SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

SUSTAINABILITY HIGHLIGHTS FY2023

ENVIRONMENTAL SUSTAINABILITY OF OUR PRODUCTS AND SERVICES

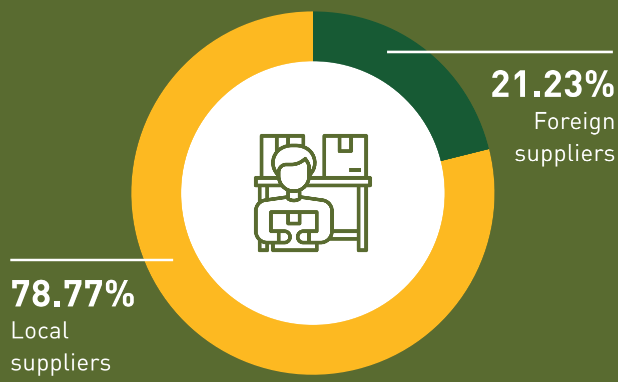
Our major suppliers for The Star newsprint are **MyHijau, PEFC and FSC** certified.

The Star daily newspaper is printed on **100%** recycled paper.

An approximate annual energy saving of **50,055.50 kWh** from energy saving projects.

406,755 kWh of solar energy generated from the Rooftop Solar Generation project, an increase of **8.58%** from FY2022.

SPENDING ON LOCAL SUPPLIERS



RM29,655,278 spent on local suppliers

An increase of 4.03% from FY2022

DIVERSITY OF OUR WORKFORCE

988 Employees

An increase of 5.11% from FY2022

CONTRIBUTION TO OUR COMMUNITY

Donated **RM200,000** to 12 deserving social organisations via the Star Social Impact Grant, impacting **1,333** inividuals.

Donated **RM218,000** via the Medical Fund Programme and contribution to Non-Governmental Organisations, impacting **87** individuals.

78 scholarships worth **RM5,756,402** awarded via the Star Education Fund.

128 deserving participants benefitted via the Star BRATs programme.

REPORTING PRACTICE

OUR REPORTING APPROACH

ABOUT THIS SUSTAINABILITY STATEMENT

Star Media Group Berhad's Sustainability Statement (this Statement) outlines our sustainability goals, broad strategies and performance of the Group's Economic, Environmental, Social and Governance ("EESG") aspects in FY2023. It further details initiatives undertaken in these areas and their impact on the environment as well as our internal and external stakeholders. This Statement also covers some of the risks, opportunities and challenges we experienced in the implementation of sustainability initiatives during the year under review.

This Statement contains future-looking statements related to the Group's sustainability objectives, targets, strategies and future action plans, that are interconnected to our overall business operation, financial and non-financial performance. Therefore, these statements do not provide a guarantee as these targets, strategies and future action plans are subject to the potential and unforeseen future business risks and performance, changes in the industry, national, regional and global regulations, standards and conditions or matters that was not accounted for during the preparation of this Statement.

REFERENCES

Within this Statement, references to 'Star Media Group', 'the Company', 'the Group' and 'we' refer to Star Media Group Berhad and its subsidiaries.

SCOPE AND BOUNDARIES

This Statement is principally focused on disclosing matters related to Star Media Group and its print operations, which is a significant part of the Group's business. Unless otherwise specified, this Statement does not comprehensively cover other operating companies within the Group, such as digital, radio, events and exhibition segments. Our intention is to provide insights into our principal business operations as we seek to present a more comprehensive view of our EESG related matters moving forward. Therefore, relevant targets, initiatives, key performance indicators and our performance have been established, tracked and disclosed in this Statement to the best of our ability.

All data within this Sustainability Statement has been sourced internally, verified and validated by the Company's respective business units. This Statement has been reviewed and approved by our Group Chief Executive Officer ("Group CEO") and the Board of Directors ("Board"), to ensure that the content of this Statement reflects rightfully to our business operations, sustainability journey and identified material matters in the year under review. We will continue to enhance our data collection and analysis methodologies with a notion to improve our data accuracy, quality and to strengthen our disclosure practices moving forward.

REPORTING PERIOD

In accordance with an annual reporting cycle, the reporting period for this Statement is from 1 January 2023 to 31 December 2023.

REPORTING GUIDELINES AND STANDARDS

To ensure adequate reporting and disclosure, SMG has prepared this Statement in reference, where relevant, to the reporting requirements, guidelines, standards and industry practices:

- Practice Note 9 of Bursa Malaysia's Main Market Listing Requirements;
- Malaysian Code on Corporate Governance ("MCCG") issued by Securities Commission Malaysia;
- Bursa Malaysia's 2021 Corporate Governance Guide;
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition);
- Global Reporting Initiatives ("GRI") Standards; and
- Global goals of United Nations Sustainable Development Goals ("UNSDGs").

Our Statement aspires to cover the following reporting principles:

- Stakeholder Inclusiveness: Capturing our stakeholders' expectations, needs and concerns;
- Sustainability Context: Presenting our performance indicators in the wider context of sustainability;
- Materiality: Identifying and prioritising key sustainability issues of our Group;
- Accuracy: Reporting correct and sufficiently detailed data to allow the assessment of the Group's sustainability impact;
- Clarity: Reporting information that is accessible and understandable by stakeholders;
- Completeness: Providing sufficient information that are relevant to our Group and stakeholders to enable the assessment of the Group's sustainability impact;
- Timeliness: Reporting information on a regular schedule and stipulated time to enable stakeholders' informed decision-making; and
- Verifiability: Reporting of information in a way that the data can be examined to establish its reliability.

Sustainability Statement (cont'd.)

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

As a Group, we recognise the salience of promoting sustainable practices across our supply chain. As such we are committed to aligning with prevailing best practices to provide value to our stakeholders while striving for ongoing enhancement of our sustainability efforts within our business operations and overall supply chain.

MEMBERSHIPS AND ASSOCIATIONS

1. Member of Malaysian Newspaper Publishers Association ("MNPA");
2. Member of Asia News Network ("ANN");
3. Member of World Association of Newspapers and News Publishers ("WAN-IFRA");
4. Member of Malaysian Press Institute ("MPI");
5. Member of Malaysian Retail Chain Association ("MRCA");
6. Member of Malaysian Advertisers Association ("MAA");
7. Member of Malaysian Digital Association ("MDA");
8. Member of Commercial Radio Malaysia ("CRM");
9. Council member of Communications and Multimedia Content Forum of Malaysia ("CMCF");
10. Council member of Belt and Road News Network ("BRNN");
11. Board member of International Press Institute ("IPI"); and
12. Board member of Bernama.

AVAILABILITY

This Statement is accessible to the public via our website at www.starmediagroup.my.

STATEMENT OF ASSURANCE

This Statement has undergone an internal assurance process in alignment with our existing approach. In strengthening the credibility of the Statement, selected aspects or part of the Statement has been subjected to independent assurance in accordance with recognised assurance standards and has been reviewed by the Company's Audit Committee and endorsed by the Board. The boundary of the independent assurance includes all active companies within the Group's control. The subject matters covered by the independent assurance include the following indicators:

1. Content Creation, Sourcing and Management;
2. Supply Chain Management; and
3. Emissions Management.

FEEDBACK

We welcome your comments, thoughts and remarks, which may be directed to our headquarters:

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15, Jalan 16/11
46350 Petaling Jaya
Selangor Darul Ehsan
Tel: +603 –7967 1388
Fax: +603 –7954 6752
Email: investor-relations@thestar.com.my

ADVANCING THE SUSTAINABILITY AGENDA

To our stakeholders, we are pleased to disclose Star Media Group's seventh Sustainability Statement, which highlights our efforts and initiatives in nurturing meaningful relationships and creating lasting positive impact. While we continued to nurture operational growth, we did not forget our responsibility towards building a better future for our people, planet and communities around us.

As one of Malaysia's leading news and media organisations, we put in concentrated efforts to ensure our business operations revolve around the core mindset of sustainable development. Alongside the strength that we have built during the post-COVID-19 pandemic, we acknowledge the challenges and unpredictability that remain. Therefore, we believe that with our aspiration of being a sustainable and responsible organisation, we will be able to further advance our sustainability agenda and heighten our value to the organisation and our stakeholders.

At Star Media Group, we take our organisational vision seriously. Star Media Group aims to be the leading and innovative media group with various touch points to connect with our people, which is supported by our organisational mission to keep people informed and inspired through our content and services. To this end, we strive to align our commitment to our four (4) sustainability aspects, namely the Economic, Environmental, Social and Governance ("EESG") spectrum. With commitments across these EESG spectrum, we remain dedicated to our sustainability aspirations as well as ensuring that our approach and actions in relation to our material sustainability matters are effective and impactful, thus generating value for our people, stakeholders and communities.

PROMOTE ECONOMIC GROWTH AND CONTRIBUTION

As a Group, we continually seek to preserve and enhance the value we deliver to our stakeholders. In this regard, we consistently work to strengthen our core business through regular reviews and refinement of our strategic objectives, practices and offerings.

In FY2023, we continued to focus on evolving new and relevant products to meet the changing market needs, ensure a sustainable profit and expand our business operations. One of the major initiatives in the year under review was the introduction of Star Biz7, a weekly business newspaper that covers a more nuanced and comprehensive perspective on business matters. This new offering allows readers to obtain comprehensive news and updates regarding the business and financial world, covering the local and international markets. The launch of new print publications such as Star Biz7, Suria 7 and After Work also provided the Group's opportunities to generate revenue.

Recognising the growing importance of the sustainability agenda globally, the Group has also put in concerted effort to accelerate the ESG momentum across businesses and the general public. The three (3) core pillars introduced include a monthly ESG pull-out, the ESG Positive Impact Awards, as well as the StarESG Academy offering thought leadership and knowledge sharing programmes.

Aside from our print segment, we have also attained growth in our other business segments. For instance, in FY2023, the Group successfully launched its maiden property project, the Star Business Hub, diversifying the Group's income stream.

Beyond our new developments, we continued to maintain and refine our practices to ensure that we act with the utmost integrity and adherence to best practices in our role as the leading source of news in Malaysia. Additionally, we are always keen to ensure that our business considers the needs of our stakeholders by engaging closely with our stakeholders, customers, suppliers and industry peers.

PROTECT AND CONSERVE THE ENVIRONMENT

Across our operations, we seek to be responsible stewards of the environment. Our approach to environmental matters is defined by our utmost adherence to all applicable laws and regulations, as well as efforts to ensure that we minimise our environmental impact where possible.

In FY2023, we continued to closely manage and monitor various aspects of our environmental footprint, including our energy consumption, emissions management, waste management and material usage. Through our approach, we have been able to gain vital insights into our environmental impact while continuing to

Sustainability Statement (cont'd.)

ADVANCING THE SUSTAINABILITY AGENDA

improve our efficiency in terms of the resources we consume. Against this backdrop, one of our major initiatives in reducing energy consumption involved embarking on a continuous energy saving project for our lighting, air handling units and air conditioners.

Moving forward, we remain committed to intensifying and implementing new strategies to enhance the protection and conservation of our environment. Recognising the importance of assessing our performance, we are dedicated to refining our data collection and monitoring procedures, particularly those related to environmental metrics such as water consumption and waste management. With these enhancements in place, this will enable us to identify areas for improvement and at the same time, gain a more comprehensive understanding of our environmental impact.

FOSTER SOCIAL WELLBEING

At Star Media Group, we recognise our ability to generate a positive impact on society and the nation. From our employees to our local communities, we remain steadfast in creating opportunities where people feel empowered to reach their full potential.

As a responsible employer who values the wellbeing of our employees, we stay committed to creating a safe and nurturing work environment for all our people. This includes upholding high standards in relation to employee rights and benefits, occupational health, safety and workplace diversity to ensure our workforce remains competitive, agile and fulfilled.

Beyond our own people, we are also deeply dedicated to creating positive value for our wider community. In FY2023, we have continued our efforts to widen education opportunities for talented underserved youths through the longstanding Star Education Fund. Additionally, we implemented a diverse range of programmes with the aim of strengthening English language proficiency and fostering the development of the next generation of journalists.

In tune with the needs of vulnerable communities, the Group continues to carry out meaningful social initiatives to provide tangible support to those in need. Through the Star Foundation, we work hand-in-hand with non-governmental organisations ("NGOs") and social enterprises to carry out impact-driven and sustainable social projects while also supporting underprivileged children undergo life-changing medical procedures. Aside from this, we leverage on our platforms to provide resources that contribute to the betterment of society.

As a media organisation, we also understand our responsibility to empower the local communities via our content. Therefore, we have always focused on providing relevant, accurate and timely content that allows the local communities to remain well-informed and be able to make the right decisions.

SAFEGUARD GOOD CORPORATE GOVERNANCE PRACTICES

We understand the need to have structured and sound corporate governance practices to ensure that our organisational vision, mission, and mandate are continuously met via organisational agenda, strategies and performances. Over the years, we have periodically revisited and reviewed our governance structure, composition and practices to ensure it complies with regulatory requirements and embrace better practices.

To ensure our businesses are conducted in a transparent manner, we have made it our organisational mandate to have zero tolerance towards corruption and bribery. In this effort, the policies and practices relating to anti-corruption as well as data privacy and security are constantly reviewed, refreshed, communicated and adhered to.

As one of the leading media companies in Malaysia, we recognise the gravity of our news publication. Therefore, in FY2023, we have continued our commitment to ensure that our content is not only timely but originates from credible sources and accurately reflects on the truth. We believe that the achievement of transparent, reliable content and publication heavily relies on our content creation, sourcing and management process. To this effect, we have undertaken measures to ensure that our relevant policies and practices are constantly reviewed, refreshed, communicated and adhered to in this process.

CONCLUSION

The Group's steadfast commitment towards the sustainability agenda is aptly reflected through our continued inclusion as a constituent of FTSE4Good Bursa Malaysia Index ("F4GBM") for the reporting year, following our admission in FY2020. Leveraging the importance of peer-to-peer support and learning, the Group continues to be an active member in the CEO Action Network, a coalition of Malaysian business leaders focused on sustainability advocacy, capacity building, action and performance.

As we move forward in our sustainability journey, we will continue to enhance our existing initiatives across the EESG spectrum whilst adapting to the rapidly evolving economic, environmental, social and corporate governance landscape. Our objective is to ensure that our sustainability-related efforts generate a positive impact on our people and stakeholders. We remain dedicated to adapting our approach and practices, as and where necessary.

We hope that this Sustainability Statement provides you with insights into our sustainability efforts, including our progress and impact for the year under review.

SUSTAINABILITY GOVERNANCE

GOVERNANCE AND FRAMEWORK ON SUSTAINABILITY

At Star Media Group, we have a sustainability governance structure led by our leaders. This structure provides overall leadership, management and oversight on all sustainability matters. Within this context, our sustainability agenda is led by our Group CEO, with guidance provided by our Board. Our Group CEO works closely with key members of our management team to identify gaps and opportunities to address our material sustainability issues.

To heighten the formalisation of our sustainability governance, we reviewed and refreshed the structure in FY2023. This would enable us to acquire a well-defined methodology and reporting line in the development, implementation, monitoring and continuous improvement of our sustainability-related activities and its impact to the economy, environment and society.

To complement the current structure, we have established and incorporated two (2) separate Management level committees, namely the Sustainability Steering Committee and Sustainability Working Committee. The Sustainability Steering Committee comprises of six (6) key stakeholders, namely the Group CEO as the Chairman of the Committee, Company Secretary, the Heads of Finance, Print, Group People as well as Corporate Communication and Social Impact. The Sustainability Steering Committee is further supported by the Sustainability Working Committee, which comprises of various stakeholders and data owners that are involved in sustainability-related disclosures.

In line with this, the sustainability governance structure at Star Media Group involves the Internal Audit Department, which has been tasked to undertake internal audit function. This serves as an independent entity, playing a pivotal role in providing checks and balances within our organisational framework.

The illustration below depicts and summarises our sustainability governance and their respective roles. As the sustainability governance structure was established based on our current governance maturity level and the level we aspire to achieve in the near future, we will continuously revisit and refresh this governance structure and the responsibilities it holds on to on a need-to-basis as we progress in our sustainability agenda.

Level/Personnel	Roles and Responsibilities
Board of Directors	• Oversees the overall sustainability agenda of SMG. • Reviews and approves sustainability strategies, priorities and targets proposed by the Sustainability Steering Committee. • Seeks information and provides oversight on ESG risks and opportunities, and how it is managed. • Provides advice and feedback to Sustainability Steering Committee. • Reviews the adequacy and completeness of the sustainability statement recommended by the Sustainability Steering Committee, as well as approves the sustainability statement for disclosures.
Other Board Level Committees	• Includes sustainability-related considerations in discussions pertaining to each committee's respective focus areas. • Assists and provides inputs to the Sustainability Steering Committee and Board on sustainability matters that are relevant to each committee's respective focus areas.

Sustainability Statement (cont'd.)

SUSTAINABILITY GOVERNANCE

Level/Personnel	Roles and Responsibilities
Sustainability Steering Committee	• Leads the sustainability agenda of the Group, whereby it will report and recommend directly to the Board of Directors on sustainability matters. • Collaborates, discusses and consults with relevant Board Committees on sustainability matters. • Leads the communication, target setting process, review of the development, implementation and monitoring of organisational strategies and initiatives, with the input from other Board level Committees on EESG and sustainability matters. • Oversees SMG's sustainability strategies and performance against established sustainability targets. • Provides guidance on the accuracy, relevancy, timeliness and consistency of EESG disclosures, related management approach and its reporting metrics. • Provides advice on EESG control environment, recommended reporting metrices and EESG governance structure. • Oversees the integration of sustainability matters in business operation, risk management and internal control processes. • Coordinates and monitors the development and implementation of sustainability-related strategies, initiatives, and actions, as well as collects and reviews progress reports on sustainability initiatives from the Sustainability Working Committee.
Sustainability Working Committee	• Takes ownership of sustainability activities and projects, as well as is the data owner to drive integration of sustainability practices and procedures in respective departments. • Holds accountability for identifying and managing sustainability related issues, activities and projects within their department, with a commitment to escalating periodic reports to the Sustainability Steering Committee. • Collates and consolidates sustainability information to generate analytics and reports to Sustainability Steering Committee, other Board level committees and the Board.

