

STATEMENT ON SUSTAINABILITY

ABOUT EVERGREEN FIBREBOARD BERHAD

Evergreen Fibreboard Berhad (“EFB”) is an integrated wood base manufacturer domiciled in Malaysia and has its footprints in three (3) countries that is Malaysia, Indonesia and Thailand. Our business operations are focused on Manufacturing and Marketing of Panel Boards with & without overlays (Medium Density Fibreboard (MDF) & Particleboard (PB)) and Ready-to-Assemble (RTA) Furniture. We are dedicated to increasing our efforts to offer sustainable green products to our customers. This approach will enable us to achieve steady and sustained growth while upholding our commitment to the economic, environmental and social responsibility. At present, EFB is within the mid -tier of the listed companies on Bursa Malaysia by its market capitalisation.

OUR CORE BUSINESSES

Our core business is in the Panel Boards segment which is manufacturing of the Medium Density Fibreboard (“MDF”) and Particleboard (“PB”). It is either sold as raw boards or process further with overlays of Veneer sheets, decorative paper or UV Coatings. These Panel Boards with Overlay is processed further into furniture or just sold as Laminated Panel Boards to furniture manufacturers. Our revenue are as follows: -

Product	Year 2021 (RM)	Year 2022 (RM)	Year 2023 (RM)
Panel Boards	841,472,342	982,716,911	777,869,346
RTA Furniture	51,417,296	67,108,009	17,336,389
Wood Pellets	31,296,728	39,564,818	70,067,544
Resin	10,537,290	12,582,682	14,987,947
Others	323,715	713,801	822,729

EFB Group of Companies is engaged in all aspects of its value chain, starting from plantation, resin manufacturing, panelboard manufacturing, overlay processing, design and development of furniture production including sales and marketing of products. Our products consist of various specifications for Panel Boards while our RTA Furniture consist of various models and designs that are made to order. Our production of resins is mainly for our own consumption for the production of Panel Boards and furniture while our Wood Pellets are produced partially from our production/ sawmill waste and mixed with tropical wood off cuts.

WHERE EFB OPERATES

Evergreen operates in Malaysia, Thailand and Indonesia.

Malaysia

Revenue : RM315,853,928
Employees : 1154
Key location : Johor, Malaysia

Thailand

Revenue : RM450,531,261
Employees : 720
Key location : Hat Yai, Thailand

Indonesia

Revenue : RM114,698,766
Employees : 82
Key location : Palembang, Indonesia

STATEMENT ON SUSTAINABILITY (Cont'd)

GROUP'S BUSINESS STRUCTURE

Medium Density Fibreboard

- Evergreen Fibreboard (Nilai) Sdn. Bhd. - Nilai, N.Sembilan
- Siam Fibreboard Co. Ltd. - Hat Yai, Thailand
- PT Hijau Lestari Raya Fibreboard - Palembang, Indonesia

Resin/Adhesive

- Evergreen Adhesive & Chemicals Sdn. Bhd. - Parit Raja, Johor
- Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd. - Gurun, Kedah

Particleboard

- AllGreen Timber Products Sdn. Bhd. - Segamat, Johor

Green Energy - Biomass & Solar

- AllGreen Timber Products Sdn. Bhd. - Segamat, Johor
- Craft Master Timber Products Sdn. Bhd. - Parit Raja, Johor
- Evergreen Fibreboard (JB) Sdn. Bhd. - Segamat, Johor
- ECO Generation Co. Ltd. - Hat Yai, Thailand
- GRE Energy Co. Ltd. - Hat Yai, Thailand
- Evergreen Fibreboard Berhad - Parit Raja, Johor

Wooden Furniture & Wood Products

- Evergreen Fibreboard Berhad - Parit Raja, Johor
- Siam Fibreboard Co. Ltd. - Hat Yai, Thailand

Logistics/Warehousing

- Locomotion Services Sdn. Bhd. - Butterworth, Penang

Property Holding

- Dawa Timber Industries (M) Sdn. Bhd. - Pasir Gudang, Johor
- Evergreen Agro Sdn. Bhd. - Parit Raja, Johor

Plantation (Rubber)

- Jasa Wibawa Sdn. Bhd. - Kahang, Johor

Marketing

- Everlatt Sourcing Sdn. Bhd. - Parit Raja, Johor
- Evergreen Furniture Co Pte. Ltd. - Singapore

Added Value Products - Panel Board

- Evergreen Fibreboard (JB) Sdn. Bhd. - Pasir Gudang, Johor
- Evergreen Fibreboard Berhad - Parit Raja, Johor

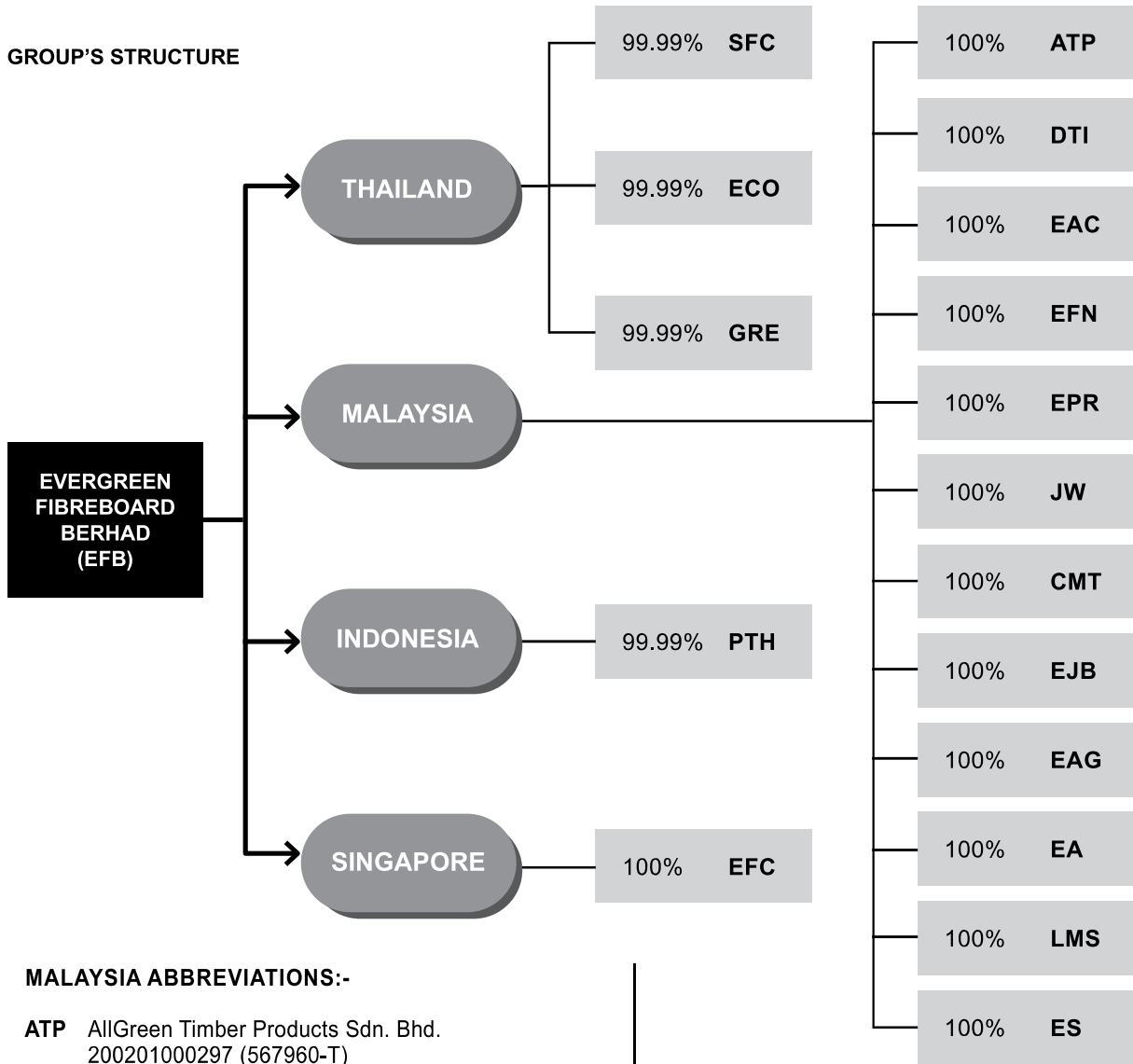
STATEMENT ON SUSTAINABILITY (Cont'd)

