



SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

The Board of Directors (“Board”) of ELK-Desa Resources Berhad (“ELK-Desa” or the “Company”) presents this Sustainability Statement (“Statement”) of ELK-Desa and its group of subsidiaries (“ELK-Desa Group” or the “Group”), which discusses the sustainability progress, target, performance, and achievement of the businesses and operations of the Group.

This Statement has been reviewed by the Board and is disclosed on our corporate website at <https://www.elk-desa.com.my/ar2024.html>.

Reporting Scope and Period

This Statement has been prepared in accordance with the relevant requirements of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa”) and has considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits. This Statement also includes the common sustainability matters and indicators prescribed by Bursa in its recent enhancements to the sustainability disclosure requirements of the MMLR. Furthermore, this Statement is also aligned with the GRI Standards and integrates additional best practices in sustainability reporting as appropriate.

This Statement focuses on the sustainability progress of the Hire Purchase Financing Division (“HP Division”), which represents the Group’s core operations, for the reporting period spanning from 1 April 2023 to 31 March 2024 (“FY2024”), unless stated otherwise.

About our Business

ELK-Desa Group has two reporting segments, namely the HP Division and the Furniture Segment.

The HP Division operates a non-bank lending business, facilitating financing for used cars and serving as an agency for motor-related general insurance products. The HP Division is based in the Group’s headquarters in Kuala Lumpur and office in Klang, Malaysia, primarily catering to customers and used-car dealers in the Klang Valley region.

The HP Division holds memberships in both the Association of the Hire Purchase Companies Malaysia and the Kuala Lumpur & Selangor Car Dealers and Credit Company Association of Malaysia.

We will continue to enhance the sustainability and reporting of the HP Division, and we also aim to extend the Group’s sustainability management and reporting practices to the Furniture Division by FY2025.

Assurance

This Statement was not subjected to internal auditor’s review nor external assurance. Nonetheless, internal validation on the sustainability data presented in this Statement has been conducted by an independent external service provider.

Contact Details

We welcome feedback from internal and external stakeholders. Please direct any inquiries regarding our sustainability initiatives or reporting, as well as any comments or feedback, to our Company Secretary, Mr. Loke Weng Fook at the email address: enquiry@elk-desa.com.my.

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GED/CEO'S MESSAGE

Throughout the year, most countries including Malaysia began to diligently pursue multifaceted approaches aimed at addressing climate change and elevating human rights. This collective endeavour underscores a global recognition of the interconnectedness between environmental sustainability and the protection of fundamental human rights. At the same time, businesses navigated through a dynamically changing business environment, marked by shifts in workplace dynamics, communication strategies with stakeholders, and the integration of sustainability practices into their operations.

At ELK-Desa Group, we continued to place efforts in adapting to the changing business environment, continuously collaborating with stakeholders to enhance efficiency in operations, work satisfaction, and creating values for our employees, customers, business partners, and society. In addition to our ongoing efforts, we are proactively advancing towards the development of a systematic approach to effectively estimate and calculate emissions resulting from our operations.

This effort is also in line with the regulatory changes which increasingly demand emissions-related data, as well as disclosures to address issues pertaining to climate-related financial impacts to businesses. We have initiated an exercise to estimate our Scope 1 and Scope 3 emissions in relation to employee commuting and business travel for disclosure next year.

We continue to present the HP Division's sustainability commitments and progress this year, with expanded targets to reflect our increased focus on our material sustainability matters ("MSMs"), as summarised in the following table.

Material Matters	Commitments	Indicators	FY2024 Targets	FY2024 Actual Results
Anti-Corruption, Anti-Money Laundering, and Ethical Business Practices	To demonstrate our adherence to integrity, governance, and responsible business practices within the expectations of the marketplace and stakeholders. We have adopted a zero-tolerance approach to anti-bribery and corruption.	Reported cases involving bribery or corruption	Zero reported cases	0
		Suppliers/business partners to whom we have communicated or affirmed to our code of conduct/anti-bribery and corruption policy	95% of suppliers/business partners	96.5%
		Employees who have received training on policy and procedure related to anti-bribery, corruption and code of ethics and conduct	95% of employees	100%
		Board members and Senior Management endorsed the Declaration of conflict of interest/communicated regarding the anti-corruption policy and procedure	100% of Board members and Senior Management	100%
		Operations function assessed for risk related to corruption	95% of the total operations	100%
Financial Performance (Group)	To achieve steady financial performance growth.	Return on equity	> 8%	7.7% ¹
		Return on assets	> 5.5%	4.9% ²
		Earnings per share growth	> 5%	-23.3% ³
		Dividend payout ratio	> 60%	62%

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Material Matters	Commitments	Indicators	FY2024 Targets	FY2024 Actual Results
Responsible Finance	To serve the under privileged community not supported by mainstream lenders, e.g., bank and license financial institution.	Hirers that fall under B40 and M40	95% of hirers	99.8%
		% of hirers have been briefed on financing terms when signing the HP agreement	100% of hirers	100%
	To treat customers fairly through practices of clear and transparent financing terms, lending only to those who can afford to repay.	Loan approved for motor vehicles that passed B5 PUSPAKOM inspection	100% of loan approved	100%
		To finance road-worthy motor vehicles.	For new loan cases, vehicle age not exceeding 15 years	95% of vehicles
Employee Engagement and Employee Wellbeing	To engage regularly with employees.	Employee engagement activities per year	To conduct at least 4 engagement activities	7
	To provide employee training and development.	Average training hours per employee per year	Minimum average 15 hours of training and development	35.27
	To ensure the low rate of staff turnover.	Staff turnover (confirmed staff) per annum	< 15% of staff turnover (confirmed staff)	5.4%
	To ensure the happiness of employees.	Number of work-related fatalities	Zero numbers	0
	To safeguard employee safety and health.	Lost time incident rate	Zero lost time incident rate	0
Innovation	To approach/educate all hirers and dealers to use our innovative products.	Product adoption rate by hirer or dealers (e-payment channel)	At least 65% adoption rate	91.3%
	To improve products, services and internal processes using technology.	Number of accepted innovative ideas/processes per annum	Minimum 2 projects per department that meet project criteria per annum	Average 2.38 projects per department

- The lower return on equity compared to the target was mainly due to lower returns from the Furniture Division caused by lower gross profit margin.*
- The lower return on assets compared to the target was due to both HP and Furniture Divisions not meeting their respective targets. HP Division was affected by higher than expected losses on repossessed vehicles while the Furniture Division was affected by lower gross profit margin.*
- The negative growth rate for earnings per share was due to a comparatively higher earnings per share during the previous year arising from exceptionally good collections and positive recovery activities.*

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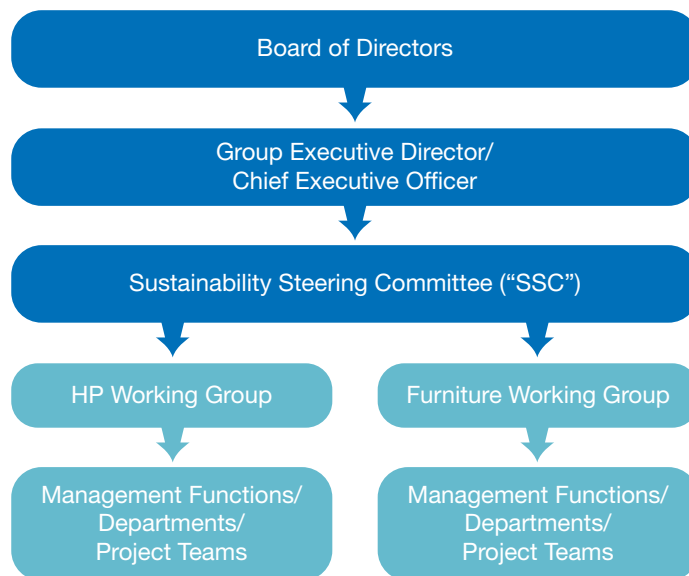
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OUR SUSTAINABILITY PHILOSOPHY

ELK-Desa Group’s business philosophy is to be “Your Trusted People Centric Partner in Value Creation”. Through our business and operations, we strive to generate positive outcomes for all stakeholders, whether as a business, service provider, employer, or business partner. Our approach to value creation focuses on our Core Values of Enthusiastic, Trustworthy, Humble, Innovative, and Committed (“ETHIC”), which includes our commitment to minimise any negative environmental or social impacts resulting from our business or operations.

This philosophy serves as the basis for ELK-Desa’s corporate strategies, which incorporate short and long-term sustainability considerations, and it is also incorporated in our governance, processes, and how we manage our businesses.

SUSTAINABILITY GOVERNANCE



The Board, which is responsible for the overall governance of the Group, holds ultimate responsibility for overseeing the Group’s governance, management, target, and performance, with a focus on business sustainability. The Board ensures that the Group’s strategic plan is aligned with the long-term value creation, incorporating economic, environmental, social, and governance (“EESG”) considerations underpinning sustainability.

The Board reviews both short and long-term business strategies of the Group, taking into account factors such as sustainability risks and opportunities which may have impacts on business strategies. The Board also oversees Management’s approaches to handling sustainability issues and their progress and performance. Furthermore, the Board is also responsible for ensuring processes are established to enable transparent and effective communication with stakeholders, including regarding sustainability strategies, priorities, targets, and performance.

The overall sustainability performance of the Group is the responsibility of the Group Executive Director/Chief Executive Officer (“GED/CEO”) who is supported by the Sustainability Steering Committee (“SSC”) which is comprised of Senior Management and heads of key functions. The GED/CEO chairs the SSC, which meets regularly to discuss EESG matters of the business, as well as the progress and performance against the sustainability-related strategies, initiatives, and targets.

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The Group's sustainability-related strategies, initiatives, and targets are developed by the SSC, reviewed, deliberated, and approved by the GED/CEO, and endorsed by the Board. The GED/CEO oversees Management's implementation of the endorsed strategies, initiatives, and targets by providing leadership to the SSC and the respective Sustainability Working Groups ("SWGs") of the HP Division and the Furniture Division. The sustainability-related strategies, initiatives, and targets of the divisions address the divisions' MSMs as assessed and determined by the respective SWGs. The SWGs report periodically the sustainability progress, performance, and highlight any challenges for resolution. The SWGs are also responsible for reviewing the stakeholder engagement activities within the respective divisions to ensure that relevant stakeholders' concerns are considered in assessing and managing EESG matters.

In FY2024, the Board participated in the sustainability training prescribed by the Bursa, in addition to other ongoing efforts to keep the Directors and Senior Management abreast of the development of sustainability topics relevant to the Group's businesses.

STAKEHOLDER ENGAGEMENT

ELK-Desa Group has established various communication channels to engage with stakeholders, which have also considered different engagement objectives. These channels enable the Group to assess stakeholders' expectations and concerns, understand their interests, and share important information consistently across all stakeholders. Stakeholder engagement is crucial for aligning the Group's business activities with the diverse interests of stakeholders and ensuring key information is disseminated to stakeholders effectively.

Through stakeholder engagement activities, the Group can obtain feedback from stakeholders and their feedback is considered in our decision-making process through the SWGs and SSC, amongst other management reporting channels. Stakeholder feedback, including stakeholders' concerns and interests, is also considered in the materiality assessment when assessing the MSMs of the business.

