

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 and without overlays (Medium Density Fibreboard (MDF) & Particleboard (PB)).

We are dedicated to increase our efforts in offering sustainable green products to our customers to enable the Group to progress steadily for a sustainable growth whilst upholding our commitment towards our responsibility on economic, environmental and social.

Listed on 11 March 2004 on the Main Market, EFB is within the mid -tier of the listed companies on Bursa Malaysia.



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 or building contractors. Our revenues are as follows: -

Product	Year 2022 (RM)	Year 2023 (RM)	Year 2024 (RM)
Panel Boards	982,716,911	777,869,346	825,414,999
RTA Furniture	67,108,009	17,336,389	39,350,711
Wood Pellets	39,564,818	70,067,544	72,407,789
Resin	12,582,682	14,987,947	18,166,900
Others	713,801	822,729	2,746,182

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.

STATEMENT ON SUSTAINABILITY (Cont'd)

WHERE IS EFB'S OPERATIONS

Evergreen operates in Malaysia, Thailand and Indonesia at the following location: -

Malaysia

Revenue : RM409 million
Employees : 1122
Key location : Johor, Negeri Sembilan and Kedah, Malaysia.

Thailand

Revenue : RM439 million
Employees : 737
Key location : Hat Yai, Thailand.

Indonesia

Revenue : RM110 million
Employees : 90
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

Property Holding

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

Logistics/Warehousing

- Locomotion Services Sdn. Bhd. - Gurun, Kedah.

Marketing

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

Plantation (Rubber)

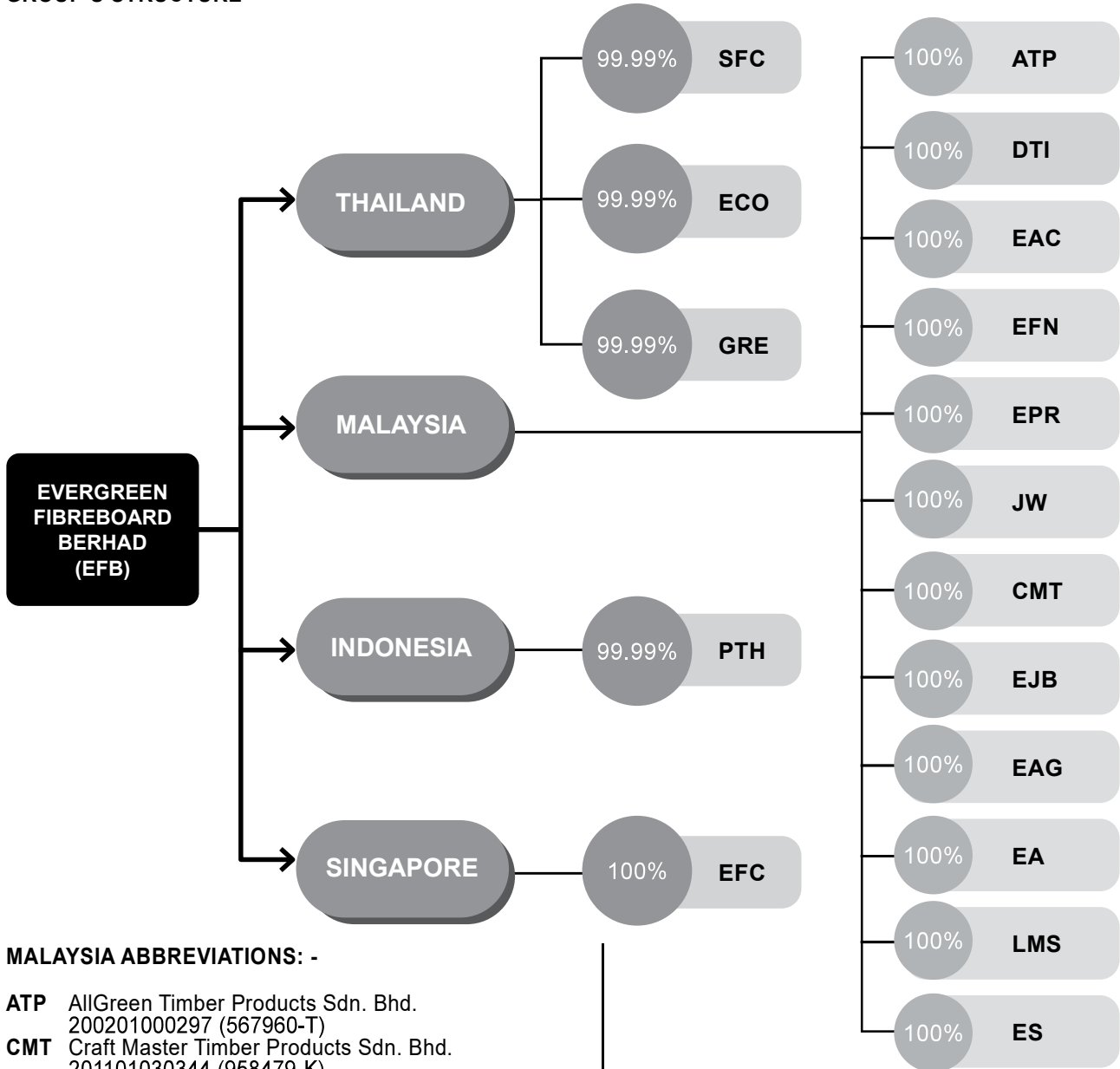
- Jasa Wibawa Sdn. Bhd. - Kahang, Johor

Added Value Products - Panel Board

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

STATEMENT ON SUSTAINABILITY (Cont'd)

