

# STATEMENT ON SUSTAINABILITY

## INTRODUCTION

The Board of Directors (the “BOD”) of Evergreen Fibreboard Berhad (“EFB” or the “Company” or “the Group”) presents this Sustainability Statement, addressing the significant risks related to Economic, Environmental, Social, and Governance (EESG) aspects of the Group’s businesses and operations across all countries.

The preparation of this Sustainability Statement adheres to Paragraph 29, Part A of Appendix 9C of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa”), along with Paragraph 6.1, Practice Note 9 of the Listing Requirements, concerning the statement on management of material economic, environmental, and social risks and opportunities (“Sustainability Statement”), as prescribed by the Exchange. In developing this Statement, the Company has also taken into account the Sustainability Reporting Guide and its accompanying Toolkits, provided by Bursa.

## OBJECTIVE

This Sustainability Statement provides sufficient information for our stakeholders to gain a comprehensive understanding of Material Topics concerning Economic, Environmental, Social, and Governance aspects that substantially influence the Group’s Business Sustainability. Additionally, it showcases the steps undertaken by the Group to address these risks and capitalize on any opportunities that arise during our sustainability journey.

## ORGANISATIONAL PROFILE

Evergreen Fibreboard Berhad – 199101006810 (217120-W) is an organization incorporated under the Companies Act in Malaysia, with its shares listed on the Main Board of Bursa Malaysia Securities. Established in 1992, the company is headquartered in the Batu Pahat district, Johor, West Malaysia.

The Group conducts business in three countries, with the majority of its operations in Malaysia (50%), followed by Thailand (40%) and Indonesia (10%).

The Group’s primary operations involve manufacturing, and its product range includes Panel Boards - Medium Density Fibreboard (“MDF”), Particle Board (“PB”), Value-Added Panel Boards, Ready-to-Assemble Furniture (“RTA”), Solid Wood Products (Furniture/Parts), Wood Pellets, Resin/Adhesive, and Green Energy.

## REPORTING PERIOD, FREQUENCY AND CONTACT POINT

Sustainability reporting to the Board’s Committee takes place during the Risk & Sustainability meetings held quarterly. The Group’s financial statement reporting period concludes in December, with the Company’s Annual Report being published each year in April.

For any inquiries related to the Group’s Financial Performance, our Group Chief Financial Officer, who also serves as the Group’s Investor Relations representative, is the designated point of contact. He can be reached via email at [martin@efb.com.my](mailto:martin@efb.com.my).

## RESTATEMENTS OF INFORMATION

There is no substantial information regarding restatements from the previous year’s reporting period, except for a minor adjustment. The projected increase in Solar Energy volume is now being procured from a third-party rather than being self-generated, as previously stated, due to changes in the investment. Additionally, there was a minor error in the unit of measures for electricity consumption.

## EXTERNAL ASSURANCE

The Company is yet to pursue external assurance for its sustainability statement but will consider doing so in the coming financial year 2023.

However, during the financial year ended 2022, the Company engaged its outsourced Internal Auditor to conduct an internal audit. The audit’s objective was to review the Company’s sustainability disclosures against Bursa’s current and new MMLR, assess the Company’s implementation of sustainability disclosures based on Bursa’s existing MMLR, evaluate the Company’s disclosures and implementation against MCCG 2021 Practice 4.1-4.5, and examine the reporting metrics for relevance, accuracy, timeliness, and consistency.

# STATEMENT ON SUSTAINABILITY (Cont'd)

## ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

The Company's product sector falls under the Industrial Products category, with the Group's primary value chain focused on manufacturing panel boards in various specifications, sizes, and thicknesses. This process is carried out at Siam Fibreboard Co., Ltd, Evergreen Fibreboard (Nilai) Sdn. Bhd, AllGreen Timber Products Sdn. Bhd, and PT Hijau Lestari Raya Fibreboard.

