

CONTENT INDEX

for Sern Kou Resources Berhad's Sustainability Statement 2023

The Sustainability Statement of Sern Kou Resources Berhad ("SKRB" or the "Group") for the period of 1 July 2022 to 30 June 2023 ("SS2023") has been prepared in alignment with the key themes and recommended disclosures of various esteemed sustainability frameworks and standards. It aims to provide our stakeholders with an exhaustive overview of SKRB's environmental, social, and governance ("ESG") accomplishments for the financial year ended 30 June 2023 ("FY2023").

In an effort to refine our sustainability reporting and inculcate transparency, we have prepared content indexes for the following frameworks:

- Bursa Malaysia Sustainability Reporting Guide 3rd Edition
- Task Force on Climate-related Financial Disclosures ("TCFD")
- Global Reporting Initiative ("GRI") Standards 2023: Core Option

These indexes enable stakeholders to assess our compliance with the referenced sustainability frameworks and standards, and to easily locate specific sections of the report that may be of interest. Through the voluntary disclosure of this information, we affirm our commitment to upholding ESG best practices, thereby fostering positive value creation for all stakeholders involved.

SKRB's SS2023 can be found on pages 11 to 62 of SKRB's Annual Report 2023 ("AR2023"): <https://www.sernkou.com/sernkougroup/wp-content/uploads/2023/10/Sern-Kou-Resources-Berhad-Annual-Report-2023.pdf>

BURSA MALAYSIA

SR GUIDE 2022 DISCLOSURE INDEX

Topic	Disclosure Guidance				Location/Explanation
Sustainability Governance	1)	Oversight of sustainability matters	a)	Oversight responsibility	See Sustainability Governance Structure on pages 17-18 of AR2023.
			b)	Nature of oversight	
	2)	Strategic management of sustainability matters	a)	Strategic management responsibility	
			b)	Nature of strategic management	
	3)	Day-to-day implementation of sustainability matters	a)	Implementation responsibility	
Scope and Basis of Preparation	1)	Scope	a)	Operations included/ excluded	See Reporting Period, Scope and Boundary on page 12.
	2)	Basis of scope	a)	Clear basis of scope	
			b)	Explanation on changes in scope	
Materiality Assessment	1)	Identification of sustainability matters	a)	Internal and external data sources	See Materiality Assessment and FY2023 Materiality Matrix on pages 23-25.
			b)	Internal and external stakeholder groups engaged	
	2)	Prioritisation of material sustainability matters	a)	Stakeholder groups engaged for the prioritisation of its material sustainability matters	
	3)	Illustration of prioritisation of material matters	a)	Materiality matrix showing relative importance of each matter	
	4)	Review and validation of materiality assessment process and outcome	a)	Senior management review/ approval	
			b)	Board approval/ validation/ endorsement	
	5)	Frequency of materiality assessment process review	a)	Nature of assessment undertaken (full or limited) and underlying justification	
			b)	Frequency of undertaking materiality assessment	
Management Approach	1)	How the material sustainability matters are managed	a)	i) All common sustainability matters	Disclosed for all except for Scope 3 emissions (employee commuting and business travel). The Group is working on a feasible

					means to track and report Scope 3 data by FY2024.
				ii) Other matters identified	Disclosed.
			b)	Explanation on why each matter is material/ important	Disclosed.
			c)	Clear and comprehensive disclosure on the management approach of each matter	Disclosed.
			d)	Implications of each matter (e.g. risks and opportunities) on overall business strategy and/or financial performance	Disclosed.
	2)	Reporting on relevant indicators	a)	All common indicators	Disclosed for all except for Scope 3 emissions (employee commuting and business travel).
			b)	Due consideration to other potentially relevant indicators as suggested by Bursa's SR Guide	SKRB has included disclosures on indicators for the Customer Health & Safety/ Product Responsibility and Materials topics deemed relevant for the Consumer Products & Services sector. SKRB is in the process of establishing feasible means of tracking and reporting the other Effluent and Supply Chain indicators as suggested by Bursa's SR Guide.
			c)	Adequate explanation (e.g. relevance of indicators, underlying reasons for changes/ trends observed)	Disclosed.
			d)	Performance targets set for reported indicators	In FY2023, the Group had undertaken an ESG KPIs and Targets workshop to set performance targets for reported indicators. The Group is finalising those targets for adoption across its operations by FY2024.
	3)	For each reported indicator, provision of data for the last 3 financial years	a)	3 financial years' worth of data for each reported indicator	Disclosed.
			b)	Conformance with minimum data requirements set for newly adopted sustainability indicators	Adopted.
	1)	Performance Targets for reported indicators	a)	Disclose performance targets set for reported indicators	In FY2023, the Group had undertaken an ESG KPIs and Targets workshop to set performance targets for reported indicators. The