WHERE EVERGREEN OPERATE (Cont'd)

PRODUCTS MANUFACTURED / PRODUCED	MALAYSIA	THAILAND	INDONESIA
Medium Density Fibreboard (MDF)	37,752m ³	499,027m ³	113,030m ³
Particleboard (PB)	177,925m ³	N/A	N/A
Medium Density Fibreboard (MDF) With Overlay	127,422m ²	N/A	N/A
Ready to Assemble (RTA) Furniture	23,563m ³	455m ³	N/A
Wood Pellets	108,488m/ton	N/A	N/A
Resin /Adhesive	71,626m/tons	N/A	N/A
Green Energy - Biomass	N/A	61,083MWh	N/A
Green Energy - Solar	3,139MWh	N/A	N/A
Plantation (Planted)	20,830 trees	N/A	N/A



STATEMENT ON SUSTAINABILITY (Cont'd)



MALAYSIA ABBREVIATIONS:-

- ATP** AllGreen Timber Products Sdn. Bhd.
200201000297 (567960-T)
- CMT** Craft Master Timber Products Sdn. Bhd.
201101030344 (958479-K)
- DTI** Dawa Timber Industries (M) Sdn. Bhd.
197701001829 (32799-M)
- EFB** Evergreen Fibreboard Berhad
199101006810 (217120-W)
- EJB** Evergreen Fibreboard (JB) Sdn. Bhd.
200601031905 (751664-M)
- EAC** Evergreen Adhesive & Chemicals Sdn. Bhd.
200601037899 (757659-T)
- EAG** Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd.
201001024885 (908762-W)
- EFN** Evergreen Fibreboard (Nilai) Sdn. Bhd.
200801020800 (822113-U)
- EA** Evergreen Agro Sdn. Bhd.
201101013873 (942013-D)
- EPR** Evergreen Plantation Resources Sdn. Bhd.
201001042861 (926789-W)
- LMS** Locomotion Services Sdn. Bhd.
201101024229 (952365-P)
- JW** Jasa Wibawa Sdn. Bhd.
199801005018 (461145-D)
- ELS** Everlatt Sourcing Sdn. Bhd.
201501006212 (1131544-K)

THAILAND ABBREVIATIONS:-

- ECO** ECO Generation Co., Ltd.
(0905549001332)
- GRE** GRE Energy Co., Ltd.
(0905549001341)
- SFC** Siam Fibreboard Co., Ltd.
(0105547007195)

INDONESIA ABBREVIATIONS:-

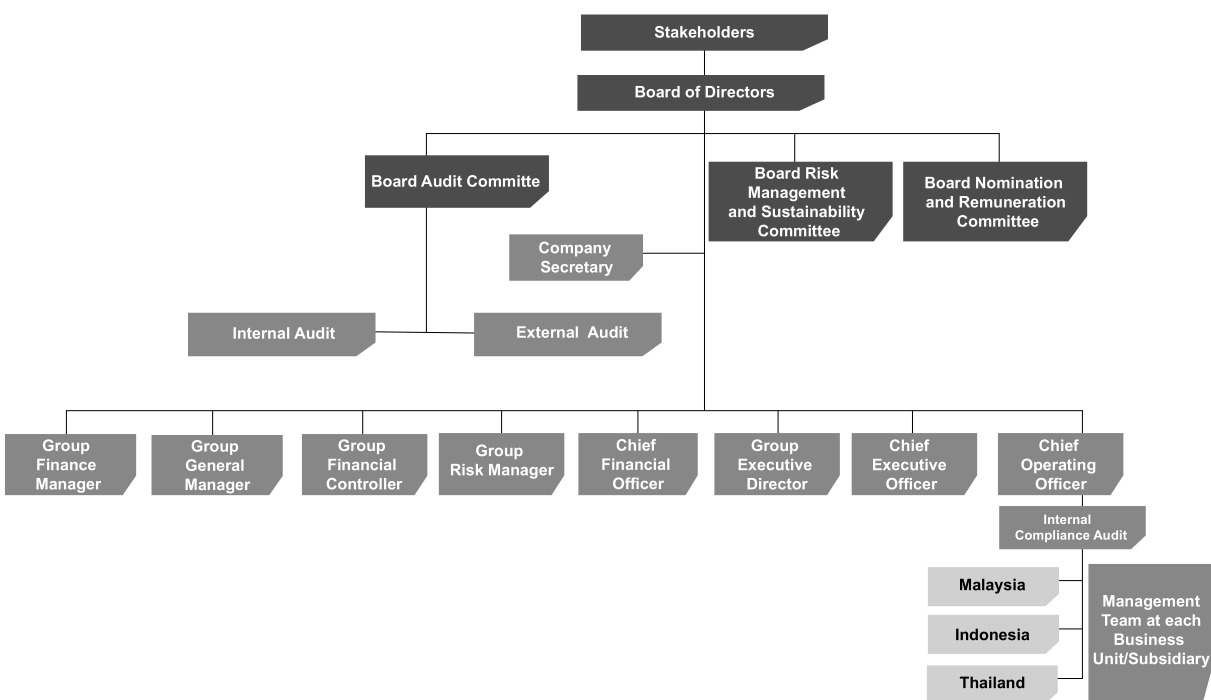
- PTH** PT Hijau Lestari Raya Fibreboard.
(8120015061789)

SINGAPORE ABBREVIATIONS:-

- EFC** Evergreen Furniture Co. Pte. Ltd.
(202015969N)

STATEMENT ON SUSTAINABILITY (Cont'd)

GROUP'S GOVERNANCE STRUCTURE



MANAGEMENT TEAM

Kuo Jen Chang
Group Chief Executive officer

Kuo Jen Chiu
Group Chief Operating Officer

Mary Henerietta Lim Kim Neo
Group Executive Director

Martin Leong Ting Siong
Group Chief Financial Officer & Investor Relation

Tee Kim Foom
Group Financial Controller & Head of Internal Compliance

Chieng Heng Nam
Head of Thailand Operations

Jeremy Tan Kian Ming
Group Cost Controller & Group Risk Manager

Philip Wong Hwee Lih
Group General Manager

Lee Tak Hin
Group Accounts Manager

Zuhairi Bin Ozir
Head of Indonesian Operations

ABOUT THIS STATEMENT

Evergreen Fibreboard Berhad (“EFB”) or (“the Group”) is honored to present our Annual Sustainability Statement (“SS”) or (“the Statement”) for 2023. This Statement provides an overview of the Group’s Sustainability Performance during the period from 1 January 2023 to 31 December 2023 (“2023”).

RESTATEMENTS OF INFORMATION

There is no substantial information regarding restatements from the previous year’s reporting period.

STATEMENT ON SUSTAINABILITY (Cont'd)

SCOPE AND BASIS OF SCOPE

This Statement covers the Group's sustainability performance and all geographical locations that EFB operates in, which is Malaysia, Thailand and Indonesia.

