

DIVERSITY AND INCLUSIVITY



Diversity and Inclusivity

WHY IT MATTERS

Fostering a culture of respect and inclusion empowers our people to share diverse perspectives, strengthening collaboration and encouraging innovation across the organisation. By promoting fairness and equal growth opportunities, we unlock our employees' potential while enhancing our agility and ability to meet evolving customer needs.

OUR COMMITMENT

Firmly upholding the principle of equality of opportunity across all employment practices and a strict zero-tolerance stance against all forms of discrimination, thereby fostering a culture that encourages our employees to deliver their best.

OUR APPROACH

We take a structured and policy-driven approach to fostering a workplace grounded in fairness, respect and inclusion. This is supported by clear governance frameworks, consistent people practices and ongoing initiatives that promote equitable opportunities and a safe, respectful working environment.

Strengthening the Foundations for Respect and Inclusion

Creating a workplace built on fairness and mutual respect is a core priority at KOSSAN. We recognise and value differences in background, identity and beliefs — including race, religion, gender, age, disability, culture, social origin, caste, sexual orientation, marital status and political opinions.

Our approach is guided by the KCEC and Employee Handbook, which set clear expectations for ethical conduct. The Prohibition of Workplace Harassment and Discrimination Policy and the Prevention of Abuse Policy reinforce our zero-tolerance stance by defining unacceptable behaviour, safeguarding the rights and dignity of employees, contractors and visitors, and providing clear reporting channels for concerns through our whistleblowing and grievance mechanisms.

We also support workplace inclusivity by meeting the specific needs of groups within our workforce. At a cultural and religious level, this includes providing prayer facilities, enabling time for religious observances and organising cultural and festive celebrations. Meanwhile, efforts to support gender inclusion include maternity-related provisions, nursing facilities and participation in programmes that encourage women's workforce participation and career continuity.

Promoting Fair and Transparent Performance Reviews

We ensure that every employee has a fair opportunity to grow and advance within the organisation. Standardised evaluation criteria have been implemented across all departments and levels, covering job-specific competencies, key performance indicators ("KPIs") and behavioural conduct. These criteria are reviewed regularly to ensure alignment with organisational priorities and values.

To support fair evaluation outcomes, consistent reward decisions and effective development planning, we maintain structured performance management processes ("PMP") and clearly defined role expectations. Accordingly, performance evaluations are conducted through a structured review process in the Human Resource Management System ("HRMS"), incorporating employee self-assessments, supervisor evaluations and management reviews to promote consistency, objectivity and transparency in appraisal, promotion and disciplinary processes. Performance gaps, meanwhile, are addressed through Performance Improvement Plans ("PIP"), which set clear expectations, timelines and follow-up actions by supervisors.

Maintaining a Zero-Tolerance Stance on Harassment and Discrimination

Harassment and discrimination in any form are strictly prohibited across our operations, and we uphold a zero-tolerance stance against such behaviour. Our Policy Against Workplace Harassment and Discrimination and the Sexual Harassment Policy outline clear standards of conduct, as well as reporting channels and disciplinary actions for violations. These policies are accessible through the Employee Handbook and company intranet, reinforced through awareness posters displayed across our facilities.

In FY2025, training sessions were conducted across all operational sites to strengthen employee awareness of how to identify and address inappropriate behaviour, including harassment, workplace bullying, and the use of inappropriate language, with a particular focus on sexual harassment. A total of 4,552 employees participated, completing 3,692 hours of training. This was further complemented by broader social compliance awareness programmes covering human rights, code of conduct, and workplace ethics, supporting holistic understanding of respectful and responsible workplace behaviour.

Diversity and Inclusivity (cont'd)

During the year, we reviewed two reported cases related to harassment and discrimination, comprising one allegation of sexual harassment and one allegation of discriminatory treatment. All cases were managed in accordance with our established industrial relations and whistleblowing procedures, with formal domestic inquiries conducted by designated independent internal panels to ensure fairness, impartiality and due process.

Both complainants and the individuals named in the allegations were duly informed of the investigation process and provided with the opportunity to present relevant information and evidence. Each case was assessed based on available facts, in alignment with internal policies and applicable legal requirements, before appropriate conclusions were reached.