CODE OF CONDUCT AND ETHICS

The Group adheres to a Code of Conduct and Ethics ("Code") that reflects our core values and culture as a company. The Code is applicable to all Directors, Key Management Team members and employees to ensure the professional conduct of our people across all operations.

The Code entails all relevant guidelines in dealing with employees, customers and business associates. It also provides guidance for responsible business conduct and ethics in relation to work environments, company assets, conflicts of interests and other related matters. Policies and relevant governance structures have also been established to support the values and practices promoted by the Code, with relevant documentation updated as and when necessary to ensure that it is fit-for-purpose and compliant with all applicable laws and regulations.

WHISTLEBLOWING POLICY

In order to promote responsible business conduct and transparency, we provide a fair and objective platform where any party can confidently and safely disclose matters pertaining to improper conduct. This platform is aided by our Whistleblowing Policy, which outlines the relevant procedures in dealing with any submissions received.

All concerns disclosed in good faith through our highly confidential whistleblowing platforms are taken seriously and will be escalated if a resolution cannot be found through our normal reporting procedures. The head of Internal Audit or Chairman of the Audit Committee will handle any escalation of concerns. In order to encourage the reporting of any such incidences, the identities of whistleblowing individuals are kept highly confidential and they are also afforded protection against any form of reprisal or retaliation.

Our full Whistleblowing Policy is available on the Star Media Group website at www.starmediagroup.my.

ANTI-CORRUPTION POLICY

The Group recognises the salience of ensuring lawful and ethical behaviour across our activities and operations. As such, we adopt a zero-tolerance stance against all forms of bribery and corruption. Our approach is supported by our Anti-Corruption Policy, which complies with all applicable laws and regulations, including Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

Our full Anti-Corruption Policy is available on the Star Media Group website at www.starmediagroup.my.

STAKEHOLDER ENGAGEMENT

PRIORITISING THE INTERESTS OF OUR STAKEHOLDERS

We regularly engage our stakeholders to understand their perspectives on economic, environmental, social and corporate governance issues. Feedback gathered from such engagements enriches our approach to sustainability and ensures that we – as a Group – are addressing sustainability issues that matter to our stakeholders. When and where necessary, we also adapt our stakeholder engagement model to ensure that we can best address our stakeholders' needs while maximising their involvement in the formulation of our strategies.

Stakeholder	Engagement Platforms	Frequency	Key Interests	How Star Media Group Addresses
Shareholders/ Analysts	• Regular shareholder communications/ announcements on Bursa Malaysia including quarterly financial results • Annual General Meetings/ Extraordinary General Meetings • Star Media Group's website updates • Annual Report and circular/ statement to shareholders	• Ongoing • Annually • Ongoing • Annually	• Economic Performance • Group's Business Direction/ Strategy	• Disclosure in reports and announcements released to Bursa Malaysia • On-demand response to inquiries and meeting requests
Government/ Regulators and Policy Makers	• Attendance/ participation in the Group's events • Meetings/ discussions • News/ information content dissemination platform (through Ministries)	• Ongoing	• Business Ethics (Regulation and Compliance) • Public Private/ Partnerships • Strong Relationships	• Public-private partnerships
Customers (Business)	• Meetings/ discussions • Roadshows/ product presentations • Attendance/ participation in the Group's events • Customer service channels (email and call centre) • Social media (Facebook, Instagram, LinkedIn, X, TikTok, YouTube) • Regular communications via email blasts and monthly newsletters • Sponsorships/ donations • Networking lunches/ dinners/ gatherings • Customer satisfaction surveys • Supplier registration • Training programmes and workshops	• Ongoing	• Occupational Health & Safety • Procurement • Group's Business Direction/ Strategy • Knowledge Sharing • Business Ethics • Anti-Competitive Practices • Corruption and Instability • Diversity and Equality • Product Innovation • Privacy & Data Security	• Data-driven solutions • Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety'

Sustainability Statement (cont'd.)

STAKEHOLDER ENGAGEMENT

Stakeholder	Engagement Platforms	Frequency	Key Interests	How Star Media Group Addresses
Customers (Consumer)	• Loyalty programme (for those who subscribe to SMG services) • Reader feedback system (to improve quality of article) • Star Daily news email alerts • Networking lunches/ dinners/ gatherings • Customer service channels (email and call centre) • Social media (Facebook, Instagram, LinkedIn, X, TikTok, YouTube) • Regular communications via email blasts and monthly newsletters • Customer satisfaction surveys • Attendance/ participation in the Group's events • Meetings/ discussions • Network gatherings • Media engagements (press conference) • Training programmes and workshops • Sponsorships/ donations	• Ongoing	• The Star cover price cost vs no. of pages (content) • Content direction/ balanced reporting • Subscription packages • Product safety & quality • Business ethics • Product innovation • Privacy and data security • Access to finance • Opportunities in nutrition & health • Community investment	• Stringent fact checking processes • Refreshed editorial system • Responsive editorial direction
Suppliers and Industry Peers/ Partners	• Visit to suppliers for due diligence • Meetings/ discussions • Networking lunches/ dinners/ gatherings • Supplier assessment • Supplier registration • On-site visit to office/ plants/ sites etc. (visiting SMG office and vice versa) • Attendance/ participation in the Group's events	• Annually • Ongoing • Ongoing • Bi-annually • Ongoing • Ongoing • Ongoing	• Group's Business Direction/ strategy • Procurement • Knowledge sharing • Electronic waste • Environmental compliance • Occupational health & safety • Opportunities in renewable energy • Supply chain labour standards and environmental commitments • Economic performance • Business ethics • Anti-competitive practices • Corruption and instability • Financial system instability • Product innovation	• On-site visit to HQ and printing plant • Refer Material Topics 'Procurement Practices' and 'Occupational Health and Safety'

Stakeholder	Engagement Platforms	Frequency	Key Interests	How Star Media Group Addresses
Employees	• Performance appraisals • Employee engagement communications • Town hall sessions • Union meetings • COVID-19 alerts and updates • Regular communications via email blasts and monthly newsletters • Training programmes and workshops • Employee feedback forms • Attendance/ participation in the Group's events	• Annually • Ongoing • Periodic • At least twice a year • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing	• Human capital development • Equal employment opportunities • Employment benefits and welfare • Business ethics/ governance • Diversity and equality • Occupational health & safety • Corporate developments	• Diverse workforce • Training and development programmes • Career planning and development • Code of Ethics • Refer Material Topic 'Occupational Health and Safety', 'Diversity and Equal Opportunity' and 'Employment'
Local Communities	• Regular communications via email blasts and monthly newsletters • Customer service channels (email and call centre) • Social media (Facebook, Instagram, LinkedIn, X, TikTok, YouTube) • Community-focused initiatives, including site visits to NGOs • Sponsorships/ donations • Media engagements (press conference) • Attendance/ participation in the Group's events	• Ongoing • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing • Ongoing	• Education • Social Assistance • Funding • Publicity • Business Ethics • Community Investment	• Education workshops and activities • Star Education Fund scholarships • Social assistance including medical funding support via Star Foundation • Awareness building through editorial campaigns • Refer Material Topic 'Local Community'

Sustainability Statement (cont'd.)

MATERIALITY MATRIX

REINFORCING OUR COMMITMENTS TOWARDS OUR MATERIAL MATTERS

MATERIALITY ASSESSMENT

The conduct of a materiality assessment to identify and rank our material sustainable matters is a crucial step for the Group to determine our key sustainability issues. We are committed to undertake periodic materiality assessment, as deemed appropriate, to ensure that we identify the matters that are pertinent to our business operations and continuously meet the needs of our stakeholders. Conducting a materiality assessment will also allow us to identify the risks and opportunities of each of our material sustainability matters, followed by the measures to mitigate the risks and take advantage of opportunities. Through a materiality assessment, we seek to not only be in compliance with regulatory requirements, but better integrate industry trends and global developments via our material sustainability matters.

Against this backdrop, we have refreshed our existing Materiality Matrix in FY2023 to rightfully identify the matters that are integral to our Group. In this process, stakeholder feedback and updated regulatory requirements helped us identify sustainability issues that are presently material to our business, alongside the consideration of any additional disclosures which may be of priority during the year under review. The outcome of our latest materiality assessment is displayed in the following matrix, which highlights the importance of sustainability issues based on its significance to stakeholders and impact to the Group from an EESG perspective.

The following infographics explain the steps taken in our materiality assessment process.

Step 1 REVIEW AND REFRESHMENT OF MATERIAL MATTERS

To identify the material matters of the Group, we first ensured compliance with the local authoritative promulgations set out by local regulators. In this context, Bursa Malaysia has enhanced its sustainability reporting requirements in September 2022, under the Main Market Listing Requirements. The enhancement among others, has mandated all listed issuers to report on eleven (11) common sustainability matters as well as several sector-specific sustainability matters.

In FY2023, our material matters were reviewed and refreshed against Bursa Malaysia's common and sector-specific sustainability matters, industry best practices and our business operations. The revised list of 14 material matters were then proposed to the Sustainability Steering Committee led by the Group CEO and the Board for consideration and approval.

Step 2 STAKEHOLDER ENGAGEMENT

The stakeholders that are deemed to acquire the best of knowledge about the Group were identified and engaged via a briefing session and survey questionnaire. The aim of the stakeholder engagement session was to introduce the refreshed material matters of the Group and gather the input from these stakeholders on the materiality of each matter.

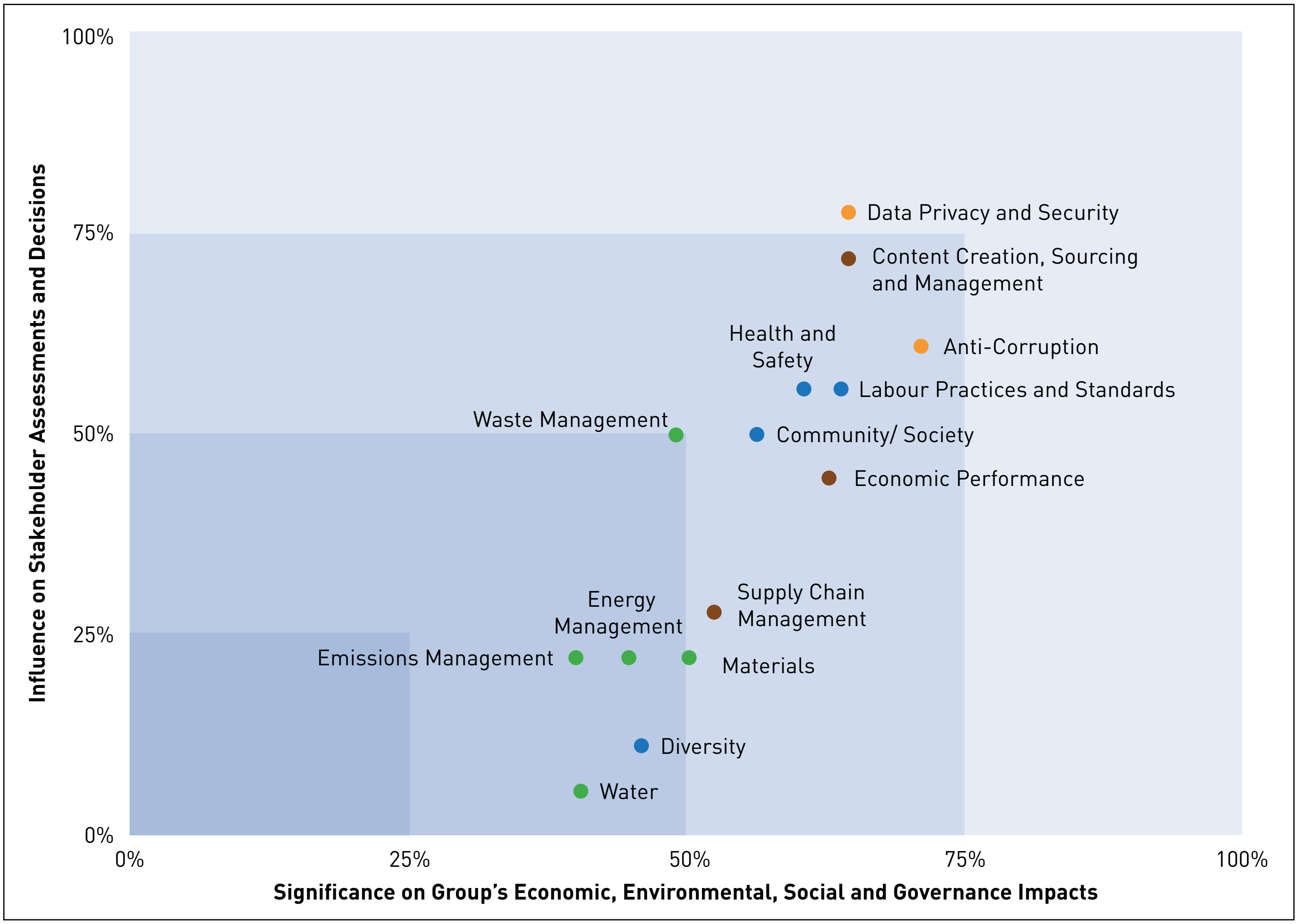
In this process, the stakeholders were required to rate the significance of each identified material matters to the Group's EESG as well as the influence of these matters to stakeholders' assessment and decision-making.

Step 3 DEVELOPMENT AND VALIDATION OF MATERIALITY MATRIX

The outcome of the stakeholder engagement session was analysed to obtain the Materiality Matrix of the Group for FY2023. From there, the most material matters to the Group were identified and validated. The result of the materiality assessment was then reported to the Sustainability Steering Committee and Board for their deliberation as well as approval.

MATERIALITY MATRIX OF STAR MEDIA GROUP

The Materiality Matrix below illustrates the 14 material matters of the Group that significantly impact the business and the likelihood of influencing stakeholders. These material matters will be monitored, assessed and managed for disclosures and implemented through our sustainability governance structure.



Economic
- Content Creation, Sourcing and Management
- Economic Performance
- Supply Chain Management

Environmental
- Emissions Management
- Energy Management
- Materials
- Waste Management
- Water

Social
- Community/ Society
- Diversity
- Health and Safety
- Labour Practices and Standards

Governance
- Anti-Corruption
- Data Privacy and Security

Sustainability Statement (cont'd.)

MATERIALITY MATRIX

Upon the identification and prioritisation of the material matters, we will continue to identify and assess the existing and emerging risks and opportunities posed by each of the matters. This will be followed by the development of risk mitigation measures and integration of relevant considerations in our overall Enterprise Risk Management Framework.

Although all 14 material matters were managed, those in the top right quadrant were our priority in FY2023 as they are most significant on the Group's EESG and most influential on stakeholders. Based on the outcome of the materiality assessment, our top six (6) material matters are as below.

Data Privacy and Security

With rising incidents of malware attacks and data leakages, it is critical for us as a media house to ensure our digital systems and assets are safeguarded against external cyber threats to ensure preservation of personal, sensitive and confidential information. To this end, we have continuously reviewed and enhanced the policies and procedures that guide data protection of our Group and stakeholders.

Anti-Corruption

We have developed and adopted policies and measures within the Group which uphold our zero-tolerance stance towards corruption and bribery. We believe that this stance is also very influential in ensuring our content remains transparent, unbiased and accurately reflects on the truth.

Community/ Society

Aligning with our organisational vision to be the leading and innovative media group with various touchpoints to connect with people, we strive to give back to the community through a series of social initiatives, championing the causes we believe in. These initiatives include programmes that advocate and support the provision of quality education and livelihood of the society, as well as other employee and community engagement programmes.

Content Creation, Sourcing and Management

As a media house, it is critical for us to ensure our content is transparent, accurate, timely and credible. Therefore, we have implemented rigorous approaches and measures within the Group to ensure the production of accurate and reliable content via multiple platforms, not limited to print, online, radio and social media. By consistently reassessing these approaches and measures, we will empower our stakeholders and allow informed decision-making.

Health and Safety

Due to our close interactions with our internal community and external society, we have always concentrated our efforts on ensuring compliance with relevant health and safety regulations. This commitment includes the establishment of safe working conditions and robust systems to protect the health and wellbeing of both employees and members of the public across all our operational activities.

Labour Practices and Standards

Demonstrating our commitment and care for our internal community, we have pledged to uphold and respect human rights across the entire operations. We ensure all employees are managed in a manner that contributes to their wellbeing and satisfaction.

MAPPING OF OUR MATERIAL SUSTAINABILITY MATTERS

As previously mentioned, this Sustainability Statement is prepared with reference made to regulatory requirements, reporting standards and frameworks. Therefore, to indicate cohesiveness and alignment, we have mapped our material matters to the sustainability aspects of EESG, Bursa Malaysia's Common Sustainability Matters ("CSM") and sector-specific matters, as well as the GRI Standards, as deemed relevant. This alignment is further depicted in the table below.