We have expanded the reporting scope of this Statement to include our plantation operations in Malaysia as the Group managed to obtain full-year 2023 data compared to our previous statements which only covers manufacturing operations of the Group.

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).

FEEDBACK

EFB welcomes and encourage stakeholders to provide feedback pertaining to this Statement and the issues covered by our Sustainability report at enquiry@efb.com.my.

For any inquiries related to the Group's Financial Performance, our Group Chief Financial Officer, who also serves as the Group's Investor Relations, can be reached via his email at martin@efb.com.my.

SUSTAINABILITY GOVERNANCE

The Group's sustainability governance structure is in place to manage the economic, environmental and social risks and opportunities ("sustainability matters"). As the Group looks to ensure sustainability is embedded across all aspects of the organisation, the responsibilities of our Board and its Committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference.

Our Group Executive Director is tasked to assist the Board Committee with strategic management of the organisation's material sustainability matters and is assisted by the Sustainability Management Team ("SMT") that are represented by Senior Management at the Group level and supported by Heads of Business Units/Subsidiary from each location.

SMT oversees the Sustainability Working Group ("SWG") made up of Department Heads from across all operating business units/subsidiary. Head of Operations in each Business Unit/Subsidiary is responsible for the day-to-day implementation of sustainability strategies and plans.

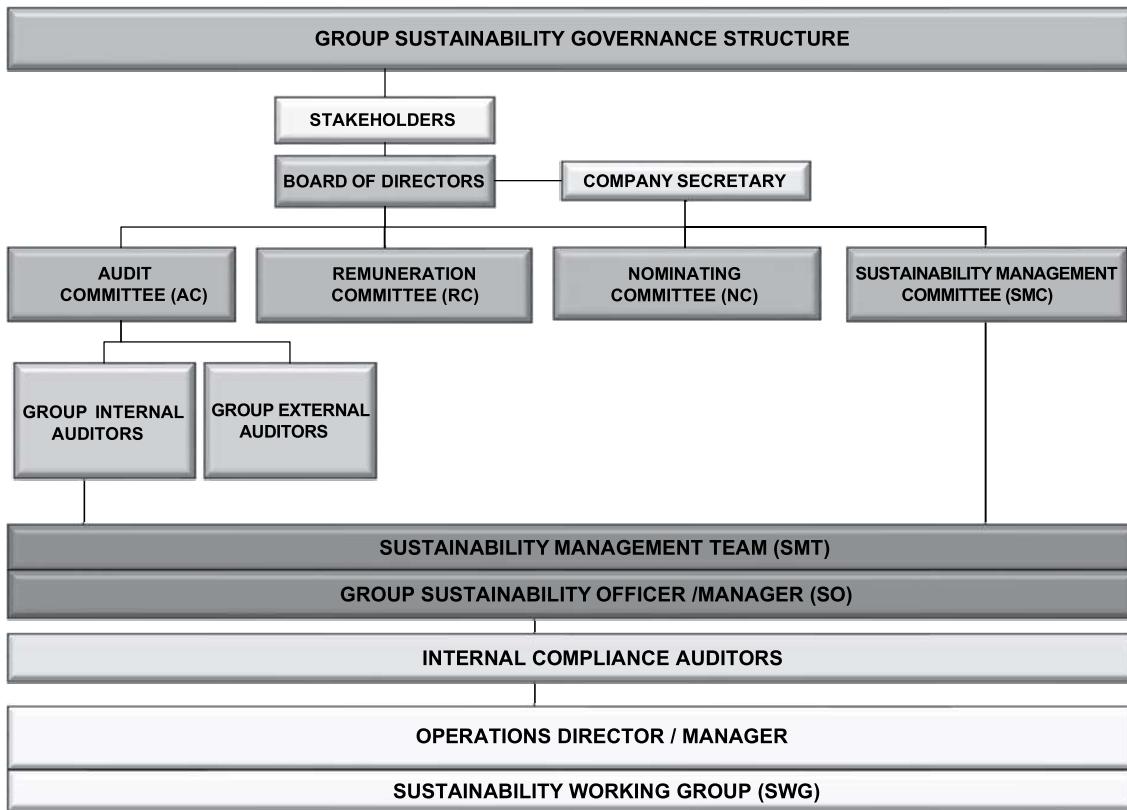
Separately, SWG of each Business Unit/Subsidiary acts both as subject matter experts and coordinates the Group's sustainability efforts performance (including undertaking the materiality assessment process).

Our Board of Directors is continuously being equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic related training programmes to manage sustainability.

The Board is aware of its responsibilities of ensuring that the required competencies in relation to sustainability is periodically assessed to strengthen the Board's leadership and oversight of sustainability matters.

Sustainability-linked key performance indicators ("KPIs") have been established and embedded within the Board's and Senior Management's performance evaluation to drive group-wide accountability in steering the Group's sustainability performance.

STATEMENT ON SUSTAINABILITY (Cont'd)



Governance Structure for Sustainability

The Group's Sustainability Governance Structure is explained as follows: -

Level 1

The Sustainability Working Groups ("SWG") of each Business Unit/Subsidiary

Identifies baselines, establish efforts, drives, data gathering, track and report on the Sustainability matters, progress and carry out risk assessment on material matters for implementation of controls.

Level 2

The Sustainability Management Team ("SMT") together with the Group Sustainability Officer ("GSO")

Rollout of Sustainability matters within the Group and implementation of Strategies set by the Board through SMC and oversee sustainability initiatives and efforts performance by each SWG.

Level 3

Sustainability Management Committee ("SMC") of the Board

Give directive on Sustainability Matters for implementation by the Group and oversee SMT function on directives by regular updates from SMT and report to the Board for approval.

STATEMENT ON SUSTAINABILITY (Cont'd)

Roles and Responsibilities are as follows: -

Level 1 – Sustainability Working Group (“SWG”)

Head of Operations (Operation Director/Manager) responsible to: -

- a) establish Sustainability Working Group (headed by him/herself) and supported by Heads of all Department in a business unit/subsidiary;
- b) report to SMT through GSO on all matters pertaining to Sustainability;
- c) ensure to create awareness on sustainability by communicating across stakeholders especially on the approach to sustainability;
- d) ensure that based on the area of focus for sustainability and risk, establish the materiality matters /identify risk to the subsidiary/business unit, thereon communicate with stakeholders and address the risk related to material matters;
- e) implement sustainability strategies laid out by the SMT/GSO and ensure sustainability are embedded into daily practices;
- f) ensure data on monthly achievement towards the set goals and targets are collected and key into the group reporting system accurately and on a timely manner;
- g) on a quarterly basis report to the SMT through the GSO on the progress of sustainability efforts in practice in his/her operation unit and present the same report to the SMT during the February, July and November monthly management meetings;
- h) make known to SMT on the Targets, Goals and plans for the year in March monthly meeting (These are taken as Key Performance Indicators for each business units/subsidiary for the year);
- i) update SMT in July meeting, on the implementation of the plans made known in February and the status / progress to all the set targets/goals; and
- j) make known to SMT In November meeting, the possible achievement for the financial year.

Level 2 – Sustainability Management Team (“SMT”) and Group Sustainability Officer – (“GSO”)

GSO to: -

- a) communicate the Group’s sustainability matters and strategies to the SWG. Feedback from SWG is brought to the attention of the SMT by GSO for their decision or action plans to the matters/issues raised;
- b) communicate with Human Resource Training Department to carry out necessary trainings as and when needed within the Group;
- c) report the progress of sustainability efforts of each business unit/company to the SMT for their advice and on-going strategies; and
- d) ensure all data and information needed for reporting on the group’s sustainability matters are compiled and made known to the SMT at least twice a year in order for Executive Directors to report upwards to the SMC.