GROUP'S STRUCTURE



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:-

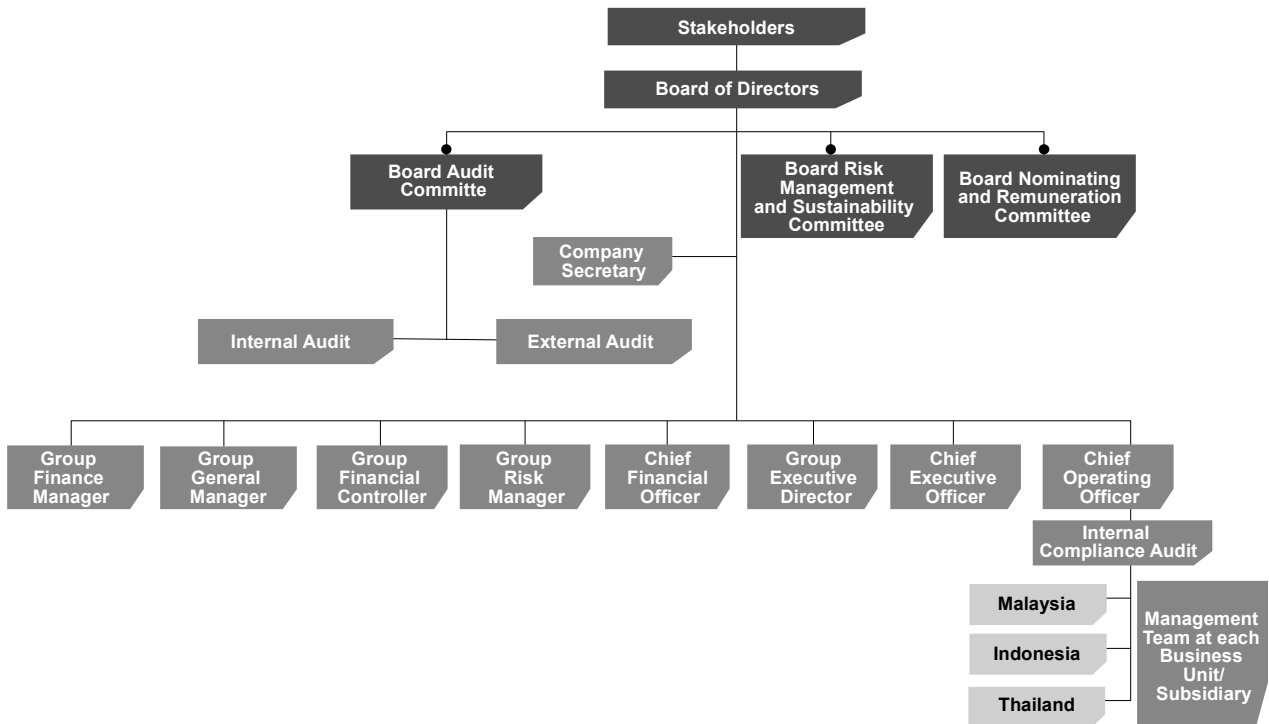
- PTH** PT Hijau Lestari Raya Fibreboard.
(8120015061789)

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 and Investor Relation

Tee Kim Foom

Group Financial Controller and Head of Internal Compliance

Philip Wong Hwee Lih

Group General Manager

Jeremy Tan Kian Ming

Group Cost Controller and Group Risk Manager

Lee Tak Hin

Group Accounts Manager

George Mavrogenis

Head of Malaysia Operations

Chieng Heng Nam

Head of Thailand Operations

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 2024. This Statement provides an overview of the Group’s Sustainability Performance during the period from 1 January 2024 to 31 December 2024 (“2024”).

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. The reporting scope of this Statement covers all operations in Malaysia, Indonesia and Thailand 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) and the Illustrative Sustainability Report ("ISR") by Bursa Malaysia.

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 the 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's acts both as subject matter experts and coordinates the Group's sustainability efforts performance (including undertaking the materiality assessment process).

EFB has subscribed to the use of the Centralised Sustainability Intelligence (CSI Solution) in the 4Q2024 for its group of companies data collection, measurement, management and reporting. This will ensure that the Group data collection is current and up to date with Bursa Malaysia requirements.

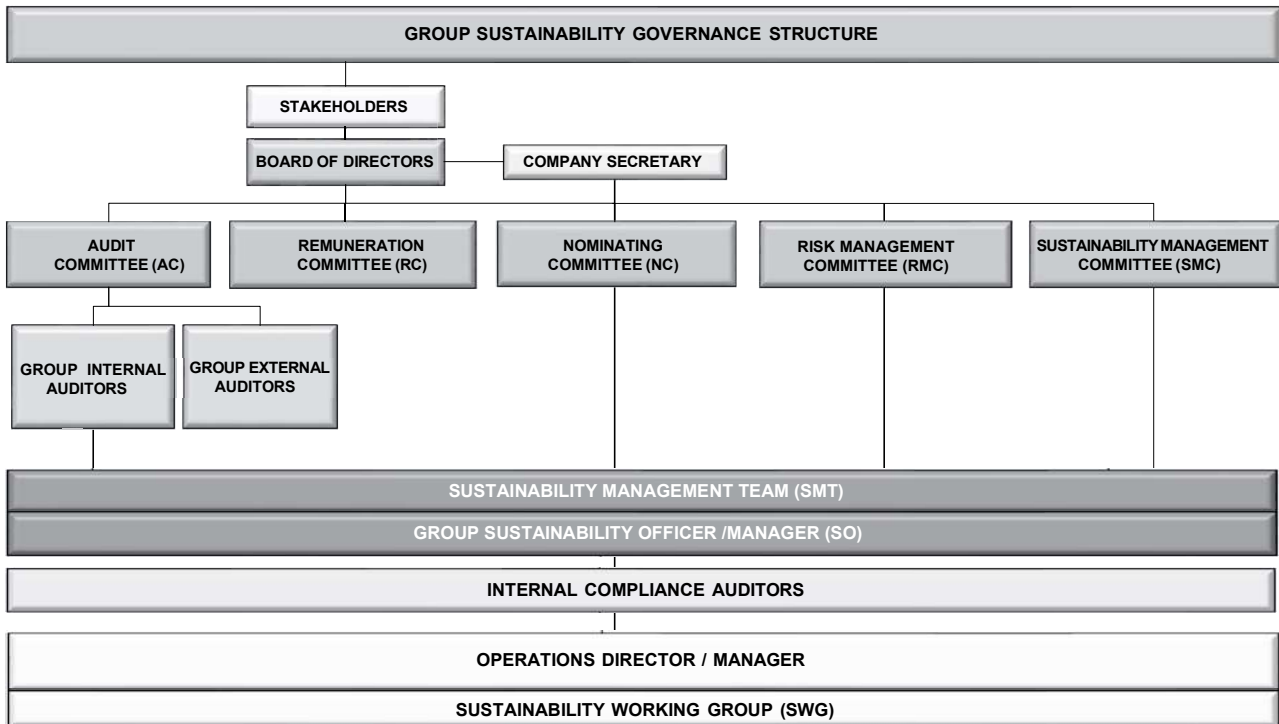
Our Board of Directors is continuously being equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic related training programmes to manage sustainability.

