

BESHOM

THE BEST STARTS FROM HOME

BESHOM HOLDINGS BERHAD

Registration No. 202101001114 (1401412-A)

SUSTAINABILITY STATEMENT 2023



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ABOUT THIS REPORT

Upholding our purpose of creating stakeholder value through our Vision and Mission, Beshom Holdings Berhad (“BESHOM”) publishes this Sustainability Statement (this “Report”) for the financial year ended 30 April 2023 (“FY2023”), together with BESHOM’s Annual Report FY2023, to disclose the sustainability efforts and contributions of BESHOM and its subsidiaries (the “Group”) during the FY2023.

This Report has been prepared in alignment with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in accordance with the GRI Standards. We have also considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits and relevant international sustainability reporting framework and requirements in the preparation of this Report.

This Report has been approved by the Board of Directors (the “Board”) of BESHOM.

ABOUT THIS REPORT

(CONTINUED)

REPORTING BASIS AND SCOPE

This Report covers BESHOM Group's main revenue-generating business segments in Malaysia, including Multi-Level Marketing ("MLM"), Wholesale, Retail, and Manufacturing, property management, as well as the Group's operations at its corporate office in Klang, Selangor. Almost all the Group's revenue is derived from these operations while the contribution from the Group's business ventures in Brunei and Indonesia is minimal. This Report also does not cover the Group's other business activities, such as credit & leasing and insurance, due to insignificant financial, environmental, and social impacts.

Corporate Office	Located in Wisma Hai-O, Klang, Selangor Darul Ehsan which is also BESHOM's headquarters.
MLM Segment	The MLM segment is operated by Sahajidah Hai-O Marketing Sdn. Bhd. ("SHOM") with a presence in Malaysia, Indonesia, and Brunei. Customers of the MLM segment are largely based in Malaysia, while markets in Indonesia and Brunei represent a minor portion of MLM's customer base. SHOM works with MLM distributors who represent our products and we have 32 MLM branches, stockists, and sales points across East and West Malaysia.
Wholesale Segment	The Wholesale segment is operated by Hai-O Enterprise Bhd., Hai-O Medicine Sdn. Bhd., Kinds Resource Sdn. Bhd., Grand Brands (M) Sdn. Bhd. and Chop Aik Seng Sdn. Bhd. Customers of the Wholesale segment are mostly based in Malaysia.
Retail Segment	The Retail segment is operated by Hai-O Raya Bhd., with 55 outlets including franchises across East and West Malaysia and an online retail store. With its local and online presence, the Retail segment is able to serve both Malaysian and overseas customers.
Manufacturing Segment	The Manufacturing segment is operated by SG Global Biotech Sdn. Bhd., QIS Research Laboratory Sdn. Bhd., Yan Ou Holdings (M) Sdn. Bhd. and Yan Ou Marketing (Intl) Sdn. Bhd. Customers of the Manufacturing segment are mostly based in Malaysia.

Data and information reported in this Statement cover the financial period up to 30 April 2023, unless otherwise stated.

ASSURANCE

An internal validation process has been undertaken in the preparation of this Report. This Report has not been externally assured.

CONTACT US

Further information on BESHOM's policies and management processes is available on our corporate website at www.beshom.com. Should you have questions about this Report, please contact us at ir@beshom.com.

GROUP MANAGING DIRECTOR'S MESSAGE



As BESHOM continues to drive business continuity and growth in a challenging global and domestic business climate, the Group remains relentless in its efforts to incorporate sustainability in the business operations and strategies. At BESHOM, we believe in managing our business sustainably, focusing on the various capitals that shape the business success.











At BESHOM, in addition to generating shareholders value through the Company's value and financial returns, we also place emphasis on upholding our values in safeguarding the environment and people. During FY2023, we continued to make progress in our sustainability efforts, achieving most of our previously set sustainability key performance indicators ("KPIs") and have continued to review and enhance our internal procedures, strategies, and targets, guided by our Sustainability Policy.

GROUP MANAGING DIRECTOR'S MESSAGE

(CONTINUED)








Last year, a set of sustainability KPIs was established to measure the Group's overall sustainability performance, covering various areas including Socioeconomic, Governance, and Environmental KPIs. The Board is pleased to report that the Group has achieved 15 out of the 16 KPIs established. The Sustainability KPIs for FY2024 have also been updated.

The Group's performance against the FY2023 Sustainability KPIs and the updated Sustainability KPIs for FY2024 are summarised as follows.

Sustainability category	FY2023 Target	Relevant SDGs	FY2023 Performance	FY2024 Target
Socioeconomic	more than 80,000 transaction orders made via e-commerce platform	n/a	Achieved 94% of the target (75,513 transactions made) (or approximately 15% sales of MLM & Retail Segments in total)	at least 15% of sales amount made via e-commerce platform
	facilitate at least 2 cross-over projects with business alliances to cater for market needs and synergy reach	n/a	12 major collaboration projects/ events	facilitate at least 2 cross-over projects with business alliances to cater for market needs and synergy reach
	zero incidents of product recall		0 incidents recorded	zero incidents of product recall
	at least 75% employees meeting the minimum training hours required		79% employees met the minimum training hours required	at least 75% employees meeting the minimum training hours required
	maintaining a Gender Wage Parity Index of 1:0.91 among employees		1:0.91 achieved	maintaining a Gender Wage Parity Index of 1:0.91 among employees
	achieving zero cases of work-related injuries		0 cases recorded	achieving zero cases of work-related injuries
	sponsorship, fund-raising, or similar programmes which benefit more than 30,000 students and teachers	 	Achieved 35,369 which consists of 33,638 students and 1,731 teachers	sponsorship, fund-raising, or similar programmes which benefit more than 4,000 students and teachers for the 6 identified schools that require funding to upgrade facilities
	resolving 100% of complaints received	n/a	100% resolved	resolving 100% of complaints received
Governance	achieving 100% training completion rate for management-level employees on mandatory topics		100% completion	achieving 100% training completion rate for management-level employees on mandatory topics
	achieving an average passing rate of at least 70% for in-house post-training assessment on anti-bribery		95% passing rate recorded	achieving an average passing rate of at least 70% for in-house post-training assessment on anti-bribery
	zero complaints on breaches of customer privacy		Zero complaints recorded	zero complaints on breaches of customer privacy
	zero food safety incidents		Zero incidents recorded	zero food safety incidents

GROUP MANAGING DIRECTOR'S MESSAGE

(CONTINUED)

Sustainability category	FY2023 Target	Relevant SDGs	FY2023 Performance	FY2024 Target
Environment	savings of 20,000 reams of A4 paper (1 ream = 500 pieces of 80gsm paper)	 	24,854 reams saved	savings of 20,000 reams of A4 paper (1 ream = 500 pieces of 80gsm paper)
	prioritise the use of environmentally friendly packaging for new products or product rebranding		Use of grey pack packing in 4 products launched during the financial year	at least half of rebranded products or new products during the year incorporate elements of environmentally friendly packaging
	solar energy project ready for commissioning by 1 st half of 2023	 	Solar panel systems for all 3 locations installed and energised	to provide up to 800,000 kWh renewable energy
	to use LED lighting systems for all new outlets	 	Installed for one (1) new outlet and one (1) branch relocated during the financial year	to use LED lighting systems for all new outlets

Through our sustainability efforts, we also contribute to 8 out of the 17 Sustainability Development Goals (“SDGs”) towards the 2030 Agenda for Sustainable Development adopted at the United Nations Sustainable Development Summit.

Cognisant of the recent changes to the MMLR, we are also undertaking necessary steps to enhance internal processes, including data collection processes, to support the disclosure requirements prescribed by the MMLR. The Group, being aware of the urgency to address any climate-related impact on the business, is undertaking additional efforts to measure and understand the Group’s exposure in relation to climate-related risks and opportunities. We have also updated our Sustainability Policy to incorporate our commitment to addressing climate risks. BESHOM will continue to drive the integration of sustainability in the Group’s business to realise sustainable value generation for stakeholders.

GROUP MANAGING DIRECTOR’S MESSAGE
(CONTINUED)

SUSTAINABILITY AS THE HEART OF OUR HOME

BESHOM AIMS TO BECOME THE PREMIER HEALTHCARE COMPANY IN MALAYSIA, BRINGING VALUE AND PRIDE TO OUR STAKEHOLDERS THROUGH PROMOTING HEALTHCARE CULTURE AND HUMAN WELL-BEING.

BESHOM’s diverse business segments from MLM to retail and wholesale enable Malaysia’s multi-cultural communities to access different healthcare-related consumer products. Our businesses also create career opportunities through direct and indirect employment and economic opportunities through MLM distributorships. We also support the development of talents within the healthcare industry.

Our products and services are mainly healthcare-related, such as supplements, nutritional foods and beverages, personal care, household, skincare, beauty and cosmetics, herbs and tea and traditional complementary medicines (“TCM”). We also manufacture health food and food supplements via our manufacturing and processing plants which have the relevant certifications.

Mission

We are committed to promoting healthcare culture and improving human’s well-being.

Vision

We aim to become the premier healthcare company in Malaysia, thereby bringing the greatest value and pride to our customers, business partners, employees and shareholders.

By embracing business opportunities and managing risks, cherishing our people and executing our social and environmental responsibilities to deliver sustainable stakeholder value, we strive to build a strong and resilient business.

We are committed to delivering our CORPORATE VALUES



These values are also considered in our Sustainability Policy which sets out the Group’s focus in managing our businesses sustainably and responsibly. Our operations and processes are developed incorporating practices from compliance standards to better international practices relating to environmental, social, and governance aspects.

GROUP MANAGING DIRECTOR'S MESSAGE

(CONTINUED)

B E S H O M

We believe in the importance of a good start, which underscores our motto of **“The Best Starts From Home”**. For over four decades, we have upheld our mission to enhance the well-being for all.



FOR OUR PEOPLE 以人为本

Making wellness and healthcare products more accessible has and will always be our goal.

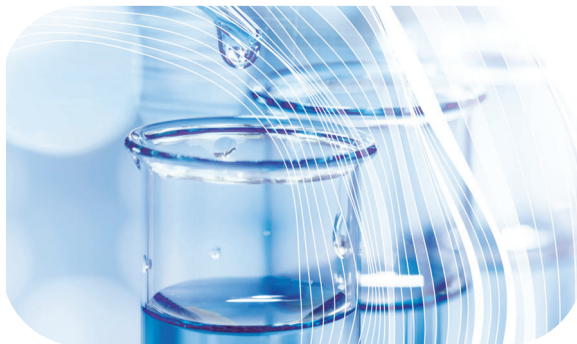
我们为每个人提供便捷可信的健康保健产品, 这个承诺永不改变。



FOR OUR LIVELIHOOD 安居乐业

A platform to enhance the quality of life by giving support and opportunities.

我们精心设计一应俱全的平台, 为您提供支援, 替您创造机会, 让每一个人享受安居乐业的成果。



FOR OUR FUTURE 高瞻远瞩

Improve the well-being of humankind through innovative healthcare and technology.

通过崭新的医疗保健科技, 改善人类健康, 勇于创新, 未来可期。



FOR OUR LEGACY 继往开来

Building a world based on trust, values, integrity and sustainability for the future generations.

建立一个融合信任、价值、诚信和永续发展概念的企业, 继往开来, 承先启后、延续美好。

GROUP MANAGING DIRECTOR’S MESSAGE

(CONTINUED)

BESHOM’s Sustainability Policy

Economy



We shall create business and employment opportunities, recruit local talent, embed sustainability in our procurement practices and throughout our value chain, provide a skill development and business collaboration platform for distributors, and instil the “Hai-O My Choice for Life” team spirit.



Governance



We shall prioritise compliance throughout our value chain, adhere to laws, regulations and internal conduct and policies, manage material sustainability matters, and embed integrity and transparency into our corporate culture.



People



For our employees, we shall ensure a safe and conducive workplace, provide fair remuneration, foster talent development and performance management system, provide regular training and development programmes, encourage employees’ involvement in Kelab Muhibbah Hai-O and provide recognition for high-performing and loyal employees, teams, and franchisees.

For the community, we shall strive to bring a positive impact, encourage quality education, support vulnerable communities, and continuously spread health awareness and community harmony.

Product



We shall promote products that improve community well-being, provide high-quality and safe products and services, apply, and maintain standards and certifications, improve customers/distributors’ satisfaction, and establish sustainable and transparent lines of communication between BESHOM and our customers.



Planet



We shall educate the practice of 4R (Reduce, Reuse, Recycle, Replace), reduce and replace less environmentally friendly materials in product packaging, promote green initiatives, and introduce products that contain eco-friendly ingredients that are less harmful to the environment as well as human health.

We also acknowledge our roles in the global, joint efforts towards combating climate change and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. We shall take necessary efforts to account for and report our greenhouse gas (“GHG”) emissions and to formulate appropriate strategies to mitigate our GHG impacts.



GOVERNANCE FOR SUSTAINABILITY

Business sustainability is one of the key focuses in the strategic directions and management of BESHOM Group and is integrated in the corporate governance structure through formalised roles and responsibilities at each key governance level.

Board of Directors (“Board”)	<ul style="list-style-type: none"> Endorses the Group’s sustainability strategy and commitment statement Approves the Sustainability Report and its contents 	<p>The Board provides stewardship to the Group and ensures overall business strategy considers long-term sustainability for the stakeholders as well as for the business. The Board approves and oversees the implementation of the Group’s Sustainability Strategy, Sustainability Policy, and achievement of targets while ensuring their ongoing relevance in the ever-changing business environment.</p> <p>The Board also provides oversight to the Group’s overall stakeholder management and management of material sustainability matters and key sustainability risks.</p>
Sustainability Steering Committee (“SSC”)	<ul style="list-style-type: none"> Proposes the sustainability strategy to the Board Reviews the material sustainability matters identified and prioritised by the SMC Engages the departments involved in the SMC and oversees the progress of sustainability initiatives and projects that are in place across different departments 	<p>The SSC is chaired by the Group Managing Director. Its members include the Group Executive Director cum Group Chief Financial Officer and two Independent Directors to bring objective views to the SSC.</p> <p>The SSC develops group-wide Sustainability Strategies, goals, targets, and performance indicators and recommends them for the Board’s approval. The SSC also reviews the Group’s overall stakeholder management process and management of material sustainability matters.</p>
Sustainability Management Committee (“SMC”)	<ul style="list-style-type: none"> Undertakes sustainability initiatives aligned with the Group’s sustainability strategy Records and manages data that reflect the Group’s year-on-year performance against economic, environmental, and social parameters Identifies and prioritises the material sustainability matters that are relevant to the Group and the stakeholders 	<p>The SMC is a Management-level committee comprising senior management members and key management personnel. It plays a significant role in the successful execution of the Sustainability Strategy towards meeting the sustainability goals and priorities approved by the Board. In this regard, individual members of the SMC are responsible for undertaking relevant initiatives at the respective departments or functions they oversee to drive sustainability performance towards the goals and priorities, according to the Group’s operational and accountability structure.</p> <p>The SMC is also responsible for overseeing stakeholder management and conducting materiality assessments, which are subsequently reported to the SSC and the Board. The SMC identifies if there are any significant changes to the Group’s material sustainability matters, including emerging risks, as well as any significant stakeholder issues.</p>
Sustainability Task Force (“STF”) and Employees	<ul style="list-style-type: none"> Executes sustainability initiatives and collects sustainability data Executes internal controls to manage sustainability matters 	<p>The STF comprises Management personnel that leads employees to execute sustainability initiatives based on approved sustainability strategies, collect relevant data to measure sustainability performance and undertake internal controls to manage material sustainability matters and relevant risks and opportunities.</p>

For FY2023, key activities undertaken by the Board in relation to the Group’s management of sustainability matters include the following:

- reviewed and approved the Group’s materiality assessment review performed by the SMC;
- reviewed matters highlighted by the SSC on the Group’s stakeholder engagement activities;
- reviewed the Group’s corporate governance processes to enhance alignment with sustainability-related accountability and performance evaluation;
- reviewed the sustainability strategy, targets, and Sustainability Policy¹ with reference to the Group’s mission and vision and relevant business strategies;
- reviewed the performance of the Group’s material sustainability matters and their inclusion in BESHOM’s Sustainability Statement FY2023;
- reviewed and approved the sustainability KPIs for FY2024 proposed by SSC; and
- overseen initiatives to address climate change including solar project and climate awareness programmes, e.g. Save Our Planet, Pledge Tree Competition, Step Challenge, etc.

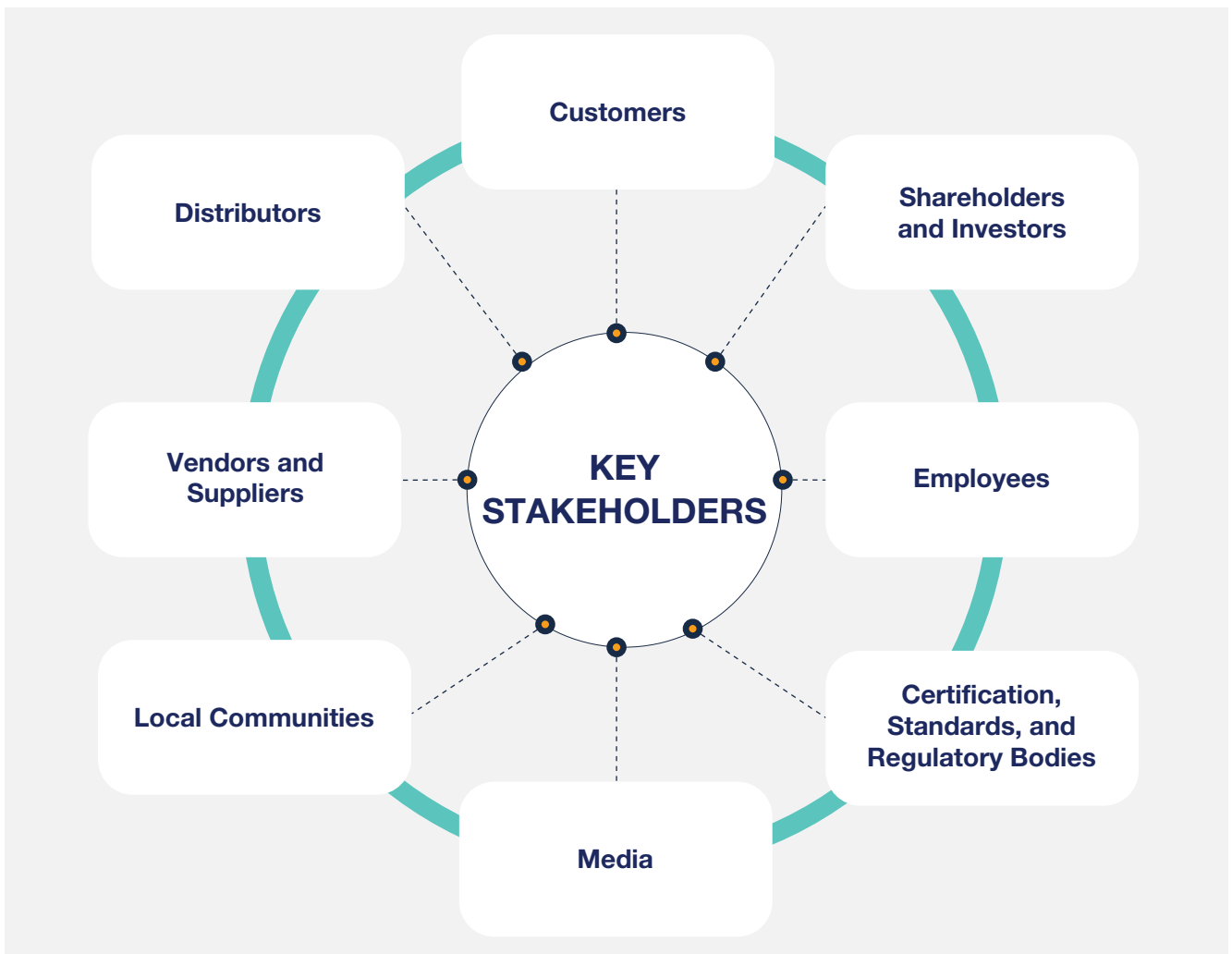
In line with global efforts to address climate change, the Board and SSC will review and measure the Group’s exposure and impact to climate change and will develop relevant strategies and targets moving forward.

