Straits Orthopaedics

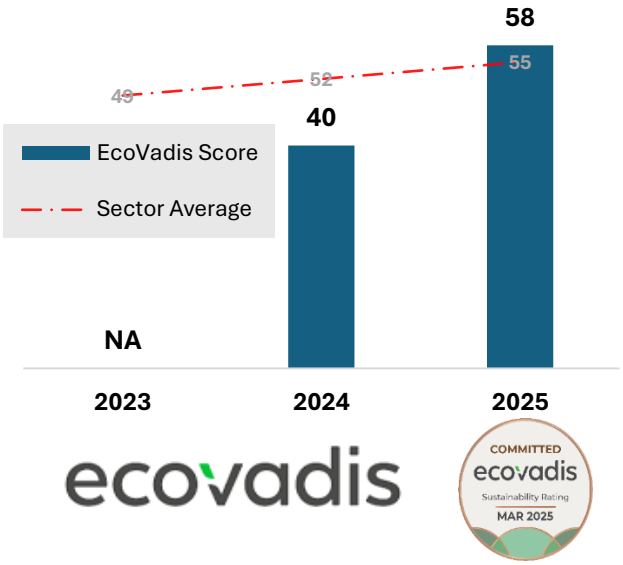
Sustainability Report 2024

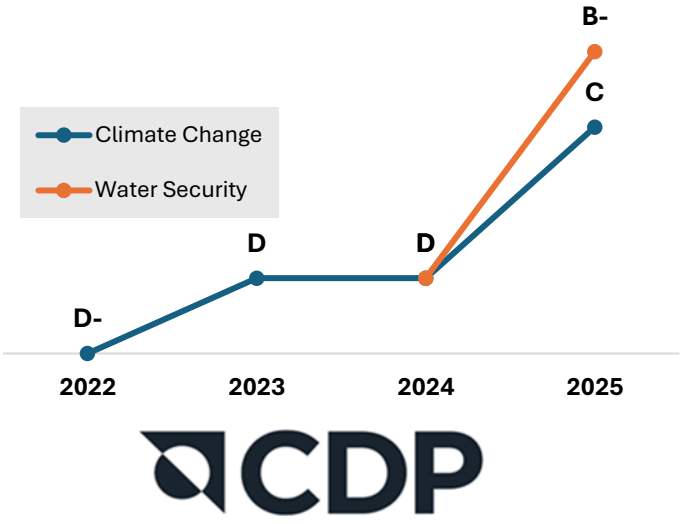
With reference to GRI Standards (2021)

Straits Orthopaedics' ESG Milestones in 2024

Environment	Social	ESG-Wide Efforts
Achievements • Installed wastewater treatment plan • Installed chilled water air-conditioning systems • Installed air pollution control	**Achievements** • Audited 5 suppliers covering ESG aspects • 98% suppliers responded on ESG survey • 75% suppliers signed Supplier Code of Conduct from suppliers • 98% workers received ESG training	**Achievements** • Implemented Convene ESG digital platform to enhance tracking and monitoring of ESG-related data.
Upcoming Plans • Purchase Renewable Energy Certificates (RECs) • Install internal electricity meters • Install motion sensors • Consolidate Site 1 and Site 2 operations to Batu Kawan • Relocate employee hostel closer to work locations • Increase recycling rate and coverage	**Upcoming Plans** • Install Automated External Defibrillators (AED) at Site Batu Kawan • Collaborating with NGOs for clothes donation • Conduct medical screening and blood donation programs • Organize ESG exchange sessions with selected suppliers • Increase meal subsidies for employees	**Upcoming Plans** • External Assurance in 2025 • Materiality Assessment in 2025

ESG Rating





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A message from the CEO

Dear Stakeholders,

On August 1, 2025, I had the privilege of succeeding Mr. T.H. Su as Chief Executive Officer of Straits Orthopaedics. I want to recognize and thank him for his years of leadership, for integrating sustainability throughout our organizational practices, and for guiding Straits Orthopaedics to the strong position we hold today. It is an honor to carry this responsibility forward.

Our purpose is to enable orthopaedic companies to help ever more people regain their quality of life. Our values—Respect, Commitment, and Partnership—guide us daily. They remind us that if we respect and care for our people, they will care for the environment and do the right thing always in every interaction with each other and with our customers, suppliers, regulators, and communities.

In the past year, we made measurable progress on our sustainability journey. In 2024, our EcoVadis score placed us in the 21st percentile with an overall rating of 40. In 2025, we advanced to the 50th percentile with a score of 58. This reflects concrete improvements across labor practices, ethics, and procurement, and stronger reporting of our environmental performance. We are proud of this step forward, and we know it is only the beginning. In addition, we strengthened our climate-related disclosures and governance, resulting in an improved rating in our submission to CDP. This progress demonstrates our growing maturity in managing climate risks and opportunities, as well as our commitment to aligning with global expectations on environmental accountability.

Looking ahead, we remain committed to continuous improvement. We will build on these gains by investing in our people, strengthening our systems, and deepening our partnerships. Sustainability is not a separate initiative; it is how we will grow as trusted partners to our customers and as a responsible member of our community.

I am deeply grateful for the dedication of our employees, the trust of our customers, and the support of our stakeholders. Together, we will ensure that Straits Orthopaedics grows responsibly, delivers value with integrity, and contributes positively to society and the environment.

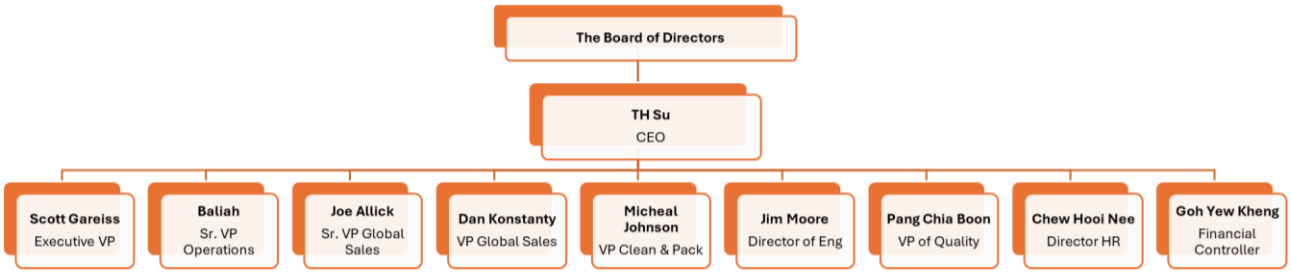
Sincerely,

Scott Gareiss
Chief Executive Officer
Straits Orthopaedics (Mfg) Sdn. Bhd.

GRI 2: General Disclosures 2021

The organization and its reporting Practices

Organizational Details[1]



Company Name	Straits Orthopaedics (Mfg) Sdn Bhd
Location of Headquarters	Prai, Penang
Location of Operations	Malaysia
Date of Establishment	2003
Contact No.	+604 - 383 8187
Fax	+604 - 383 8178
Email	esg@straitsortho.com.my
Website	https://www.straitsortho.com.my/

Straits Orthopaedics is a private limited company incorporated in Malaysia. It is a subsidiary of First Ortho Investment Holdings Pte Ltd. The penultimate and ultimate holding company is Next Ortho Investment Holdings Pte. Ltd. and Quadria Fund II Holdings Pte Ltd respectively. All three companies are incorporated in Singapore.

Entities included in the organization's sustainability reporting

This Sustainability Report covers all business operations of Straits Orthopaedics, including its headquarters and wholly owned or controlled manufacturing units in Malaysia (Collectively: Groupwide), unless otherwise specified. For Scope 1, initiatives such as the closure of Site 3A in November 2024 and the consolidation of Site 1 and 2 at Batu Kawan site are expected to reduce mobile combustion emissions from inter-site transport.

Entities/Units Covered	Location	Key Business Activities
Site 1	2, Lengkok Teluk Kumbar 1, Jalan Teluk Kumbar, 11920 Bayan Lepas, Penang, Malaysia.	Clean and pack operations
Site 2	No. 2483 Tingkat Perusahaan 4A, Prai Free Industrial Zone, 13600 Prai, Penang.	Headquarters, machining, and surface treatment operations
Site 3A[2]	353, Lorong Perindustrian Bukit Minyak 22, Penang Science Park, 14100 Simpang Ampat, Penang.	Machining operations

[1] Please note the change of the CEO from Mr. TH Su to Mr. Scott Gareiss on August 1, 2025.
[2] The site ceased to serve as Straits Orthopaedics' operating site following its official closure on November 30, 2024.

Site 3B	20966 & 20971, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Penang.	Machining operations
Site 5[3]	PMT 850, Persiaran Cassia Selatan 8, Taman Perindustrian Batu Kawan, Bandar Cassia, 14110, Penang, Malaysia.	Headquarters, machining, surface treatment and clean & pack operations

Reporting period, frequency and contact point

This is Straits Orthopaedics' second sustainability report, covering data from 1 January 2024 to 31 December 2024, unless otherwise specified. The report includes information from all entities under our operational control. We are committed to publishing our sustainability disclosures on an annual basis.

For questions or further information regarding this report, please contact us at esg@straitsortho.com.my

Restatements of information

Straits Orthopaedics restates the following energy intensity data, previously disclosed in the Sustainability Report 2023 (SR 2023), computed using UK DEFRA conversion factor. In the revised computation, Straits Orthopaedics applied the more specific measurement US EPA conversion factors.

Energy Intensity

	In SR 2023	Revised data reported herein
Year-over-year Change in Energy Intensity by Revenue	-2.40	-2.58
Year-over-year Change in Energy Intensity by Unit Sold	12.27	11.91

External Assurance

Straits Orthopaedics understands that an external assurance in ESG is an independent third-party review of an organization's sustainability data and reports to verify their accuracy, reliability, and trustworthiness. This process enhances the credibility of ESG disclosures, strengthens data management, and builds stakeholder confidence, including that of investors.

The first external assurance was conducted in June 2025, covering all available ESG data of Straits Orthopaedics, prior to the publication of this report. The assurance was carried out by MYCO2, an accredited third-party certification body recognized by the Singapore Accreditation Council (SAC) and an AA1000 Licensed Assurance Provider.

As reported in the GHG emissions Statement of Straits Orthopaedics, in accordance with ISO14064-1, the 2024 GHG emissions statement in this report is free from material misstatement, except the omission of the Well-to-Tank (fuel, delivery vehicle, business Travel; Category 5) and other emissions (Category 6) with less than 5% material threshold. Accordingly, a reasonable level of assurance has been obtained.

For other ESG disclosures, the assurance was conducted in accordance with the AccountAbility AA1000 Assurance Standard v3 (AA1000AS, 2020). Based on the Assurance Statement, it was concluded that Straits Orthopaedics' performance data and narrative disclosures, including those aligned with the GRI Standards, are not materially misstated and within an acceptable margin of error of 5%.

[3] This site was not fully operational during FY2024.

In early 2024, we invested in Convene ESG, a dedicated digital platform to centralize and manage ESG-related data. All ESG related data are collected on this platform by the respective data owner to ensure consistency and accountability. Data is sourced directly from verifiable documents such as utility bills, operational records, surveys, and internal reports. In instances where estimations or assumptions are used, clear justifications are provided to preserve the credibility and reliability of the information disclosed.

We also maintain the engagement with Ernst & Young (EY) as our external financial auditor for the validation of financial statements.

Activities and Workers

Activities, value chain and other business relationships

Straits Orthopaedics continues to operate as a contract manufacturer for leading global orthopaedic manufacturers. Our core offerings include orthopaedic implants and surgical instruments, mainly exported to the United States.

Sector	GRI Sector Standard	Category	Classification Name
Medical equipment and services	GRI44	Medical devices	Orthopaedics

We manufacture products in accordance with customer specifications by converting raw materials into finished medical devices. We source essential materials such as metals, plastics, and packaging materials mainly from the customer-appointed suppliers, and reputable manufacturers and trading companies, primarily based in the United States.

Our in-house manufacturing capabilities consists of machining, post-machining, surface finishing, heat treatment, laser marking, welding, assembly, cleaning, and final packaging. Some manufacturing processes are outsourced. For example, PVD coating, aluminium anodizing, and sterilization, to our approved suppliers.

Straits Orthopaedics operates under the Ex Works-incoterm. We deliver products using the freight forwarding services appointed by our customers, with shipments primarily conducted via air freight.

In 2024, we manufactured and supplied approximately 2.6 million medical devices. There was no product recalls from the customers reported during the year.

This is the second sustainability report by Straits Orthopaedics. Compared to previous year, there were no significant changes to our business activities, supply chain, and other business relationships.

Employees

As of 31st December 2024, Straits Orthopaedics has a total of 1,042 employees in headcount[4], of which 71.02% are male, while 28.98% are female. The lower female representation is mainly due to the nature of the work involved.

Our workforce comprises 42.42% Malaysians and 57.58% foreign expatriates and skilled workers. Compared to the previous year, the headcount was reduced by approximately 15% as the result of operational efficiency efforts.

[4] Employee or worker data is reported in head count, and this unit of measure will be used in the reporting for subsequent years. No assumption used to compile the data. Any updates of the methodology will be specified.

We are grateful for our reliable and skilled team, which drives the progress of Straits Orthopaedics. Our workforce is a harmonious blend of genders and nationalities, fostering a well-balanced and inclusive environment.

Workforce[5]	FY2024	FY2023	FY2022	Unit
Total	1,042	1,223	945	#
By Gender				
Female	302	377	309	#
Male	740	846	636	#
By Employment Contract				
Contract	641	823	436	#
Permanent	401	400	509	#
By Employee Type				
Full-time	1,042	573	945	#
Part-time	0	650	0	#

Employment Contract	FY2024	FY2023	FY2022	Unit
Contract				
Female	98	0	56	#
Male	543	0	380	#
Permanent				
Female	204	0	253	#
Male	197	0	256	#

Employee Type	FY2024	FY2023	FY2022	Unit
Full-time[6]				
Female	302	279	309	#
Male	740	294	636	#
Part-time				
Female	0	98	0	#
Male	0	552	0	#

Workers who are not employees

As of 31st December 2024, we had 21 non-employee contract workers on site employed as cleaners, and this number was maintained throughout the year.

No. of non-employee[7] workers	FY2024	FY2023	FY2022	Unit
Groupwide	21	22	N/A	#
Total	21	22	N/A	#

[5] Based on the current business operations (Groupwide) outlined in this report, all employees are based in Malaysia.

[6] According to the GRI, a full-time employee is someone whose working hours—whether measured weekly, monthly, or yearly—are established by national law or practices concerning working time. 3 In line with the Employment Act of 1955, a full-time employee in Malaysia is defined as an individual who works up to 40 hours per week. In line with the Employment Act of 1955, a full-time employee in Malaysia is defined as an individual who works up to 40 hours per week.

[7] According to information from Velocity Global's website, a non-employee is an individual who collaborates with an organization but is not officially employed by it. Non-employees may work on a temporary, freelance, or contract basis and typically do not receive the same level of job security or benefits as regular employees.

Governance

Governance structure and composition

At Straits Orthopaedics, the highest governing authority is the Board of Directors, which is responsible for overseeing the management team and ensuring the effective implementation of the company's policies, strategic direction, and business objectives. The Board collectively brings a diverse set of expertise and experience, providing strategic oversight to guide Straits Orthopaedics toward long-term growth and sustainability.

As of 31st December 2024, the Board remains comprised of five members[8]:

- Mr. Su Then Hack
- Dr. Kirk Chin Kee
- Dr. Wilder Fullford
- Mr. Ewan Davis
- Mr. Joseph Khoo

Nomination and selection of the highest governance body

Shareholders nominate the appointment of the member of the Board. The nomination is based on each member's merits, expertise, experience, and knowledge as deemed fit by the shareholders.

Chair of the highest governance body

Mr. Su remained as the Chairman of the Board, the highest governing body of the Company. As a Chairman, Mr. Su leads and oversees the Board's activities, providing strategic direction and focus. Mr. Su establishes a clear structure for the Board and Executive Committees to operate effectively, engages with shareholders on Straits Orthopaedics' governance, and fosters a culture of oversight while integrating sustainability at the core.

Role of the highest governance body in overseeing the management of impacts

The Board oversees Straits Orthopaedics' overall performance, ensuring alignment between the Board and Management agendas with a clear focus on financial, operational, and ESG performance, as well as pipeline progress and business development.