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)

SUSTAINABILITY GOVERNANCE STRUCTURE



Our Sustainability Governance Structure is explained below: -

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. Reports to the SMT on a quarterly basis on the progress.

Level 2 – The Internal Compliance Team and Internal Auditors

Verifies the Sustainability Activities with the Group including checking on the evidence of the reports on Sustainability which is forwarded to the Head of Sustainability for compilation. Assist the Internal Auditors during their review of Sustainability reporting figures.

Level 3 - The Sustainability Management Team (“SMT”) together with the Group Sustainability Officer (“GSO”)

Ensure the 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. Reports to the SMC at least twice a year on the status.

Level 4 - Sustainability Management Committee (“SMC”) of the Board

The Board together with Management is responsible for the governance of sustainability in the Group including setting the sustainability strategies, priorities and targets. The Board gives directive on Sustainability Matters for implementation by the SMT and the Board oversee SMT’s function by regular reporting by SMT.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

The 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 each business unit/subsidiary;
- b) SWG reports to SMT through GSO on all matters pertaining to Sustainability;
- c) Sustainability Officer in business unit/subsidiary, creates awareness on sustainability by communicating across stakeholders especially on the approach to sustainability;
- d) 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 – Internal Compliance Audit Team (“ICAT”) and Internal Auditors (“IA”)

- a) review the Group’s sustainability policies and plans to ensure subsidiaries / business units are in compliance and Strategies are being followed through;
- b) feedback to Head of Operations and GSO on the status and the need for special attention if needed or action plans to the matters/issues raised;
- c) assist Internal Auditors and communicate with SWG of each subsidiaries/business units for the required information or supporting documents for review being carried out; and
- d) report on the Group sustainability compliance to SMT after each compliance review completed including action to be taken by subsidiary/business unit.

Level 3 – 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.

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.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

The Roles and Responsibilities are as follows: - (Cont'd)

Level 4 – Sustainability Management Committee (“SMC”)

SMC established by the Board and chaired by Non- Executive Director to: -

- approve the goals and targets set including setting the Sustainability Strategies for the Group;
- ensure regular updates on the progress of sustainability efforts in the Group is being received and provide needed advice to SMT where necessary;
- ensure sustainability targets and goals set are considered as part of remuneration for awarding management in the Group;
- 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
- 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 the dependency on of our business. Engagements are held through both formal and informal channels at each business or subsidiary level.

As a Group, we aim to have regular communication with all our key stakeholder or when it may be necessary and are held through both formal and informal methods. Such communications have helped us identify relevant material issues or concerns of our stakeholders which enable responding to their needs more effectively.

Key Stakeholders	Mode of Engagement	Areas of Concern or concerns	Our Response
Shareholders	Online / One to one on a Quarterly basis / general meeting / website.	Business Strategies, Market and dividend payout.	Timely updates on the Group's strategy and financial performance via announcement / investor briefings.
Investors	Online / One to one group meetings/quarterly / general meetings / website.	Financial Performance and Plans moving ahead.	Timely updates on the Group's Plans and financial performance via investor briefings.
Bankers	Online / Emails / One to one, group meeting on a quarterly basis / annual report.	Future plans/ Overall performance/Mitigation plans.	Financial performance updates and meeting / monitor sustainability performance/targets.
Government/Agencies/ Regulators	Ongoing / As needed.	Regulatory /Governance.	Regular review and monitoring of changes and risk.
Customers	Ongoing / Customer Support / website / Customer's Survey.	Improved products /New Products.	Provide Customer services and Update on Products/ Certification on Products
Employees	Ongoing engagement.	Work-life balance / health and safety/upskilling/ career development path.	Promote transparent communication with all employees.
Suppliers/ Contractors	Meetings / Survey / Assessment / Engagement.	On Sustainability Matters for Scope 3 / Health and Safety Matters.	Give awareness to Supplier /contractor.

STATEMENT ON SUSTAINABILITY (Cont'd)

MATERIAL MATTERS

EFB is aware of the fact that certain of our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. Full review on our materiality assessment was conducted in year 2023 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.

During the financial year, we carried out a limited review on previous material matters identified for the Group and the changes in the material matters is as stated below. The Group will conduct a full-scale material assessment and will establish an illustration of its prioritised sustainable material matters based on the country via a materiality matrix.

Economic Performance	Anti- Bribery/ Anti-Corruption	Health and Safety
Cybersecurity Data Protection	Climate Change	Employee Management
Human Rights	Supply Chain Management	Waste Management
Community Investment	Water Management	Raw Material Supply (Wood)

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 the 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 any risk occurrence by designated risk owners and Head of Operations.

Material Matters	Risk	Opportunities
Economic Performance	Poor financial performance threatens business continuity and loss of opportunity.	Sustainable financial performance attract investors and delivers long-term value to all stakeholders.
Anti- Bribery/Anti-Corruption	Poor corporate governance practices can tarnish reputation and image and possible financial losses.	Effective corporate governance practice enhances EFB's reputation as a trustworthy company amongst shareholders and safeguard Company's assets.
Health and Safety	Accidents and injuries in workplace lead to productivity loss, legal repercussions such as penalties and reputation damage decrease employees' moral.	Strong Safety culture with conducive working environment improves employee's wellbeing and maintains productivity by having high employees' confidence and moral.
Cybersecurity and Data Protection	Cyber threats including breach of customers data may lead to loss of customer's trust and reputational harm.	A robust cybersecurity and data management system protects critical customer data.
Climate Change	Non-compliance with existing and emerging climate-related regulations leads to financial penalties.	Secure positioning in low-carbon market to capitalise on the rising demand for low-carbon products.