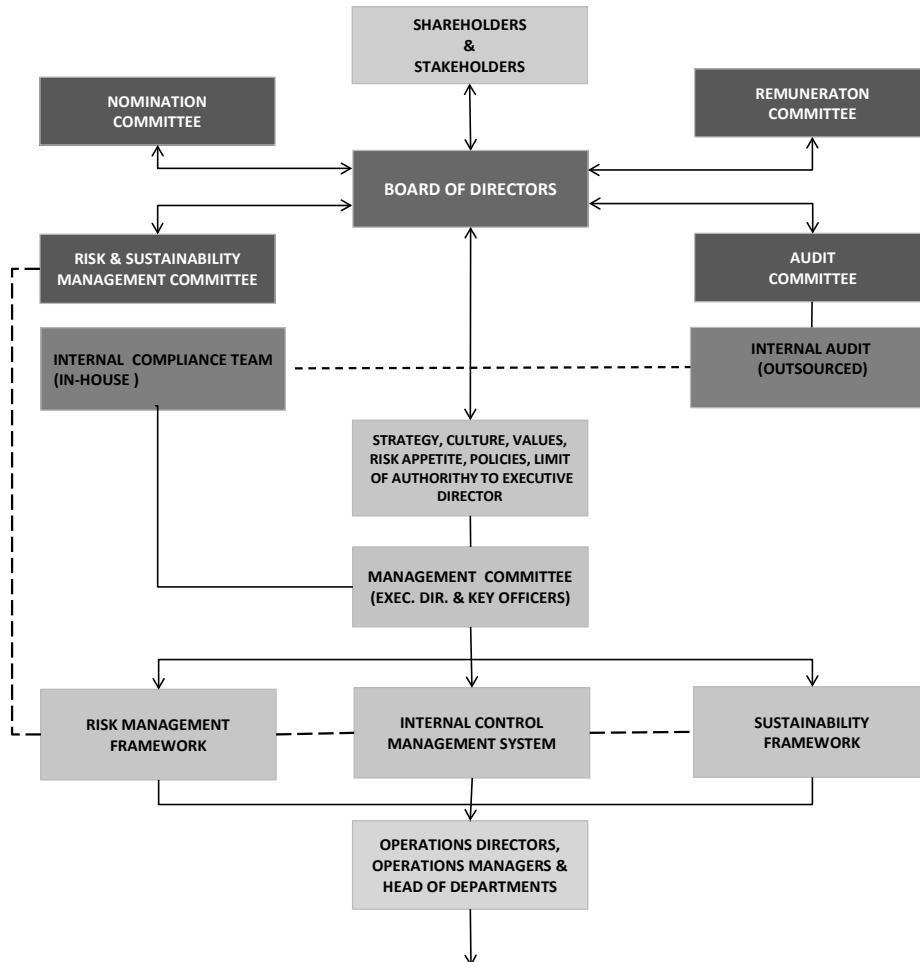
Value-added panel board activities are conducted by Evergreen Fibreboard Berhad and Evergreen Fibreboard (JB) Sdn. Bhd., while RTA Furniture activities are carried out by Evergreen Fibreboard Berhad and partially marketed by Everlatt Sourcing Sdn. Bhd.

Upstream activities include manufacturing Resin/Adhesive, which are performed by Evergreen Adhesive and Chemicals Sdn. Bhd. and Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd., mainly supplying the panel board business segment within the Group. Biomass Wood Pellets are produced by Craft Master Products Sdn. Bhd., AllGreen Timber Products Sdn. Bhd, and Evergreen Fibreboard (JB) Sdn. Bhd.

Panel Board segment accounts for 80% of the total revenue for the group, Added Value Products contribute 5%, RTA Furniture 10%, and Biomass Products make up the remaining 5%. Revenue from Resin/Adhesive products and Green Energy primarily comes from within the Group, with an insignificant amount from third parties.

The Group's geographical market presence has remained consistent across five continents over the past years, with its core product customers, being primarily furniture manufacturers and building material suppliers.

## GOVERNANCE STRUCTURE



# STATEMENT ON SUSTAINABILITY (Cont'd)

## SCOPE

The coverage of our Sustainability Statement spans from 1st January 2022 to 31st December 2022 for all our manufacturing entities located in Malaysia, Thailand, and Indonesia.

## BUSINESS SEGMENTS

Our business segments on Panel Boards and Added Value Panel Boards account for 85% of the Group's operations, while Ready-to-Assemble Furniture contributes 10%, and the remaining 5% pertains to Resin and Green Energy, which are supplied to companies within the group.

Resin is supplied within the Group of companies as it is the primary raw material for manufacturing panel boards, and green energy production are to reduce reliance on electricity from the National Electricity Board.

