with salaries determined based on established guidelines that consider education, skills, and experience. 3. Child labour is strictly prohibited in accordance with the Child Labour and Remediation Policy. The Group fully complies with Malaysian Labour Laws, ensuring fair wages, regulated working hours, proper overtime compensation, and the elimination of forced labour.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	1. Expand access to information and communications technology, aiming to provide universal and affordable internet access.	1. The majority of AIMFLEX personnel are equipped with laptops and/or desktop computers to facilitate daily tasks and communication. The Group is committed to providing stable internet access to ensure seamless workflow. 2. Employees residing in company dormitories are provided with complimentary Wi-Fi connectivity, enhancing their access to online resources and communication tools.

SUSTAINABILITY STATEMENT CONT'D

SUSTAINABILITY COMMITMENTS AND TARGETS Cont'd

UNSDG OBJECTIVES	TARGET	STATUS
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1. Reduce waste generation through prevention, reduction, recycling, and reuse initiatives.	1. In 2024, AIMFLEX recycled 9.338 metric tonnes of waste by partnering with a certified recycling company. Materials recycled include paper, cardboard, steel, acrylics, aluminum, and other metals.
	2. Transition to battery-powered machinery to replace diesel engines, minimizing environmental impact.	2. The Group has invested in two battery-powered forklifts to replace diesel-powered equipment, reducing emissions within factory operations.
	3. Decrease paper usage by implementing digital solutions and promoting paperless workflows.	3. AIMFLEX promotes paper conservation by encouraging double-sided printing, limiting printing to essential documents, and adopting digital solutions such as e-payslips and online claim submissions.
	4. Adopt energy-efficient equipment and lighting systems to reduce energy consumption.	4. Energy-efficient air conditioners and LED lighting have been installed to reduce energy consumption across facilities.
 13 CLIMATE ACTION	1. Increase actions to combat climate change	1. AIMFLEX has increased recycling activities, resulting in the recovery of 9.338 metric tonnes of materials in 2024.
		2. The company has invested in energy-efficient equipment, including battery-powered forklifts and LED lighting, to reduce energy consumption.
		3. Regular monitoring of waste generation, energy usage, and water consumption is conducted to identify areas for improvement and implement conservation measures.
		4. Environmental objectives are continuously monitored to ensure alignment with sustainability goals and regulatory compliance.

SUSTAINABILITY STATEMENT CONT'D

STAKEHOLDERS ENGAGEMENT

Stakeholder engagement remains a cornerstone of value creation, recognizing the ever-evolving expectations of stakeholders in an increasingly complex corporate environment. As the business landscape undergoes continuous transformation, proactive and meaningful engagement has become more critical than ever. It serves as a strategic avenue to keep stakeholders informed of the organization’s initiatives in addressing emerging challenges and market disruptions that impact business sustainability.

In an era of heightened corporate complexity, stakeholder involvement is not merely the best practice but an essential pillar of transparency and responsible governance. By fostering active engagement, the organization cultivates open and constructive dialogue, ensuring that stakeholders are integral to the decision-making process. This approach strengthens trust, enhances accountability, and enables stakeholders to stay well-informed about the strategic measures undertaken to navigate uncertainties and drive sustainable long-term growth.

EMPLOYEES

Expectations & Concerns:

Employees anticipate a workplace that ensures their safety and security while offering avenues for professional growth and development.

Our Responses:	Methods of Engagement:
- Foster a culture of open communication to solicit employee insights. - Implement robust performance assessment metrics. - Integrate training programs with recognition and reward systems. - Enforce comprehensive health and safety protocols. - Enhance commitment to safety and Environmental, Social, and Governance (ESG) principles.	- Company organised events. - Direct communication channel. - Performance review. - Training and development. - Conflict of Interest Policy - Personal Data Protection Act Policy. - Employee Non-Disclosure Agreement. - Employee Satisfaction Survey.

Impact on the Group:

Impact on the Group: Creates a competent and efficient workforce while encourages employee retention and in turn add value to the Group.

SUSTAINABILITY STATEMENT CONT'D

STAKEHOLDERS ENGAGEMENT Cont'd

CUSTOMERS

Expectations & Concerns:

Our customers expect us to possess advanced technology, innovative expertise, and comprehensive knowledge. They anticipate full compliance with relevant standards, unwavering product quality, exceptional after-sales service, and competitive pricing.