					Group is finalising those targets for adoption across its operations by FY2024.
	2)	Reporting of progress against performance targets	a)	Disclose performance or progress against set targets	N/A
			b)	Actions taken to course correct (in the event of setbacks)	N/A
			c)	i) Revised targets, if any	N/A
				ii) Reason/basis for the revisions	N/A
	3)	Linking performance targets to remunerations	a)	i) Oversight responsibility	See Board and Management Responsibility on ESG & Climate Change on page 19.
				ii) Strategic management responsibility	

TCFD INDEX

TCFD Recommendations	Recommended Disclosures		Location / Explanation
Governance <i>Disclose the organisation's governance around climate-related risks and opportunities.</i>	a)	Board Oversight	<p>All ESG matters, including climate-related risks and opportunities, fall under the direct oversight of the Board. The Board is supported by the Risk Management and Sustainability Committee ("RMSC") in its oversight responsibility. Comprising an Independent Non-Executive Director as Chair, and another Independent Non-Executive Director and the Managing Director of SKRB, the RMSC meets at least two (2) times a year to stay abreast with the Group's fiscal, operational, sustainability, climate-related and other risk management matters.</p> <p>In FY2023, the Group has established an Internal ESG Committee to support the RMSC in operationalising the ESG strategy and initiatives. Led by the Head of ESG at SKRB and assisted by the CFO, HR and Admin Manager, Head of Operation, the Internal ESG Committee facilitates the coordination of sustainability efforts among the Heads of Departments and Divisions.</p>
	b)	Management's Role	<p>SKRB is in the midst of finalising the adoption of appropriate ESG KPIs and Targets to enhance the performance and accountability of the identified indicators, with an eye towards potentially linking the achievement of these targets with the performance evaluations and remuneration considerations of the Board and Management of SKRB.</p> <p>For more information, please refer to the Sustainability Governance Structure section on pages 17-18, and Board and Management Responsibility on ESG & Climate Change section on page 19 of AR2023.</p>
Strategy <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material</i>	a)	Risks and Opportunities	<p>The Board and Management of SKRB are cognisant of the potential impact of climate-related risks on the Group's cash flows, reputation and license to operate. This includes potential loss of access to financing from investors and lenders, given the growing integration of ESG and climate-risk considerations in investment and lending decisions.</p> <p>Hence, SKRB is committed to address all sustainability-related risks and opportunities in a systematic and strategic manner to mitigate their potential impact on the Group's financial bottom line in the short, medium and long term.</p>