STATEMENT ON SUSTAINABILITY (Cont'd)

RISK MANAGEMENT (CONT'D)

Material Matters	Risk	Opportunities
Employee Management	Disengaged and underdeveloped employees contribute to lower productivity and performance. Unattractive benefits and remuneration affects employee's motivation.	Effective talent development and upskilling programmes with attractive benefit packages enable us to retain and attract top-quality industry talent and contribute to a high-performance culture.
Human Rights	Breaches in human rights practices lead to regulatory penalties, impact employee retention, culture and damage reputation.	Strong human rights practices reinforce EFB reputation as a responsible employer.
Supply Chain Management	Supplier and Contractor non-compliant to EFB's ethical principles, and safety culture exposes the business to operational disruptions.	Sound procurement governance attracts and retains credible and suppliers and skilled contractors.
Waste Management	Non-compliance with environmental regulations results in consequences from authorities and activists.	Waste reduction and increased resources efficiency can result in cost savings.
Community Investment	Business activities that negatively impact communities affect EFB's social license to operate.	Regular engagements through community impact programme can strengthens our relationship with local communities.
Water Management	Poor water management lead to higher cost and potential scarcity of water resources.	Efficient water management can reduce operational cost and promote water conservation behavior.
Raw Material Supply (Wood)	Failure to meet customer's demand for sustainable supply will result in loss of market share.	Opting for sustainable and alternative sustainable material may enhance EFB's brand an image and attract sustainable minded customers and investors.

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.

STATEMENT ON SUSTAINABILITY (Cont'd)

MANAGEMENT APPROACH ON MATERIAL MATTERS

ECONOMIC PERFORMANCE

Why is this important?

EFB's stable financial performance is important as it creates and able to maintain long-term value for decent employment opportunities and promote economic development within the local communities. To ensure financial sustainability we must have the ability to adapt, withstand, and recover from challenges and setbacks over an extended period, maintaining well-being and functionality despite ongoing adversity by leveraging our strategies, employees, assets and then sharing the generated wealth with our stakeholders.

Our approach

EFB's approach in achieving and sustaining decent economic performance is by executing our business strategies and staying abreast with market trends whilst striving to maintaining a healthy balance sheet and strong cash flow. By pursuing technological advancement where possible, mitigating identified risks relevant to our business and losses from non-profitable business as well as pursuing diversification where and when possible.

Our performance

The Group recorded a total revenue of RM958,087 million for the reporting financial year 2024 whereby our Malaysia subsidiaries accounted for approximately 42.7% of the Group's total revenue, while Thailand and Indonesia contributing 45.8% and 11.5% respectively. These revenues were primarily derived from Panel Boards, RTA, and Wood Pellet products. Revenue from Resin/Adhesive products and Biomass Energy were exclusively produced for supply within the Group.

In the business segments, Panel Boards, Biomass Wood Pellets and RTA Furniture contributed 97.8% of the Group's revenue while Urea Formaldehyde Concentrate and Adhesive products and other Wood Products made up the remaining 2.2%.

Economic value generated:	2024 RM
Revenue (Income)	958,087
Economic value distributed:	RM
Operating costs	949,152
Employee wages and benefits	97,970
Payment to providers of capital Dividends	NIL
Financing Cost	7,801
Taxes	10,770
Community investment	203,517
Retain Profits	543,045

Note: The financial results presented in the table are derived from the audited financial statement and our Management Discussion and Analysis, which are available for reference in our Annual Report 2024.

STATEMENT ON SUSTAINABILITY (Cont'd)

ANTI-BRIBERY AND ANTI-CORRUPTION

Why is this important?

The Group upholds high standards of business ethics and compliance across the businesses as a reflection of our core values of Integrity. It is crucial for us to protect the interests of both the business and stakeholders while building trust and reinforcing confidence of our stakeholders in the Company as well as externally.

Our approach

The Board and Senior Management is committed in conducting business with integrity, guided by our established Code of Conduct ("CoC"). The CoC communicates EFB's fundamental principles and guidelines to all employees, vendors and customers, 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 reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and its updates.

All new employees of executive level and above, undergo induction programme where they are required to familiarise themselves with the Group's CoC, ABC Policy, and other relevant policies and procedures. Upon completion of the induction session, employees are required to 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%.

All of our Vendors are also subjected to our policy on ethical conduct, and anti-bribery and corruption guidelines as entailed within the CoC for all third parties. Vendors are required to sign off a declaration indicating their understanding and agreement to abide by our guidelines and policies set forth by the Company when dealing with anyone in the Group.

A dedicated whistleblowing channel under the Whistleblowing Policy has been established and is being review by the Board as and when required. Any reports received through this email address will go directly to Baker Tilly MH Governance and they will handle it confidentially and all reports received will be directed to the Audit Committee for immediate attention and action.

The Audit Committee/BOD attends to all reports received of possible Improper Conduct/Malpractice seriously and investigates the reported matter confidentially depending on the validity of the information provided.

This Whistleblowing channel including policies on ABC and our CoC are made available on the Company's website at www.evergreengroup.com.my and Company's intranet to ensure accessibility by all stakeholders.

Our performance

The Group have undertaken corruption risk assessment that covers our operations in Malaysia, Thailand and Indonesia.

Corruption Risk Assessment	2022	2023	2024
Percentage of operations that underwent corruption risk assessment	100%	100%	100%

All employees have completed the necessary annual training and completed the mandatory annual training module with examination to indicate compliance to the Group's ABC Policy.

Corruption-Related Training	Completion Rate		
	2022	2023	2024
Management	100%	100%	100%
Executive	100%	100%	100%
Non-executive/ Technical Staff	100%	100%	100%

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

As at 31st December 2024, the Group recorded zero incidents of corruption across its operations and businesses.

STATEMENT ON SUSTAINABILITY (Cont'd)

HEALTH AND SAFETY

Why is this important?

The Group needs to prioritise the Safety and Health of all employees at their workplace and contractors working within the Company's premises. By ensuring a safe and conducive workplace, we strive to prevent any kind of injuries or illnesses among our employees and those working within our premises as these ultimately contributes to compliance to Safety and Health Act as well as the OSHA Act and any violation of these Acts or Law will cause penalty or law suit against the company concern.

Our approach

Our Group's Health and Safety Policies and Standard Operating Procedures are in line with the Act and Laws of Safety and Health and is also to ensure our business operations are conducted in a safe manner. Health, Safety and Environment ("HSE") Working Committees are present in all business units/subsidiaries and meetings are conducted with representatives from Management and Employees to ensure that safety and health performance and directions are discussed at all levels.

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. A standard incident reporting procedure has been established to communicate such information for management's attention. Any major incidents are being brought to the attention of the Board for their review and advise if needed.