Our Responses:

- Implement a Quality Management System to enhance manufacturing processes.
- Apply effective project management practices to ensure successful outcomes.
- Promote continuous learning and improvement among team members.
- Participate in industry exhibitions to showcase innovations and connect with peers.
- Conduct customer feedback surveys to gather insights and improve services.
- Align with customers' Corporate Social and Environmental Responsibility expectations.
- Adhere to Health, Safety, and Environment laws, taking proactive measures as feasible.

Methods of Engagement:

- Face-to-face meetings and discussions.
- Customer satisfaction Survey.
- Virtual Meeting Support.
- Customer Audits.
- On-Site Visits.

Impact on the Group:

Maintaining high-quality standards is essential for fostering customer loyalty and retention.

SHAREHOLDERS AND THE INVESTING PUBLIC

Expectations & Concerns:

Shareholders anticipate that the company augment sustainable value creation and return on investment while delivering transparent performance information.

Our Responses:

- Cultivate investor relations.
- Ensure operational transparency.
- Develop a risk management function.
- Enhance management skills.

Methods of Engagement:

- Quarterly financial results.
- Annual & Extraordinary General Meetings.
- Announcements.
- Annual report.
- Ad-hoc meetings and correspondence.
- Corporate website.

Impact on the Group:

Enhancing revenue while effectively managing expenses is crucial for achieving sustainable profits and dividends. Maintaining strong financial health and adhering to sound reporting practices are essential for fostering investor trust and preference.

SUSTAINABILITY STATEMENT CONT'D

STAKEHOLDERS ENGAGEMENT Cont'd

VENDORS, SUPPLIERS AND CONTRACTORS

Expectations & Concerns:

Vendors, suppliers, and contractors expect the Group to conduct business professionally, ensuring prompt payments, safe operations, and an ethical business environment.

Our Responses:

- Ensure prompt payments, equitable business opportunities, and uphold an ethical business environment.
- Evaluate supplier performance.
- Strengthen focus on safety and Environmental, Social, and Governance (ESG) practices.

Methods of Engagement:

- Supplier qualification and background checks.
- Yearly vendor, supplier and contractor performance evaluation.
- Regular feedback on performance.
- Supplier Audit.
- Visitor Non-Disclosure Agreement.

Impact on the Group:

Building strong partnerships with our vendors, suppliers, and contractors, rooted in integrity, is vital for a transparent and cost-effective procurement process. This approach leads to sustainable outcomes and ensures the delivery of high-quality services.

GOVERNMENT, REGULATORY AUTHORITIES AND CERTIFICATION BODIES

Expectations & Concerns:

Regulatory authorities expect the Group to comply with applicable laws, standards, certifications, and contractual obligations.

Our Responses:

- Uphold exemplary standards of governance, ethics, and compliance.

Methods of Engagement:

- Conduct quarterly Environmental, Health, and Safety assessments.
- Perform regular site inspections and audits.
- Provide ongoing development for the Board of Directors through various seminars, training sessions, and certification programs.
- Conduct internal and external audits.
- Undertake biannual regulatory reviews.
- Offer seminars, briefings, and training for all employees.

Impact on the Group:

Overall business continuity.

LOCAL COMMUNITIES

Expectations & Concerns:

The local community expects the Group to provide employment and business opportunities, as well as to make positive contributions as a responsible corporate citizen.

Our Responses:

- Prioritize local hiring and ensure safe operations through regular environmental monitoring and effective waste management.
- Engage consistently with the community via Corporate Social Responsibility programs.

Methods of Engagement:

- Sponsorships and support for charitable and welfare programmes.
- Industrial training.
- Accept University/Industry visits.
- Organise Corporate Social Responsibility programmes.

Impact on the Group:

Establishing a reputation as a benevolent, accessible, accountable, and proactive organization will enhance our standing within the community, thereby ensuring the business's long-term sustainability.

SUSTAINABILITY STATEMENT CONT'D

MATERIAL ASSESSMENT

AIMFLEX recognizes that a broad range of economic, environmental, and social factors significantly impact its ability to generate value for stakeholders. By gaining a deep understanding of stakeholder expectations and priorities, the Group can effectively identify and focus on key issues that are most relevant to both stakeholders and the organization.

In FY2024, the Group's key focus areas remained closely aligned with those identified in FY2023, following a comprehensive internal materiality assessment.