The Group's Rubber Plantation business segment is excluded from this statement, as the Board has determined that its impacts, whether positive or negative, are minimal on both the Group's financial performance and stakeholders, given its insignificant contribution to the Group's overall business performance.

Although this business segment is not included in our Sustainability Statement, the Group's financial performance is based on consolidated financial statements conducted at the group level, encompassing all entities and business segments within the group.

No apportionment for minority interest is made, as all our subsidiaries within the group are wholly owned.

Sustainability Material Matters reporting from all subsidiaries is consolidated at the Group Level, and the impacts caused by business segments not covered by this sustainability statement do not have any significant effects on the environment, social, and governance aspects at this time.

These business segments will be incorporated into the statement once the necessary information becomes available for the Company to include them.

## SUSTAINABILITY COMMITMENT & STRATEGY

The Group is committed to managing its Sustainability Material Matters with the aim of contributing to addressing global environmental challenges which is ***"To reduce the Group's adverse impact and increase its positive impact on the environment, economic and society by 3% in year 2026"***.

## STRATEGY AND TARGETS

As part of the group's effort "To reduce our adverse impact and increase our positive impact by 3% in 5 years from year 2022" we will be measuring and tracking the following parameters: -

1. On the source of our raw material (wood);
2. On the group's compliance level to the International Labor Organization;
3. On the group's energy consumption;
4. On incidents of emission smoke and dust from our processes;
5. On water source and discharge from our processes; and
6. On Corporate Liability (Bribery & Corruption).

# STATEMENT ON SUSTAINABILITY (Cont'd)

## THE PROCESS TO DETERMINE MATERIAL TOPICS OF THE GROUP

- 1) The Group's material topics were identified by first determining the most pertinent material sustainability matters ("MSM") related to Economic, Environment, and Society ("EES") and evaluating their importance to the group's business and stakeholders. Through this process, we identified the following MSM that are most significant to the Group's Business Sustainability:-

### **On the Economic**

Product Regulatory Compliance (Formaldehyde Emission level); and  
Availability of Raw Material (wood).

### **On Environment**

Energy Consumption;  
Emission incidents from processes (Smoke & Dust); and  
Water Consumption & Water Discharge from processes.

### **Social**

Compliance to the 11 International Labour Organisation (ILOs)

### **Governance**

Corporate Liability (Bribery & Corruption)  
Compliance to Laws and Regulations

- 2) Based on the aforementioned material matters, an assessment was conducted by each subsidiary to prioritize them and determine which MSM is most significant to the subsidiary, the group, and its stakeholders' influence on the business/company. The MSM were prioritized as follows:-

For operations in Malaysia

- a. Availability of Raw Material;
- b. Energy Consumption;
- c. Compliance to the 11 International Labour Organisation (ILOs);
- d. Emission from processes (Smoke & Dust); and
- e. Corporate Liability (Bribery & Corruption).

For operations in Thailand

- a. Emission from processes (Smoke & Dust);
- b. Compliance to the 11 International Labour Organisation (ILOs);
- c. Availability of Raw Material;
- d. Water Discharge from processes; and
- e. Corporate Liability (Bribery & Corruption).

For operations in Indonesia

- a. Corporate Liability (Bribery & Corruption);
- b. Compliance to the 11 International Labour Organisation (ILOs);
- c. Energy Consumption;
- d. Emission from processes (Smoke & Dust); and
- e. Water Discharge from processes.

- 3) Based on the prioritization conducted in each country, we selected the top 4 (four) material sustainability matters from each country. These matters are compiled into the Register of each subsidiary, and initiatives and targets are established to be achieved accordingly.
- 4) The progress of sustainability initiatives and target achievements are monitored and reported to Senior Management on a quarterly basis, which is then reported to the Committee/Board for review and oversight.

## STATEMENT ON SUSTAINABILITY (Cont'd)

### RISK AND OPPORTUNITIES

#### On the Economic Matters

##### Availability of Raw Materials (Wood)

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.

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

#### On the Social Matters

##### On compliance to the International Labor Organization

The Group adheres to the following indicators: Abuse of vulnerability, Deception, Restriction of movement, Isolation, Physical and sexual violence, Intimidation and threats, Retention of identity documents, With-holding of wages, Debt bondage, and Abusive working and living conditions. This also encompasses overtime hours, as the Social Audit requirement of SMETA limits working hours to 60 hours per week, including overtime.