STATEMENT ON SUSTAINABILITY (Cont'd)

SMT to: -

- a) be Chaired by the Chief Executive Officer/Chief Operating Officer. (In his absence the Group Executive Director shall be the Chairperson);
- b) ensure the implementation of Sustainability Strategies and Efforts by SWG of each business unit/subsidiary in the Group;
- c) communicate with GSO to set the goals and targets on sustainability matters for the Group on a yearly basis;
- d) ensure that Head of Operations of each business unit/company reports on a quarterly basis and provide advise as needed; and
- e) report at least twice a year to the Board of Directors via the SMC particularly in regards to the approach to sustainability matters set by the board including achievements on the goals and targets set.

Level 3 – Sustainability Management Committee (“SMC”)

SMC established by the Board of Directors and chaired by Independent Directors to: -

- a) approve the goals and targets set by SMT including setting the Sustainability Strategies for the Group;
- b) ensure regular updates on the progress of sustainability efforts in the Group is being received and provide needed advice to SMT where necessary;
- c) ensure sustainability targets and goals set are considered as part of remuneration for awarding management in the Group;
- d) request Internal Compliance Team / outsourced Internal Auditors to carry out periodic audits on Material Matters to ascertain management of risk on material matters are being addressed to as what has been presented by Senior Management; and
- e) review and approve Sustainability Statement provided by Senior Management for publication in annual report.

STAKEHOLDER ENGAGEMENT

EFB has a broad range of stakeholder groups that have an effect on, or are affected by the Group's activities. Our key stakeholder groups include shareholders, financiers, investors, government agencies, regulators, customers, employees, community and suppliers. They were identified based on their different levels of influence over and dependence on our business. Engagements are held through both formal and informal channels.

RISK MANAGEMENT

EFB aligns its risk management process with the ISO 31000:2018 Risk Management Guidelines to build readiness and resilience through the identification and management of potential risks encountered by our organisation. Our Enterprise Risk Management (“ERM”) framework has integrated sustainability related risks in addition to our corporate, financial and operational risks. We ensure all identified risks stay within our approved risk appetite and tolerance level through monthly monitoring of risk and declaration of level of any risk occurrence by designated risk owners and Head of Operations.

STATEMENT ON SUSTAINABILITY (Cont'd)

MATERIAL MATTERS

EFB is aware of the fact that our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. Our materiality assessment was conducted in year 2021 involving both our key internal and external stakeholders to ensure that their interests and concerns are addressed as our material matters can influence our business strategy and decision on allocation of resources to material sustainability issues.

Our aim is to conduct a comprehensive materiality assessment once every three (3) years and we undertake annual review of our previously prioritised economic, environment, social and governance impacts arising from our day-to-day activities and the changes in the industry situation.

There were no changes to our material matters as we are awaiting the results of our GHG Assessments outcome.

SUSTAINABILITY FRAMEWORK

EFB's sustainability framework is aligned with our business strategy and is guided by the Group's vision and mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters.

We have set our targets but will be re-setting all our targets once our Green House Gas (GHG) Assessment is completed and new targets will be set based on our Transition Plan. Thereon, we will monitor our sustainability performance and track our progress to ensure that we are making continuous improvements to achieve targets and goals set.

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC PERFORMANCE

The primary raw materials used for panel board manufacturing are rubber wood and tropical wood waste. The availability of rubber wood and tropical wood has been identified as a material and significant issue in Malaysia due to supply disruptions experienced by the Malaysian plant. The disruptions in wood supply have been caused by reduced harvesting, attributed to a shortage of foreign labor and the prolonged monsoon season, which led to floods in plantations. Although these supply disruption factors may be temporary, the diminishing availability of rubber and tropical wood plantations remains a concern. Insufficient supply for the plants can lead to operational disruptions, causing the company to be unable to fulfill its obligations as a supplier, potentially forcing the plant to halt or slow down production. This would have a material impact on the company's financial performance.

Why is this important?

EFB's financial performance supports the creation of long-term value and the Group's sustainability agenda. We are aware of our responsibilities to create decent employment opportunities and promote economic development within the local communities. Our ultimate goal is to ensure long-term resilience by leveraging our assets and sharing the generated wealth with our stakeholders.

Our approach

EFB's approach to sustaining and achieving good economic performance is by executing our business strategy, which includes staying abreast with market trends, strive to maintaining a healthy balance sheet and strong cash flow, pursuing technological advancement where possible, mitigating identified risks relevant to our business as well as pursuing diversification into new geographies.

Hence, the short supply of our main raw material can cause material impact to the Group's financial performance.

To manage this material matter in Malaysia, we will closely monitor the supply trends while taking action to implement mass planting of fast-growing wood species. Our aim is to establish our own supply from our plantation, fulfilling at least 30% - 40% of our requirements. This strategy will help reduce our dependency on our wood suppliers and may provide us with greater bargaining power over prices.

DESCRIPTION OF WOOD	YEAR	TOTAL M/TONS	SOURCE			
			PLANTATION	PEFC AREA	FSC AREA	OTHERS
Rubber / Mix Wood	2021	1,067,114	888,582	61,748	10,056	106,728
	2022	1,449,892	1,300,992	58,384	1,996	88,520
	2023	1,168,359	1,025,053	24,675	75,042	43,589

STATEMENT ON SUSTAINABILITY (Cont'd)

ECONOMIC PERFORMANCE (Cont'd)

Our performance

This year, the Group recorded a total revenue: -

Product	Year 2021 (RM)	Year 2022 (RM)	Year 2023 (RM)
Panel board	841,472,342	982,716,911	777,869,346
RTA Furniture	51,417,296	67,108,009	17,336,389
Resin	10,537,290	12,582,682	14,987,947
Wood Pellets	31,296,728	39,564,818	70,067,544
Others	323,715	713,801	822,729

ANTI-CORRUPTION

Why is this important?

EFB upholds high standards of business ethics and compliance across the Group as a reflection of our core values of Integrity, Customer Service, Consistency, Cost Efficient and Teamwork. This is crucial for us to protect the interests of both the business and stakeholders while building trust and reinforcing confidence of our stakeholders in us.

Our approach

The Board and Senior Management remained committed to conducting business with integrity, guided by our Code of Conduct ("CoC"). The CoC communicates EFB's fundamental principles and guidelines to all employees, including Directors in addressing ethical issues and carrying out their responsibilities. The Group's zero-tolerance stance against corruption is outlined in our Anti-Bribery and Corruption ("ABC") Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

All new joiners undergo an induction programme where they are required to familiarise themselves with the Group's CoC, ABC Policy, and other accompanying policies and procedures. Once they have completed the induction, all employees must also complete a mandatory annual training module and an examination to attest that they have thoroughly understood the policies and procedures, with a minimum passing score of 90%.

Our Vendors are also subjected to our ethical conduct and anti-bribery and corruption guidelines as entailed within the CoC for Third Parties and ABC Policy. All suppliers will need to sign a declaration indicating their agreement to abide by the guidelines and policies set forth by EFB in their business dealings.

EFB has established a dedicated whistleblowing channel under the Whistleblowing Policy. This Whistleblowing Form is made available on the Company's website at www.evergreengroup.com.my. Any reports received through this email address will go directly to Baker Tilly MH Governance and they will handle it confidentially and all valid reports received will be directed to the Audit Committee of the Company for their immediate attention and action.

The Audit Committee/BOD receives all complaints/reports of possible Improper Conduct/Malpractice seriously and will investigate the reported matter confidentially.