Mr. Su, as the Chair, sets the discussion agenda around ESG management, and ensures adequate time is allocated for meaningful discussions to support informed decision-making. Representatives from the ESG Committee shall attend and report to the Board and Executive Committee meetings regularly.

Ultimately, the Board and Management shall be responsible for making key decisions around the organization's purpose, value, or mission statements, strategies, policies, and goals related to sustainable development, ensuring an effective overseeing culture.

Delegation of responsibility for managing impacts

The Management entrusts ESG management to the ESG Committee, which reports on sustainability status and performance, monitors policy adherence, reviews process compliance and effectiveness, and determines and executes improvement actions with the stakeholders.

The ESG Committee, established since 2023 under the support and guidance of our Board and Management, drives Straits Orthopaedics' sustainability initiatives. The Committee, reporting to the

[8] As of 31 December 2025, Mr. TH Su and Mr. Joseph Khoo ceased to be Directors of the Board. Mr. Scott Gareiss was appointed as a director during the year, while the remaining Directors continued in office. Following these changes, the Board comprises a total of four Directors. Further details will be disclosed in the next Sustainability Report.

Board and Management, comprises managers from cross-functional departments such as Quality, Environment, and Human Resources. It also undertakes ad-hoc tasks that may require collaboration with other departments, including Finance and IT.

Role of the highest governance body in sustainability reporting

This report, including disclosed data and the information, is prepared by the ESG Committee, reviewed and approved by the highest governance body.

Conflicts of interest

Board members must declare any personal or indirect conflicts of interest in matters under consideration and are prohibited from voting as a director on any resolution related to those matters. Unless explicitly agreed by the Board, the quorum for board meetings will be adjusted to exclude the conflicted director.

Communication of critical concerns

The ESG Committee is responsible for addressing any stakeholder concerns in regard to our sustainability efforts. If any critical issues arise from key stakeholders that cannot be resolved by the Committee, they will be escalated to the Management. No critical concerns were identified during the preparation of the current Sustainability Report.

Collective knowledge of the highest governance body

The Board possesses a wealth of experience, with 100 years of collective expertise in healthcare business and strategy. New members or subject matter experts may be brought in to address competency gaps, and training may be provided to enhance competency at the leadership level.

Evaluation of the performance of the highest governance body

The shareholders conduct regular assessments of the Board's performance, collective knowledge, skills, and experience in the industry to ensure alignment with the Company’s objectives. Based on the effectiveness of the Board and the specific skills and expertise required to oversee and manage the Company, the shareholders exercise their authority to determine the Board's structure.

Remuneration policies

The board, as empowered by the Companies Act 2016, is responsible for overseeing the appointment, performance, and remuneration of Management, ensuring that compensation is performance-linked and reviewed regularly. Our stakeholders can assess whether the remuneration of directors and management aligns with individual performance in relation to the company's overall performance.

Process to determine remuneration

In reviewing individual remuneration, factors such as job scope, roles and responsibilities, local employment laws and regulations, individual appraisals and performance, and key performance indicators are considered. The Board approves the total remuneration budget based on the strategic plan for the relevant year.

Annual total compensation ratio

In consideration of confidentiality, the compensation ratio between the highest-paid management and employees (excluding the highest-paid management) will remain undisclosed. Any inquiries regarding remuneration will be addressed by the highest governance body, who will provide appropriate responses.

Strategy, policies and practices

Statement on sustainable development strategy

Kindly refer to the CEO's message included in this report.

Policy commitments

Straits Orthopaedics remains firmly committed to embedding sustainability across its operations. In alignment with international standards, we continue to implement our Sustainability Policy developed in 2023, which outlines our approach to key ESG areas including regulatory compliance, ethical business conduct, responsible supply chain management, labor and human rights, environmental responsibility, occupational health and safety, and stakeholder engagement.

The policy, formally approved by the Chief Executive Officer, reflects our dedication to integrating sustainability principles into day-to-day operations and long-term strategic planning.

To ensure awareness and alignment, the Sustainability Policy is shared with employees during onboarding sessions, ongoing training programs, and displayed on company notice boards and the official website.

We have communicated our policy and Supplier Code of Conduct to our suppliers. As of 31 December 2024, 75% of suppliers have acknowledged the Code, and we are actively working to achieve full coverage through closer monitoring and engagement.

All policies listed in the following table remain publicly accessible via our company website.

List	Policies and Code of Conduct
1	Sustainability Policy
2	Environmental Policy
3	Safety and Health Policy
4	Anti-Bribery and Anti-Corruption Policy
5	Fair Competition Policy
6	Supplier Code of Conduct

Embedding policy commitments

Straits Orthopaedics remains committed to embedding ESG principles as a core part of its business strategy and operations. Under the direction of the management team, the ESG Committee remains responsible for driving ESG-related policy development, implementation, and performance oversight. Sustainability progress is regularly reviewed by both the Board and management during business evaluations, with identified gaps and opportunities incorporated into strategic planning.

Building on the due diligence conducted in 2023 by Quadria Capital and the progress achieved in 2024, we have developed a new ESG Action Plan for 2025. This plan outlines key ESG improvement areas, assigns clear responsibilities, and sets target dates for implementation.

In terms of ESG performance, Straits Orthopaedics completed its first EcoVadis sustainability assessment in December 2023, receiving a score of 40. Following this, extensive improvement measures were launched to address identified performance gaps. Prior to the publication of this report, we successfully completed our EcoVadis reassessment in March 2025 and achieved a score of **58**, surpassing the industry sector average of 55, and were awarded the **EcoVadis *Committed*** badge. This improvement reflects our commitment to continuous enhancement of our sustainability practices, and we aim to achieve better. Further details about our EcoVadis assessment results are available via the QR code provided.

Processes to remediate negative impacts

Straits Orthopaedics is committed to promptly addressing and remediating any negative impacts from our business and operations, under the oversight of our ESG Committees. This commitment is formalized in our policies and Code of Conduct, which outline our responsibility to provide or cooperate in providing remedy when the organization causes or contributes to actual environmental, social, or economic impacts. Any unresolved issues will be escalated to the highest governance body, with professional expertise engaged where necessary. All feedback, collection of evidence, resolutions, remediation plan and changes to the internal processes, will be recorded and retained by the ESG Committee.

To maintain business continuity, we have an emergency response plan and procedure to address potential material disruptions. As we review these procedures to incorporate ESG risks, we also ensure an internal audit process is in place to assess procedural effectiveness.

Mechanisms for seeking advice and raising concerns

The ESG Committee is composed of qualified individuals from various fields. Internal and external stakeholders are encouraged to contact the ESG Committee through e-mail (esg@straitsortho.com.my), as disclosed in our website, or in-person for feedback or concerns on Straits Orthopaedics' ESG management and performance.

We maintain a structured grievance handling process to promptly collect and address both internal and external feedback through thorough investigation, confidential handling, and timely responses. Internal employee grievances follow a structured process that ensures confidentiality, timely response, and resolution, including reporting the issue, collection of evidence, investigation, discussion with relevant parties, and acknowledgment of resolution. External stakeholder grievances are similarly managed, with clear steps: receipt of the grievance, preliminary review, investigation and engagement with relevant parties, remediation planning, and final communication to the stakeholder. Our grievance channels are available on our website and displayed at the guardhouse and on-site notice boards; process is outlined in our grievance handling procedure.

Compliance with laws and regulations

In 2024, Straits Orthopaedics recorded two occurrences of environmental violation, as identified by the Department of Environment (DOE) of Malaysia. Both occurrences were related to improper waste storage at our facilities. The issues were promptly addressed on the same day, with immediate corrective actions implemented and accepted by the DOE. Following these events, we enhanced the Environmental & Social audit checklist to provide broader coverage and improve issue detection.

Aside from the above, there were no significant legal violations, fines, or non-monetary sanctions during the reporting period.

Non-Compliance Incidents	FY2024	FY2023	FY2022	Unit
Total number of significant instances of non-compliance with laws and regulations during the reporting period	2	0	2	#
instances for which fines were incurred	2	0	2	#
instances for which non-monetary sanctions were incurred	0	0	0	#
Total monetary fines	895.00	0.00	848.00	USD ($)

Membership associations

Straits Orthopaedics is a member of the Association of Malaysian Medical Industries (AMMI), dedicated to representing orthopaedic device manufacturers' interests in Malaysia.

Stakeholder engagement

Approach to stakeholder engagement

Straits Orthopaedics understand the importance of regular engagement with both internal and external stakeholders, particularly on matters related to environmental, social, and governance (ESG). Our key stakeholders include employees, customers, investors, suppliers, and regulatory bodies. Internal stakeholders such as employees are identified due to their role in day-to-day operations and contribution to ESG initiatives. External stakeholders, including customers, suppliers, investors, and regulatory bodies, are identified based on their influence on our business, potential exposure to ESG impacts, and their ability to affect or be affected by our operations. Engagement activities are designed to promote mutual understanding, knowledge sharing, and alignment of expectations, ultimately supporting long-term value.

While we have yet to implement a formal stakeholder engagement strategy, we continue to interact with our stakeholders through various structured and informal channels.

The following table outlines our main engagement practices throughout the year:

Stakeholder	Engagement
Employee	Intranet, internal meetings, performance reviews, training
Customer	Engagement meetings, audit meetings and interviews, site visits, website, ESG ratings
Shareholder and investor	Board and executive committee meetings, site visits, annual and interim reports, ESG ratings
Business partner	Engagement meetings, site visits, supplier performance audits
Regulator	Audit meetings and interviews

Collective bargaining agreements

Straits Orthopaedics does not have an established workers' union and has not received any formal requests for union representation. Consequently, no collective bargaining agreements are currently in place. However, we uphold and respect all employees' rights to freedom of association and collective bargaining, in line with the provisions of Malaysia's Industrial Relations Act 1967.

In 2024, Straits Orthopaedics conducted an annual social dialogue with seven representative workers to better understand workers' concerns and gather feedback on work-related issues. The dialogue provided valuable insights, and the feedback received was used to guide improvements in employee well-being, workplace practices, and overall engagement. The responses to the issues are recorded.

GRI 3: Material Topics 2021

Process to determine material topics

In 2025, Straits Orthopaedics conducted a materiality assessment to identify and prioritize economic, environmental, and social topics and to align sustainability initiatives with material topics. Internal stakeholders, including the ESG Committee members, as well as top and middle management, rated

each GRI topic based on its impact on the organization and stakeholders. Ratings from selected internal stakeholders were compiled and analyzed using a standardized scoring mechanism and weighting.[9]

List of material topics

Material topics were defined as those that received high scores from internal stakeholders. The identified material topics for this reporting period are as follows, with further details provided in the respective chapters of this report:

Material Topics 2025	Category
GRI 303: Water and Effluents 2018	Environment
GRI 305: Emissions 2016	Environment
GRI 306: Waste 2020	Environment

GRI 303: Water and Effluents 2018

Management of Material Topics

Aligned with our Environmental Policy, Straits Orthopaedics continued to strengthen its efforts in water conservation and pollution prevention. The Environmental Team led initiatives to optimize water usage and ensure responsible effluent management across all sites. We collected the total consumption reported by Penang Water Supply Corporation (PBA), further recorded and monitored consumption trends via the Convene ESG digital platform.

Wastewater was treated on-site in compliance with the Environmental Quality Act 1974 (Act 127) and the Environmental Quality (Industrial Effluent) Regulations 2009. Wastewater sampling and testing were conducted regularly to ensure full compliance before discharge.

Interactions with water as a shared resource

Water is withdrawn from PBA, primarily for surface treatment, final cleaning, and some general cleaning activities. The Environmental Team regularly assesses the risks of water shortage, water pollution and effectiveness of control measures by staying informed through news, articles, and legislation. Any significant increases in usage are thoroughly investigated and reported. Straits Orthopaedics is committed to water conservation through awareness campaigns, monitoring of consumption, and effective maintenance of facilities to minimize wastage.

Management of water discharge-related impacts

Manufacturing effluent is treated on-site before being discharged into municipal sewers. Straits Orthopaedics regularly tests treated effluent at Site 1 and Site 2 to ensure compliance with local environmental standards and specifications. These sites represent all locations where manufacturing effluent is generated. Fo other sites, they do not generate significant manufacturing effluent; any minor effluent generated is managed as scheduled waste and collected by licensed contractors. Monitoring will be extended to Site Batu Kawan to monitor effluent that will be generated in the future. Effluent discharge standards in Malaysia are regulated under the Environmental Quality Act 1974 (Act 127) and the Environmental Quality (Industrial Effluent) Regulations 2009. Effluent that cannot be treated on-site is disposed as hazardous waste and collected by licensed hazardous waste collectors. In 2024, the Department of Environment (DOE) conducted an inspection at Straits Orthopaedics, and no instances of non-compliance related to effluent discharge were reported.

[9] While materiality assessment conducted in 2025 was based solely on internal inputs, we recognize the importance of formalizing the methodology and including external stakeholder participation in future assessments. Next year, a comprehensive materiality assessment will be conducted in accordance with recognized frameworks to validate and prioritize these topics further.

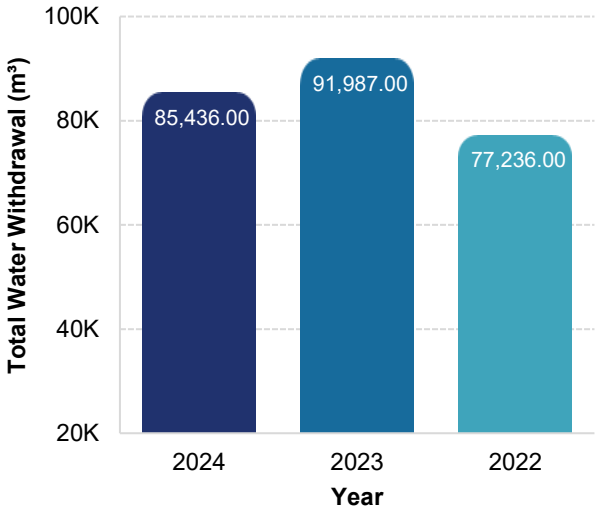
In 2024, Straits Orthopaedics began constructing a robust wastewater treatment plant at the Batu Kawan site to prevent water pollution by treating wastewater before it is discharged to the environment. The plant is scheduled to become operational in 2025.

Water withdrawal

While Straits Orthopaedics operates in Penang, Malaysia, a region classified by the Aqueduct Water Risk Atlas as having less than 10% water stress, we remain committed to conserving water and closely monitoring our water consumption.

Compared to 2023, we have reduced our water withdrawal to 7% in 2024, as the result of operational efficiency efforts. Awareness initiatives are in place to encourage responsible water use across all operational sites.

To improve tracking and control, we plan to install water monitoring meters at high water consumption locations, particularly at the surface treatment and final cleaning areas at the Batu Kawan site.



Total Withdrawal[10]	FY2024	FY2023	FY2022	Unit
Groupwide	85,436.00	91,987.00	77,236.00	m^3

Water discharge

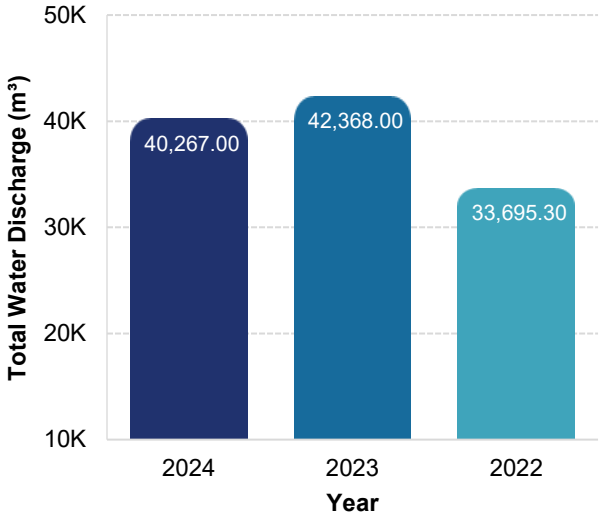
The majority of our discharge consists of industrial effluent, while water losses from general cleaning and evaporation are considered insignificant and disregarded.