The identification of material matters was conducted in strict adherence to the Sustainability Reporting Guide issued by Bursa Malaysia, ensuring compliance with best practices in sustainability disclosure.

Additionally, the Group closely examined global industry trends and benchmarked against best practices advocated by leading industry organizations, reinforcing its commitment to sustainable business practices and value creation.



SUSTAINABILITY STATEMENT CONT'D

ECONOMICS

At AIMFLEX, we uphold an unwavering commitment to conducting our business with the highest standards of integrity, ethical responsibility, and regulatory compliance. Our operations are guided by a robust governance framework that ensures full adherence to all applicable laws, industry regulations, and international best practices. Beyond mere compliance, we integrate ethical decision-making into our strategic and operational processes, fostering a corporate culture where transparency, accountability, and responsible business practices drive sustainable growth. Through this steadfast commitment, AIMFLEX not only strengthens stakeholder confidence but also reinforces its role as a responsible corporate entity, creating long-term value for our employees, partners, and the broader community.

Material Matter	Impact on AIMFLEX	AIMFLEX's Response to the Matter	Stakeholder Groups Affected
Ethics, Integrity & Conducts	Creating an AIMFLEX culture and mindset	- Enforce policies including the AIMFLEX Code of Conduct, Whistleblower Policy, and Anti-Bribery & Corruption Policy. - Adopt a zero-tolerance stance against discrimination, sexual harassment, child and forced labour, and unethical business practices. - Safeguard privacy through Non-Disclosure Agreements.	Employees, Customers, Shareholders and the Investing Public, Vendors, Suppliers and Contractors, Local Communities
Legal & Regulatory Compliances	Reputation	- Ensure compliance with applicable regulatory requirements. - Engage with government authorities for timely license renewals.	Employees, Customers, Shareholders and the Investing Public, Vendors, Suppliers and Contractors, Government, Regulatory Authorities and Certification Bodies
Corporate Governance and Transparency	Enterprise Risk Management	- Integrate a risk-aware and compliance-focused culture throughout all departments and subsidiaries. - Conduct regular audits by both internal and external auditors. - Provide risk awareness briefings and training sessions.	Employees, Shareholders and the Investing Public
Commitment towards Quality	Consistently conforms to customer requirements through the pursuance of top of the class products, processes and management quality development	- Maintain the ISO 9001:2015 Quality Management System, accredited by the United Kingdom Accreditation Service (UKAS) and the Department of Standards Malaysia (DSM). - Implement the 5S methodology (Sort, Set in Order, Shine, Standardize, Sustain) to enhance workplace organization and efficiency.	Employees, Vendors, Suppliers and Contractors, Government, Regulatory Authorities and Certification Bodies

SUSTAINABILITY STATEMENT CONT'D

ECONOMICS Cont'd

Grievance Procedure

Recognizing the fundamental importance of a fair and inclusive workplace, AIMFLEX established a structured Grievance Procedure in 2018 to empower employees with a transparent and effective channel for raising concerns. This mechanism enables personnel to formally lodge grievances with their respective Supervisor or Head of Department, ensuring that every concern is addressed with diligence, impartiality, and confidentiality. Our commitment to prompt resolution is reflected in our structured response framework, which ensures that all grievances are assessed and acted upon within a defined timeline of five (5) to twelve (12) working days, depending on the complexity and severity of the issue. Through this initiative, AIMFLEX upholds its dedication to fostering a workplace culture of trust, respect, and continuous improvement, where every employee's voice is valued and safeguarded.

Whistleblower Policy & Procedure

AIMFLEX remains steadfast in its commitment to fostering an ethical, transparent, and accountable corporate environment. As part of this dedication, we have continuously strengthened our governance framework to align with global best practices. Since the introduction of our Whistleblower Policy and Procedure in year 2020, we have enhanced accessibility and confidentiality safeguards, ensuring that all stakeholders including employees, business partners, and the wider community can securely report any instances of unethical behavior, fraud, or misconduct through a dedicated and protected communication channel (whistleblowing@aimflex.com.my). This proactive measure reinforces our zero-tolerance stance on corruption and misconduct, promoting a culture where integrity is not just encouraged but deeply embedded in our corporate ethos. Through continuous improvement and rigorous oversight, AIMFLEX upholds its responsibility to maintain the highest standards of corporate governance and ethical conduct.