The Group has made our CoC, ABC Policy and Whistleblowing Policy available on our corporate website and Company's intranet to ensure they are accessible to all stakeholders.

STATEMENT ON SUSTAINABILITY (Cont'd)

Our performance

Corruption risk assessment

During the financial year 2023, the Group have undertaken corruption risk assessment that covers all of our operations in Malaysia, Thailand and Indonesia.

	2021	2022	2023
Percentage of operations that underwent corruption risk assessment	0%	100%	100%

Corruption-related training

All employees have completed the necessary annual training in 2023. Additionally, employees are required to complete an annual integrity pledge to indicate compliance.

Employee Category	Completion Rate		
	2021	2022	2023
Management	100%	100%	100%
Executive	100%	100%	100%
Non-executive/ Technical Staff	94%	100%	100%

Note: Operators & General Workers received classroom training and are not required to complete the examination.

Corruption incidents

As of 31st December 2023, we recorded zero incidents of corruption across EFB's business operations.

Health and Safety

Why is this important?

We prioritise the health and safety of our employees and contractors in our business operations and workplaces. By ensuring a healthy, safe and conducive workplace, we aim to prevent injuries and illnesses among those working within our premises, which ultimately leads to higher productivity.

Our approach

Our Group Health and Safety Policy outlines how our business operations are conducted in a safe manner, through the implementation of various measures and controls by all levels of our workforce. Health, Safety and Environment ("HSE") Working Committees are present in all business units/subsidiaries and quarterly meetings are conducted with representatives from Management and Employees to ensure that safety and health performance and directions are discussed at all levels.

The Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process is reviewed and assessed to ensure that it remains relevant in identifying all potential hazards and providing effective mitigation measures. We foster a reporting culture where workers can report incidents without fear of reprisal. An incident reporting line has been established to communicate information for management's attention.

At EFB, we offer medical care to our employees. Additionally, we provide health and safety training at the point of recruitment, on-the-job, and regular refresher training to employees and contractors. Our training programmes include both knowledge-based and skills-based training, covering topics such as emergency response, hazard and safety at the work place, as well as health awareness.

STATEMENT ON SUSTAINABILITY (Cont'd)

Our performance

Various Health and safety trainings were carried out for the Group employees and safety training are given to all contractor at the start of their project.

Number of Employees and Contractors Trained on Health & Safety Standards	2021	2022	2023
Employees	NA	NA	82%
Contractors	100%	100%	100%

Work-related injuries

EFB's ultimate goal is to ensure that all workers return home safely at the end of the day, which is why we strive to maintain zero fatalities annually by preventing and minimizing workplace incidents.

Unfortunately, we had 4695 in total manhours loss in 2023 involving minor accidents in the group. A detailed investigation to identify the cause and any systemic failures to be taken as corrective measures. These measures include implementing stricter safety measures and safety nets, retraining employees and contractors on working safely at heights, and ensuring full adherence to the SOP with stricter controls and supervision.

	2021		2022		2023	
	Employee	Contractor	Employee	Contractor	Employee	Contractor
Number of Fatalities	0	1	0	0	0	0
Number of Lost Time Injuries	0	2	0	0	4,695	0

EFB remains committed to continuously strengthen our preventive measures to avoid recurrence in the future.

CYBERSECURITY AND DATA PROTECTION

Why is this important?

In recent years, we have seen the acceleration of various trends revolving around remote working, e-commerce and automation, which has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. Consequently, we have the responsibility to manage the growing threat of cyber-attacks on EFB, including protecting our customers' sensitive information, to prevent any leaks, threats or loss of customer information.

Our approach

The Group continues to strengthen its cybersecurity measures through strict adherence to our Data Privacy Policy developed in accordance with the Personal Data Protection Act ("PDPA") 2010. We maintain a robust cybersecurity framework that is embedded within our operations and processes, adhering to all regulatory requirements in the different regions where we operate.

At EFB, managing data and security is an integral part of our risk management framework. We conduct regular reviews to ensure that our security controls and processes are operating effectively.

Throughout 2023, we implemented a range of cybersecurity measures. We put in place a reputable firewall product as our 1st level of defense against any external threats to our organization network, ensuring that we also have anti-virus protection software installed in all our local workstations. Furthermore, we continue to educate our employees on data protection and privacy. Additionally, we regularly educate our employees on how to identify phishing emails, malicious links and best practices and how to respond to such incidents.

STATEMENT ON SUSTAINABILITY (Cont'd)

Cyber threats are dynamic and ever-evolving, requiring constant vigilance and adaptability. We are committed for continuous improvement in our cybersecurity posture, regularly reviewing and enhancing our policies, procedures, and technologies to address emerging threats and evolving regulatory requirements.

Our performance

As of 31st December 2023, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

CLIMATE CHANGE

Why is this important?

The Group acknowledges that our energy consumption and Green House Gas (GHG) emissions contribute to climate change impacts. We recognize that as a corporate citizen, it is our responsibility to reduce our carbon footprint while also embracing opportunities that unfold while making the transition to a low-carbon economy.

Our approach

EFB aims to reduce our environmental footprints and establish operational resilience to deliver long-term value to our business, stakeholders and communities. We are guided by our Environmental Policy, which outlines the Group's objective to effectively manage and minimize the impacts arising from our business operations.

As part of our efforts to mitigate climate change, Evergreen has committed to achieving carbon neutrality by 2030 with an aspiration to be net zero by 2050. We are in the midst of carrying out our GHG Assessment and will thereon develop a Climate Transition Strategy and Plans which complements our policy to guide us on this journey.

Our performance

Energy consumption

In the year 2023, the total energy consumption recorded a 28.32% increase in consumption compared from our base line in year 2021. The increase is mainly from the full run of operations in Malaysia as in year 2021 almost all of our operations had shut down approximately 3-4 months due to the Movement Control Order (MCO) in Malaysia.

Energy Consumed	Year 2021	Year 2022	Year 2023
Electricity Consumed from National Grid	241,254 MWh	289,459 MWh	292,380MWh
Solar Energy Consumed	1,900 MWh	6,562 MWh	6,278MWh
Biomass Energy Consumed	94,690 MWh	126,591 MWh	134,857MWh
Total Consumption	337,844 MWh	422,612 MWh	433,515MWh

Carbon Emissions

Evergreen aims to reduce 30~40% of our absolute GHG emissions for Scope 1, 2 and 3 by 2030 and we have started tracking and monitoring our Scope 3 emissions, specifically for business travel and employee commuting. We will establish a target for our Scope 1, 2 & 3 emissions once we have obtained our GHG Assessment results for all of our operations.

STATEMENT ON SUSTAINABILITY (Cont'd)

CUSTOMER SATISFACTION

Why is this important?

The Group acknowledges that customer satisfaction and loyalty are key factors in achieving long-term success and maintaining our reputation as one of the leading producers of panelboards in the market. With this in mind, we strive to enhance customer satisfaction by considering their feedback and ensuring that high quality standards are met across all our products and services.

Our approach

We are committed to enhancing our customers' experience by engaging with them and obtaining periodic feedback and conducting our annual Customer Satisfaction Survey ("CSS"). These efforts enable us to gain insights into our customers' needs and expectations and enhance our products and services offerings.

The CSS covers a range of topics, including but not limited to Quality of Products, Timely Delivery, Customer Service including Responsiveness.

We have adopted and benchmarked our developments against the Quality Assessment System in Panel Boards reflecting our commitment to excellence. This assessment is a method for evaluating and measuring the quality of Panel Boards through various product certification compliance.

Our Sale & Marketing Manager serves as the focal point for managing client relationships and ensuring customer satisfaction and works closely with our production quality team. By doing so, we can provide added value to our customers and gain insights into their needs which allows us to manage and learn from their feedback.