Sustainability Aspect	Material Matter	Description	Bursa Malaysia CSM	GRI Standard
Economic	Content Creation, Sourcing and Management	Approach and measures in place within the Group to facilitate its duties in producing accurate and reliable content via multiple platforms not limited to print, online, radio and social media.	-	-
	Economic Performance	Strategies in place to ensure the achievement of business sustainability whilst ensuring sustainable value creation for our stakeholders through a well-governed structure.	-	GRI 201: Economic Performance
	Supply Chain Management	Key activities to ensure fair, transparent and efficient procurement processes, with the main focus on supporting local businesses (i.e., suppliers) around our operations.	CSM 7: Supply Chain Management	GRI 204: Procurement practices 2016
Environmental	Emissions Management	Incorporating climate-related considerations into business strategies, while actively acknowledging and reducing carbon emissions across all operations and advocating for environmentally friendly organisational practices.	CSM 11: Emissions Management	GRI 305: Emissions 2016
	Energy Management	Our approach at managing energy consumption which includes implementing energy efficient initiatives and embracing renewable energy.	CSM 4: Energy Management	GRI 302: Energy 2016
	Materials	Key practices in place to manage our approach towards responsible material sourcing and consumption.	Sector-specific matters S5(a): Materials	GRI301: Materials 2016
	Waste Management	Efforts on ensuring compliance with relevant environmental laws regarding waste management and adoption of recycling practices across our operations.	CSM 10: Waste Management	GRI 306: Waste 2020
	Water	Our efforts and approach in managing our water usage, including relevant initiatives and data to reflect our present consumption of water.	CSM 9: Water	GRI 303: Water and Effluents 2018

Sustainability Statement (cont'd.)

MATERIALITY MATRIX

Sustainability Aspect	Material Matter	Description	Bursa Malaysia CSM	GRI Standard
Social	Community/ Society	This covers our efforts to give back to the community through a series of social initiatives, championing the causes we believe in. These initiatives include programmes that advocate and support the provision of quality education and livelihood of the society as well as other employee and community engagement programmes.	CSM 2: Community/ Society	GRI 201: Economic Performance
	Diversity	Practices guided by our policies and guidelines in ensuring diversity and equal opportunities within the Group.	CSM 3: Diversity	GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination
	Health and Safety	Ensuring compliance with relevant health & safety regulations by incorporating safe working conditions and robust systems. These measures protect the health and wellbeing of employees and members of the public across all operational activities.	CSM 5: Health and Safety	GRI 403: Occupational Health & Safety
	Labour Practices and Standards	Upholding and respecting human rights across the entirety of SMG's operations, ensuring all employees are managed accordingly.	CSM 6: Labour Practices and Standards	GRI 401: Employment GRI 404: Training and Education
Governance	Anti-Corruption	Policies and measures adopted within the Group which uphold our zero-tolerance stance towards corruption and bribery.	CSM 1: Anti-Corruption	GRI 205: Anti-Corruption
	Data Privacy and Security	Ensuring digital systems and assets are safeguarded against external cyber threats to ensure preservation of personal, sensitive and confidential information.	CSM 8: Data Privacy and Security	GRI 418: Customer Privacy

CONTRIBUTION TOWARDS NATIONAL COMMITMENT TO UNSDGS

The United Nations Sustainable Development Goals ("UNSDGs") comprises 17 global goals established by the United Nations General Assembly in 2015, with an aim to improve the world by 2030. Nations have gathered to pledge their commitment in achieving these 17 goals, to which corporations play a critical role in fulfilling both national and global responsibilities for the betterment of the planet, people and global peace.

We have incorporated applicable UNSDGs and its aspirations as part of the Group's sustainability agenda. In the year under review, we have identified and prioritised 12 goals that are aligned to our sustainability aspirations and material matters.

To this end, we are committed to boost national economy, conserve and protect our environment, positively impact the society and uphold sound corporate governance practices in our organisation and across our value chain. The illustration below further outlines our prioritised UNSDGs, which are aligned to our sustainability aspirations across EESG.

Sustainability Statement (cont'd.)

ECONOMIC

Promote Economic Growth and Contribution

Content Creation, Sourcing and Management

Economic Performance

Supply Chain Management

Contribution to national commitment towards:

CONTENT CREATION, SOURCING AND MANAGEMENT

Upholding transparency, accuracy and credibility of our content

WHY IT MATTERS

Our ascension to becoming the leading provider of English news in Malaysia was built upon a robust reputation for delivering trustworthy and accurate information, news and content to our readers. Consequently, the sustainability of our media organisation's success is predominantly reliant on the continued reliability of our content.

At the same time, our vast reach and ability to shape national conversation through our news reporting gives us the added moral obligation of ensuring the accuracy of our content and credibility of our sources at all times. Immense emphasis is therefore placed on ensuring that content sourcing, management and creation is undertaken conscientiously and with the highest standards of journalistic integrity.

OUR APPROACH

Guidelines for content teams

In a 24-hour news cycle, our mission is to inform, educate and entertain via our various platforms. Therefore, we strive to deliver relevant, verified and factual information to our readers. Through our current guideline and practice for the content team, we aspire to deliver accurate and credible news content every day. The current guideline for the content teams include:

- House style.
- Process in the selection and remuneration of columnists and contributors.
- Adherence to core journalistic principles of double (or more) verification, fact-checking and the right of response.
- At least two (2) layers of copy-clearing and scrutiny before a piece is published, whether online or in print.
- A senior editorial team diligently vets content that are deemed to be sensitive in terms of royalty, religion and race ("3R").
- Consultation with either the internal legal team or panel lawyers for potential defamation lawsuits with relevant stories.
- Strict guidelines for content on vulnerable audiences, especially children, which includes maintaining anonymity to protect their identity.

Essentially, our Standard Operating Procedures ("SOPs") guide our content team to gather information in an ethical manner via research, interviews and investigation. The content gathered is then fact-checked before it is processed and presented through various media channels. In reporting daily news, we explain its significance through analyses, commentaries and features and this is disseminated via our daily newspaper, The Star Online ("TSOL"), StarTV and on social media.

Further to this, we complement these guidelines with the additional ethical obligations of responsible journalism, upholding definitive principles such as the protection of sources and withholding of private identities in news reports. We simultaneously adhere strictly to laws governing personal privacy, such as the Child Act 2001, and often consult with civil society to avoid the use of potentially offensive terms and phrases.

We have implemented measures to handle sensitivities surrounding the '3Rs', which are race, religion and royalty. An individual with the expertise to vet sensitive contents is also hired to provide an additional level of review. Potentially controversial content is also reviewed by our most experienced editors before publication.

To better illustrate, in applying the relevant SOPs, our 988 content team adheres to a comprehensive set of broadcasting guidelines. These guidelines are developed to ensure that the content of 988 is aligned with both the station and Group's values and standards. Therefore, by applying these guidelines, they are able to prioritise and ensure accuracy, fairness and ethical considerations are taken into account in news reporting. Additionally, Suria usually acquires its news content from affiliated sources such as The Star, mStar and Majoriti, which will be rephrased when shared on air or social media. In cases where the news content is not from affiliated parties, guidelines are followed to ensure the news does not overlap with competitors.

Engaging readers to stay relevant

In a bid to continually improve our content and adapt to the evolving needs of society and our readers, we place importance on obtaining feedback from our readers, viewers and followers. A variety of channels are utilised to accrue comments, opinions, suggestions, including via letters to the editor, email, panel discussions, forums, conferences, market research and direct feedback during roadshows.

In this digital era, social media channels have become an important platform to engage with consumers. For instance, our dedicated 988 team has clear guidelines on listeners engagement and feedback. Our online team manages our presence on Facebook, TikTok, Instagram and other social media platforms actively use these channels to gauge readers' feedback in real time on top of daily engagement. All content related feedback is handled by the relevant desk head, while our customer support channels are dedicated to resolving technical or other issues via phone or email. In addition, together with other mainstream media, we are in the process of engaging with the Big Tech organisations to be compensated for the content used in our various social media platforms.

For example, it is critical for our radio stations, i.e., 988 and Suria to continuously engage with the listeners and stay relevant in the industry. Thus, both these stations employ a multi-platform approach, which includes interactive segments, social media engagement and tailored content that reflects the audiences' areas of interests. In addition, continuous analysis of feedback from listeners were also conducted to ensure that their feedback is taken into consideration.

Further underscoring our responsibilities

We have implemented various other guidelines and policies to further bolster our commitment towards providing media content that is responsible for not only our readers, but society as a whole.

One (1) example is our initiative to advance sustainability knowledge and values in our Group as well as among our readers and listeners. To this end, the Star ESG Events, introduced as a thought leadership and knowledge programme, is strategically designed for a diverse audience, including professionals, executives, and stakeholders. These programmes are held in

Sustainability Statement (cont'd.)

ECONOMIC

collaboration with external parties whom are experts in the subject matter. The primary objective is to drive awareness and education on vital Environmental, Social and Governance ("ESG") principles. Our programmes are crafted to offer valuable insights and practical tools. Through fostering collaboration and encouraging open dialogue, we aspire to empower participants with the necessary knowledge and skills to seamlessly integrate ESG considerations into their decision-making processes.

Aside from the above, another example is 988's commitment to corporate social responsibilities of the Group by integrating sustainability into its core values. This involves promoting our corporate social responsibility initiatives via sponsorship of airtime and live announcements.

On a more general note, we remain guided by our policy to refrain naming minors and victims of sexual abuse in our written or visual content so as to protect such vulnerable segments. Likewise, we are ever mindful about the sensitivities when reporting on suicide cases and will dedicate paragraphs on mental support organisations in any such story.

In upholding our role as the Fourth Estate, we remain steadfast in our commitment in providing in-depth and objective content. To that end, the Media in Arms alliance formed in early 2022 with Sin Chew Daily, Sinar Harian and Astro Awani was further strengthened with Tamil newspaper, Malaysia Nanban, coming on board to share resources and collaborate on diversified news content. In FY2023, this alliance leveraged on their respective audience reach and carried out an online survey aimed at uncovering sentiments of the people regarding the performance and popularity of the current government, which was used as a source of information for publication.

OUR PERFORMANCE

As content creation, sourcing and management is rather qualitative, we use analytical tools to measure website performance and monitor social media engagement. We hope that by reporting a more quantitative data would better enable us to continuously improvise our content creation, sourcing and management process. It will also allow our stakeholders to make informed decisions based on these additional indicators.

In FY2023, StarESG Monthly pull-out is an example of one of the many initiatives that illustrates our performance in our content creation, sourcing and management process. This was launched in April 2022, whereby we have successfully published 21 pull-outs until December FY2023. To ensure our content is sourced in a rightful manner, we meticulously curate and aggregate ESG content from diverse sources. This includes extracting valuable insights from corporate sustainable reports, researching and analysing sustainability reports published by analysts and delving into internal sources such as organisational news. Additionally, to ensure our ESG content is fitted to our intended audience, we actively engage in collaborative efforts with external stakeholders, including esteemed content contributors, i.e., key industry leaders. To further enrich our sustainability narratives, interviews are carried out with subject matter experts, ensuring a comprehensive and insightful perspective in shaping our reporting.

In parallel, we conducted five (5) Star ESG events throughout the year, catering to a diverse audience of professionals, executives and stakeholders. These events covered a range of topics including talent management, renewable energy, Diversity, Equality and Inclusion ("DEI"), and ESG corporate governance. These platforms serve as vital avenues for effective knowledge sharing, elevating awareness and fostering dialogue on ESG within our community.

ECONOMIC PERFORMANCE

Generating robust economic value to the Group and nation

WHY IT MATTERS

To maintain the profitability and long-term viability of our business, we recognise the importance of carefully monitoring the diverse range of internal and external influences that may influence our potential to generate sustainable economic value. By proactively identifying operational, technological, social and marketplace developments, we are empowered to adopt the right business strategies to prosper in the current environment and ensure future readiness.

Holding true to this principle, we continue to focus on digital and innovative transformation, revenue diversification and the safeguarding of our content quality and credibility. By enhancing our capabilities and performance across these three (3) areas, we are able to drive positive evolution within our organisation, enhance our revenue streams and ensure the long-term sustainability of our economic performance.

OUR APPROACH

Performance monitoring against strategic KPIs
At the fundamental level, we want to keep a close eye on our operational and financial performance so that we may react swiftly and with agility to mitigate rising challenges and seize emerging opportunities. To this end, management reports are evaluated by the Group CEO and submitted for review to the Board on a monthly basis. This allows for meaningful discussion and deliberation of key operational and financial related matters during our quarterly Audit Committee and Board meetings.

We have also set performance benchmarks across a wide spectrum of Key Performance Indicators ("KPIs"), which help us closely monitor our ongoing results and gauge whether adjustments to our strategies are required.

KPIs for Print and Digital Businesses

- Circulation of our printed newspaper and ePaper
- Comparison of monthly revenue against budget
- Monthly page views ("PV") and unique visitors ("UV") to our digital portals

KPIs for Radio Business

- Comparison of monthly revenue against budget
- Ranking of our radio stations within the Malaysian industry
- Growth in listenership each year through Radio Listenership Survey
- Enhancement of digital engagement through increased traffic and listenership

Sustainability Statement (cont'd.)

ECONOMIC

Strategic diversification of content platforms
In FY2023, we directed our focus to monetisation strategies to diversify our revenue streams while enhancing the quality and effectiveness of our current range of offerings. To that end, we continue to launch a variety of products to meet the evolving needs of our consumers. The launch of new print publications such as Star Biz7, Suria 7 and After Work in the year under review provided the Group with more avenues to capture revenue, with minimal incremental costs incurred.

Star Biz7, a weekly business newspaper was introduced with an aim to empower our readers with a more nuanced and comprehensive perspective on business matters, which goes beyond traditional coverage by providing a 360-degree view on news, featuring industry captain columns and stories backed by CEO columnists. Star Biz7 addresses and explores the wider impact and significance of current events in the business and financial world, providing suggestions and solutions for businesses to make informed decisions in their day-to-day operations.

Aside from the above, 988 launched "After Work", a monthly lifestyle magazine that covers fun and interesting topics that ranges from health, travel, retail, and in-depth interviews with people from all walks of life. To elevate readers' reading experience, 988 seamlessly incorporated the essence of the radio station into "After Work" through the integration of sound clips via the QR code within the print copy. Similar to 988, Suria also launched its very first entertainment magazine that is Suria 7. Covering articles on popular celebrities around the globe among other topics, this magazine is available in both digital and print versions.

The Group continued to harness growth opportunities with a foray into property development through our wholly-owned subsidiary SMG Land Sdn. Bhd. In FY2022, this new business venture has yielded a promising outlook for its maiden Star Business Hub project, consisting of multi-functional industrial units that can be utilised as office spaces, factories and warehouses. During FY2023, the Group successfully launched the Star Business Hub project, diversifying the Group's income stream.

Digitally progressing our people
As the Group adapts to the shifting industry landscape and begins to adopt and provide a wider array of digital tools, products and services, we recognise the importance of ensuring our workforce is equipped with the competencies of the modern age.

We continued to employ numerous educational and training platforms to upskill and prepare them for the future. These included self-learning e-Modules that empower independent learning among workers, as well as through virtual or in-person classroom-oriented sessions.

Better understanding of our readers
The success of our content delivery platforms relies on our ability to consistently meet our audiences' expectations. We place emphasis on establishing convenient and accessible lines of communication that allow us to receive important feedback from our subscribers and customers.

One of our established channels for gaining such responses are via our regular audience surveys, which gauge customer preferences on a wide variety of topics, from content preferences, likelihood to subscribe and their impression towards the pricing of our packages.

In addition to this, we utilise our social media platforms to engage with our readers on a day-to-day basis, while also welcoming their feedback at our call centres, email and Live Chat functionality on messaging applications.

Star Golden Hearts Award
Star Golden Hearts Award ("SGHA") was introduced in 2015 and since 2016, has been in partnership with Yayasan Gamuda to recognise selfless individuals and organisations that are dedicated to making Malaysia a better place. Any members of the public are encouraged to nominate exemplary individuals or organisations that have gone above and beyond to make meaningful contributions to society, with all nominations being carefully vetted and reviewed by a panel of judges. From here, only ten (10) winners are selected.

FY2023 represented the ninth consecutive year of running this flagship initiative and we continued to receive strong public responses with over 700 nominations received. Ten (10) deserving winners were selected to receive prize money and publicity supported to help further their good work. All ten (10) winners received RM15,000 each as their prize token.

For FY2023, the list of winners of Star Golden Hearts Award are as below:

No.	Winners	What They Do
1.	Bornean Sun Bear Conservation Centre	• Provides care and rehabilitation to rescued sun bears while increasing public awareness about the endangered species.
2.	The MareCet Research Organisation	• Advocates conservation efforts and research on marine mammals through extensive education and volunteering programmes.
3.	Lang Tengah Turtle Watch	• Responsible for safeguarding sea turtles from extinction through vigilant protection and community involvement.
4.	Starfish Malaysia Foundation	• Dedicated to uplifting marginalised communities in Sabah and Sarawak from poverty through education and agriculture programmes.
5.	PACOS Trust	• Champions the rights and empowerment of indigenous communities through diverse programmes.
6.	The Asli Co	• Empowers indigenous mothers with the ability to generate income from their home-based modern handicraft production, in supporting their children's education.
7.	Kelab Alami	• Empowers communities to participate in and benefit from development through citizen science, alternative incomes and the protection of their natural environments.
8.	Buku Jalanan Chow Kit	• Creates a safe learning environment opportunity for at-risk children in the Jalan Chow Kit area, by improving their life skills through education.
9.	Japson Wong	• Upcycles waste materials into imaginative art and sculptures while championing environmental awareness.
10.	Graze Market	• Combats food waste through food surplus initiatives while making affordable food accessible to all.

Since its inception in FY2015, we have awarded a total of 90 winners, comprising of individuals and organisations that have positively impacted the environment and community around them.

SMG's expenditures for the past three (3) years for Star Golden Hearts Award are captured in the table below.