Compliance with legal and regulatory requirements concerning anti-corruption and human rights is fundamental to our business operations, regardless of the location. Therefore, Heads of Operations are responsible for strictly adhering to legal practices, taking preventive action, and ensuring that relevant training is provided.

#### Employees within the Group

As for the employees within the Group, the total workforce totaling to 2,056 employees at the end of the current financial reporting period. Foreign workforce includes employees with work permits but does not cover expatriate employees, as described below:-

DESCRIPTION	YEAR 2020		YEAR 2021		YEAR 2022	
	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
MALAYSIA	1423	65.52%	1368	64.90%	1215	59.10%
THAILAND	662	30.48%	655	31.07%	619	30.10%
INDONESIA	87	4.00%	85	4.03%	222	10.80%
<b>TTL</b>	<b>2172</b>	<b>100.00%</b>	<b>2108</b>	<b>100.00%</b>	<b>2056</b>	<b>100%</b>
BY COUNTRY	FOREIGN LABOUR	IN PERCENTAGE	FOREIGN LABOUR	IN PERCENTAGE	FOREIGN LABOUR	IN PERCENTAGE
MALAYSIA	462	32.45%	317	23.17%	253	20.82%
THAILAND	110	16.61%	105	16.03%	89	14.38%
INDONESIA	0	0.00%	0	0.00%	0	0%
<b>TTL</b>	<b>572</b>		<b>422</b>		<b>342</b>	
BY GENDER	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
Male employees	1748	80.48%	1698	80.55%	1681	81.76%
Female employees	424	19.52%	410	19.45%	375	18.24%
<b>TTL</b>	<b>2172</b>	<b>100.00%</b>	<b>2108</b>	<b>100.00%</b>	<b>2056</b>	<b>100%</b>
DESCRIPTION	YEAR 2020		YEAR 2021		YEAR 2022	

## STATEMENT ON SUSTAINABILITY (Cont'd)

BY COUNTRY	TTL FEMALE	IN PERCENTAGE	TTL FEMALE	IN PERCENTAGE	TTL FEMALE	IN PERCENTAGE
MALAYSIA	248	17.42%	238	17.40%	219	18.02%
THAILAND	158	23.86%	157	23.97%	142	22.94%
INDONESIA	18	20.69%	15	17.64%	14	6.30%
<b>TTL</b>	<b>424</b>		<b>410</b>		<b>375</b>	
BY AGE GROUP	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE	TTL WORKFORCE	IN PERCENTAGE
< 30 years	565	26.01%	592	28.08%	457	22.23%
30-50 years	1278	58.84%	1168	55.41%	1335	65.00%
>50 years	329	15.15%	348	16.51%	264	12.77%
<b>TTL</b>	<b>2172</b>	<b>100.00%</b>	<b>2108</b>	<b>100.00%</b>	<b>2056</b>	<b>100%</b>
BY EMPLOYMENT	PERMANENT IN %	TRMPORARY IN %	PERMANENT IN %	TRMPORARY IN %	PERMANENT IN %	TRMPORARY IN %
MALAYSIA	98.59%	1.41%	98.49%	1.51%	100%	0%
THAILAND	89.12%	10.88%	91.45%	8.55%	100%	0%
INDONESIA	100.00%	0.00%	100%	0.00%	57%	43%

During the reporting period, there have been no considerable changes in the number of employees, and all personnel are directly managed by the Company in which they are employed. Except for Indonesia where they have approximately 95 temporary workers supplied by contractor for carrying out odd jobs. Nevertheless, these workers are all local Indonesians and are paid according to the laws in Indonesia.

### 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

ANNUAL COMPENSATION						
Compensation Category	Year 2020	%	Year 2021	%	Year 2022	%
Employee's Compensation	RM96,111,659	96.54%	RM90,339,329	96.78%	RM93,367,279	95.78%
Executive Director's Compensation	RM3,093,612	3.11%	RM2,662,651	2.85%	RM3,765,728	3.86%
Non-Executive Director's Compensation	RM347,625	0.35%	RM347,636	0.37%	RM348,409	0.36%
<b>Total</b>	<b>RM99,552,896</b>	<b>100%</b>	<b>RM93,349,616</b>	<b>100%</b>	<b>RM97,481,416</b>	<b>100%</b>

The increase in compensation is mainly due to the resumption of operations after the lifting of the Movement Control Order in Malaysia, which enabled all companies to resume normal operations. Furthermore, the restoration of salaries for Management level and Executive Directors, which were reduced during the shutdown period, also played a part in the rise.