Code of Conduct

At AIMFLEX, our Code of Conduct stands as a foundational pillar, shaping a corporate culture rooted in integrity, ethical responsibility, and unwavering compliance with all applicable laws and regulations. In February 2022, we undertook a comprehensive revision of the Code, reinforcing its role as a dynamic framework that adapts to evolving governance expectations and industry best practices. This enhancement reflects our steadfast dedication to fostering exemplary business conduct, ensuring that every decision and action within our organization aligns with the highest standards of transparency, accountability, and corporate responsibility. By embedding these principles into our daily operations, we cultivate a resilient and ethically driven workforce, strengthening stakeholder trust and long-term sustainability.

The Group's Code of Conduct spells out six (6) main pillars and sub-pillars namely:-

-
- i. Duties of Good Faith, Intelligence and Integrity
 - Compliance with Laws, Rules and Regulations
 - Corporate Responsibility including compliance to the conflict minerals requirements
 - Anti-Bribery and Corruption
 - Offering Business Courtesies
 - Money Laundering
 - Insider Information and Securities Trading
 - Political Activities
 - Conflict of Interest
-
- ii. Workplace Culture and Environment
 - Discrimination and Harassment
 - Sexual Harassment
 - Forced Labour
 - Child Labour
 - Grievance Procedure
 - Health and Safety
 - Drugs and Alcohol
-

SUSTAINABILITY STATEMENT CONT'D

ECONOMICS Cont'd

Code of Conduct Cont'd

iii. Protecting the Group Information and Assets

- Record Keeping
- Protection and Proper use of Assets
- Company Funds
- Information Technology
- Confidential Information and Data Privacy
- Social Media
- Public Disclosure and Public Information

iv. Professionalism

v. Accountability

vi. Whistleblowing Channel

For more details on our Policies and Procedures, visit our corporate governance page at <https://www.aimflex.com.my/corporate-governance.html>.

ENVIRONMENT

AIMFLEX is deeply committed to its environmental responsibilities, recognizing the impact of our operations. Through a thorough understanding of these effects, we proactively mitigate risks and continuously refine our sustainability practices to drive positive change.

Material Matter	Impact on AIMFLEX	AIMFLEX's Response to the Matter	Stakeholder Groups Affected
Environmental Monitoring	Compliance to the Environment Quality Act	Comprehensive environmental monitoring, transparent disclosures, and robust management policies integrated within our sustainability-driven management system.	Employees, Customers, Shareholders and the Investing Public, Vendors, Suppliers and Contractors, Local Communities.
Commitment towards the Environment	Conformance to the Sustainability of the business through implementation of Environmental Management System	- Maintaining ISO 14001:2015 Environmental Management System accreditation under UKAS (United Kingdom Accreditation Service) and DSM (Department of Standards Malaysia) to ensure compliance with international environmental standards. - Integrating environmental considerations and impact assessments into the Group's decision-making processes and operational activities to drive sustainable business practices.	Employees, Vendors, Suppliers and Contractors, Government, Regulatory Authorities and Certification Bodies, Local Communities

ENVIRONMENT Cont'd

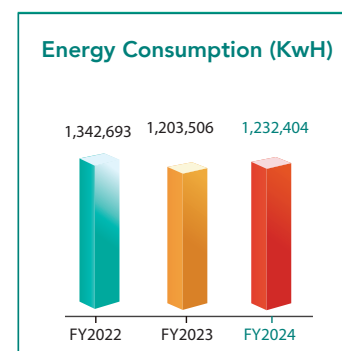
Legal & Regulatory Compliance	Reputation	• Strict adherence to all relevant environmental regulations and compliance requirements. • Active engagement with key government authorities, including: i. Department of Environment (DOE) ii. Department of Occupational Safety & Health (DOSH) iii. BOMBA iv. Local Governments i.e. Majlis Bandaraya Iskandar Puteri, Majlis Perbandaran Kulai and Majlis Bandaraya Johor Bahru	Employees, Customers, Shareholders and the Investing Public, Vendors, Suppliers and Contractors, Government, Regulatory Authorities and Certification Bodies
--	-------------------	---	--

Energy and Water

AIMFLEX is committed to conserving energy and water resources through proactive initiatives that promote efficiency and sustainability.