In order to facilitate meaningful engagement between the HP Division and its stakeholders, the Board, through the GED/CEO, has assigned the SSC the responsibility of driving stakeholder engagement. This includes ensuring that relevant sustainability matters and topics are addressed and communicated effectively to stakeholders. The heads or senior managers of departments and functions are tasked with conducting effective engagements with stakeholders of their respective departments or functions. They are also responsible for keeping the SWGs and SSC informed about significant matters that arise during these interactions, such as stakeholder comments, concerns, or complaints. Key issues raised will be highlighted to the Board, as necessary.

Reviewing stakeholder groups and assessing engagement approaches

Stakeholders are assessed based on two areas, namely their influence, i.e., ability to impact business operations or reputation, and their interest in the business, i.e., the extent of impact the business' operations or performance will have on them. The stakeholders were grouped and prioritised based on the assessment results.

The outcome of stakeholder analysis serves as a guide for us when considering the engagement approaches and communication channels. The SWGs review the stakeholder engagement approaches and channels on a yearly basis. The primary objective is to ensure that appropriate and effective engagement channels and platforms are in place.

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The HP Division's stakeholder groups, engagement methods, and main discussion concerns for FY2024 are summarised as follows:

Stakeholder Groups	Engagement Methods	Sustainability Concerns
Regulators	<ul style="list-style-type: none"> Meetings/discussions Seminars/training 	<ul style="list-style-type: none"> Governance New regulations, if any Compliance with rules and regulations Ethical and responsible business and better practices Corporate culture
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting Annual Report Analyst briefings and IR events Group's website Investor relations channel Announcement on Bursa's website including Quarterly Financial Results 	<ul style="list-style-type: none"> Compliance with rules and regulations Financial Performance Major corporate decisions, strategies, and directions Ethical and responsible conduct Group's sustainability
Financier	<ul style="list-style-type: none"> Meetings Annual Report Quarterly financial results and updates Yearly facilities review 	<ul style="list-style-type: none"> Financial performance Responsible Financing Major corporate decisions, strategies and directions Sustainability management approaches
Hirers	<ul style="list-style-type: none"> Customer Survey Social Media posting Customer service and HP Careline channels Group's website 	<ul style="list-style-type: none"> Customer experience and quality of products and services Data security and privacy Responsible finance and product/services transparency Products and services which cater to customer needs
Dealers	<ul style="list-style-type: none"> Due diligence on dealers and business partners Ongoing business engagements, visits (informal visits and field visits) Process for procurement or the establishment of business relationships Social media posting Customer and HP Careline channels Dealer survey 	<ul style="list-style-type: none"> Business Integrity Governance and Compliance Fair pricing Efficient and responsible business relationships
Employees	<ul style="list-style-type: none"> Half-yearly appraisal Learning and Development Programmes Occupational safety and health programmes Employees surveys Group activities such as townhall and brainstorm SOP walkthrough Social media posting 	<ul style="list-style-type: none"> Career progress Employees' remuneration and benefits Employee health and safety Workplace safety Work-life balance Workplace culture and business ethics

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OUR MATERIAL MATTERS

The MSMs of the HP Division are identified through a materiality assessment process, illustrated as follows:

Materiality Assessment Process

A sustainability matter is material if it reflects the Group's significant EESG impact, including topics relating to environmental impacts, climate-related impacts, and human rights, or substantively influences the assessment and decisions of stakeholders. We also take into consideration the 11 common sustainability matters prescribed by Bursa in the MMLR.

When assessing a sustainability matter, the considerations may include:

- the extent to which the Group's business and operations have an impact on the matter assessed;
- the extent to which the matter impacts the Group's business and operations; and
- the extent to which the matter affects stakeholders or stakeholders' decisions.

The SSC conducts a comprehensive materiality assessment every three years. During this assessment, members of the SSC provide their assessments from both the perspective of the business and the viewpoints of stakeholders. As appropriate, input from Management and other employees will be considered by the SSC to enhance understanding and ensure a balanced consideration of the perspectives of various stakeholder groups. The SSC may also engage in special engagements with selected stakeholders to gather their insights during the comprehensive materiality assessment process, as needed.

Between these comprehensive assessments, the SSC conducts an annual review of the materiality assessment outcomes.

In FY2024, the SSC reviewed the materiality matrix of the HP Division. In our materiality assessment for FY2024, we recategorised and realigned a number of our sustainability matter groupings, taking into consideration the sustainability matters prescribed by the MMLR. This year, there were a total of 8 MSMs that were newly identified by ELK-Desa, namely "Governance", "Occupational Health and Safety", "Labour Practices and Standards", "Diversity and Inclusion", "Community Engagement, Enrichment & Relationships", "Supply Chain Management", "Climate Change", as well as "Water Management".

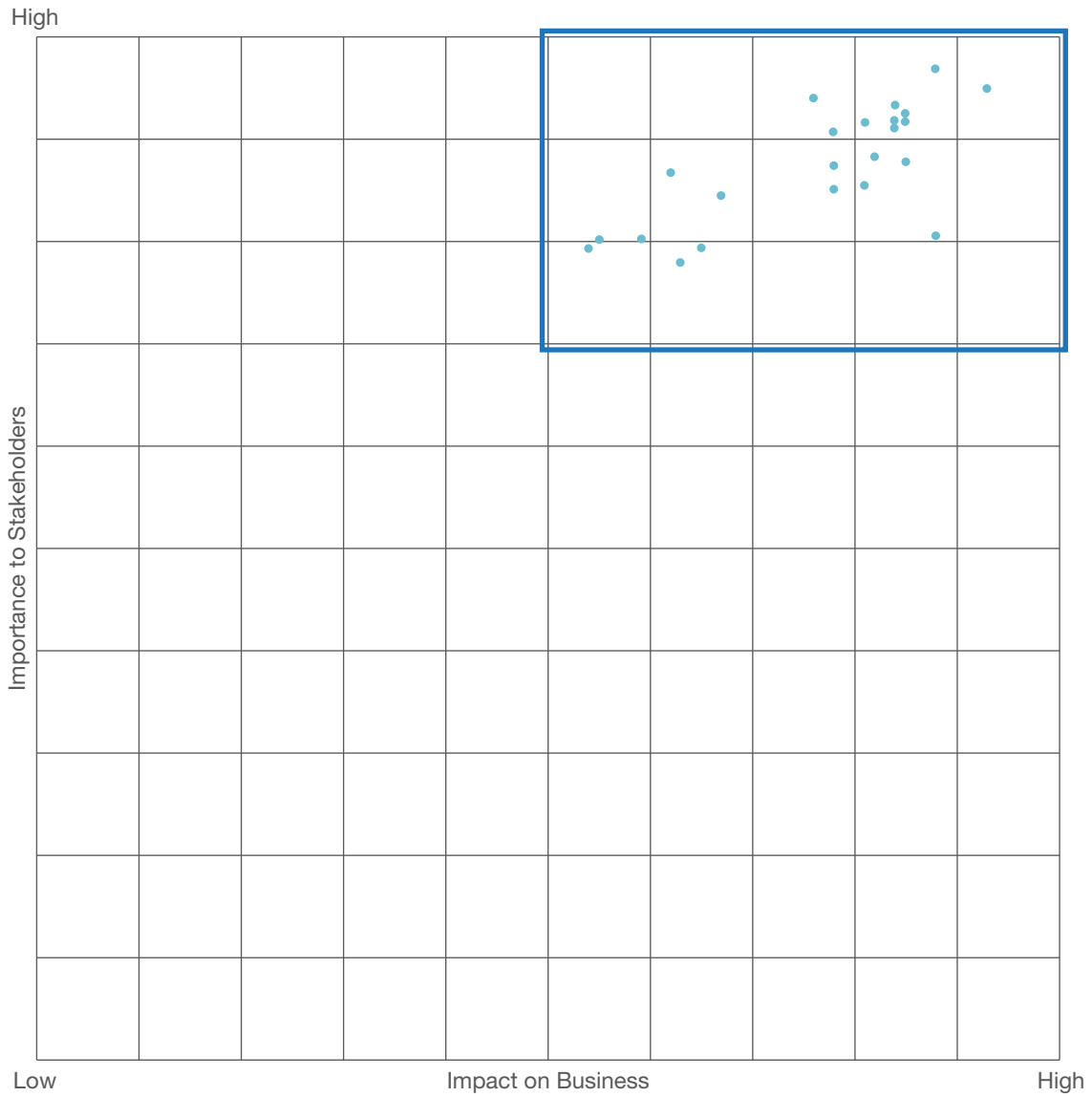


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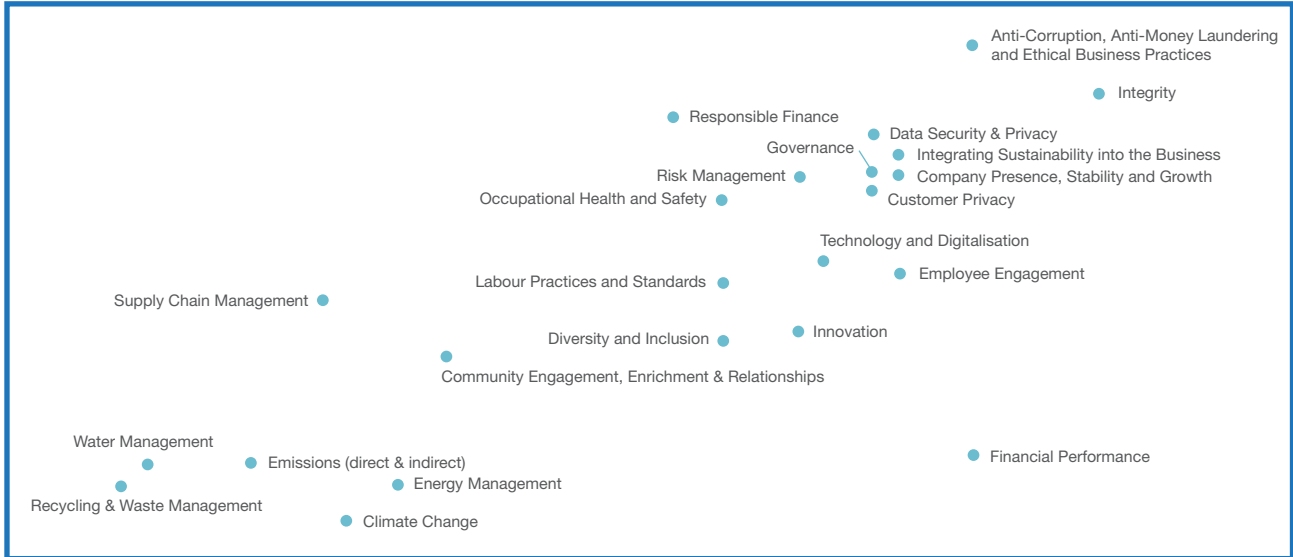
The materiality matrix of the HP Division for FY2024 is summarised as follows:

ELK-Desa Group (HP Division) Materiality Matrix



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1	Integrity	13	Financial Performance
2	Anti-Corruption, Anti-Money Laundering and Ethical Business Practices	14	Innovation
3	Integrating Sustainability into the Business	15	Labour Practices and Standards
4	Data Security & Privacy	16	Diversity and Inclusion
5	Company Presence, Stability and Growth	17	Community Engagement, Enrichment & Relationships
6	Governance	18	Supply Chain Management
7	Customer Privacy	19	Energy Management
8	Risk Management	20	Climate Change
9	Employee Engagement	21	Emissions (direct & indirect)
10	Responsible Finance	22	Water Management
11	Technology and Digitalisation	23	Recycling & Waste Management
12	Occupational Health and Safety		

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ECONOMIC

THE VALUES WE CREATE AS A PEOPLE-CENTRIC BUSINESS

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Integrating Sustainability into the Business Company Presence, Stability and Growth Financial Performance Supply Chain Management Community Engagement, Enrichment & Relationships
GRI Topics	<ul style="list-style-type: none"> GRI 201 – Economic Performance GRI 203 – Indirect Economic Impacts GRI 204 – Procurement Practices GRI 207 – Tax

Company Presence, Stability and Growth

ELK-Desa has established itself as a dependable lender in the hire purchase financing business, earning the trust of various stakeholders ranging from used-car dealers to borrowers. We remain committed to upholding our reputation and market presence by actively overcoming challenges and flexibly adjusting to fluctuations in the unpredictable economic environment.