### Types & Rate of Injury, Occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Occupational health and safety are included in the 11 ILOs, and given the nature of the industry we are in, the Group's employees are often exposed to occupational health and safety risks. The Group's Occupational Safety & Health Policy focuses on preventing adverse effects and is committed to safeguarding employees with the goal of ensuring they leave the workplace in the same condition as when they started work.

At each subsidiary or business unit level, the Head of Operations is responsible for helping the group achieve its objectives related to occupational safety and health management, as well as setting and accomplishing local goals accordingly. The following accident statistics illustrate the occurrences within the Group and the Group's safety policy aims for a lost-time injury of no more than 3 days and zero fatalities.

## STATEMENT ON SUSTAINABILITY (Cont'd)

For the financial year ended 31 December 2022, the Group's accident records are as follows:-

### INDUSTRIAL ACCIDENTS

Accidents by Gender	2020 No of Cases	2021 No of Cases	2022 No of Cases
Male	5	38	71
Female	1	4	1

Accidents by Nationality	2020 No of Cases	2021 No of Cases	2022 No of Cases
Local	2	38	63
Foreigner	4	4	9

The Group was unable to achieve its goal of zero fatalities, as one fatal case occurred during the reporting year in its Thailand energy due to employee failing to adhere to the safety procedure and climb up a running machine to check instead of using the monkey ladder provided beside the machine. Following this incident, a safety audit was conducted, and the company involved has implemented preventive measures focusing on the area of the accident to prevent such incidents from happening again in the future.

### Average Hours of Training

With a workforce of 2,056 employees, the Group places great importance on training and education as a crucial tool for retaining and developing its talent. As such, the Group offers a wide variety of internal and external training programs, engaging external trainers to conduct courses in operations, sustainability, risk management, quality improvement, sales and marketing, safety and health, and technical areas.

While the Group does not have a specific target for training and education, it aims to provide each employee with at least 8 hours of training annually. But due to the number of accident that have increased, the Group will carry out safety audits on the high accident rate plant as to reduce the number of accidents including increasing the trainings specifically on Safety.

### Human Rights Policy

The Group has established a Human Rights Policy, which is accessible to all companies within the Group through the Company's Cloud-based Document Management System.

This policy is based on International Human Rights Principles and acknowledges the Group's responsibility towards the communities where it operates. The policy is applicable to the Group and also to its contractors and suppliers, who are expected to adhere to the same policy in their dealings with the Group.

### On the Environment Matters

On Energy Consumption, incidents of Smoke and Dust from processes and Water Discharge from processes.

### Energy Consumption

In 2022, the Group's total energy consumption reached 422,612 MWh including solar energy usage that increased by approximately 25% compared to 337,844 MWh in 2021. This increase is approximately 25% higher than the volume consume in year 2021 due to the full run of operations after MCO shutdown but at lower productivity. Lower productivity was due to machinery problems on start-up.

The production of panel boards demands significant energy for generating steam through boilers powered by electricity. As a result, energy consumption is a crucial concern for businesses in Malaysia, particularly with the increasing cost from the ICPT rate. The Group is dedicated to reducing its energy usage and dependence on the main grid by implementing strategic plans that aim to decrease energy consumption, lessen reliance on grid supply, and increase the use of green energy.

## STATEMENT ON SUSTAINABILITY (Cont'd)

### Our Group's Energy consumption:-

Energy Consumed	Year 2021	Year 2022
Electricity Consumed from National Grid	241,254 MWh	289,459 MWh
Solar Energy Consumed	1,900 MWh	6,562 MWh
Biomass Energy Consumed	94,690 MWh	126,591 MWh
<b>Total Consumption</b>	<b>337,844 MWh</b>	<b>422,612 MWh</b>

The Group consumed a total of 289,459 MWh electricity from the National Grid which is equivalent to 184,964 tonnes of CO<sub>2</sub> emission. The net tonnes of CO<sub>2</sub> emitted by the Group based on the energy consumed after taking into account the renewable energy generated by the group is 99,879 tonnes of CO<sub>2</sub>.