Our performance

At EFB, we aim to maintain a minimum average CSS score of 80% annually.

Customer Satisfaction Survey

Year	Panel boards (%)	RTA Furniture (%)	Average (%)
2021	85	75	80
2022	82	80	81
2023	84	68	76

EMPLOYEE MANAGEMENT

GROUP MANPOWER

DESCRIPTION	YEAR 2021		YEAR 2022		YEAR 2023	
	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
MALAYSIA	1,368	64.9%	1,215	59.1%	1,154	59.0%
THAILAND	655	31.1%	619	30.1%	720	36.8%
INDONESIA	85	4.0%	222	10.8%	82	4.2%
TTL	2,108	100.0%	2,056	100.0%	1,956	100.0%
BY COUNTRY	FOREIGN LABOUR	IN PERCENTAGE	FOREIGN LABOUR	IN PERCENTAGE	FOREIGN LABOUR	IN PERCENTAGE
MALAYSIA	317	23.2%	253	20.8%	302	26.2%
THAILAND	105	16.0%	89	14.4%	144	20.0%
INDONESIA	0	0.0%	0.0%	0%	0	0.0%
TTL	422		342		446	
BY EMPLOYMENT	PERMANENT IN %	TEMPORARY IN %	PERMANENT IN %	TEMPORARY IN %	PERMANENT IN %	TEMPORARY IN %
MALAYSIA	98.5%	1.5%	100.0%	0.0%	98.6%	1.4%
THAILAND	91.4%	8.6%	100.0%	0.0%	89.1%	10.9%
INDONESIA	100.0%	0.0%	57.0%	43.0%	100.0%	0.0%

STATEMENT ON SUSTAINABILITY (Cont'd)

Why is this important?

EFB believes that our employees are our most valuable assets and are the driving force for our success and growth. We are committed to recruiting, developing, and retaining high-performing employees while providing work environment that is both conducive and empowering. On top of that, we invest significantly in development programmes to ensure our employees remain competitive, progressive and future ready.

Our approach

Evergreen adheres to local labor and employment-related laws in all our human resources practices and management. Our Group Human Resources department is guided by our 5 core values of integrity, Customer Service, Consistency, Cost Efficient and Team Work.

Upskilling and reskilling

It is our objective to foster a skilled, resilient, and agile workforce that can thrive in an ever-changing market landscape, amidst technological advances and emerging trends. We continue to adopt the 70- 20-10 learning model which sees 70% of talent development occur through the on-the-job training, 20% through developmental experiences such as coaching and mentoring, and the remainder 10% through formal development activities.

To address skill gaps and help our employees achieve their career development goals, we regularly assess employees' training needs, through a training needs analysis for each employee and review our existing training initiatives for continued relevance.

In 2023, we remain committed to investing in training and development programmes, utilising both physical and online channels. Our training and development programmes include the following:-

1. Corporate induction for management, executives and non-executives;
2. Leadership development programmes for middle and senior management levels;
3. Upskilling programmes on technical courses related to job functions;
4. Webinars from subject-matter experts and industry leaders;
5. Capacity building via professional certification; and
6. Continuous learning programmes through our on-demand e-learning platform.

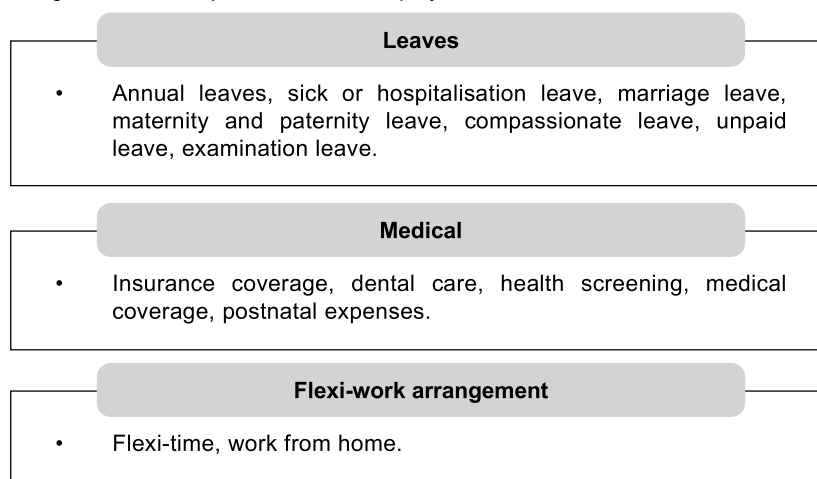
Performance Management and Compensation

At EFB, we firmly hold onto our principles of being result-driven, accountable, collaborative, and shared success to drive individual and team performance. In promoting a high-performance culture, we have implemented a systematic performance review process and measurement system which includes employees' Key Performance Indicators (KPIs). At the beginning of each year, we ensure expectations setting conversations are initiated. We conduct a year-end performance review for all employees, providing them with the opportunity to self-assess, provide feedback, engage in competency discussions, and receive necessary coaching and support.

We recognise and celebrate achievements when one has demonstrated exceptional performance within their peer group, deliver high quality results and display outstanding behavior, through bonuses and promotions.

We aim to create a motivating and encouraging environment by offering competitive benefits and compensation packages that attract and retain top talents. In 2023, we revised our global salary and benefits packages to ensure they reflect prevailing market rates including compliance to the Employment Act 1955.

The following are amongst the benefits provided to our employees:-



STATEMENT ON SUSTAINABILITY (Cont'd)

Remuneration Policies

A Remuneration Policy for the Board and Senior Management has been established as in Remuneration Committee Terms of Reference which is available on the company's website.

Annual Total Compensation

The reduction seen in the annual compensation is due to reduction of overtime work hours as demand of our products during the financial year was low.

ANNUAL COMPENSATION						
Compensation Category	Year 2021 (RM)	%	Year 2022 (RM)	%	Year 2023 (RM)	%
Employee's Compensation	90,339,329	96.8	93,367,279	95.8	89,220,550	95.6
Executive Director's Compensation	2,662,651	2.8	3,765,728	3.8	3,778,917	4.0
Non-Executive Director's Compensation	347,636	0.4	348,409	0.4	327,570	0.4
Total	93,349,616	100.0	97,481,416	100.0	93,327,037	100.0

Succession planning

We intensify our talent management efforts by identifying individuals who are capable of taking on critical roles for succession planning. In 2023, we identified high-performing employees from all levels as potential leaders and were selected to participate in our talent development programme, which aims to equip our talent pool with the relevant leadership skills and competencies.

Employee engagement initiatives

We highly value employee feedback and thus, in 2023 we conduct an annual Employee Engagement Survey to gain insights into our employee's experiences and expectations, as well as to understand their needs and concerns. Based on their feedback, we have identified top 3 areas of improvement which are rewards, better working environment and better facilities.

A focus group discussion will be organised with the relevant groups of employees to discuss ideas towards improving our current practices.

We also undertake various employee engagement initiatives to improve camaraderie and address employee concerns. Amongst employee engagements conducted in 2023 are as follows:-

1. Sport Tournaments such as Futsal and Badminton game;
2. Aero-Dance Fitness Program;
3. Festive celebrations throughout the year; and
4. Thanksgiving prayers in all religion.

STATEMENT ON SUSTAINABILITY (Cont'd)

Our performance

Employee training hours

In 2023, the Group spent 10,570 hours on training in internal and external learning and development programmes.