TCFD Recommendations	Recommended Disclosures		Location / Explanation
	b)	Impact on Organisation	<p>To that end, the Group has formalised our commitment to the responsible management of Climate Change and other material matters in our newly adopted ESG Framework. Work is also underway to enshrine these commitments and the Group's position on climate change in the Group's Sustainability Policy.</p> <p>Additionally, the Board and Management of SKRB have made considerable effort to fulfil Practices 4.1 to 4.5 of the MCCG 2021, including regular participation in ESG briefing and training sessions to ensure they stay abreast with developments in the sphere of sustainability, and taking ESG and climate-related risks into account when deliberating on the Group's business plans, strategies and resource allocation considerations. In FY2023, members of the Board and Management also participated in a workshop to establish ESG KPI and targets to better track and manage the Group's sustainability performance and enhance organisational resilience.</p> <p>On the operational front, SKRB is also exploring the potential of incorporating renewables into the Group's energy portfolio to lower our carbon footprint and potentially derive long term savings from our reduced dependency on purchased electricity.</p> <p>For more information, please refer the Board and Management Responsibility on ESG & Climate Change section on page 19 of AR2023. An overview of SKRB's Sustainability Milestones over the past few years is provided on page 16 of AR2023, while the Group's ESG Framework is disclosed on page 26 of AR2023. Further information on emissions reduction and energy management initiatives are disclosed on pages 42-44 of AR2023 under the Climate Change and Energy Consumption topics.</p>
	c)	Resilience of Strategy	
Risk Management <i>Disclose how the organisation identifies, assesses, and manages climate-related risks</i>	a)	Risk ID and Assessment Processes	<p>SKRB does not have a dedicated process for identifying and assessing climate-related risks and opportunities. However, the Group maintains a robust framework for risk management that includes the annual identification of all ESG risks that may threaten the Group's operations, including Climate Change, through a Materiality Assessment.</p>
	b)	Risk Management Processes	<p>A full-scale Materiality Assessment Exercise is undertaken once every 3 to 5 years, while limited-scale desktop assessments are carried out for the intermittent years. The findings of these assessments are presented to the RMSC for further management and incorporation into the Group's overall risk management.</p>
	c)	Integration into Overall Risk Management	<p>The Group's Stakeholder & Materiality processes are outlined on pages 20-25 of AR2023. More information on the Group's overall risk management process is detailed within the Statement on Risk Management and Internal Control on pages 107-109 of AR2023. The Anticipated or Known Risks identified by the Group are detailed in the Management Discussion & Analysis section of AR2023 on page 8.</p>

TCFD Recommendations	Recommended Disclosures		Location / Explanation
Metrics and Targets <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i>	a)	Climate-Related Metrics	<p>SKRB tracks climate change and emissions data through the amount of CO₂ generated by its annual energy consumption from fuel (Scope 1) and electricity (Scope 2). The total emission is then compared against the Group's annual sales in RM Million to derive emissions intensity figures and determine SKRB's energy efficiency.</p> <p>Scope One energy consumption (i.e. fuel in the form of diesel) is measured in litres while Scope Two energy consumption (i.e. electricity from the national grid) is measured using kilowatt-hours ("kWh"). Total energy consumption from Scope 1 and Scope 2 combined is measured in gigajoules ("GJ").</p>
	b)	Scope 1, 2, 3 GHG Emissions	<p>In FY2023, SKRB recorded 185,813 litres of diesel consumption and 4,502,825 kWh of electricity consumption, representing 502 tonnes and 2,481 tonnes of CO₂e respectively for the total 22,840 GJ of energy consumed.</p> <p>The combined carbon emissions from Scope 1 and Scope 2 at 2,983 CO₂e was measured against SKRB's FY2023 sales performance of RM380.63 million to derive the FY2023 emissions intensity of 7.83 tonnes CO₂e per RM'mil. Overall, the Group recorded a 20.6% drop in emissions intensity in FY2023 compared to the previous year.</p>
	c)	Climate-Related Targets	<p>In FY2023, the Group had undertaken an ESG KPIs and Targets workshop to establishing tangible, measurable and time-bound targets to better manage SKRB's sustainability-related performance metrics, including those related to energy and emissions management. The Group is in the midst of finalising those targets for adoption across its operations by FY2024.</p> <p>Please refer to the Climate Change and Energy Consumption topics in AR203 on pages 42-43 and 43-44 for more information.</p>