¹ There were no changes to the sustainability strategy and Sustainability Policy arising from the review.

STAKEHOLDER ENGAGEMENT

BESHOM is committed to forming sustainable, mutually beneficial relationships with its stakeholders towards achieving long-term, sustainable value creation and preservation. Every stakeholder is important in different ways, and we seek to strike a balance between the Group's interest, its obligations, corporate responsibilities towards stakeholders, as well as stakeholders' interest overall.

We adopt a structured process to assess and group stakeholders to understand the various interest and needs of our varying stakeholders, as well as to facilitate effective and efficient communication with them. We assess stakeholders by considering their relationships with our businesses, how these relationships impact the Group, how the Group's activities impact stakeholders, as well as their relationship with other stakeholders. Broadly, our stakeholders include customers, shareholders and investors, employees, distributors, vendors and suppliers, local communities, media, and certifications, standards, and regulatory bodies.



We engage with our stakeholders through various engagement channels, as appropriate, and we embrace open and honest communication with stakeholders with an aim to have an adequate understanding of their views and concerns and to communicate effectively with them.

The heads of respective business units and departments ensure effective stakeholder engagements by overseeing the stakeholder communication process, considering the Group's sustainability strategies and ensuring pertinent issues or concerns raised by stakeholders are managed and escalated as appropriate. Highlights of the stakeholder engagement outcomes, including important stakeholder feedback, are reported to the Board via the SMC and SSC.

The Group's stakeholder engagements during the financial year under review, including engagement approaches, are summarised as follows.

STAKEHOLDER ENGAGEMENT

(CONTINUED)

FOCUS AREAS	KEY ENGAGEMENT APPROACHES AND/OR CHANNELS	FREQUENCY OF ENGAGEMENT	KEY HIGHLIGHT OF ENGAGEMENT ACTIVITIES CONDUCTED DURING FY2023
Employees			
The individuals that enable us to serve our customers.			
<ul style="list-style-type: none"> Career development and advancement Work-life balance Employee health and safety Employee benefits 	Performance appraisal	Annually	<ul style="list-style-type: none"> Performance appraisal Anniversary and festival gathering events Code of Ethics & Business Conduct and Whistle-Blowing Policy updates Kelab Muhibbah Hai-O activities Staff trips Gift exchange on Dec 2022 SHOM Virtual Branch Meeting for information sharing Sustainability awareness program "Save Our Planet", Pledge Trees Competition, Step Challenge.
	Employee Handbook, Code of Ethics & Business Conduct	Available at all-times	
	Internship and training and development programmes	Regularly	
	Festive events or celebrations	At least once annually	
	Health screening and check-up	Regularly	
	BESHOM Human Resource Online	Available at all times	
	Employee Engagement survey	Once every three years	
	Kelab Muhibbah Hai-O	Regularly	
	Staff purchase/ product giveaway	Regularly	
Customers			
The people that use our products and services.			
<ul style="list-style-type: none"> Food safety Product quality and branding Customer-company relationship Customer service and complaints Pricing and promotion 	Customer satisfaction survey	Annually	<ul style="list-style-type: none"> Customer satisfaction survey Hai-O Chain Store Friendship Member Programme Social media: Facebook, WeChat, Instagram, YouTube, Telegram, "Xiao Hong Shu" Website and E-commerce Bulletin Futuristik, Hai-O Info, SHOM e-Catalogue Product Roadshows Zoominar SHOM Product branding (Suria FM on Min Kaffe) Products Branding - Regional Appreciation Dinner Health talk through FB live
	Conventional advertising media	Regularly	
	Social media platforms	Available at all times	
	Corporate website	Available at all times	
	Customer Relations Management	Ongoing	
	Hai-O Chain Store Friendship Member Programme	Ongoing	
	Product labelling and information	Ongoing	
	Product standards and certifications	Ongoing	
	Feedback and enquiry forms – online and in-store	Available at all times	
WhatsApp line, customer care line, and email	Available at all times during business hours		

STAKEHOLDER ENGAGEMENT

(CONTINUED)

FOCUS AREAS	KEY ENGAGEMENT APPROACHES AND/OR CHANNELS	FREQUENCY OF ENGAGEMENT	KEY HIGHLIGHT OF ENGAGEMENT ACTIVITIES CONDUCTED DURING FY2023
Distributors			
The individuals that bring our products to product users.			
<ul style="list-style-type: none"> Enhancement of distribution platform Market demand for Hai-O products Product quality and pricing Product development and innovation MLM entrepreneurship 	Marketing strategy and plans	At least once annually	<ul style="list-style-type: none"> Distributor survey Physical recognition events: SM/SSM Recognition, Diamond Night SHOM's 30th Anniversary, recognition of Crown Diamond Manager and top performers CDM Conference 2023 SHOM Tech Talk TikTok Master Class Borak nutriSHOM Zoom meetings and zoom briefings Product zoominars Overseas incentive trip Factory tour Product e-voucher
	E-bulletin	Quarterly	
	E-sales kit and e-registration	Monthly	
	Distributor survey	Annually	
	Events and conferences	Regularly	
	Member's portal	Regularly	
	Training and workshops	Regularly	
Vendors and Suppliers			
The business partners that enable us to source, make and distribute our products.			
<ul style="list-style-type: none"> Food safety Product quality and branding Customer-company relationship Customer service and complaints resolution Pricing and promotion 	Meetings	Regularly	<ul style="list-style-type: none"> Code of Business Ethics for Suppliers and Business Associates Supplier declaration on <ul style="list-style-type: none"> Beshom group anti-bribery policy Integrity background declaration Group privacy notice and PDPA declaration Supplier Engagement Survey on Sustainability Supplier site audit Promotion support
	Factory visits	Regularly	
	Audits	Regularly	
	Vendor evaluation	Periodically	
Certification and Regulatory Bodies			
The regulators who monitor our business practices.			
<ul style="list-style-type: none"> Regulatory compliance Approval and permits Standards and certification 	Meetings and consultations	Regularly	<ul style="list-style-type: none"> ISO, HACCP, SAMM, GMP and US FDA certifications BKKM, NOT, MAL HALAL certificate
	Training programmes and dialogues	Regularly	
	Factory visits and monitoring	Regularly	
	Legal and regulatory updates	Regularly/ as applicable	
	Audits	Regularly	

STAKEHOLDER ENGAGEMENT

(CONTINUED)

FOCUS AREAS	KEY ENGAGEMENT APPROACHES AND/OR CHANNELS	FREQUENCY OF ENGAGEMENT	KEY HIGHLIGHT OF ENGAGEMENT ACTIVITIES CONDUCTED DURING FY2023
Local Communities			
The individuals in the nearby community who are in need or are impacted by our operations.			
<ul style="list-style-type: none"> Quality of health and education Indirect economic impact Environmental impact of operations Community well-being 	Community engagement and outreach	Regularly	<ul style="list-style-type: none"> Hai-O Higher Education Aid and Hai-O Excellent Academic Awards Health talks Supporting or visiting orphanage homes SHOM Edukids Ai Hua Jiao Fund Raising event Vouchers Giveaway to Amazing Seniors Campaign @ Atria PJ Mall Kelab Muhibbah Hai-O Blood Donation Drive @ Klang Parade Koo Soo Sun Heng Hong Melaka's² 100th Anniversary Dinner @ Malacca We Care We Share - Flood donation
	Donation and sponsorships	Regularly	
	Social and cultural activities	Regularly	
	Hai-O Foundation	Regularly	
	Kelab Muhibbah Hai-O	Regularly	
Shareholders and Investors			
The investors and lenders who invest in our business.			
<ul style="list-style-type: none"> Financial performance Regulatory compliance Corporate governance Ethical business conduct Investment and divestment Internal control and risk management Board composition 	General meetings	At least once annually	<ul style="list-style-type: none"> 2022 AGM 2022 Annual Report and quarterly announcement 2022 Sustainability Statement 2022 Corporate Governance Report Other Bursa announcements Investor/analyst briefings
	Analyst briefings and reports	Regularly	
	Annual report, which includes financial report, corporate governance report, etc.	Annually	
	Financial announcements and reporting	At least once every quarter	
	Corporate website	Available at all times	
Media			
The media and other opinion formers.			
<ul style="list-style-type: none"> Reputation and image Financial performance Business updates and corporate news Public relations 	Press releases	Regularly	<ul style="list-style-type: none"> Collaboration with media on CSR activities Media invitation to BESHOM's Group Anniversary function Media interview with SHOM CDM speakers at SHOM's 30th Anniversary Media interview on corporate and business updates
	Social media platform	Regularly	
	Conference and interviews	Regularly	
	Advertisements	Regularly	
	Events and functions	Regularly	

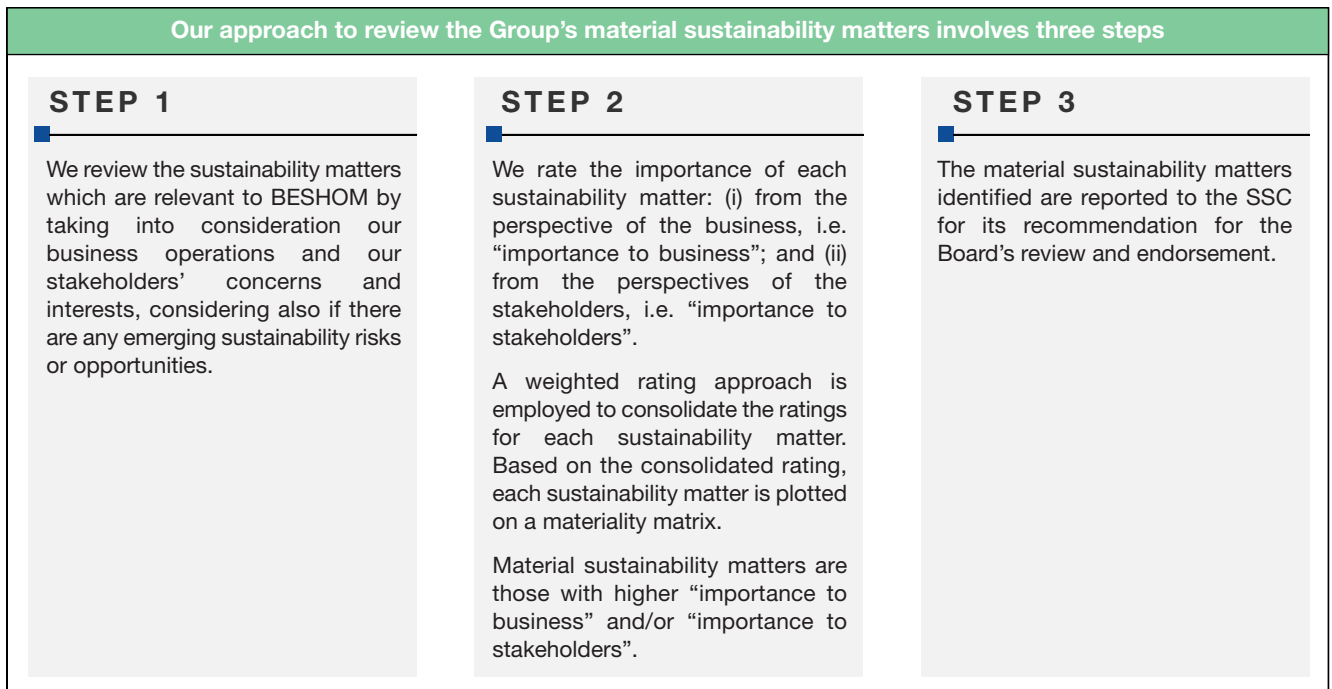
² An association of restaurants and teashops

MATERIAL SUSTAINABILITY MATTERS

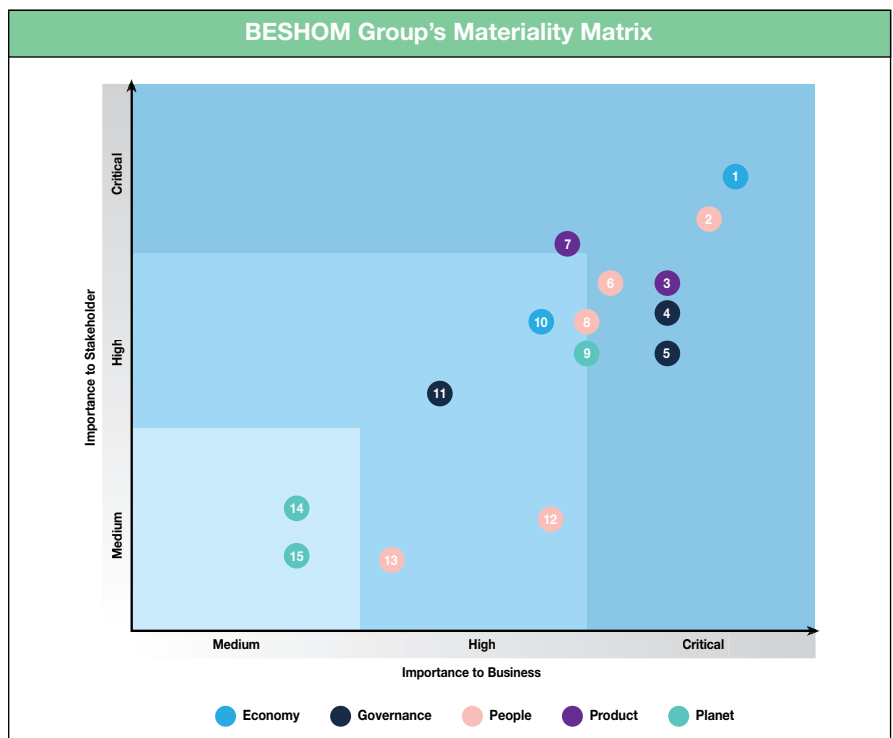
To BESHOM Group, material sustainability matters include financial and non-financial elements such as environmental, social, and governance (“ESG”) matters which are significant to the Group’s long-term value creation for stakeholders. Material sustainability matters may also include elements which reflect the Group’s significant impact on the economy, environment, and society, or they may also substantively affect the assessments and decisions of stakeholders. When considering the BESHOM Group’s sustainability matters, we have also considered the common sustainability topics prescribed in the amended MMLR which will take effect in the coming years.

BESHOM’s Materiality Assessment

When carrying out the annual materiality assessment to identify and prioritise the Group’s material sustainability matters, the SMC also considered the views and concerns of stakeholders arising from the Group’s ongoing engagements with stakeholders, in addition to the assessment of the Group’s personnel from a business point of view.



Following a greater worldwide focus on governments and businesses to increase efforts to address climate change, the materiality for “Energy and GHG Emissions Management” increased during the most recent review. The rest of the Group’s material sustainability matters remained largely unchanged from the previous year and are illustrated in the BESHOM Group’s Materiality Matrix.



MATERIAL SUSTAINABILITY MATTERS

(CONTINUED)

The next section of this Report discusses our 15 material sustainability matters, with reference to BESHOM's key sustainability focus areas, relevant stakeholders, GRI disclosures, and relevant SDGs.

Key Sustainability Focus Areas	Material Sustainability Matters	Materiality Ranking	Description
Economy 	Economic Performance	1	Good economic growth will enable BESHOM to have adequate capital to maintain its licences to operate, comply with new regulations and standards as well as prepare for potential risks and changes in the future.
	Supply Chain Management	10	We aim to build long-term, mutually beneficial relationships with all third parties along our value chain. A good supply chain management supports operational efficiency, cost optimisation, risk management, and also strengthens our commercial positioning.
Governance 	Corporate Governance and Risk Management	5	BESHOM focuses on establishing a sound governance structure to maintain a fair and orderly market, a high level of investor confidence and to manage risks.
	Ethics and Integrity	4	Ethics, bribery, and corruption risk has been identified as one of the principal risks that could threaten our strategy, performance, and reputation. Building trust can only be achieved through an ethical approach and we place significant emphasis on adopting the right behaviours.
	Intellectual Property ("IP") and Data Integrity	11	Data integrity and intellectual property, including data privacy and cybersecurity, are increasingly important to maintain the relevance of the Group's businesses and safeguard the interests of stakeholders.
People 	MLM Entrepreneurship	2	We continuously invest in our Multi-Level Marketing business, which is one of our main economic contributors, to create job opportunities and a platform for entrepreneurship excellence.
	Employee Well-being and Inclusiveness	6	We nurture employees by providing fair remuneration and comprehensive benefit packages to assure job security for employees who are vital to BESHOM. We also embrace diversity and inclusiveness and do not discriminate in our employment practices.
	Talent Management and Succession Planning	8	<p>BESHOM's employment focuses on attracting and retaining the right talents to support the Group's long-term human capital sustainability. We make persistent efforts to equip employees with the right skills to keep them abreast of the latest knowledge and techniques, and training programmes are aimed at enhancing the skills, capabilities, and knowledge required for decision-making and creative thinking.</p> <p>It is paramount that we develop successors and identify next-in-lines to ensure a smooth transition in our operational structure. We oversee and follow up on the competency development of employees from their first day at work to help them in their career development.</p>




MATERIAL SUSTAINABILITY MATTERS

(CONTINUED)

Relevant stakeholder groups	Relevant GRI (Global Reporting Initiative) disclosures	Relevant SDG (Sustainable Development Goal)
<ul style="list-style-type: none"> Shareholders and Investors Employees Local Communities 	<ul style="list-style-type: none"> Economic Performance Market Presence Indirect Economic Impacts Procurement Practices 	
<ul style="list-style-type: none"> Vendors and Suppliers 	<ul style="list-style-type: none"> Child Labour Forced or Compulsory Labour 	 
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Employees 	<p>Non-GRI Disclosure</p>	
<ul style="list-style-type: none"> Certification, Standards, and Regulatory Bodies Shareholders and Investors Employees Vendors and Suppliers Distributors 	<ul style="list-style-type: none"> Anti-corruption Non-discrimination Freedom of Association and Collective Bargaining Child Labour Forced or Compulsory Labour Public Policy 	
<ul style="list-style-type: none"> Customers Distributors Vendors and Suppliers Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> Customer Privacy 	
<ul style="list-style-type: none"> Distributors 	<p>Non-GRI Disclosure</p>	 
<ul style="list-style-type: none"> Employees 	<ul style="list-style-type: none"> Market Presence Employment Occupational Health and Safety Diversity and Equal Opportunity 	 
<ul style="list-style-type: none"> Employees Shareholders and Investors 	<ul style="list-style-type: none"> Training and Education 	  













MATERIAL SUSTAINABILITY MATTERS

(CONTINUED)

Key Sustainability Focus Areas	Material Sustainability Matters	Materiality Ranking	Description
People 	Occupational Health and Safety	12	We operate in accordance with the principles of occupational health and workplace safety to ensure a suitable and sustainable workplace environment.
	Community Engagement	13	BESHOM focuses on supporting and promoting the development of communities as a way to demonstrate social responsibility and create engagement with the community and wider society to achieve sustainable advancement.
Product 	Reputable Brands, Products, and Services	3	<p>BESHOM takes pride in its good branding and marketing strategies. We strengthen our corporate brand image by focusing on creative ideas that will build brand awareness while meeting customers' needs. We strive to contribute to a healthier community with innovative and safe products which our customers can trust and rely on. We listen to the individuals who use our products to better understand how they interact with our products and to identify how we can improve our products and services.</p> <p>Our commitment to "promoting healthcare culture and improving human's well-being" entails the provision of safe and quality products. Our healthcare products that improve consumers' well-being are safe and of the highest quality and comply with the statutory requirements and relevant standards. Our products are certified and are regularly audited by external experts, regulatory authorities, and external consultants. Furthermore, we consistently stay proactive to ensure that our manufacturing processes are undertaken in a safe and efficient manner.</p>
	Customer Responsibility	7	BESHOM aims to produce our products with sustainable raw ingredients and environmental packaging to reduce the negative impact towards our customers and the planet. We also ensure our products are advertising and marketing responsibility as the health and safety of our consumers is our main focus.
Planet 	Green Product and Packaging	14	BESHOM works towards offering green products by avoiding harmful materials, sourcing raw materials with lower environmental impact and utilising sustainable packaging materials.
	Energy and GHG Emissions Management	9	BESHOM strives to use resources and energy in an efficient and environmentally friendly manner to help alleviate global climate change. We strive to manage GHG emissions through emission reduction initiatives and pursuing emission-efficient operations.
	Resource and Waste Management	15	We aim to reduce waste across the Group while also stepping up efforts to reuse and recycle.