We are committed to practising responsible business management by balancing the benefits and costs of our decisions over the long-term while managing immediate, short-term issues. By adopting this approach, we aim to strengthen our business fundamentals, ensuring stability and sustainable growth over time.

Continuous monitoring of trends within the used car market and industry remains integral to our approach, enabling us to stay relevant and sustainable. In Malaysia, the significance of the used car market persists due to its affordability compared to new cars.

Our leadership and management team, leveraging their wealth of experience and knowledge, continue to improve business performance forward diligently and prudently. In fostering sustained value creation, our Senior Management conducts ongoing monitoring and research to better understand the current market, thereby ensuring the business stays relevant to meet current needs and demands effectively.

FY2024 Financial Performance

The Group's financial performance is summarised as follows:

	FY2022	FY2023	FY2024
Revenue (RM'000) (Hire Purchase Financing Division)	85,301	100,758	113,227
Return on Equity	5.8%	10.4%	7.7%
Return on Assets	4.1%	7.5%	4.9%
Earnings Per Share (sen)	5.74 ⁴	10.50	8.06
Dividend (sen per share)	5.25	6.50 ⁵	5.00
Dividend payout ratio	61%	62%	62%

⁴ earnings per share (sen) in FY2022 was restated after considering the bonus issue of 151,601,337 shares completed in March 2023

⁵ first interim dividend has been restated in respect of bonus issuance

For detailed information on the Group's financial performance and position, please refer to the **Management Discussion and Analysis Statement** of this Annual Report 2024.

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Financial inclusion and support for local economic development

The HP Division operates a model that provides small value financing to purchasers of second-hand cars who are often underserved by mainstream financial institutions, including self-employed individuals and those with low-to-middle incomes. Particularly in Kuala Lumpur and Selangor, owning a vehicle can improve access to employment opportunities and contribute to economic advancement, resulting in enhanced disposable income. Our operations aim to foster financial inclusivity and serve the under privileged and lower-income communities by facilitating their investment in mobility and economic advancement. Through these efforts, we can ensure that no one is left behind as Malaysia progresses.

In FY2024, we served around 39,021 hirers, with an average outstanding receivables of RM16,863 per hirer. Approximately 99.8% of our hirers belonged to the B40 and M40 income groups.

Currently, our financing services are exclusively for vehicles registered in Malaysia. This means that we support hirers in Malaysia and our disbursed hire-purchase funds directly contribute to the local economy. In addition, as a responsible corporate citizen, we fulfil our tax obligations by contributing a fair and reasonable amount of corporate taxes to the country.

Furthermore, our HP Division works with a network of local car dealers in Kuala Lumpur and Selangor, thereby generating employment opportunities across our value chain. We contribute to the local employment market and economy by employing 204 individuals across in the HP Division as at 31 March 2024. For details relating to our employees, please refer to the **Organisation Culture – Our Employees** section of this Statement.

	FY2022	FY2023	FY2024
Number of employees (Hire Purchase Financing Division)	187	194	204
Approximate number of hirers	38,879	40,938	39,021
Average outstanding net hire purchase receivables per hirer (RM)	13,286	15,231	16,863
Tax Contribution (RM) (Hire Purchase Financing Division)	14,031,704	12,454,841	9,522,819
Community Investment (RM) (Hire Purchase Financing Division)	27,610	215,716	361,679
Proportion of spending on local suppliers ⁶	100%	100%	100%

⁶ local suppliers refer to used car dealers and vendors registered in Malaysia

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Overview of economic value generated and distributed

The breakdown of the HP Division's direct economic value generated, economic value distributed, and economic value retained throughout the year are as follows:

	FY2023 (RM'000)	FY2024 (RM'000)
Direct economic value generated ("DEVG"), mainly in the form of revenue and other income	102,577	114,968
Economic value distributed ("EVD"):	84,439	99,690
Comprising:		
• Operating cost	19,298	40,003
• Employee wages and benefits	14,313	15,088
• Payment to providers of capital		
i. Dividend	29,563	22,740
ii. Finance cost	8,594	11,974
• Payment to government, in the form of taxes	12,455	9,523
• Community investments, including donations	216	362
Economic value retained (DEVG-EVD)	18,138	15,278

Community Engagement, Enrichment & Relationships

During the financial year under review, the Group remained steadfast in serving local communities and addressing the needs of the less fortunate through various corporate social responsibility ("CSR") initiatives. These efforts included contributions in the form of charitable donations to support educational institutions and healthcare facilities.

	FY2023	FY2024
Amount invested in the community (RM)	215,716	361,679
Estimated number of beneficiaries ⁷ of the investment in communities	78	24

⁷ exclude beneficiaries that are internal to the company

RESPONSIBLE FINANCING

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Responsible Finance
GRI Topics	<ul style="list-style-type: none"> GRI 201 - Economic Performance GRI 203 - Indirect Economic Impacts

Responsible lending

The business sustainability of the HP Division relies heavily on responsible lending practices, ensuring we only lend to those capable of repayment. We strive to ensure that our hirers derive overall benefits from our products and services and steer clear of unsustainable financial commitments. To mitigate credit risks, the Group implements a stringent credit approval process that thoroughly evaluates customers' financial backgrounds and capabilities, including income sources, to prevent and avoid lending to individuals who are unable to fulfil their financial responsibilities.

We also examine the composition of our portfolio, considering the income demographics and financial stability and sustainability of our hirers. Seeking a balance between enabling financial inclusivity and upholding responsible lending practices, we employ a combination of methods when assessing hirers, including utilising objective indicators such as hirer's debt service ratios.

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On the other hand, we also manage our risks via indicators such as impaired loan ratio and credit loss charge that serve as key measurements for evaluating the quality of our portfolio.

We maintain ongoing communication with borrowers, aiming to strive a balance between sustaining business performance and assisting customers in meeting their financial obligations.

In FY2024, the HP Division’s impaired loan ratio (gross) and (net) improved significantly due to the positive recovery activities, repossession activities as well as write off of unrecoverable receivables.

	FY2022	FY2023	FY2024
Impaired loan ratio (Gross)	9.9%	7.4%	1.9%
Impaired loan ratio (Net)	2.9%	1.9%	0.6%
Credit loss charge	4.1%	1.2%	4.1%

For detailed information regarding non-performing loan ratio and credit loss charge, please refer to the **Management Discussion and Analysis Statement** of this Annual Report 2024.

Product and disclosure responsibility

We uphold our products and disclosure responsibilities, and we are committed to fair treatment of customers by maintaining transparent financing terms and financing road-worthy motor vehicles. Adhering to relevant laws and regulations like the Hire-Purchase Act 1967, we furnish customers with all necessary information concerning hire purchase arrangements, such as deposit, pricing, terms charges, instalment numbers, and both the customer’s and financier’s rights. We also ensure that our employees verbally highlight and explain key terms of the hire purchase agreements, including the risks of non-payment, ensuring customers are fully informed and have a clear understanding of their financial responsibilities when signing the hire purchase agreement. In compliance with regulatory requirements, all hirers are briefed on financing terms.

We also ensure compliance with regulatory requirements for other products like motor and Loan Protector insurance, providing customers with product disclosure sheets and ensuring they are briefed by our employees prior to commitment. We also have a HP Careline team to assist customers or potential customers seeking clarity on our products, hire purchase terms, and their rights safeguarded by laws and regulations.

Moreover, we strive to minimise potential negative environmental or social effects stemming from our financial activities by financing road-worth vehicles. During the financial year under review, 100% of loans approved were for motor vehicles that had passed the B5 PUSPAKOM inspection.

In addition, we have also introduced a measure for our new loan cases, aiming for at least 95% of vehicles financed to have a vehicle age of not more than 15 years. For our new loan cases in FY2024, 98.7% of vehicles financed have an age of not more than 15 years.

The Group is committed to not supporting financing for activities related to corruption, smuggling, human trafficking, or any other prohibited actions under anti-corruption, anti-money laundering, and anti-terrorism financing laws, if such knowledge comes to its attention.

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ENVIRONMENT

The environmental impacts of the HP Division are mainly derived from its office operations, including energy consumption, emissions, resource usage, and waste generation. For our financing activities, we finance road-worthy vehicles that meet PUSPAKOM's vehicle inspection, including emission tests. Purchasing a used car may have a lower carbon footprint, as compared to new cars which may incur high greenhouse gas ("GHG") emissions and consumption of materials that are environmentally costly to produce in the car production process. In addition, owning a road-worthy used car extends the lifespan of resources and materials of the used car, supporting environmental sustainability.

ENERGY, EMISSIONS, AND CLIMATE CHANGE

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Emissions (direct and indirect) Energy Management Climate Change
GRI Topics	<ul style="list-style-type: none"> GRI 302 – Energy GRI 305 – Emissions

Energy

Electricity is used for our office operations at the HP Division, powering basic office appliances such as air-conditioning units crucial for maintaining comfortable working environments, computers, lighting, and security systems for ensuring the safety of personnel and assets.

We have a few petrol-based company vehicles but we generally do not incur a significant amount of fuel in our operations. Nevertheless, we have begun to develop processes to collect data relating to our company vehicles, business travel, and employee commuting which will be disclosed in our next year's sustainability statement.

Our energy management strategy prioritises reducing our dependency on non-renewable energy sources and enhancing our energy efficiency. In Malaysia, the current electricity purchased from TNB is derived from a mix of coal, natural gas, and renewable sources. Realising the benefits of investing in renewable energy production capacity, we have initiated and completed the installation of solar panels system at our Klang office, which has the capacity to generate around 61,776 kWh of electricity annually subject to weather conditions, offsetting approximately 41 metric tonnes of CO₂ annually. Continuing our efforts, we commenced the installation of a solar panels system at our Kuala Lumpur headquarters which was commissioned in December 2023. This installation is estimated to generate 33,961 kWh of electricity, offsetting 14 metric tonnes of CO₂ annually.

During the financial year under review, the HP Division's operations consumed 470,534 kWh of energy in electricity, including solar-generated electricity. 20,425 kWh excess solar-generated electricity was contributed back to the grid where electricity bills were offset by the equivalent monetary value, and that further helped us reduce the cost of electricity expenses.