Medical care is provided to all of our employees at the nearest private Clinics and for serious cases they are provided with government medical attention. For any emergency cases such as industrial accidents/mishaps, we provide private medical treatment initially for fastest treatment to the injured.

On Safety Trainings, safety induction training is provided at the point of recruitment thereon an on-the-job, and thereon regular refresher training to all employees and contractors. Training programmes covers both knowledge-based and skills- based training on topics such as emergency response, hazard and safety at the work place, as well as safety and health awareness.

Our performance

Various Health and safety trainings are carried out for all employees including all contractor at the start of any work within the Company's premises.

Number of Employees and Contractors Trained on Health and Safety Standards	2022	2023	2024
Employees	NA	82%	86%
Contractors (Upon start of work only)	100%	100%	100%

Our ultimate goal is to ensure that employee(s) comes for work and return home safely at the end of the day, which is why we always emphasize and strive to maintain zero accidents/fatalities by preventing and minimizing workplace incidents.

With the improvised measures taken, the Group encountered 4168 manhours loss in year 2024 compared to 4695 manhours loss in year 2023 involving minor accidents. Investigations to identify the cause and any systemic failures to be taken as corrective measures were carried out. Improvised measures include stricter safety measures for safety nets, retraining employees and contractors on working safely at heights whilst ensuring full adherence to the Safety Standard Operating Procedures including stricter controls and supervision. The Group remains committed to continuously strengthen its preventive measures to avoid accidents in the future.

Work-related injuries	2022		2023		2024	
	Employee	Contractor	Employee	Contractor	Employee	Contractor
Number of Accidents	80	0	48	0	39	0
Number of Fatalities	1	0	0	0	0	0
Number of Lost Time Injuries (Manhours)	NA	0	4,695	0	4168	0

STATEMENT ON SUSTAINABILITY (Cont'd)

CYBERSECURITY AND DATA PROTECTION

Why is this important?

The acceleration of various trends revolving around remote working, e-commerce and automation 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 the Group's information system to protect our customers' sensitive information, to prevent any leaks, threats or loss of our customer's information.

Our approach

We continue to strengthen our 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 3 (three) different regions where we operate.

Managing data and security has always been an integral part of our risk management framework and we conduct regular Internal Control Review by our Internal Auditors to review the Information Technology General Controls of the Group. The review assesses the adequacy and test the integrity of the system of internal controls while assessing compliance with policies and procedures and recommended best practices.

The Group has implemented a range of cybersecurity measures and has in place an upgraded 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.

Cyber threats are dynamic and ever-evolving that requires constant vigilance and adaptability. EFB is 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 2024, there have been zero substantiated complaints concerning breaches in customer privacy or data loss.

CLIMATE CHANGE

Why is this important?

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

Our approach

1. The Group aims to reduce its environmental footprints by establishing operational resilience to deliver long-term value to our business, stakeholders and surrounding communities. We are guided by our Environmental Policy, which outlines the Group's objective to effectively manage and minimise the impacts arising from our business operations.
2. As part of our efforts to mitigate climate change, the Group aims to reduce its absolute GHG emissions for Scope 1, 2 and 3 by 2030. We have started tracking and monitoring our Scope 3 emissions, specifically for business travel and employee commuting.

STATEMENT ON SUSTAINABILITY (Cont'd)

CLIMATE CHANGE (CONT'D)

Our approach (Cont'd)

3. Based on our Green House Gas Emission assessment conducted for the Group, source of emission has been identified and measures to the reduction of our GHG has been defined below. We have set our targets and 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 as below: -

For Scope 1 Emissions (Direct Emissions)

These are direct emissions from owned or controlled sources and we aim to reduce these emissions through: -

- > **Efficiency Improvements** - Upgrading machinery and equipment to more energy-efficient models; and
- > **Process Emissions Reduction**- Implementing new technologies or practices that reduce the emissions intensity of our production processes.

For Scope 2 Emissions (Indirect Emissions from Purchased Energy)

These are emissions the purchased of electricity, steam, heating, and cooling consumed by the operations and we aim to reduce these emissions through: -

- > **Renewable Energy**- Invest in renewable energy sources, such as solar or wind power, either by installing onsite renewable energy systems or purchasing renewable energy credits; and
- > **Energy Efficiency** - Continue to focus on reducing energy consumption across its operations through energy efficiency measures and conservation practices.

For Scope 3 Emissions (All Other Indirect Emissions)

These are emissions from our Company's value chain including upstream and downstream emissions. Our strategy shall involve: -

- > **Supply Chain Management** - Working with suppliers to reduce their GHG emissions by encouraging and requiring them to adopt sustainable practices; and
- > **Employee and Business Travel** - Reducing travel-related emissions using virtual meeting technology and incentivizing public transport or low-emission vehicles for commuting.

Evergreen's Commitment

The Group aims to achieve a 50% reduction in its emissions by year 2030 and Net Zero by year 2050. To align with our commitment an expanded plan with specific commitments to reduce our GHG Emission under Scope 1, 2, and 3 is as follows:-

Yearly Reduction Targets: -

1. For Year 2025 – We target to achieve a 5% reduction in Scope 1, 2, and 3 emissions compared to our defined base year 2024 through the following immediate actions: -
 - > Increase more energy efficiency measures at the production level;
 - > Initiating another renewable energy project to further reduce dependency on grid power; and
 - > On-boarding or collaborating with 3-5 carbon neutral certified suppliers.
2. For Year 2026- We target to achieve GHG reduction percentage of 10%, focusing on deeper integration of renewable energy, further efficiency improvements, and beginning to see the impact of supply chain management changes. Being part of the initial ramp-up period, the following actions to be enhanced by: -
 - > Reduce dependency on grid power across at least 30-40% of the Group's facilities;
 - > Introduction of alternative raw material options into the production facilities that are certified carbon neutral or has a reduced emissions impact; and
 - > Accumulation of carbon credit inventory from own plantation.
3. For Year 2027 to 2028 – We target a 15% GHG reduction, with significant contributions from mature renewable energy projects, comprehensive supply chain transformations, and advanced product life-cycle management strategies.
4. For Year 2029 to 2030 – We target pushing towards a 20% reduction in emissions with over 60% adoption of sustainable green manufacturing processes to be adopted across all key facilities. Significant adoption of certified carbon neutral products and optimization of current production processes.