Our efforts include:

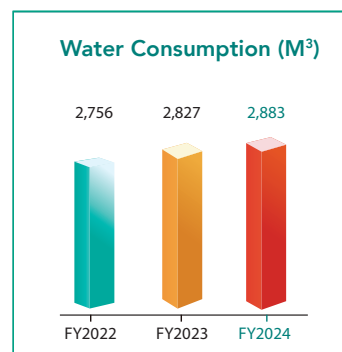
- Encouraging employees to switch off lights, computers, air-conditioning, and other electrical appliances during lunch breaks, after working hours, and when not in use.
- Adopting energy-efficient appliances and transitioning to LED lighting to reduce energy consumption.
- Promoting water conservation through employee education, reusability initiatives, and mindful water usage, particularly in cleaning activities.
- Installing timers for lighting and air-conditioning to optimize energy usage and reduce waste.
- Monitoring monthly utility consumption to identify opportunities for improvement and enhance resource efficiency.



Through these measures, AIMFLEX reinforces its commitment to responsible resource management, reducing environmental impact, and fostering a culture of sustainability.

AIMFLEX recognizes that responsible water management is essential to long-term environmental sustainability and operational efficiency. While water consumption does not constitute a significant portion of our manufacturing costs, we remain steadfast in our commitment to sustainable resource stewardship. As part of our broader environmental strategy, we actively seek to enhance water conservation practices by implementing efficiency-driven initiatives, promoting awareness among employees, and continuously exploring innovative solutions to minimize water wastage. By integrating responsible water management into our operations, AIMFLEX reinforces its dedication to environmental sustainability, ensuring the preservation of this vital resource for future generations.

While AIMFLEX remains committed to sustainable resource management, we acknowledge an increase in both energy and water consumption for the year 2024. This rise is attributed to several operational changes, including the addition of new machinery, the implementation of night shift operations, and facility renovations carried out over the past year. These developments, while essential for business growth and efficiency, have contributed to higher resource usage. Recognizing this, we are actively refining our sustainability strategies to optimize energy and water consumption through enhanced efficiency measures, technological upgrades, and continuous monitoring. Our commitment to responsible resource management remains steadfast as we strive to balance operational expansion with environmental sustainability.



SUSTAINABILITY STATEMENT CONT'D

Waste Management

Scheduled Wastes

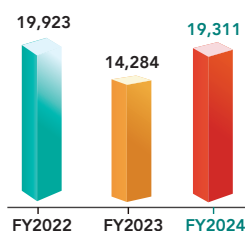
As part of our operations, the Group generates a significant volume of Scheduled Wastes, which are managed with strict adherence to the Environmental Quality Act (Scheduled Waste) Regulations 2005. We are committed to ensuring responsible waste disposal practices that align with regulatory requirements, minimizing environmental impact, and enhancing sustainability efforts.

Below is a detailed breakdown of the types and total quantities of Scheduled Wastes generated:

SW 102 – Acid Battery
 SW 103 – Lithium Battery
 SW 104 – Solder Dross
 SW 110 – Electric & Electronic Wastes
 SW 306 – Spent Hydraulic Oil
 SW 307 – Spent Coolant
 SW 322 – Spent Thinner
 SW 404 – Discarded Pathogenic & Clinical Waste
 SW 409 – Contaminated Container
 SW 410 – Contaminated Rags
 SW 416 – Sludges of inks, paints, pigments
 SW 417 – Waste of Coating Powder
 SW 418 – Discarded Paint
 SW 422 – Waste of chip mixed with coolant

In FY2024, the total generation of Scheduled Wastes has increased, primarily due to a rise in production activities. While this growth reflects our expanding operations, we remain committed to stringent waste management practices, ensuring compliance with regulatory standards and continuously exploring ways to enhance efficiency and minimize waste generation wherever possible. Our focus remains on sustainable production strategies that balance operational growth with environmental responsibility.

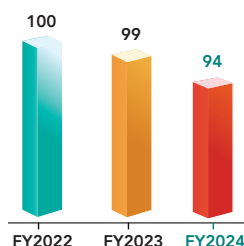
TOTAL GENERATED SCHEDULED WASTES (MT)



General Wastes

AIMFLEX recognizes the environmental impact of non-recyclable waste generated daily and remains committed to reducing general waste as part of our long-term sustainability objectives. In line with our Environmental Objective for 2024, we continue to implement both existing and innovative waste reduction initiatives. However, in FY2024, a slight increase in general waste was recorded, largely due to expanded operational activities. Acknowledging this, we are strengthening our waste management strategies, enhancing recycling efforts, and optimizing resource usage to align with our commitment to minimizing waste and promoting environmental responsibility.