Energy consumption	FY2022	FY2023	FY2024
Electricity purchased from TNB (kWh) ⁸	318,196	463,951	429,134 ⁹
Solar/renewable fuel consumption (kWh) ¹⁰	N/A	17,223	41,400
Total energy consumption (kWh)	318,196	481,174	470,534

⁸ derived from electricity bills

⁹ excludes electricity bills for approximate 2 periods of actual electricity utilisation for 2 premises during the end of the financial year, that had not been received by the HP Division during the finalisation of this Statement.

¹⁰ derived from solar panels system power generation reports

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For FY2024, the HP Division recorded an energy intensity (focusing on electricity use of premises) of 96.26 kWh/m², signifying an improvement of 2.2% compared to FY2023, indicating optimisation of energy usage relative to the floor space area and improved efficiency and resource utilisation.

	FY2022	FY2023	FY2024
Total energy consumption (kWh)	318,196	481,174	470,534
Total floor areas (m ²)	4,888	4,888	4,888
Energy intensity (kWh/m²)¹¹	65.10	98.44	96.26

11 energy intensity = (electricity purchased from TNB + electricity generated and consumed from the solar panel systems)/total floor area

GHG Emissions

We currently report our Scope 2 GHG emissions which are derived from electricity purchased from TNB.

We have also begun to develop processes to collect data and estimate our Scope 1 and Scope 3 emissions, focusing on Category 6 – Business Travel and Category 7 – Employee Commuting, as required to be disclosed by the MMLR in the future.

The GHG emissions generated within our operations throughout the financial year are summarised as follows:

	FY2022	FY2023	FY2024
Scope 2 emissions – electricity consumption (tCO ₂ e) ¹²	241.19	351.67	325.28

12 FY2022 and FY2023 emissions from purchased electricity were restated, using the latest Grid Emission Factor, i.e. for year 2021, provided by the Energy Commission of Malaysia. Reference: Grid Emission Factor (GEF) in Malaysia, 2017-2021, <https://meih.st.gov.my/home>.

By generating solar-based electricity, we managed to avoid an estimated 31 tonnes of CO₂e emissions in FY2024. Moving forward, we will continue to improve our emissions data collection and calculation processes from time to time to ensure more accurate emissions reporting in the future.

During the financial year under review, the Group recorded an emissions intensity (focusing on electricity use of premises) of 67 kg of CO₂e/m², which is slightly lower compared to FY2023, partially contributed by less purchased electricity as a result of our investments in solar panels power generation systems.

	FY2022	FY2023	FY2024
Total emissions (tCO ₂ e) ¹³	241.19	351.67	325.28
Total floor areas (m ²)	4,888	4,888	4,888
Emission intensity (tCO₂e/m²)¹⁴	0.05	0.07	0.07

13 FY2022 and FY2023 emissions from purchased electricity were restated, using the latest Grid Emission Factor, i.e. for year 2021, provided by the Energy Commission of Malaysia. Reference: Grid Emission Factor (GEF) in Malaysia, 2017-2021, <https://meih.st.gov.my/home>.

14 FY2022 and FY2023 emissions from purchased electricity were restated, using the latest Grid Emission Factor, i.e. for year 2021, provided by the Energy Commission of Malaysia. Reference: Grid Emission Factor (GEF) in Malaysia, 2017-2021, <https://meih.st.gov.my/home>.

The HP Division continues to take proactive efforts to manage and optimise energy and emissions usage, aiming to bolster energy and emissions efficiency in alignment with global initiatives to combat climate change. We promote responsible electricity usage in our operations, such as powering down equipment and appliances when not in use and utilising natural lighting, ventilation, and cooling, to reduce our energy consumption and emissions.

SUSTAINABILITY STATEMENT

cont'd

RESOURCE AND WASTE MANAGEMENT

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Recycling & Waste Management Water Management
GRI Topics	<ul style="list-style-type: none"> GRI 303 – Water and Effluents GRI 306 – Waste

Recycling and Waste Management

In our operations, no hazardous or scheduled waste is generated. The primary non-hazardous waste produced by the HP Division is paper waste. As paper waste may contain sensitive information like customer data, we have implemented a structured waste management process where wastepaper containing sensitive data is collected in designated bins and sent for shredding by professional service vendors. Where possible, the shredded materials are recycled. This process serves as a control measure for managing data security risks at the HP Division.

Prior to engaging professional shredding service vendors, we conduct thorough due diligence, including interviews and background checks, to understand their management of collected paper waste, shredding processes, and procedures for handling shredded materials.

To monitor our paper waste output, we track the sales of paper waste by weight through invoices received from our shredding service vendors. These vendors also provide reports confirming the quantity of paper waste shredded and recycled.

All paper waste generated was sold to shredding service vendors and recycled accordingly.

	FY2022	FY2023	FY2024
Waste Generated (tonnes)			
Hazardous waste	0	0	0
Non-hazardous waste Comprising of:			
Paper waste	1.38	20.47	2.47
Waste Diverted from Disposal			
Non-hazardous waste: Recycling (off-site)	1.38	20.47	2.47
Waste Directed to Disposal			
Non-hazardous waste: Incineration/landfilling (off-site)	Insignificant	Insignificant	Insignificant

The adoption of digital payment channels such as JomPay, e-Pay at Shell stations and KK Mart, along with our MyELK-Desa mobile application, has significantly reduced the need for paper documentation. Additionally, initiatives like enabling double-sided printing on all printers and photocopiers, as well as promoting eco-friendly practices among our employees, further contribute to minimising paper consumption.

Water Management

Our HP Division does not rely on water for our daily operations apart from domestic use. Nevertheless, we adopt responsible water consumption practices and do not waste water unnecessarily. We do not operate in water-stress areas.

During the financial year under review, the HP Division recorded a total of 5.28 MI of water usage within our operations.

	FY2022	FY2023	FY2024
Water usage (MI)	Not available	Not available	5.28

SUSTAINABILITY STATEMENT

cont'd

SOCIAL

ORGANISATION CULTURE

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Integrating Sustainability into the Business Governance
GRI Topics	Nil

ELK-Desa is committed to its “People Centric Organisational Culture” philosophy, which serves as a central principle in how we engage with our stakeholders such as hirers, dealers, and employees. This philosophy is aligned with our long-term business objectives of enhancing stakeholder value by fostering understanding and alignment of interests. Guided by our philosophy, we emphasise the development of positive mindsets and behaviours among our workforce and the establishment of strong customer service interactions both internally and externally.

Supporting this people-focused philosophy are the ELK-Desa Group’s Core Values of “ETHIC”, which sets out our principles and stance towards the business, society, and the environment.



EMPLOYMENT PRACTICES AT ELK-DESA GROUP

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Employee Engagement Labour Practices and Standards Diversity and Inclusion
GRI Topics	Nil

Human Rights and Labour Practices and Standards

As a responsible employer, we are committed to ensuring the well-being of our employees by upholding human rights, promoting fair labour practices and standards, and preventing discrimination and sexual harassment. Our stance in these areas is addressed in the Group’s human resources policies.

While none of our employees are currently covered by a collective bargaining agreement, we fully support their rights to freedom of association and collective bargaining, and we do not impose any restriction in any form in this regard.

SUSTAINABILITY STATEMENT

cont'd

Compensation for our employees is determined fairly, taking into account factors such as experience, expertise, roles and responsibilities, as well as performance.

During the financial year under review, the Group recorded zero substantiated complaints concerning human rights violations.

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violations	0	0	0

Diversity and Inclusion

The Group ensures equal employment opportunities and fair treatment for all employees regardless of gender, age, ethnicity, culture, sex, disability, religion, and any other status. Our employment practices such as recruitment, ongoing assessments, and career development are based on merits, performance, and objective qualities.

A Board-level policy is in place to promote gender diversity at the leadership level.

We are also committed to fostering a harmonious workplace environment that is free from discrimination and any form of abusive, offensive, or harassment behaviours.

Safety and Health and Wellbeing

We prioritise the safety, health, and overall well-being of our employees, aiming to develop long-term and mutually supportive relationships with our employees.

OUR EMPLOYEES

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Diversity and Inclusion
GRI Topics	<ul style="list-style-type: none"> GRI 202 – Market Presence GRI 405 – Diversity and Equal Opportunity

As at 31 March 2024, the HP Division has a workforce comprising 204 employees, all of whom are Malaysian nationals. Among them, there are 11 contract-based employees who are aged 60 and above. We do not hire employees on a non-guaranteed hours basis within our operations. There are an estimated 19 workers who are not our employees but are present at our premises, such as security guards and cleaners.

Employment categories	Hire Purchase Financing Division					
	As at 31 March 2023			As at 31 March 2024		
	Male	Female	Total	Male	Female	Total
Breakdown by employment types						
Permanent employees	47	134	181 (93%)	46	147	193 (95%)
Contract-based employees	7	6	13 (7%)	7	4	11 (5%)
Full-time employees	54	140	194 (100%)	53	151	204 (100%)
Part-time employees	0	0	0 (0%)	0	0	0 (0%)

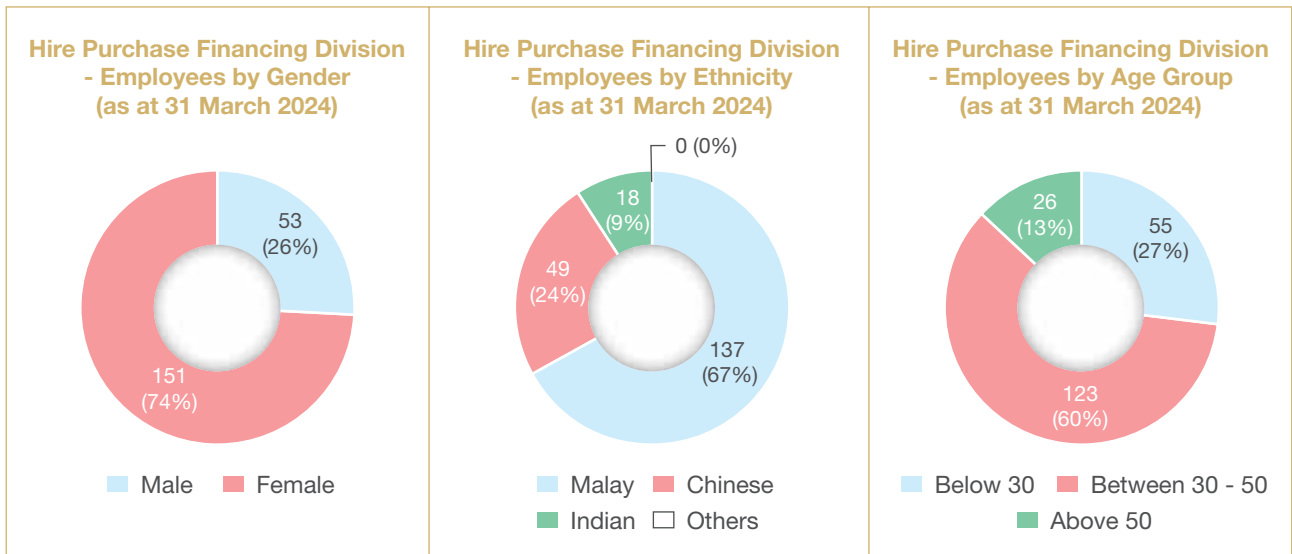
The table provided an overview of our diverse and balanced workforce, broadly reflecting the demographic makeup of the nation.