GRI STANDARDS 2021 INDEX

GRI STANDARD	CODE	DISCLOSURE	LOCATION/ EXPLANATION	PAGE
GRI 2: General Disclosures 2021	2-1	Organizational details	Front & Back Cover; Corporate Information	Cover; 70-71
	2-2	Entities included in the organization's sustainability reporting	Corporate Structure; Reporting Period, Scope and Boundary; Feedback	2; 12;
	2-3	Reporting period, frequency and contact point		12
	2-4	Restatements of information	Stakeholder & Materiality; Waste Management and Recycling	20-25; 46-47
	2-5	External assurance	Assurance Statement	62
	2-6	Activities, value chain and other business relationships	Management Discussion & Analysis	3-5
	2-7	Employees	Talent Management	54-56
	2-8	Workers who are not employees		
	2-9	Governance structure and composition	Sustainability Governance Structure;	17-18;
	2-10	Nomination and selection of the highest governance body		
	2-11	Chair of the highest governance body	Board Composition and Integrity;	27-28;
	2-12	Role of the highest governance body in overseeing the management of impacts		
	2-13	Delegation of responsibility for managing impacts	Directors' Profile;	64-68;
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement	83-106
	2-15	Conflicts of interest	Assurance Statement	62
	2-16	Communication of critical concerns	Directors' Profile	64-68
	2-17	Collective knowledge of the highest governance body	Stakeholder & Materiality; Whistleblowing; Grievance Mechanism	20-25; 33; 54
	2-18	Evaluation of the performance of the highest governance body	Board and Management Responsibility on ESG & Climate Change; Directors' Training	19; 95-97
	2-19	Remuneration policies	Overall Board Effectiveness	94-97
	2-20	Process to determine remuneration		
	2-21	Annual total compensation ratio		
	2-22	Statement on sustainable development strategy	Part III - Remuneration	98-102
	2-23	Policy commitments	MD's Message on Sustainability	13-14
	2-24	Embedding policy commitments		
	2-25	Processes to remediate negative impacts	Robust Sustainability Governance Policies	18-19
	2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanism	54
	2-27	Compliance with laws and regulations	Whistleblowing; Grievance Mechanism	33; 54
			Regulatory Compliance	34-

	2-28	Membership associations	Membership in Associations	22-23
	2-29	Approach to stakeholder engagement	Stakeholder & Materiality	20-22
	2-30	Collective bargaining agreements	Not disclosed.	N/A
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment; Governance; Economic; Environmental; Social	23-25; 27-35; 35-40; 41-47; 48-59
	3-2	List of material topics		
	3-3	Management of material topics		
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Profitability	35-36
	201-2	Financial implications and other risks and opportunities due to climate change	Financial and ESG Risks Management	33
	201-3	Defined benefit plan obligations and other retirement plans	Talent Management	52
	201-4	Financial assistance received from government	Not Applicable.	N/A
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Fair Marketplace Practices	28-29
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-Corruption	29-32
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Resource Stewardship	41-42
	301-2	Recycled input materials used		
	301-3	Reclaimed products and their packaging materials		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption	43-44
	302-2	Energy consumption outside of the organization		
	302-3	Energy intensity		
	302-4	Reduction of energy consumption		
	302-5	Reductions in energy requirements of products and services		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Consumption; Environmental Compliance	45; 47
	303-2	Management of water discharge-related impacts		
	303-3	Water withdrawal		
	303-4	Water discharge		
	303-5	Water consumption		
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	41
	304-2	Significant impacts of activities, products and services on biodiversity		
	304-3	Habitats protected or restored		
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		
	305-1	Direct (Scope 1) GHG emissions	Climate Change	42-43

GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity		
	305-5	Reduction of GHG emissions		
	305-6	Emissions of ozone-depleting substances (ODS)		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management and Recycling	46-47
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Fair Marketplace Practices	28-29
	308-2	Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Management	50-51
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		52
	401-3	Parental leave		57
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Upholding Sound Labour Practices	53
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Safety and Health	48-50
	403-2	Hazard identification, risk assessment, and incident investigation		
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		
	403-10	Work-related ill health		
GRI 404: Training and	404-1	Average hours of training per year per employee	Talent Training	57-59
	404-2	Programs for upgrading employee skills and transition assistance programs		

Education 2016	404-3	Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Championing Diversity, Non-discrimination and Inclusivity	54-57
	405-2	Ratio of basic salary and remuneration of women to men		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Championing Diversity, Non-discrimination and Inclusivity	54-57
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Due Diligence in Supply Chain	53
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Development	59
	413-2	Operations with significant actual and potential negative impacts on local communities		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Human Rights Due Diligence in Supply Chain	53
	414-2	Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016	415-1	Political contributions	Anti-Corruption	30
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Product Safety and Quality	38
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Product Safety and Quality; Market Access	38; 40
	417-2	Incidents of non-compliance concerning product and service information and labelling		
	417-3	Incidents of non-compliance concerning marketing communications		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy	35