MATERIAL SUSTAINABILITY MATTERS

(CONTINUED)

Relevant stakeholder groups	Relevant GRI (Global Reporting Initiative) disclosures	Relevant SDG (Sustainable Development Goal)
<ul style="list-style-type: none"> • Employees • Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> • Occupational Health and Safety 	
<ul style="list-style-type: none"> • Local Communities 	<ul style="list-style-type: none"> • Indirect Economic Impacts 	 
<ul style="list-style-type: none"> • Shareholders and Investors • Media • Customers • Distributors • Certification, Standards, and Regulatory Bodies 	<ul style="list-style-type: none"> • Customer Health and Safety 	  
<ul style="list-style-type: none"> • Customers • Certification, Standards, and Regulatory Bodies • Distributors 	<ul style="list-style-type: none"> • Marketing and Labeling 	
<ul style="list-style-type: none"> • Certification, Standards, and Regulatory Bodies • Customers 	<p>Non-GRI Disclosure</p>	
<ul style="list-style-type: none"> • Certification, Standards, and Regulatory Bodies • Employees 	<ul style="list-style-type: none"> • Energy • Emissions 	  
<ul style="list-style-type: none"> • Certification, Standards, and Regulatory Bodies • Employees • Vendors and Suppliers 	<p>Non-GRI Disclosure</p>	

KEY
SUSTAINABILITY
FOCUS AREA



OUR ECONOMY



OUR ECONOMY

To contribute to the sustainable growth of the local economy and to create business opportunities for entrepreneurs

Relevant Material Sustainability Matters

Economic Performance

Supply Chain Management

KEY HIGHLIGHTS IN FY2023



PROFIT BEFORE TAX

RM24.3

million



TOTAL REVENUE

RM174.2

million



TOTAL ASSETS

RM353.2

million



50%

Local trade procurement



AVERAGE ENTRY LEVEL
NON-EXECUTIVE WAGE : MINIMUM WAGE

1.4 : 1

(East Malaysia)

1.3 : 1

(West Malaysia)



INTERNSHIP
PROGRAMME

FOR **16**
STUDENTS



GENDER WAGE PARITY INDEX OF

1 : 0.91

(male-to-female)



SUPPLIER ENVIRONMENTAL
AND SOCIAL IMPACT
ASSESSMENT

Relevant GRI Topics

GRI 201: Economic Performance 2016

GRI 204: Procurement Practices 2016

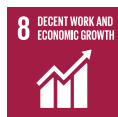
GRI 202: Market Presence 2016

GRI 408: Child Labor 2016

GRI 203: Indirect Economic Impacts 2016

GRI 409: Forced or Compulsory Labor 2016

Contributions to SDGs



ECONOMIC PERFORMANCE

Through its business operations, BESHOM Group generates value of various forms for its stakeholders such as economic value in supply chains, wages and remuneration for employees, commissions for MLM distributors, interests to lenders, shareholder returns, financial and non-financial support for communities, as well as paying our fair share of taxes.

The following table summarises the Group's economic value generated and distributed, as well as some other key financial indicators, for FY2023.

Economic value generated and distributed	FY2021 (RM'000)	FY2022 (RM'000)	FY2023 (RM'000)
Economic value generated			
Total Revenue	271,390	209,555	174,229
Economic value distributed			
Total Tax paid to Government	10,877	14,360	10,166
Total shareholders' return in dividends	26,584	24,008	15,005
Interest paid to banks	-	-	-
Employee wages and benefits	31,511	28,461	30,658
Contribution to community	191	632	815
Commissions and other incentives for distributors and customers	62,309	38,620	23,769
Other key financial indicators			
Profit Before Tax	52,273	40,300	24,264
Total assets	371,500	370,139	353,182
Market Capitalisation	648,643	483,166	354,122

Detailed information on the financial performance and position of the Group is available in the **Management Discussion and Analysis** by Group Managing Director and the Group's **Audited Financial Statements** and their relevant notes in our Annual Report FY2023.

ECONOMIC PERFORMANCE

(CONTINUED)

Supporting the Local Economy and Creating Work Opportunities

BESHOM creates various direct and indirect work and income opportunities through its business operations and value chain. As at 30 April 2023, the Group employs a total of 479 headcount and has a network of 41,681 distributors in its MLM business. More than 99% of our workforce and our entire Senior Management team³ are Malaysians. We also have 23 workers who are not our employees, but are our service provider's employees who work at our premises.

We also have regular internship programmes to promote talent and experience development among youths, providing first-hand work experience to interns and enabling them to make better decisions on their future careers. During FY2023, we offered 16 internship positions across various functions including marketing and branding, merchandising, management information system, accounts, human resources, sales and business operations, and laboratory.



479

EMPLOYEES

(FY2022: 465 employees)



41,681

DISTRIBUTORS

(FY2022: 49,795 distributors)



16

INTERNSHIP POSITIONS

(FY2022: 18 internship positions)

BESHOM Group also contribute to the local economy via its supply chain activities, including the purchasing of raw materials, finished goods, packaging materials, and outsourced manufacturing services. The Group has more than 200 suppliers of goods and services to cater for the Group's wide range of products.

In our procurement activities, we bear in mind the advantages of procuring locally, such as supporting the local economy, efficiency of turnover time, lower associated indirect emissions due to shorter transportation distance, and risk management. Nevertheless, it is equally important to consider other elements such as availability, cost efficiency, product quality, and risk diversification.

In FY2023, approximately 50% of the Group's trade-related procurement⁴, which includes the procurement of packaged products and raw materials, are sourced from Malaysian businesses.

³ Consisting of the Group Managing Director, the Group Executive Director cum Chief Financial Officer, Chief Marketing Officer, and General Managers of the respective subsidiaries.

⁴ Percentage in relation to total trade-related procurement cost.

SUPPLY CHAIN MANAGEMENT

BESHOM's ability to offer a wide range of products throughout the Group's various business segments depends on its robust and reliable supply chain, which is governed by stringent processes including due diligence, onboarding, and periodic performance assessment which incorporate multi-faceted considerations such as product and service quality, supplier capability and reliability, business ethics, and ESG management, where appropriate.

Supported by various stakeholder engagement tools, such as surveys, self-declaration forms, as well as physical inspections and site visits, BESHOM endeavours to obtain sufficient understanding of its supply chain partners to align its beliefs and values along the value chain, especially on matters which are significant for the Group's product and service quality, food safety, and environmental and social compliance such as raw material sourcing and management of significant waste or by-products, amongst others.

Any non-conformity or unmet expectations arising from the day-to-day business dealings or during periodic performance assessments will be followed-up and we will work together with suppliers to implement remedial actions.

Code of Business Ethics for Suppliers and Business Associates

BESHOM has established a Code of Business Ethics for Suppliers and Business Associates ("COBE") which sets out the Group's expectations of its suppliers and business associates, including in the areas of compliance, business ethics, environmental and social responsibilities, with an aim to build a sustainable and responsible supply chain. Amongst others, the COBE covers the following areas:

<p>compliance with laws and regulations</p>	<p>business integrity, including anti-corruption and anti-bribery</p>	<p>fair competition</p>	<p>prohibit the use of child labour, trafficked labour and forced labour</p>
<p>compliance with legal minimum working age and wage</p>	<p>respecting human rights and non-discrimination regardless of race, religion, gender, age, disabilities, and nationality</p>	<p>providing healthy, safe, and conducive workplace</p>	<p>minimising the impact of business towards the environment</p>

The COBE was rolled out and communicated to our business partners along our supply chain and is also included as part of our business contracts with key suppliers. The COBE is accessible at <https://www.beshom.com/investor-relations/corporate-governance>.

SUPPLY CHAIN MANAGEMENT

(CONTINUED)

Sustainability Survey and other engagements

BESHOM launched its Sustainability Survey in FY2022, which aims to help us understand the possible sustainability risks and opportunities along the Group's supply chain. The survey was rolled out to suppliers on a gradual basis, prioritising key suppliers or those who may have higher risks.

We continued to carry out Sustainability Surveys for key suppliers as part of our initiatives to better understand the possible sustainability risks and opportunities in the Group's supply chain, covering matters such as sustainability governance, policies addressing ethical business practices, anti-corruption, child labour and forced labour, equal employment opportunities, excessive working hours, non-discrimination, and freedom of association and collective bargaining, amongst others. The survey also enables us to understand possible sustainability-related risks in our supply chain, such as climate change risks and impacts.

As at 30 April 2023, we have received responses from 21 key suppliers, out of 26 key suppliers identified as high priority. The key suppliers identified consist of trade suppliers, local and overseas, of the MLM and Wholesale segments and non-trade suppliers of the Retail segment. The sustainability survey considers various ESG elements including environmental compliance, preventing child labour and forced labour, in addition to business-driven criteria such as quality, safety, and certification compliance. There were no significant red flags noted.

The survey will continue to be rolled out to other suppliers.

We recently incorporated criteria on waste and pollution management practices as part of the Group's sourcing criteria, which will be carried out as part of our due diligence for new suppliers.

Supplier Audits and Visits

We also continued to carry out supplier audits and factory visits on suppliers, looking into various factors such as the supplier's occupational safety programme and performance, certifications and standards adopted for its processes, hygiene and cleanliness, employee training programme, quality control processes, product quality, waste management practices, etc.



KEY
SUSTAINABILITY
FOCUS AREA



OUR GOVERNANCE



OUR GOVERNANCE

To foster corporate transparency and lay the foundation for strong and sound leadership

Relevant Material Sustainability Matters

Corporate Governance and Risk Management

Ethics and Integrity

Intellectual Property (“IP”) and Data Integrity

KEY HIGHLIGHTS IN FY2023



**ANTI-BRIBERY
POLICY**



CODE OF BUSINESS ETHICS
for Suppliers and Business
Associates



**SHOM'S BUSINESS
HANDBOOK**
is made available in:
English, Bahasa Malaysia
and Chinese



2
**GMP-certified
TCM Manufacturing
Plants**



ISO 9001:2015 certified
MLM and
Manufacturing



NO
breaches relating
to customer data
or privacy

Relevant GRI Topics

GRI 205: Anti-corruption 2016

GRI 408: Child Labor 2016

GRI 406: Non-discrimination 2016

GRI 409: Forced or Compulsory Labor 2016

GRI 407: Freedom of Association and
Collective Bargaining 2016

GRI 415: Public Policy 2016

GRI 418: Customer Privacy 2016

Contributions to SDGs



CORPORATE GOVERNANCE AND RISK MANAGEMENT

BESHOM believes that good corporate governance structure and practices are integral to the Group's long-term business sustainability, as well as delivering accountability and responsibility. The Group's corporate governance practices are compliant with relevant practices of the MMLR and are guided by promulgations of the Malaysian Code on Corporate Governance, as well as other international better practices.

Details of BESHOM Group's corporate governance structure and practices are reported in the **Corporate Governance Overview Statement** on pages 55 to 74 of BESHOM's Annual Report FY2023 and **Corporate Governance Report** FY2023.

A robust system of risk management and internal control is also in place to complement the corporate governance structure. The system entails a risk management process and a series of internal controls are established to safeguard the assets of the Group, through a risk-based approach which considers strategic, operation, and sustainability risks, amongst others.

Details of the risk management and internal control system are reported in the **Statement on Risk Management and Internal Control** on pages 75 to 81 of BESHOM's Annual Report FY2023.

Information on our corporate governance policies and practices, as well as key corporate communication materials, such as Annual Reports, minutes of general meetings, announcements made to Bursa Securities, press releases, corporate presentations, financial result updates, and analyst reports, are also available on our corporate website.

ETHICS AND INTEGRITY

The Board of BESHOM has established an expectation for high standards of business ethics and integrity for the Group's business, operations, and people including employees, distributors, and business partners.

Employees

Our Code of Ethics and Business Conduct ("COE"), which is included in the Group Employee Handbook, is approved by the Board and is applicable to all our businesses and our directors and employees. The COE governs various areas of ethical business conduct and practices, including anti-bribery and anti-corruption, avoiding and managing conflict of interest situations, abuse of power, insider trading, anti-money laundering, and others.

The Employee Handbook reflects BESHOM Group's respect for everyone's fundamental human rights and commitment to ensure adherence to labour standards, including avoiding and preventing all forms of child labour, forced labour, trafficked labour, and preventing excessive working hours. The Employee Handbook also seeks to protect our employees and stakeholder from bullying or harassment, including sexual and verbal harassment. We respect the employees' rights to freedom of association and collective bargaining, in alignment with the law. Our employment practices and business operations strictly comply with relevant applicable laws and regulations and the Management team regularly monitors such practices in our key operating sites and branches.

All new employees are briefed on the Employee Handbook which includes the COE and they are required to provide written acknowledgement of their understanding and commitment to adhere to the Employee Handbook. Employees are also required to declare any arising conflict of interest situations they have with the Group or the Group's key stakeholders. The Employee Handbook is accessible by all employees via BESHOM's internal Human Resources Online Portal and is available in English and Chinese.

The Employee Handbook is periodically reviewed and updated to reflect any development considering business ethics as well as employment and labour practices, for instance. Any key updates to the Employee Handbook will be followed up with refreshed written acknowledgements from employees.

During the year, we provided training to employees to raise awareness on sexual harassment, including providing guidance for employees to protect themselves from sexual harassment and encouraging reporting or whistleblowing. Managers and supervisors are also trained on how to raise awareness, prevent, and handle sexual harassment incidents and reports.

Our HR personnel also attended a training on human rights during the financial year under review.

MLM Distributors

All MLM distributors are governed by a Business Handbook to ensure the MLM business is carried out with a consistent set of ethical standards, including compliance with relevant laws and regulations, anti-bribery and anti-corruption, anti-money laundering, responsible marketing and advertising, and customer return and exchange policy, amongst others.

SHOM, including its distributors, commits to fully adhere to the Code of Conduct of Direct Selling Association of Malaysia ("DSAM") which stipulates the standards and conduct for direct selling activities in Malaysia.

Guided by the Business Handbook and DSAM Code of Conduct, we shall communicate with stakeholders honestly and transparently and avoid any claims which could misrepresent any information on the quality, origin, or performance of our products. Similarly, we ensure that clear and transparent criteria and the terms and conditions in our marketing and incentive programmes such as rewards programs and member awards are clearly communicated.

The Business Handbook and DSAM Code of Conduct are provided to all distributors and we periodically raise awareness and provide updates to MLM distributors on business ethics-related matters during our day-to-day engagements with distributors, such as marketing plans and strategy briefings, bulletin materials, online meeting slides, marketing and tutorial videos, training sessions, and others.

The Business Handbook is available in three languages, i.e. English, Bahasa Malaysia, and Chinese, to cater for the diverse culture and backgrounds of our distributors, and it is accessible on our Member Portal. The DSAM Code of Conduct and Code of Ethics are also publicly accessible on our SHOM's website together with a third-party whistleblowing channel to report unethical direct sales practices if carried out by our distributors.



SHOM's Business Handbook

is made available in:

- [English](#)
- [Bahasa Malaysia](#)
- [Chinese](#)

ETHICS AND INTEGRITY

(CONTINUED)

During the CDM Conference 2023 held in FY2023, new CDMs are required to undergo a test on the code of ethics for distributors. This requirement will continue to be applicable for new CDMs to ensure they are aware of and aligned with SHOM's ethical standards and expectations.

We provided guidance to members to familiarise themselves with the SHOM Members Portal, which transparently records and tracks their own business performance, in addition to tracking business and operational statuses such as Distributor Authority Card, certificates, orders, and transactions.

In addition to formal documents such as the Business Handbook and DSAM Code of Conduct, we also raise awareness on key ethical issues through other platforms, such as reminding members of the Dos and Don'ts of ethical direct-selling practices on SHOM's quarterly bulletin.

When selling to customers, MLM distributors are responsible for ensuring that they have valid Distributor Authority Card to ensure all parties are safeguarded by SHOM's processes. Distributors are also encouraged to educate customers to only purchase from and pay to authorised channels to protect the customers' interest.

Business Partners

The COBE, which covers a range of matters including compliance, business ethics, and environmental and social responsibilities, is applicable to suppliers and business associates. More information on the COBE is available in the **Supply Chain Management** section of this Report.

Anti-Bribery and Anti-Corruption

The Board of BESHOM sets out a clear, zero-tolerance approach towards bribery through our Board-approved Anti-Bribery Policy ("ABP"). The ABP is applicable to all the Group's business operations, employees, distributors, suppliers, and business associates. The ABP sets out our expectations on the prohibition of the use of bribes and facilitation payment, as well as guidance on the use of high-risk transactions such as gifts, entertainment, donations, sponsorships, etc.

The ABP is available on our corporate website at www.beshom.com/investor-relations/corporate-governance.

The ABP further sets the basis for the Group's Anti-Bribery Framework which guides the Group's internal controls and processes on corruption risk management including due diligence, periodic review and monitoring of existing and new employees, distributors, and business associates (including suppliers and service providers), and permissible circumstances of the use of high-risk transactions such as gifts, entertainment, and hospitality. BESHOM Group adopts a risk-based approach towards managing corruption and corruption is incorporated in the Group's annual risk assessment which covers all the Group's functions and activities.

As part of the Group's due diligence process, employees, distributors, and suppliers are required to declare any conflict of interest situation to enable the Group to identify and mitigate the associated risks.

Instilling Ethical Culture

To ensure relevant stakeholders are aware of our ethical stance, BESHOM regularly raises awareness and communicates its ABP, Anti-Bribery Framework, COE, COBE, and Business Handbook to stakeholders from time to time. Briefing and training, especially for selected stakeholders exposed to higher-risk business processes or positions, such as those who have the authority to enter into high-value transactions, are also carried out.

BESHOM's Sustainability KPIs

Our anti-bribery training for management-level employees includes a post-training assessment where the required passing mark is 70%. During FY2023, the average passing rate was 95%.