Straits Orthopaedics discharges treated wastewater from our Penang operations to the municipal sewage system in an area with low water stress[11]. (less than 10% water stress according to Aqueduct Water Risk Atlas). Our water discharge does not contribute to local water stress and complies with all applicable environmental regulations, ensuring minimal impact on local water resources.

In 2024, all discharge practices and effluent levels were closely monitored to ensure compliance with environmental regulations[12]. Treated effluent was discharged only after meeting the permissible

[10] According to PBA, the water was mainly abstracted from rivers falling under the freshwater category. Figure as recorded in the bill issued by PBA.
[11] According to the European Environment Agency (EEA), discharging wastewater in high-water stress areas can worsen existing water scarcity issues by further contaminating the available clean water. The Global Water Forum states that high-water stress areas are more susceptible to environmental damage and disruption of local ecosystems due to additional water discharges.
[12] Malaysia's Environment Quality (Industrial Effluent) Regulations 2009, Standard B.

limits for regulated substances. No instances of non-compliance or community complaints related to discharge practices were recorded during the reporting period.



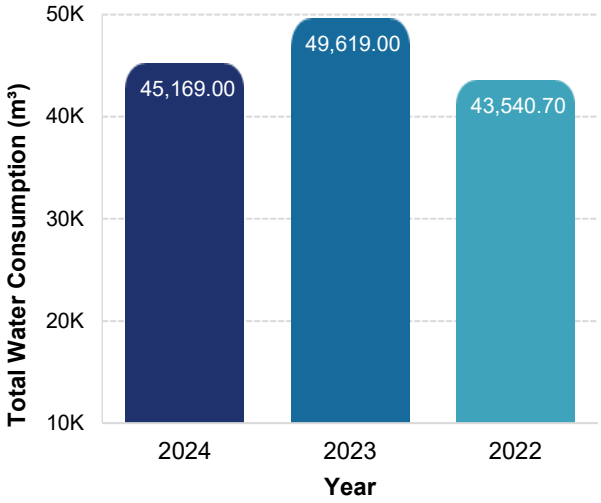
Total Discharge	FY2024	FY2023	FY2022	Unit
Groupwide	40,267.00	42,368.00	33,695.30	m^3

Compared to 2023, our water discharge has reduced to 5% in 2024, as the result of operational efficiency efforts. Moving forward, we aim to maintain and further reduce discharge levels through continuous process improvement. To demonstrate our commitment to regulatory compliance and environmental protection, we are going to operate a wastewater treatment system at our new site in Batu Kawan.

Water consumption

In 2024, our water consumption[13] has reduced to 9% compared to previous year, as the result of operational efficiency efforts. Acknowledging that behavioral change is a key factor in reducing consumption, employees, especially those involved in surface treatment and final cleaning processes where water usage is highest. They have been reminded to turn off water systems when not in use to prevent unnecessary wastage.

[13] According to US Word Research Institute, water consumption is the portion of water use that is not returned to the original water source after being withdrawn. Consumption occurs when water is lost into the atmosphere through evaporation or incorporated into a product or plant and is no longer available for reuse. We apply the CDP Technical Note on Water Accounting, considering both water withdrawals and discharges to accurately account for water consumption.



Total Water Consumption	FY2024	FY2023	FY2022	Unit
Groupwide	45,169.00	49,619.00	43,540.70	m^3

GRI305: Emissions 2016

Management of Material Topics

Greenhouse gas (GHG) emissions remain the focus within our environmental strategy. Straits Orthopaedics collects Scope 1, 2 and 3 GHG emissions data in the Convene ESG digital platform.

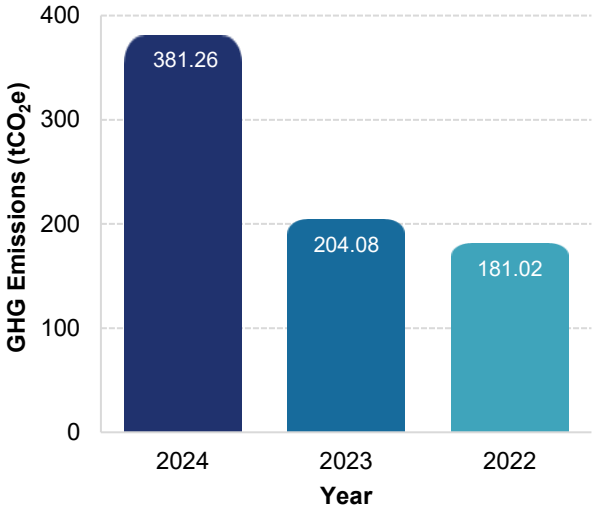
After setting a formal emissions-reduction target in 2024, we committed to cutting GHG emissions by at least 2% each year. Thanks to focused initiatives and ongoing internal awareness programs, we achieved this target in 2024, with progress tracked on a monthly basis.

While the installation of a solar panel system at Batu Kawan site has been placed on hold due to technical considerations, we will continue to pursue initiatives to improve energy efficiency, alongside offset emissions through the purchase of accredited Renewable Energy Certificates (RECs), in support of our carbon reduction commitments. In addition, considering the government initiatives on Corporate Renewable Energy Supply Scheme (CRESS)[14], we will explore the feasibility of adopting open grid access system to procure renewable energy.

In early 2025, our Scope 1, 2, and 3 GHG emissions were externally assured by an accredited third-party, concluding that our GHG statement is free from material misstatement and aligns with ISO 14064-1.

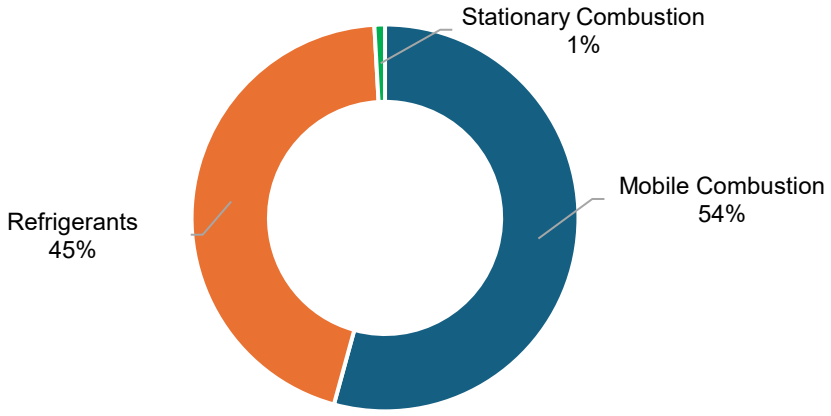
[14] According to the Ministry of Energy Transition and Water Transformation (PETRA), the Corporate Renewable Energy Supply Scheme (CRESS) allows corporate consumers to purchase renewable energy directly from developers through the existing grid. Tenaga Nasional Berhad (TNB) plays a vital role by managing the grid connection and providing the framework for third-party access.

Scope 1 GHG emissions



Scope 1 GHG Emissions[15]	FY2024	FY2023	FY2022	Unit
Groupwide	381.26	204.08	181.02	tCO_2e

Scope 1 GHG Emission Breakdown in 2024



Our direct (Scope 1) greenhouse gas emissions[16] primarily originated from diesel used in on-site electricity generation and fugitive emissions from refrigerants. For stationary combustion, starting in May 2024, we adopted activity-based tracking by recording actual[17] diesel usage for Site 1 and also included fugitive refrigerant emissions in our Scope 1 inventory for the first time. For mobile combustion, emissions were generated from fuel consumption by company vehicles used to transport products between sites.

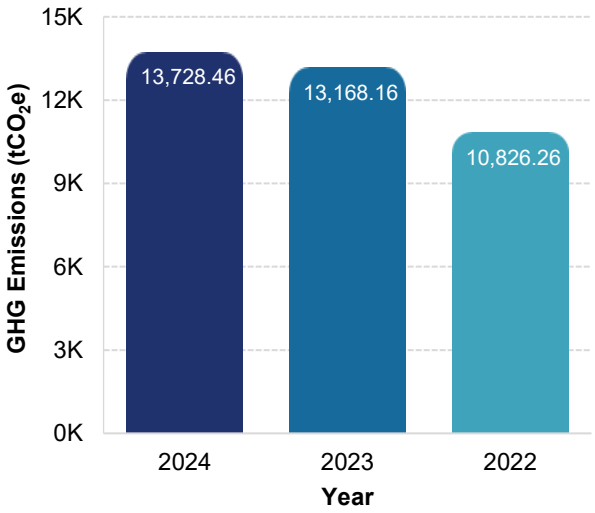
[15] Applied an activity-based approach to quantify CO2 emissions from stationary combustion and CO2, CH4, and N2O emissions from mobile combustion, with global warming potentials of 24 and 298 for CH4 and N2O, respectively. HFC/PEC/SF6/NF3 are included (Refrigerant) for this year's calculations. The methodology follows the GHG Protocol, utilizing emission factors and global warming potential values from the US EPA 2024.

[16] Biogenic emissions, as defined by the US EPA, originate from natural sources like vegetation, soils, volcanic activity, lightning, and sea salt, and are not applicable to Straits Orthopaedics.

[17] Prior to activity-based tracking, diesel usage for generator operations at Site 1 was estimated at 20 L per month.

As a result of the expanded Scope 1 emissions inventory to include refrigerant emissions, change in emission factors[18], and more accurate activity-based tracking of stationary combustion data, Scope 1 emissions increased by 87% compared to 2023.

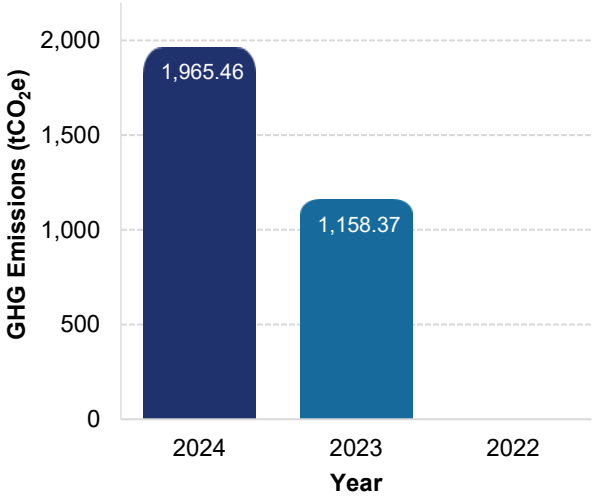
Scope 2 GHG emissions



Scope 2 GHG Emissions[19]	FY2024	FY2023	FY2022	Unit
Groupwide	13,728.46	13,168.16	10,826.26	tCO_2e

Scope 2 GHG emissions increased by 4% compared to 2023, mainly due to electricity consumption associated with construction and relocation activities at our Batu Kawan and Nagasari sites[20].

Scope 3 GHG emissions



[18] In 2024, Straits Orthopaedics adopted US EPA emission factors, replacing the Malaysia Green Technology and Climate Change Corporation (MGTC) factors used in 2023, which led to higher reported emissions. Compared to the general MGTC emission factors, using the more specific U.S. EPA emission factors allows us to report emissions with more accuracy and detail by category.

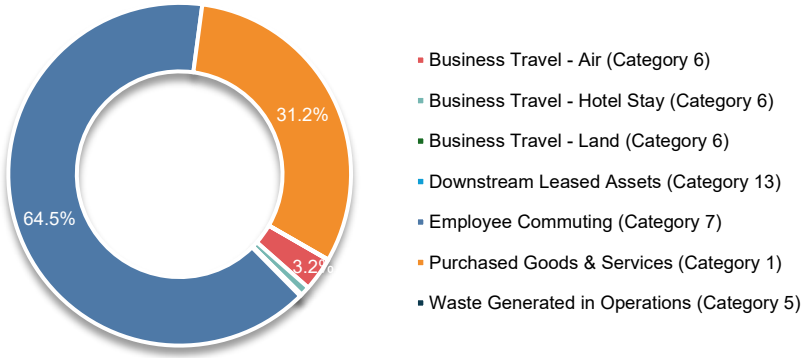
[19] Applied a location-based calculation method for Scope 2 emission. The methodology follows the GHG Protocol, utilizing 0.774 $kgCO_2e$ /kWh grid emission factors of 2022 from the Electricity Commission of Malaysia.

[20] In 2024, Scope 2 emissions were captured for the Nagasari site commencing January 2024, and for the Batu Kawan site commencing May 2024.

Scope 3 GHG Emissions[21]	FY2024	FY2023	FY2022	Unit
Groupwide	1,965.46	1,158.37	N/A	tCO_2e

To demonstrate our commitment to improving data completeness, accuracy, and transparency in our GHG inventory, we expanded our Scope 3 inventory in 2024 to include additional categories compared to 2023[22], resulting in a 70% increase in Scope 3 emissions.

Scope 3 GHG Emissions Breakdown



Scope 3 GHG Emissions Breakdown	Cat.[23]	FY2024	FY2023	FY2022	Unit
Purchased Goods & Services[24]	1	612.80	0.00	0.00	tCO_2e
Waste Generated in Operations	5	0.74	0.00	0.00	tCO_2e
Business Travel – Air	6	62.33	4.38	0.00	tCO_2e
Business Travel - Hotel Stay	6	17.64	0.00	0.00	tCO_2e
Business Travel - Land	6	3.63	0.42	0.00	tCO_2e
Employee Commuting[25]	7	1,268.33	1,146.98	0.00	tCO_2e
Downstream Leased Assets[26]	13	0.00	6.59	0.00	tCO_2e
Total		1,965.46	1,158.37	0.00	tCO_2e

GHG emissions intensity

	FY2024	FY2023	FY2022	Unit
Total Emissions (Scope 1-2)	14,109.72	13,372.24	11,007.28	tCO_2e
Total Emissions (Scope 1-3)	16,075.18	14,530.61	11,007.28[27]	tCO_2e

[21] An operational control approach was applied to define the organizational boundary for our Scope 3 emissions. Emissions were calculated using activity data and relevant emission factors, including a combination of supplier-specific data where available and secondary data or industry-average factors where necessary. Refer to our Assurance Statement for details.
[22] In 2023, Scope 3 reporting was limited to business travel (Category 6) and Employee commuting (Category 7), which were the only categories tracked and disclosed.
[23] In line with GHG Protocol Corporate Value Chain (Scope 3 S
[24] Purchased goods and services reporting also commenced in January 2024, focusing on metal and plastic raw materials in the calculation. Waste-related emissions, also reported for the first time in 2024, cover scrap metal, metal chips, and plastic chips disposed of from daily operations.
[25] For employee commuting, the emissions for motorcycles increased from 0.178 to 0.377 $kgCO_2$ equivalent, resulting in higher reported emissions for this category.
[26] The organization leases space in a shared warehouse where electricity is centrally managed by the landlord. As the organization does not control or separately meter electricity use, and the related emissions are non-significant, these are excluded from Category 4 reporting in accordance with ISO 14064-1:2018 boundary-setting principles.
[27] Scope 3 emission for FY2022 is not available.

The increase in Scope 1 and 2 GHG emission intensity in FY2024 is primarily attributed to increased energy consumption during the construction and relocation phase to the new site as well as an expanded tracking scope.

Reduction of GHG emissions

As per our Environmental Policy, Straits Orthopaedics intended to reduce GHG emissions by at least 2% annually amid climate change. To achieve this, closing Site 3A and consolidating Site 1 and 2 at Batu Kawan site are expected to reduce inter-site transport emissions from mobile combustion. Additionally, Scope 2 emissions will be reduced by transitioning to water-cooled chillers at the Batu Kawan site, alongside energy-saving measures such as LED lighting and motion-sensor lamps. Internal electric meters will be installed to monitor energy consumption.

In short to mid-term, mitigation measures are underway, including energy efficiency improvements and exploring RECs.

Emissions of ozone-depleting substances (ODS)

Straits Orthopaedics controlled the types of refrigerants used in our facility, including R22, R410A and R32[28].

To minimize ozone depletion and impact on planetary boundaries, the Batu Kawan site will adopt water-cooled chillers operated with low-GWP, non-ODS refrigerants. In addition, Straits Orthopaedics performs monthly inspections and servicing of air conditioning systems to detect and manage any coolant leak.

Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

Straits Orthopaedics plan to collect and monitor the emissions of nitrogen oxides (NO_x), sulfur oxides (SO_x), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), or particulate matter (PM) at the Batu Kawan site once the air scrubber system is operational. Two personnel will undergo competency training courses related to scrubber system management and air emissions control in 2025.