For the case involving sexual harassment, the matter was reported to external authorities and handled in accordance with the relevant legal processes. The Company extended full cooperation throughout the proceedings, and the case was concluded based on the outcome determined by the authorities, with no further internal action required and no substantiated breach of internal policy established.

For the discrimination-related case, the internal investigation did not substantiate any policy violation. Nevertheless, recommendations were provided to strengthen communication practices and minimise the risk of similar concerns arising in the future. The complainant was informed of the outcome and offered appropriate support.

Where appropriate, support was made available to affected individuals, including access to counselling services and follow-up by relevant internal teams.

Ensuring Equity and Fairness in the Workplace

Fairness is embedded throughout the employment lifecycle, beginning with recruitment processes that assess candidates based on skills, experience and suitability for the role. We also apply consistent pay practices, with salary packages offered equitably to male and female employees performing comparable roles. From February

2025 onwards, we applied the updated local minimum wage of RM1,700 consistently across our business.

Our commitment to equitable compensation is reflected in a 1:1 entry wage ratio by gender relative to the local minimum wage and a 1:1.08 ratio for basic salary and total remuneration across all grades, with female employees earning slightly more on average.

An internal salary framework based on job roles and designations is applied consistently across business units to support equitable pay structures. To maintain competitiveness, remuneration packages are regularly benchmarked against industry standards and local market practices. This structured approach is complemented by a performance-based reward system, where bonuses and salary adjustments are linked to individual performance against key performance indicators ("KPIs"). Performance evaluations incorporate self-assessments, supervisor feedback and Senior Management review, supporting fair and objective outcomes.

Employees receive a comprehensive range of benefits alongside their salaries, including healthcare and insurance coverage, a compulsory pension scheme (EPF) and social protection (SOCSO), and professional development opportunities that support both well-being and career growth. Our remuneration practices comply with local labour laws and regulations, ensuring that all employees receive at least the statutory minimum wage. Detailed payslips are provided, outlining wages, benefits and statutory deductions, while employment terms are mutually agreed and formalised through contracts issued in employees' native languages to ensure clarity and transparency.

Beyond fairness in remuneration, we stringently uphold fair and ethical labour practices across our business. In line with this, all permanent employees have access to career development opportunities, regardless of gender, while no salary deductions, withholdings or monetary penalties are imposed for misconduct. In addition, employees earning below RM4,000 per month receive overtime pay in accordance with Malaysian labour laws, while work on rest days is compensated with replacement leave.

Workforce Profile

Board Diversity

	FY2023	FY2024	FY2025
Gender	Headcount/%	Headcount/%	Headcount/%
Male	7; 78	7; 78	7; 78
Female	2; 22	2; 22	2; 22
Age group	Headcount/%	Headcount/%	Headcount/%
Baby boomers ¹	3; 33	3; 33	3; 33
Generation X ²	5; 56	5; 56	5; 56
Generation Y ³	1; 11	1; 11	1; 11
Ethnicity	Headcount/%	Headcount/%	Headcount/%
Malay	1; 11	1; 11	1; 11
Chinese	7; 78	7; 78	7; 78
Indian	1; 11	1; 11	1; 11

Diversity and Inclusivity (cont'd)

Workforce Diversity

	FY2023	FY2024	FY2025
Total employees	5,848	5,930	5,403
Gender	Headcount/%	Headcount/%	Headcount/%
Male	4,527; 77	4,649; 78	4,220; 78
Female	1,321; 23	1,281; 22	1,183; 22
Age group	Headcount/%	Headcount/%	Headcount/%
Baby boomers	19; <1	17; <1	14; <1
Generation X	696; 12	647; 11	577; 11
Generation Y	3,213; 55	3,073; 52	2,799; 52
Generation Z ⁴	1,920; 33	2,193; 37	2,013; 37
Ethnicity⁵	Headcount/%	Headcount/%	Headcount/%
Malay	1,970; 65	2,200; 68	2,013; 67
Chinese	535; 18	531; 16	518; 17
Indian	490; 16	471; 15	433; 15
Others	27; 1	40; 1	28; 1
Nationality	Headcount/%	Headcount/%	Headcount/%
Malaysian	3,022; 52	3,242; 55	2,992; 55
Non-Malaysian	2,826; 48	2,688; 45	2,411; 45

¹ Born between 1945 to 1960.² Born between 1961 to 1980³ Born between 1981 to 1995.⁴ Born after 1995.⁵ Only covers Malaysian hires.