The following table summarises our communication efforts to directors, employees, distributors, key suppliers, and relevant business associates as at 30 April 2023. Topics covered in the training include an understanding of the applicable laws, the types of bribery including facilitation, active and passive bribery, the use of high-risk transactions such as gift, entertainment, and hospitality, as well as identifying, preventing, and reporting incidents of bribes or suspected bribes through established channels.

ETHICS AND INTEGRITY

(CONTINUED)

	Communicated on Anti-Bribery Policy	Received training/ briefing on anti-bribery
Board of Directors	100%	100%
Management	100%	100%
Executives	100%	100%
Non-Executives	100%	33%
Distributors	All active distributors	-
Suppliers	All active suppliers	-
Relevant business associates	All active business associates	-

BESHOM's Sustainability KPIs

We target to have all management-level employees trained on anti-bribery by 30 April 2023.

As of 30 April 2023, 100% management-level employees completed the mandatory anti-bribery training.

compliance with ABP. There were also no fines, penalties, or settlements reported in relation to corruption.



no incidents of corruption reported



no fines, penalties, or settlements reported in relation to corruption

During the financial year under review, there were no whistle-blowing cases reported and there were no significant issues or incidents noted pertaining to bribery and corruption, unethical business practices, or human rights or labour standards violations. Overall, there were also no significant instances of non-compliance with laws and regulations and there were no significant associated fines or non-monetary sanctions.



0 whistle-blowing cases reported

Monitoring and Audit

Guided by the Anti-Bribery Framework, monitoring measures and internal audit activities serve as second and third lines of defence to safeguard the Group's operations against corruption. In FY2023, the Group's internal audit scope included a verification of the results of staff awareness test on ABP, subsequent to the ABP training held by the Group Human Resource Department.

We do not have political affiliations and generally do not make political contributions or donations unless approved by the Board. During the financial year under review, no political donations or contributions were made by the Group.

During FY2023, there were no cases reported on corruption involving BESHOM's personnel, nor were there any BESHOM personnel being disciplined or dismissed due to non-

Whistle-Blowing Mechanism

BESHOM Group's whistle-blowing mechanism is established through its Whistle-Blowing Policy ("WB Policy"), which is publicly accessible on our corporate website at <https://www.beshom.com/investor-relations/corporate-governance>. The whistle-blowing mechanism enables genuine concerns regarding serious misconduct, illegal acts, human rights violations, or unethical business conduct, as well as serious non-compliance with the Group's policies and code including workplace discrimination, bullying, or harassment, to be reported via a secure and confidential channel and to be handled via a structured and confidential process.

Anyone, including the public, can raise genuine concerns via the whistle-blowing mechanism and the WB Policy provides protection to the whistle-blower against any retaliation by the Group or its personnel.



No issues noted or substantiated complaints received pertaining to bribery and corruption, unethical business practices, or human rights or labour standards violation



no significant instances of non-compliance with laws and regulations and no significant associated fines or non-monetary sanctions

IP AND DATA INTEGRITY

Intellectual Property (“IP”) Protection

IP rights, particularly trademarks, continue to be important to BESHOM. In addition to representing the brand name and the trust customers have for us, trademark protection is also crucial to safeguarding our consumers from counterfeit products which do not guarantee the product safety and quality assurance that our genuine products offer.

BESHOM always manages and protects its IP before launching new products to the market. As of 30 April 2023, the Group has more than 150 trademarks in Malaysia and in other jurisdictions such as Indonesia, China, Brunei, and Singapore. In addition to monitoring trademark applications to ensure successful registration and other IP management activities, we also monitor the government gazette and monitor the market from time to time, to identify and manage IP-related risks such as ensuring identical or similar trademarks registered by third parties are brought to our attention and acted upon, if necessary.

Anti-counterfeiting

Counterfeiting has always been an issue in Malaysia and it continues to affect products from branded luxury goods to popular products. Some of our products are not exempted from such risks. At BESHOM, we implemented various countermeasures against counterfeiting and will continue to cooperate actively with government authorities to stamp out counterfeits of our products. Some of the efforts include monitoring counterfeits sold on the internet and taking necessary actions.

We also leverage on technology to support our counterfeiting efforts, including through product labels which allow consumers to verify the authenticity of products. We have also enhanced our labelling technology to enable traceability of selected products, which not only allows consumers to verify the product authenticity but also allows us to track and ensure the integrity of the direct selling practices of our distributors as well as product quality control.

Super QR Code

Our MLM product – Min Kaffe series – has a unique Super QR Code label on its packaging to help consumers and buyers to validate that the product is genuine and distributed by SHOM. The Super QR Code is an anti-counterfeiting measure which is traceable and secure, including batch tracing for product quality control. The code cannot be duplicated and protects our customers against fake or counterfeit products.

Scanning a Super QR Code marked with “Customer Scan” on a product distributed by SHOM will show the following:



IP AND DATA INTEGRITY

(CONTINUED)

Cybersecurity

Technology has become a great assistance for businesses to drive growth, efficiency, and exploration of new opportunities. All businesses nowadays are increasingly reliant on information technology and systems and online infrastructure. At the same time, the virtual marketplace has become as important as the physical marketplace, if not more important, especially in the past few years with the emergence of high-speed internet and widespread internet accessibility. Business digitisation and maintaining an online presence is also one of the key strategies of the Group's businesses.

Being exposed to such a technological environment and integration with the internet, it is paramount for BESHOM to remain cyber-resilient, safeguarding the integrity of our IT systems and data security and privacy. Various policies and processes are in place to govern the security of our IT infrastructure and management of data, including personal and business data. We also have a Cyber Security Incident Response Plan to deal with situations of data security breaches and it is developed incorporating the processes of preparation, identification, containment, remediation, and recovery.

Group-wide IT and data usage control

The Group has established User Access Management Policy for controlling and restricting user access to core systems, which is complemented by the Group's IT and Data Usage Policy which governs employees' proper use of IT assets, systems, and data.

Employees are provided with regular awareness training to ensure they are well-equipped with relevant knowledge to uphold the integrity of the Group's cyber environment.

Safe payment platforms

All our payment platform service providers are compliant with the Payment Card Industry Data Security Standards ("PCI DSS") which meets regulatory security expectations. Further, our MLM segment also performs monthly PCI DSS scanning on the online platforms to ensure compliant with it and to maintain high-security standards to safeguard our distributors and customers.

Data Privacy

BESHOM Group endeavours to maintain high standards and implement strict procedures in the handling and protection of data, including those of our employees, distributors, customers, suppliers, and business associates.

Some of the Group's key data-handling practices include the following:

- restricting access on a need-to-know basis;
- retention for not more than necessary;
- regular monitoring to facilitate prompt detection and follow-up of possible data breaches; and
- timely security updates especially on evolving threats (e.g. phishing and ransomware) and encouraging user vigilance.

Our Data Privacy Policy and the corresponding standards and procedures on principles for collecting, processing, and storing personal data are in line with the Personal Data Protection Act 2010. We will ensure that we obtain consent from employees, distributors, customers, suppliers, and business associates accordingly when we collect personal data and inform them on how we would process their personal data.

The Group periodically reviews its data privacy control, ensuring compliance with regulations and considering best practices, to evaluate our control effectiveness. Our Privacy notice is publicly available on our e-commerce portal, SHOM's website, as well as our corporate website at <https://www.beshom.com/privacy-notice>.

We are pleased to report that there were no substantiated complaints concerning breaches of customer privacy or losses of customer data, either from outside parties or regulatory bodies, during the financial year under review. There were also no identified leaks, thefts, or losses of customer data recorded.

BESHOM's Sustainability KPIs

Target: No substantiated complaints on breaches of customer privacy or losses of customer data



No substantiated complaints on breaches of customer privacy or losses of customer data

KEY
SUSTAINABILITY
FOCUS AREA



OUR **PEOPLE**



OUR PEOPLE

To create a corporate culture that champions safety, good conduct, skill development, and community development

Relevant Material Sustainability Matters

MLM Entrepreneurship

Employee Well-being and Inclusiveness

Occupational Health and Safety

Talent Management and Succession Planning

Community Engagement

KEY HIGHLIGHTS IN FY2023



479

employees



41,681

MLM Distributors



100%

complaints resolved



0 cases

work-related injuries



37% : 63%

Male Female

Employee diversity



14

training hours per employee



Community engagement activities

Ai Hua Jiao Fund Raising Campaign, Higher Educational Aid, Blood Donation, We Care We Share - aid for flood victims

Relevant GRI Topics

GRI 202: Market Presence 2016

GRI 403: Occupational Health and Safety 2018

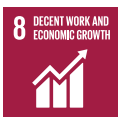
GRI 203: Indirect Economic Impact 2016

GRI 404: Training and Education 2016

GRI 401: Employment 2016

GRI 405: Diversity and Equal Opportunity 2016

Contributions to SDGs



MLM ENTREPRENEURSHIP

Operated by SHOM, our MLM segment continues to deliver economic empowerment through its fair and inclusive platform which is open to those who share the same goals. Our MLM business is made up of a strong network of entrepreneurs with diverse cultures, backgrounds, age groups, and career experience including housewives, youngsters who are new to society, professionals, and full-time businesspersons.

We are especially proud that our business demonstrated women empowerment through the 78% women representatives among our distributors, many of them high-ranking distributors who are highly capable of leading teams and attaining extraordinary business performance.

In addition to supporting equality through a flexible and inclusive business platform, our MLM business promotes personal and team drive through incentive programmes and performance recognition, supports professional and individual advancements via training and development, as well as promoting mutual growth via fair and mutually beneficial rewards systems. We engage closely with our MLM distributors across the country through a combination of media including electronic bulletin, email, training and events, as well as social media platforms such as YouTube, Facebook, Instagram, and Telegram.



78%

MLM distributors are women members

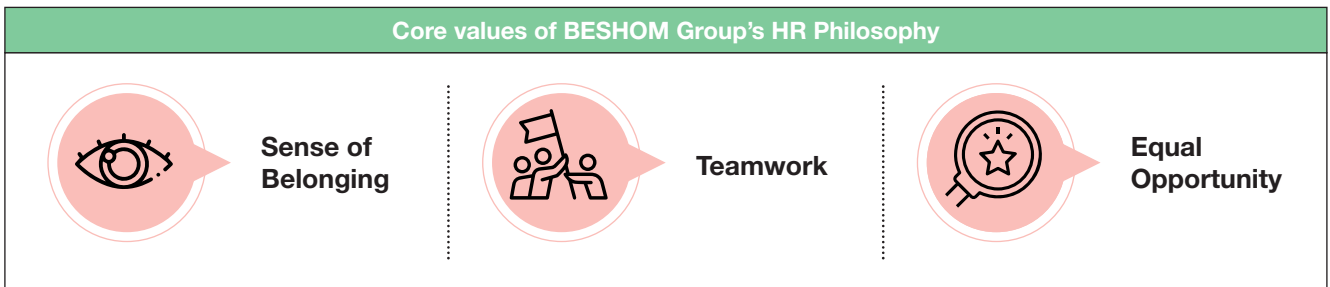
Training and Upskilling	Incentives, Awards and Recognitions
<p>In our MLM business, we continuously carry out business and people development programmes, heightening business leadership skills, marketing skills, management skills, and others amongst our distributors. In addition to enhancing business growth and performance, we believe these skills also elevate the personal qualities and professionalism of our distributors.</p> <p>We deploy both online and physical training modes to reach out to our distributors. In FY2023, 52 Zoominar training sessions and 70 nationwide physical roadshows were carried out and 35 short product information videos were shared with our distributors.</p> <p>Some of the key training focuses include product introduction, product feature explanation, promotion of the latest campaigns, sharing of business experience and testimonials, as well as training relating to social media and digital systems.</p>	<p>We launched various marketing and promotional campaigns and incentive programmes to drive growth and reward high-performance distributors through monthly sales bonuses, incentive trips, premium invitations as guest speakers, rank progression, and other member privileges.</p> <p>This year, we gave out the Million Dollar Achiever Board Award and the Top 3 Outstanding New CDM Award.</p>



EMPLOYEE WELL-BEING AND INCLUSIVENESS

Employees

As at 30 April 2023, the Group employs 479 headcounts, including 1 employee of foreign nationality, across the business segments covered in this Report. Our employment practices are guided by the 3 core values of the Group’s HR culture, i.e. Sense of Belonging, Teamwork, and Equal Opportunity.

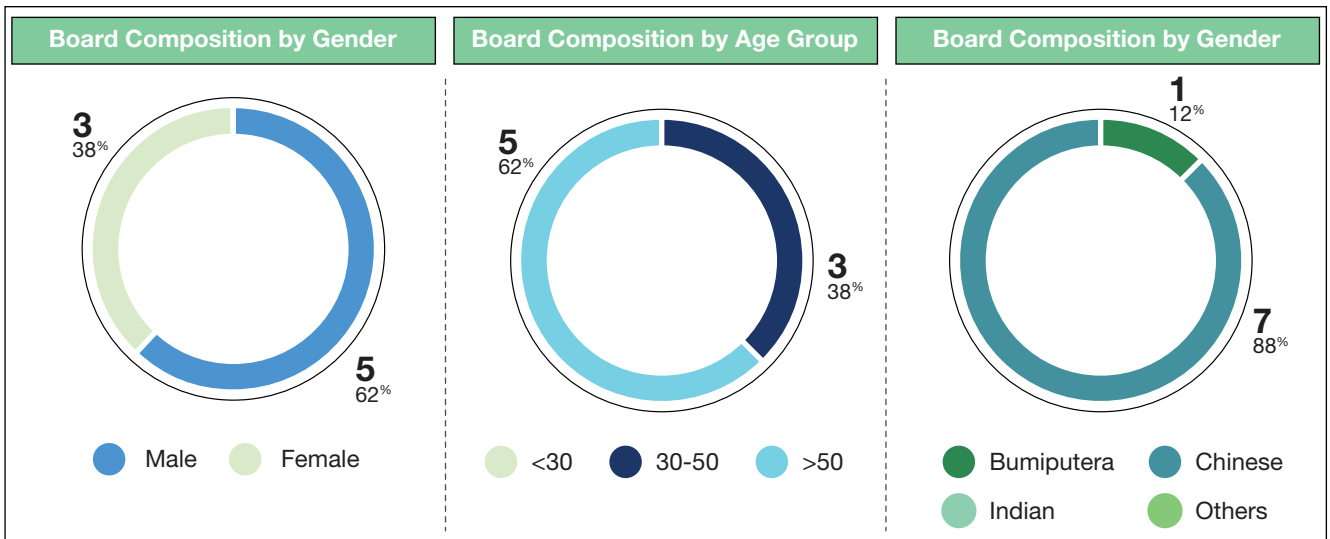


We embrace diversity and provide equal opportunities to individuals based on merits, competency, experience, and qualities relevant to the respective roles and responsibilities without discrimination, whether against race, religion, gender, age, disabilities, or nationality, in all our employment practices from recruitment, training and development, performance appraisals, to promotions. We also ensure we practise fair remuneration, i.e. equal pay for equal work, based on merits and without discrimination. The Group’s HR Philosophy is available online at <https://www.beshom.com/career/hr-philosophy>.

Since 8 March 2011, at BESHOM Group, International Women’s Day is celebrated as a special holiday and is a day-off for our employees, demonstrating our support and empowerment of women across the globe.

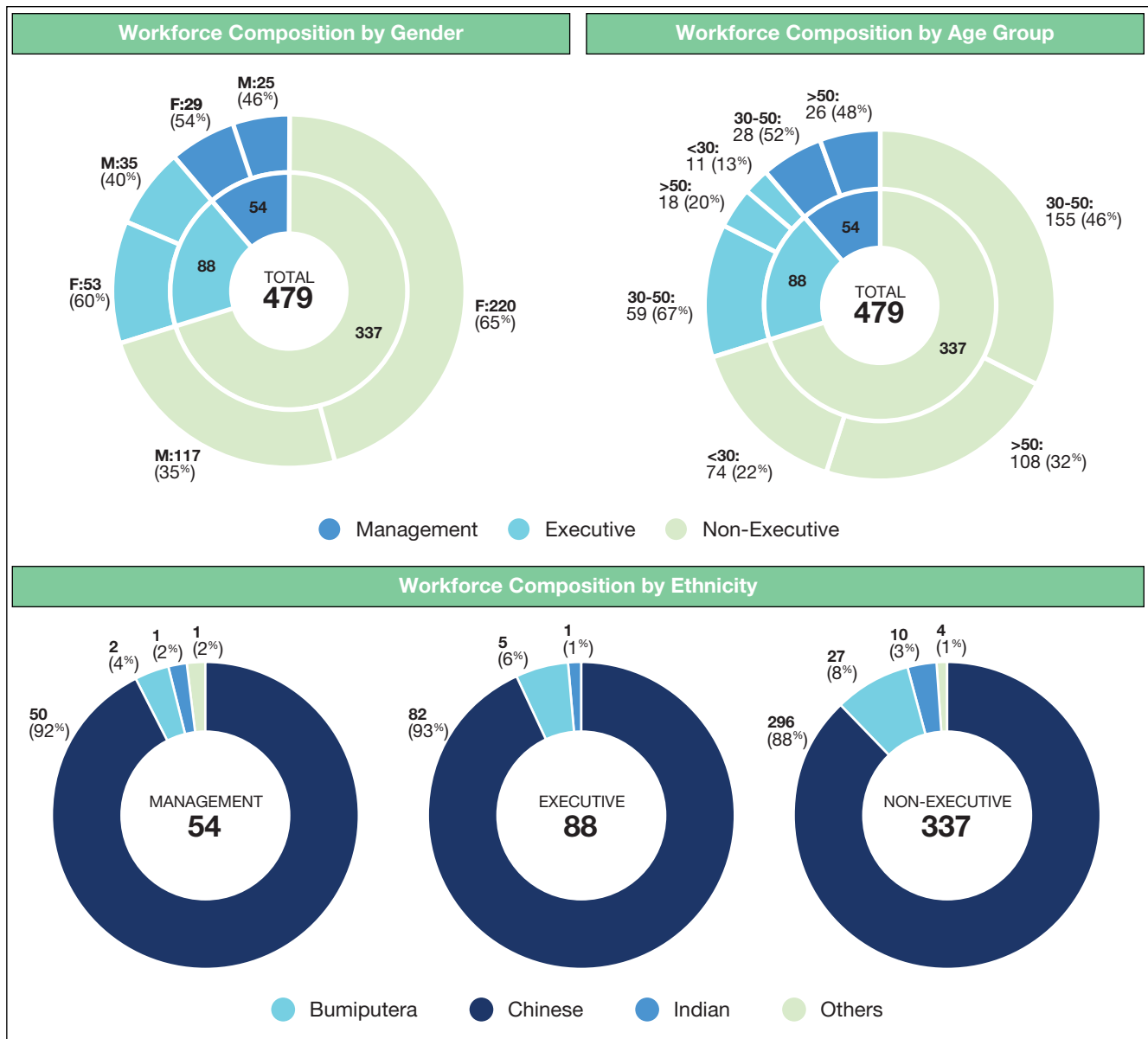
Our workforce is made up of a majority of permanent employees. We endeavour to promote inclusiveness and employ 6 persons with disabilities (or 1.3% of overall employees).