Employee Category	Total hours of training		
	2021	2022	2023
Management	NA	NA	2,595
Executive/Supervisory	NA	NA	2,163
General Workers	NA	NA	5,812
Total	NA	NA	10,570
Overall average training hours per employee (hours)	NA	NA	5.34
Employee retention and attrition	2021	2022	2023
Turnover rates (%)	NA	NA	3.6

DIVERSITY, EQUITY & INCLUSION

Why is this important?

Diversity and inclusivity at work give us a competitive edge through accumulation of, and ability to tap into a wide range of knowledge, perspectives, and ideas. In line with this, we strive to promote equal employment opportunities and non-discrimination, by actively encouraging diversity of gender, race, religion, age and nationality.

Our approach

We achieve equity through policies and actions that are underpinned by both fairness and inclusiveness. Guided by our Diversity, Equity and Inclusion Policy which was reviewed in 2023, we promote a culture that respects and values differences, advocates for equality, and encourages growth and development to help individuals reach their full potential.

We are dedicated to maintaining fair employment practices, and consistently reviewing our recruitment process to ensure equality from the beginning, in alignment with our Recruitment Policy and procedures. Additionally, we also recruit and retain employees with disabilities, ensuring their distinctive needs are met by providing support in the form of designated disabled parking spots, ramps and lift services to enhance their accessibility and inclusion within the workplace. At EFB, employees receive competitive wages that are free from any form of gender discrimination. All decisions regarding career advancement, recognition, and rewards are approached in a fair and unbiased manner, strictly based on employees' performance and merit.

We strongly advocate for equitable gender representation on our Board, and to that end, have established a dedicated Board Diversity Policy to ensure a minimum of 30% women representation at the Board level. This is also cascaded to the management level, as Evergreen strives to increase women participation in leadership roles to 30% by 2030.

STATEMENT ON SUSTAINABILITY (Cont'd)

Diversity

On Employees	YEAR 2021		YEAR 2022		YEAR 2023	
BY GENDER	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
MALE EMPLOYEES	1,698	80.5%	1,681	81.8%	1,574	80.5%
FEMALE EMPLOYEES	410	19.5%	375	18.2%	382	19.5%
TTL	2,108	100.0%	2,056	100.0%	1,956	100.0%
BY COUNTRY	TTL FEMALE	IN PERCENTAGE	TTL FEMALE	IN PERCENTAGE	TTL FEMALE	IN PERCENTAGE
MALAYSIA	238	17.4%	219	18.0%	234	20.3%
THAILAND	157	24.0%	142	22.9%	134	18.6%
INDONESIA	15	17.6%	14	6.3%	14	17.1%
TTL	410		375		382	
BY AGE GROUP	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
< 30 YEARS	592	28.1%	457	22.2%	509	26.0%
30-50 YEARS	1,168	55.4%	1,335	65.0%	1,151	58.8%
> 50 YEARS	348	16.5%	264	12.8%	296	15.2%
TTL	2,108	100.0%	2,056	100.0%	1,956	100.0%
On Directors	YEAR 2021		YEAR 2022		YEAR 2023	
MALE	5	62.5%	5	62.5%	4	57.1%
FEMALE	3	37.5%	3	37.5%	3	42.9%
TTL	8	100.0%	8	100.0%	7	100.0%
< 30 YEARS	0	0.0%	0	0.0%	0	0.0%
30-50 YEARS	2	25.0%	3	37.5%	2	28.6%
> 50 YEARS	6	75.0%	5	62.5%	5	71.4%

HUMAN RIGHTS

Why is this important?

As a responsible organisation, EFB is committed to protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment improves productivity and promotes a healthy working culture.

Our approach

We support the United Nations Global Compact (“UNGC”) Ten Principles, and the Universal Declaration of Human Rights. We also adhere to applicable laws and regulations in all our operating countries.

Our commitment is reflected in our Human Rights Policy. This policy which was launched in 2021 is consistently reviewed by the Management to ensure that our approaches to human rights always meet, or at best, go beyond regulatory requirements. In 2023, we have aligned our Human Rights Policy with the Minimum Wage Order 2023, resulting in a minimum wage of RM1,500 per month.

Our Code of Conduct (“CoC”) and CoC for Third Parties also outlines our expectations to all our employees and external stakeholders in approaching human rights matters while conducting business with Evergreen. This code discloses fair labor practices, zero-tolerance for child labor and any form of forced labor, protection against discrimination and harassment, freedom of association and collective bargaining, and grievance mechanisms, among others. Our CoC is made available on our corporate website.

We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. Our whistleblowing channels offer employees a safe and confidential way to report anonymously any violation of labor practices, disputes, and inappropriate behavior. We guarantee the protection of the whistleblower’s identity throughout investigation and all reports will be taken seriously.

STATEMENT ON SUSTAINABILITY (Cont'd)

Our foreign workers, are provided with fair wages and compensation, decent living quarters, and adequate training to perform their jobs safely and effectively.

In 2023, the Group has embarked on conducting human rights due diligence in most of our operations in Malaysia and will subsequently expand our effort to cover all our business operations overseas.

Our performance

In 2023, EFB has embarked in Ethical Recruitment of migrant employees from Nepal and introduced the usage of Just Good Work mobile app in disseminating information about working in Malaysia and in EFB. Just Good Work mobile app also acts as workers voice where migrant employees have the option to contact 3rd party to channel their grievances. As part of our efforts to prevent future recurrences, the Group has improved the procedures for the management of workers' accommodation aligned with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. The procedures include introducing regular inspections and engagement sessions with the workers to improve their accommodations and living conditions.

We will intensify our efforts to manage human rights in order to maintain the target of zero substantiated complaints regarding human rights violations.

	2021	2022	2023
Number of substantiated complaints concerning human rights violations	1	0	0

SUPPLY CHAIN MANAGEMENT

Why is this important?

EFB is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by starting to incorporate sustainability elements throughout our procurement lifecycle. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we prioritise sourcing from local suppliers and providing business opportunities to small and medium enterprises (SMEs) contractors, improving their livelihoods. We ensure that our sustainability expectations pertaining to procurement practices are extended to our suppliers, which include contractors, service providers, and consultants.

Our approach

All of our suppliers are required to adhere to EFB's Responsible Sourcing policy which encompasses our principles and guidance for sustainable procurement practices. This policy entails suppliers' adherence to EFB's ethical business practices, including zero corruption, minimising environmental impacts and safeguarding employees' and workers' rights. This policy should be read together in conjunction with our Code of Conduct for Third Parties, of which can be accessed through our website.

Our procurement processes embed sustainability elements throughout, starting from the registration stage up to the annual supplier performance assessment. We will be introducing sustainability assessment as part of our pre-qualification process to drive sustainability awareness across our supply chain. All new and existing suppliers are expected to address our set of sustainability requirements, which focuses on suppliers' practices relating to ethical dealings, health and safety, environmental management and human rights principles.

We are aware of our operational needs, we prioritise procuring products and services from local suppliers to the best extent possible, as we believe that we are not only contributing positively to the local economy but also reducing our carbon footprint.

Local Suppliers

	2021	2022	2023
Proportion of spending on local suppliers	NA	NA	65.0%

STATEMENT ON SUSTAINABILITY (Cont'd)

WASTE MANAGEMENT

Why is this important?

At EFB, we prioritise proper waste management to reduce our environmental impact towards the surrounding communities, especially in relation to our panelboard business. We generate different types of waste, including hazardous waste categorised as scheduled waste, as well as non-hazardous such as domestic waste, panelboard waste and recyclable waste. Improper waste management can have far-reaching consequences, including detrimental effects on air and water quality, soil contamination, and heightened risks of hazardous material exposure for both our employees and the surrounding communities in the areas where we operate. Recognising the severity of these potential impacts, it is imperative that we implement proactive measures to ensure responsible waste management practices across all our operations.