TOTAL GENERATED WASTES (MT)

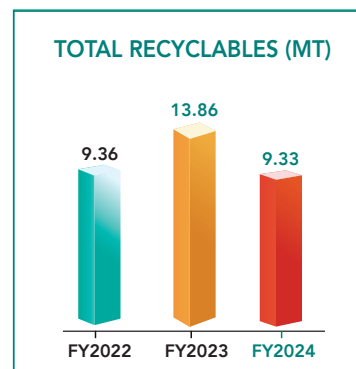


SUSTAINABILITY STATEMENT CONT'D

Recyclable Items

As part of AIMFLEX's sustainability goals, all recyclable items generated are systematically segregated and recycled through a designated recycling company, with collections scheduled periodically. The Group's recyclable materials include paper, cardboard boxes, steel, acrylics, and aluminum metals.

However, in FY2024, there has been a decline in the volume of recyclable items collected. Recognizing this trend, the management is committed to strengthening recycling awareness and engagement among employees. Moving forward, we will enhance internal initiatives, including educational programs and structured recycling activities, to reinforce a culture of sustainability and encourage greater participation in waste reduction efforts.



SOCIAL

AIMFLEX is committed to fostering a balanced and inclusive approach to the social dimension of sustainability, ensuring that our initiatives create meaningful impact across all areas of our organization. We continuously strive to integrate key objectives and actions that promote strong leadership, diversity, equity, and inclusion, uphold human rights, strengthen teamwork, and enhance community engagement. Additionally, we prioritize the well-being of our employees by cultivating a safe, supportive, and healthy corporate culture.

These commitments reflect our dedication to building a socially responsible and resilient organization, as outlined below:

Material Matter	Impact on AIMFLEX	AIMFLEX's Response to the Matter	Stakeholder Groups Affected
Occupational Health and Safety	Compliance to the Occupational Safety and Health Act and related regulations	- Annual environmental and occupational health monitoring conducted at AIMFLEX's factory in Senai, Johor, to ensure compliance with safety and regulatory standards, including: i. Drinking Water monitoring in accordance with the Food Act 1983. ii. Local Exhaust Ventilation (LEV) monitoring. iii. Noise Risk Assessment. iv. Audiometric Testing. v. Chemical Exposure Monitoring. - The Chemical Health Risk Assessment (CHRA) is conducted every five years, with the latest assessment completed in FY2023 to evaluate potential chemical exposure risks and implement necessary control measures.	Employees, Customers, Shareholders and the Investing Public, Vendors, Suppliers and Contractors, Local Communities
Fair Employment Practices	Reputation	AIMFLEX is committed to upholding a policy of equal employment opportunities, ensuring a fair and inclusive workplace for all individuals, regardless of gender, race, disability, nationality, religion, or age, in alignment with the AIMFLEX Code of Conduct.	Employees, Customers, Vendors, Suppliers and Contractors, Government, Regulatory Authorities and Certification Bodies, Local Communities

SUSTAINABILITY STATEMENT CONT'D

ENVIRONMENT Cont'd

Material Matter	Impact on AIMFLEX	AIMFLEX's Response to the Matter	Stakeholder Groups Affected
Training and Development	Upskilling and Staff Retention	- Implementation of a Department Skills Matrix to systematically evaluate and manage employee competencies within each department, ensuring alignment with organizational needs. - Establishment of structured training targets for personnel at all levels to promote continuous professional development, skill enhancement, and career growth.	Employees
Responsible Supply Chain	Corporate Social Environment Responsibilities	- Implementation of the AIMFLEX Code of Conduct, reinforcing a Zero Tolerance policy against sexual harassment, forced labor, discrimination, and workplace harassment to uphold a safe and respectful work environment. - Enforcement of Anti-Bribery and Corruption policies, alongside dedicated policies on Young Workers, Child Labor, and Remediation, ensuring ethical labor practices and regulatory compliance.	Employees, Customers, Shareholders and the Investing Public, Vendors, Suppliers and Contractors, Government, Regulatory Authorities and Certification Bodies, Local Communities