STATEMENT ON SUSTAINABILITY (Cont'd)

CLIMATE CHANGE (CONT'D)

Assessment on our Green House Gas Emission

Year 2024	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Total (tCO ₂ e)
GHG Emission	30,033.09	167,242.49	440,676.23	637,951.80

ENERGY CONSUMPTION

Why is this important?

The Group acknowledges high energy consumption in its production operations which translates to Green House Gas (GHG) emissions that contributes to the impact of climate change. As an organization, we acknowledge that it is our responsibility to play our part by continuously reducing our carbon footprint whilst embracing opportunities that unfold in making the transition to a low-carbon economy.

Our approach

We aim to reduce our environmental footprints by investing in Renewable Energy such as solar or wind power, either by installing onsite renewable energy systems or purchasing renewable energy credits and focusing on reducing energy consumption across all operations through energy efficiency measures and conservation practices.

Our performance

During the financial year 2024, the total energy consumption (excluding mobile combustion) recorded a reduction of 35.32% in consumption compared to year 2023. The reduction is mainly from the reduction of operations in Malaysia due to disruption in raw materials and the relocation of our MDF plant to Indonesia. This production line is due for commercial run in March 2025 and the consumption in the coming year will increase accordingly.

Energy Consumed	Year 2022	Year 2023	Year 2024
Electricity Consumed from National Grid	289,459 MWh	292,380MWh	189,129MWh
Solar Energy Consumed	6,562 MWh	6,278MWh	3,682MWh
Biomass Energy Consumed	126,591 MWh	134,857MWh	123,357MWh
Total Consumption	422,612 MWh	433,515MWh	316,168MWh
Diesel Consumed	NA	NA	3,326,518 Ltr
Petrol Consumed	NA	NA	25,216 Ltr
Others	NA	NA	48,344 Ltr
Total Consumption	422,612 MWh	433,515MWh	3,400,078 Ltrs

EMPLOYEE MANAGEMENT

Why is this important?

EFB believes that our employees are our most valuable assets and they 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

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

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Our Performance

Our Manpower Strength

DESCRIPTION	YEAR 2022		YEAR 2023		YEAR 2024	
	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE
MALAYSIA	1215	59.1%	1154	59%	1122	57.6%
THAILAND	619	30.1%	720	36.8%	737	37.8%
INDONESIA	222	10.8%	82	4.2%	90	4.6%
TTL	2056	100.0%	1956	100%	1949	100.0%
BY EMPLOYMENT	FOREIGN LABOUR	PERCENTAGE	FOREIGN LABOUR	PERCENTAGE	FOREIGN LABOUR	PERCENTAGE
MALAYSIA	253	74.0%	302	67.7%	284	59.9%
THAILAND	89	26.0%	144	32.3%	176	37.1%
INDONESIA	0	0%	0	0%	14	3.0%
TTL	342	100%	446	100%	474	100%
BY EMPLOYMENT	PERMANENT %	TEMPORARY %	PERMANENT %	TEMPORARY %	PERMANENT %	TEMPORARY %
MALAYSIA	100%	0%	98.6%	1.4%	100%	0%
THAILAND	100%	0%	89.1%	10.9%	100%	0%
INDONESIA	57%	43%	100%	0%	100%	0%

Upskilling and reskilling

We 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.

During the financial year, we remained 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. Hand Holding Risk Management In-house Programme;
3. Hand Holding Sustainability In-house Programme;
4. Leadership development programmes for middle and senior management levels;
5. Upskilling programmes on technical courses related to job functions;
6. Webinars from subject-matter experts and industry leaders;
7. Safety and Health In-house Programme;
8. Capacity building via professional certification; and
9. Continuous learning programmes through e-learning platform.

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Performance Management and Compensation

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 increment, 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.

Further into the year 2025, we will be revising our Malaysian salary and benefits packages to ensure they reflect prevailing market rates including compliance to the Minimum Wage and Employment Act 1955.

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

Leaves
<ul style="list-style-type: none"> Annual leaves, sick or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave, unpaid leave, examination leave.
Medical
<ul style="list-style-type: none"> Insurance coverage, dental care, health screening, medical coverage, postnatal expenses.
Flexi-work arrangement
<ul style="list-style-type: none"> Flexi-time of work and Work from home when needed.

Remuneration Policies

Our 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 increase in employee's compensation is mainly from the change in the ceiling rate for overtime calculations.

ANNUAL COMPENSATION						
Compensation Category	Year 2022 (RM)	%	Year 2023 (RM)	%	Year 2024 (RM)	%
Employee's Compensation	93,367,279	95.8	89,220,550	95.6	92,823,338	95.1
Executive Director's Compensation	3,765,728	3.8	3,778,917	4.0	4,465,432	4.6
Non-Executive Director's Compensation	348,409	0.4	327,570	0.4	362,237	0.4
Total	97,481,416	100.0	93,327,037	100.0	97,651,007	100.0

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Succession planning

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

Employee engagement initiatives

We highly value employee feedback and thus, in 2024 we conducted 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 communication and address employee concerns. Amongst employee engagements conducted in 2024 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.

Employee training hours

For the financial year 2024, the Group spent 11,687 hours compared to 10,570 hours in Year 2023 on training for internal and external learning and development programmes.

Employee Category	Total hours of training		
	2022	2023	2024
Management	NA	2,595	2959
Executive/Supervisory	NA	2,163	2427
Non- Exec /General Workers / Technical	NA	5,812	6301
Total	NA	10,570	11,687
Overall average training hours per employee (hours)	NA	5.34	5.35
Employee retention and attrition	2022	2023	2024
Turnover rates (%)	NA	3.6	12%

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Diversity, Equity and Inclusion

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 EFB strives to increase women participation in leadership roles to 30% by 2030.