GRI306: Waste 2020

Management of Material Topics

Guided by our Sustainability Policy, Environmental Policy and Supplier Code of Conduct, we are committed to managing waste across the operations of our products in a way it will minimize environmental harm and still comply with the regulatory requirements.

Our waste management efforts are led by a dedicated environmental team under the supervision of a CePSWaM-certified competent person. The environmental team manages and monitors waste generation, handling, storage and disposal according to the Malaysia's Environmental Quality (Amendment) Act 2024 and Malaysia's Environmental Quality (Scheduled Waste) Regulation 2005, and non-hazardous waste in accordance with the Local Government Act 1976, Act 171, Section 73 By-laws.

[28] R22 is HCFC classified as an ODS; R410A and R32 are non-ODS refrigerants.

Waste generation and significant waste-related impacts

Our manufacturing processes generate waste mainly from machining, post-machining, surface treatment, cleaning, and packaging activities. The use of raw materials, abrasives, chemicals, and packaging materials are the main contributors to this waste.

Both hazardous and non-hazardous waste are generated across upstream and downstream activities. Upstream raw material suppliers generate waste from metal processing before delivery, while downstream customers manage waste at the end-of-life stage of products. We maintain documented procedures covering all manufacturing and non-manufacturing waste streams, outlining safe handling, storage, and disposal requirements in compliance with applicable environmental regulations.

Improper waste disposal may increase landfill burdens and resource loss, while hazardous waste also poses higher contamination and health risks if mishandled. To mitigate these impacts, hazardous waste is segregated, stored safely and disposed of through licensed contractors at the facilities approved by the local city councils; while recyclable materials, particularly metal scrap, are diverted to approved recycling licensed contractors to support circular material use.

Management of significant waste-related impacts

Straits Orthopaedics generates both hazardous and non-hazardous waste at all sites. The waste management system is managed by a CePSWaM-certified competent person. The system outlines proper waste management requirements and waste reduction initiatives. Waste management systems and internal audits are implemented across all operational sites (100%), ensuring consistent compliance with regulatory requirements and supporting the company's waste reduction initiatives.

Hazardous waste is managed according to an established procedure, outlining the classification, identification, storage and disposal methods of hazardous waste for compliance with the Malaysia Environmental Quality (Scheduled Waste) Regulation 2005. The data of generated waste is reported in the Electronic Scheduled Waste Information System (eSWIS) of DOE Malaysia. The hazardous waste is managed and disposed according to the local regulations. Additionally, periodic internal audits are conducted to confirm compliance.

As part of the waste minimization strategy, Straits Orthopaedics minimizes coolant/oil-contaminated machining scrap by specifying raw material sizes, extends coolant and cutting oil life through periodic monitoring and top-ups, and control processes to reduce rejects and rework. Chemical waste is further reduced through effective inventory management and staff training to prevent expiry, spills, and related cleanup waste. E-waste is managed by purchasing refurbished computers since 2022[29] to extends the lifecycle of electronic equipment and conserves resources.

Non-hazardous waste is disposed of by the local municipal council via landfill. To reduce environmental impact, recyclable items such as cartons, plastics, and metal scraps are segregated for recycling.

Waste generated

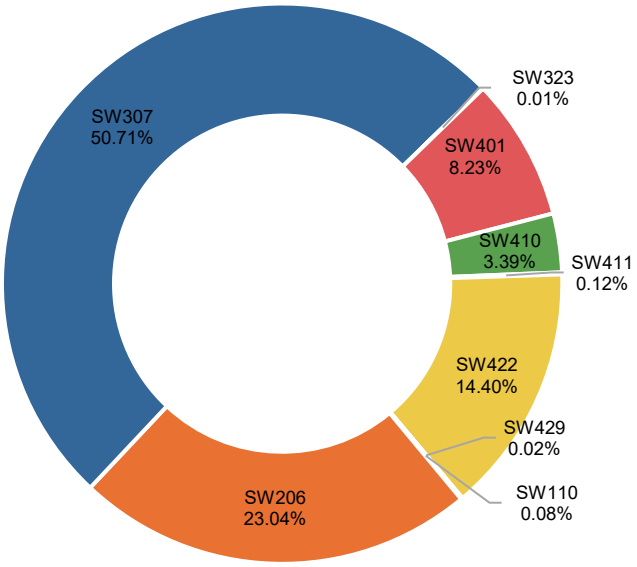
In 2024, Straits Orthopaedics generated 767.5 tonnes of waste, of which 72% was hazardous and the remaining 28% was non-hazardous. Compared to 2023, hazardous waste decreased by 14%, while non-hazardous waste decreased by 4%.

[29] Although no purchase was recorded in 2024, the initiative remains ongoing, with additional refurbished computers planned for 2025 to support the Batu Kawan site expansion and the growing workforce.

Waste Generated	FY2024	FY2023	FY2022	Unit
Hazardous Waste	554,917.20	648,061.70	380,420.00	kg
Non-Hazardous Waste	212,594.35	222,192.33	220,666.00	kg
Total	767,511.55	870,254.03	601,086.00	kg

The main hazardous wastes generated by Straits Orthopaedics are mixed chips, spent coolant, spent acid, and spent alkaline. Mixed chips and spent coolant were generated from the machining operations, whereas spent acid and alkaline were generated from the clean and surface treatment operations. Refer to the chart below for the waste breakdown.

Hazardous Waste Generated in 2024



Hazardous Waste Generated Breakdown	FY2024	FY2023	Unit
Industrial Hazardous Waste			
SW110 – E-waste	442.0	1,060.0	kg
SW206 – Spent acid	127,875.5	184,670.0	kg
SW307 – Spent coolant	281,400.0	286,100.0	kg
SW323 – Spent halogenated solvent	67.0	180.0	kg
SW401 – Waste alkaline	45,657.0	55,870.0	kg
SW410 – Contaminated rags, paper, plastics, or filters	18,817.0	10,922.0	kg
SW411 – Spent activated carbon	665.0	750.0	kg
SW422 – Mixed chips	79,889.4	108,484.0	kg
SW429 – Discarded chemical	104.3	3.0	kg
Medical and Biohazardous Waste	N/A	22.7	kg
Total	554,917.20	648,061.7	kg

Waste diverted from disposal

As a result of our waste segregation or treatment processes, waste decreased by 14% in 2024 compared to the previous year, with about 119.7 metric tons diverted from disposal – 83% hazardous, mainly contaminated metal chips, and 17% non-hazardous, comprising cartons, plastics, and uncontaminated metal scraps.

Waste Diverted from Disposal[30]	FY2024	FY2023	FY2022	Unit
Hazardous Waste	**99,148.40**	**109,544.00**	**104,333.00**	**kg**
Recycled	80,331.40	109,544.00	104,333.00	kg
Treated	18,817.00	0.00	0.00	kg
Non-Hazardous Waste	**20,594.35**	**30,192.33**	**28,666.00**	**kg**
Recycled	20,594.35	30,192.33	28,666.00	kg
Carton	3,594.00			
Plastic Bottle	34.50			
Scraps Metal	16,965.85			
Total	**119,742.75**	**139,736.33**	**132,999.00**	**kg**

In 2025, Straits Orthopaedics will expand its on-site recycling program by providing recycling bins and adding aluminum cans to the segregation categories, supported by internal awareness training to encourage active participation.

Waste directed to disposal

In 2024, 647.8 tonnes of our waste are directed to disposal, of which about 70% was hazardous waste, mainly spent coolant, spent acid and alkaline, while the remaining 30% was non-hazardous waste.

Waste Directed to Disposal[31]	FY2024	FY2023	FY2022	Unit
Hazardous Waste	**455,768.80**	**538,517.70**	**276,087.00**	**kg**
Other Disposal Operations	455,768.80	538,517.70	276,087.00	kg
Non-Hazardous Waste	**192,000.00**	**192,000.00**	**192,000.00**	**kg**
Landfilled	192,000.00	192,000.00	192,000.00	kg
Total	**647,768.80**	**730,517.70**	**468,087.00**	**kg**

GRI201: Economic Performance 2016

Management of Material Topics

Economic performance remains a basis of Straits Orthopaedics' long-term success. Financial resilience supports our ability to adapt, innovate, and lead within a constantly evolving market environment, which is critical for driving sustainable growth.

Our financial performance is regularly reviewed during board and executive meetings. The Finance Team's responsibilities encompass resource planning, financial reporting, cash flow management, tax strategy, budgeting, forecasting, and overall financial governance, ensuring Straits Orthopaedics' business strategy aligns with financial objectives.

Straits Orthopaedics remains fully compliant with Malaysian corporate regulations. The Finance Team upholds compliance, transparency, and financial integrity through well-established systems and internal controls. We fulfil our statutory obligations by submitting accurate annual returns to the Companies Commission of Malaysia (SSM), reflecting our commitment to corporate responsibility

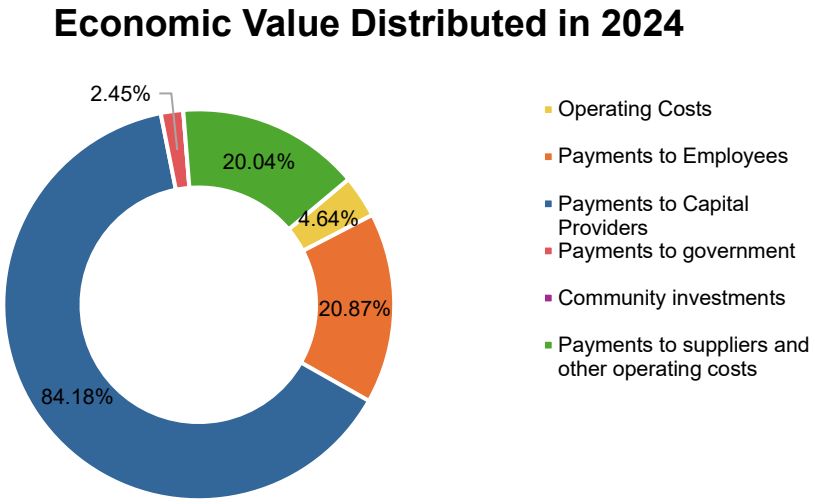
[30] Both hazardous and non-hazardous waste is disposed offsite. Recycling of the waste was conducted the Department of Energy and licensed recycling facilities approved by the local city councils – City Council of Penang Island and City Council of Seberang Perai. The disposals for recycling of hazardous wastes were recorded in the consignment note generated from the eSWIS, while the disposals for recycling of non-hazardous wastes were recorded in Straits' invoice.

[31] Disposal of the waste was conducted off-site by the Department of Energy and licensed recycling facilities approved by the local city councils – City Council of Penang Island and City Council of Seberang Perai. The disposals of hazardous wastes were recorded in the consignment note generated from the eSWIS, while the disposals of non-hazardous wastes were recorded in Straits' invoice.

and regulatory compliance. In line with transparency, our audited financial report is also made available through the SSM.

Direct economic value generated and distributed

This year, Straits Orthopaedics' economic[32] value generated was equivalent to total revenue. Economic value distributed exceeded this level at 132%, primarily due to strategic capital investments supporting the site relocation and consolidation.



% Breakdown of Economic Value Distributed	FY2024	FY2023	FY2022	Unit
Economic Value Generated	100.00	100.00	100.00	%
Economic Value Distributed	132.19	52.15	48.18	%
Operating Costs	4.64	3.65	3.27	%
Payments to Employees	20.87	18.12	16.37	%
Payments to Capital Providers	84.18	1.42	1.44	%
Payments to government	2.45	4.17	3.76	%
Community investments	0.00	0.01	0.02	%
Payments to suppliers and other operating costs	20.04	24.79	23.32	%
Economic Value Retained	-32.19	47.85	51.82	%

Financial implications and other risks and opportunities due to climate change

From an inside-out perspective, our energy and resource consumption contributes to greenhouse gas emissions and climate change, which may adversely affect natural capital, including water resources and ecosystem stability. From an outside-in perspective, climate change may increase the frequency and severity of extreme weather events and drive volatility in the costs of fossil fuels, water, and raw materials. These impacts could affect supply chain reliability, operating costs, and overall operational resilience. As a result, both physical and transition risks may pose climate-related risks to our business and operations.

[32] Private companies, as unlisted entities, are exempt from certain financial disclosure requirements, with actual figures undisclosed. Ernst & Young Malaysia audited the 2024 actual financial figures.

Building on this understanding, we conducted a macro-level assessment of physical climate risks, considering current and projected likelihood of climate hazards under defined scenarios[33] and time horizons[34]. Based on assessed likelihood and potential impact across our operating geography (Malaysia), flooding and disease outbreaks were identified as priority physical climate risks, guiding our resilience-building efforts.

In addition, we considered Malaysia's broader socio-economic context as part of our climate risk assessment. Factors such as limitations in disaster risk management capacity, government effectiveness, and governance challenges highlight the importance of developing robust internal systems and controls. This reinforces the need for a structured approach to climate preparedness as the likelihood and severity of climate events increase.

Category	Acute	Chronic	Impact (US $Mn)	2025 Rank	2050 Rank
Hydrological	Flooding	Precipitation, Extreme rainfall, Surface runoff, River discharge	$3,985.8	1	2
Geophysical	Earthquake and Tsunami	Extreme rainfall, Surface runoff	$919.1	2	2
Geo-Hydrological	Avalanche / Mudslide / Wet Landslides		$50.4	2	2
Biological	Epidemic	-	$4957.9	1	1
Meteorological	Heat Waves / Extreme Temperature	Relative humidity, Downwelling longwave radiation, Mean air temperatures	-	3	3
	Storm Surge / Cyclone	Extreme rainfall, Precipitation, Surface runoff, River discharge	$2.6	3	3
Climatological	Wildfires	Mean air temperatures, Wind speeds	-	3	3
	Drought / Water Stress	Precipitation	-	3	3

Beyond Malaysia, we rely on raw materials and manufacturing inputs from international suppliers. Extreme weather events outside Malaysia could still disrupt transportation routes, delay shipments, increase logistics costs, and cause supply chain disruption and raw material shortages. Accordingly, effective supply chain management is critical to maintaining delivery performance and business continuity during extreme events. We maintain open communication with customers for demand forecasting and ensure sufficient raw material inventory to prevent any potential supply chain disruptions.

[33] The scenario analysis is based on RCP–SSP scenario combinations and considers five plausible pathways: RCP 4.5–SSP1, RCP 4.5–SSP2, RCP 8.5–SSP2, RCP 8.5–SSP3, and RCP 8.5–SSP5. Climate hazard projections are derived from the Coupled Model Intercomparison Project Phase 5, coordinated by the World Climate Research Programme.

[34] The baseline assessment covers short- to medium-term climate and demographic conditions for the period from 2015 to 2025. The long-term assessment uses a 2050 time horizon, representing mid-century conditions based on 30-year averages from RCP climate simulations and corresponding SSP demographic projections.

Straits Orthopaedics carefully considers the risks and opportunities associated with climate change, along with their potential financial implications:

Factor	Aspect	Risk	Financial Implication of Risk	Straits Initiatives	Opportunity	Financial Implication of Opportunity
Assets	Physical (Acute)	Damage physical assets, disrupt operation, affect production capacity and operational continuity.	Business interruption and increase revenue losses from downtime and business discontinuity; Increase repair and insurance costs.	• Appropriate sourcing site location that considers potential exposure to natural disasters. • Emergency response plan for natural disaster scenarios.	Uninterrupted operation enhances customer satisfaction.	Stable revenue, supported by reliable operation, which improves customer retention.
ESG requirements and reputation	Market and Reputational	Customer ESG audits / supplier assessments requirements may affect approved supplier status, contracts, and brand reputation; non-compliance may lead to failed audits, corrective actions, or delisting by customers.	Revenue loss as a result of loss of customer contracts and/or suspension from approved supplier lists; increase costs for corrective actions, external audits, and remediation; potential delays in market access.	• Dedicated ESG team in maintaining and improving ESG management system, including internal ESG supplier audit. • Integrate ESG principles into business operations and QMS. • Active participation in customer ESG assessments and initiatives. • Allocate annual ESG financial budget.	Strengthening customer relationships and competitiveness by meeting customer ESG audit requirements, enabling preferred supplier status and faster customer approvals.	Increased revenue and improved customer retention or stickiness; faster onboarding for new customers/ markets; reduced audit findings and compliance costs.
Energy Price & Consumption	Market and Policy	Rising electricity tariffs driven by volatility in fossil fuel prices.	Dependence on non-renewable energy may increase operating expenditure, particularly during periods of business growth, may lead to margin pressure and reduced profitability.	• Building design that reduces heat retention. • Adopt energy-efficient technologies. • Monitor consumption and investigate and address abnormal usage.	Improve cost efficiency through effective energy management.	Improved cost control and operating margins, supporting competitive pricing and long-term business sustainability.
Resource Efficiency	Market and Technology	Inefficient use of raw materials and resources may increase waste generation and disposal requirements.	Higher material and disposal costs, increased waste management fees, and potential inefficiencies in production costs.	• Improve raw material yield through process optimisation, expiry control and scrap reduction. • Implement segregation and monitor waste generation. • Educate staff on climate change and ways to protect the environment. • Monitor waste generated and investigate and address abnormal usage.	Improve cost efficiency through effective procurement, quality and waste management.	Improved cost control and operating margins, supporting competitive pricing and long-term business sustainability.