The composition breakdown of our people, including the Board of Directors (“Board”) and our workforce, is illustrated in the following diagrams



EMPLOYEE WELL-BEING AND INCLUSIVENESS

(CONTINUED)



We are committed to providing a safe and conducive working environment for all employees in line with the Group’s HR culture and ethical standards. We do not condone any discrimination, harassment, or bullying in the workplace. Any reports of violation against our HR standards or Code of Ethics can be made via our internal grievance reporting channels or the whistleblowing channel.

Engagement Channels

Employees are one of our most important stakeholders. BESHOM Group has various established channels to engage with employees, including communicating business direction and strategies, understanding their needs and wants, understanding how the business can growth together with employees, as well as to tap on their innovative minds to propel future business growth and relevance in the market. We adopt an open-communication culture with employees and strive to build ongoing, trustworthy relationships with employees.

BESHOM’s HR department plays an important role to ensure employees’ voices are being heard and considered at the Group level. This includes ensuring that key topics such as compliance with employment laws and regulations, adherence to acceptable labour standards and practices, and safeguarding of the basic human rights of all employees.

EMPLOYEE WELL-BEING AND INCLUSIVENESS

(CONTINUED)

During the year, our HR personnel attended training relevant to certain social topics including:

1. Be A Pro In Hiring - Excel With Jobstreet's Tools - To learn new ways to excel in talent sourcing
2. Employee Benefits with SOCSO - To know your rights with Employee Injury Scheme from SOCSO and be well versed in your next step in case of accidents or illnesses
3. Q&A Session on Minimum Wage Order 2022
4. An overview of the Malaysia Employment (Amendment) Act 2022
5. SOCSO Protection Briefing Program for Foreign Workers
6. National Human Capital Conference & Exhibition 2022 (NHCCE)
7. HR Mastermind: Succession Planning Challenges & Best Practices
8. Multigenerational Leadership Engaging the Young Talents
9. Training Needs Analysis and Identification
10. Handling Misconducts & Carrying Out Domestic Inquiry (DI)
11. Managing Corporate Liability under Provision of Section 17A, MACC Act 2009
12. Prevention and Eradication of Sexual Harassment in Your Workplace

Employee Well-being

We are committed to complying with applicable laws and regulations governing employee benefits such as employees' accident insurance (i.e. SOCSO contribution), retirement (i.e. EPF contribution), and employment insurance (i.e. EIS contribution), we also offer other entitlements and benefits with an aim to support the work-life balance and living quality of our employees.

BESHOM's employee well-being programme includes health care insurance, medical card, and insurance coverage for accidents and hospitalisation, helping employees to have access to medical and healthcare services covering non-occupational related health matters as well. The Group also has an Employee Share Option Scheme ("ESOS") which intends to reward and recognise employees' contributions while also incentives continuous performance and to attract and retain high calibre individuals.

Supporting Family Development

We provide support to our employees towards family development including through paternity and maternity leaves. At our headquarters in Wisma Hai-O and Wawasan Hai-O, we have dedicated mother rooms which are private and equipped with the necessary amenities for nursing mothers, as well as for other medical needs.

All employees are entitled to parental leaves and the Group's parental leave records during FY2023 are as follows.

Number of employees	FY2021		FY2022		FY2023	
	Male	Female	Male	Female	Male	Female
Entitled to parental leave	176	307	174	291	177	302
Took parental leave	3	10	0	4	0	1
Returned to work in the reporting period after parental leave ended	3	10	0	4	0	1
Total number of employees due to return to work after taking parental leave	3	10	0	4	0	1
Still employed 12 months after their return to work from parental leave	1	3	0	3	0	2
Return to work rate* (%)	100	100	NA	100	N/A	100
Retention rates** (%)	50	100	0	30	N/A	50

Note:

* Return to work rate = Total number of employees that did return to work after parental leave ended / Total number of employees due to return to work after taking parental leave

** Total number of employees who were still employed 12 months after their return to work from parental leave/ total number of employees that did return to work after parental leave ended in the prior reporting period

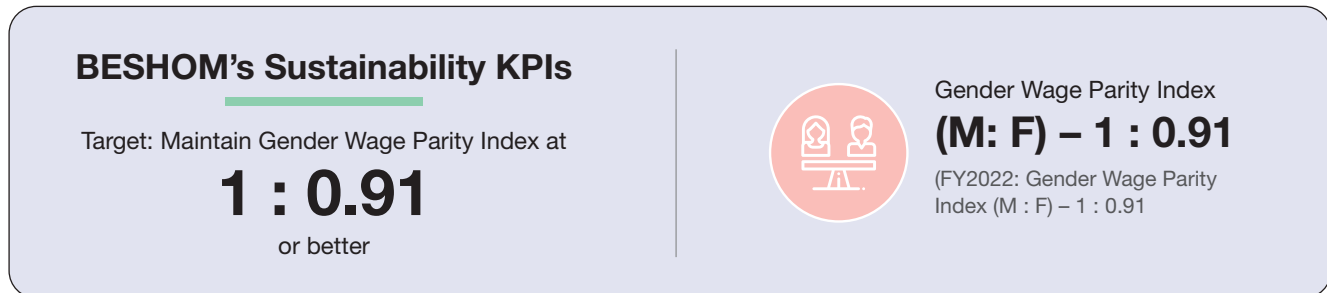
EMPLOYEE WELL-BEING AND INCLUSIVENESS

(CONTINUED)

Fair remuneration

In addition to complying with laws and regulations on minimum wage, we are committed to remunerating employees fairly, without gender bias. This practice is also consistent with our HR Philosophy.

During FY2022, we have begun to undertake an initiative to measure the Gender Wage Parity Index, i.e. the average male-to-female salary among our non-director full-time salaried employees, to analyse if there is any significant gap. The Group's Gender Wage Parity Index for FY2023 was maintained at 1 : 0.91.



For FY2023, the average wage ratios for entry-level non-executives⁵ against the minimum wage⁶ for East Malaysia and West Malaysia are 1.4 : 1 and 1.3 : 1, respectively. All remuneration for employees is compliant with the applicable minimum wage laws and regulations.

In order to attract young talents into the Group, entry-level executives are competitively remunerated based on their qualifications.

New Hire and Turnover

Turnover rate and new hire rate (based on full-time salaried employees) are some of the indicators we monitor to analyse the Group's talent retention and development efforts. During the financial year under review, we recorded a monthly turnover rate of 1.7% (FY2022: 1.8%) and a monthly new hire rate of 1.5% (FY2022: 1.5%). Overall turnover and new hire rates remained manageable during the year.

	By Age			By Gender		Group-wide overall
	< 30 years	30 – 50 years	> 50 years	Male	Female	
New Hires						
Number	36	37	9	39	43	82
Rate (%)*	7.8	8.0	2.0	8.5	9.3	17.8
Average Monthly New Hire Rate****: 1.5%						
Employee Turnover						
Number	37	40	18	43	52	95
Rate (%)**	8.0	8.7	3.9	9.3	11.3	20.6
Average Monthly Turnover Rate****: 1.7%						

Note:

- * new hires rate formula = (new hires/ average total staff***) x 100%
- ** employee turnover rate = (total resigned staff / average total staff***) x 100%
- *** average total staff = (total staff on last day of previous FY + total staff on last day of current FY) / 2
- **** average monthly new hire rate = [(total new hires staff / total staff on last day of current FY) x 100%] / 12 months
- **** average monthly turnover rate = [(total resigned staff / average total staff***) x 100%] / 12 months

⁵ Full-time salaried employees only. The Group has 457 full-time salaried employees as at 30 April 2023.

⁶ The minimum wage of RM1,500 was used.

EMPLOYEE WELL-BEING AND INCLUSIVENESS

(CONTINUED)

We carry out exit interviews and/or surveys with departing personnel to understand the reasons for their departure and to identify any potential areas of improvement in the Group. Where relevant, we also have processes to analyse and deliberate the outcome of interviews and surveys, including follow-up action plans to improve existing practices.

2022 Most Preferred Graduate Employers to Work For – #2 in Traditional Chinese Medicine Category

Hai-O Enterprise Berhad is proud to be voted by university students as one of the most preferred employers to work for. We are grateful that our efforts to build a conducive work environment which is supportive of youths and graduates have been acknowledged.



TALENT MANAGEMENT AND SUCCESSION PLANNING

Talent development and succession planning come hand in hand to set the path for a sustainable pipeline of leadership and talents for the Group's future. At BESHOM Group, we are committed to providing ongoing learning and growth opportunities to all employees while upholding the Group's equal opportunity principle.

All employees are subject to performance and career development reviews at least once a year. The sessions facilitate a review of employees' individual performance during the year, discuss any training needs, identify potential improvement opportunities for the business, as well as to identify talents for the Group's succession planning. The review sessions are meant to be a bi-directional communication platform and represent one of the very important employee engagement channels.

Recognising the Efforts of Our Employees

In FY2023, BESHOM continued to recognise the efforts of its employees and has given out 3 Best Employee Awards, 1 Best Sales Personnel, and 35 Long Service Awards. In addition, the Group has also given out awards to 5 Outstanding Performance Retail outlets, Best Franchisee, 1 Loyal Long Relationship (30 years) Award (Franchise), High-growth Company Award, and Award for Best Company of the Year.

Succession Planning

In ensuring leadership continuity, BESHOM's succession plan analyses key leadership roles across the Group to identify future needs in the areas of leadership, experience, talents, and skills which may arise due to various reasons including retirement, resignation, death, or disability of incumbent personnel, or due to new business opportunities or developments. Our succession planning programme is complemented by our employee development activities such as annual performance reviews and assessments.

The Group's latest group-wide review of its succession planning needs was conducted in FY2022, where candidates were identified and put through specific talent development programmes. The talent development programmes continued to be carried out and progress is updated to the Nominating Committee.

At BESHOM's Retail segment, we carry out an active succession planning programme for our retail outlets to ensure continuous leadership and/or management qualities, as well as skills and capabilities, are in place to ensure the sustainability of our Retail business and branches. During the year, 23 potential outlet personnel have been identified as part of Retail segment's succession plans.

Employees Training

In FY2023, we recorded 6,805 training hours provided to our employees, which is approximately 14 training hours per employee per year (FY2022: 14 training hours per employee).



Average

14 training hours
per employee

(FY2022: Average 14 training hours
per employee)


TALENT MANAGEMENT AND SUCCESSION PLANNING

(CONTINUED)

	FY2021	FY2022	FY2023
Total training hours	5,705	7,430	6,805
Average training hours – by gender			
Male	9	11	14
Female	13	15	15
Average training hours – by employee category			
Management	14	18	22
Executives	11	12	18
Non-Executives	11	14	12
Average training hours			
Per employees	11	14	14

BESHOM's Sustainability KPIs

We have set targets for the minimum training hours to be attended by each employee, as follows:

Target:	FY2023 performance:
At least 75% employees meeting the following minimum training hours	 <p>79% employees met the minimum training hours required</p>
16 training hours annually per person for managers and above	
8 training hours annually per person for executive-level employees	

A summary of the training topics attended is as follows.

	Target Skills	Related topics, lessons, and training (non-exhaustive)
1	Business and Strategic Management	<ul style="list-style-type: none"> Accelerating Sustainability for Corporate Malaysia Brave Leadership: How to Add Strategic Value and Elevate Critical Thinking Skills Enhance Workplace Effectiveness
2	Product Knowledge	<ul style="list-style-type: none"> Food Advertising Training Customers Service Excellence Understanding Public Liability, Product Liability, and Professional Indemnity Miscellaneous Insurance Training related to Beauty Talk Marketing Projects and New Product Information Promoter Briefing and Product Training Halal Awareness Training Best Home Rental Plan & LG PuriCare Water Purifier

TALENT MANAGEMENT AND SUCCESSION PLANNING

(CONTINUED)

	Target Skills	Related topics, lessons, and training (non-exhaustive)
3	Accounting, Finance, Data Analysis, Marketing and Sales	<ul style="list-style-type: none"> • Nurturing Intelligent Enterprises • Training related to sustainability • Digital transformation • Tax Announcements in Budget 2023 • Amendments to Income Tax Act, RPGT, Stamp Act, Sales Tax Act, Service Tax Act and etc • Understanding of financial statement, legal and regulatory requirements that impact HR compliance • Tik Tok Shop & advertising Workshop for SME • Scale Service Your Customers Love with Automation • Microsoft Excel – Intermediate Level
4	Audit, Tax, and Risk Management	<ul style="list-style-type: none"> • CPD training on contractor all risks and erection all risks • MFRS Updates Seminar 2022 • ISO 9001:2015 QMS Internal Quality Auditing Training by Process Approach
5	Corporate Governance	<ul style="list-style-type: none"> • Training related to sustainability • Corporate Governance & Remuneration Practices for the ESG World • Artificial Intelligence: Balancing Risk and Opportunity
6	Computer, Information and Technology, Digital Marketing, IT Management, Cyber Security, and Communication and Media	<ul style="list-style-type: none"> • Online Marketing/ Digital Marketing • Excel Workshop • Create Effective DAX Formulas (Data Analysis Expressions) in Power BI • Understanding Artificial Intelligence • Managing Machine Learning • Training on how to use ChatGPT • Dell Technologies Forum Malaysia • Cisco Engage Malaysia 2022 • Phone User and Foodpanda Training • Creative Content for social media • Cyber Security Awareness
7	Compliance and Regulatory, Legal and Law	<ul style="list-style-type: none"> • Malaysia Employment (Amendment) Act 2022 • Seminar Harmonized System (HS) Code by Customs • An update of recent court decisions and orders impacting commercial contracts • Anti-Bribery and Anti-Corruption Training • CTOS Workshop • The Overview of Companies Act 2016
8	Human Resource Management	<ul style="list-style-type: none"> • Employee Benefits with SOCSO and its definition and compliance • Minimum Wage Order 2022 • Amendments to Employment Act 2022 • Elevating Human Capital Investments • HRD Corp Briefing on PSMB Act 2001 • HRD Corp Special Briefing – Signature Programme • National Human Capital Conference & Exhibition 2022 • The Art and Science of Coaching • Succession Planning Challenges & Best Practices • Multigenerational Leadership Engaging the Young Talents • Training Needs Analysis and Identification • Handling Misconducts & Carrying Out Domestic Inquiry • Managing Corporate Liability under Provision of Section 17A, MACC Act 2009 • Talent Search Webinar • Digital Health
9	Safety, Health, and Wellness	<ul style="list-style-type: none"> • Secrets of Health • Ergonomics and Manual Handling Training • Workplace Hazards: Risk Assessment and Risk Control • How to Guard Your Bones • Meditation • RFT Section 9 – Fire Protection Appliance (FEA) • Basic Occupational First Aid and CPR+AED

TALENT MANAGEMENT AND SUCCESSION PLANNING

(CONTINUED)

	Target Skills	Related topics, lessons, and training (non-exhaustive)
10	Motivation and Personal Development	<ul style="list-style-type: none"> • Communication skills • Positive Work Attitude & Interpersonal Skills • Effective Habits for Successful People • Phototherapy: The Magic of Photos • Time Management Skill, Personal Effectiveness and Filing Management Skills • Team Building Programme
11	Creativity and Innovation	<ul style="list-style-type: none"> • Training on the limitations and barriers of developing solar energy
12	Supervisory and Leadership	<ul style="list-style-type: none"> • Self Leadership • Coloured Brain Leadership Paradigm – Program Preview • Digital Talents – Reality Bites • Developing a Leader as a Coach Culture within Your Organization • Effective Facilitation Techniques for Agile Teams • Imperial Sustainability Leadership Programme
13	Public Relations and Customer Services	<ul style="list-style-type: none"> • Customer Service Firewall • Product Enquiry/ Complaint Handling
14	Process and Operation	<ul style="list-style-type: none"> • Basic Claims Management for Agents • Malaysian Standard MS1514:2022 • Effective Warehouse Operation & Inventory Management
15	Biotechnology or Chemistry	<ul style="list-style-type: none"> • Upskilling microbiologist testing knowledge



OCCUPATIONAL HEALTH AND SAFETY

BESHOM Group has a group-wide Safety Policy, formalising its commitment to protecting employees, the public, and the Group's property. This includes maintaining a safe and conducive work environment for all people at our premises, including customers, employees, contractors, and visitors.

In our pursuit of an accident-free workplace, we are guided by a framework for safety and health management, i.e. the Operational Manual on Safety and Health ("OMSH"). The OMSH sets out the governance structure, roles and responsibilities, monitoring and reporting, and continuous improvement of the Group's safety and health programmes, amongst others.

Governance for Safety and Health

The Board of BESHOM holds overall responsibility for the strategic risk management of the Group's Safety and Health Management System ("SHMS") and is supported by the Safety and Health Committee ("SHC") which is responsible for the implementation and performance of SHMS in their respective operations. The SHC Chairman reports to the Group Executive Director cum Group Financial Officer who represents the Board in its oversight of the Group's overall health and safety performance and issues.

The SHC is established in accordance with the Occupational Safety and Health Act 1994 and the Occupational Safety and Health (Safety and Health Committee) Regulation 1996 and comprises management and employee representatives from the relevant business units, including a qualified Safety Officer who is responsible for monitoring compliance with safety and health laws and regulations. The participation of employee representatives in the SHC facilitates practical, operational-level considerations at the deliberations of the SHC. Having employee representatives also ensures that safety and health concerns at the working level can be represented and escalated directly at the SHC.



The SHC meets every quarter to review the safety and health performance of the Group's operations, as well as to escalate any significant safety and health issues to the Board, where necessary.

During the financial year under review, the SHC met four times and some of the key activities of the SHC are summarised as follows:

- reviewed ongoing COVID-19 prevention measures;
- reviewed the conduct and outcome of the annual safety audit;
- reviewed the overall safety performance of the Group quarterly;
- reviewed the overall workplace safety and health condition of the Group;
- reviewed the conduct of fire drill and inspection by the fire department;
- reviewed the adequacy of safety and health personnel, particularly first aid personnel; and
- reviewed the group-wide safety and health training and briefings.

OCCUPATIONAL HEALTH AND SAFETY

(CONTINUED)

Safety and Health Training

The safety and health training provided to employees is customised to their specific functions and activities, adopting a risk-based approach. Safety and health personnel, such as first aid personnel and safety officers, also receive more extensive and in-depth safety and health training.

Acknowledging that safety and health are not only limited to physical safety environment, we also look into employees' health and hygiene, including ergonomic and mental health topics in our safety and health training plan from time to time. During the year, we continued to undertake basic COVID-19 prevention measures and provide disease prevention awareness communications to employees.



128 employees

trained on safety and health standards

104 employees

were provided with general safety and health training

Fire safety awareness	Briefing on safety and health awareness for new employees	Basic occupational aid and CPR + AED	Ergonomics and manual handling
Stress management	Workplace hazards: risk assessments and risk control	Mental health	COVID-19 prevention



OCCUPATIONAL HEALTH AND SAFETY

(CONTINUED)

Occupational Health and Safety Performance

		FY2021	FY2022	FY2023
Total number of hours worked		1,026,901	987,289	941,282 [^]
No. of accidents with lost time		0	2	0
Lost-time Incident Rate*		0.0	4.2	0.0
Fatality as a result of work-related injury	No.	0	0	0
	Rate**	0.0	0.0	0.0
Lost time due to work-related injury	No. (hrs)	0	40	0
	Rate	0.0	0.000041	0.0
Lost time due to work-related illness	No. (hrs)	0	0	0
	Rate	0.0	0.0	0.0

Note:

* Lost-time incident rate = Number of cases of accidents with lost-day x 1,000 / annual average of no. employees

** Fatality Rate = Number of cases of fatality x 1,000 / annual average of no. employee

[^] Based on the work hours of 457 full-time salaried employees

We are pleased to report that there were no work-related accidents during the financial year under review.