On Employees	YEAR 2022		YEAR 2023		YEAR 2024	
BY GENDER	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE
MALE EMPLOYEES	1,681	81.8%	1,574	80.5%	1311	67.29%
FEMALE EMPLOYEES	375	18.2%	382	19.5%	638	32.71%
TTL	2,056	100.0%	1,956	100%	1949	100%
BY AGE GROUP	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE
< 30 YEARS	457	22.2%	509	26.0%	403	20.66%
30-50 YEARS	1,335	65.0%	1,151	58.8%	1305	66.96%
> 50 YEARS	264	12.8%	296	15.2%	241	12.38%
TTL	2,056	100%	1,956	100%	1949	100%
On Directors	YEAR 2022		YEAR 2023		YEAR 2024	
MALE	5	62.5%	4	57.1%	5	62.5%
FEMALE	3	37.5%	3	42.9%	3	37.5%
TTL	8	100%	7	100%	8	100%
< 30 YEARS	0	0%	0	0%	0	0%
30-50 YEARS	3	37.5%	2	28.6%	2	25%
> 50 YEARS	5	62.5%	5	71.4%	6	75%

HUMAN RIGHTS

Why is this important?

As a responsible organisation, EFB is committed in 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 and environment.

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 is consistently reviewed by the Management to ensure that our approaches to human rights always meet, or at best, go beyond regulatory requirements. We constantly aligned our Human Rights Policy with the Minimum Wage Order and the Employment Act 1955, resulting in a minimum wage of RM1,700 per month in February 2025.

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 website.

STATEMENT ON SUSTAINABILITY (Cont'd)

HUMAN RIGHTS (CONT'D)

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.

Our foreign workers, are provided with fair wages (same as local employee's wages) and compensation, decent living quarters, and adequate training to perform their jobs safely and effectively.

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

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. 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' centralized 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.

Complaints	2022	2023	2024
Number of substantiated complaints concerning human rights violations	0	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 supply chain. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we priorities 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.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUPPLY CHAIN MANAGEMENT(CONT'D)

Our performance

We are aware of our operational needs and 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. The reduction seen in our local procurement is due to the relocation of our plant from Malaysia to Indonesia and a big quantity of raw material (panel boards) are being procured from our subsidiaries in Thailand.

Suppliers	2022	2023	2024
Proportion of spending on local suppliers	NA	65%	48%

Waste Management

Why is this important?

Our Group prioritise proper waste management to ensure no or the least environmental impact towards the surrounding communities, in relation to all of our businesses. In our operations, 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 current by year 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

During the financial year 2024, EFB generated hazardous waste which is categorised as scheduled waste and non-hazardous waste includes domestic waste which are recyclable waste. Below is our waste managed from our processes which are segregated and being sent for recycle or disposal according to the requirements of the law.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUPPLY CHAIN MANAGEMENT(CONT'D)

Our performance (Cont'd)

Waste Generated			
		2023	2024
Plastic Materials	UOM	Quantity	Quantity
For Re-cycle	m/ton	188.6	457.31
To Landfill	m/ton	0.0	0.0
Paper Materials			
For Re-cycle	m/ton	197.7	9.50
To Landfill	m/ton	28.0	0.0
Scrap Metals (including steel strappings)			
For Re-cycle	m/ton	879.6	1,053.03
Fabric (Bags)			
For Re-cycle	m/ton	62.8	37.24
To Landfill	m/ton	4.1	64.34

Schedule Waste			
		2023	2024
Disposal based on Environment Law Requirements	UOM	Quantity	Quantity
Electric & Electronic Waste (Monitors/ Printers/Computers)	m/ton	2.5	166.6
Waste Glue & Sludge (include washing of equipment)	m/ton	762.7	10,064
Empty Containers	units	-	9,967
Waste Paint/Chemicals	liters	44.7	331.18
Spent Oil	liters	18.1	9,081

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. As a Group, 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

Our Group's commitment in supporting local communities is reflected in our Community Investment policy, 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 the Group's community impact programmes. 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 2024 was mainly to Charity Organisation, special needs schools, medical associations, local community programmes, flood victims and disaster events amounting to RM203,517 with 62 beneficiaries to it.

STATEMENT ON SUSTAINABILITY (Cont'd)

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

The Group is 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 at least 10%-20% from our current 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 to increase recycle of water and rain catchment to achieve a 20% reduction in water supply from others for consumption by 2030.

Our performance

The Group total water consumption and the source of water supply is as below: -

SOURCE OF WATER CONSUMPTION (Megaliters)			
Water Supply Source	2022	2023	2024
From Government Supply	183,793	328,270	370,675
From Nearby Stream / River	881,955	1,008,741	1,216,179
From Underground	132,731	29,435	38,607
From Water Treatment (Re-cycle Water)	128,847	73,427	41,823
From Rain Catchment	0	0	2,687
Total	1,327,326	1,439,873	1,669,971

RAW MATERIALS (WOOD)

Why is this important?

The natural resources which rubber wood / mix wood waste which is our Group's main raw material is sensitive topic to the environment. Therefore, any changes in government policies on logging due to the nation's commitment to international bodies on climate change may increase the possibility of supply disruption of our raw material supply chain. Additionally, the availability of natural resources for production is depleting.

STATEMENT ON SUSTAINABILITY (Cont'd)

RAW MATERIALS (WOOD) (CONT'D)

Our approach

To try and mitigate this matter, we 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. We have undertaken initiatives to reduce our consumption of virgin materials by using recycled materials and also ensure to source to our supply from legal sources as indicated below.

Our Performance

DESCRIPTION OF WOOD	YEAR	TOTAL	SOURCE (M/Tons)			
			PLANTATION	PEFC AREA	FSC AREA	OTHERS
Rubber / Mix Tropical Wood	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
	2024	1,250,736	1,177,081	44,402	8,773	20,480

Note: The reduction of FSC materials purchase is due to unavailability of FSC materials in Malaysia.

ON THE ENVIRONMENT MATTERS

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

As a wood base industry, 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 dust or smoke emission surpass these allowable limits, a fine of RM100,000 can be imposed on the premises owner.

Compound and Fines

For Emission /Discharge (above the allowable limit)	2022	2023	2024
On Environment Matters	1	2	2
On Water	1	1	3
On other Matters	1	1	2

The Group had incurred compound for water discharge and Industrial Accident cases which occurred in year 2022 ~ 2024 amounting to RM63,859 for 7 (seven) minor environment and safety 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.

STATEMENT ON SUSTAINABILITY (Cont'd)

EXTERNAL ASSURANCE

Conclusion

We have conducted an independent review of the selected sustainability information (the "Subject Matters") listed below for the year ended 31 December 2024 published in the Sustainability Statement 2024 (the "Report") of Evergreen Fibreboard Berhad (the "Company" or "Evergreen").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matters are not prepared, in all material respects, in accordance with the Reporting Criteria as detailed below.