During the financial year 2022, the Group Biomass energy plant and photo-voltaic panels generate energy as follows:-

### RENEWABLE ENERGY

Type of Energy Generated/Purchased	2020	2021	2022
Solar PV	733 MWh	1,900 MWh	1,900 MWh
Biomass Energy	105,760 MWh	94,690 MWh	126,591 MWh
Solar Energy Purchased	NIL	NIL	4,662 MWh

Regarding the installation of photovoltaic solar panels, this installation is by a third party and there is zero investment cost to the company. Solar energy generated from these panels will be purchase from third party for our consumption.

Our Group's total production and purchase of renewal energy for the reporting year was 133,153 MWh which is equivalent to 85,085 tonnes of CO<sub>2</sub> being able to be avoided.

We anticipating a rise in our solar energy volume as we are exploring additional locations for potential solar panel installations, and green energy tariff which is to be purchase from Tenaga Nasional Berhad in the forthcoming financial year 2023.

### Emission From our Processes

Emissions from our processes primarily consist of smoke and dust, and each country has its own emission standards. In Malaysia, all companies are subject 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.

Following are incidents on emission experience by the Group:-

### COMPOUND & FINES

For Emission / Discharge	2020	2021	2022
Dust	2	0	0
Smoke	1	0	0
Water	0	2	1
Penalties/Fines	0	2	1



## STATEMENT ON SUSTAINABILITY (Cont'd)

### Water Usage and Water Discharge from our Processes

Water is used by the Group primarily for generating steam in boilers that are crucial to the production process, with additional usage for cooling and sanitary facilities across all plants. Given the company's reliance on steam from the boilers for the production of panel boards, water supply is a significant factor and without boiler operations, the plant cannot function.

Details regarding water consumption and the source of water supply are outlined below:-

#### SOURCE OF WATER CONSUMPTION

Water Supply Source	2021	2022
From Government Supply	105,152 m3	183,793 m3
From Nearby Stream / River	921,780 m3	881,955 m3
From Underground	267,281 m3	132,731 m3
From Water Treatment (Re-cycle Water)	113 m3	128,847 m3
Total	<b>1,294,326 m3</b>	<b>1,327,326 m3</b>

On Discharge of water, we are measuring the volume of water being discharge after being treated into the public drainage system.

#### WATER DISCHARGE

Discharge Point	2021	2022
Water Discharge to Public Drains	17,920 m3	3,493 m3

#### 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.

#### Non-compliance with Environmental Laws and Regulations

In the year 2022, the Group has adhered to environmental laws and regulations, with no significant fines incurred for non-compliance. The Group's commitment to full compliance is evident in the implementation of processes across its subsidiaries to monitor and understand regulatory requirements and changes. Compliance to all laws and regulations is regularly audited by the Compliance Team and Internal Audit, while Heads of Operations are obligated to strictly adhere to applicable legislation and ensure their subsidiaries comply accordingly.

To ensure ongoing compliance, management teams hold monthly performance meetings with Heads of Operations to confirm the compliance level in. The Group remains committed to its environmental responsibilities and will continue to strive for full compliance with all applicable laws and regulations.

#### ON BOARD COMPOSITION

Our highest governing entity is the Board of Directors, which is composed of seven (7) members: three (3) Independent Directors and Executive Directors. Among the seven (7) board members, three are women and to guarantee efficient governance, the Board has designated Ms. Nirmala A/P Doraisamy as the Senior Independent Director, who also holds the position of Chairman for our Nomination Committee.

# STATEMENT ON SUSTAINABILITY (Cont'd)

## NOMINATION AND SELECTION OF GOVERNANCE BODY

The Board, via the Nomination Committee, identifies potential candidates for director appointments. To find suitably qualified candidates, the Nomination Committee employs independent sources such as:-

- a. Directors' registry or Institute of Corporate Directors Malaysia;
- b. Lead Women (Lead Women Sdn. Bhd.);
- c. Open advertisements (National Newspapers); and
- d. Independent search firms.