During FY2023, we recorded 488 hours of lost time due to 61 COVID-19-positive cases which we have managed diligently via appropriate contact tracing and testing measures to minimise the spread of infections.

The table below shows the total staff diagnosed with COVID-19 for the past 3 financial years:

FY2021	FY2022	FY2023
6 cases	109 cases	61 cases

BESHOM's Sustainability KPIs

Target: 0 cases of work-related injuries



0 cases

of work-related injuries

(FY2022: 2 cases of work-related injuries)



COMMUNITY ENGAGEMENT

In addition to delivering stakeholder value through Beshom Group's business operations, the Group has also been continuously supporting the society and communities through its corporate social responsibility ("CSR") activities, which are spearheaded by the Hai-O Foundation (also known as "Yayasan Hai-O") and Yayasan Tan Kai Hee. In general, these foundations are set up to reach out to communities in need and contribute to the promotion of healthcare, education, and cultural causes.

Education – Ai Hua Jiao Fund Raising Campaign

Hai-O Foundation continued to organise the Ai Hua Jiao Fund Raising Campaign in collaboration with Sin Chew Daily. The campaign was conducted through 6 charity performance events which helped to raise a total of RM15.26 million. The funds raised contributed to 6 Chinese-medium schools, benefitting approximately 32,338 students and 1,616 teachers.



Education – Excellent Academic Awards

The objective of the Excellent Academic Awards, which was first launched in 2016, is to encourage academic performance amongst the children of our MLM entrepreneurs and employees and, at the same time, recognise the hard work of dedicated and committed parents. The Excellent Academic Awards 2022 granted a total of 51 awards for SPM, including 3 awards for our employee's child. The awards totalled to RM21,600.

Education – Hai-O Higher Educational Aid

Since 2014, Hai-O Foundation has been providing financial assistance to eligible employees' children to encourage them to further their studies in higher learning institutions. We always believed in the power of education in civilisation and humanity development, on top of the added competitiveness to pursue greater career opportunities and leading to better living standards. The Hai-O Higher Educational Aid is also a way the Group shows its appreciation to loyal employees.

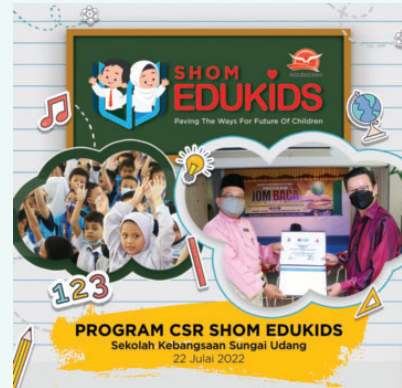
In FY2023, we provided assistance amounting to RM55,000 for 11 eligible employees' children through the Hai-O Higher Educational Aid.

COMMUNITY ENGAGEMENT

(CONTINUED)

Education – Personal care and hygiene awareness

Yayasan Tan Kai Hee organised the SHOM EduKid Bersama Kidivo program at Sekolah Kebangsaan Sungai Udang. The program aims to raise awareness and educate students on personal care and hygiene. Through the program, we sponsored 872 Kidivo Natural Head-To-Toe Wash and Kidivo Natural Moisturizing Lotion, benefitting 321 students and 115 teachers.



Education – Donation of laptops for education

During Ramadan period in 2023, Hai-O Foundation donated 3 laptops to Rumah Kebajikan Anak Yatim dan Dhuafa' Siti Aminah, Pasir Pekan, Kota Bharu. We acknowledge the support that orphanages required to enable resident kids to keep up with digital-based learning and we aim to contribute to a society where no one is left behind as digitalisation becomes more and more integrated into children's learning. As part of the event, activities were also conducted together with resident kids, including colouring activities and buka puasa activities.



We Care We Share Campaigns

We donated essential goods and food valued at RM15,000 through a foundation of the Nan Yang Press to provide support and assistance to flood victims in Johor.



COMMUNITY ENGAGEMENT

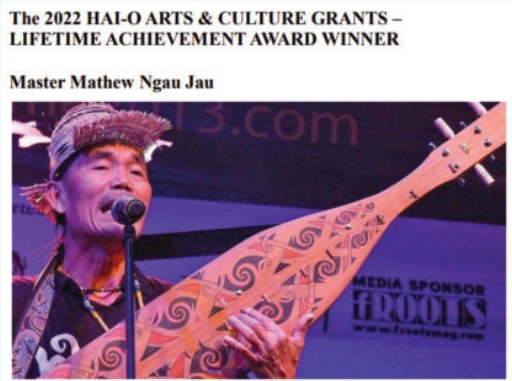
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Joy 4 Klang Blood Donation Campaign

Kelab Muhibbah Hai-O continued to carry out its regular, annual blood donation campaign in collaboration with the Angkatan Pertahanan Awam Unit Sungai Pinang. The blood donation campaign is aimed at promoting and raising awareness on healthcare and community well-being. The blood donation campaign in September 2022 was held in Klang Parade which had successfully collected 204 bags of blood.

Arts and Cultural Activities

Hai-O Foundation carried out the 3rd annual Hai-O Arts and Culture Grants which aims to support Malaysian arts and culture across all ethnicities, promoting the spirit of social justice, multi-ethnic unity, and harmony. Eight eligible applicants were awarded a total of RM50,000 and details including works produced under the grants are available on Hai-O's corporate website.

**BESHOM's Sustainability KPIs**

Target: sponsorship, fund-raising, or similar programmes which benefit more than

30,000

students and teachers



The Group contributed RM0.85 million to community investment activities, out of which benefiting more than 35,000 beneficiaries, including 33,638 students and 1,731 teachers, amongst others, through its various CSR activities.

KEY
SUSTAINABILITY
FOCUS AREA



OUR PRODUCT



OUR PRODUCT

To provide safe and high-quality products that cater to improving the well-being of our customers

Relevant Material Sustainability Matters

Reputable Brands, Products, and Services

Customer Responsibility

KEY HIGHLIGHTS IN FY2023



Guidelines to govern **responsible marketing**



Compliant: **MAL, NPRA, FSQD, KKKLIU**



0 Cases of product recall



>150 products with HALAL certifications

Relevant GRI Topics

GRI 416: Customer Health and Safety 2016

GRI 417: Marketing and Labeling 2016

Contributions to SDGs



REPUTABLE BRANDS, PRODUCTS, AND SERVICES

Brand Reputation

At BESHOM, we continued to uphold our reputation and portfolio of brands which are synonymous with our values and beliefs as a responsible corporate citizen. We are committed to delivering the best product quality as a reliable and trustworthy business partner with integrity.

B E S H O M

THE BEST STARTS FROM HOME

Corporate Branding: BESHOM Group offers a wide range of Traditional Complementary Medicines (“TCM”), Wellness and healthcare products in Malaysia.



SAHAJIDAH HAI-O



Objective: To constantly uphold corporate branding through various channels and activities

Strategy: To preserve and uphold our “SEAGULL” corporate values

Our branding activities and events are commonly conducted in conjunction with health-related informative sessions, to complement our Vision and Mission towards better healthcare for all people.

We engage with industry peers and leaders through association to keep ourselves abreast of the latest industry development and better practices and to participate in industry-wide efforts towards building sustainable businesses.

Our MLM business is a member of the DSAM whose roles include setting industry standards and promoting an ethical marketplace for direct selling. Our Retail business is a member of the Malaysia Retail Chain Association. We also participate as a member of the Federation of Chinese Physicians and Acupuncturists Association of Malaysia (“FCPAAM”) and the Malaysia-China Traditional Medicine and Health Food Product Association (“MCTMHFPA”).

Deepening our market presence

As part of our strategy to enhance our market presence and outreach, we undertake collaborations with business partners to create business synergies and develop good deals for consumers, in addition to carrying out promotional events and activities.

REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)

BESHOM's Sustainability KPIs

We aim to have at least 2 cross-over projects with business alliances to cater for market needs and synergy reach in FY2023.

- In August 2022, SHOM launched the Best Home Rental Plan in collaboration with LG Puricare, a subsidiary of one of South Korea's largest conglomerates, LG Group, as its official partner to market the product LG Puricare Water Purifier. The Best Home Rental Plan marked the first tie-up of a rental business model company and a multi-level marketing company in Malaysia.
- SHOM also collaborated with Ni Shin for the launching of Pentoli, a premium stainless steel cookware series.
- The Wholesale segment launched 3 collaborations to showcase its products such as its wine and liquor series and the launching of its MingHeongYuen Bak Kut Teh.
- 3 sessions on Astro GO Live – (i) October 2022 for the product Zhen-G health tonic; (ii) November 2022 for the product Yang Sheng Chiew; and (iii) April 2023 for the product Yang Sheng Chiew.
- Our Retail segment participated in 4 promotional programs with Public Bank, Alliance Bank, Herbaline Facial Spa, and AEON Credit Service separately – where we offered our products in these programs.



Product Innovation

BESHOM Group strives to continuously expand its portfolio, including safe and high-quality products to contribute to consumers' well-being. On an ongoing basis, we seek out innovative products which offer more options to suit our customers' needs, taking into account the development and changes in consumer preference.

We continuously keep ourselves updated on industry, trends, and technological development to maintain competitiveness and relevance in the market. Our product team conducts market research and analysis to identify products required by the market, in line with our business strategies. We also provide training to our employees on topics such as personal healthcare and food technology.

In recent years, our product innovation strategy includes incorporating healthier options and adopting more environmentally-friendly elements in our products, amongst others.

With our network of experienced distributors who understand the local markets, we have the advantage to be able to reliably gauge market response through our product evaluation for new products before introducing them into the market. Our product evaluation process considers multiple perspectives, including physical and sensory aspects, unique and exclusive ingredients or formulations and functional benefits for the consumers, with an aim towards delivering at least 80% customer satisfaction.

REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)

In August 2022, we developed the Sa Rang bird nest drink - naturally harvested from 100% cave bird nest, contains 2.5g bird nest in a bottle and provides instant nourishment with every sip.

In September 2022, we launched the Infinence Photon Fusion Tone & Lift Beauty Device - 3-in-1 photon care device specially designed to restore skin's youthful radiance. It comes in 3 modes which are Cleaning Mode, Electrical Muscle Stimulation Mode & Warm Mode, specially tailored to deliver different skincare benefits. In the same month, we launched also the Infinence Oxygenating Charcoal Cleansing Mask - a 5-minute deep purifying micro-bubbling mask that helps to deep cleanse the pores, removes excess sebum and reduces acne. This product provides a refreshing DIY Home-SPA experience.

Access to Healthier Options

When considering products for FMCG food products, we generally prioritise healthier ingredients, where possible. We promote health awareness and moderate use of our products as we encourage non-excessive sugar consumption. Where suitable, we use safe substitute ingredients in new or rebranded products to lower the risks related to excessive sugar intake such as obesity or heart-related diseases. Our product portfolio includes products that serve as healthier food options and products that help consumers with better health management.



REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)



Summary of Key Branding and Health Promotion Events in FY2023

Events (SHOM)	Description
SHOM's 30th Anniversary	SHOM's 30 th Anniversary Event was held at the Setia Alam Convention Centre to celebrate the founding of Sahajidah Hai-O Marketing and the success and achievements of our distributors.
Collaboration between SHOM & LG PuriCare	Collaboration with LG PuriCare for Best Home Rental Plan. LG PuriCare, a subsidiary of one of South Korea's largest conglomerates, LG Group, is the official partner of Sahajidah Hai-O Marketing. The Best Home Rental Plan marks the first-ever collaboration between a rental business model company and a multi-level marketing company in Malaysia.
Collaboration between SHOM & Ni Hsin	SHOM also collaborated with Ni Hsin for the launching of Pentoli, a premium stainless-steel cookware series.
Min Kaffe x Funtastic Raya Branding	Min Kaffe x Funtastic Raya Branding - Suria FM air time, Min Kaffe song & jingle (Create brand jingle for Min Kaffe: "Min Kaffe sempurnakan Harimu"), - Ramadhan & Buka Raya campaign on social media, SHOM exclusive Raya packets, promotion free limited edition Min Kaffe glass jar set, Whatsapp sticker pack.
Infinence BeauteLab Day	Collaborate with France skin care supplier & local Beauty Academy for Infinence BeauteLab Day & new product launch.



REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)

Events (SHOM)	Description
Incentive trips campaign	The Istanbul incentive trip (July to November 2022) and Bandung incentive trip (January to April 2023) were organised to honour our dedicated distributors for their exceptional efforts. Istanbul trip departed in February 2023 and Bandung trip departed in July 2023.
BV Energy Roadshow	The BV Energy Roadshow energized Malaysia from north to south and across the east coast of both West and East Malaysia. SHOMpreneurs from all over Malaysia got the chance to discover an array of cutting-edge products, including Bio Seleza, Bio Velocity Sleep Mate, BV Alfalfa.
Funtastic Raya Gift Pack	Festive-oriented limited-edition Funtastic Raya Gift Pack with SHOM branding for distributors to share the joy of gifting.
Borak NutriSHOM	A program for health-related topics, such as skin health and immunity improvement.
Events (Hai-O)	Description
AstroGo Shop	3 sessions on AstroGo Shop for the products Zhen-G health tonic and Yang Sheng Chiew, an hour-long broadcast with an informative and cooking demonstration. <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Malaysia Health & Wellness Fair 2022	3 days fair event (8 to 10 July 2022) at Sunway Pyramid Convention Centre participated by the Wholesale and Retail segments.
CNY roadshows	CNY roadshows at One Utama, MyTown Cheras, BMC Mall, Paradigm Mall, and Klang Parade.
Regional events	Japanese Whisky Night at Fulinmen Restaurant, Bukit Mertajam in August 2022 and at Bayu Galaxy Ballroom, Klang in November 2022.
Product Testing at Hai-O Retail Outlet	Conducted 4 sessions of product testing and information sharing for the product “Herby Nature Fruit Vinegar” at Setia Alam, USJ, Puchong, and Kepong outlets.

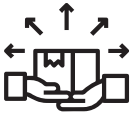
REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)

Customer Satisfaction

We strive to build customer confidence and trust in our products and our people.

In ensuring we engage with our customers suitably, addressing their needs and preferences and delivering quality service, BESHOM has a myriad of established channels through which customers can reach us and through which we can reach out to customers.



MLM Segment

We maintain a strong and robust engagement network with and among our distributors, where they serve as our main contact point with consumers of our products. We also established channels where consumers can directly contact us for any enquiry, comments, and feedback.

Some of our key engagement channels are as follows:

- Corporate email at info@shom.com.my and coe@shom.com.my
- Corporate website at www.shom.com.my
- Bulletin
- Social media including WhatsApp, YouTube (www.youtube.com/c/SahajidahHaiOMarketing), Facebook (www.facebook.com/OfficialSHOM) and Instagram (www.instagram.com/sahajidah.haio)
- Customer Service WhatsApp line: 017-302 8588
- E-commerce WhatsApp line for HQ
- E-commerce service lines for branches and stockists
- Text via SMS and Telegram (one-way communication)
- Member Portal
- Others include surveys, trainings, meetings, conferences, and events

FY2023 Highlights:

We continued to carry out our engagement surveys with our distributors through the Distributor Survey Form, Event Feedback Survey, and product surveys (Thera Survey Form), as well as collecting product testimonials for a series of products including Sweetality, Bio-Evolve, BFW, Puri-C, JTX, Bio-Ever Plus, BB+ Glo, Infince skin care, Garam Buluh, Min Kaffe, SaRang, LG PuriCare Water Filter, BV Alfalfa, etc.

As at 30 April 2023, MLM HQ, 9 branches and also 5 stockists can accept e-commerce orders.



Retail Segment

Hai-O retail stores are represented by both its physical stores and online store. At our physical retail stores, we aim to provide a safe and comfortable shopping environment, where our store personnel are adequately trained to provide quality service and assistance to walk-in customers. Our online store, <https://mall.hai-o.com.my>, allows online customers to browse our wide range of products online anywhere, and we also have online promotional activities from time to time.

Members of our Hai-O Member Programme enjoy extra benefits such as birthday rewards, member discounts, early and exclusive promotions, access to special seminars, and others. We also hold Member Privilege Sales to reward the loyalty of our members.

Hai-O's key engagement channels are summarised as follows:

- BESHOM General Email: info@beshom.com
- Hai-O Chain Store Facebook
- Hai-O Chain Store Customer Service Hotline: 03-3343 8889
- Text via SMS and telemarketing
- Customer Service WhatsApp line
- Customer complaint procedures
- Feedback Form (available in our retail stores)
- Customer Satisfaction Survey (accessible via QR Code)
- customer_care@hai-o.com.my (for online store)
- live chat services

FY2023 Highlights:

Hai-O held its Member Privilege Sale in October 2022. Continue to undertake efforts to expand its online presence. Customer Satisfactory Survey was also carried out.

In FY2023, Hai-O continued to undertake efforts to deepen its online presence. Our most recent expansion in the social media space is Hai-O's onboarding on the "Xiao Hong Shu" platform.

REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)



Wholesale Segment

Hai-O's Wholesale segment mainly serves business customers and some of them are also our business partners with whom we have collaborated in the past years to promote our products and their distribution platforms, such as supermarkets and hypermarkets. Our Wholesales segment focuses on establishing collaborative relationships with other businesses with an aim to achieve mutual growth and increase competitiveness. In this regard, our in-house representatives are provided with regular training and we work closely with our customers to serve their needs and interest. We will continue to further intensify our customer engagement including holding events and functions to gain a deeper understanding of our customers including their concerns regarding product quality, sustainability, and responsibility.

The Group has established processes to track and address complaints received, with an aim to continuously improve our businesses, in addition to resolving customers' complaints. During the financial year under review, all complaints received have been duly addressed. A summary of the complaints received in FY2023 is as follows.

MLM Segment	32 product complaints - 32 resolved
Retail Segment	15 product complaints - 15 resolved 6 customer service complaints - 6 resolved
Wholesale Segment	nil

BESHOM's Sustainability KPIs

Target: Resolving 100% of complaints received

FY2023

All (100%) complaints received were resolved.

Product Safety and Quality

Product safety is amongst the basic, non-negotiable criterion which we will assess before including a product in our portfolio. We ensure our products are safe and that they are compliant with the applicable regulatory requirements. The SOPs of our relevant business segments incorporate procedures and controls to ensure the Group's products are compliant with the relevant regulations, including those under the purview of the National Pharmaceutical Regulatory Agency ("NPRA") or the Ministry of Health ("MOH"), before they can be sold to customers.

We ensure all our products are safe. Product safety is a basic, non-negotiable criterion which we will assess before including a product in our portfolio. In addition, we also ensure all products are compliant with relevant regulatory requirements.

In Malaysia, health supplements and traditional preparations are generally required to be registered with and comply with the National Pharmaceutical Regulatory Agency ("NPRA"); all skincare, cosmetic, and personal care products are governed and approved by the NPRA, whereas food products are regulated by Food Safety and Quality Division. Across all our relevant business segments, SOPs are established to ensure products are compliant with the relevant regulations before they can be sold to customers.

How to Identify NPRA-registered Products

Health supplements and traditional preparations are considered pharmaceutical products and must be registered with NPRA. There are two main features for registered products:

- Registration number starting with "MAL". followed by eight numbers and ending with the letter T, A, X, or N; and
- Genuine hologram sticker affixed on the packaging of the product.

Please refer to the official government website of the NPRA or the official website of the MOH for further details.