SUSTAINABILITY STATEMENT

cont'd

	Hire Purchase Financing Division		
	As at 31 March 2022	As at 31 March 2023	As at 31 March 2024
Breakdown by gender			
Male	54	54	53
Female	133	140	151
Breakdown by ethnicity			
Malay	110	120	137
Chinese	54	54	49
Indian	22	20	18
Others	1	0	0
Breakdown by age groups			
Aged below 30	53	55	55
Aged between 30-50	104	112	123
Aged above 50	30	27	26

As at 31 March 2024, the HP Division’s diversity in relation to gender, ethnicity, and age is illustrated as follows:



A more detailed view of our employee demographics on 31 March 2024, broken down into employee categories, gender, and age groups is illustrated below.

	ELK-Desa Resources Berhad (As at 31 March 2024)							
	Aged < 30		Aged 30 – 50		Aged > 50		Total	
	M	F	M	F	M	F	M	F
Number (Percentage) of Board								
Board	0	0	2	2	4	1	6 (67%)	3 (33%)
	0 (0%)		4 (44%)		5 (56%)		9 (100%)	

SUSTAINABILITY STATEMENT

cont'd

	Hire Purchase Financing Division (As at 31 March 2024)							
	Aged < 30		Aged 30 – 50		Aged > 50		Total	
	M	F	M	F	M	F	M	F
Number (Percentage¹⁵) of employees - Employee category								
Senior Managers	0	0	1	1	4	1	5 (71%)	2 (29%)
	0 (0%)		2 (29%)		5 (71%)		7 (100%)	
Middle Managers	0	0	6	14	5	8	11 (33%)	22 (67%)
	0 (0%)		20 (61%)		13 (39%)		33 (100%)	
Executives	6	28	14	72	2	4	22 (17%)	104 (83%)
	34 (27%)		86 (68%)		6 (5%)		126 (100%)	
Non-Executives	8	13	7	8	0	2	15 (39%)	23 (61%)
	21 (55%)		15 (40%)		2 (5%)		38 (100%)	
Total	14	41	28	95	11	15	53 (26%)	151 (74%)
	55 (27%)		123 (60%)		26 (13%)		204 (100%)	

15 the percentage of employees in specific age group/gender in relation to the total number of employees in the employee category

EMPLOYEE ENGAGEMENT AND EMPLOYEE WELLBEING

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Employee Engagement Labour Practices and Standards Occupational Health and Safety
GRI Topics	<ul style="list-style-type: none"> GRI 203 – Indirect Economic Impacts GRI 401 – Employment GRI 403 – Occupational Health and Safety GRI 404 – Training and Education GRI 405 – Diversity and Equal Opportunity

Ensuring strong employment engagement is vital for fostering strong connections with our employees. At ELK-Desa Group, we promote an open and transparent working environment where all employees are welcome to contribute ideas and address any issues they may have. To facilitate effective internal communication and engagement, we have several channels, such as functional/team reporting structures, continuous communications including via electronic means, town hall sessions, and more.

The engagement channels serve various objectives, including facilitating Management's communication of the Group's policies, business strategies, and directions. Furthermore, these channels also provide Management with an understanding of the employees, allowing them to appreciate employees' perspectives, the challenges they encounter in their roles and positions, and opportunities for enhancing the work environment. Various channels also serve as platforms for sharing business ideas, exchanging experiences in addressing work-related issues, and identifying and nurturing talents and skills within the Group.

Prior to implementing any substantial initiatives or measures that could impact employees or business operations, we engage with our employees to gather their input and feedback, which are then considered in our decision-making process. Besides, we also strive to keep employees well-informed about the business strategies and forthcoming changes, ensuring clear communication of business directions and alignment of expectations.

Against our targets of having at least 4 employee engagement activities, we conducted a total of 7 key engagement activities during the financial year under review. ELK-Desa is also committed to providing and enhancing the wellbeing of our employees, aiming to develop a conducive work environment that fosters creativity, boosts employee motivation, minimises stress, and enhances capabilities.

SUSTAINABILITY STATEMENT

cont'd

Performance Appraisal

The Group values its workforce, recognising their essential contribution of skills, expertise, and experience in driving the business toward its objectives. Our people management strategies are designed with a long-term perspective, encompassing succession planning needs, necessary skillsets, and current workforce gaps.

We proactively nurture talent and expertise internally, with a continual investment in both technical and non-technical development opportunities for our employees.

Employee performance appraisal is conducted at least twice a year to assess individual performance, analyse strengths and weaknesses, and identify relevant training requirements. At the same time, these appraisal sessions serve as opportunities for supervisors or managers to engage with employees, discuss career aspirations, set targets, and explore avenues for mutual development with the company’s support.

Through this process, we are able to determine appropriate training topics and programmes aimed at improving the competencies and professional knowledge of our workforce. Additionally, employees are encouraged to utilise this opportunity to communicate any workforce challenges or areas where the company can further enhance its operations with their supervisors or managers.

Employees underwent regular performance and career development review	FY2022		FY2023		FY2024	
	Number	%	Number	%	Number	%
By Gender						
Male	54 / 54	100%	54 / 54	100%	53 / 53	100%
Female	133 / 133	100%	140 / 140	100%	151 / 151	100%
By Employee Category						
Senior Managers	7 / 7	100%	7 / 7	100%	7 / 7	100%
Middle Managers	28 / 28	100%	32 / 32	100%	33 / 33	100%
Executives	105 / 105	100%	121 / 121	100%	126 / 126	100%
Non-Executives	47 / 47	100%	34 / 34	100%	38 / 38	100%

Learning and Development

We view employee development as one of the key factors to sustain our business. We carry out ongoing learning and development efforts, deliver training sessions focused on improving operating efficiency, leadership skills, and conduct “walkthrough sessions” to review relevant Standard Operating Procedures (“SOPs”) across our business and operations. These “walkthrough sessions” enable employees to have a better understanding of business processes, controls, and their underlying rationale, while fostering opportunities for everyone for process enhancement activities. Our learning and development programme is conducted through diverse channels, such as traditional as well as digital training platforms like our e-LMS platform.



SUSTAINABILITY STATEMENT

cont'd

A summary of the learning and development programmes attended by employees during FY2024 are summarised as follows:

Training Categories	Training Topics	Description
e-Learnings	Learning Management System (LMS) Training	LMS is an online training platform conducted virtually in which the company subscribed from Talents LMS - an International Learning solution provider. All staff are encouraged to participate in the training programme with monthly uploading of training courses. There are 3 main types of courses namely: -
	Resources from Online Portals	<ol style="list-style-type: none"> 1) Purchase from Training provider off the shelf; 2) Customised programme produced by the committee with assistance from front-line staff; and 3) In-house production with materials collected from YouTube and other online sources.
Training from External Training providers	Malaysia Institute of Accountants (MIA) Training Programme subscription	A Programme for managerial staff to accumulate Continuing Professional Education (CPE) points through attending courses conducted by MIA on a yearly basis. (Minimum of 6 to 12 CPE Points per person per annum).
Departmental Knowledge Base Training	Job-Related Training Programme	To provide training for front-line staff and Executives of all departments to enhance their job-related knowledge, bring about changes, and achieve efficiency in their operations.
	Standard Operations Procedure (SOP) Walkthrough Programme	A biannual workshop to review the SOPs of respective departments through Group Studies, Analytics, Brainstorming, and Assessment Tests to further strengthen the SOP of departments. Work process improvement projects are also required to be launched.
	Brainstorming Sessions for Individual Department	A special activity designed for the respective departments to source ideas and solutions through out-of-the-box thinking to overcome existing challenges and operational bottlenecks.
Departmental Technical Skills Training	Skill-Based Technical Training Programme	A skill-based technical training for staff of Individual Department to strengthen their operational techniques and mental strength, for example, Interviewing skills, Collection skills, Excel & Google, etc.
Conceptual/ Leadership Skills Training	Programme of Executive Development (PED)	<p>PED is a customised programme for a group of selected Junior staff (Executive & Junior Executive) in the company to enhance and build a better foundation for subsequent training such as HR 360, ITF, etc.</p> <p>It also aims to Increase an individual's skill in one or more areas of expertise, especially in self-confidence and communication skills. Increases an individual's motivation to perform their job better. To enable the staff to have more awareness and responsibility in their work scope.</p>
	HR360 Individual Development Programme (IDP)	HR 360 is a customised programme for a group of designated staff in the company based on the collective Individual Development Assessment Plan to develop their potential as future leaders. This programme includes workshops and coaching sessions to help identify the training needs and areas of improvement for selected staff.
	Pre-Innovative Task Force Development Programme (Pre-ITF)	This is a continuation series for staff who have completed their HR-360 IDP Programme. A training Programme to prepare trainees for further escalation to ITF. It serves as a selection platform for Management to identify suitable candidates for ITF.
	Learning and Development Skills for Managers	A programme designed for Managers to be exposed to Learning Development Skills in Training Need Analysis, understand the objectives of training, and Manage training activities.

SUSTAINABILITY STATEMENT

cont'd

Training Categories	Training Topics	Description
Compliance & Awareness Training	Anti-Bribery Management System (ABMS) Awareness Programme and Implementation	An awareness programme to affirm the Company's commitment to conducting all businesses of the Company in an honest, ethical, corruption-free, and professional manner wherever the company operates.
	ISO Training	A special training session conducted by an outsourced ISO consultant for the ISO Committee in preparation for ISO readiness in ELK-DESA.
IT Related Training	Data Security and Privacy	An online training on IT security awareness Programme aimed to alert staff on IT scams.
	Core System Training	An in-house training programme launched by the IT department aimed to familiarise staff with the company's systems and IT functions and enhance their technical skills and software application for daily operations.

During the financial year under review, our HP Division employees recorded a total of 7,194 hours of training, averaging approximately 35.27 hours of training per employee.

	FY2022		FY2023		FY2024	
	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours	Total Training Hours	Average Training Hours
Learning and Development						
Total Training Hours	9,564.60	51.15	6,796.30	35.03	7,194.22	35.27
Gender						
Male	2,231.55	41.33	1,458.80	27.01	1,870.96	35.30
Female	7,333.05	55.14	5,337.50	38.13	5,323.26	35.25
Employee Category						
Senior Managers	340.50	48.64	99.50	14.21	175.30	25.04
Middle Managers	1,875.25	66.97	1,927.15	60.22	1,817.21	55.07
Executives	5,294.35	50.42	4,001.55	33.07	4,408.38	34.99
Non-Executives	2,055.05	43.72	768.10	22.59	793.33	20.88

Occupational Health and Safety

With an operation that involves handling cash, we are cognisant of the safety risks to our employees, which may be threatened by incidents of robbery and burglary. To keep our operations and employees safe, we implemented various security measures throughout our operations and facilities, such as installing closed-circuit televisions ("CCTVs"), hiring security guards, implementing security management, and engaging security service providers in relation to certain cash-handling activities. Besides, the expansion of online payment alternatives has also helped to mitigate risks associated with handling cash.

We periodically assess occupational safety and health risks at our operations to maintain a secure working environment.