Expenditure of Star Golden Hearts Award	2021	2022	2023
Amount of expenditure spent (RM)	50,000	129,000	**150,000**
Number of beneficiaries	10	10	**10**

OUR PERFORMANCE

Financial performance

For the financial year ended 31 December 2023, the Group recorded a total revenue of RM220.01 million, consistent with previous year's achievement. This achievement further indicates our steadfast economic performance post COVID-19 era, where we experienced a loss-making year in FY2021.

SMG's economic performance for the past three (3) financial years

Economic Performance of the Group	2021	2022	2023
Total economic value generated (RM'000)	187,113	219,938	**220,008**
Total economic value distributed (%)	-4.51	59.89	**64.18**
Total economic value retained (%)	104.51	40.11	**35.82**

Note: For further details on our economic performance, please refer to the Financial Highlights section of our Annual Report.

Sustainability Statement (cont'd.)

ECONOMIC

SUPPLY CHAIN MANAGEMENT

Greening our supply chain and prioritising the local ecosystem

WHY IT MATTERS

As a Malaysian media organisation, we are proud to maintain a nationalistic 'Made in Malaysia' mentality in our procurement practices. We are committed to preferentially engaging local suppliers to support our business operations. This is an important strategy to develop and contribute towards a sustainable supply chain within the media and content creation ecosystem.

We recognise the value of sustainable quality for the entire value chain and currently focus on our major suppliers of print and ink. Although our current processes do not fully include a thorough verification of all our suppliers' commitments and alignment to our sustainability objectives, we are actively exploring ways to enhance our current levels of engagement with suppliers.

OUR APPROACH

Prioritising responsible and certified suppliers
To enable our procurement teams to achieve the highest ethical and progressive standards that we have set for the Group, we established a Procurement Policy with distinct parameters and comprehensive guidelines. The primary suppliers engaged during the course of our business operations are for printing materials.

Our biggest suppliers are naturally those that provide materials for the printing of newspapers, namely newsprint suppliers and printing ink vendors. We place extra emphasis on gaining these materials from responsible sources, utilising global and local certification bodies as a key selection criterion.

For newsprint, we emphasise on engaging suppliers that possess internationally-recognised environmental forest certification. In this context, the origins of our current major vendors are from the local and regional geographic context. The certifications held by these current vendors include those from the Programme for the Endorsement of Forest Certification ("PEFC"), Forest Stewardship Council ("FSC") and Green Label Certification under our government's MyHijau Initiative. By collaborating with certified vendors, we enhance the environmental sustainability of our supply chain. These vendors prioritise responsible forest and mill management, advocating for zero deforestation, fair wages, conducive work environments, conservation of flora and fauna, as well as upholding community rights. This will not only ensure sustainable harvesting and biodiversity conservation but also signals our mutual commitment to responsible forestry, helping companies gain market access, build consumer trust and contribute to global efforts for sustainable resource management.

At the same time, we engage with local subsidiaries that supply printing ink with their holding company located overseas. The holding company of our printing ink supply is ISO 14001 certified, which denotes their commitment towards minimising the environmental impact of their ink production. The local subsidiary is planning to obtain ISO certification to align with the ESG priorities of the parent company. We also support the government's MyHijau initiative by prioritising suppliers with MyHijau label in their products and seek out suppliers that are certified in compliance of Green Label Certification (ISO 14024 Type I Eco–Labels).

Digitising our procurement processes
Our digitalised procurement system has continued to enhance and simplify our procurement practices, allowing us to increase efficiency, carry out paperless operations and provide easy access to statuses, purchase orders and approvals for respective departments.

This has been most beneficial as remote working practices become the norm and secure access to such information from non-office locations become increasingly vital for efficient operations.

Decentralised procurement
While procurement processes are decentralised to empower efficiency for time-sensitive operations of various departments, the Group Procurement Department maintains a catalogue of suppliers (Approved Suppliers List) to ease the procurement process. In this way, the Group Procurement Department is able to maintain oversight and facilitate support via full visibility provided within our procurement automation ("ESKER") system.

The process of sourcing suppliers usually begins with department heads initiating a request for quotations ("RFQ"), although an open tender procedure may be undertaken for larger projects. A stringent approval process has been established, with varying levels of approval required for the procurement of different goods or services.

Stringent assessments and reviews
To ensure all practices surrounding procurement adhere to the stipulations of our guiding policy, the Group's Procurement Department periodically carries out assessments and reviews on major vendors such as newsprint suppliers and warehouses that store our newsprint. Some assessment criteria include pricing, quality, relevant certifications, sustainability policies and track record among others.

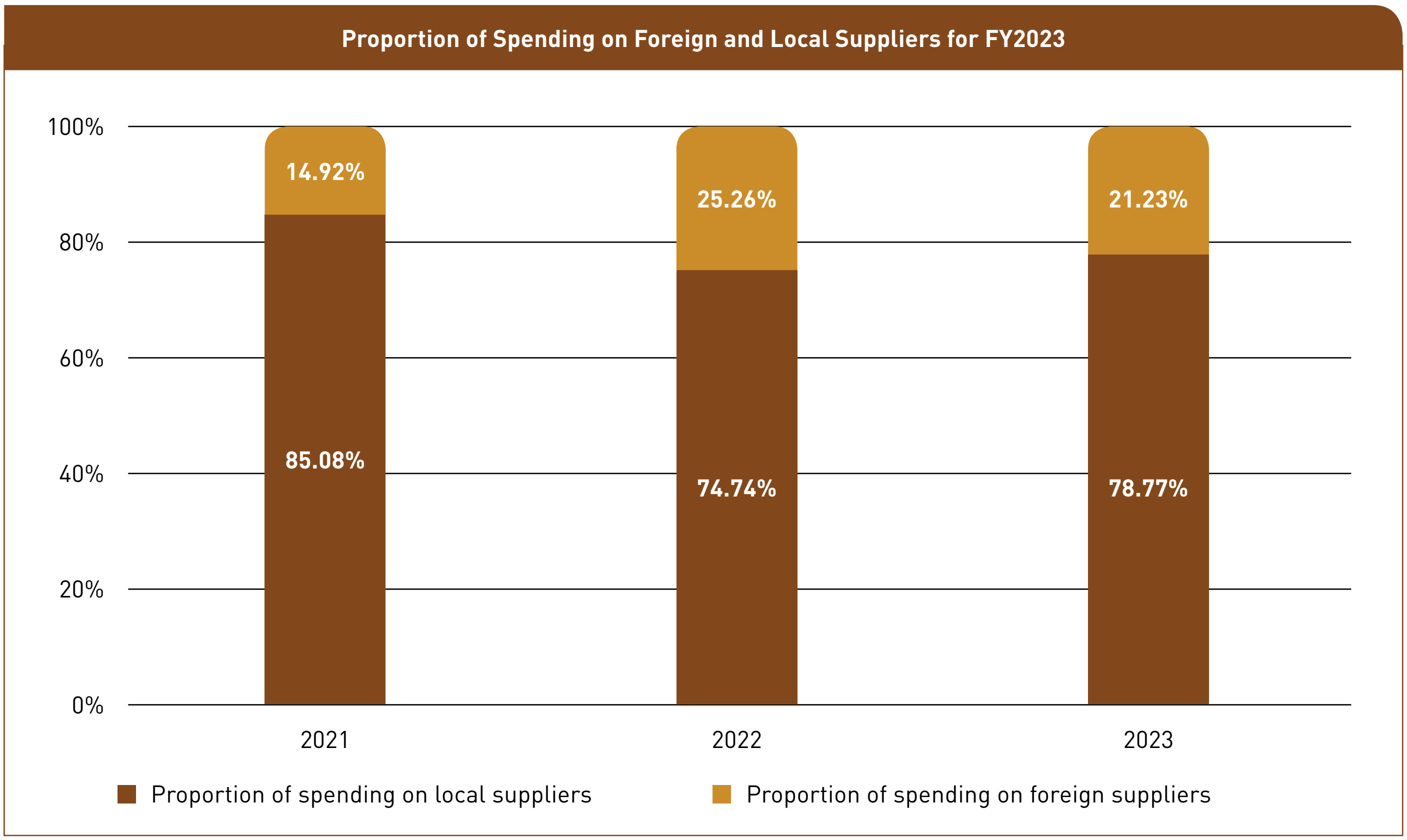
Assessments are undertaken twice a year while internal reviews are carried out on a quarterly basis for strategic or critical suppliers, consisting of our newsprint suppliers and warehouses that store our newsprint. Meetings to discuss and review our procurement processes are also carried out regularly, led by our Group Procurement Department at our headquarters.

Prioritising local vendors
Star Media Group has continued to provide preferential opportunities to local vendors, with our definition of local vendors being Malaysian suppliers. We only resort to engaging non-local suppliers if and when there is an absence or a lack of qualified suppliers for the material or service needed.

Based on the total purchase orders issued in FY2023, a total of 78.77% of all procurement spending was on local vendors, while overseas vendors made up the remaining 21.23%.

OUR PERFORMANCE

In FY2023, we have spent 78.77% of our total procurement spending on local vendors. We are pleased to have increased our spending on local suppliers by 4.03%, in comparison to FY2022. The chart below illustrates our percentage of spending on local suppliers from FY2021 to FY2023.



Note: The proportion of spending on foreign and local suppliers for FY2023 only covers the printing operations of Star Media Group.

ENVIRONMENTAL

Protect and Conserve the Environment

- Emissions Management
- Energy Management
- Materials
- Waste Management
- Water

Contribution to national commitment towards:

EMISSIONS MANAGEMENT

Progressing towards reduced emission

WHY IT MATTERS

As the fight against climate change gains increasing global attention, corporate citizens and the private sector play a critical role in reducing carbon emissions. We acknowledge our responsibility in this aspect and are committed to bring about positive impact through our efforts.

We have continued to adopt a variety of measures to help minimise our consumption of energy, while paying closer attention to the calculations of our overall carbon emissions to gradually enhance our performance.

OUR APPROACH

Bolstering our energy management

To maintain robust energy oversight, we have established an Energy Management Team that bears the duty of monitoring and assessing our energy practices across the Group. We have implemented a diverse range of actions including the installation of Digital Power Meters ("DPM") in FY2022 throughout our premises as this helps us track our energy usage progressively. In reviewing the impact and progress of our established practices, the team will also recommend additional conservation initiatives that we may adopt to further enhance our performance.

Computing our GHG emissions

With GHG emissions being a clear indicator of our carbon footprint, we began computing our Scope 1 and Scope 2 emissions since FY2021.

Scope 1 emissions are primarily from our consumption of petrol-powered company vehicles and diesel generator sets. This is calculated based on the calculation guide published by Greenhouse Gas ("GHG") Protocol.

Meanwhile, Scope 2 emissions are the incidental emissions from our consumption of electricity and are computed in accordance with the Grid Emission Factor ("GEF") published by Malaysia Energy Commission.

OUR PERFORMANCE

In FY2023, we were able to maintain our fuel and electricity consumption from FY2022. The table below shows a breakdown of our Scope 1 and 2 emissions, for the last three (3) financial years. This data reflects on the emissions from Menara Star and Star Media Hub. We will continue to enhance our efforts in the coming years to achieve further reductions in our overall carbon emissions.

Scope 1 emissions for the past three (3) financial years

Year	Non-Renewable Energy Consumed	Amount Consumed, Litres (L)	GHG Emissions, Tonnes of CO_2 (tCO_2e)
2021	Petrol - Vehicle	N/A	N/A
	Diesel - Genset	N/A	N/A
2022	Petrol - Vehicle	N/A	N/A
	Diesel - Genset	2,000	5.385
2023	**Petrol - Vehicle**	**121.95**	**0.277**
	Diesel - Genset	**2,000**	**5.385**

**Note: N/A refers to non-availability of the data. There is a change in the data collection methodology in FY2023, which renders the data reported in the previous years to be unavailable. Hence, the baseline reporting year will be premised on FY2023 instead.*

Scope 2 emissions for the past three (3) financial years

Year	Non-Renewable Electricity, Heating, Cooling and Steam Purchased for Consumption, kilowatt/hour (kWh)	GHG Emissions, Tonnes of CO_2 (tCO_2e)
2021	6,734,377	5,104.66
2022	7,192,914	5,452.23
2023	**7,179,773**	**5,442.27**

**Note: There is a change in the data collection methodology in FY2023, which renders the data reported in the previous years to be not comparable. Hence, the baseline reporting year will be premised on FY2023 instead.*

Sustainability Statement (cont'd.)

ENVIRONMENTAL

ENERGY MANAGEMENT

Reducing consumption while optimising output

WHY IT MATTERS

In recent years, corporate entities have taken proactive measures to do their part in elevating energy security concerns. We have taken a stringent approach on this matter, with our energy conservation framework incorporating mindful energy consumption and management practices into our day-to-day operations.

We recognise that the printing of our daily newspaper uses a significant amount of energy each day. As such, we have proactively sought to balance this consumption by generating our own renewable energy. Our innovative rooftop solar energy generation project plays an important role in enabling us to offset the use of fossil fuels and electricity with clean and sustainable solar power. We also strive to enhance our performance year-on-year by monitoring our carbon emissions and reducing our consumption where possible.

We are committed to safeguarding people and planet, and will continue playing our part in positively impacting the communities we operate in.

OUR APPROACH

Our solar rooftop project
Our 500kWp rooftop solar plant, installed in FY2013, epitomises our dedication to renewable energy and underscores our unwavering commitment to advancing energy sustainability within our organisation. We firmly believe that increased adoption of renewable energy sources in the corporate sector can significantly reduce our reliance on fossil fuels.

Our Production Unit's facilities oversee the seamless operation of our solar plant, supported by a dedicated solar chargeman tasked with managing and monitoring the systems. The energy generated contributes to our income as it is entirely sold back to the grid, with Tenaga Nasional Berhad compensating us at 100% of the market energy rate.

Our energy initiatives
We have put into place various green initiatives to holistically enhance and optimise our energy consumption across our operations and are constantly on the lookout for new methods to further our energy conservation commitments.

In FY2023, we undertook several energy saving projects to improve our energy consumption. We have upgraded our traditional fluorescent tube lighting to energy efficient LED lighting for our lift lobbies, common areas, as well as in our post press area and ink tank area. Further to this, we have reduced the operating hours of our air handling units in the press hall and post press area. Besides the Air Handling Units ("AHU"), the Split Unit Air Conditioner at Printing Plate Storage Room operating hours have also been reduced. Through our energy saving projects, we estimate to save RM21,522 annually.

A dedicated team to drive progress
To ensure ongoing improvement in our practices, we have formed an Energy Management team tasked with monitoring and evaluating our energy usage. This team identifies opportunities for energy conservation and proposes initiatives to enhance efficiency.

Through the dedicated efforts of this team, we have implemented several impactful measures, including adjusting the operating hours of our air compressor to reduce electricity consumption and upgrading our chiller systems to more energy-efficient models.

OUR PERFORMANCE

To monitor the efficiency and performance of our energy initiatives, we take into account a number of factors, including the amount of energy consumed during the year, the amount of solar energy we generated and sold, total saving from our energy saving projects, and our contribution towards the reduction in CO_2 emissions from the TNB grid.

Energy consumption for the past three (3) financial years

Energy Category	Metric	2021	2022	2023
Direct non-renewable fuel consumed	GJ	N/A	55,400.00	**55,404.17**
Direct renewable fuel consumed		0	0	**0**
Electricity, heating, cooling and steam purchased for consumption		24,243.76	25,894.49	**25,847.18**
Self-generated electricity, heating, cooling and steam which are not consumed		0	0	**0**
Electricity, heating, cooling and steam sold		1,610.26	1,348.60	**1,464.32**
Total energy consumption		22,633.50	79,945.89	**79,787.04**

**Note: N/A refers to non-availability of the data. As for the areas marked as zero, it indicates no consumption of such energy.*

Solar energy yield for the past three (3) financial years

Reporting Indicators	Year		
	2021	2022	2023
Solar energy yields gross revenue (RM)	528,344.85	442,490.51	**480,459.01**
Total reduction of CO_2 emissions from TNB Grid system (tonne)	331.45	277.59	**301.41**
Total solar energy generated (kWh)	447,295	374,611	**406,755**

Saving from energy saving projects

Equipment	Conventional Light Tubes Replaced	Energy Used by Conventional Light Tubes (kWh)	Led Tubes Used	Energy Used by Led Tubes (kWh)	Annual Saving (kWh)	Annual Saving (RM)
LED tubes (Post Press area)	36 pcs	0.036	18 pcs	0.018	5,616	2,414.00
LED tubes (Ink Tank area)	28 pcs		14 pcs		2,736	1,176.00

Sustainability Statement (cont'd.)

ENVIRONMENTAL

Saving from energy saving projects (cont'd.)

Equipment	Total AHU Units Operating Hours Reduced by an Hour	Annual Saving (kWh)	Annual Saving (RM)
Air Handling Unit ("AHU") in Press Hall & Post Press area	10	37,002.50	15,911.00

Equipment	Capacity (kW)	Operation Hours (before), Hours	Operation Hours (after), Hours	Annual Energy Consumed (before), kWh	Annual Energy Consumed (after), kWh	Annual Saving (kWh)	Annual Saving (RM)
Split Unit Air Conditioner (CTP Storage Room)	1.86 (2.5hp)	24	17	16,115	11,414	4,701	2,021.00

MATERIALS

Consuming materials conscientiously

WHY IT MATTERS

Our role as the publisher of Malaysia's top English daily and other printed media makes it especially important for us to pay close attention to the utilisation of our raw materials. We are committed to reducing the potential environmental impact caused by material consumption and have implemented rigorous policies to ensure the procurement and utilisation of materials are carried out in an environmentally conscious manner.

