

ABC Berhad (ABC) was incorporated in 2000 and is now listed on Bursa Malaysia. ABC manufactures, markets, and distributes food products, operating in Malaysia and Indonesia.

ABC's business activities are classified under R1ESGo's Consumer Products industry group. It operates within the Food and Beverages sector, in the Food Processing segment.

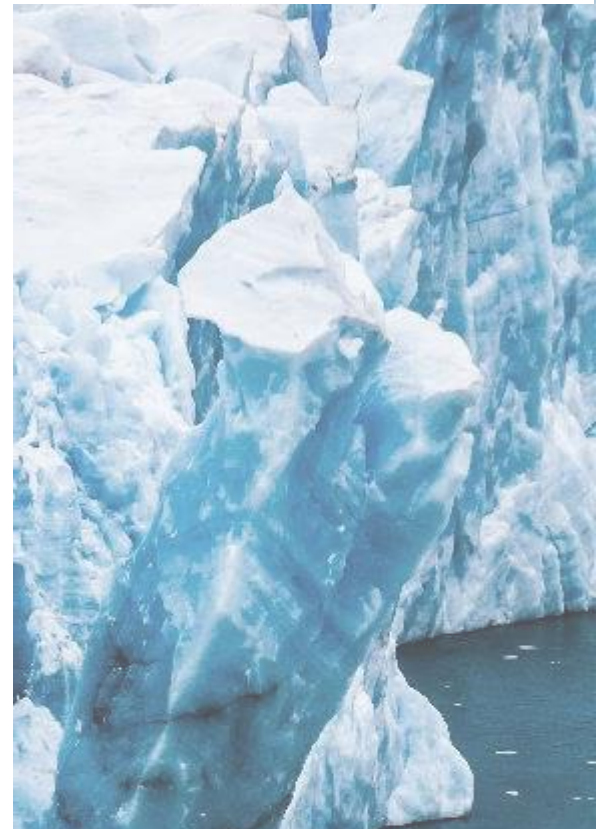


The assessments are based on public information, unless otherwise specified. Where no or scant information/disclosure on the E, S or G pillars limit our assessment, no pillar rating and entity rating will be disclosed.

RATING DEFINITIONS

R1ESGo[®] ratings are a risk-focused evaluation of the relevance and impact of an array of inherent environmental, social and governance (ESG) factors in economic activities. R1ESGo[®] ratings are expressed on a numerical scale of 1 to 15, with lower ratings indicating fewer ESG vulnerabilities.

Very Low Risk	1	2	3
Demonstrates resilience to ESG risks due to negligible vulnerabilities to ESG risk factors. There is very low likelihood of adverse reputational, business or financial impact.			
Low Risk	4	5	6
Some vulnerabilities to ESG risk factors but adverse implications to reputational, business or financial impact are low or well-managed.			
Moderate Risk	7	8	9
Notable vulnerabilities to ESG risk factors could lead to adverse reputational, business or financial impact if not well-managed.			
Elevated Risk	10	11	12
Heightened vulnerabilities to ESG risk factors could lead to material adverse reputational, business and financial impact if not actively managed.			
High Risk	13	14	15
Severe vulnerabilities to ESG risk factors are present due to significant gaps in ESG practices or inherent ESG risks. Material adverse reputational, business or financial impact is already observable or very likely.			



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About R1ESGo[®]

R1ESGo[®] is an assessment service by RAM Sustainability Sdn Bhd. R1ESGo[®] evaluates the relevance, impact and materiality of sector-specific sustainability issues and risks by assessing up to 33 factors of various sustainability dimensions, grouped into 10 themes. The Entity Rating is a combination of E, S and G ratings, based on dynamic weights according to sector.

Unless otherwise disclosed, R1ESGo[®] Entity Ratings are unsolicited assessments derived from public information and sources available to RAM Sustainability. Information may also be obtained from rated entities, where consent has been given. R1ESGo[®] ratings are updated at least once a year, guided by company reporting timeframes. More frequent updates may arise from significant events, controversies, or material changes in sustainability disclosures.

Entities that wish to comment or provide feedback on their assigned R1ESGo[®] ratings may contact us at tanya@ram.com.my.

Entity Assessment

The Entity Rating is derived from the E, S and G ratings, based on dynamic weights according to sector. Where there are no or limited disclosure on one or more of the E, S, G pillars, no Entity Rating will be assigned.

7

of 15

Previous Rating: N.A.

- ✔ Ticks denote that items assessed are available, disclosed and/or practised by the entity.
- ✘ Crosses indicate items assessed are not available nor practised by the entity.
- This indicates the absence of no or scant information/disclosures on the E, S or G pillars that limit our assessment.

Environment

7
of 15

Entity E Rating

Previous rating: N.A.

Industry E Rating

6
of 15

The **Environment Rating** reflects the extent of a firm's preparedness to manage environmental risks associated with the Climate Change, Natural Capital and E Supply Chain themes. The assessment considers the existence or availability of information on policies, certifications, codes of conduct, controversies, compliance and/or alignment to international sustainability principles, as well as reduction targets for E measures.