Defined benefit plan obligations and other retirement plans

Straits Orthopaedics adheres to the requirements set in the Employees Provident Fund Act 1991 and the Employment Insurance System Act 2017. Mandatory contributions by Straits Orthopaedics amounting to 15% of each employee's salary to the Employees Provident Fund (EPF), as stipulated by the EPF Act 1991. In addition, Straits Orthopaedics contributes 0.2% of each employee's salary to the Employment Insurance System (EIS) in compliance with the Employment Insurance System Act 2017. These contributions cover all employees without exception.

In line with Malaysia's Minimum Retirement Age Act (MRAA) 2012, the company observes a minimum retirement age of 60 years for private sector workers, regardless of gender. Early retirement before this age is only permitted if mutually agreed upon in the employment contract. To date, Straits Orthopaedics has not implemented any voluntary retirement schemes.

Financial assistance received from government

In 2024, Straits Orthopaedics did not receive any financial assistance from the government.

GRI202: Market Presence 2016

Management of Material Topics

At Straits Orthopaedics, we remain committed to upholding human rights and promoting equitable employment practices by ensuring that all employees are compensated fairly and without discrimination based on gender, age, or other personal attributes. Our compensation framework is grounded in fairness, with full adherence to Malaysia wage laws. In preparation for the enforcement of the Minimum Wages Order 2024, and will be effective on February 2025, we are closely monitoring relevant regulatory to ensure full compliance.

Beyond our internal practices, we also recognize our role in influencing fair labor practices within our value chain. As part of our supplier engagement efforts this year, we conducted audits on five key suppliers to assess their alignment with fair compensation standards and ethical employment practices.

Ratios of standard entry level wage by gender compared to local minimum wage

In 2024, Straits Orthopaedics continued to comply with the Minimum Wages Order (MWO)[35] 2022, maintaining an entry-level wage of RM1,500 across all significant locations of operation. The ratio of our standard entry-level wage to the legal minimum wage remained 1:1, for all genders and significant locations of operation[36] .

We promote responsible labor practices among our suppliers through the Supplier Code of Conduct, which outlines our expectations for the supplier complying with applicable local wage laws in their respective countries of operation. This year, we managed to conduct audits on five key suppliers and all of them were found to be in full compliance with the applicable minimum wage requirements.

Proportion of senior management hired from the local community

97% of our senior management[37] at our significant operational locations are hired from the local community, meaning Malaysia.

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[35] Established by the National Wages Consultative Council (NWCC).

[36] Significant operational locations refer to those generating sales revenue, such as manufacturing sites.

[37] Straits Orthopaedics defines senior management as employees holding executive, directorial and managerial roles.

GRI204: Procurement Practices 2016

Management of Material Topics

As a contract manufacturer serving global medical device companies, Straits Orthopaedics continues to source raw materials primarily from customer-designated suppliers, ensuring compliance with strict product specifications. Where flexibility is allowed, we prioritize suppliers with proven quality performance and ethical business conduct.

The Purchasing team governs the full procurement process under clearly defined standard operating procedures, covering supplier screening, selection, evaluation, and contract management. These SOPs ensure transparency, traceability, and adherence to quality and regulatory standards.

To strengthen responsible sourcing practices, we have embedded sustainability expectations into our procurement framework. In 2024, all suppliers were required to complete an ESG survey as part of our Supplier Selection, Evaluation and Monitoring procedure. The Supplier Code of Conduct was formally issued and communicated to all existing suppliers and new suppliers and made publicly available on our website. Additionally, the requirement to acknowledge and understand the Supplier Code of Conduct has been integrated into our purchase order terms. To support due diligence, we conducted ESG audits on five key suppliers in 2024 to verify their responses to the ESG survey.

Proportion of spending on local suppliers

In 2024, Straits Orthopaedics recorded a substantial increase in the number of local suppliers engaged compared to the previous year. This growth reflects our continued initiative to localize the sourcing of packaging materials within Malaysia, contributing to greater supply chain resilience and a reduced environmental footprint.

While the selection of core raw material suppliers remains largely directed by our customers, we actively promote the use of local sources for packaging and indirect materials where feasible.

Proportion of spending on local suppliers	FY2024	FY2023	FY2022	Unit
Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally)	42.35	1.17	0.00	%

We have significantly increased local procurement in 2024, achieving 42%. This demonstrates our commitment in supporting local businesses to help boost Malaysian economic performance.

GRI205: Anti-Corruption 2016

Management of Material Topics

Straits Orthopaedics maintains a strict zero-tolerance stance toward bribery and corruption. Our Anti-Bribery and Anti-Corruption Policy, initially implemented in 2023 and revised in 2024, outlines our commitment to upholding ethical conduct and full compliance with the Malaysian Anti-Corruption Commission (MACC) Act 2009. This policy applies to everyone within the organization, regardless of position, and establishes clear standards on handling facilitation payments, gifts, hospitality, solicitation of bribes, and business dealings with third parties or intermediaries.

The finance team is responsible for scrutinizing all aspects of our business and internal operations to identify and mitigate corruption risks. They are responsible for maintaining accurate financial records and ensuring effective internal controls. Any suspected misconduct or unethical behavior can be reported through established grievance mechanisms, with assurance of confidentiality and

non-retaliation. Verified breaches are addressed promptly and impartially, with appropriate disciplinary action taken where necessary.

While no incidents of corruption or misconduct were reported in the past year, we continue to strengthen awareness and promote a culture of integrity.

Operations assessed for risks related to corruption

Straits Orthopaedics continuously monitors corruption-related risks across its business operations and partnerships through regular internal controls and compliance monitoring. All business partners are subject to a know-your-customer assessment prior to onboarding, which includes verification of business licenses and registration status. In cases where irregularities are identified, we apply enhanced due diligence procedures to further assess risk exposure. Any reportable concerns are systematically recorded and tracked through the Convene ESG digital platform, ensuring transparency and accountability in our governance practices.

To strengthen our approach, we plan to roll out an Anti-Bribery and Anti-Corruption Risk Assessment Survey in 2025, aiming to systematically identify and manage potential risk areas.

Communication and training about anti-corruption policies and procedures

To promote awareness of our Anti-Bribery and Anti-Corruption Policy, Straits Orthopaedics includes this topic as a key component of the new employee orientation, ensuring that all new hires are fully informed of our commitment to ethical conduct and compliance with expectations.

In 2024, we enhanced our awareness efforts by conducting an online seminar by Malaysian Anti-Corruption Commission (MACC) to deliver a relevant legislation, practical guidelines, and real-world case studies. This session was attended by members of the management team to strengthen leadership's understanding and support of anti-corruption principles.

We also ensure that third-party recruiters and business partners are informed of our anti-corruption standards during the onboarding process through the Supplier Code of Conduct.

All training records are maintained through the Convene ESG platform, providing transparency and facilitating ongoing compliance monitoring.

Employees Trained on Anti-Corruption	FY2024	FY2023	FY2022	Unit
Total	42 (4.03)	22 (1.8)	0	# (%)

Confirmed incidents of corruption and actions taken

Straits Orthopaedics maintains vigilant oversight of employee conduct and potential corruption risks across its operations and business partners. In 2024, there were no confirmed cases of corruption or related penalties within the company.

GRI301: Materials 2016

Management of Material Topics

At Straits Orthopaedics, our approach to material management is guided by our Environmental Policy, reflecting our commitment to minimizing environmental impact and embedding sustainable practices across our operations.

As a contract manufacturer, most of our materials are sourced through customer-appointed suppliers, primarily from the United States, with some procured locally. Material usage is governed by the bill of materials to ensure precise and controlled consumption. In 2024, we strengthened our

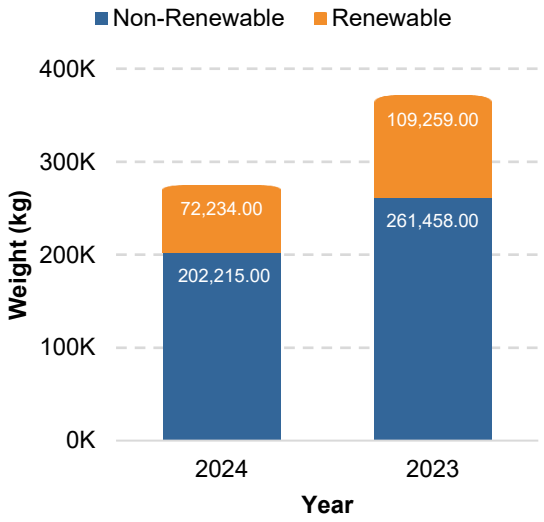
Supplier Code of Conduct by requiring formal signatures from suppliers. This revised Code has been communicated to all existing and new suppliers, reinforcing our expectations around environmental responsibility and sustainability alignment.

To optimize efficiency, we continue to utilize ERP systems and ISO certified quality controls to optimize resource utilization and minimize material rejection and waste. Storage-sensitive materials are managed with careful planning based on safety stock levels, production forecasts, and lead times to avoid expiration, degradation, or overstocking.

Aligned with our zero-tolerance policy on conflict minerals, we uphold ethical sourcing practices to avoid materials linked to conflict or human rights violations. In 2024, we identified five primary raw material suppliers and initiated due diligence through the Conflict Minerals Reporting Template (CMRT). A supplier has submitted a completed CMRT with no issues found, and we plan to collect CMRT commitments from the remaining four suppliers in 2025 as part of our ongoing efforts to enhance supply chain transparency.

Materials used by weight or volume

Straits Orthopaedics uses materials for product manufacturing[38] and packaging[39] process, covering three main categories: metal and plastic stocks and packaging materials. In 2024, Straits Orthopaedics used approximately 202 tonnes (74%) of non-renewable materials, and 102 tonnes (26%) of renewable materials, mainly packaging materials.



Materials used	FY2024	FY2023	FY2022	Unit
Non-Renewable Materials	202,215.00	261,458.00	0.00	kg
Metal	197,206.00	251,598.00	0.00	kg
Plastic	2,910.00	4,542.00	0.00	kg
Resin	2,099.00	5,318.00	0.00	kg
Renewable Materials	72,234.00	109,259.00	0.00	kg
Carton	10,872.00	11,787.00	0.00	kg
Corrugated box	15,054.00	47,091.00	0.00	kg
IFU	7,361.00	0.00	0.00	kg
Paper	16,177.00	17,965.00	0.00	kg
Wooden pallet	22,770.00	27,370.00	0.00	kg

[38] For manufacturing orthopaedic implants and surgical instruments, Straits Orthopaedics use titanium alloys, various grades of stainless steel, cobalt chrome alloys and plastics such as HMWPE, PE, POM, PEEK, PP, and PPSU.

[39] We also utilize a wide range of packaging materials including polyolefin and PE/PET pouches and lids, nylon pouches, thermoforming trays, PU sleeves, PETG tubes, caps made from silicone and PE, cardboard boxes, and corrugated boxes in product packing.

Total	274,449.00	370,717.00	0.00	kg

Recycled input materials used

Given our role as a contract manufacturer, material selection is primarily governed by customer requirements, including material specifications and performance parameters, certifications, and compliance standards. Consequently, we have limited ability to unilaterally shift to alternative or eco-materials.

We nevertheless acknowledge the environmental and social implications of materials management and focus our efforts on robust handling practices, resource efficiency, and reducing rejection and waste.

In the meantime, we will actively collaborate with customers to explore viable alternatives for the input materials used in manufacturing orthopaedic implants and surgical instruments.

Reclaimed products and their packaging materials

Straits Orthopaedics recognizes the importance of extending product and packaging lifecycles to support circularity. Although we do not produce reclaimed orthopaedic implants or surgical instruments, we will continue to explore sustainable packaging options with customers and material suppliers.

GRI302: Energy 2016

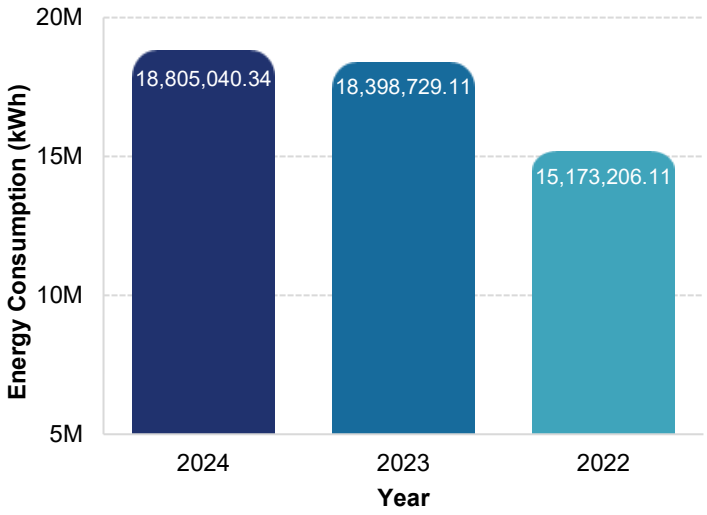
Management of Material Topics

At Straits Orthopaedics, we established and implemented an Environmental Policy to showcase its commitment to conserving energy and protecting the environment. Led by our environmental team, we review and seek energy efficiency improvements through adoption of energy-efficient appliances such as the water-chilled air-conditioning system, as well as reducing consumption through awareness-raising programs. As part of our environmental management system, we account for energy consumption from the source, including electricity[40] and fuel usage, and stay updated on regulatory changes from the Energy Commission, the Ministry of Energy Transition and Water Transformation, and the Ministry of Domestic Trade and Consumer Affairs in Malaysia.

Energy consumption within the organization

The total energy consumption for Straits Orthopaedics has slightly increased by 2.21% in 2024 compared to the year 2023. It is worth noting that electricity consumption increased due to the operational expansion at Nagasari and Batu Kawan sites in late 2024.

[40] Electricity was purchased from a local electricity utility company, Tenaga Nasional Berhad, (TNB). The electricity was mainly generated from non-renewable sources such as coal and natural gas, as reported in the TNB Sustainability Report 2023.



Energy Consumption	FY2024	FY2023	FY2022	Unit
Fuel[41]	1,068,008.34	1,026,461.11	890,536.11	kWh
Electricity	17,737,032.00	17,372,268.00	14,282,670.00	kWh
Total	18,805,040.34	18,398,729.11	15,173,206.11	kWh

Straits Orthopaedics consumed 86,064.64 litres of non-renewable fuels in 2024, including gasoline for mobile combustion and diesel for both mobile and stationary combustion.

Fuel consumption[42]	FY2024	FY2023	FY2022	Unit
Total	1,068,008.34	1,026,461.11	890,536.11	kWh
Total	86,064.64	82,774.98	71,971.20	L
Diesel	28,068.53	29,613.14	32,773.66	L
Petrol	57,996.11	53,161.84	39,197.54	L

We plan to consolidate both Site 1 in Teluk Kumbar and Site 2 in Prai to Batu Kawan site by 2025. Improved site proximity and the adoption of energy-efficient measures aim to reduce fuel consumption from stationary and mobile sources.

Energy consumption outside of the organization

Straits Orthopaedics stores its documents in a warehouse facility, where management, including electricity consumption, is under the landlord's responsibility. As Straits Orthopaedics does not control electricity use and consumption is not separately metered, and given that the associated emissions are non-significant, the upstream leased assets are excluded from Scope 3 Category 8 reporting. This exclusion is made in accordance with ISO 14064-1:2018 boundary-setting principles.