Steered by these guidelines, we are able to maintain full adherence to all applicable regulatory laws and regulations while playing our role in preserving our planet's health. At the same time, we endeavour to play our part as a responsible corporate citizen and strengthen our relations with government regulators, our customers and stakeholders.

OUR APPROACH

Using recycled materials in accordance with global standards
With newsprint being our most utilised material, we maintain a strict policy of only using 100% recycled newsprint in our The Star daily newspaper printing activities. We further ensure that the quality of recycled newsprint we procure enables us to meet the ISO 12647-3 global graphic technology standard for coldset offset lithography on newsprint.

Meeting the ISO 12647-3 standard provides us with valuable process controls for the production of half-tone colour separations, proofs and production prints, while allowing us to maintain a high level of quality through the mindful utilisation of recycled newsprint materials.

Utilising ISO-compliant ink
With ink being another primary resource utilised during our printing activities, we place emphasis on ensuring the ink we use is environmentally-friendly and of high quality. To this end, we work closely with our ink suppliers to ensure they remain compliant with the guidelines set forth within the ISO 2846-2 standard. At the same time, we make sure that the ink procured allows us to adhere to the ISO 12647-3 lithographic printing standard outlined above.

The Production Unit, which is tasked with sourcing for inks that meet our precise specifications, works closely with vendors to conduct tests on colour value and evaluation of ink transparency from various suppliers. This is carried out to ensure that they meet the ISO 2846-2 standards necessary to maintain the quality of our newspaper. Aside from that, we also stay abreast of the latest developments in the industry and new ink formulations by working closely with ink suppliers.

Minimising press run wastage
With printing activities held daily as part of our business operations, we prioritise efficient use of materials during our print runs to minimise wastage as much as possible. One of our key efforts in this area is to work closely with newsprint manufacturers to acquire materials that meet our requirements. This allows us to maximise usage and reduce waste during press runs.

We have also set annual KPIs to measure, monitor and seek to enhance our year-on-year performance. Should serious newsprint quality issues arise and cause downtime or affect the quality of our printed materials, the Production Unit will escalate the issue to our Procurement Department, so they may raise and resolve the matter with the respective manufacturer.

Keeping a close eye on efficiency
Monitoring and management of the responsible utilisation of raw materials is overseen by the Production Unit, with rigorous efforts being undertaken to track and monitor the efficiency of our raw materials utilisation.

Our overall efficiency in material utilisation is gauged across a variety of metrics, including comparing the volume of input versus end product, measuring waste produced during the process and examining the prevalence of defects or irregularities. This has permitted us to calculate our yield per kilogram of raw material, which is the metric we employ to compare our annual performance.

OUR PERFORMANCE

Our newsprint yield reduced from 400.89 pages in FY2022 to 399.20 pages per kg in the current year under review. We have also maintained our track record of only utilising 100% recycled The Star daily newsprint paper in our production activities.

<u>Representation of total newsprint yield paper/kg for the past three (3) financial years</u>

Year	Total Newspaper Yield (Paper/kg)	Percentage of The Star Daily Newspaper Printed on Recycled Paper (%)
2021	402.02	100%
2022	400.89	100%
2023	**399.20**	**100%**

**Note: There is a restatement for FY2022 data due to an error made in previous reporting, which renders the data reported in the previous year for FY2022 to be not applicable.*

ENVIRONMENTAL

WASTE MANAGEMENT

Managing and disposing our waste responsibly

WHY IT MATTERS

Proper management and disposal of waste is a key component of our sustainability framework, as it can mitigate negative impacts on the environment. We pay close attention in ensuring that we adopt best practices in waste management across the Group and have developed a comprehensive guide.

Our three (3) key objectives are to reduce the waste we produce, increase or enhance our recycling practices and minimise the environmental impact of any non-recyclable waste. We remain committed to playing our role in protecting the health of our planet, actively seeking new practices and opportunities to further enhance our approach in the future.

OUR APPROACH

Responsible recycling and reusing efforts
With daily newspaper printing being one of our key activities that generates waste by-products, we place great emphasis on responsible reusing and recycling efforts at our printing plant, as illustrated below.

General waste produced (e.g., printing plates, press spoilage, newspaper brown wrapper or side covers, end cores, paper stripping and test run spoilage).

Recyclable wastes are collected and sent to appointed contractors to be recycled. Recyclables are stored separately, weighed during storage upon collection, and prior to disposal for effective monitoring and accountability.

Some recyclable waste are reused internally. For instance, cloths that are tainted with ink or chemicals are deep cleaned by an appointed contractor before being reused. This significantly extends the lifetime usage of the cloths and minimises waste sent to landfill.

Responsible and timely waste disposal
Stringent guidelines and protocols have been established to ensure that proper disposal of our general and scheduled waste is carried out across our operations.

As per the requirements of the Environment Act, all our scheduled waste is stored securely before being collected and disposed by Department of Environment's ("DOE") licensed contractors within 180 days from when it was generated. Meanwhile, our general waste is properly disposed in line with accepted best practices in waste management by licensed and experienced contractors.

A committee to drive compliance
To ensure adherence to responsible environmental practices, we have established the Environment Performance Monitoring Committee ("EPMC"), in compliance with the Guidelines for Self-Regulation as mandated by the DOE.

The EPMC supports our efforts to achieve compliance with all applicable regulations and maintains responsibility for managing all waste-related matters across the Group's operations. The committee holds meetings on a quarterly basis, or as and when needed to discuss waste-related and other environmental issues.

OUR PERFORMANCE

In FY2023, we organised an e-Waste Collection Drive on 20 December 2023 for our employees to dispose unused e-waste items responsibly. We engaged the company's e-waste vendor, Highstead Sdn Bhd, to conduct the collection drive. Through this initiative, we collected a total of 339.50 kg of e-Waste for recycling.

Throughout the year, we continued to achieve improvements in minimising and reducing the waste from our business operation. In FY2023, waste generated amounted to 272.5584 Mt, from 313.4574 Mt in the previous year, a reduction of 13.05% due to our recycling and reusing efforts.

Total weight of waste generated by waste categories for the past three (3) financial years

Waste Category	Metric Tonnes (Mt)		
	2021	2022	2023
Endcore	40.4075	37.2380	**26.1710**
Stripping	26.7657	21.2558	**23.3125**
Wrapper	22.6895	19.8235	**21.1015**
Spoilt Copies	180.7786	219.5080	**188.1410**
CTP Used Plates	24.6570	15.6220	**13.8245**
SW 204 Sludge Containing Metals	0.0009	0.0009	**0.0021**
SW 322 Waste of Organic Solvents	0.0030	0.0031	**0.0009**
SW 409 Contaminated Containers	0.0004	0.0003	**0.0003**
410 Contaminated Rags	0.0035	0.0029	**0.0027**
SW 411 Spent Activated Carbon	0.0016	0.0018	**0.0015**
SW 417 Waste of Inks	0.0019	0.0010	**0.0005**
Total	**295.3096**	**313.4574**	**272.5584**

Total weight of waste diverted from disposal for the past three (3) financial years

Waste Category	Metric Tonnes (Mt)		
	2021	2022	2023
Endcore	40.4075	37.2380	**26.1710**
Stripping	26.7657	21.2558	**23.3125**
Wrapper	22.6895	19.8235	**21.1015**
Spoilt Copies	180.7786	219.5080	**188.1410**
CTP Used Plates	24.6570	15.6220	**13.8245**
410 Contaminated Rags	0.0035	0.0029	**0.0027**
Total	**295.3017**	**313.4502**	**272.5532**

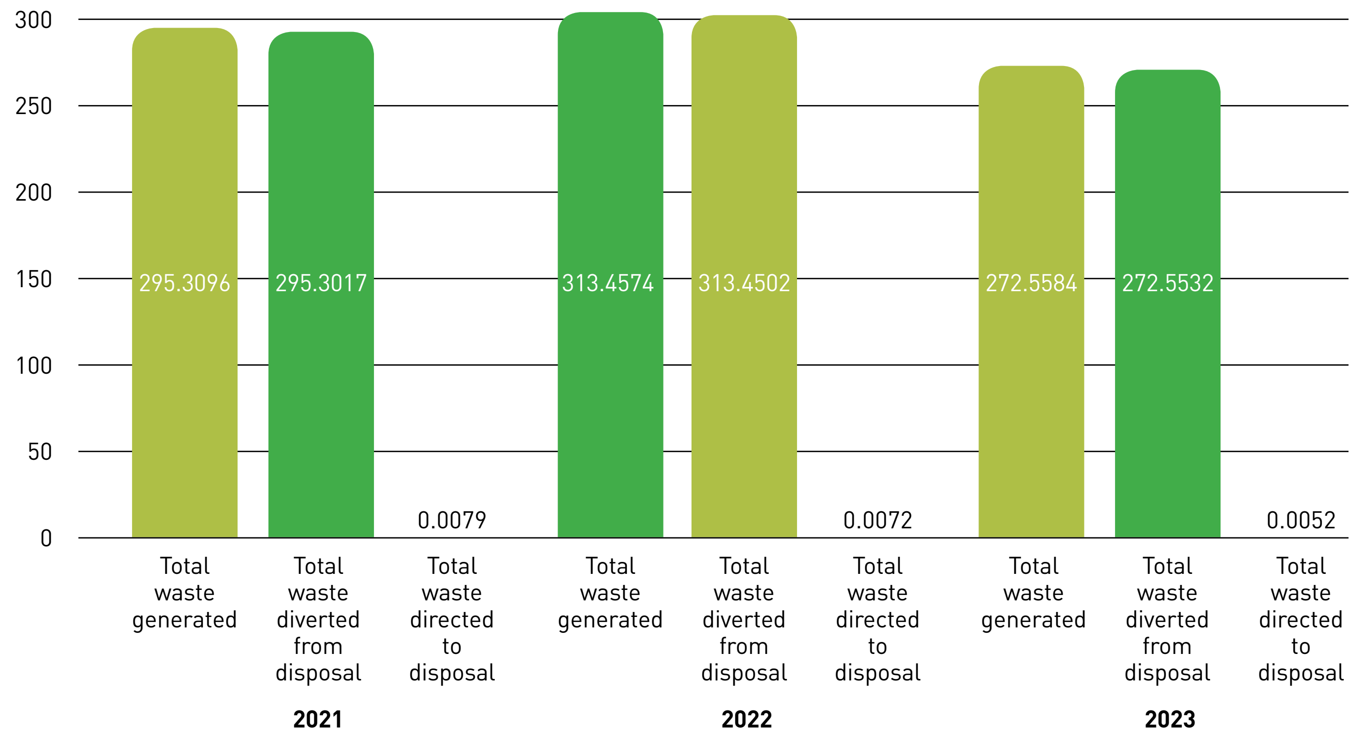
Sustainability Statement (cont'd.)

ENVIRONMENTAL

Total weight of waste directed to disposal for the past three (3) financial years

Waste Category	Metric Tonnes (Mt)		
	2021	2022	2023
SW 204 Sludge Containing Metals	0.0009	0.0009	**0.0021**
SW 322 Waste of Organic Solvents	0.0030	0.0031	**0.0009**
SW 409 Contaminated Containers	0.0004	0.0003	**0.0003**
SW 411 Spent Activated Carbon	0.0016	0.0018	**0.0015**
SW 417 Waste of Inks	0.0019	0.0010	**0.0005**
Total	**0.0079**	**0.0072**	**0.0052**

Total Weight of Waste Generated, Directed to and Diverted from Disposal (Metric Tonnes)



WATER

Playing our part in water stewardship

WHY IT MATTERS

Just like many other natural resources, water is an indispensable and precious commodity that should be utilised responsibly. Good water stewardship is crucial for maintaining our supply of this resource, which is especially important given that it contributes fundamentally to the planet's environmental and economic sustainability.

At Star Media Group, the water we consume is primarily utilised in our printing processes and also to meet the domestic needs of our employees and operations. To this end, we have begun to place greater emphasis on contributing to the preservation and management of this resource. Although we are yet to establish a qualitative target for this sustainability topic, we will continuously concentrate our efforts to use and manage our water consumption in the most practical and efficient way possible. To document the outcome of our efforts, we will continue to monitor and collect data on our water consumption year on year.

OUR APPROACH

Developing a stronger water management framework
Currently, all the water we receive and utilise in the course of our business operations is supplied to us via the infrastructure developed by Air Selangor, which is the state's water department. We do not operate in any water-stressed regions, nor do we obtain any water from natural sources such as rivers or lakes.

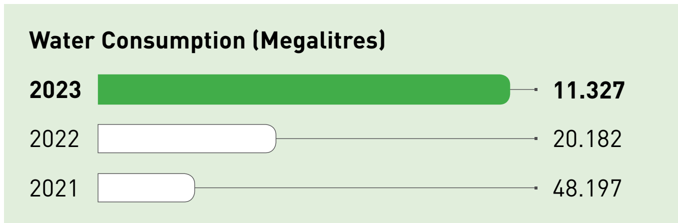
We presently only monitor our consumption by utilising the data provided within monthly water bills from Air Selangor. As we move forward, we strive to enhance our water management framework by improving our data collection and providing more detailed disclosures surrounding this sustainability topic.

OUR PERFORMANCE

While we aim to expand our efforts in the realm of water management, we have commenced our efforts by monitoring our annual water consumption to set a baseline from which we can improve upon.

In FY2023, water consumption from all premises under the Group was 11.327 Megalitres, which is a reduction of 44% from FY2022.

<u>SMG's water consumption for the past three (3) financial years</u>



Sustainability Statement (cont'd.)

SOCIAL

Foster Societal Wellbeing

- Community/ Society
- Diversity
- Health and Safety
- Labour Practices and Standards

Contribution to national commitment towards:

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 10 REDUCED INEQUALITIES

COMMUNITY/ SOCIETY

Positively impacting the communities through financial and educational assistance

WHY IT MATTERS

As a media organisation, we often have first-hand information of the plight and struggles of vulnerable individuals and communities across Malaysia. This has placed us in an influential position to raise awareness and direct the attention of the public towards worthwhile causes.

At the same time, we consider it our duty to provide more tangible support towards needy causes, be it in the form of financial assistance, publicity support or strategic collaborations. We also continue to strengthen our relationships with a variety of NGOs to amplify the impact of our support. Our collective actions continue to provide far-reaching benefits to many segments of society, while at the same time bolstering the reputation of our organisation and the sustainability of the charitable bodies we support.

In addition, being a leading English-medium newspaper in the nation, we have made it our intrinsic responsibility to promote educational advancement and English language literacy within our communities. With education being the most crucial stepping stone to unlock opportunities and better futures, our initiatives aspire to make a positive and lasting impact in the lives of all who participate.

Our efforts are mostly centred around the themes of providing greater accessibility to quality education, advocating English literacy and promoting journalism as a career path. As we help to raise English language standards within society and promote quality journalistic skills and capabilities among Malaysians, we believe this will also benefit the long-term relevancy and sustainability of our news and media platforms.

OUR APPROACH

Our approach when it comes to contributing to society is focused on charity and educational assistance, which are financial and non-financial in nature. The Group strives to give back to the community through a series of social initiatives, championing the causes we believe in, as follows:

- Star Foundation - Focuses on delivering meaningful initiatives with lasting outcomes to diverse group of beneficiaries;
- Star Education Fund - Advocates and supports the provision of quality education for the society;
- Newspaper-in-Education ("NiE") - An English language classroom resource for primary and secondary level teachers as well as students; and
- Star BRATs programme - A year-long journalism programme.

1. **Star Foundation**

Our social impact efforts are spearheaded by the Group's charitable arm, Star Foundation. Governed by a Board of Trustees, the foundation manages both public donations as well as contributions from Star Media Group on top of planning and implementing our social initiatives.

In the year under review, three (3) philanthropic programmes were carried out, as follows:

1.1 Star Social Impact Grant

The Star Social Impact Grant was launched in 2021 to support impact-driven and sustainable projects by local NGOs and social enterprises. With sustainability principles becoming increasingly important, we are committed to supporting projects related to sustainable development, with grants of up to RM50,000 each for projects not exceeding one (1) year in duration.

Part of our evaluation criteria is to focus on projects that may achieve impactful outcomes in the focus areas of community development, education, access to basic needs and infrastructure, environmental protection, and health and wellbeing.

In FY2023, Star Foundation selected the following four (4) organisations from over 80 applications received and granted a combined RM200,000 to support their social impact projects.

Persatuan Literasi Anak Malaysia ("MYReaders")

Project supported:
Juhuk Penanei (Knowledge Tree).

Aim:
Enhance the literacy of Orang Asli children.

Impact:
Provided focused support while building the capacity of teachers to deliver effective language remediation in the community.

Pertubuhan kebajikan Impak Komuniti Sabah ("PIKOS")

Project supported:
Community water solution project.

Aim:
Provide the rural community in Sabah with a reliable source of water.

Impact:
Eradicated reliance on rainwater and springs by constructing a proper water collection and storage facility for the community.

Tanoti

Project supported:
Reusable and washable cloth maternity pads for women in rural areas.

Aim:
Empower marginalised communities through tailoring skills.

Impact:
Provided maternity cloth pads to remote health facilities for women in need during childbirth while engaging home sewists to produce the cloth pads.

Reef Check Malaysia

Project supported:
Building marine conservations leaders in Mersing Islands.

Aim:
Empower the local community with marine resource management skills for sustainable tourism and ecosystem balance.

Impact:
Trained local islanders in marine conservation skills to become future conservation leaders.

Sustainability Statement (cont'd.)