Reporting Criteria

In preparing the Subject Matters mentioned above, the Company applied its approach and methodology, which draws reference from commonly established industry practices.

Scope of Work

BDO Governance Advisory Sdn. Bhd. ("BDO" or "we") was engaged by the Board of Directors of Evergreen Fibreboard Berhad to provide a review on the Subject Matters for the year ended 31 December 2024 as published in the Report.

Subject Matters

The Subject Matters on which we have reviewed, consist of:

Material Matters	Selected Disclosures	
Energy Consumption	Total Electricity Consumption: Grid Sourced and Solar, MWh	199,980.75
	Diesel: Stationary and Mobile Combustion, Litres	3,333,985.44
	Petrol: Mobile Combustion, Litres	25,216.65
	Biomass: Purchased and Self-Generated, MWh	123,357.15
	Other source of energy: Turmoil, Litres	48,344.00
Water Consumption	Water Consumption from Local Supply, m3	156,471.99
	Water Consumption from River, m3	1,216,179.52
	Water Consumption from Ground (Well or Underground), m3	38,607.00
	Water Consumption from Water Treatment Plant, m3	41,823.68
	Water Consumption from Rainwater Catchment, m3	2687.22
Waste Management and Recycling	Waste Directed to Disposal: Hazardous, Tonnes	11,705.59
	Waste Directed to Disposal: Non-Hazardous, Tonnes	11,518.00
	Waste Diverted from Disposal, Tonnes	229,320.48
Occupational Health and Safety	Total Major and Minor accidents, Number	39
	Fatalities, Number	Nil

The scope of our work was limited to the Subject Matters presented in the Report and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matters; nor did it include information reported outside of the Report, comparisons against historical data, or management's forward-looking statements.

STATEMENT ON SUSTAINABILITY (Cont'd)

EXTERNAL ASSURANCE (CONT'D)

Inherent Limitation

Inherent limitations of independent review engagements include the use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our engagement is not designed to detect fraud or error that is immaterial.

The absence of a significant body of established practice in the industry on which to measure and evaluate certain Subject Matters allows for different, but acceptable, measurement basis and can affect comparability between entities over time.

The Subject Matters are subject to more inherent limitations than financial information, given the characteristics and methods used for determining underlying information. The precision of different measurement techniques may also vary.

Management's Responsibilities

Management of the Company is responsible for:

- The preparation of the Subject Matters in accordance with the Reporting Criteria;
- Selection and application of appropriate methods to prepare the Subject Matters reported in the Report, which includes but not limited to the use of assumptions and estimates for disclosure which are reasonable; and
- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matters, in accordance with the Reporting Criteria, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matters and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with the Reporting Criteria.

An independent review engagement undertaken involves assessing the suitability in the circumstances of Evergreen use of the Reporting Criteria specified as the basis of preparation used for the selected Subject Matters presented in the Report, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matters in the Report.

Procedures Performed

Procedures performed in an independent review vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in an independent review is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and did not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our engagement was not designed to provide any assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Our review engagement on the Subject Matters consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matters presented in the Report and evidence-gathering procedures as appropriate.

STATEMENT ON SUSTAINABILITY (Cont'd)

EXTERNAL ASSURANCE (CONT'D)

Our procedures included:

- Gaining an understanding of the business, internal processes and approach to sustainability;
- Conducting interviews with key personnel and collating evidence to understand Evergreen process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks;
- Conducting review procedures over the selected Subject Matters, including:
 - i. Testing, on a sample basis, underlying source information to check the accuracy of the data provided based on management's assumption and approach;
 - ii. Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.

We also performed such other procedures as we considered necessary in the circumstances.

Other Matters

Information relating to prior reporting periods has not been subject to review procedures. Our report does not extend to any disclosures or assertions relating to future performance plans or strategies disclosed in the Report. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to the Subject Matters and related disclosures, the Report or to our independent review report that may have occurred since the presentation of the draft to us.

Restriction on distribution and use and disclaimer of liability to third parties and for any other purpose

This report, including the conclusion, has been prepared solely for the Board of Directors of Evergreen, in accordance with the agreement between us, in connection with the performance of an independent review on the Subject Matters, as reported by Evergreen in the Report and should not be used or relied upon for any other purposes.

As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

Karthigayan Supramaniam

Executive Director, BDO Governance Advisory
Kuala Lumpur
17 February 2025

The Board has reviewed the sustainability efforts process of the Group and has approved this Statement on 10 April 2025.

STATEMENT ON SUSTAINABILITY (Cont'd)

Sustainability Performance Table

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	203,517.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	62
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	5.39
Management Above 50	Percentage	2.50
Executive Under 30	Percentage	1.41
Executive Between 30-50	Percentage	13.04
Executive Above 50	Percentage	3.05
Non-executive/Technical Staff 30-50		
Non-executive/Technical Staff Under 30	Percentage	5.98
Non-executive/Technical Staff Between 30-50	Percentage	29.03
Non-executive/Technical Staff Above 50	Percentage	3.50
General Workers		
General Workers Under 30	Percentage	13.27
General Workers Between 30-50	Percentage	19.50
General Workers Above 50	Percentage	3.33
Gender Group by Employee Category		
Management Male	Percentage	5.85
Management Female	Percentage	2.04
Executive Male	Percentage	12.12
Executive Female	Percentage	4.83
Non-executive/Technical Staff Male	Percentage	20.65
Non-executive/Technical Staff Female	Percentage	17.25
General Workers Male	Percentage	28.67
General Workers Female	Percentage	8.59
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.50
Female	Percentage	37.50
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	316,168.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	4,168.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,676
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	2,959
Executive	Hours	2,427
Non-executive/Technical Staff	Hours	2,520
General Workers	Hours	3,781
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.00

STATEMENT ON SUSTAINABILITY (Cont'd)

Sustainability Performance Table (Cont'd)

Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	9
Non-executive/Technical Staff	Number	78
General Workers	Number	139
Bursa C6(d) Number of substantiated complaints concerning human rights violations		
	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers		
	Percentage	48.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		
	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used		
	Megalitres	1,667.000000

Internal assurance

External assurance

No assurance

(*)Restated