Energy intensity

Energy intensity increased year-over-year due to higher base-load energy requirements during the construction, commissioning and relocation to the new site, while operational throughput and utilization were still normalizing.

Energy intensity	FY2024	FY2023	FY2022	Unit
Total Energy Consumption	18,805,043.19	18,398,729.11	15,173,206.11	kWh

[41] Energy consumption from stationary and mobile combustion.

[42] Non-Renewable source.

Year-over-year Change in Energy Intensity by Unit Sold	30.67	11.91	N/A	%

Reduction of energy consumption

In 2024, Straits Orthopaedics successfully installed a water-cooled[43] chiller air conditioning system and centralized the air conditioning system at our new Batu Kawan site. This upgrade is designed to improve cooling efficiency and strengthen operational reliability, even as overall site energy demand increased during the site transition period.

Reductions in energy requirements of products and services

In 2024, energy intensity per unit sold increased by 31%. While we did not conduct a lifecycle assessment for our products, we will take a phased approach to energy reduction following site consolidation, focusing on improving operational efficiency and lowering energy consumption.

GRI308: Supplier Environmental Assessment 2016

Management of Material Topics

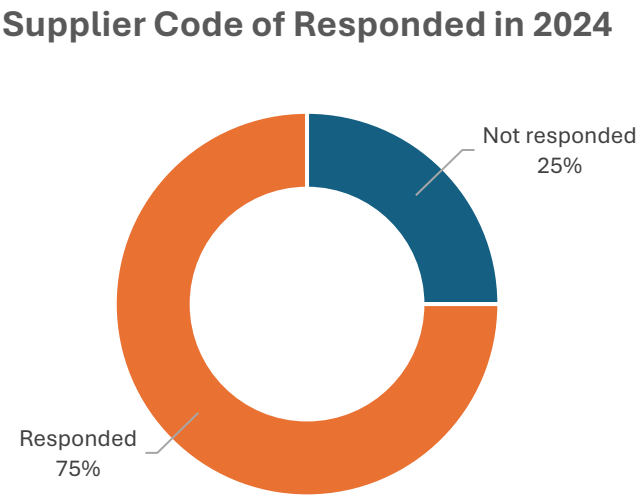
In 2024, Straits Orthopaedics strengthened its commitment to minimizing environmental impacts across the supply chain by enhancing our supplier management framework. We formalized environmental expectations through the Supplier Code of Conduct and an ESG Survey, which suppliers are now required to review and sign. Introduced in 2024, the ESG survey is mandatory for all new suppliers and has been extended to existing suppliers, with environmental management criteria assessed as part of supplier selection and onboarding.

This requirement has been embedded into our revised Supplier Selection, Evaluation, and Monitoring Procedure. Our ESG committee, Purchasing and Quality teams carry out pre-qualification assessments for new suppliers and conduct periodic audits of existing ones. These evaluations are guided by our Quality Management System (QMS), promoting accountability and ethical business practices. Our contractual agreements further reflect these standards, reinforcing our shared commitment to sustainable operations. Suppliers identified with environmental concerns are subject to reassessment, with appropriate actions taken to uphold our environmental responsibility.

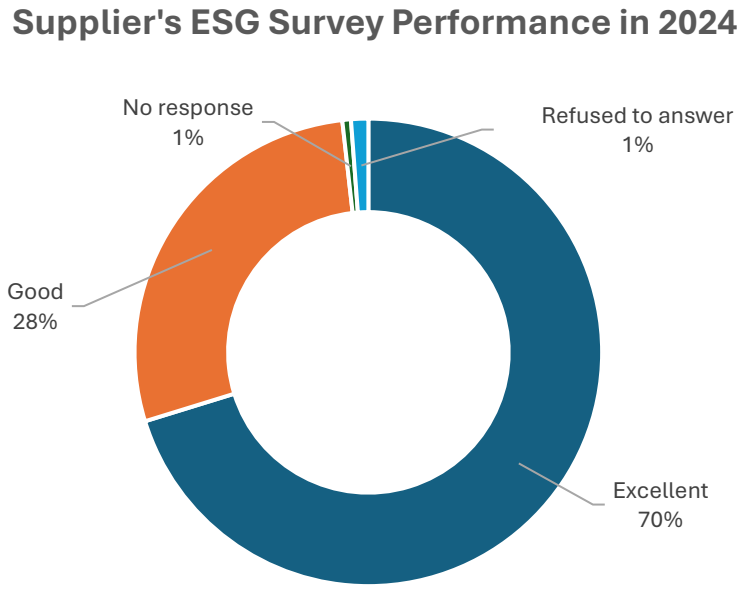
New suppliers that were screened using environmental criteria

As of 2024, 75% of our suppliers, comprising both existing and newly engaged suppliers, have received, acknowledged, and responded to the Code of Conduct.

[43] According to the Cooling Technology Institute of the USA, the water-cooled system offers a 47% reduction in annual energy consumption and a 45% reduction in peak energy demand compared to an air-cooled air conditioning system.



In 2024, 98% of suppliers completed the survey, allowing us to evaluate their ESG practices. The chart below highlights overall ESG performance levels based on the survey results, helping us recognize high performing suppliers and identify those with opportunities for improvement.



Negative environmental impacts in the supply chain and actions taken

Straits Orthopaedics strengthened ESG oversight in supplier audits, with an annual target of auditing five suppliers. In 2024, our ESG committee audited five suppliers – approximately 2.9% of our total supplier base – thereby achieving 100% of our annual target. Audits identified no non-compliance with environmental and social laws or regulations; therefore, no corrective actions were required, and 0% of assessed suppliers were identified as having actual or potential negative environmental or social impacts. General improvement recommendations were shared.

GRI401: Employment 2016

Management of Material Topics

Employment-related matters are overseen by the Human Resources Department, which plays a key role in fostering fair and respectful employer-employee relationships across Straits Orthopaedics. To reinforce our commitment to ethical employment, the company continues to promote internal

awareness of our Sustainability Policy. This policy remains accessible across all sites on the ESG noticeboards and is presented in the language that employees can easily understand. As part of our expansion, this communication will extend to our new site in 2025.

Our Staff Handbook, which outlines clear standards for conduct, business ethics, and performance expectations, was updated in late 2024. All employees were informed of the revisions to ensure consistent understanding across the organization. Straits Orthopaedics remains fully compliant with Malaysia's Employment Act 1955, upholding minimum wage requirements and protecting employee rights in accordance with labor laws.

For the recruitment of foreign workers, we continue to engage with licensed third-party agencies and maintain close oversight to ensure ethical practices are upheld throughout the employment cycle, from recruitment to termination. We strictly prohibit any form of worker exploitation and ensure that all employees always retain possession of their passports and personal documents. These measures reflect our commitment to fair treatment, transparency, and respect for human rights.

We continue to benchmark our principles against international labor standards such as the ILO conventions where relevant. Additionally, our grievance mechanism was revised in December 2024 to improve accessibility and responsiveness, further strengthening our efforts to maintain a fair and transparent working environment.

New employee hires and employee turnover

In 2024, Straits Orthopaedics onboarded 73 new employees. In the same year, 243 employees left the organization, of which 83% were voluntary, 2% were due to involuntary termination related to disciplinary actions, and 15% were due to job abandonment.

Employee hires and turnover	Total	Female	Male	Unit
New Hires	73 (100.00%)	18 (24.66%)	55 (75.34%)	# (%)
New Hire Rate[44]	6.42	5.29	6.90	%
Turnover	243 (100.00%)	91 (37.40%)	152 (62.60%)	# (%)
Turnover Rate[45]	21.38	26.76	19.08	%

Benefits provided to full-time employees that are not provided to temporary or part-time employees

At Straits Orthopaedics, all full-time employees across our manufacturing facilities are entitled to a range of health-related benefits, including insurance coverage and medical reimbursement. These benefits extend to general health checkups, dental and vision care, as well as hospitalization.

We ensure full compliance with applicable Malaysian labor regulations, including the Social Security Act 1969, under which all full-time employees are eligible for protection through the Employment Injury Scheme[46] . This scheme offers medical coverage for treatment related to occupational injuries or illnesses, compensation during temporary inability to work, and financial support in cases of permanent disability or work-related fatalities. Support includes rehabilitation services, allowances for constant care, and funeral-related benefits for affected families. In the event of a fatality, the company continues to provide dedicated support to the family of the deceased.

Going beyond statutory requirements, Straits Orthopaedics maintains a Flexible Working Arrangement Policy, introduced in 2023, which still remains in effect. This policy allows eligible

[44] The new hire rate measures the percentage of new employees hired this year. The rate, both total and by gender in headcount, were calculated by taking the number of new hires over the average employee, expressing as a percentage. This reflects the rate of new hires relative to the average employee.
[45] The turnover rate measures the percentage of turnover this year. The rate, both total and by gender in headcount, were calculated by taking the number of turnovers over the average employee, expressing as a percentage. This reflects the rate of turnover relative to the average employee.
[46] It is managed by the Social Security Organization (SOCSO) of Malaysia.

employees the option to work flexible hours or remotely, where applicable, reflecting our trust in their professionalism and accountability.

In addition to maternity and paternity leave provided under the Employment Act 1955, we offer additional leave for marriage and compassionate circumstances. Employees also benefit from subsidized meals during working hours. At our new Batu Kawan site, facilities such as a prayer room, a comprehensive canteen, and vending machines are provided to support employee comfort and well-being. For our foreign workforce, accommodation is arranged throughout their employment, along with transportation support during onboarding and departure phases.

Parental leave

All employees at Straits Orthopaedics continue to be eligible for paid parental leave. In 2024, all individuals who took parental leave returned to work and remained employed for at least 12 months following their return. This consistent retention reflects a workplace culture that values family responsibilities and provides a supportive environment for employees navigating both professional and personal roles.

GRI403: Occupational Health and Safety 2016

Management of Material Topics

Straits Orthopaedics has maintained a Safety and Health Policy that governs the occupational safety and health management system. The said system is overseen and upheld by safety committees specializing in fire safety, first aid, audits, and training to ensure a structured and proactive approach to the safety of the workplace.

Straits Orthopaedics has safety committee which consists of skilled and certified safety and health to show our commitment to zero fatalities. Our team will assess and manage health and safety risks through a robust management system, including risk assessment and audits, emergency planning, corrective action plans and regular performance monitoring aligned with risk priorities. We regularly review our policies and plans with authorities to ensure compliance with regulations with the Occupational Safety and Health Act 1994 guidance documents published by the Malaysian Department of Occupational Safety and Health (DOSH).

Occupational health and safety management system

Straits Orthopaedics has implemented and maintained an Occupational Safety and Health Management System (OSHMS) across all sites, covering all activities and workers. The identification, prevention, and control of safety and health risks are carried out through the Hazard Identification, Risk Assessment, and Risk Control (HIRARC) methodology, which is applied on a day-to-day basis and guided by our safety committee.

The HIRARC process, along with internal and external audits, helps identify performance gaps and recommend health and safety measures. These recommendations follow the hierarchy of risk control, prioritizing source elimination, substitution, engineering controls, administrative actions, and the use of personal protective equipment (PPE). These measures are applied across all sites, relevant activities, and affected personnel.

Our emergency response plans and procedures include risk mitigation strategies and actions to address high-risk scenarios that may significantly impact people or business continuity.

With a target of achieving zero reportable safety incidents each year, our health and safety performance is regularly monitored. In 2024, our ESG team conducted biweekly internal Environmental and Safety (E&S) audits. Safety-related criteria were integrated into the audit scope to ensure effective monitoring and control of safety measures within the facility. All corrective actions for identified non-compliance issues were resolved by the respective area owners.

In 2024, to further safeguard employees, all external parties including visitors, contractors, and regulatory authorities must complete and sign the visitor logbook upon entering any site. By signing the form, they acknowledge that they have read, understood, and agreed to follow the company's safety rules and requirements while on the premises and during any work activities. Security personnel oversee this process, registering and monitoring all external parties to maintain controlled site access and support emergency preparedness.

To enhance the procedure, Straits Orthopaedics plans to implement a digital Visitor Management System (VMS) at the new Batu Kawan site in 2025, allowing external parties to scan a QR code at the security post instead of filling out a form, making the process more efficient. Other sites are scheduled to adopt the VMS in subsequent phases following the Batu Kawan implementation.

Additionally, during this reporting year, the Department of Occupational Safety and Health (DOSH) conducted inspections at two of our manufacturing sites. We are pleased to report that no non-compliance issues were found.

Any safety performance data such as work-related injuries, illnesses, and training etc. are collected and recorded by the safety committees through the Convene ESG digital platform.

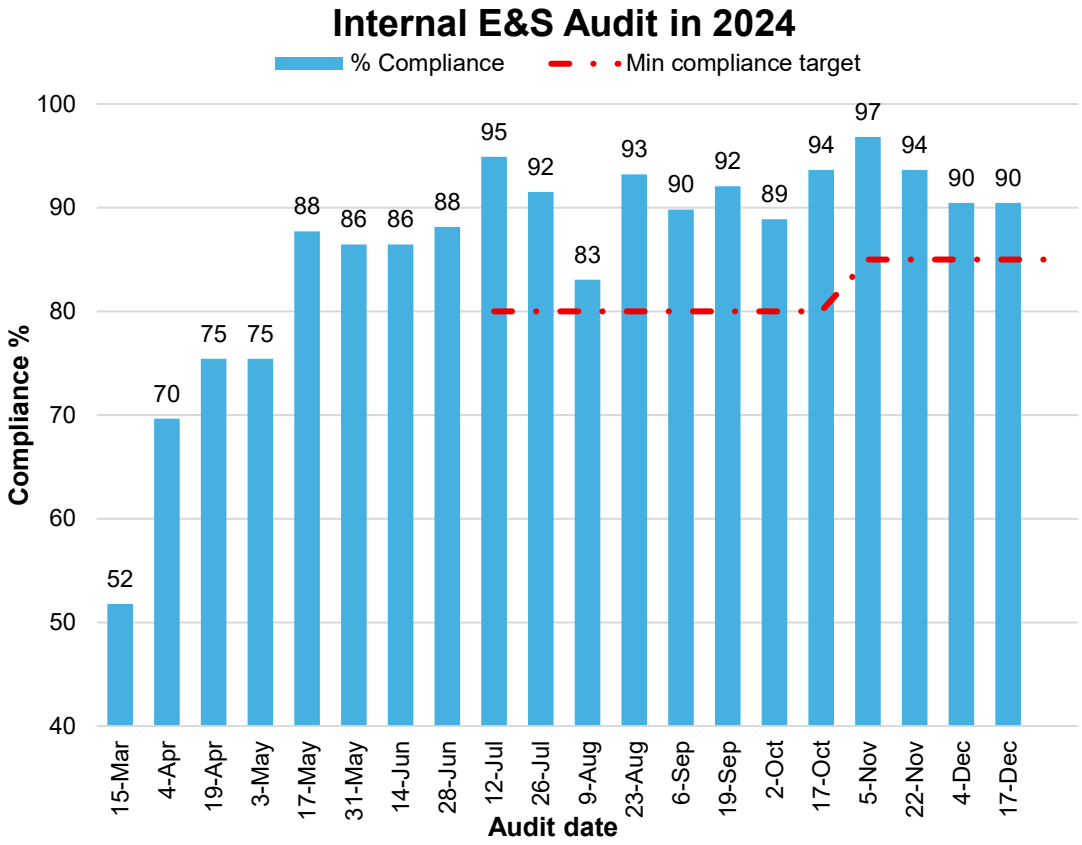
Hazard identification, risk assessment, and incident investigation

We implement a structured approach to hazard identification, risk assessment, and incident investigation to safeguard the health and safety of our workforce.

Hazards in the workplace are identified through the Hazard Identification, Risk Assessment, and Risk Control (HIRARC), which is conducted every three years by the safety committee, in line with Guidelines[47]. In 2024, there were two HIRARC assessments revised due to the occurrence of an accident and additional risk control measures have been implemented

In support of HIRARC, we conducted biweekly Environmental and Safety (E&S) audits since March 2024 for all sites, led by the ESG committee, to monitor and manage potential risks of non-compliance issues. In 2024, we also set site-level E&S compliance targets aligned to HIRARC-related metrics, establishing baseline expectation for E&S implementation and performance. Findings were addressed through timely corrective actions to ensure minimum compliance requirements were met, as reflected in the chart below.