Policies in Place

- ✘ Reduce carbon emissions
- ✔ Efficient energy management
- ✔ Resource and waste management
- ✔ Water management
- ✘ Land & biodiversity management

Certifications Obtained

- ✔ ISO 14001: Environmental Management Systems
- ✘ ISO 14064: GHG Emission Inventories
- ✘ ISO 50001: Energy Management Systems
- ✘ Green Building Index

Other policies, certifications or initiatives:

Waste Reduction targets; 'E' Supply Chain assessment

E Controversies

Yes No

No material controversies are noted in the past 5 years.

Social

11
of 15

Entity S Rating

Previous rating: N.A.

Industry S Rating

8
of 15

The **Social Rating** reflects the extent of a firm's preparedness to manage social risks associated with the Human Resource, Customer, Community and S Supply Chain themes. The assessment evaluates the existence or availability of information on policies, certifications, codes of conduct, controversies, compliance and/or alignment to international sustainability principles.

Policies in Place

- ✘ Workforce diversity and equal opportunity
- ✔ Child/forced labour
- ✔ Occupational health and safety
- ✘ Customer health and safety
- ✘ Responsible selling and marketing
- ✘ Data privacy
- ✘ Community health and safety
- ✘ Community engagements

Certifications Obtained

- ✘ ISO 45001: Occupational Health and Safety Management Systems
- ✔ ISO 9001: Quality Management Systems

Other policies, certifications or initiatives:

HALAL Certification

S Controversies

Yes No

No material controversies are noted in the past 5 years.

Governance



Entity G Rating

Previous rating: N.A.

The **Governance Rating** reflects a firm’s sustainability commitment and includes an assessment of the firm’s sustainability structure and governance, the extent and quality of sustainability reporting and disclosures, and accountability to stakeholder groups. These G factors are assessed independently of E and S pillars above.

Signatory

To global Sustainability Movements

- ✘ United Nations Global Compact (UNGC)

G Practices

- ✔ Risk Management Policies and Control
- ✔ Board Independence
- ✔ No Audit Qualifications*
- ✔ Anti-corruption Policies and
- ✔ Sustainability Policy
- ✔ Sustainability Governance
- ✔ Sustainability Reporting

**Based on a look-back period of 5 years.*

Signatory to other movements:

Not available or disclosed.

G Controversies

Yes No

No material controversies are noted in the past 5 years.

Industry Assessment

Industry Grouping | Consumer Products

Sector | Food and Beverages

Subsector | Food Processing

- There are **some vulnerabilities to ESG risk factors** but are considered low compared to other sectors. ESG vulnerabilities for the sector are primarily **customer and food safety practices**.
- **Prioritisation of food quality and safety, and food labelling** are critical for the sector to ensure customer’s safety. If not well-managed, this could lead to adverse reputational, business or financial impact.
- Other risks for the sector include energy and water management in the processing operation and supply chain. Given its close link to the agricultural sector, environmental and social impact of the sector’s supply chain includes those related to climate change, deforestation, air and water pollution, and forced or exploitative labour. The consumer-facing nature of the food processing sector increases the reputational risks associated with supplier performance.

Key ESG Risk Vulnerabilities:

- Customer/Product Safety



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About R1ESGo®

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R1ESGo® evaluates the relevance, impact and materiality of sector-specific sustainability issues and risks by assessing up to 33 factors of various sustainability dimensions, grouped into 10 themes. An entity's standalone E, S and G performance will be scored from 0 to 100, with lower scores signifying absence of information on environmental or social policies and certifications, or governance practices. The Entity Rating is a combination of E, S and G ratings, based on dynamic weights according to sector.

R1ESGo® ratings are expressed on a numerical scale of 1 to 15, with lower ratings indicating fewer vulnerabilities to ESG issues that may lead to adverse reputational, business and/or financial impact. The ratings also consider any adverse ESG findings or controversies that may impact an entity's reputation, financial or business profile.

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R1ESGo® Market Engagement Process

Entities that wish to comment or provide feedback on their assigned R1ESGo® ratings are invited to contact us at tanya@ram.com.my. RAM Sustainability will review the R1ESGo® ratings based on the feedback and/or information received but make no representation that this will necessarily result in a revision of the assigned ratings.

About RAM Sustainability

RAM Sustainability is a provider of sustainability services and ESG analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (the holding company of the RAM Group of companies). RAM Sustainability is the first ASEAN-based provider of sustainability ratings and second opinions, and has the distinction of being the first Registered Observer of the International Capital Market Associations' (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines in ASEAN. It is also a member of the 2021/2022 Advisory Council to the GBP and SBP Executive Committee. On 12 August 2020, RAM Sustainability became an Approved Verifier for the certification of climate bonds under the Climate Bonds Standard & Certification Scheme after having been awarded the status by the Climate Bonds Standards Board.

Disclaimer

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