In addition, we also prioritise the mental well-being of our employees. In FY2023, the Group launched the We Hear You ("WHY") event, aimed at encouraging our employees to openly discuss their welfare and mental health. This initiative allowed us to assess and monitor the mental wellbeing of our workforce while fostering a positive organisational culture. We continued to carry out the WHY event in FY2024.



SUSTAINABILITY STATEMENT

cont'd

From time to time, we provide training including safety and health training for our employees, considering the employees' risk exposures, including topics such as reporting work-related injuries, emergency response approaches for addressing different emergency situations, safety risks, and fire safety.

	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards ¹⁶	Not available	Not available	32

16 The HP Division began to collect this data in FY2024.

We are pleased to report that there were no work-related fatalities, serious occupational injuries, or lost time incident rates for the HP Division in FY2024. The safety performance for the HP Division in FY2024 is summarised as follows:

	FY2023	FY2024
Work-related fatalities	0	0
Lost time incident rate ^{17 18}	Not available	0
High-consequence work-related injuries (excluding fatalities) ¹⁹	Not available	0
Recordable work-related injuries ^{20 21}	Not available	0

17 the definition of lost time incident and recordable work-related injuries are the same, defined as work-related injuries which resulted in at least one day of medical leave

18 The HP Division began to collect this data in FY2024

19 The HP Division began to collect this data in FY2024

20 The HP Division began to collect this data in FY2024

21 the definition of lost time incident and recordable work-related injuries are the same, defined as work-related injuries which resulted in at least one day of medical leave

Employee Remuneration and Benefits

We offer fair and competitive compensation and benefits to attract and retain talent, motivating their performance and realising the growth potentials of the business and our employees. We also aim to support employees, to a practical extent, in promoting a healthy work-life balance. This encompasses offering medical and insurance coverage, retirement plans, opportunities for learning and development, and parental leaves to support both personal and family growth.

Generally, the remuneration and benefits for full-time employees are summarised as follows:

Salary, bonuses and performance incentives	Disability and invalidity coverage	Employees Provident Fund	Medical expenses claims, health care, and insurance coverage
Sick leaves and hospitalisation leaves, paternity and maternity leaves, professional development leaves (e.g., study/exam leaves), and others	Professional development sponsorship programme	Subsidies/allowances promoting healthy lifestyle (e.g., subsidy for health screening for Senior Executives and above)	

SUSTAINABILITY STATEMENT

cont'd

In FY2024, the ratio of the basic salary and remuneration of women to men for every employee category are summarised as follows:

	FY2024
Employee category	
Senior Managers	0.37:1
Middle Managers	0.87:1
Executives	0.89:1
Non-Executives	0.88:1

Employee Retention

As at 31 March 2024, the turnover and new hire rates of employees in the HP Division are broken down by employee category, age group, and gender, and are reported in the table below. Compared to a year ago, our employee base grew by 5.2% to 204 headcounts.

Employee turnover	As at 31 March 2023		As at 31 March 2024	
	Number	%	Number	%
Employee category				
Senior Managers	0	0.0	0	0.0
Middle Managers	4	12.5	2	6.1
Executives	15	12.4	16	12.7
Non-Executives	7	20.6	4	10.5
Age group				
Aged < 30	11	20.0	11	20.0
Aged 30 – 50	13	11.6	9	7.3
Aged > 50	2	7.4	2	7.7
Gender				
Male	9	16.7	5	9.4
Female	17	12.1	17	11.3
Total	26	13.4	22	10.8

New employee hire	As at 31 March 2023		As at 31 March 2024	
	Number	%	Number	%
Employee category				
Senior Managers	0	0.0	0	0.0
Middle Managers	6	18.8	1	3.0
Executives	26	21.5	19	15.1
Non-Executives	4	11.8	12	31.6
Age group				
Aged < 30	13	23.6	25	45.5
Aged 30 – 50	23	20.5	7	5.7
Aged > 50	0	0.0	0	0.0
Gender				
Male	7	13.0	6	11.3
Female	29	20.7	26	17.2
Total	36	18.6	32	15.7

SUSTAINABILITY STATEMENT

cont'd

A summary of indicators for parental leaves pursuant to GRI 401-3 is as follows:

Parental Leave	FY2022	FY2023	FY2024
Number of employees entitled to parental leave during the financial year			
Male	33	24	23
Female	82	63	71
Number of employees that took parental leave during the financial year			
Male	6	3	2
Female	7	8	20
Number of employees that returned to work during the financial year after parental leave			
Male	6	3	1
Female	7	7	13
Number of employees who were still employed 12 months after their return to work during the previous financial year			
Male	1	4	3
Female	5	5	7
Return to work rate²²			
Male	100%	100%	50%
Female	100%	100%	93%
Retention rate²³			
Male	50%	67%	100%
Female	100%	71%	100%

22 return to work rate = total number of employees that returned to work after parental leave/total number of employees due to return to work after taking parental leave

23 total number of employees who were still employed 12 months after their return to work during the previous financial year

FOCUSING ON CUSTOMERS

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> Data Security & Privacy Customer Privacy
GRI Topics	<ul style="list-style-type: none"> GRI 418 – Customer Privacy

Customer Experience and Satisfaction

We ensure we remain engaged with our customers to better understand customers' expectations, identify areas for improvement, and enhance our service and experience offered to customers. We are committed to responsible financing and ensure our customers are well-informed about the products that we offer via clear documentation, briefing by our employees, and product disclosure sheets.

Various channels, such as our customer service care line, email, and customer service at our office were established for our customers to reach us. We also leverage social media platforms and digital communication channels such as Facebook, WhatsApp, and two-way SMS. We have introduced a MyELK-Desa mobile application in FY2021 which allows customers to make their payments or to enquire or seek advice on loan, insurance, and road tax matters online or to contact our HP Careline Team. In addition, we accept various payment channels, bringing convenience to our customers who now have various options of payment methods, including JomPay and e-Pay networks. For better communication and to address more accurately customers' enquiries, our customer care line is now equipped with Interactive Voice Response.



SUSTAINABILITY STATEMENT

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These online engagement tools have enabled us to continuously keep in touch with existing customers at the same time to facilitate more efficient business processes. With the assistance of technologies and online tools, we have seen an improvement in the lead time from application to disbursement, serving our customers better.

We also seek comments and feedback from our customers through, amongst others, a link to customer survey attached with our responses made via our email-based customer service channel. The link to the customer survey is also available in our product brochure. The outcome of customer surveys is compiled, analysed, and considered for any improvement in our customer relationship management process and technology and digitalisation especially relating to our service to customers. Periodically, Management conducts discussions and meetings with relevant personnel to assess and review customers' experiences and issues they face. We take our customers' views and comments seriously and undertake efforts and relevant actions to improve our service and customer's experience and expectations, where appropriate.

Alongside key issues or highlights with regard to other stakeholders, highlights and key issues raised by customers, including how we address them and actions are undertaken to improve our customer relationship management process, are discussed at the SWG.

Customer Privacy

We have strict policies and procedures governing the protection of customer data in accordance with the Personal Data Protection Act 2010 ("PDPA 2010") and relevant laws and regulations protecting customers' privacy and data. Amongst others, these include training for employees, especially new employees, with regard to PDPA 2010, documented SOPs, document disposal practices, documentation practices, as well as ensuring robust IT and data governance practices are in place.

For the financial year under review, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data, or complaints received from outside parties or from regulatory bodies. We are also pleased to report that there were zero cases of identified leaks, thefts, or losses of customer data.

	FY2022	FY2023	FY2024
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

SUSTAINABILITY STATEMENT

cont'd

GOVERNANCE

RISK MANAGEMENT AND INTEGRATING SUSTAINABILITY INTO THE BUSINESS

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> • Risk Management • Integrating Sustainability into the Business
GRI Topics	Nil

To ensure the sustainability of our business in the long-term, we have established a comprehensive risk management process that addresses short-, medium-, and long-term risks. The risk management process includes the sustainability management process and Enterprise-wide Risk Management Framework (“ERM Framework”), which focuses on strategic, operational, reputational, financial, environmental, social, and governance risk.

Our sustainability management process and the ERM Framework enable a systematic and calculated approach to risk management at both macro and micro levels. Our ERM Framework incorporates the ERM methodology guided by ISO 31000:2018 Risk Management – Guidelines.

The Board holds the ultimate responsibility for sustainability management, ensuring that sustainability strategies are in line with the company’s overall strategies, and overseeing risk management, including setting the risk appetite. The Board reviews the materiality assessment, endorses the MSMs of the Group, and approves relevant strategies to deal with these matters as well as the performance in relation to management effectiveness. Sustainability performance is also considered in the assessment and remuneration of Directors and Senior Managers.

The Audit Committee supports the Board in its risk management oversight role, reviewing and overseeing the implementation of the ERM Framework by Management. The Audit Committee receives regular updates from Management on the Group’s risks and obtains assurance on the integrity of the risk management system. The ERM Framework is reviewed periodically by the Audit Committee to reflect the latest changing business needs and regulatory developments before being recommended for the Board’s approval. Further details on our ERM framework and internal control are provided in the **Statement on Risk Management and Internal Control** in this Annual Report 2024.

ETHICAL BUSINESS PRACTICES, INTEGRITY, AND TRANSPARENCY

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> • Anti-Corruption, Anti-Money Laundering and Ethical Business Practices • Governance • Integrity
GRI Topics	<ul style="list-style-type: none"> • GRI 205 – Anti-corruption

We are committed to maintaining high ethical and integrity standards in all aspects of our business, especially in financial dealings and transactions. We are committed to complying with all relevant laws and regulations, as well as conducting business with transparency and openness towards stakeholders. These values are fundamental to building reliable, trustworthy, and strong stakeholders’ confidence in our business, products, and services.

During the financial year under review, there were no significant instances of non-compliance with laws and regulations, nor there were any associated fines or non-monetary sanctions.

We established open, regular, and well-maintained communication channels with our shareholders and investors to seek and address their concerns or comments. We provide accurate and truthful information to our customers via well-trained employees, transparent product documentation, and product disclosure sheets.

SUSTAINABILITY STATEMENT

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ELK-Desa Group has a Code of Ethics and Conduct (“Code”) which governs the business ethics and practices of the Group’s Directors, employees, and operations. The Code is further supported by other governance policies such as the Anti-Bribery and Corruption Policy (“ABC Policy”) and the Employees Handbook. These codes or policies outline the specific expectations and guidelines that employees should follow. The Code addresses matters including compliance, financial integrity, workplace culture, integrity and anti-corruption, and others. The Code is also reviewed periodically and any updates will be communicated with all employees via the Group’s internal communication channels. All new employees are introduced to the Code during their induction.

The Code emphasises the importance of, amongst others:

Treating stakeholders with trust and credibility	Complying with relevant laws and regulations	Avoiding conflict of interest situations	Demonstrating integrity and anti-corruption
Ensuring business financial integrity and accurate financial reporting	Maintaining a workplace which is safe, fair, and respectful	Demonstrating professionalism	Caring for the physical environment

SOPs have been implemented by incorporating the application of ethical business practices to guide our business. These SOPs provide clear guidelines for employees on their responsibilities and duties, specifying acceptable and unacceptable practices. The Management is expected to set the tone at the top and set examples, upholding ethical business behaviours and integrity. Employees are encouraged to raise any concerns or questions they may have, including those related to ethics, and the Management is responsible for addressing them appropriately.