Our approach

Our actions are guided by the Group's Environmental Policy that outlines how to minimise waste by reducing the number of materials used in our operations, adopting the 3R approach – reduce, reuse, and recycle, and raising employees' awareness on the significance of sustainable waste management. We target to reduce 20% of our waste sent to landfill compared to our 2021 baseline by 2030.

In adhering to environmental regulations in relation to panelboard waste management including scheduled waste, we are guided by local regulatory laws and jurisdictional guidance. Our Malaysian entities refer to guidelines set under the Environment Quality (Scheduled Wastes) (Amendment) Regulations 2007 and the Electronic Scheduled Waste Information System by the Department of Environment. For our Indonesian and Thailand entities, we abide by the local regulations stipulated by Indonesia's Ministry of Environment and Forestry and Thailand Law on Environmental Protection respectively.

We ensure that our panelboard waste is separated at the respective operation sites for ease of reuse and disposal. Our scheduled waste is managed on site through periodic monitoring disposals with data recording. Additionally, we make sure that all of our scheduled waste is properly stored and managed from its collection point to its final disposal by appointed licensed contractors.

We promote waste reduction and recycling among employees by encouraging them to reuse items such as paper, plastics, and aluminum, and providing bins for the segregation of different types of waste. Recyclable waste is processed at recycling centers, while non-recyclable waste is sent to landfills. Moving forward, Evergreen aims to reduce the amount of waste sent to landfills by exploring circular economy principles and implementing innovating solutions for waste management.

Our performance

In 2023, EFB generates hazardous waste which is categorised as scheduled waste and non-hazardous waste includes domestic waste which are recyclable waste. Below is our waste from our processes which are segregated and being sent for recycle or disposal according to the requirements.

Waste Generated From Processes		
Plastic Materials	UOM	Quantity
For Re-cycle	m/ton	188.6
To Landfill	m/ton	0.0
Paper Materials		
For Re-cycle	m/ton	197.7
To Landfill	m/ton	28.0
Scrap Metals (including steel strapings)		
For Re-cycle	m/ton	879.6
Fabric (Bags)		
For Re-cycle	m/ton	62.8
To Landfill	m/ton	4.1

Schedule Waste From Processes		
Disposal based on Environment Law Requirements	UOM	Quantity
Electric & Electronic Waste (Monitors/Printers/Computers)	m/ton	2.5
Waste Sludge (from washing of equipment)	m/ton	718.0
Waste Glue	litres	44.7
Spent Oil	litres	18.1

STATEMENT ON SUSTAINABILITY (Cont'd)

COMMUNITY INVESTMENT

Why is this important?

We firmly believe that fostering a positive relationship between businesses and communities promotes better social inclusion, and creates tangible and favorable outcomes in the long run. At EFB, we strive to be a responsible corporate citizen by giving back to the surrounding communities in which we operate, through our community engagement and impact programmes, with a focus on education and social welfare.

Our approach

EFB's commitment to supporting local communities is reflected in our Community Investment Guideline, which outlines EFB's principles and practices in managing our community-related investment decisions. This guideline describes our objective to align our community programmes towards generating mutually beneficial outcomes for both the Group and the community.

We believe that the spirit of volunteerism among employees is vital in contributing to the success of EFB's community impact programmes. In 2023, we started monitoring and tracking employees' participation in community impact programmes and provide them with token of appreciation. Furthermore, as a form of encouragement, we actively support employee participation in these activities by allowing them to take approved leave of absence, separate from their annual leaves.

Our performance

The Group contribution for the current financial year 2023 was mainly to special needs schools, medical associations, local community programmes, flood victims and disaster events amounting to RM194,282 with 184 beneficiaries to it.

WATER MANAGEMENT

Why is this important?

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, the Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

Our approach

As a Group, we are guided by our Environmental Policy and adopt a practical approach to water management, aiming to improve water efficiency and promote water conservation. This aligns with our target of reducing water consumption by 10% from our 2021 baseline by 2030.

Our water consumption primarily stems from production activities such as dust suppression, equipment and machinery cooling, site cleaning, compaction, irrigation as well as from our site office, worker facilities, owned office buildings and properties. We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises.

We annually review our water management plans across all our operations to continually increase efficiency and ensure we are able to achieve our water consumption reduction targets. In view of our current performance, the Group, upon deliberation, has revised its target upwards to achieve a 20% reduction in water consumption by 2030.

STATEMENT ON SUSTAINABILITY (Cont'd)

Our performance

The Group total water discharged and consumed for the current year 2023 including the source of water supply is outlined below: -

WATER DISCHARGE (megalitres)			
Discharge Point	2021	2022	2023
Water Discharge to Public Drains	17,920	3,493	16,188
Water sent for treatment	0	21,931	70,381

SOURCE OF WATER CONSUMPTION (Megalitres)			
Water Supply Source	2021	2022	2023
From Government Supply	105,152	183,793	328,270
From Nearby Stream / River	921,780	881,955	1,008,741
From Underground	267,281	132,731	29,435
From Water Treatment (Re-cycle Water)	113	128,847	73,427
Total	1,294,326	1,327,326	1,439,873

MATERIALS

Why is this important?

EFB recognises that natural resources are finite, and hence, we place great importance on resource conservation by attempting to maximise the use of environmental-friendly materials, including those with high recycled content and are green-certified. By incorporating recycled input materials wood, plastic, steel, paper are recycled minimise the environmental footprint throughout our products' life cycle.

Our approach

In managing our materials, EFB is guided by our Responsible Sourcing policy which includes a commitment to minimize environmental impact.

We have undertaken initiatives to reduce our consumption of virgin materials by using recycled materials wherever possible as indicated below.

Materials	Total Weight (m/tonnes)		
	2021	2022	2023
Wood	NA	NA	14,414
Plastic	NA	NA	189
Steel	NA	NA	878
Paper	NA	NA	198
Fabric (bags)	NA	NA	63

Moving forward, the Group aims to progressively increase the percentage of recycled materials used as we move towards our journey of embracing circular economy.

STATEMENT ON SUSTAINABILITY (Cont'd)

On the Environment Matters

On incidents of Smoke and Dust emission including Water discharge from the Group's processes.

Emissions from our processes primarily consist of smoke and dust, and each country has its own emission standards. In Malaysia, all companies are subjected to the Environment Quality Act (Clean Air) Regulation 2014, which stipulates that emission levels should not exceed 20% for more than five (5) continuous minutes and the total emission for 24 hours should not exceed 15 accumulated minutes. If emissions of dust or smoke surpass these allowable limits, a fine of RM100,000 can be imposed on the premises owner.

COMPOUND & FINES

For Emission / Discharge	2021	2022	2023
Dust	0	0	0
Smoke	0	0	0
Water	2	1	2
Penalties/Fines	2	1	1

The group had incurred compound for water discharge and Industrial Accident cases which occurred in year 2021 and 2022 amounting to RM101,202 for all three incidents. Corrective action to remedy the issue has been taken promptly upon the mishap occurring by the management in-charge.

Significant Spills

The Group has no notable instances of spillage causing environmental harm. Through diligent monitoring and management practices, the Group has successfully maintained a clean and safe operating environment. Any minor spills that occurred were promptly addressed and properly contained to prevent any potential negative impacts on the environment.

EXTERNAL ASSURANCE

The Company is yet to pursue external assurance for its sustainability statement but will consider doing so in the coming financial year after we have completed our GHG Assessments and new targets and goals are set for audits to be carried out more effectively.

As for the current financial year, our Internal Compliance Team carried out review on the information provided in this statement.

The Board has reviewed the sustainability efforts process of the Group and has approved this Statement on 16 April 2024.