SOCIAL

1.2 Medical Fund Programme

The Medical Fund Programme is aimed at providing support to underprivileged individuals aged 21 years and below suffering from chronic illnesses. With cases brought to our attention through hospitals or by patients themselves, the Star Foundation team conducts necessary due diligence followed by consultations by our panel of doctors and a final review by the Board of Trustees. Once approved, a pre-surgery story will be published on our various platforms to raise funds to cover surgery costs and provide donation to support the patient's convalescence.

1.3 Supporting and contributing to NGOs

We believe in the good work that are carried out by NGOs in serving the needs of the underprivileged and vulnerable communities in Malaysia. During the year under review, Star Foundation has continued to provide financial assistance to a wide variety of Malaysian NGOs to upgrade their facilities and run existing programmes. In FY2023, Star Foundation donated approximately RM45,000 to three (3) NGOs nationwide in the following categories:

- Health and wellbeing: One (1) NGO
- Access to basic needs and infrastructure: One (1) NGO
- Education: One (1) NGO

The following is a list of NGOs that we provided assistance and support to during the year:

- National Kidney Foundation of Malaysia
- Persatuan Kebajikan Anak-Anak Istimewa Selangor (Our Kids are Special – ORKIDS)
- Home for the Aged (CWS) Simee

2. Star Education Fund

Established in 1994, the Star Education Fund has grown in stature into becoming one of Malaysia's most prominent and recognisable scholarship programmes. A collaborative sponsorship effort between us and private local tertiary institutions, the fund provides valuable assistance to students aged 17 to 25 who require financial support to further their studies from pre-university up to undergraduate degrees and postgraduate master's programmes.

A dedicated unit manages the day-to-day operations of the fund to ensure fair and transparent reviews of each application, with guidelines being set to ensure funds are distributed in an objective and transparent manner. The unit also maintains strong working relationships with a variety of credible higher education institutions to enable a comprehensive range of courses to be made available through this fund. Shortlisted candidates are required to attend scholarship interviews conducted by representatives of partnering universities and colleges and Star Education Fund team.

3. Newspaper-in-Education ("NiE") programme

Since 1997, we have been championing English language education in primary and secondary schools nationwide under our NiE programme. In 2021, we revamped our NiE offerings from the previous pullout format to a weekly activity page integrated into our Sunday Star education pullout entitled StarEdu. The NiE activity page can also be found within the StarLifestyle pullout on Tuesdays and Fridays.

Designed for learners of elementary, intermediate and advanced proficiency levels, the NiE section will continue to provide stimulating content that is suitable for individual study or group work, with parents and teachers encouraged to work on the activities with their children or students. The activity page aims to develop the four (4) skills of the English language – reading, listening, writing and speaking, and raise awareness of current affairs through authentic examples in the newspaper.

4. BRATs programme

As a media company, we are in an ideal position to offer tangible support to young aspiring journalists, a commitment we have upheld through our Bright Roving Ambitious Talents ("BRATs") Young Journalist Programme. This initiative, which began in 1993 under the Group's R.AGE platform, originally stood for Bright Roving Annoying Teens. The programme was reimagined and rebranded as an industry-driven initiative to promote English proficiency and provide youths with practical exposure to the media industry as part of our CSR.

Run as part of the NiE programme, the annual year-long BRATs programme provides a writing and training platform for participants aged 14 to 22 to hone and showcase their English language skills, as well as develop their journalistic interests and instincts. Our one-month internship programme for top performers of the BRATs programme has been put on hold since 2020, due to COVID-19 restrictions. We are looking forward to reviving it in the near future.

The annual BRATs programme was continued, whereby the selected participants are guided and trained on the required journalistic skills, such as writing, critical thinking and communication, aside from character building, to create content. A minimum of one (1) full page is allocated in our weekly education pullout to promote and highlight their talents.

Through the year-long programme, participants are given the opportunity to experience the full suite of being a journalist through learning to identify potential news and feature angles, pitch them to the editors, and produce content in various formats including conducting interviews like real-life journalists. Selected articles will be published in the StarEdu pullout with the writers' bylines as a form of recognition.

This process allows us to discover young talents who can write, and with the revival of the one-month editorial internship programme, we hope to give the top performers the opportunity to shadow our journalists and acquire behind-the-scenes experience of working in a newsroom. We believe that the programme will assist in building their portfolio for future opportunities, such as scholarships and varsity applications.

5. Other initiatives in FY2023

5.1 Initiative at the Group level

In addition to our primary community outreach channels, we also took the opportunity to contribute to society in other ways.

In line with our mission to keep people informed, we have continued to provide complimentary subscriptions of The Star newspaper and The Star ePaper to social organisations within the Star Foundation network and to Star Education Fund scholars.

In conjunction with Hari Raya celebrations during the year, we organised a donation drive, whereby Star Media Group's employees were encouraged to donate pre-loved clothing. A donation box was prepared for employees to contribute their pre-loved clothing items. As a result, 28 large bags of clothes have been collected and handed over to an NGO called Great Heart Charity Association. Great Heart Charity Association provides assistance of basic needs to their beneficiaries. All the donated clothes are placed in their centre/office and beneficiaries can walk in to choose and take the clothes based on their needs.

5.2 Initiatives at the subsidiary level

Aside from the initiatives at the Group level, our subsidiary, 988 has also been actively organising social impact activities. Although 988's manpower was stretched thin during their 27th Anniversary celebration campaign, they actively participated as the Official Radio Station for two (2) reputable Corporate Social Responsibility events, namely the Gold Ribbon Grant-A-Wish Campaign 2023 and Run for a Chance 2023. In both these events, the station executed a compelling on-air campaign, leveraging the influential credibility of 988 announcers, both on air and during the events. This effort resulted in a notable positive impact on the events and their objectives.

The Gold Ribbon Grant-A-Wish Campaign 2023 is an event organised by Rainbow of Life Forces ("ROLF"), which aims to fulfil wishes of underprivileged children, particularly those with disabilities, via the Grant-A-Wish Campaign. Sponsored by 988 as the Official Radio Station, the event hosts were DJ Sean and Xiu Lam. The wish matching session was held from 15 November to 23 December, encouraging public donors to fulfil the wishes on the list provided. In FY2023, we managed to obtain a total of 98 donors based on the wish list.

In addition, the station also sponsored the Run for a Chance programme, which is a three-kilometre On-Field Charity Run organised by Lovely Disabled Home to promote interaction between Persons with Disability ("PWD") and other communities. The event, held on 9 September 2023 in Johor Bahru and 16 September 2023 in Kuala Lumpur, aimed to raise funds for Lovely Disabled Home's 2024 operational expenses and increase public awareness about PWD. During the year, a 30km Virtual Run option was introduced to attract marathon enthusiasts, allowing participants to run anytime from 31 August to 16 September 2023. 988, as the Official Radio Station, played an active role by sponsoring airtime, making live announcements, with DJ Sean and Emily as event hosts. Our contribution to expand the outreach of the charity run can be exhibited by the number of participants that joined the event, which totalled to 1746 participants and 105 of them being PWD. Additionally, 988 registered a team of nine (9) announcers to run alongside the PWD community, further exhibiting a spirit of participation in the event.

OUR PERFORMANCE

1. Star Foundation

1.1 Star Social Impact Grant

Since the inception of Star Social Impact Grant in FY2021, we have contributed a grand total of RM580,000 which was disbursed to 12 deserving social organisations. Their completed and ongoing projects have brought about life-changing impacts to the environment and communities involved, further uplifting the quality of life and income generation through economic empowerment, educational programmes, and fulfilment of basic needs.

Sustainability Statement (cont'd.)

SOCIAL

Star Social Impact Grant's contribution for the past three (3) financial years

Star Social Impact Grant's Contribution	Metric	Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer		
		2021	2022	2023
Amount of expenditures invested in the community where the target beneficiaries are external to the company	Unit of currency (RM)	200,000	180,000	**200,000**
Number of the individuals benefitting from the investment	Number of beneficiaries	167	221	**1,333**

1.2 Medical Fund Programme

Thanks to generous public donations, in FY2023, Star Foundation was able to continue to support life-changing treatments for two (2) young children with a total contribution of RM173,000. The unifying intention to save lives has made impactful differences in the health and future of those children.

Medical Fund Programme's contribution for the past three (3) financial years

Medical Fund Programme's Contribution	Metric	Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer		
		2021	2022	2023
Amount of expenditures invested in the community where the target beneficiaries are external to the company	Unit of currency (RM)	35,775.90	222,991.50	**173,000.00**
Number of the individuals benefitting from the investment	Number of beneficiaries	1	6	**2**

1.3 Supporting and contributing to NGOs

For the past three (3) years, we have contributed a grand total of RM997,500, positively impacting 11,492 individuals. We believe that our intention to alleviate the quality of lives of these individuals through the support of the NGOs have made a difference in their everyday lives.

SMG's contribution to NGOs for the past three (3) financial years

Contribution to the NGOs	Metric	Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer		
		2021	2022	2023
Amount of expenditures invested in the community where the target beneficiaries are external to the company	Unit of currency (RM)	722,500	230,000	**45,000**
Number of the individuals benefitting from the investment	Number of beneficiaries	6,587	4,820	**85**

2. **Star Education Fund**

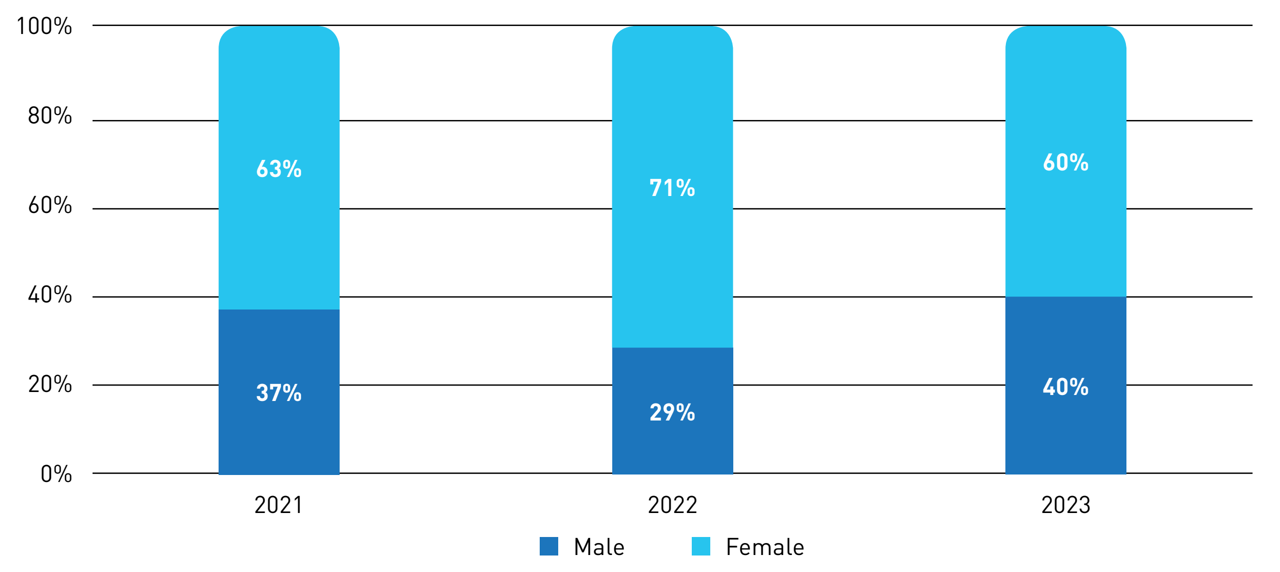
In FY2023, we collaborated with 23 higher education institutions and provided scholarships to 78 deserving students with a total combined value close to RM5.76 million. We are pleased to report that we have exceeded our target for the year under review, whereby we had initially aimed to award 75 deserving students with an estimated value of RM5.7 million. Moving forward, we aim to increase our target to aid 80 students with an estimated assistance value of RM6 million. For the past three (3) years, we have assisted 267 students.

Star Education Fund's contribution for the past three (3) financial years

Star Education Fund's Contribution	Metric	Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer		
		2021	2022	2023
Amount of expenditures invested in the community where the target beneficiaries are external to the company	Unit of currency (RM)	7,816,655	5,942,615	**5,756,402**
Number of the individuals benefitting from the investment	Number of beneficiaries	113	76	**78**

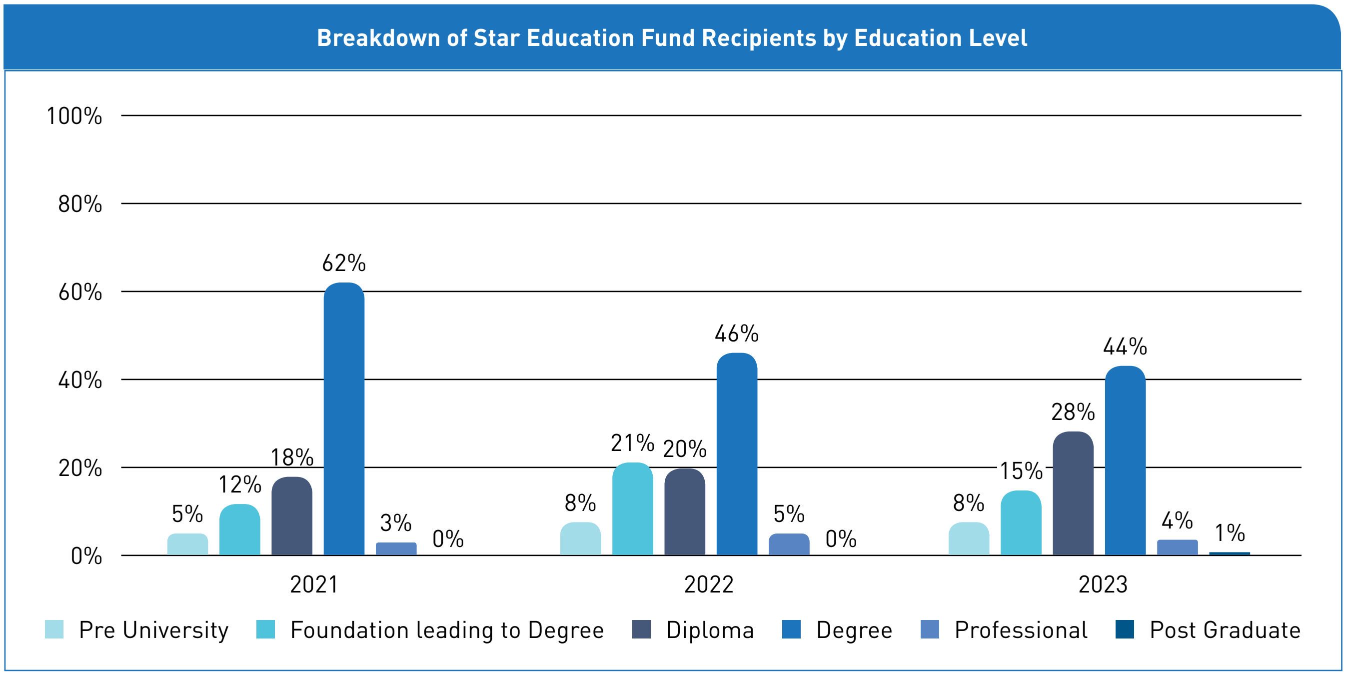
The following charts further illustrate the breakdown of our recipients by gender and education level, for the past three (3) financial years.

Breakdown of Star Education Fund Recipients by Gender



Sustainability Statement (cont'd.)

SOCIAL



3. BRATs programme

During the year in review, we are proud to announce that our BRATs achieved several personal successes, including being the runner-up of the senior category of the Queen's Commonwealth Essay Competition ("QCEC") 2023, being "highly commended" in the Arts & Culture category of the Women of the Future Awards South-East Asia, and being recipients of local, national, and foreign scholarships to pursue their tertiary studies. They have also produced 120 stories in various formats, including interviews and cover stories, in which some of these written stories have gone viral on our portal.

The programme also received a record high 131 applications for next year's cohort, bringing the number of participants to 160. It is also worthwhile to note that no costs were incurred in this programme.

<u>The number of participants in our year-long BRATs programme for the past three (3) financial years</u>

BRATs Programme's Performance	Metric	Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer		
		2021	2022	2023
Amount of expenditures invested in the community where the target beneficiaries are external to the company	Unit of currency (RM)	0	0	**0**
Number of the individuals benefitting from the investment	Number of beneficiaries	81	97	**128**

DIVERSITY

Nurturing an inclusive workplace

WHY IT MATTERS

Star Media Group strongly believes in practising and promoting the principles of diversity and equal opportunity amongst our workforce and recognises this as a fundamental strategy for bolstering our sustainability and performance. With a diverse group of employees, we are able to gain access to a wider range of viewpoints and experiences that will unlock better-informed and more inclusive decision-making processes.

This is further strengthened by an inherent culture of providing equal opportunities for all employees. No matter their background, we want all talents to be recognised and fairly remunerated based on their merits and their contributions to the company. We strongly believe our efforts to inculcate a truly unbiased and meritocratic working culture will enrich and enhance the value we provide to our readers and stakeholders.

OUR APPROACH

A guiding framework to embed fair practices

To embed fairness and equity at the very core of our practices, we have cemented our approach within our Group Recruitment Policy, which was first established in December 2014. This internal doctrine dictates in no uncertain terms that all employees should be treated without bias and that discrimination on any basis, including age group, gender, race, religion, or other distinguishing characteristics, is strongly prohibited.

Simultaneously, this even-handed approach is extended to the provision of opportunities for promotion and career advancement without preferential treatment. Congruent with our non-discriminatory practices, we have successfully achieved representational diversity within our workforce and governing body. In FY2023, we have further reviewed and revised our Group Recruitment Policy to include a provision in the event a successful candidate does not report to work post-signing of employment offer.

Equal opportunities for young talents to progress

With the competency of our workforce playing a crucial role in determining the success and sustainability of our business, we have placed great emphasis on providing equal opportunities for younger talents to fast-track their career progressions within the Group, such as our StarTrack graduate trainee programme and Star Young Talent Programme.