The products we sell may be generally categorised into products of our own brands manufactured in our own facilities, products of our own brands manufactured by third parties, or third-party brands to which we hold distributing rights. All our products are subject to robust product quality and safety control processes governing market readiness, procurement, manufacturing, packaging, to logistics and distribution.

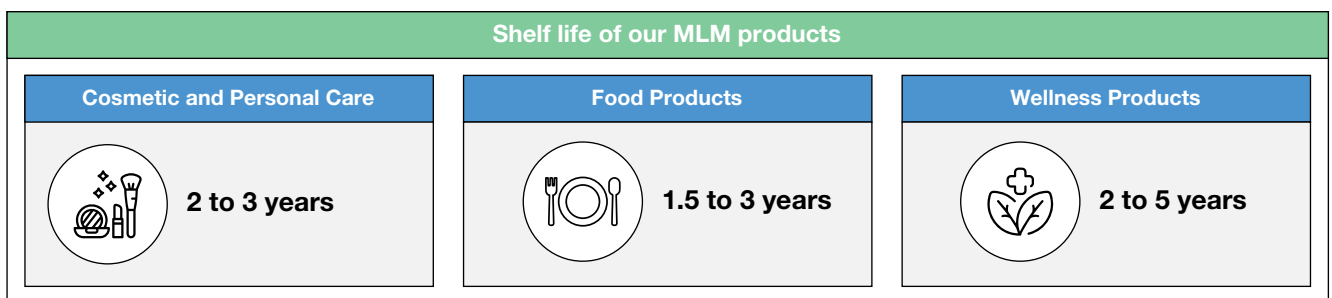
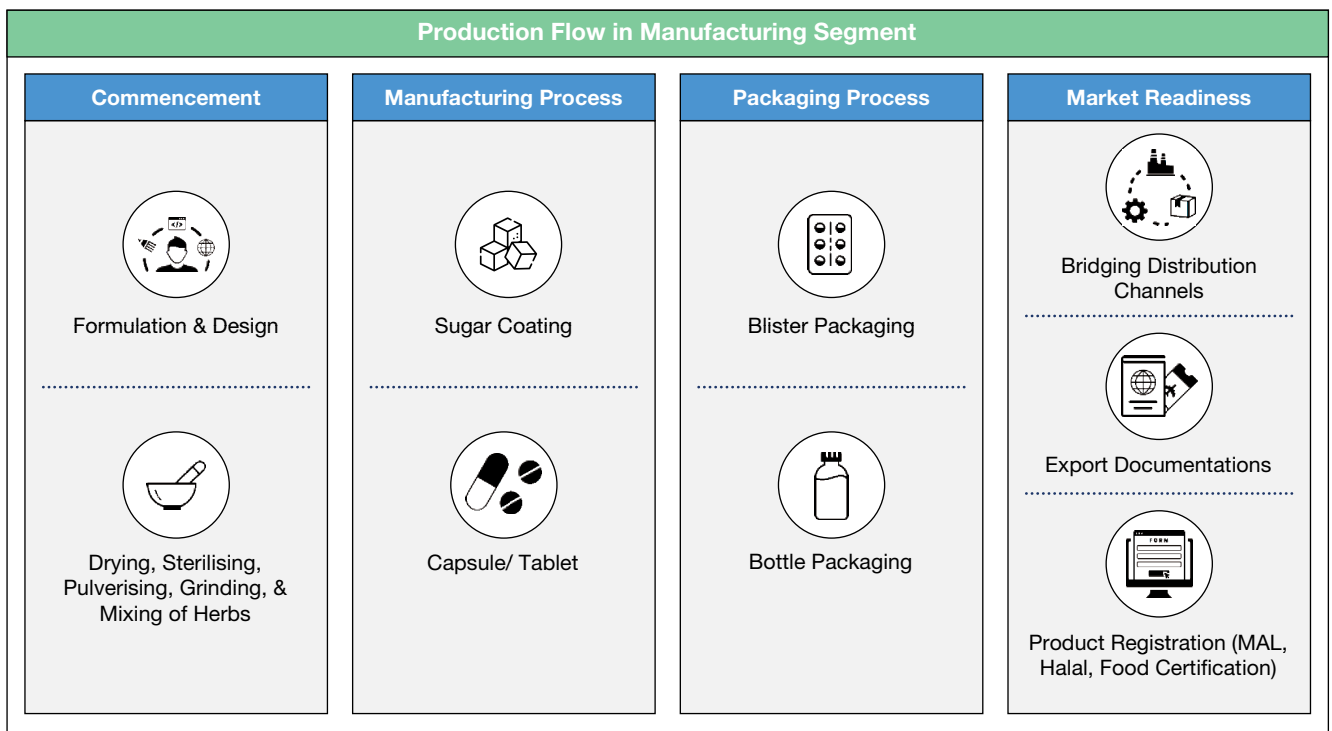
Our process requires all batches of food, supplement, skincare, and cosmetic product we receive from suppliers to be accompanied by a Certification of Analysis ("COA") which serves as an assurance for the regulated and agreed-upon specifications. In addition, we also undertake vigorous testing in our manufacturing process to detect any presence of contaminants and/or to evaluate product efficacy.

REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)

Furthermore, our MLM and Manufacturing segments have dedicated in-house quality control teams to perform quality checks on every batch of products before distributing them to our stores and branches. Amongst others, these teams assess products for quality considering their physical appearance, aroma, taste (for edible products), and other specifications. As part of the quality control process, 2 units of retention samples will be taken as controlled samples for each batch of delivery and will be kept throughout their specified shelf life, as well as for future verification, reference, batch tracing, or investigations or testing where required. We undertake traceability practices for every batch of products we sell.

At our manufacturing sites, we only use quality ingredients for our manufacturing process. In this regard, we have a stringent process for selecting suppliers for raw materials and products, who are assessed based on, amongst others, the quality of raw material, the quality of product, and the manufacturing process, as relevant. In addition, we also perform due diligence, periodic reviews, as well as audits to gain an enhanced understanding of our suppliers. Our manufacturing sites practice a high level of quality control, hygiene, and best practices, and are certified with GMP.



Product Certification and Manufacturing Certification

Product and manufacturing certifications serve as an additional assurance for our business, our business partners, and our customers.

Relevant key business activities of the Group, including manufacturing, distribution, and quality control processes maintain the following certifications, as applicable:

- **GMP** which governs the manufacturing and production of food or pharmaceutical products;
- **ISO 9001:2015** which specifies the requirements for a quality management system;
- **HACCP** which is a management system addressing food safety through the production chain from sourcing to consumption; and
- **SAMM Accreditation (MS ISO/IEC 17025)** which is an accreditation under the Skim Akreditasi Makmal Malaysia (“SAMM”) based on ISO/IEC 17025, in relation to the competence of testing and calibration laboratories.

REPUTABLE BRANDS, PRODUCTS, AND SERVICES

(CONTINUED)

To maintain these certifications, independent audits are carried out periodically to ensure continuous implementation of practices according to the said standards. During FY2023, we continued to maintain our certifications as follows, without significant issues.

Certification	Certified process/ company	Audit Frequency
GMP	<ul style="list-style-type: none"> Manufacturing plants at both Lot 1388 and Wisma Hai-O 	Annually
ISO 9001:2015	<ul style="list-style-type: none"> MLM operations at Wawasan Hai-O Manufacturing plants at both Lot 1388 and Wisma Hai-O 	Annually
SAMM Accreditation (MS ISO/IEC 17025)	<ul style="list-style-type: none"> Laboratories and QC team 	Annually
HACCP	<ul style="list-style-type: none"> Manufacturing plants at both Lot 1388 and Wisma Hai-O 	Biennially
FDA Certificate of Registration	<ul style="list-style-type: none"> Manufacturing plants at both Lot 1388 and Wisma Hai-O 	-

We also have HALAL certifications for more than 150 products and maintain KKKLIU certifications for advertising certain NPRA-registered products through appropriate channels.

Food Safety and Product Recall

BESHOM Group diligently ensure the integrity of its product safety processes and controls to safeguard the consumers of our food products. We aim to prevent the occurrence of any food safety issues and are pleased to report that there were none during FY2023.

Quality control processes at our operations, such as batch tracing and other practices supporting traceability, also help to enhance the effectiveness of our recall process and facilitates accurate tracing.

During the financial year under review, there were no incidents of product recall.

BESHOM's Sustainability KPIs

Target: Zero food safety incidents

FY2023

Zero food safety incidents

BESHOM's Sustainability KPIs

Target: Zero incidents of product recall

FY2023

Zero incidents of product recall
(FY2022: Zero incidents of product recall)

As a preventive and remedial control, we have a product recall policy and relevant SOPs to facilitate an effective and efficient product recall process. This will enable us to contain and mitigate any negative impacts, in the event there is a problematic product that needs to be recalled. The process is developed in alignment with recall procedures prescribed by the NPRA and is subject to regular review.

CUSTOMER RESPONSIBILITY

Responsible Marketing and Advertising

We are committed to upholding the principles of responsible marketing and will comply with all relevant responsible marketing and advertising regulations. All our MAL products shall be registered under NPRA and advertisements shall be made in accordance with KKKLIU's⁷ approval and take into consideration the principle of responsible advertising and marketing.

Among our businesses, it is especially important that we govern responsible and ethical marketing in our MLM business segment which is represented by our numerous distributors. Committing to adhere to the DSAM Code of Conduct and SHOM's Business Handbook on ethical business practices, all our MLM distributors are required to conduct fair and ethical direct sales practices. Our Advertising and Marketing Policy for SHOM and Business Handbook also reflects similar requirements for all distributors to advertise truthfully and accurately for all advertising and promotional activities including electronic formats. Our policy prohibits any repackaging, changes in labelling, or any claims about product efficacy, health ability, as a specific treatment, or purported cure for any disease or condition, and distributors shall not misrepresent product information such as quality, origin, performance, and others. Our SHOM personnel also conducts checks on distributors' marketing practices and marketing materials and will take necessary actions against non-compliance.

At BESHOM, we regularly train and raise awareness among employees, our salesmen and distributors on applicable advertising and marketing regulations, our stance on responsible marketing, and acceptable and non-acceptable marketing practices. We also ensure clear marketing and advertising guidance is provided to salesmen and distributors regarding product information materials for all products. To disseminate our principles, we have uploaded the "Panduan Penyiaran Iklan" video on our official SHOM YouTube channel, with the aim of educating our distributors. Additionally, we published our code of ethics pertaining to advertisements and promotions in our quarterly Bulletin.

Customer Data Privacy

We value the privacy of our customer information and we maintain high standards of procedures to safeguard customers' privacy and information, guided by our various data and privacy policies. Further discussions are discussed in the **IP and Data Integrity** section of this Report.

See "**Product Safety and Quality**" of this Report to understand how to identify NPRA-registered products.

Responsible Marketing of Products Containing Alcohol

At our Hai-O Wholesale and Retail segments, some of our products may contain alcohol and these products may be consumed as traditional complementary health products or used for cooking, or as consumed for enjoyment. That said, the majority of our alcohol-containing products are traditional complementary medicated health products that are MAL-registered with the NPRA and affixed with genuine hologram stickers.

The selling and marketing of alcohol-containing products are strictly in compliance with the relevant laws and regulations. We only sell alcohol-containing products to adults who are non-Muslims and above the legal age of 21 years old. At both our physical and online stores, as well as our marketing and advertising materials, we include such statements to clearly communicate that we do not sell to Muslims or those below the legal age. Our sales personnel, including staff at Hai-O's retail outlets, are also trained and required to only sell alcohol-containing products to those who are 21 years old and older and non-Muslims. In addition, we only sell alcohol products within the permissible time in compliance with local laws, regulations, and requirements.

Our wine and liquor products, which are consumed for enjoyment, are accompanied with a statement warning against excessive drinking, i.e. "Meminum Arak boleh Merbahayakan Kesihatan" and/or "文明喝酒", as applicable. In addition, all our MAL-registered medicated tonic products contain information on the recommended dosage and precautions to guide consumers on safe use.

This year, the Group adopted a Responsible Marketing Code which governs all distribution or sale of alcoholic products. The code specifies the Group's stance against the consumption of alcohol by minors and Muslims, as well as the promotion of responsible drinking and we are strictly against any drink-driving actions. Guided by these policies and principles, we do not sell or provide samples to minors and Muslims on all occasions such as at our Retail outlets and events. We are also undertaking measures to raise awareness on responsible drinking through reminder labels on our products, advertisements, or packaging.



⁷ Pharmaceutical Services Division, Ministry of Health

CUSTOMER RESPONSIBILITY

(CONTINUED)

Awareness on nutrition intake

Our processed food and beverage products include nutritional information, guided by applicable laws and regulations, such as Food Act 1983. This includes the recommended intake amount, as well as the content amount for the relevant nutrition contained within the said product.

Through SHOM's social media channel, i.e. BoraknutriSHOM channel on YouTube, we also have publicly available awareness videos to promote health knowledge and personal health management, such as on topics including weight management, sugar consumption, breast health, feminine health, and digestive health.

Similarly, we also participate in activities to promote public health knowledge and awareness, including through a health talk session by REN TCM, participation in the Health and Wellness Fair 2022, and health sharing sessions through Facebook and Xiao Hong Shu.

Product Labelling

Our product labelling practices are guided by relevant product labelling regulations to communicate product information accurately and truthfully. For food products, product labelling checks are also conducted through the MOH to obtain clearance, ensuring our product labelling practices are compliant with applicable regulations.

Most of our products are labelled in at least two languages to communicate effectively with our customers so that we communicate effectively with our customers of diverse language needs. Amongst others, the product labels may include product information such as ingredients used, any potential allergens or health risks for consumers, additives used, suggested consumption/ application methods, manufacturing date, expiry date, and/or the best-before date. We aim to provide relevant and adequate information enabling consumers to make informed decisions about their consumption or purchase through our product labelling practices.

KEY
SUSTAINABILITY
FOCUS AREA



OUR **PLANET**



OUR PLANET

To strengthen our efforts towards protecting the environment when carrying out our business operations

Relevant Material Sustainability Matters

Green Product and Packaging

Energy and GHG Emissions Management

Resource and Waste Management

KEY HIGHLIGHTS IN FY2023



7.40 kWh/ ft²

Total electricity usage intensity (per square foot)



Solar Project
installed and energised



Electronic communication with stakeholders



Efforts to reduce packaging and use of paper and plastic materials



24,854 reams
savings of A4 80-gram paper from paperless efforts

Relevant GRI Topics

GRI 302: Energy 2016

GRI 305: Emissions 2016

Contributions to SDGs



BESHOM Group acknowledges its corporate responsibilities towards the environment, including the Group's responsibility to contribute to global efforts in combatting climate change. In this regard, BESHOM strives to reduce the environmental impacts of its products and operations and conserve natural resources through:

- (i) pursuing efficient use of resources including energy, water, and raw materials;
- (ii) reducing waste discharged to landfill and unnecessary wastage of materials;
- (iii) avoiding pollution in all forms; and
- (iv) promoting the use of eco-friendly materials.

At BESHOM Group, we continuously promote and raise awareness amongst our stakeholders, such as employees, distributors, customers, and supply chain partners. Heightened awareness also helps to enhance the effectiveness of our initiatives such as reduction of electricity usage, reducing the use of paper and recycling paper at the workplace, segregating waste to facilitate more efficient recycling and reuse efforts, etc.

In addition, we also carry out knowledge sharing and communication on environmentally friendly habits in the daily lifestyle of our employees, these include not wasting food, avoiding, and reducing the use of new packing materials (including plastic bags and paper bags), avoiding Styrofoam, collecting, and reusing resources such as rainwater harvesting, and others.

ENERGY AND GHG EMISSIONS MANAGEMENT

As combatting climate change becomes an increasingly urgent task for everyone in the world, at BESHOM, we are also playing our roles in ways we could also contribute and ensure business sustainability by adapting to the change in the global energy landscape.

We continue to collect data and manage our energy consumption, which is one of our more significant sources of emissions which we can manage directly. We also began to analyse our emissions and explore emission reduction initiatives, and these also complement our energy management initiatives.

Energy Management and Emissions

Generally, our approach towards energy management includes reducing the use of energy, especially fossil-based energy, and working towards achieving greater energy efficiency in our operations.

BESHOM Group's energy use is mainly derived from electricity usage in its offices and premises, also representing a key source of carbon emissions of our business. Our operations are largely based in Malaysia and electricity used is mainly purchased from Tenaga Nasional Berhad ("TNB") in West Malaysia and from the relevant state power utility companies in Sabah and Sarawak. Generally, electricity in Malaysia is derived from a mix of non-renewable and renewable sources including natural gas, coal, and hydro-powered dams.

The electricity usage of the Group's 4 main buildings, i.e. Wisma Hai-O, Wawasan Hai-O, Menara Hai-O and Lot 1388 (A) & (B) are monitored to measure the efficiency of our electricity use.

Electricity saving efforts and performance in the 4 main buildings of the BESHOM Group	Unit	FY2021	FY2022	FY2023
Total electricity usage	million kWh	1.86	1.99	1.98
Total electricity usage intensity (per square foot)⁸	kWh/ ft²	7.34	7.30	7.40
Conversion of LED lights				
LED Lights installed during the year	Unit	580	533	56
Estimated savings from conversion to LED for the year	kWh	48,285	17,990	30,730

Our LED lighting system upgrading initiative has been carried out since 2017. We prioritise the replacement of existing lamps near their end of usable product life, balancing between the cost of replacement and cost-efficiency. During the financial year under review, we converted and installed 56 LED lights. We estimate a cumulative savings of 30,730 kWh arising from the replacements we have made since we initiated the project.

Efforts were also made at our MLM branches and Retail stores. All 12 MLM branches and sales counter are fitted with LED lights, out of which 7 of it are fully fitted with LED lights. Significant progress were made in our Retail segment where we have 19 more retail outlets which are fully fitted with LED lights. As at 30 April 2023, out of the Group's 45 Retail outlets identified for lighting retrofit projects⁹, 44 are fully fitted with LED lights and 1 is partially fitted.



44 retail

outlets fully fitted with LED lighting systems
(FY2022: 25 outlets)

BESHOM's Sustainability KPIs

We set ourselves a target to use LED lighting systems for all new outlets and branches. In FY2023, the new Retail outlet at Ipoh Garden Selatan and the relocated SHOM branch in Batu Pahat are both installed with LED lighting systems.

⁸ The floor area used as denominator is calculated based on the floor area used for the purpose of the Group's operations

⁹ Refers to outlets where we can decide the types of lighting systems to be used. Other Retail outlets not included in this category are either franchises or sales counters/shops in supermarket where we do not decide on the lighting systems to be used.

ENERGY AND GHG EMISSIONS MANAGEMENT

(CONTINUED)

Renewable Energy

Our solar energy project on the installation of solar panel systems at Wisma Hai-O, Lot 1388(B), and Wawasan Hai-O is largely according to schedule. As of the date of this Report, all 3 solar panel systems have been energised.

The entire project has the capacity to provide up to 800,000 kWh energy and an estimated 400 tonnes of avoidance in CO₂ equivalent, per year.

BESHOM's Sustainability KPIs

We target to commission the solar energy project by the first half of 2023, and as of the date of this Report, all 3 solar panel systems have been energised.



Group energy consumption and GHG emissions

This year, BESHOM Group reports the consumption of its purchased electricity on a group-wide basis, for the 4 main buildings, retail outlets, and MLM branches. We also estimate and report the Scope 2 (Indirect) GHG emissions derived from this purchased electricity.