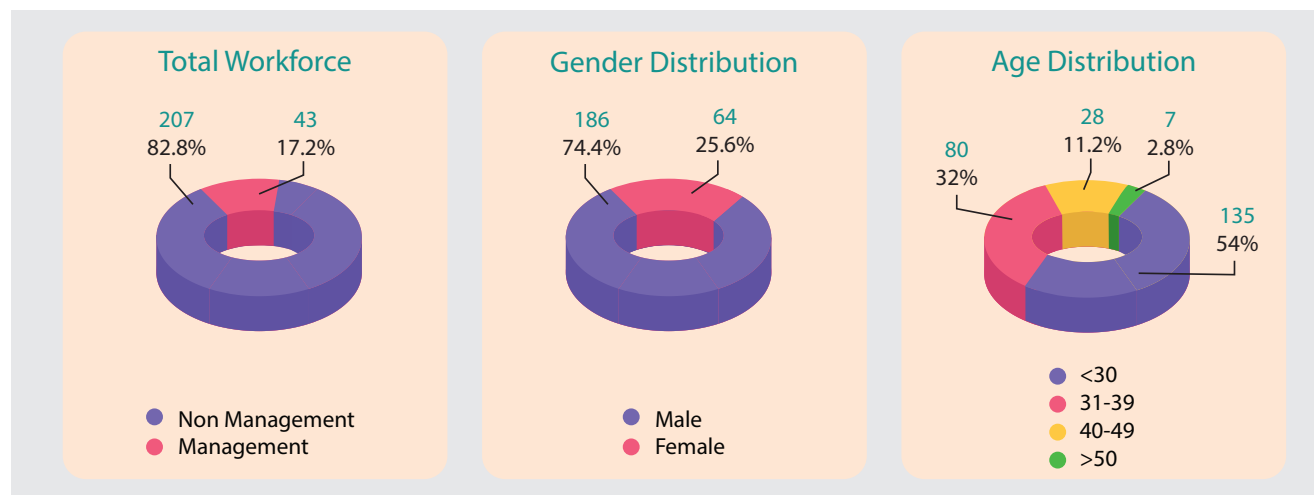
Employees

AIMFLEX acknowledges the vital role of a skilled, motivated, and engaged workforce in achieving organizational success. We are committed to cultivating a dynamic and inclusive work environment that empowers employees to thrive.

Our merit-based approach ensures that all individuals regardless of gender, ethnicity, religion, or nationality are provided with equal employment opportunities, based solely on their qualifications, experience, and performance.

To attract and retain top talent, our competitive remuneration strategy is designed to reward excellence and foster long-term career growth. We also actively encourage employees to enhance their expertise by participating in targeted training programs and professional development initiatives.

Below is the distribution of AIMFLEX employees as of 31 December 2024.



SUSTAINABILITY STATEMENT CONT'D

Occupational Health & Safety

At AIMFLEX, ensuring a safe and healthy work environment is a fundamental priority. We are deeply committed to upholding Occupational Health & Safety (OHS) management principles, in full compliance with the Occupational Safety and Health Act and all relevant regulations. Our commitment is driven by the firm belief that every employee deserves to work in an environment that prioritizes their well-being while minimizing workplace risks and hazards.

Senior Management plays a crucial role in reinforcing this commitment, leading by example through the implementation of comprehensive safety policies, conducting rigorous Risk Assessments, and continuously refining our Hazard Identification, Risk Assessment, and Risk Control (HIRARC) framework. This proactive approach ensures the timely identification and mitigation of potential hazards, fostering a safer workplace for all.

To further embed a strong safety culture, AIMFLEX has established several specialized committees dedicated to different aspects of workplace safety and environmental sustainability. These include:

- The Safety and Health Committee, responsible for overseeing safety initiatives and ensuring compliance with workplace safety regulations.
- The Environment Management System Committee, which drives environmental sustainability efforts and promotes responsible resource management.
- The Emergency Response Committee, tasked with coordinating swift and effective responses to unforeseen incidents.

In addition, AIMFLEX has formed dedicated response teams, including the Emergency Response Team, First Aid Team, and Fire Fighting Team, all of whom undergo regular training to enhance their emergency preparedness. Our Standard Operating Procedures for Emergency Management are continuously reviewed and refined to ensure they meet and exceed regulatory requirements.