For our StarTrack initiative in FY2022/2023, we hired eight (8) top-performing graduates to gain valuable working experience through a two-year programme that includes departmental rotations, classroom learning, business project presentations and networking with senior leadership, before being absorbed into their department of choice at the end of the programme. The new batch of the StarTrack Programme will commence in 2024.

Meanwhile, our Star Young Talent Programme placed a total of 13 top performing executives into a six-month-long accelerated learning programme, where classroom learning, networking sessions and business ideation project presentations were conducted to prepare them for success in their future promoted roles.

Protection against discrimination

The establishment of appropriate grievance procedures and a Whistleblowing Policy is a key component to ensuring diversity and inclusivity are maintained throughout our operations. This helps to protect against potential acts of discrimination and provides employees with a safe avenue to highlight practices that may be against our code of conduct.

All incidents or issues pertaining to unfair treatment or discriminatory actions are recorded and investigated as a matter of high priority by the Group People Department and may be escalated to any other relevant governance body within the Company, such as the Audit Committee if necessary.

Sustainability Statement (cont'd.)

SOCIAL

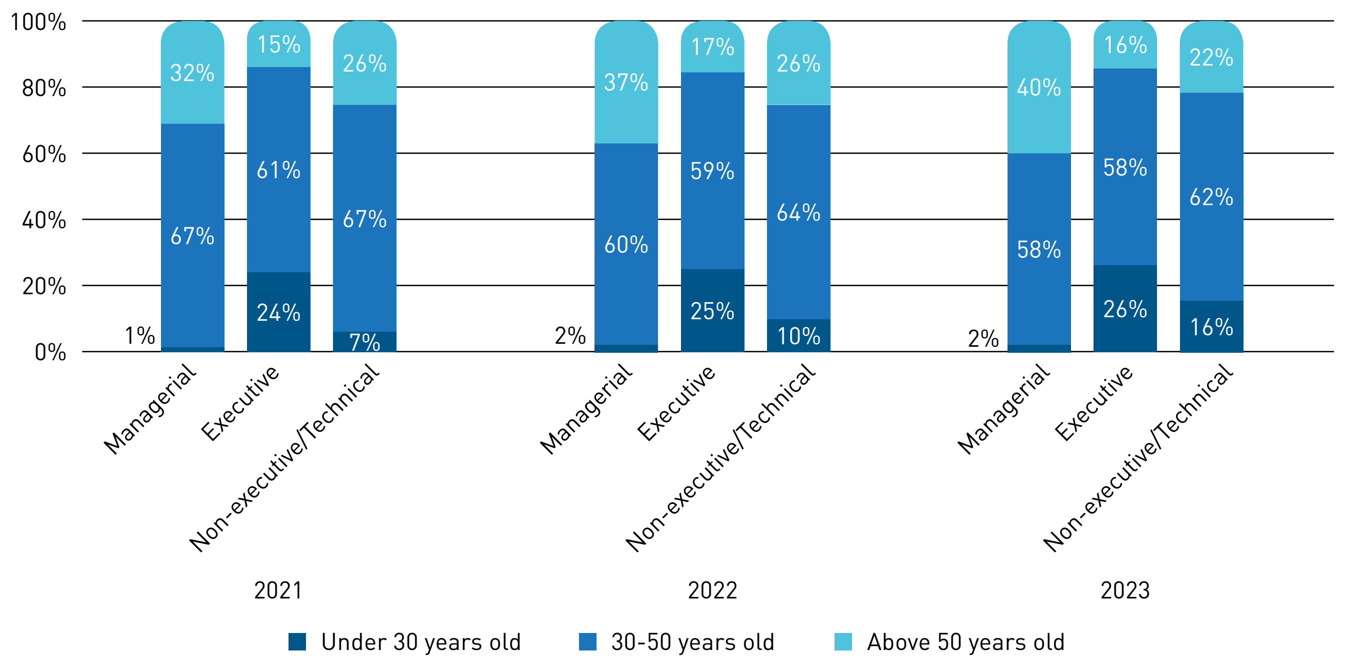
OUR PERFORMANCE

The Group continues to strive for the highest standards of fair and impartial treatment of employees and leans on our annual performance to identify areas of improvement. In FY2023, we continued maintaining a diverse and balanced workforce in terms of age and gender. We are also committed to continuously improving our board diversity, in compliance with regulatory requirements and industry practices.

Employee breakdown by category and age group for the past three (3) financial years

Age Group	2021			2022			2023		
	Category of Employees								
	Managerial	Executive	Non-Executive/ Technical	Managerial	Executive	Non-Executive/ Technical	Managerial	Executive	Non-Executive/ Technical
	Percentage of Employees (%)								
Under 30 years old	1	24	7	2	25	10	**2**	**26**	**16**
30-50 years old	67	61	67	61	58	64	**58**	**58**	**62**
Over 50 years old	32	15	26	37	17	26	**40**	**16**	**22**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

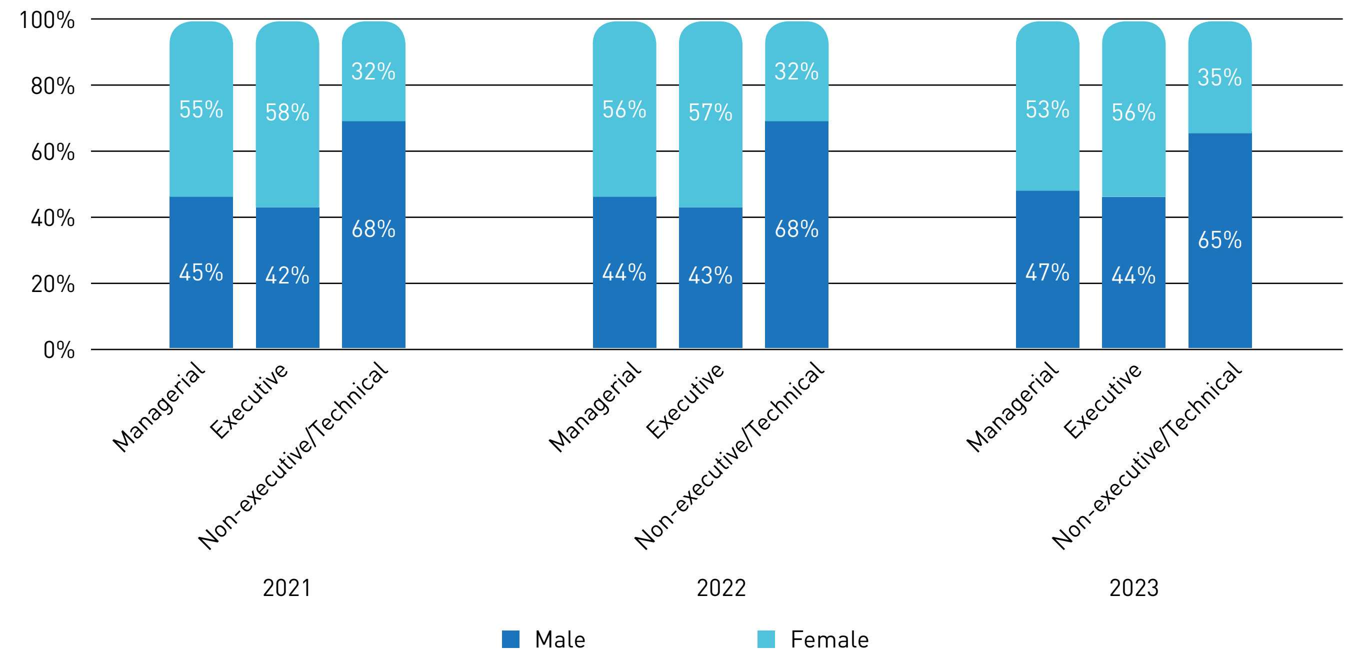
Breakdown of Employee by Employee Category and Age Group



Employee breakdown by category and gender for the past three (3) financial years

Employee Gender	2021			2022			2023		
	Category of Employees								
	Managerial	Executive	Non-Executive/ Technical	Managerial	Executive	Non-Executive/ Technical	Managerial	Executive	Non-Executive/ Technical
	Percentage of Employees (%)								
Male	45	42	68	44	43	68	**47**	**44**	**65**
Female	55	58	32	56	57	32	**53**	**56**	**35**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Breakdown of Employee by Employee Category and Gender



Sustainability Statement (cont'd.)

SOCIAL

We are also committed to continuously improve our board diversity to remain in compliance with regulatory requirements and industry practices.

Board composition by age for the past three (3) financial years

Age Group	2021	2022	2023
	Percentage of Directors (%)		
Under 30 years old	0	0	**0**
30-50 years old	0	0	**0**
Over 50 years old	100	100	**100**
Total	**100**	**100**	**100**

Board composition by gender for the past three (3) financial years

Gender	2021	2022	2023
	Percentage of Directors (%)		
Male	86	75	**83**
Female	14	25	**17**
Total	**100**	**100**	**100**

HEALTH AND SAFETY

Safeguarding Our People

WHY IT MATTERS

Our commitment to high health and safety standards forms a core component of our sustainability framework. By providing a safe, secure and nurturing work environment, we are better equipped to develop a workforce that feels empowered to undertake their duties efficiently and without distractions from potential hazards or wellbeing concerns.

Recognising the potential impact that health and safety violations may have on our operations and reputation, we ensure we remain in full compliance with all governing regulations and consistently seek opportunities to expand our adoption of best practices that safeguard the well-being of our employees.

OUR APPROACH

A framework to drive excellence in compliance
Across Star Media Group, occupational health and safety have been established as a key priority at the workplace based on collective effort. We encourage all employees and contractors to report any infringements they encounter, be it unsafe acts, unsafe conditions or accidents that may occur on company property.

To enhance our performance to the highest levels, we have continued to focus our efforts and initiatives, namely ensuring compliance with leading industry standards, adopting stringent control measures and procedures, and establishing strong governance structures.

Strict adherence to top standards
At the fundamental level, our efforts revolve around firstly ensuring our full compliance with all rules, regulations and guidelines required by law, including but not limited to the following Malaysian regulations:

1. Occupational Safety and Health (Amendment) Act 2022 ("OSHA");
2. Environmental Quality ("EQ") Act 1974 and its regulations;
3. Fire Services Act 1988; and
4. Factories and Machinery Act 1967.

It is important that we continuously uphold workplace health and safety, in accordance with regulatory requirements. During the year in review, we have begun the work to amend our Group health and safety policies to capture the newly amended OSHA Act 2022. Through these policy updates, we aim to increase the protection of employees, enhance our duties towards our employees, be aware of the increased penalties and facilitate the appointment of an occupational safety and health coordinator.

Our approach has been further strengthened via the implementation of various internal policies and procedures that were developed in accordance with MS 1722:2011 Occupational Safety and Health Management Systems standards. These guiding documents, such as Safety Manuals and Work Instructions, provide instructions specific to our own operations and work environments and are periodically reviewed and updated when required.

Conscientiously mitigating risks and enhancing safety
The company has established stringent SOPs that must be adhered to when undertaking tasks that have been identified as high-risk based on our Hazard Identification, Risk Assessment and Risk Control ("HIRARC") exercises.

In accordance with the Fire Services Act, we ensure that all our premises obtain and maintain a valid Fire Certificate, with the latest annual renewal having been successfully achieved at all premises during the year. All our premises have put into place general fire safety precautionary measures such as fire hydrants, water sprinklers, water tankers, fire extinguishers and fire alarm systems. Fire extinguishers are annually maintained and replaced by a third-party vendor while the fire system is inspected by their respective original equipment manufacturer on a quarterly basis. In addition to the annual inspection by the Fire Department, scheduled fire system maintenance and service is carried out regularly without fail, while Local Exhaust Ventilation tests are annually conducted as per the requirements outlined in OSHA 1994 and EQ Act 1974. In the year under review, we were in process of obtaining the annual Fire Certificate for Menara Star and our media hub.

We also address risks related to our employees who are exposed to loud noise, and once again conducted a noise risk assessment during FY2023 with the assistance of a third-party consultant. This initiative is complemented by annual hearing conservation training and audiometric tests for our Star Media Hub employees, with any employees found with hearing impairment being referred to the Group People department for follow-up medical inspection by an occupational doctor.

To assist us in the proper maintenance of heavy machinery such as our hoisting systems and pressurised vessels, we have appointed an external consultant to monitor our ongoing compliance with Department of Safety and Health ("DOSH") regulations and act as a liaison during the inspection and the annual certificate renewal process. Internally, the oversight and management of this process are conducted by the Facilities Department and Engineering Department at Star Media Hub, with support from the Building and Property Services Team.

The following represent the health and safety training initiatives conducted during the year:

- Annual Audiometric Test;
- Chemical safety (undertaken once every two (2) years);
- Scheduled waste;
- Safety induction for new employees and third parties, such as contractors, in which a permit to work will only be issued upon completion of the briefing; and
- Hearing conservation (specifically for Star Media Hub).

We have also taken steps to enhance access and safety for any differently-abled individuals via the installation and maintenance of ramps, chair lifts in auditoriums and accessible toilets at our business premises.

Stringent governance of health and safety initiatives

To ensure effective governance, we have established Occupational Safety and Health ("OSH") committees at all facilities with 40 employees or more, resulting in the establishment of three (3) major committees at Menara Star, Star Media Hub and Star Pitt Street respectively. Our mission is to establish an equally balanced composition (50/50) of employee and management representatives within each OSH committee.

In addition, we have established Emergency Response Teams ("ERT") in two (2) locations, namely Menara Star and Star Media Hub respectively, to monitor, manage and respond to all emergency health and safety matters on site. Representatives of these response teams participate in all OSH committee meetings. Recognising the specific needs of our printing facility in Star Media Hub, we have also formed an Environmental Performance Monitoring and Compliance Committee ("EPMC") to enhance our governance practices.

To facilitate the delineation of responsibilities, the Group has developed an organisational chart that establishes the specific roles of the OSH Committees and ERTs. The OSH team is tasked with keeping a close eye on our performance, with all incidents, accidents, near misses and property damage being recorded, monitored and assessed to minimise or eradicate future such occurrences.

We also understand the importance of ensuring our workforce is kept abreast of the latest health and safety related policies, standards and practices. Therefore, we have continued to focus our employee training and upskilling initiatives to include occupational health and safety topics. We believe that conducting such training sessions will enhance the awareness and knowledge of our workforce, further inculcating practices that contribute to the establishment of a safe working environment.

OUR PERFORMANCE

In FY2023, we have continued our efforts to ensure the maintenance of a safe work environment. We are pleased to report that we have continued maintaining zero fatalities in the last three (3) financial years. In addition, we have successfully reduced our lost time incident rate in the year under review, by 52% from last year.

Number of fatalities for the past three (3) financial years

Employee Category	Total Hours Worked			Total Number of Fatalities		
	2021	2022	2023	2021	2022	2023
Management	453,097	463,518	**533,001**	0	0	**0**
Executive	741,413	739,606	**717,600**	0	0	**0**
Non-executive/ Technical Staff	456,779	479,241	**498,132**	0	0	**0**
Total	**1,651,289**	**1,682,365**	**1,748,732**	**0**	**0**	**0**

Total number of injuries and lost time incident rate for the past three (3) financial years

Employee Category	Total Hours Worked			Total Number of Injuries			Lost Time Incident Rate		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Management	453,097	463,518	**533,001**	0	0	**0**	0.00	0.00	**0.00**
Executive	741,413	739,606	**717,600**	1	0	**0**	0.27	0.00	**0.00**
Non-executive/ Technical Staff	456,779	479,241	**498,132**	2	2	**1**	0.88	0.83	**0.40**
Total	**1,651,289**	**1,682,365**	**1,748,732**	**3**	**2**	**1**	**0.36**	**0.24**	**0.11**

In line with our increasing need to raise the awareness and knowledge of our employees on health and safety related policies, standards, and practices, we are constantly identifying opportunities to conduct health and safety training sessions. We will continue to heighten our efforts to conduct more training sessions that cater to a larger group of our employees.

The number of trainings and number of employees covered for the past three (3) financial years

Reporting Indicators	Year		
	2021	2022	2023
No. of Trainings	2	7	**3**
Total no. of Participants	3	39	**69**

SOCIAL

LABOUR PRACTICES AND STANDARDS

Empowering our Human Capital

WHY IT MATTERS

The collective efforts of our employees have enabled Star Media Group to continue upholding its high standards of content, offerings and services. Our people are the fundamental driving force behind our success and vital assets to the sustainability of our organisation.

It is therefore an utmost priority for us to provide our employees with a working environment that they find to be stimulating, inclusive and rewarding alongside competitive remuneration and valuable personal and professional development opportunities. By inculcating a driven, harmonious and supportive working culture across the Group, we position ourselves as an attractive employer to be able to attract and retain the best talents to drive us forward towards long-term and sustainable success.

OUR APPROACH

Robust benefits and incentives
In FY2023, we continued to empower our employees by implementing better labour practices and standards. Aside from this, we continued heightening the competitiveness of our suite of rewards and benefits to spur loyalty and dedication among our workforces.

With the Employment Act (Amendment) 2022 coming into effect on 1 January 2023, we concentrated our efforts to ensure our labour policies and practices are refreshed accordingly. To this end, we have revised our compensation package to provide overtime pay for our executives earning below RM4,000.

In addition, we made changes to our leave benefits, whereby we increased the paid maternity leave to 98 days, in addition to increasing paternity leave to seven (7) days. New mothers who have completed one (1) year of service also receive added financial support of RM1,200, with those who underwent Caesarean births given an additional RM500. Additionally, there is a special nursing room in the office to provide privacy for nursing mothers.