BESHOM Group	FY2023
Total purchased electricity	3,089 MWh
Scope 2 (Indirect) GHG emissions*	1,699 tonnes CO ₂ e

Note: *estimated based on an emission factor of 0.55tCO₂e/MWh electricity, derived from the emissions intensity for Peninsula Malaysia as reported in Tenaga Nasional Berhad's Integrated Annual Report 2022. The emission factors are used to serve the purpose of a broad estimation only.

GREEN PRODUCT AND PACKAGING

Product selection for our portfolio takes into consideration the environmental impacts of the materials used in the product and its packaging, in addition to key considerations in product safety and quality. Generally, we avoid materials that are hazardous or may cause significant pollution to the environment and prefer eco-friendly or reusable materials for packaging. In addition, we also consider consumption habits and explore opportunities where we can enhance packaging solutions or launching alternatives such as refill packs.

We launched a few initiatives which aim to raise awareness among our customers and consumers to protect the environment, by avoiding less environmentally friendly plastic bags, recycling bottles used for supplements, and reducing the use of new materials.

Across all our business segments, we also attempt to use more recyclable materials for packing and packaging. For instance, we used recyclable bags which can be reused on more occasions, in place of the Raya Festive Box.

During the year, we launched a series of campaigns including the Bring Your Own Bag campaign for our retail customers, where customers are encouraged and reminded to bring their own bag when shopping at our stores. In addition to encouraging customers to avoid using new bags at our store, we hope to instil a widespread habit among our customers to bring their own shopping bags wherever they go.



We also continued to carry out our Recycle & Be Rewarded campaign, where customers can bring in their supplement bottles and get discounts on our HONBO product series. The collected bottles are recycled through a third-party service provider and the proceeds from the selling of recycled materials will be donated to associations which support activities relating to environmental protection or preservation.



Where viable, we encourage the use of vegetarian capsules as a substitute for non-vegetarian bovine capsules in our products. Despite higher costs, vegetarian capsules offer extra benefits in terms of stability and solubility and are perfect for people who cannot consume gelatine for religious, cultural, or dietary reasons.

The refill pack for the Sweetality Granulated Sweetener known as Sweetality Flexi Pack uses less plastic and paper packaging compared to the bottled pack. While customers can reuse their old bottles and avoid generating unnecessary waste, the Sweetener Flexi Pack is also cheaper while offering the same volume of content.

For our new products, we endeavour to use grey pack packaging which comprises about 85% recycled fibres, helping to reduce the use of virgin materials and can be further recycled as well. These products include SHOM's D'Chef Coconut Cream Paste for Pulut Lemak, Salted Egg Popcorn, Caramel Butter Popcorn and 72% dark chocolate which were launched during the year.

GREEN PRODUCT AND PACKAGING

(CONTINUED)

BESHOM's Sustainability KPIs

Target: prioritise the use of environmentally friendly packaging for new products or product rebranding



Use of grey pack packing in 4 products launched during the year



RESOURCE AND WASTE MANAGEMENT

Aligned with our efforts to achieve efficient use of materials and reduce the generation of waste, we practise ‘4R’ in our operations where possible. We undertake continuous improvement in our waste management and resource management by identifying significant waste and materials and exploring methods to recycle or reduce waste. Our efforts aim to achieve better environmental protection and preservation beyond mere compliance with laws and regulations.

Reducing the use of paper

Benefiting from our digitisation efforts and migration, our MLM business is currently operated through an electronic membership system where membership cards, statements, as well as regular communication such as quarterly bulletin, are issued in electronic form. Various business operations such as stock purchases, tracking, and sales can be made online. Almost all members onboarded during the year, i.e. 99.9%, are registered on the e-membership platform, save for a handful of members who may have challenges accessing the e-membership platform due to geographical constraints.

Digitisation also enabled us to have more updated and accurate business data, transactions, and statistics towards informing better business decisions.

Digitalisation and paper-reduction efforts also continued to be carried out in Hai-O headquarters, using digital meeting papers and board papers, etc. This year, we have implemented a wide range of paperless initiatives in our operations and businesses including the adoption of e-filing of documentation for banking processes, requesting e-copies for statutory documents, providing e-statement for customers, implementing e-insurance policy as well as transitioning accounting forms from 3 plies to 2 plies.

Where paper use is still necessary, we will source environmentally-friendly paper and encourage the practice of reusing paper.

Other waste reduction and management practices

In support of the global initiative towards reducing plastic waste, our MLM branches no longer provide single-use plastic bags while our Retail stores are encouraged to reuse carton boxes to pack goods for customers. Where necessary, our Retail stores only provide biodegradable bags instead of single-use plastic bags.

In our warehouse, broken wooden pallets are taken apart and the usable pieces will be reconstructed into ‘new’, usable pallets. Typically, 3 or 4 broken pallets can be reconstructed into 2 usable units. Carton boxes are also reused for packing and delivery.

We ensure compliance with waste management-related laws and regulations, especially on safe disposal of expired or defective pharmaceutical products and MAL-registered products, and disposal of containers of defective excisable goods. Our waste management practices are guided by formalised SOPs. Broken glass bottles used for excisable goods (e.g. alcoholic health tonic) are disposed of at designated sites and containers approved by the Department of Environment.

In Malaysia, consumer awareness of the responsible disposal of expired pharmaceutical products or medication remains to be enhanced. Recognising such need for awareness in society, BESHOM collaborated with a private hospital – Bukit Tinggi Hospital Sdn Bhd – to sponsor 50 medication disposal boxes to be placed at our headquarters and selected locations. Commenced in January 2023, the Medication Disposal Project aims to educate and promote responsible medication disposal practices by consumers. The collected medication will be delivered to the hospital for safe disposal according to the MOH guidelines.

BESHOM's Sustainability KPIs

For FY2023, we targeted to achieve a savings of 20,000 reams of 80gsm A4 papers.

During the year, we estimated to have saved 24,854 reams, exceeding our target. In addition to saving resources and storage space, this also translated to more than RM290,000 in cost savings.



RESOURCE AND WASTE MANAGEMENT

(CONTINUED)

BESHOM Group's waste contractors are subject to assessment to ensure they comply with applicable laws and regulations, and they are also subject to periodic evaluation.

The following table details the Group's more notable waste from its offices and warehouse. They are either disposed of or sold to third parties for recycling. There was significantly more metal waste generated during FY2023 arising from the installation activities for the Solar Project. The higher metal waste generation level is expected to be one-off.

Types of waste disposed and/ or recycled	Unit	FY2021	FY2022	FY2023
Paper	kg	4,130	6,930	12,631
Metal	kg	3,231	1,556	15,800
Glass	kg	20	320	130

There were no fines or penalties for non-compliance with waste management laws or regulations recorded for the financial year under review.



No fines or penalties for non-compliance with waste management laws or regulations recorded

Launch of Sustainability Awareness Programme

SAVE OUR PLANET - In conjunction with Earth month which falls in April, BESHOM launched the sustainability awareness programme on 7 April 2023, titled "Together We Pledge to Enable a Sustainable Tomorrow". The programme is intended/designed to increase awareness among our stakeholders, including employees, with the objective of working together to manage our business and daily operations in a more sustainable manner. All employees are encouraged to participate in the SAVE OUR PLANET initiatives by providing their recommendations on sustainability practices in their daily operations, aiming to conserve the environment and reduce carbon footprint.

As part of our endeavour to raise sustainability awareness, SHOM organised a team-building activity titled "**Pledge Tree**" competition across all the eight departments from 23rd March 2023 to 28th April 2023. This initiative not only fostered team spirit, innovation and creativity among staff, but also heightened employees' awareness of sustainability, especially in terms of environmental protection, application of 4Rs concept, and using environmentally friendly and recyclable materials for their tasks.



RESOURCE AND WASTE MANAGEMENT

(CONTINUED)



Water consumption

While our operations do not operate in water-stressed areas and we do not consume water in a pattern that puts the surrounding water supply under stress, we begin to report our water consumption across Wisma Hai-O, Lot 1388, Wawasan Hai-O, Menara Hai-O and the Group's branches and outlets this financial year 2023 (FY2021 and FY2022 water usage excluding branches and outlets).

The water consumption is summarised as follows.

Water consumption	Unit	FY2021	FY2022	FY2023
Total water usage	m ³	20,364	20,214	24,038

GRI CONTENT INDEX

Statement of use	Beshom Holdings Berhad has reported in accordance with the GRI Standards for the period from 1 May 2022 to 30 April 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not applicable

Abbreviations

AR : Annual Report 2023

SS : Sustainability Statement 2023

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
General Disclosures			
GRI 2: General Disclosures 2021	The organization and its reporting practices		
	2-1 Organizational details	Legal name: Beshom Holdings Berhad	
		Nature of ownership: Public Limited Liability Company	
		Location of its headquarters: Klang, Selangor Darul Ehsan	
		Countries of operation: Malaysia	
		Annual Report (“AR”): Notes to the Financial Statements	100 - 160
		Sustainability Statement (“SS”): About This Report	2
	2-2 Entitles included in the organization’s sustainability reporting	This Report did not cover the Group’s other business activities, such as property management.	
		AR: Financial Statements	83 - 165
		SS: About This Report – Reporting Basis and Scope	3
	2-3 Reporting period, frequency and contact point	Reporting period: 1 May 2022 to 30 April 2023	
		Frequency: annually	
		Publication date: 28 August 2023	
		SS: About This Report – Contact Us	3
	2-4 Restatements of information	No restatements of information made from previous reporting periods	
	2-5 External assurance	SS: About This Report – Assurance	3
	Activities and workers		
2-6 Activities, value chain and other business relationships	Sector: consumer products & services		
	AR: Management Discussion and Analysis by the Group Managing Director	23-37	
	SS: About This Report – Reporting Basis and Scope	3	
	SS: Reputable Brands, Products, and Services	54 - 62	

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
General Disclosures			
GRI 2: General Disclosures 2021	Activities and workers		
	2-7 Employees	The number of employees is reported based on head count at the end of the reporting period	
		Majority of our employees are on full time permanent basis and most of them are locally employed (i.e. Malaysians). Our employees are required to work in office based and their working time is mainly during working hours. Most of our employees are employed locally based on the country we operate	
		No significant fluctuations in the number of employees during the reporting period and between reporting periods	
		SS: Employee Well-being and Inclusiveness – Employees	37 - 38
	2-8 Workers who are not employees	Type of work: security and cleaner	
		The number of workers who are not employees is reported based on head count 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. The number of workers who are not employees is insignificant to the Group's workforce.	
		SS: Economic Performance – Supporting the Local Economy and Creating Work Opportunities	23
	Governance		
	2-9 Governance structure and composition	AR: Profile of the Board of Directors	10 - 14
	2-10 Nomination and selection of the highest governance body	Corporate Governance Report	
		AR: Corporate Governance Overview Statement	55 - 74
	2-11 Chair of the highest governance body	The Chair of the Board of Director, Mr. Ng Chek Yong, is a Senior Independent Non-Executive Director	
		Corporate Governance Report	
2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report		
	SS: Governance for Sustainability	10	
	SS: Stakeholder Engagement	11 - 14	
	SS: Material Sustainability Matters – BESHOM's Materiality Assessment	15 - 19	
2-13 Delegation of responsibility for managing impacts	Corporate Governance Report		
	SS: Governance for Sustainability	10	

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
General Disclosures			
GRI 2: General Disclosures 2021	Governance		
	2-14 Role of the highest governance body in sustainability reporting	SS: Governance for Sustainability	10
	2-15 Conflicts of interest	AR: Audit Committee Report	49 - 54
		AR: Corporate Governance Overview Statement	55 - 74
	2-16 Communication of critical concerns	SS: Ethics and Integrity – Whistle-Blowing Mechanism	31
	2-17 Collective knowledge of the highest governance body	Corporate Governance Report	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	
		SS: Governance for Sustainability	10
	2-19 Remuneration policies	Remuneration Committee Terms of Reference is made available at https://www.beshom.com/investor-relations/corporate-governance	
		Corporate Governance Report	
	2-20 Process to determine remuneration	Corporate Governance Report	
	2-21 Annual total compensation ratio*		
	Strategy, policies and practices		
	2-22 Statement on sustainable development strategy	SS: Group Managing Director's Message	4 - 9
	2-23 Policy commitments	Code of Business Ethics for Suppliers and Business Associates is made available at https://www.beshom.com/investor-relations/corporate-governance	
Anti-Bribery Policy is made available at https://www.beshom.com/investor-relations/corporate-governance			
SS: Group Managing Director's Message – Sustainable as the Heart of Our Home		7 - 9	
SS: Supply Chain Management – Code of Business Ethics for Suppliers and Business Associates		24	

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
General Disclosures			
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-24 Embedding policy commitments	SS: Supply Chain Management – Code of Business Ethics for Suppliers and Business Associates	24
		SS: Ethics and Integrity – Anti-Bribery and Anti-Corruption	30 - 31
	2-25 Processes to remediate negative impacts	Whistle Blowing Policy is made available at https://www.beshom.com/investor-relations/corporate-governance	
		SS: Ethics and Integrity – Whistle-Blowing Mechanism	31
	2-26 Mechanisms for seeking advice and raising concerns	SS: Ethics and Integrity – Whistle-Blowing Mechanism	31
	2-27 Compliance with laws and regulations	SS: Ethics and Integrity – Whistle-Blowing Mechanism	31
	2-28 Membership associations	SS: Reputable Brands, Products and Services – Brand Reputation	54
	Stakeholder engagement		
	2-29 Approach to stakeholder engagement	SS: Stakeholder Engagement	11-14
2-30 Collective bargaining agreements	There is no union in Beshom Group		
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SS: Stakeholder Engagement	11-14
		SS: Material Sustainability Matters	15 - 19
	3-2 List of material topics	SS: Material Sustainability Matters	15 - 19
Our Economy			
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Economic Performance	22 - 23
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SS: Economic Performance	22 - 23

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
Our Economy			
Economic Performance			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Significant location of operation: Malaysia	23
		SS: Economic Performance – Supporting the Local Economy and Creating Work Opportunities	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	SS: Economic Performance – Supporting the Local Economy and Creating Work Opportunities	23
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SS: Economic Performance – Supporting the Local Economy and Creating Work Opportunities	23
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Supply Chain Management	24 - 25
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	SS: Supply Chain Management – Code of Business Ethics for Suppliers and Business Associates	24
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SS: Supply Chain Management – Code of Business Ethics for Suppliers and Business Associates	24
Our Governance			
Corporate Governance and Risk Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Corporate Governance and Risk Management	28
Ethics and Integrity			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Ethics and Integrity	29 - 31

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
Our Governance			
Corporate Governance and Risk Management			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SS: Ethics and Integrity – Anti-Bribery and Anti-Corruption	30 - 31
	205-2 Communication and training about anti-corruption policies and procedures	SS: Ethics and Integrity – Instilling Ethical Culture	30 - 31
	205-3 Confirmed incidents of corruption and actions taken	SS: Ethics and Integrity – Monitoring and Audit	31
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SS: Ethics and Integrity – Whistle-Blowing Mechanism	31
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SS: Ethics and Integrity	29 - 31
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	SS: Ethics and Integrity	29 - 31
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SS: Ethics and Integrity	29 - 31
GRI 415: Public Policy 2016	415-1 Political contributions	SS: Ethics and Integrity – Monitoring and Audit	31
Intellectual Property (“IP”) and Data Integrity			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: IP and Data Integrity	32 - 33

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
Our Governance			
Intellectual Property (“IP”) and Data Integrity			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SS: IP and Data Integrity – Data Privacy	33
Our People			
MLM Entrepreneurship			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: MLM Entrepreneurship	36
Employee Well-being and Inclusiveness			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Employee Well-being and Inclusiveness	37 - 41
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	SS: Employee Well-being and Inclusiveness – Employee Well-being – Fair remuneration	40
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SS: Employee Well-being and Inclusiveness – Employee Well-being – New Hire and Turnover	40 - 41
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	SS: Employee Well-being and Inclusiveness – Employee Well-being	39 - 41
	401-3 Parental leave	SS: Employee Well-being and Inclusiveness – Employee Well-being – Supporting Family Development	39
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health	SS: Employee Well-being and Inclusiveness – Employee Well-being	39 - 41

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
Our People			
Employee Well-being and Inclusiveness			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SS: Employee Well-being and Inclusiveness – Employees	37 - 38
	405-2 Ratio of basic salary and remuneration of women to men	SS: Employee Well-being and Inclusiveness – Employee Well-being – Fair remuneration	40
Talent Management and Succession Planning			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Talent Management and Succession Planning	42 - 45
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	SS: Talent Management and Succession Planning – Employees Training	42 - 45
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SS: Talent Management and Succession Planning – Employees Training	42 - 45
	404-2 Programs for upgrading employee skills and transition assistance programs	SS: Talent Management and Succession Planning – Employees Training	42 - 45
	404-3 Percentage of employees receiving regular performance and career development reviews	SS: Talent Management and Succession Planning	42 - 45
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Occupational Health and Safety	46 - 48
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SS: Occupational Health and Safety – Governance for Safety and Health	46

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
Our People			
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	SS: Occupational Health and Safety – Governance for Safety and Health	46
	403-3 Occupational health services	SS: Occupational Health and Safety – Governance for Safety and Health	46
	403-4 Worker participation, consultation, and communication on occupational health and safety	SS: Occupational Health and Safety – Governance for Safety and Health	46
	403-5 Worker training on occupational health and safety	SS: Talent Management and Succession Planning – Employees Training	42 - 45
	403-6 Promotion of worker health	SS: Employee Well-being and Inclusiveness – Employee Well-being	39 - 41
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SS: Occupational Health and Safety	46 - 48
	403-9 Work-related injuries	SS: Occupational Health and Safety – Occupational Health and Safety Performance	48
Community Engagement			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Community Engagement	49 - 51
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	SS: Community Engagement	49 - 51
Our Product			
Reputable Brands, Products, and Services			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Reputable Brands, Products, and Services	54 - 62

GRI CONTENT INDEX

(CONTINUED)

GRI Standard/ Other Source	Disclosure	Information/ Location	Page Number
Our Product			
Reputable Brands, Products, and Services			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	SS: Reputable Brands, Products, and Services – Product Innovation	55 - 58
Customer Responsibility			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Customer Responsibility	63 - 64
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	SS: Customer Responsibility – Product Labelling	64
Our Planet			
Energy and GHG Emissions Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Energy and GHG Emissions Management	67 - 68
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SS: Energy and GHG Emissions Management – Group energy consumption and GHG emissions	68
	302-3 Energy intensity	SS: Energy and GHG Emissions Management – Energy Management and Emissions	67 - 68
	302-4 Reduction of energy consumption	SS: Energy and GHG Emissions Management – Energy Management and Emissions	67 - 68
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	SS: Energy and GHG Emissions Management – Group energy consumption and GHG emissions	67 - 68
Green Product and Packaging			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Green Product and Packaging	69 - 70
Resource and Waste Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	SS: Resource and Waste Management	71 - 73

* Disclosure for GRI 2-21-a, b & c on Annual total compensation ratio – Disclosure omitted as salary and compensation of employees are confidential information for BESHOM.

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BESHOM HOLDINGS BERHAD

Registration No. 202101001114 (1401412-A)

Unit 621, 6th Floor, Block A, Kelana Centre Point No.3, Jalan SS7/19,
Kelana Jaya 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Tel. No. : 03-7880 9699 Fax No. : 03-7880 8699
Email : info@beshom.com