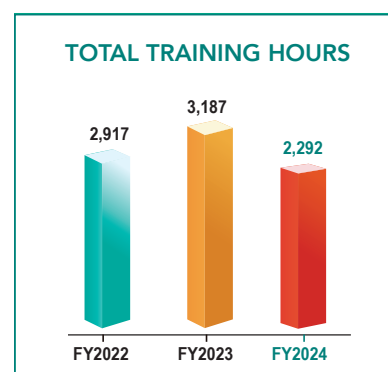
By embedding safety and health into every level of our operations, AIMFLEX not only fulfills its legal obligations but also reinforces its unwavering commitment to the well-being of employees and the long-term sustainability of our business.

Talent Training & Development Programmes

AIMFLEX, employees are our most valuable assets, playing a pivotal role in driving the success and sustainability of our organization. Recognizing the aspirations of our workforce to expand their knowledge, technical competencies, and soft skills, we actively invest in both internal and external training opportunities to foster continuous professional growth.

Over the years, AIMFLEX has remained committed to strengthening learning and development initiatives. However, in FY2024, we recorded a total of 50 training sessions amounting to 2,292 training hours, reflecting a decrease compared to the previous year. This decline is primarily attributed to strategic operational adjustments, a shift toward more targeted and efficient training programs, and the company's growing emphasis on self-directed learning. To ensure employees stay aligned with industry trends and emerging technologies, the management actively encourages continuous learning through various digital platforms, e-learning resources, and professional development opportunities.

Beyond structured training programs, AIMFLEX remains dedicated to the long-term educational advancement of its employees. We offer scholarships to eligible personnel pursuing part-time undergraduate, graduate, or doctoral degrees. In FY2024, 4 employees benefited from this initiative, reinforcing our commitment to career development and lifelong learning.



SUSTAINABILITY STATEMENT CONT'D

Occupational Health & Safety Cont'd

Additionally, AIMFLEX collaborates with regional institutions to facilitate internship placements, offering hands-on experience to aspiring professionals. In FY2024, 10 interns were welcomed across various disciplines, fostering knowledge exchange and talent development within our organization.

Through these efforts, AIMFLEX continues to cultivate a culture of continuous learning and professional excellence, empowering employees to take ownership of their career growth while staying competitive in an evolving industry landscape.

Corporate Social Responsibility (CSR)

At AIMFLEX, Corporate Social Responsibility (CSR) is a fundamental part of our identity and mission. We are committed to conducting our business with integrity, sustainability, and a deep sense of responsibility toward the communities and environments in which we operate. Through strategic initiatives focused on environmental stewardship, employee well-being, community engagement, and ethical business practices, we aim to make a lasting impact that extends beyond financial performance.

In FY2024, AIMFLEX continued to uphold its CSR commitments through various initiatives, including supporting education and innovation by participating as project evaluators in FKEE Innovation Day 2024, providing financial assistance to Rumah Sejahtera Senai, sponsoring the Research, Innovation, and Creativity Exhibition (RICE'24) at Southern College, and facilitating an industrial visit for students from University Putra Malaysia (UPM) to enhance their industry exposure. These efforts reflect our dedication to fostering academic excellence, social welfare, and industry collaboration.

1. FKEE Innovation Day 2024 sebagai penilai projek pelajar yang berlangsung pada 11 Januari 2024.
2. Donation to Rumah Sejahtera Senai in August 2024.
3. Sponsorship to the programme Research, Innovation and Creativity Exhibition 2024 (RICE'24), at Southern College in October 2024
4. Industrial Visit from University Putra Malaysia (UPM) Student in December 2024



Looking ahead, AIMFLEX is intensifying its focus on climate action as part of our broader sustainability strategy. We recognize the urgent need to address climate change and are committed to reducing our carbon footprint through energy efficiency initiatives, waste reduction programs, and sustainable resource management. Our future plans include exploring renewable energy adoption, enhancing environmental awareness across our workforce, and actively participating in carbon reduction initiatives to contribute to a greener future.

By embracing CSR principles and strengthening our sustainability efforts, AIMFLEX remains steadfast in its role as a responsible corporate citizen, striving to create meaningful change for society and the environment.

Statement of Assurance and Limitations

This Sustainability Statement has not been subject to review by our internal auditors or external assurance by independent parties. AIMFLEX has instead garnered internal review of non-financial, sustainability-related data from the respective data owners. We aim to garner external assurance for non-financial and sustainability data in the future.