Anti-Corruption and Anti-Bribery

The ELK-Desa Group maintains a strict, zero-tolerance policy towards bribery and corruption and is committed to conducting all business dealings and relationships with fairly, professionally, and with integrity. The Group has established an Anti-Bribery Management System (“ABMS”) via its ABC Policy through which a series of controls and monitoring initiatives are put in place to safeguard business integrity. A No-Gift Policy has also been established to prohibit the acceptance of any gifts that could influence business decisions or create conflicts of interest. The Group prohibits the use of facilitation payments and urges employees to avoid conflicts of interest. The ABC Policy is available on the Group’s corporate website.

As part of its Group-wide risk assessment, the Group identifies corruption, including bribery, facilitation payments, money laundering, fraud, extortion, and collusion, as risk factors. To address these risks, the Group carries out regular policy communication or training to promote ongoing anti-corruption awareness among employees. Controls such as monitoring and reviewing transactions were also put in place.

As of 31 March 2024, all of the Group’s operations, including the Furniture Division, have been assessed for corruption-related risks.

	FY2022	FY2023	FY2024
Number and percentage of operations assessed for corruption-related risks	2/2 (100%)	2/2 (100%)	2/2 (100%)

The Anti-Bribery & Corruption Working Group is responsible for overseeing the design and implementation of the ABMS, providing guidance to employees and business associates, monitoring the ABMS’s performance, and reporting to the Board annually. The ABMS also provides for the inclusion of corruption risk in the Group’s risk management processes, as well as other internal controls including regular or one-off due diligence on employees, business associates, and third-party organisations to assess exposure to bribery and corruption risk.

SUSTAINABILITY STATEMENT

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All Directors and employees of the HP Division have been briefed on the ABC Policy and are required to undergo annual refresher briefings or training and to provide written acknowledgement of their anti-corruption commitment. All new employees have also been briefed on the ABC Policy during their induction. We also undertake proactive efforts to communicate the Group's ABC Policy and the Code to suppliers and business partners.

During the financial year under review, the number and percentage of Board members, employees, and suppliers/business partners who received communication and training on anti-corruption policies and procedures are summarised in the following table.

	FY2023		FY2024	
	Number	Percentage	Number	Percentage
Communicated on anti-corruption policies and procedures				
Board of Directors	9 / 9	100.0%	9 / 9	100.0%
Employees	188 / 194	96.9%	204 / 204	100.0%
Suppliers/Business Partners	1,150 / 1,179	97.5%	1,251 / 1,296	96.5%
Training on anti-corruption policies and procedures				
Board of Directors	9 / 9	100.0%	9 / 9	100.0%
Employee category				
Senior Managers	not available	not available	7 / 7	100.0%
Middle Managers	not available	not available	33 / 33	100.0%
Executives	not available	not available	126 / 126	100.0%
Non-Executives	not available	not available	38 / 38	100.0%
Overall total employees	188 / 194	96.9%	204 / 204	100.0%

Whistleblowing Programme

At ELK-Desa Group, we encourage employees to speak up, especially against practices not in line with the Group's principles. Employees can report a violation of the Code or any grievances via the grievance reporting mechanism managed by Human Resources.

There is also a Whistleblowing Programme, established via a Whistleblowing Policy, which allows employees as well as external stakeholders such as vendors, business dealers, and partners to raise any serious concerns such as serious violations of the Code, non-compliance with laws and regulations, violation of human rights, unethical practices, or situations which put employees in an unsafe or unfair work environment. The Whistleblowing Programme is made available on the Group's corporate website and is a reporting channel independent from Management, allowing reports to be made in confidence while safeguarding the whistleblowers, especially when they are employees, from reprisals within the Group.

We are pleased to report that there were no confirmed incidents of corruption or bribery or breaches of the Group's Code or ABC Policy. The Group is committed to continuously reviewing its policies and processes to uphold compliance with high ethical and integrity standards in our business.

	FY2022	FY2023	FY2024
Confirmed incidents of corruption	0	0	0

SUSTAINABILITY STATEMENT

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TECHNOLOGY AND DIGITALISATION

Covered in this section	
Material Sustainability Matters	<ul style="list-style-type: none"> • Technology and Digitisation • Data Security & Privacy • Innovation
GRI Topics	Nil

At ELK-Desa Group, we embed innovation as part of our culture and value and we encourage employees’ participation in the continuous enhancement and development of innovative solutions for the betterment of the business and its processes. Through our employee engagement activities, employees are provided with the platform to contribute ideas.

We also promote ongoing improvement in the Group and across departments through, amongst others, encouraging employees to contribute innovative ideas and materialising these ideas to suit the Group’s ongoing development needs, guided by a set of project criteria. In FY2024, we have accepted an average of 2.38 projects per department, further developing ideas or processes into action plans or initiatives to materialise the proposed concepts.

Technology, Digitalisation and Innovation

Information technology and systems support various functions of the HP Division’s operations, including payment methods, servicing our customers, communicating with stakeholders, and conducting meetings. IT adoption and digitisation continued leveraged upon to enhance our business and operations. The IT adoption and digitisation initiatives of the HP Division are overseen by the IT Steering Committee.

As we digitise our services and engagement platforms, we also place efforts in guiding hirers and dealers to adapt to changes or updates in our products and solutions. We continue to provide support to customers via our call agents and HP careline operators who are trained in our enhanced systems and technology. SOPs are also in place and reviewed periodically. In addition, we also seek feedback to identify areas where users may need more guidance or which may need enhancements.

At the end of the year, the adoption rate of our e-payment channels is approximately 91.3%, which signifies an encouraging reception of the digitalisation of our business. We further aim to expand the MyELK-Desa mobile app to become a holistic application, expanding the functionality and our engagement with hirers through the application.

Data Security & Privacy

Following greater adoption of IT and digitisation, exposure to cybersecurity risks would inherently increase. At ELK-Desa, particularly at the HP Division, IT security risks including data security and data privacy risks continue to be among the key risks that we manage and monitor.

We provide regular training and awareness programmes to employees, covering topics on data security and privacy, in addition to having SOPs and internal controls to guide employees in maintaining good cyber hygiene practices and safeguarding data security and privacy.

We also engage external professional service providers to manage our IT systems and cybersecurity, including ensuring the necessary safeguards are in place and functioning effectively. These safeguards, such as anti-virus software, firewalls, data mirroring and offsite backup, provide protection to our IT systems, including hardware and software, as well as safeguarding sensitive customer information and data.

Independent audits are carried out on our IT systems at least once a year, either through external audits, internal audits, or both, to evaluate the effectiveness and adequacy of our IT controls and systems.

The Group is pleased to report that there were no cases of IT breaches that resulted in data or security breaches.

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Performance Data Table (from Bursa ESG Reporting Platform)

Indicator	Measurement Unit	2024
Anti-corruption		
Percentage of employees who have received training on anti-corruption by employee category - Bursa C1(a)		
<i>Board of Directors</i>	Percentage	100
<i>Senior Managers</i>	Percentage	100
<i>Middle Managers</i>	Percentage	100
<i>Executives</i>	Percentage	100
<i>Non-Executives</i>	Percentage	100
Percentage of operations assessed for corruption-related risks - Bursa C1(b)	Percentage	100
Confirmed incidents of corruption and action taken - Bursa C1(c)	Number	0
Community/Society		
Total amount invested in the community where the target beneficiaries are external to the listed issuer - Bursa C2(a)	MYR	361,679
Total number of beneficiaries of the investment in communities - Bursa C2(b)	Number	24
Diversity		
Percentage of employees by gender and age group, for each employee category - Bursa C3(a)		
Age Group by Employee Category		
<i>Senior Managers Aged below 30</i>	Percentage	0
<i>Senior Managers Aged between 30-50</i>	Percentage	29
<i>Senior Managers Aged above 50</i>	Percentage	71
<i>Middle Managers Aged below 30</i>	Percentage	0
<i>Middle Managers Aged between 30-50</i>	Percentage	61
<i>Middle Managers Aged above 50</i>	Percentage	39
<i>Executives Aged below 30</i>	Percentage	27
<i>Executives Aged between 30-50</i>	Percentage	68
<i>Executives Aged above 50</i>	Percentage	5
<i>Non-Executives Aged below 30</i>	Percentage	55
<i>Non-Executives Aged between 30-50</i>	Percentage	40
<i>Non-Executives Aged above 50</i>	Percentage	5
Gender Group by Employee Category		
<i>Senior Managers Male</i>	Percentage	71
<i>Senior Managers Female</i>	Percentage	29
<i>Middle Managers Male</i>	Percentage	33
<i>Middle Managers Female</i>	Percentage	67
<i>Executives Male</i>	Percentage	17
<i>Executives Female</i>	Percentage	83
<i>Non-Executives Male</i>	Percentage	39
<i>Non-Executives Female</i>	Percentage	61

SUSTAINABILITY STATEMENT

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Indicator	Measurement Unit	2024
Diversity (Cont'd)		
Percentage of directors by gender and age group - Bursa C3(b)		
<i>Male</i>	Percentage	67
<i>Female</i>	Percentage	33
<i>Aged below 30</i>	Percentage	0
<i>Aged below 30-50</i>	Percentage	44
<i>Aged above 50</i>	Percentage	56
Energy management		
Total energy consumption - Bursa C4(a)	Megawatt	470.53
Health and safety		
Number of work-related fatalities - Bursa C5(a)	Number	0
Lost time incident rate ("LTIR") - Bursa C5(b)	Rate	0
Number of employees trained on health and safety standards - Bursa C5(c)	Number	32
Labour practices and standards		
Total hours of training by employee category - Bursa C6(a)		
<i>Senior Managers</i>	Hours	175
<i>Middle Managers</i>	Hours	1,817
<i>Executives</i>	Hours	4,408
<i>Non-Executives</i>	Hours	793
Percentage of employees that are contractors or temporary staff - Bursa C6(b)	Percentage	5
Total number of employee turnover by employee category - Bursa C6(c)		
<i>Senior Managers</i>	Number	0
<i>Middle Managers</i>	Number	2
<i>Executives</i>	Number	16
<i>Non-Executives</i>	Number	4
Number of substantiated complaints concerning human rights violations - Bursa C6(d)	Number	0
Supply chain management		
Proportion of spending on local suppliers - Bursa C7(a)	Percentage	100
Data privacy and security		
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data - Bursa C8(a)	Number	0
Water		
Total volume of water used - Bursa C9(a)	Megalitres	5.28

Internal assurance

External assurance

No assurance

(*) Restated

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GRI CONTENT INDEX

Statement of use	ELK-Desa Resources Berhad has reported in accordance with the GRI Standards for the period of 1 April 2023 to 31 March 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> Legal Name: ELK-Desa Resources Berhad Nature of Ownership: Public Listed Company Headquarters: Kuala Lumpur, Malaysia Country of Operation: Malaysia 				
		SS: About This Report	18			
		AR: Notes to the Financial Statements – Corporate Information	107			
	2-2 Entitles included in the organization's sustainability reporting	<ul style="list-style-type: none"> Sustainability Statement only cover HP Division while Audited Financial Statements will cover HP Division and Furniture Division 				
		SS: About This Report – Reporting Scope and Period	18			
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> Reporting Period: 1 April 2023 to 31 March 2024 Frequency: annually (12 months) Publication Date: 10 July, 2024 				
		SS: About This Report – Reporting Scope and Period	18			
		SS: About This Report – Contact Details	18			
	2-4 Restatements of information	<ul style="list-style-type: none"> Emissions conversion for purchased electricity for FY2022 and FY2023 has been restated 				
	2-5 External assurance	SS: About This Report – Assurance	18			
2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> Sectors: Financial Services Sector No significant changes in activities, value chain and other business relationships compared to the previous reporting period 					
	SS: About This Report – About our Business	18				