[47] Refers to the Guidelines for Hazard Identification, Risk Assessment and Risk Control, issued by the DOSH, Ministry of Human Resources, Malaysia.



Our Safety and Emergency Response Procedure outline the steps for reporting and investigating work-related incidents. When an incident occurs, the immediate superior of the affected individual must complete an Incident/Accident Report form. This form captures key details and is submitted to the Safety Officer, who is responsible for conducting a thorough investigation and initiating the necessary corrective and preventive actions. Where required, reportable incidents will be notified to the relevant authorities in a timely manner to ensure compliance.

We uphold the right of all workers to refuse unsafe work. Any concerns regarding workplace safety, including hazards, can be raised through the grievance report form, which supports anonymous and confidential reporting to ensure a safe environment for speaking up.

To support these efforts, we provide regular training on hazard identification and reporting, encouraging employees to contribute to a safer workplace through increased awareness and responsiveness.

Occupational health services

In 2024, Straits Orthopaedics conducted a Chemical Health Risk Assessments (CHRA), and a Noise Risk Assessment (NRA) was conducted at one of our manufacturing sites. Both assessments were carried out by a DOSH-certified competent person, with all associated costs borne by the Company. The assessment results were subsequently shared with the authorities. In the same reporting year, fire drills and emergency evacuation exercises were conducted at all sites to strengthen emergency preparedness and ensure workers are familiar with safety procedures.

The outcomes and corrective measures from chemical and noise risk assessments are documented under the work-related ill health section.

Worker participation, consultation, and communication on occupational health and safety

Straits is committed to protecting the health and safety of all employees, visitors, and contractors across the organization. Our health and safety team consists of a certified Safety and Health Officer (SHO), Environment Officer, trained Emergency Response Team (ERT), and safety committee members. Collectively, they play a key role in promoting a strong safety culture across all departments.

The safety committee comprises representatives from both management and the workforce, ensuring broad and inclusive participation in our occupational health and safety (OHS) management system. The committee provides technical support and oversight, maintains engagement with regulatory bodies, and acts as a communication bridge between the organization and its employees on safety-related matters.

The effectiveness of the OHS management system is reviewed quarterly during safety and health committee meetings. Our SHO is available for consultation and supports the development and continuous improvement of workplace safety programs and training.

At the departmental level, managers and supervisors are responsible for delivering safety-related instructions and information directly to employees. All new hires participate in orientation sessions on their first day, where they are introduced to occupational safety and health policies, procedures, and best practices. Refresher training is also conducted periodically for existing employees to maintain safety awareness and compliance.

We maintain open and transparent communication with employees on health and safety issues. All work-related accidents, near-misses, and corrective actions are communicated to employees. Workers are also encouraged to provide feedback, raise concerns anonymously through the grievance mechanism, and exercise their right to refuse unsafe work without fear of reprisal.

Worker training on occupational health and safety

Safety Training Conducted in 2024
1. Safe chemical handling and labelling
2. Noise hazard identification
3. Machine guarding and equipment safety
4. Incident and accident reporting procedure
5. Hearing conservation programs
6. Safe use of air gun compressors
7. Hand and finger injury prevention
8. Manual handling awareness

In 2024, Straits Orthopaedics enhanced its occupational health and safety training programs to reinforce workplace safety awareness and risk prevention. A total of 9,691[48] in-person training hours were delivered.

The key training modules, which were mandatory for all employees, focused on Environmental, Social and Governance (ESG) awareness, environmental awareness, and the proper use of personal protective equipment (PPE). In addition, job-specific training was provided to employees, as summarised in the table.

This tailored training approach ensures that all employees are equipped with essential safety knowledge, while those in higher-risk roles receive additional instruction relevant to their duties. These efforts reflect Straits Orthopaedics' ongoing commitment to maintaining a safe, informed, and proactive workforce.

Promotion of worker health

Straits Orthopaedics is committed to supporting the overall well-being of our employees by facilitating access to non-occupational medical and healthcare services. As part of our employee benefits, we provide medical reimbursement and insurance coverage, which include general medical checkups, medical and dental treatment, vision care, and hospitalization. Employees are free to obtain these services from any licensed healthcare provider of their choice.

In 2024, we participated in the national Health Screening Program (HSP[49]) 3.0, organized by PERKESO[50] , which offers free health screenings to eligible employees aged 40 to 59 years. The screening was conducted in April 2024 for three manufacturing sites with a total of 63 employees participated.

To complement these health initiatives and ensure a safe working environment, Straits Orthopaedics maintains comprehensive emergency and first-aid preparedness. All safety equipment, including fire extinguishers, alarms, and first aid kits, was routinely inspected and serviced in 2024 to ensure compliance with safety standards. The first aid kits are regularly replenished by designated safety personnel.

In 2025, Straits Orthopaedics plans to further enhance on-site medical preparedness by adding hospital-grade gauze swabs to all first aid kits, installing Automated External Defibrillators (AEDs) at key locations, and providing AED training for Emergency Response Team (ERT) personnel to ensure effective use during emergencies.

[48] This includes hours recorded for new hire orientation.

[49] The screening is designed to detect non-communicable diseases (NCDs) such as diabetes, hypertension, and early signs of cancer, as well as assess mental health and provide advisory services. The program includes physical examinations, blood and urine tests, cancer marker tests, mental health screening, and counselling services.

[50] PERKESO (Pertubuhan Keselamatan Sosial) is Malaysia's Social Security Organization, a government agency responsible for providing social security protection to employees in the private sector.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Straits Orthopaedics is committed to ensuring that occupational health and safety (OHS) standards are upheld not only within our own operations but also across our supply chain and business relationships. In 2024, we continued our efforts to mitigate safety risks linked to suppliers, contractors, and service providers.

All non-employee workers, including contractors and vendors operating within our premises, are required to comply with our health and safety procedures to ensure adherence to safety protocols. To further raise awareness, we displayed safety briefing posters at the security guard area, which serves as the main entry point for all site visitors, vendors, and contractors.

To strengthen our oversight, we conducted an ESG Survey covering all suppliers in 2024 and carried out supplier audits on four suppliers. These audits included a review of their occupational health and safety practices. Additionally, we reinforce our expectations through our purchase orders, which refer to our Supplier Code of Conduct, requiring compliance with health and safety standards.

During this reporting year, there were no safety-related incidents reported involving business partners or non-employee workers occurred.

Workers covered by an occupational health and safety management system

In 2024, our OHS management system covered 100% of our workforce, including 1,042 employees and 22 non-employee workers operating within our premises. The system applies to all sites and activities, ensuring that everyone involved in our operations is protected by standardized health and safety protocols.

Work-related injuries

Straits Orthopaedics records and manages work-related injuries using an Incident/Accident Report that captures the personnel involved, incident description, location, root cause, and corrective actions. In 2024, we improved this process by reporting safety-related incidents through the Convene ESG digital platform. All records, including those submitted to Malaysia's Department of Occupational Safety and Health (DOSH), are maintained by the Human Resources Department.

In 2024, there were no fatalities, but we recorded one high-consequence work-related injury, resulting in a high-consequence injury rate of 0.07. Additionally, three other recordable work-related injuries occurred, with a recordable injury rate of 0.22, calculated based on 200,000 working hours[51].

In line with our latest HIRARC, hazards that could potentially lead to high-consequence injuries such as flying objects during machining, improperly modified safety interlocks, or unsafe handling of flammable containers have been assessed and managed. Control measures include installing interlocks and safety guards, securing hanging objects and cables, enhancing lighting, developing safe work procedures, providing PPE, and displaying safety signage.

Straits Orthopaedics continues to improve its risk mitigation practices through proactive hazard identification and compliance with our HIRARC framework. In 2024, quarterly internal safety audits were conducted alongside biweekly E&S audits, reinforcing our health and safety control. Additionally, Straits Orthopaedics invested significantly in PPE to maintain a safe working environment for all employees.

[51] The 200,000-hour figure represents the number of hours 100 employees would work 40 hours per week, 50 weeks per year, based on the US OSHA Injury and Illness Recordkeeping Forms and Instructions. These forms stated that the figures are the standard base for calculating the rate of work-related fatalities, high-consequences injuries, and recordable work-related injuries.

Employee Work Injuries	FY2024[52]	FY2023	FY2022	Unit
Work-related injury fatalities	0	0	0	#
	0.00	0.00	0.00	rate
High-consequences work-related injuries[53]	1	0	0	#
	0.07	0.00	0.00	rate
Recordable work-related injuries	3[54]	2	0	#
	0.22	0.14	0.00	rate
Lost time injuries	909	144	0	#
Hours worked	2,685,087.00	2,843,685.00	1,855,539.00	#
First aid case	383	0	0	#

Work-related ill health

Injuries and work-related ill health are documented in the Incident/Accident Report, which is managed and retained by the Human Resources Department. In 2024, there were no reported cases of work-related ill health[55] or fatalities involving either employees or non-employees.

Our latest HIRARC exercise, we have identified potential health hazards, particularly from chemical exposure and physical factors such as noise. In response, Noise Risk Assessments (NRA) and Chemical Health Risk Assessments (CHRA) were conducted to evaluate and manage these occupational health risks.

To control noise exposure, corrective measures have been implemented, including the installation of silencers on compressed air guns, the display of warning signage in high-noise areas, and the provision of PPE. In 2024, a total of 22 employees from two work areas were involved in an audiometric testing program to monitor their hearing health. Follow-up sessions and hearing examinations were conducted for selected employees who showed signs of hearing issues, to ensure adequate protection and raise awareness.

In addressing chemical-related risks, oil mist and dust collectors were installed to reduce airborne contaminants in the workplace. Additionally, a scrubber system was successfully installed at our new Batu Kawan site in 2024 to filter gas emissions from surface treatment activities.

GRI404: Training and Education 2016

Management of Material Topics

Straits Orthopaedics' training and development are managed by the Human Resources Department, ensuring employees gain the necessary competencies and skills to perform effectively and continue progressing in their roles. Guided by our Standard Operating Procedure on competence, awareness, and training, we utilize a structured training matrix to identify needs, plan annual training activities, and assess program effectiveness. Comprehensive records including training hours, participation, and evaluation outcomes are maintained to monitor and enhance training effectiveness.

In 2024, the annual training plan remained aligned with operational demands, focusing on areas such as work processes and quality control. Safety-specific training was reinforced across

[52] Both high-consequence and recordable work-related injuries are reported to the Malaysian DOSH, with the Human Resources Department retaining the related documentation.
[53] According to GRI Standards, a high-consequence work-related injury results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.
[54] Such work-related injuries were reported to the Malaysian DOSH, with the Human Resources Department retaining the related documentation.
[55] According to GRI Standards, work-related ill health has a negative impact on health arising from exposure to hazards at work.

departments. ESG, Environmental and Personal Protective (PPE) awareness training was introduced to all employees, including as part of the onboarding process for new recruits.

To promote accessibility and equal learning opportunities, in-house training materials were made available to all employees through a centralized platform. Language support continues to be provided where needed to accommodate our diverse workforce.

We also conducted targeted training for management, including sessions on compliance with the Malaysian Anti-Corruption Commission (MACC). In 2024, we saw an overall increase in both training hours and completion rates.

Average hours of training per year per employee

In 2024, the average training hours per employee increased from 5.50 hours in 2023 to 20.64 hours. This significant rise reflects our stronger focus on employee development, including more technical, safety, and ESG-related programs. We also began using the Convene ESG digital platform to collect and track training data, improving accuracy and capturing a broader range of learning activities.

Training Hours	FY2024	FY2023	FY2022	Unit
Total	21,510.00	6,731.00	4,719.00	#
By Gender				
Female	5,834.00	2,334.00	0.00	#
Male	15,676.00	4,397.00	0.00	#
By Employee Category				
Managerial/Mid-senior level	556.00	303.00	165.00	#
Executive level (incl. CEO and C-Suite)	0.00	0.00	14.00	#
Director/Senior management level	21.00	98.00	42.00	#
Associate/Entry level	20,933.00	6,330.00	4,498.00	#

Average Training Hours	FY2024	FY2023	FY2022	Unit
Total	20.64	5.50	4.99	#
By Gender				
Female	19.32	6.19	0.00	#
Male	21.18	5.20	0.00	#
By Employee Category				
Executive level (incl. CEO and C-Suite)	0.00	0.00	0.00	
Managerial/Mid-senior level	17.38	8.91	0.00	#
Director/Senior management level	3.50	24.50	0.00	#
Associate/Entry level	20.89	5.35	0.00	#

Programs for upgrading employee skills and transition assistance programs

Straits Orthopaedics is committed to building a skilled and knowledgeable workforce through a combination of structured onboarding, practical training, and ongoing educational initiatives. All employees, including new hires, receive internal training that covers essential topics such as environmental awareness, personal protective equipment (PPE) usage, and ESG-related responsibilities. These sessions are delivered by the ESG committee to enhance the workforce's understanding of sustainability and workplace safety.

To strengthen our internal ESG capabilities, selected ESG committee members participated in a specialized on-site training session on greenhouse gas (GHG) carbon accounting conducted by SGS. This one-day program helped build technical proficiency aligned with our emissions monitoring and reporting goals.

While a formal performance appraisal framework is currently under development, we plan to implement a standardized performance and evaluation procedure in 2025 to better support individual growth and organizational development.

At present, we do not offer structured transition assistance programs for employees nearing retirement. However, consistent with the Minimum Retirement Age Act 2012 in Malaysia, we support post-retirement employment opportunities based on mutual agreement and business needs, with assignments tailored according to the individual's capabilities and performance.

Percentage of employees receiving regular performance and career development reviews

Performance reviews were conducted quarterly, and in 2024, 9.7% of all employees at Straits Orthopaedics received a regular performance and career development review.

GRI405: Diversity and Equal Opportunity 2016

Management of Material Topics

We uphold a merit-based approach to employment and are committed to cultivating an inclusive workplace where all individuals are treated with dignity and respect. Our stance on equal opportunity is guided by the principles outlined in our Sustainability Policy and Staff Handbook, which has been revised in July 2024.

At Straits Orthopaedics, we provide equal opportunities in recruitment, advancement, and other employment decisions, regardless of age, gender, ethnicity, religion, or nationality. The Human Resources Department is responsible for monitoring workforce diversity and ensuring that inclusive practices are consistently applied across all stages of the employee hiring process, from recruitment and onboarding to training and development. Straits Orthopaedics has also installed OKU-accessible toilets, ramps for wheelchair access, and features designed to assist visually impaired individuals at the new Batu Kawan site, ensuring equal access and comfort for employees and visitors with disabilities.

Decisions regarding employment and career progression are based solely on individual qualifications, competencies, and performance. We also require our recruitment partners to uphold our anti-discrimination standards, ensuring fair and reasonable candidate evaluations.

Employees and stakeholders are encouraged to report any suspected incidents of discrimination or harassment through our established grievance mechanisms. All complaints are treated confidentially, and protections are in place to safeguard whistleblowers from retaliation.

Diversity[56] of governance bodies and employees

Board Diversity	FY2024	FY2023	FY2022	Unit
By Gender				
Male	100.00	100.00	100.00	%
By Age Group				
30 - 50	50.00	40.00	0.00	%
61 above	50.00	60.00	100.00	%

[56] All diversity figures are based on data as of 31 December 2024.