## Conflicts of Interest

The Company has implemented a Conflict-of-Interest policy for its Directors and Employees across the Group to prevent undisclosed conflicts of interest. This policy also applies to conflicts involving Vendors and Customers, and clearly states that Directors/Employees who have a conflict of interest must disclose any obligation, commitment, relationship, or interest that may conflict or could be perceived as conflicting with their duties. They should make this disclosure using the Conflict-of-Interest Disclosure document available online through the provided link:-

<https://docs.google.com/forms/d/e/1FAIpQLSeE5xI6BfNow6TIk9h9vKCDkiQA8Zc1Q20OjNi34JNPiDM9bQ/viewform>

## MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

Employees can also report suspected policy violations of Evergreen Fibreboard Group Human Rights Policy through the internet website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my).

To report issues under the Human Rights Policy, contact the Top Management at:-

- a. Group Executive Director: [mary@efb.com.my](mailto:mary@efb.com.my)
- b. Group Chief Operating Officer: [jenchiu@efb.com.my](mailto:jenchiu@efb.com.my)
- c. Group Chief Executive Officer: [jenchangkuo@gmail.com](mailto:jenchangkuo@gmail.com)

Or for Whistleblowing any matter to:-

- a. Whistleblowing Committee: [whistleblower.efb@bakertilly.my](mailto:whistleblower.efb@bakertilly.my)
- b. Whistle-blower Complain Form: <https://evergreengroup.com.my/en/formmail-report-of-improper-conduct>

Or for other enquiries:-

Contact HR Manager at [pagan@efb.com.my](mailto:pagan@efb.com.my) / [feedback@efb.com.my](mailto:feedback@efb.com.my)

## COMPLIANCE WITH LAWS AND REGULATIONS

During the reporting period, the companies within the Group experienced no significant non-compliance, with the exception of dust emissions, water leaks, and safety incidents. However, these events did not have a substantial effect on the Group's operational and financial performance in the reporting period.

## STAKEHOLDER ENGAGEMENT

### Approach to Stakeholder Engagement

For the Group of companies, typical stakeholder categories include business partners, consumers, customers, employees, governments, local communities, non-governmental organizations, shareholders and other investors, suppliers, and trade unions.

Stakeholder engagement is conducted according to each company's prioritization of stakeholder categories. The primary goal of our stakeholder engagement is to identify real and potential impacts, as well as to establish preventive and mitigative responses to potential negative effects.

Engagement methods primarily consist of online or in-person discussions, correspondence, and survey responses.

# STATEMENT ON SUSTAINABILITY (Cont'd)

## COLLECTIVE BARGAINING AGREEMENTS

In Malaysia certain companies have collective bargaining agreements in place, while our operations in Thailand and Indonesia do not have any such agreements. Out of the 1,215 employees in Malaysia, 633 are covered by the collective agreement. Their working hours, wages, and employment terms comply with the Employment Act and align with the International Labour Organisation's indicators.

## OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION

The Compliance Team and Internal Auditors have evaluated all companies within the Group in terms of their implementation of anti-corruption practices and any corruption incidents. All existing and new vendors have signed the Vendor's Code of Conduct, committing to adhere to the Group's zero-tolerance policy on bribery and corruption.

The Company conducts supplier audits and evaluations to monitor and assess compliance with the Company's requirements and the Vendor's Code of Conduct and Vendors are required to promptly notify the Company of any known breaches of the Code of Conduct.

## Communication and Training on Anti-corruption Policies and Procedures

The Group conducts its Anti-Bribery/Corruption training and communication through an online portal at [efb.no-bribery.com](http://efb.no-bribery.com), which houses the Company's Policy on Anti-Bribery/Corruption, Code of Conduct and Business Ethics, Conflict of Interest, and Whistleblowing. This is a crucial component of the employment contract and onboarding process for each EFB employee. They are required to complete this e-training online and must pass an Anti-Bribery/Corruption test at least once annually.

## Confirmed Incidents of Corruption and Actions Taken

There were no instances of corruption being reported within the Group during the year 2022.

## LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOR, ANTI-TRUST, AND MONOPOLY PRACTICES

As part of their duties and responsibilities, each Head of Operations is obligated to adhere to the Code of Conduct and Business Ethics. Within the Group, there have been no instances of fines or legal actions related to anti-competitive behaviour, anti-trust, or monopoly practices.

## IN CONCLUSION

The Group recognizes the importance of addressing material sustainability matters that could negatively affect its business strategies and objectives. As such, the Group is committed to taking the necessary measures for improvement in the upcoming reporting year.

The Board has reviewed the sustainability efforts process of the Group and has approved this Statement on 18 April 2023.