We also provide extended medical care to employees on a case-to-case basis, with the Company covering additional costs over the insurance cap to assist employees facing difficult health prognoses, such as for more critical illnesses. In the year under review, we revised our paid hospitalisation leave to 60 days.

Our executive-level employees and above continue to benefit from flexible benefits package, which allows them to choose the benefits they want from options such as health screenings, optical wear, travel packages or electronic devices.

Meaningful engagement and appreciation
With more employees returning to the office, we have continued to initiate engaging activities to build relationships within the workforce. Although Starlympic was not organised in FY2023, we have introduced two (2) new initiatives, namely 'Proud to be Malaysian' Campaign and 'World Gratitude Day'.

The Proud to be Malaysian Campaign was a two-day event that featured an Experience Day and a movie night. The event was designed to allow our employees to engage and showcase Malaysia's cultural diversity. On the other hand, the World Gratitude Day was held with a focus on embracing the spirit of gratitude and unity. The aim of this event was to bring our workforce together and foster a sense of unity between them. These two (2) events aimed at creating a space for our employees to understand and express their patriotism for the nation, as well as to allow them to perceive one another beyond race, religion and faith.

Our key highlight activity of the previous year, entitled Star Employee Enrichment Day ("SEED"), was continued in FY2023. This two-day employee engagement initiative included various government agencies, healthcare institutions, and other organisations setting up booths, alongside organising fun activities with our employees while promoting their respective products and services.

In addition, we continued our StarHobbies and StarTalk sessions, whereby various activities such as hiking, futsal, Zumba and hobby-sharing sessions were conducted with our employees. We also continued to carry out reward programmes to celebrate the achievements of our people, such as the long service awards to honour our long-serving employees.

Growing human capital through training and development
Helping our employees grow their professional competencies and progress their careers within the Group is a key priority in our talent retention strategy. To achieve this, we provide customised training and development opportunities to all employees that are relevant to the demands of their role and to acquire new skill sets. Our Group People department conducts training needs analysis with department heads, through feedback from performance appraisals and ad hoc training requests in order to identify and plan programmes for employees.

At the end of each training, evaluation exercises are carried out to collate feedback on training efficacy and quality so that we can ensure continuous improvement. In FY2023, our training initiatives were focused on four (4) core areas, namely personal, technical, functional and leadership development.

Maintaining ethical and employee-empowering practices

The Group maintains a strict stance in enforcing ethical labour practices, with our internal policies and procedures governing our proper conduct on this matter. We are strongly against the employment of underaged workers or engagement in forced or unpaid labour and any other form of coercion to work, including but not limited to harassment or bullying. This commitment towards human rights is guided by the International Bill of Human Rights.

At the same time, we want our employees to possess a platform that protects their rights and enables their voices to be heard and have thus maintained our long-term collaboration with the National Union of Journalists Malaysia ("NUJ") and the National Union of Newspaper Workers ("NUNW").

In fostering a working environment that contributes to the collective progress of employees in tandem with the Group's success, we have maintained the minimum wage for SMG workers, including non-unionised office helpers, at RM1,500 in line with the regulatory requirement.

In encouraging open communication on issues pertinent to our employees, we continue to maintain our grievance procedure that empowers employees to lodge work related complaints related to promotions or salary increments where it will be addressed in a sensitive, confidential and timely manner.

OUR PERFORMANCE

We value the contributions of our employees and continued to provide them with a working environment that reflects our values of work-life balance and consistent professional development. Through our efforts, we strive to ensure the wellbeing of our employees are well taken care of while sustaining business prosperity.

Total workforce by entity for financial year 2023

Entity	Number of Employees
Star Media Group Berhad	717
SMG Business Services Sdn Bhd	114
Star Rfm Sdn Bhd	50
Rimakmur Sdn Bhd	48
Magnet Bizz Sdn Bhd	22
StarProperty Sdn Bhd	17
Star Media Radio Group Sdn Bhd	11
Impian Ikon (M) Sdn Bhd	8
SMG Land Sdn Bhd	1
Total	**988**

Total hours of training by employee category for the past three (3) financial years

Employee by Category	2021		2022		2023	
	Number of Employees	Total Hours of Training	Number of Employees	Total Hours of Training	Number of Employees	Total Hours of Training
Management	201	3,392	273	4,271	**173**	**2,006**
Executive	362	5,232	341	4,673	**441**	**5,384**
Non-executive/ Technical Staff	27	984	112	1,763	**263**	**3,501**
Total	**590**	**9,608**	**726**	**10,707**	**877**	**10,891**

Sustainability Statement (cont'd.)

SOCIAL

Percentage of employees based on employee working period for the past three (3) financial years

Employees' Working Period	Percentage of Employees (%)		
	2021	2022	2023
Permanent	84	82	**84**
Contractors* **including all workers who are not employees but whose work and/or workplace is controlled by the company.*	6	8	**7**
Temporary Staff	10	10	**9**
Total	**100**	**100**	**100**

Total number of employee turnover by employee category for the past three (3) financial years

Employees by Category	Number of Employees		
	2021	2022	2023
Management	34	43	**29**
Executive	80	105	**51**
Non-executive/ Technical staff	17	27	**26**
Total	**131**	**175**	**106**

Total number of employee turnover by employee working period for the past three (3) financial years

Employees' Working Period	Number of Employees		
	2021	2022	2023
Permanent	125	158	**95**
Contractors* **including all workers who are not employees but whose work and/or workplace is controlled by the company.*	6	17	**11**
Temporary Staff	0	0	**0**
Total	**131**	**175**	**106**

Number of substantiated complaints concerning human rights violation for the past three (3) financial years

Reporting Financial Year	2021	2022	2023
Number of complaints	0	0	**0**

Total number of recipients of long service award (15 years/ 25 years)

Years of Service	Number of Recipients
15 years	25
25 years	15

GOVERNANCE

Safeguard Good Corporate Governance Practices

Anti-Corruption

Data Privacy and Security

Contribution to national commitment towards:

11 SUSTAINABLE CITIES AND COMMUNITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

ANTI-CORRUPTION

Ensuring responsible business conduct

WHY IT MATTERS

Responsible business conduct plays an important role in the sustainability of our organisation for a variety of reasons. As a leading media organisation, we recognise our duty to set an exemplary role as any impingement upon our integrity will significantly impact our credibility with our readers, clients and stakeholders.

We uphold a stringent zero-tolerance approach against any forms of bribery and corruption and consistently encourage our employees to maintain a high level of ethical conduct in all their business undertakings. Consequently, any suspected non-compliance amongst employees is investigated thoroughly, with stern repercussions exercised to deter future offences. By preserving a strong track record of responsible behaviour, we are empowered to develop strong, trusting and sustainable relationships with our stakeholders.

OUR APPROACH

A robust policy to guide our approach

At the fundamental level, our efforts to prevent corruption at all levels is guided by a Group-wide Anti-Corruption Policy that ensures our regulatory compliance while expounding upon the job or industry-specific responsibilities assumed by our employees.

We recognise the importance of employee awareness and compliance in the conduct of an ethical business. Therefore, we have continuously trained our employees on the Group-wide Anti-Corruption Policy and measures, and we require all employees to sign a declaration form upon completing the training. Our Group People Department is tasked with tracking and maintaining a record of pledges signed. We have continuously trained our employees in batches via our online training platform, based on their exposure risks to corruption and bribery. In FY2023, the final batch of employees completed their training in the first quarter of the year, whereby a manual briefing was conducted to lower-risk groups.

As a constant reminder, an abbreviated Anti-Corruption Policy statement is posted around our premises, while the policy itself is readily available on our corporate website as well as our internal portal.

Raising internal and external awareness

Since 2021, we have embarked on a mission to provide anti-corruption training to all employees. In September 2023, we intensified our efforts by disseminating monthly short read-up pages to all employees through the Group e-service system. These pages serve as pop-up notifications, highlighting key aspects of the policy.

Prior to the commencement of trainings, we conducted a risk assessment for employees and operational areas in collaboration with department heads. As it stands, the employees who have yet to undergo the anti-corruption training also happen to have the lowest risks and exposure to corruption.

We also hold our third-party suppliers to the same high ethical standards and have included clauses to protect the Company's corporate liability. Any updates to our policy are immediately reflected on our corporate website and internal portals.

Empowering effective whistleblowing

In addition to our Anti-Corruption training activities, we also carry out briefings on the Company's whistleblowing policy and procedures to familiarise employees with the channels and procedures for reporting instances of unethical business conduct. Similar to the above, the final batch of employees have completed their training on the Group's whistleblowing policy and procedures in first quarter of FY2023.

Our Internal Audit Department/Audit Committee is currently responsible for addressing whistleblower reports. The Group People Department ensures the truthfulness and accuracy of the reports. However, if the complaint involves a member of the Group People Department, an alternative department will be tasked to conduct the investigation. The findings of such investigations, together with the proposed actions, are reported back to the Internal Audit Department or Audit Committee, where necessary, for their review and notation.

OUR PERFORMANCE

During FY2023, we strived to continuously improve our standards of integrity and business conduct. Against this backdrop, we are guided by our Anti-Corruption Policy. These policies are implemented throughout the Group and further enforced with a set of robust procedures and guidelines. Our Anti-Corruption policy covers the areas illustrated below:

- Anti-Corruption Commitment
- Gifts, Donations, Entertainment and Sponsorship
- Recognitions of Local and International Legislation
- Business Associates
- Facilitation Payments
- Responsibilities of SMG Employees
- Recruitment, Promotion and Support of Personnel
- Conflict of Interest
- Duty to Report Policy Violations
- Training and Awareness
- Breach of Policy
- Employee Declaration

From FY2021 to FY2023, we have continuously assessed our operations for corruption-related risks, as depicted in the table below. We have conducted 100% corruption-related risk assessments across the Group, with the exception of entities with principal activities are investment holding and those that are inactive and/ or without business activity. These exclusions were made based on the rationale that corruption risk exposure of such entities are insignificant to the Group or are non-existent.

Percentage of Operations Assessed for Corruption-related Risks	2021	2022	2023
Total number of operations	10	10	**10**
Total number of operations assessed for risks related to corruption	10	10	**10**
Total percentage of operations assessed for risks related to corruption	**100%**	**100%**	**100%**

In addition, we are pleased to report that there were zero incidents relating to bribery or corruption cases across the entire business operations of the Group from FY2021 to FY2023.

Confirmed Incidents of Corruption and Action Taken	2021	2022	2023
Total number of confirmed incidents of corruption	0	0	**0**
Action taken for the confirmed incidents of corruption	Not Applicable	Not Applicable	**Not Applicable**
Description of actions taken	Not Applicable	Not Applicable	**Not Applicable**

As mentioned, we understand the importance to ensure our employees are kept abreast of the local and international legislation, as well as the Group's policy and procedures on anti-corruption and bribery. Therefore, we have continued to provide training and development programmes on anti-corruption to our workforce in batches to ensure that they are kept informed of their duties and obligations. Our performance is indicated by the percentage of employees who have received training on anti-corruption, by employee category:

Employee Working Level	Total Number of Employees			Number of Employees Who Have Received Training on Anti-corruption by Employee Category			Percentage of Employees Who Have Received Training on Anti-corruption by Employee Category (%)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Management	253	258	**296**	51	82	**103**	20	32	**35**
Executive	406	400	**397**	88	220	**188**	22	55	**47**
Non-executive/ Technical Staff	274	282	**295**	27	82	**199**	10	29	**67**
Total	**933**	**940**	**988**	**166**	**384**	**490**	**18**	**41**	**50**

DATA PRIVACY AND SECURITY

Upholding the people's trust in us with their data

WHY IT MATTERS

Ensuring data privacy and security is paramount for a media company like Star Media Group Berhad, especially in light of increasing cyber threats. As we possess and handle a large volume of sensitive information, such as user profiles, personal data and financial details of the Group and its relevant stakeholders, we are exposed to unauthorised personnel seeking access to sensitive information that would negatively impact the Group and our stakeholders. Therefore, it is our responsibility to ensure robust data security policies and measures are in place to protect this information against cyber threats and unauthorised access.

In addition, safeguarding the data in our possession is critical for maintaining compliance with mandatory regulatory requirements and national legislation such as the Personal Data Protection Act ("PDPA") 2010. Complying with these regulations is not only our legal obligations but also an indication of our commitment to respecting and protecting users' data and privacy, which will further boost the confidence of our stakeholders and foster strong relationships with them.

OUR APPROACH

Our top three (3) priorities in our data privacy and security approaches are to strengthen our customers' trust in our abilities to safeguard their data, acquire zero financial penalties resulting from data privacy breaches and mitigate the misuse of customers' data by unauthorised personnel that can lead to identity theft and other forms of fraud that impacts the Group and individuals. Therefore, we have continuously aligned our approaches towards the attainment of zero complaints on data breaches.

To this end, we have developed internal policies and procedures that are in line with PDPA 2010 guidelines and requirements as well as industry better practices. Essentially, our Group level policies and procedures cover the guidelines in relation to the following scope:

- Data governance;
- Data management;
- Accessibility of data;
- Data security;
- Data inventory and discovery procedures;
- Encryption of data; and
- Destruction of data.

In addition, we are also guided by our internal procedures in the event of a data breach or loss. With this in place, we believe that our employees will be better prepared to detect and analyse a breach, followed by adequate responses via remediation and recovery. We continuously concentrate our efforts on reviewing and refreshing these SOPs and systems that handle data to identify any vulnerabilities when dealing with customers' data. Through a periodic review, we are able to ensure the appropriateness and capability of these SOPs and systems in guiding the Group to acquire the best data protection standards and practices.

In practice, employees that deal with sensitive and private data will analyse the processes that are involved in the identification of key focus areas. This analysis is followed by identification of actions to safeguard the data and appropriate remedial measures in the event of data breach. It is also our due responsibility to continuously notify our customers on how their data will be utilised and dealt with, which is through an extension of our privacy policy when they provide data.

To track the effectiveness of our actions, we maintain a compilation of cybersecurity incidents in a report, detailing their status and resolutions. Our team is dedicated in ensuring all issues related to cybersecurity incidents are resolved in an effective and timely manner.

OUR PERFORMANCE

With our continuous effort to ensure data protection, we are proud to report that there have been zero cases and substantiated complaints concerning breaches of customer privacy and losses of customer data. We have continuously attained our yearly target of maintaining the number of substantiated complaints to be less than 5% of our total customers. Although we have achieved zero substantiated complaints from FY2021 to FY2023, we will strive to maintain this performance and improve the quality of our data privacy and security policies and procedures moving forward.

Year	2021	2022	2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**

INDEPENDENT LIMITED ASSURANCE REPORT

Independent Limited Assurance Report on Subject Matter Information in Star Media Berhad's Sustainability Statement 2023

We, Grant Thornton Malaysia PLT ("Grant Thornton") were engaged by Star Media Group Berhad ("SMG") to provide limited assurance on selected Common Sustainability Matters ("CSMs") ("Subject Matter Information") as reported by SMG in its Sustainability Statement for the year ended 31 December 2023 ("Sustainability Statement").

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected CSMs reported in SMG's Sustainability Statement, as presented below.

Underlying Subject Matter	Units	Subject Matter Information
Content creation, sourcing and management	Not applicable	Page 78-80 in the Annual Report/Sustainability Statement
Emissions management: Scope 1 emissions	Tonnes CO_2-eq	Page 86-87 in the Annual Report/Sustainability Statement
Emissions management: Scope 2 emissions	Tonnes CO_2-eq	Page 86-87 in the Annual Report/Sustainability Statement
Proportion of spending on local suppliers	Percentage	Page 84-85 in the Annual Report/Sustainability Statement

Our assurance is with respect to the year ended 31 December 2023 Subject Matter Information only and we have not performed any procedures with respect to earlier periods or any other information included in the SMG's Sustainability Report and, therefore, do not express any conclusion thereon.

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which SMG is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on SMG's internal sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Statement ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of SMG are responsible for:
- determining appropriately selected reporting CSMs;
- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Statement and the Reporting Criteria and their contents.

Independent Limited Assurance Report on Subject Matter Information in Star Media Berhad's Sustainability Statement 2023 (cont'd.)

Our responsibilities

We are responsible for:
- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to SMG.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws *(on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), "*Assurance Engagements other than Audits and Reviews of Historical Financial Information*" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, "*Assurance Engagements on Greenhouse Gas Statements*" ("ISAE 3410"). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:
- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of SMG and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- performing analytical procedures for consistency of data with trends and our expectation;

Independent Limited Assurance Report (cont'd.)

Independent Limited Assurance Report on Subject Matter Information in Star Media Berhad's Sustainability Statement 2023 (cont'd.)

Work performed (cont'd.)

Considering the circumstances of the engagement our work included, but was not restricted to: (cont'd.)
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected carbon conversion factor calculations, unit conversion factor calculations and other calculations used by SMG to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of SMG for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Statement and narrative accompanying the Subject Matter Information in the Sustainability Statement with regard to the Reporting Criteria, and for consistency with our findings.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different but acceptable evaluation and measurement techniques that can affect comparability between entities over time. Non-financial information is subject to more inherent limitations than financial information given the nature of the underlying characteristics of the subject matter and the methods used to determine such information.

In addition, due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Statement may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Statement, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Intended use of this report

This limited assurance report, including our conclusion, has been prepared solely for the Board of Directors of SMG in accordance with the terms of the letter of engagement. Our work has been undertaken so that we might state to SMG those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than SMG for our work or this report, or for the conclusion we have reached.

Our report is released to SMG on the basis that it shall not be copied, referred to or disclosed, in whole (save for SMG's own internal purposes) or in part, without our prior written consent.

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants
Kuala Lumpur
Date: 8 April 2024