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
General Disclosures (Cont'd)						
GRI 2: General Disclosures 2021 (Cont'd)	2-7 Employees	<ul style="list-style-type: none"> Number of employees are based on head count and at the end of the reporting period Employees required for operations are mainly office-based and their working time is mainly during working hours. Full time employment arrangements are ideal for such job nature. A few employees are contract-based as the Company employs them on contract-basis past their retirement age. No significant fluctuations in the number of employees during the reporting period and between reporting periods 				
		SS: Our Employees	35 - 38			
	2-8 Workers who are not employees	<ul style="list-style-type: none"> Number of workers who are not employees and whose work is controlled by the organisation are based on head count and at the end of the reporting period No significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods 				
		SS: Our Employees	35 - 37			
	2-9 Governance structure and composition	SS: Sustainability Governance	21 - 22			
		AR: Profile of Directors	6 - 9			
		AR: Corporate Governance Overview Statement	61 - 71			
	2-10 Nomination and selection of the highest governance body	AR: Corporate Governance Overview Statement	61 - 71			
		Corporate Governance Report				
	2-11 Chair of the highest governance body	AR: Profile of Directors	6 - 9			
		AR: Profile of Key Senior Management	10 - 11			
		Corporate Governance Report				
	2-12 Role of the highest governance body in overseeing the management of impacts	SS: Sustainability Governance	21 - 22			
		SS: Stakeholder Engagement	22 - 23			
		SS: Our Material Matters	24 - 26			
		Corporate Governance Report				
	2-13 Delegation of responsibility for managing impacts	SS: Sustainability Governance	21 - 22			
		SS: Stakeholder Engagement	22 - 23			
		SS: Our Material Matters	24 - 26			
		Corporate Governance Report				

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
General Disclosures (Cont'd)						
GRI 2: General Disclosures 2021 (Cont'd)	2-14 Role of the highest governance body in sustainability reporting	SS: Sustainability Governance	21 - 22			
		SS: Our Material Matters	24 - 26			
		Corporate Governance Report				
	2-15 Conflicts of interest	AR: Corporate Governance Overview Statement	61 - 71			
	2-16 Communication of critical concerns	SS: Stakeholder Engagement	22 - 23			
		SS: Ethical Business Practices, Integrity, and Transparency – Whistleblowing Programme	47			
	2-17 Collective knowledge of the highest governance body	SS: Sustainability Governance	21 - 22			
		Corporate Governance Report				
	2-18 Evaluation of the performance of the highest governance body	SS: Sustainability Governance	21 - 22			
		Corporate Governance Report				
	2-19 Remuneration policies	AR: Corporate Governance Overview Statement	61 - 71			
		Website: https://www.elk-desa.com.my/remuneration_policy.html				
2-20 Process to determine remuneration	AR: Corporate Governance Overview Statement	61 - 71				
	Remuneration Policy: https://www.elk-desa.com.my/remuneration_policy.html					
2-21 Annual total compensation ratio	<ul style="list-style-type: none"> Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual): 21.64:1 Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual): -14.43%:1% Highest-paid individual: Executive Chairman All employees: all employees other than those who had work less than 12 months reported under GRI 2-7 have been included Annual total compensation: basic salary, overtime, allowance, and bonus 					

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
General Disclosures (Cont'd)						
GRI 2: General Disclosures 2021 (Cont'd)	2-22 Statement on sustainable development strategy	SS: GED/CEO's Message	19 - 20			
	2-23 Policy commitments	SS: GED/CEO's Message	19 - 20			
		SS: Energy, Emissions, and Climate Change	31 - 32			
		SS: Employment Practices at ELK-Desa Group – Human Rights and Labour Practices and Standards	34 - 35			
		SS: Ethical Business Practices, Integrity, and Transparency	45 - 47			
		Code of Ethics and Conduct: https://www.elk-desa.com.my/code_conduct.html				
		Anti-Bribery and Corruption Policy: https://www.elk-desa.com.my/anti_bribery_and_corruption_policy.html				
	2-24 Embedding policy commitments	SS: Employment Practices at ELK-Desa Group – Human Rights and Labour Practices and Standards	34 - 35			
		SS: Ethical Business Practices, Integrity, and Transparency	45 - 47			
	2-25 Processes to remediate negative impacts	SS: Our Sustainability Philosophy	21			
		SS: Stakeholder Engagement	22 - 23			
		SS: Organisation Culture	34			
		SS: Ethical Business Practices, Integrity, and Transparency	45 - 47			
		Whistleblowing Programme: https://www.elk-desa.com.my/whistle_blower_policy.html				
	2-26 Mechanisms for seeking advice and raising concerns	SS: Ethical Business Practices, Integrity, and Transparency – Whistleblowing Programme	47			
		Whistleblowing Programme: https://www.elk-desa.com.my/whistle_blower_policy.html				
2-27 Compliance with laws and regulations	SS: Ethical Business Practices, Integrity, and Transparency	45 - 47				
2-28 Membership associations	SS: About This Report – About Our Business	18				
2-29 Approach to stakeholder engagement	SS: Stakeholder Engagement	22 - 23				
2-30 Collective bargaining agreements	SS: Employment Practices at ELK-Desa Group – Human Rights and Labour Practices and Standards	34 - 35				

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SS: Our Material Matters	24 - 26			
	3-2 List of material topics	SS: Our Material Matters	24 - 26			
Topics-Specific Disclosures: Material Matters						
Company Presence, Stability and Growth						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: The Values We Create as a People-Centric Business	27 - 30			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SS: The Values We Create as a People-Centric Business – Overview of economic value generated and distributed	29			
Financial Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: The Values We Create as a People-Centric Business	27 - 30			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SS: The Values We Create as a People-Centric Business – Overview of economic value generated and distributed	29			
GRI 207: Tax 2019	207-1 Approach to tax	SS: The Values We Create as a People-Centric Business – Financial inclusion and support for local economic development	28			
Supply Chain Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: The Values We Create as a People-Centric Business	27 - 30			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SS: The Values We Create as a People-Centric Business – Financial inclusion and support for local economic development	28			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SS: The Values We Create as a People-Centric Business – Financial inclusion and support for local economic development	28			
Community Engagement, Enrichment & Relationships						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: The Values We Create as a People-Centric Business – Community Engagement, Enrichment & Relationships	29			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SS: The Values We Create as a People-Centric Business – Community Engagement, Enrichment & Relationships	29			
Responsible Finance						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Responsible Financing	29 - 30			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
Topics-Specific Disclosures: Material Matters (Cont'd)						
Responsible Finance (Cont'd)						
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	SS: Responsible Financing – Responsible lending	29 - 30			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SS: Responsible Financing	29 - 30			
Energy Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Energy, Emissions, and Climate Change – Energy	31 - 32			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> The conversion factor for electricity consumption was obtained from U.S. Energy Information Administration (source: https://www.eia.gov/energyexplained/units-and-calculators/energy-conversion-calculators.php) 				
		SS: Energy, Emissions, and Climate Change – Energy	31 - 32			
	302-3 Energy intensity	SS: Energy, Emissions, and Climate Change – Energy	31 - 32			
	302-4 Reduction of energy consumption	SS: Energy, Emissions, and Climate Change – Energy	31 - 32			
Emissions (direct and indirect)						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Energy, Emissions, and Climate Change – GHG Emissions	32			
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Basis for emissions will be equity share, financial control, and operational control. All in-scope entities are wholly-owned by ELK-Desa. 				
		SS: Energy, Emissions, and Climate Change – GHG Emissions	32			
	305-4 GHG emissions intensity	<ul style="list-style-type: none"> The emissions factor used was obtained from the Grid Emission Factor and it does not specify gases included in the calculation 				
		SS: Energy, Emissions, and Climate Change – GHG Emissions	32			
	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> The emissions factor used was obtained from the Grid Emission Factor and it does not specify gases included in the calculation 				
SS: Energy, Emissions, and Climate Change – GHG Emissions		32				

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
Topics-Specific Disclosures: Material Matters (Cont'd)						
Climate Change						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Energy, Emissions, and Climate Change	31 - 32			
Recycling & Waste Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Resource and Waste Management – Recycling and Waste Management	33			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> No data available / Waste is one of the less material matters to ELK-Desa, hence, there were no significant actual and potential waste-related impacts. 				
	306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> No data available / Waste is one of the less material matters to ELK-Desa, hence, there were no significant actual and potential waste-related impacts. 				
	306-3 Waste generated	SS: Resource and Waste Management – Recycling and Waste Management	33			
	306-4 Waste diverted from disposal	SS: Resource and Waste Management – Recycling and Waste Management	33			
	306-5 Waste directed to disposal	SS: Resource and Waste Management – Recycling and Waste Management	33			
Water Management						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Resource and Waste Management – Water Management	33			
GRI 303: Water and Effluents 2018	303-5 Water consumption	<ul style="list-style-type: none"> Water storage not a significant water-related impact to ELK-Desa The water data was obtained from water bills 				
		SS: Resource and Waste Management – Water Management	33			
Labour Practices and Standards						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Employment Practices at ELK-Desa Group	34 - 35			
Diversity and Inclusion						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Our Employees	35 - 38			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	<ul style="list-style-type: none"> All senior managers of the HP Division are Malaysians 				
		SS: Our Employees	35 - 38			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
Topics-Specific Disclosures: Material Matters (Cont'd)						
Diversity and Inclusion (Cont'd)						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SS: Our Employees	35 - 37			
Employee Engagement						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Employee Engagement and Employee Wellbeing	37 - 43			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SS: Employee Engagement and Employee Wellbeing – Learning and Development	38 - 40			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SS: Employee Engagement and Employee Wellbeing – Employee Retention	42 - 43			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Significant locations of operation: our significant locations of operation for HP Division are mainly KL office & Klang office 				
		SS: Employee Engagement and Employee Wellbeing – Employee Remuneration and Benefits	41 - 42			
	401-3 Parental leave	SS: Employee Engagement and Employee Wellbeing – Employee Retention	42 - 43			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SS: Employee Engagement and Employee Wellbeing – Learning and Development	38 - 40			
	404-2 Programs for upgrading employee skills and transition assistance programs	SS: Employee Engagement and Employee Wellbeing – Learning and Development	38 - 40			
	404-3 Percentage of employees receiving regular performance and career development reviews	SS: Employee Engagement and Employee Wellbeing – Performance Appraisal	38			
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	SS: Employee Engagement and Employee Wellbeing – Employee Remuneration and Benefits	41 - 42			

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GRI Standard/ Other Source	Disclosure	Information/Location	Page Number	Omission		
				Requirement(s) Omitted	Reason	Explanation
Topics-Specific Disclosures: Material Matters (Cont'd)						
Occupational Health and Safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Employee Engagement and Employee Wellbeing – Occupational Health and Safety	40 - 41			
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