Employee Diversity	FY2024	FY2023	FY2022	Unit
By Gender				
Female	28.98	30.83	32.70	%
Male	71.02	69.17	67.30	%
By Age Group				
18 below	0.00	0.00	0.00	%
18 - 29	48.66	57.07	52.91	%
30 - 50	46.16	39.17	42.22	%
51 - 60	3.65	2.45	3.07	%
61 above	1.54	1.31	1.80	%
By Employee Category				
Associate/Entry level	96.16	96.73	0.00	%
Director/Senior management level	0.58	0.33	0.00	%
Executive level (incl. CEO and C-Suite)	0.19	0.16	0.00	%
Managerial/Mid-senior level	3.07	2.78	0.00	%
By Vulnerable Group				
Person with disability	0.00	0.00	0.00	%

Employee Diversity by Rank	FY2024	FY2023	FY2022	Unit
Groupwide				
Associate/Entry level	96.16	96.73	0.00	%
Director/Senior management level	0.58	0.33	0.00	%
Executive level (incl. CEO and C-Suite)	0.19	0.16	0.00	%
Managerial/Mid-senior level	3.07	2.78	0.00	%

Employee Rank by Age	FY2024	FY2023	FY2022	Unit
Associate/Entry level				
18 - 29	50.60	0.00	0.00	%
30 - 50	45.51	0.00	0.00	%
51 - 60	2.69	0.00	0.00	%
61 above	1.20	0.00	0.00	%
30 - 50 years old	0.00	0.00	0.00	%
< 30 years old	0.00	0.00	0.00	%
> 50 years old	0.00	0.00	0.00	%
Director/Senior management level				
30 - 50	16.67	0.00	0.00	%
51 - 60	50.00	0.00	0.00	%
61 above	33.33	0.00	0.00	%
30 - 50 years old	0.00	0.00	0.00	%
< 30 years old	0.00	0.00	0.00	%
> 50 years old	0.00	0.00	0.00	%
Executive level (incl. CEO and C-Suite)				
30 - 50	50.00	0.00	0.00	%
61 above	50.00	0.00	0.00	%
30 - 50 years old	0.00	0.00	0.00	%

< 30 years old	0.00	0.00	0.00	%
> 50 years old	0.00	0.00	0.00	%
Managerial/Mid-senior level				
30 - 50	71.88	0.00	0.00	%
51 - 60	25.00	0.00	0.00	%
61 above	3.13	0.00	0.00	%
30 - 50 years old	0.00	0.00	0.00	%
< 30 years old	0.00	0.00	0.00	%
> 50 years old	0.00	0.00	0.00	%

Ratio of basic salary and remuneration of women to men

In 2024, the ratio of the basic salary and remuneration for women to men in the manufacturing function was 1:1.03[57], with variations attributed to differing skill sets that influence compensation.

GRI413: Local Communities 2016

Management of Material Topics

Community engagement is a key element in maintaining long-term, respectful relationships with our stakeholders. It supports transparent communication and fosters trust by ensuring that community members are informed, valued, and heard.

As part of our contractor management approach, we reinforce expectations for responsible conduct and clear communication during site activities and work closely with contractors and business partners to minimize potential impacts on nearby communities. This strengthens our readiness to respond effectively should future projects or unforeseen incidents affect local communities[58].

For operations and site management, we maintained an active emergency response plan that considers scenarios, such as fire, with a focus on protecting both our employees and surrounding communities. Alongside, we enhanced our external grievance mechanism to improve accessibility and responsiveness for both internal and external stakeholders, including nearby communities. Site security personnel are also briefed on our grievance mechanism, and information is displayed at the guardhouse to provide an accessible channel for nearby communities to raise concerns. The revised process ensures that concerns related to our operations are addressed in a timely, transparent, and structured manner through investigation, corrective action, and escalation when necessary.

Operations with local community engagement, impact assessments, and development programs

In 2024, we continued with the development of our new manufacturing facility at Batu Kawan Industrial Park (BKIP), a site officially recognized by the Malaysia Investment Development Authority (MIDA) and the Penang state government. Situated within an industrial area, the location was chosen to minimize disruption to surrounding residential communities. Nonetheless, we continue to monitor potential community-related impacts and maintain our grievance channels to ensure any concerns are addressed in a timely and structured manner.

Additionally, to support local development, we remain committed to creating economic value through employment. A strong focus was placed on hiring from the local workforce and sustaining our internship program, which offered valuable industry exposure and skills development to local youth. This year, we provided 31 internship opportunities, reinforcing our efforts to nurture future talent in

[57] The value represents a weighted average, accounting for slight monthly fluctuations and the year-end distribution of remuneration.

[58] According to the Global Reporting Initiative (GRI), a local community consists of individuals or groups living or working in areas that are affected by, or could potentially be affected by, an organization's activities.

the manufacturing sector and strengthen community engagement through meaningful employment pathways.

Operations with significant actual and potential negative impacts on local communities

Throughout the construction phase for the development of our new Batu Kawan facility, contractors were required to maintain valid licenses and permits and comply with applicable site requirements, including measures to manage potential impacts on nearby communities. Maintaining these licenses and permits reinforced compliance and supported effective impact management; nonetheless, a detailed Environmental and/or Social Impact Assessment was not required for this expansion. No reportable negative impacts on local communities were received through our grievance mechanism, nor were any such cases reported to us by contractors through established communication channels.

GRI414: Supplier Social Assessment 2016

Management of Material Topics

Social risks in the supply chain are managed through the same supplier assessment and audit framework described in the Supplier Environmental Assessment section. In addition to environmental criteria, Straits Orthopaedics evaluates suppliers on social aspects including human rights, fair labor practices, and occupational health and safety.

Screening of new suppliers and assessing potential negative social impacts are conducted as part of this integrated evaluation process. Outcomes and follow-up actions are managed in line with the approach described under Environmental Supplier Assessment.

GRI416: Customer Health and Safety 2016

Management of Material Topics

Straits Orthopaedics remains committed to delivering high quality medical devices while minimizing risks to customer health and safety. We maintain a comprehensive Quality Management System (QMS) aligned with ISO 9001, ISO 13485, and US FDA CFR Part 820 regulations.

In 2024, we successfully completed US FDA recertification audits for Site 1 and Site 2. Additionally, we are preparing for a US FDA audit for Site 3B scheduled for the first quarter of 2025.

Our QMS is overseen by the Quality team in collaboration with operations and support departments, ensuring that quality and safety standards are consistently upheld. All key operational activities, from supply chain and order review to validated manufacturing processes and quality control, are carried out according to documented procedures and customer specifications.

We continue to maintain internal targets of 100% product conformity and 85% on-time delivery. Regular internal audits are conducted to verify compliance and system effectiveness. Customer feedback is processed systematically within the QMS, and corrective actions are implemented where necessary to support continual improvement and risk mitigation.

Assessment of the health and safety impacts of product and service categories

Straits Orthopaedics manufactures products based on customer specifications, recognizing that our customers are responsible for evaluating health and safety aspects throughout the device lifecycle.

To support this, we maintain close communication and provide relevant information to facilitate their assessments. Any changes that may influence product safety or performance are promptly communicated to customers.

Our post-delivery process includes a structured approach for managing product-related issues, coordinated through the Advisory Notice system overseen by the Quality team. This ensures timely updates to all relevant parties. Feedback and comments are managed in accordance with our Quality Management System (QMS), with corrective actions implemented as needed to implement necessary improvement actions.

Incidents of non-compliance concerning the health and safety impacts of products and services

In 2023, no health and safety-related non-compliance issues were reported, nor were any fines or litigation arising from such events.

GRI417: Marketing and Labeling 2016

Management of Material Topics

At Straits Orthopaedics, we recognize the critical role that accurate product information plays in ensuring device traceability and safe usage. While the final labelling and end-user education are managed by our customers, we remain committed to supporting these efforts by delivering conforming products to their customers.

Our priority is to deliver products that fully meet customer specifications and regulatory expectations. To support this, we maintain a strong Quality Management System (QMS) that enables the effective handling of customer feedback and inquiries. This system is overseen by our dedicated Quality team. In addition, we uphold a thorough documentation process that captures all relevant information related to order fulfilment. These records are securely retained for a minimum of 55 years and are readily accessible when required.

Requirements for product and service information and labeling

As a contract manufacturer, Straits Orthopaedics applies customer-approved labels to its products in accordance with customers' specifications. These labels are designed to ensure clear traceability and safe usage by end users. The labelling process is automated and incorporates error-proof controls. All activities are carried out under strictly documented procedures to maintain consistency and accuracy.

Incidents of non-compliance concerning product and service information and labeling

In 2024, Straits Orthopaedics did not record any instances of non-compliance related to product or service information and labeling. There were no fines, penalties, or legal proceedings associated with such matters during the reporting period.

Incidents of non-compliance concerning marketing communications

Straits Orthopaedics remains committed to supporting its customers in maintaining compliance with marketing communications requirements. We are always prepared to provide relevant information when needed. In 2024, we did not receive any inquiries or compliance-related feedback regarding marketing communications, and no incidents of non-compliance were recorded.

GRI Content Index

Statement of use	Straits Orthopaedics (Mfg.) Sdn Bhd has reported the information cited in this GRI content index for the period 01 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Number	Disclosure	Disclosed in this Report	References
GRI 2: General Disclosures 2021 - The organization and its reporting practices			
GRI2-1	Organizational details	✓	7
GRI2-2	Entities included in the organization's sustainability reporting	✓	7
GRI2-3	Reporting period, frequency and contact point	✓	8
GRI2-4	Restatements of information	✓	8
GRI2-5	External assurance	✓	8
GRI 2: General Disclosures 2021 - Activities and workers			
GRI2-6	Activities, value chain and other business relationships	✓	9
GRI2-7	Employees	✓	9
GRI2-8	Workers who are not employees	✓	10
GRI 2: General Disclosures 2021 – Governance			
GRI2-9	Governance structure and composition	✓	11
GRI2-10	Nomination and selection of the highest governance body	✓	11
GRI2-11	Chair of the highest governance body	✓	11
GRI2-12	Role of the highest governance body in overseeing the management of impacts	✓	11
GRI2-13	Delegation of responsibility for managing impacts	✓	11
GRI2-14	Role of the highest governance body in sustainability reporting	✓	12
GRI2-15	Conflicts of interest	✓	12
GRI2-16	Communication of critical concerns	✓	12
GRI2-17	Collective knowledge of the highest governance body	✓	12

GRI2-18	Evaluation of the performance of the highest governance body	✓	12
GRI2-19	Remuneration policies	✓	12
GRI2-20	Process to determine remuneration	✓	12
GRI2-21	Annual total compensation ratio	✓	12
GRI 2: General Disclosures 2021 - Strategy, policies and practices			
GRI2-22	Statement on sustainable development strategy	✓	13
GRI2-23	Policy commitments	✓	13
GRI2-24	Embedding policy commitments	✓	13
GRI2-25	Processes to remediate negative impacts	✓	14
GRI2-26	Mechanisms for seeking advice and raising concerns	✓	14
GRI2-27	Compliance with laws and regulations	✓	14
GRI2-28	Membership associations	✓	14
GRI 2: General Disclosures 2021 - Stakeholder engagement			
GRI2-29	Approach to stakeholder engagement	✓	15
GRI2-30	Collective bargaining agreements	✓	15
GRI 3: Material Topics 2021			
GRI3-1	Process to determine material topics	✓	15
GRI3-2	List of material topics	✓	16
GRI3-3	Management of material topics	X	-
GRI 201: Economic Performance 2016			
GRI3-3	Management of material topics	✓	26
GRI201-1	Direct economic value generated and distributed	✓	27
GRI201-2	Financial implications and other risks and opportunities due to climate change	✓	27
GRI201-3	Defined benefit plan obligations and other retirement plans	✓	30
GRI201-4	Financial assistance received from government	✓	30
GRI 202: Market Presence 2016			

GRI3-3	Management of material topics	✓	30
GRI202-1	Ratios of standard entry level wage by gender compared to local minimum wage	✓	30
GRI202-2	Proportion of senior management hired from the local community	✓	30
GRI 204: Procurement Practices 2016			
GRI3-3	Management of material topics	✓	31
GRI204-1	Proportion of spending on local suppliers	✓	31
GRI 205: Anti-corruption 2016			
GRI3-3	Management of material topics	✓	31
GRI205-1	Operations assessed for risks related to corruption	✓	32
GRI205-2	Communication and training about anti-corruption policies and procedures	✓	32
GRI205-3	Confirmed incidents of corruption and actions taken	✓	32
GRI 301: Materials 2016			
GRI3-3	Management of material topics	✓	32
GRI301-1	Materials used by weight or volume	✓	33
GRI301-2	Recycled input materials used	✓	34
GRI301-3	Reclaimed products and their packaging materials	✓	34
GRI 302: Energy 2016			
GRI3-3	Management of material topics	✓	34
GRI302-1	Energy consumption within the organization	✓	34
GRI302-2	Energy consumption outside of the organization	✓	35
GRI302-3	Energy intensity	✓	35
GRI302-4	Reduction of energy consumption	✓	36
GRI302-5	Reduction in energy requirements of products and services	✓	36
GRI 303: Water and Effluents 2018			
GRI3-3	Management of material topics	✓	16
GRI303-1	Interactions with water as a shared resource	✓	16

GRI303-2	Management of water discharge-related impacts	✓	16
GRI303-3	Water withdrawal	✓	17
GRI303-4	Water discharge	✓	17
GRI303-5	Water consumption	✓	18
GRI 305: Emissions 2016			
GRI3-3	Management of material topics	✓	19
GRI305-1	Direct (Scope 1) GHG emissions	✓	20
GRI305-2	Energy indirect (Scope 2) GHG emissions	✓	21
GRI305-3	Other indirect (Scope 3) GHG emissions	✓	21
GRI305-4	GHG emissions intensity	✓	22
GRI305-5	Reduction of GHG emissions	✓	23
GRI305-6	Emissions of ozone-depleting substances (ODS)	✓	23
GRI305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	✓	23
GRI 306: Waste 2020			
GRI3-3	Management of material topics	✓	23
GRI306-1	Waste generation and significant waste-related impacts	✓	24
GRI306-2	Management of significant waste-related impacts	✓	24
GRI306-3	Waste generated	✓	24
GRI306-4	Waste diverted from disposal	✓	25
GRI306-5	Waste directed to disposal	✓	26
GRI 308: Supplier Environmental Assessment 2016			
GRI3-3	Management of material topics	✓	36
GRI308-1	New suppliers that were screened using environmental criteria	✓	36
GRI308-2	Negative environmental impacts in the supply chain and actions taken	✓	37
GRI 401: Employment 2016			

GRI3-3	Management of material topics	✓	37
GRI401-1	New employee hires and employee turnover	✓	38
GRI401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	✓	38
GRI401-3	Parental leave	✓	39
GRI 403: Occupational Health and Safety 2018			
GRI3-3	Management of material topics	✓	39
GRI403-1	Occupational health and safety management system	✓	39
GRI403-2	Hazard identification, risk assessment, and incident investigation	✓	40
GRI403-3	Occupational health services	✓	41
GRI403-4	Worker participation, consultation, and communication on occupational health and safety	✓	42
GRI403-5	Worker training on occupational health and safety	✓	43
GRI403-6	Promotion of worker health	✓	43
GRI403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	✓	44
GRI403-8	Workers covered by an occupational health and safety management system	✓	44
GRI403-9	Work-related injuries	✓	44
GRI403-10	Work-related ill health	✓	45
GRI 404: Training and Education 2016			
GRI3-3	Management of material topics	✓	45
GRI404-1	Average hours of training per year per employee	✓	46
GRI404-2	Programs for upgrading employee skills and transition assistance programs	✓	46
GRI404-3	Percentage of employees receiving regular performance and career development reviews	✓	47
GRI 405: Diversity and Equal Opportunity 2016			
GRI3-3	Management of material topics	✓	47
GRI405-1	Diversity of governance bodies and employees	✓	47

GRI405-2	Ratio of basic salary and remuneration of women to men	✓	49
GRI 413: Local Communities 2016			
GRI3-3	Management of material topics	✓	49
GRI413-1	Operations with local community engagement, impact assessments, and development programs	✓	49
GRI413-2	Operations with significant actual and potential negative impacts on local communities	✓	50
GRI 414: Supplier Social Assessment 2016			
GRI3-3	Management of material topics	✓	50
GRI414-1	New suppliers that were screened using social criteria	✓	36
GRI414-2	Negative social impacts in the supply chain and actions taken	✓	37
GRI 416: Customer Health and Safety 2016			
GRI3-3	Management of material topics	✓	50
GRI416-1	Assessment of the health and safety impacts of product and service categories	✓	50
GRI416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	✓	51
GRI 417: Marketing and Labeling 2016			
GRI3-3	Management of material topics	✓	51
GRI417-1	Requirements for product and service information and labeling	✓	51
GRI417-2	Incidents of non-compliance concerning product and service information and labeling	✓	51
GRI417-3	Incidents of non-compliance concerning marketing communications	✓	51