	FY2023	FY2024	FY2025
Job category⁶	Headcount/%	Headcount/%	Headcount/%
Top management	10; <1	9; <1	9; <1
Senior management	5; <1	5; <1	5; <1
Upper management	24; <1	33; <1	33; <1
Middle management	311; 5	322; 5	324; 6
Executive	557; 10	643; 11	651; 12
Non-executive	4,941; 84	4,918; 83	4,381; 81
Leadership breakdown by gender⁷	Headcount/%	Headcount/%	Headcount/%
Male	223; 64	238; 64	236; 64
Female	127; 36	131; 36	133; 36

⁶ 100% of our Top Management and Senior Management team members are Malaysian.⁷ Applicable only to manager-level positions and above.

	FY2023	FY2024	FY2025
Permanent employees by gender	Headcount/%	Headcount/%	Headcount/%
Male	1,754; 59	1,982; 63	1,830; 63
Female	1,214; 41	1,174; 37	1,084; 37
Temporary employees by gender	Headcount/%	Headcount/%	Headcount/%
Male	2,773; 96	2,665; 96	2,390; 96
Female	107; 4	109; 4	99; 4
Permanent employees by nationality	Headcount/%	Headcount/%	Headcount/%
Malaysian	2,968; 100	3,156; 100	2,914; 100
Non-Malaysian	0; 0	0; 0	0; 0
Temporary employees by nationality	Headcount/%	Headcount/%	Headcount/%
Malaysian	54; 2	86; 3	78; 3
Non-Malaysian	2,826; 98	2,688; 97	2,411; 97

Diversity and Inclusivity (cont'd)

New hire breakdown by

	FY2023	FY2024	FY2025
Gender	Headcount/%	Headcount/%	Headcount/%
Male	915; 69	1,187; 74	557; 67
Female	411; 31	413; 26	271; 33
Age group	Headcount/%	Headcount/%	Headcount/%
Baby boomers	1; <1	0; 0	0; 0
Generation X	34; 3	34; 2	17; 2
Generation Y	451; 34	505; 32	220; 27
Generation Z	840; 63	1,061; 66	591; 71
Nationality	Headcount/%	Headcount/%	Headcount/%
Malaysian	1,012; 76	1,313; 82	791; 96
Non-Malaysian	314; 24	287; 18	37; 4
Job category	Headcount/%	Headcount/%	Headcount/%
Executive and above	129; 10	266; 17	203; 25
Non-executive	1,197; 90	1,334; 83	625; 75

	FY2023	FY2024	FY2025
Voluntary Turnover Rate (%)	N/A	N/A	21.59
Involuntary Turnover Rate (%)	N/A	N/A	2.32
Voluntary and Involuntary Turnover rate (%)	35.24	25.78	23.91
Gender	%	%	%
Male	78	70	73
Female	22	30	27
Age group	%	%	%
Baby boomers	<1	<1	<1
Generation X	8	5	6
Generation Y	47	42	36
Generation Z	45	52	57
Nationality	%	%	%
Malaysian	63	72	77
Non-Malaysian	37	28	23
Job category	%	%	%
Executive and above	12	12	15
Non-executive	88	88	85

PERFORMANCE DATA

We successfully achieved our voluntary turnover target for employees at executive-level and above during FY2025, recording a rate of 19.12%, which is below our 20% threshold.

On the other hand, female representation in managerial positions and above remained at 36% in FY2025, below our FY2025 interim target of 39%. We are accelerating efforts to close this gap through enhanced succession planning and strengthened mentorship programmes.

Discrimination and Harassment

	FY2023	FY2024	FY2025
Number of substantiated discrimination and harassment cases	2	3	0

MOVING FORWARD

We will continue to foster a workplace environment grounded in fairness, respect and inclusion, creating the conditions for our employees to thrive and realise their full potential. These efforts will be supported by enhanced visibility of human resource data through HRMS dashboards, where available, enabling us to progressively refine our compensation and performance management processes and further strengthen inclusivity across the organisation.

Looking ahead, we aim to maintain zero substantiated cases of discrimination and harassment across our operations. Furthermore, we aim to progressively increase female representation in managerial roles (manager and above) while maintaining turnover of employees at executive-level and above at below 20% to support long-term talent retention.