

# CORPORATE SUSTAINABILITY STATEMENT



## STATEMENT OVERVIEW

Nextgreen Global Berhad (“Nextgreen”, “Company” or “Group”) aims to advance the world’s transition to environmentally-friendly and sustainable products. Circularity at Nextgreen is through creating and delivering innovative products and processes designed to minimize waste and improve resource efficiency as part of a truly circular economy, supported by responsible and sustainable business practices and strong collaboration with partners across the value chain.

Sustainability is critical to the long-term prosperity of our Company and we are working to integrate it into all aspects of our business, including our strategy, operations, business processes and decision making. In the previous reporting year, we included 2 new pillars to showcase the various partnerships and collaborations across our value chain. This annual Corporate Sustainability Statement (“Statement”) outlines the six pillars that are aligned with the Sustainable Development Goals (“SDGs”) and principal environmental, social and governance (“ESG”) domains – Principles of governance, Planet, People, Prosperity, Partnership and Pipeline.

## Statement of use, reporting scope, and data

We support global efforts towards more consistent and comparable disclosures. Our reporting is in line with recognised and relevant international sustainability reporting frameworks, including the Global Reporting Initiative (“GRI”) Standards.

This Statement is based on material aspects of the Group which covers the period from 1 January 2023 to 31 December 2023, unless otherwise stated. While we aspire to present our reporting boundary within the Group, the focus for this Statement covers three subsidiaries, namely BHS Book Printing Sdn Bhd (“BHS Book Printing”), Ultimate Ivory Sdn Bhd (“Ultimate Ivory”), Nextgreen Pulp and Paper Sdn Bhd (“NGPP”) as well as Nextgreen (company level). Data in this Statement has been verified and validated by the respective companies or data owners. We are progressively strengthening ongoing efforts to close any reporting gaps and expand reporting coverage across the Group.

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

## Membership and voluntary commitments

The support and engagement with the following organisations will assist Nextgreen in adhering to a high standard of ESG performance. These membership and voluntary commitments reflect our values, support our approach to working collaboratively with our partners and provide a platform to contribute to industry best practices. Our involvement in these initiatives allows us to remain up-to-date on emerging trends, regulatory changes, and best practices in the industry and sustainability sectors. These participations also allow us to progress our shared contribution to sustainable development.



8-0212-18-000-00

Member since 1 November 2018    Joined since 3 May 2021

**WE SUPPORT**



## Progressing our reporting

We are a signatory to the United Nations Global Compact (“UNGC”). We report our progress towards the UNGC’s ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption – see global framework reporting content index on pages 73 to 76 for this alignment. In 2022, we joined 850 participants from over 80 countries on furthering corporate transparency by joining UNGC’s Early Adopters Program to disclose using the enhanced Communication on Progress (“CoP”) questionnaire. The CoP presents our commitment to the UNGC. We submitted our CoP on 12 May 2023.

We are committed to ensuring the raw materials used for our products, such as palm oil biomass residues, are from sustainable sources. As an affiliate member of the Roundtable Sustainable Palm Oil (“RSPO”), we submit our progress in support of the RSPO’s objective of promoting the growth and use of sustainable palm oil and palm oil products, via the RSPO’s Annual Communication of Progress (“ACOP”). We submitted our progress on 2nd May 2023.

## United Nations Global Compact (“UNGC”) Principles

Human Rights	<b>Principle 1</b>	Businesses should support and respect the protection of internationally proclaimed human rights
	<b>Principle 2</b>	Make sure that they are not complicit in human rights abuses
	<b>Principle 3</b>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Labour	<b>Principle 4</b>	The elimination of all forms of forced and compulsory labour
	<b>Principle 5</b>	The effective abolition of child labour
	<b>Principle 6</b>	The elimination of discrimination in respect of employment and occupation
Environment	<b>Principle 7</b>	Businesses should support a precautionary approach to environmental challenges
	<b>Principle 8</b>	Undertake initiatives to promote greater environmental responsibility
	<b>Principle 9</b>	Encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	<b>Principle 10</b>	Businesses should work against corruption in all its forms, including extortion and bribery

## Contact us

Nextgreen appreciates any feedback which will help the Company improve future reporting and communication with stakeholders. We invite you to send your comments or suggestions to any of the contact points located at the back cover of this Annual Report.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### Nextgreen features in The Star ESG

On 28 April 2023, Nextgreen was featured in its article header titled **ESG in the news** regarding the use of a special-purpose vehicle (SPV) called GTC Biomass Berhad. This is a joint venture with Greentech Malaysia Alliances Sdn Bhd, Koperasi Sahabat Amanah Ikhtiar Malaysia Berhad and Koperasi Perkhidmatan Setia Bhd. More information regarding this venture is stated in our Partnership Pillar article.



April 4

Nextgreen Global Bhd's (NGGB) wholly-owned unit Nextgreen Biomass Sdn Bhd will use a special-purpose vehicle (SPV) called GTC Biomass Bhd for the construction, development and commissioning of 20 oil palm waste collection and processing centres throughout Malaysia.

NGGB, in a filing with Bursa Malaysia, said it will undertake the proposed centres in a joint venture (JV) with Greentech Malaysia Alliances Sdn Bhd (GTMASB), Koperasi Sahabat Amanah Ikhtiar Malaysia Bhd and Koperasi Perkhidmatan Setia Bhd.

Nextgreen Biomass will provide investment opportunities in developing the centres and through its related company, Nextgreen Pulp & Paper Sdn Bhd, and it is obliged to purchase all oil palm waste or derivatives from the centres.

As part of their materiality assessment on Nextgreen to identify the list of sustainability topics relevant to us, Turnkey has researched on Nextgreen's sustainability disclosures, reviewed the material topics of our peers, and considered the sector-specific sustainability factors that were considered by major ESG rating agencies. After that, a compilation of these work steps were made for the selection and identification of the potential material sustainability topics for Nextgreen. Management approvals from the three subsidiaries, namely BHS Book Printing, Ultimate Ivory, and NGPP, as well as Nextgreen were obtained to finalize the 40 sustainability topics.

A stakeholder engagement survey was then conducted as the next step to collect Nextgreen's stakeholders' opinion on the sustainability topics through the distribution of online surveys to our stakeholders to understand the significance of sustainability topics from their perspective. This stakeholder engagement exercise was carried out during the survey period from 14 April 2023 until 25 May 2023, with a 67% response rate from Internal Stakeholders and a 54% response rate from External Stakeholders, bringing it to a total of 60% response rate for the total number of completed responses.

### Materiality

The success of Nextgreen depends on comprehending and responding to the dynamic sustainability landscape as well as related matters that could impact our future strategic direction. Our materiality assessment helps us to explore significant matter to our stakeholders and our business. It also helps us articulate what these impacts and concerns means for Nextgreen, both now and in the future.

We performed the first formal assessment in 2021 and our next formal assessment will take place in 2024 to ensure continuing alignment across stakeholders. Understanding and prioritising these sustainability topics enables us to focus, act and report on them effectively and transparently.

In 2023, we appointed a sustainability solutions provider on Environmental, Social, and Governance ("ESG") advisory and support known as Turnkey Group ("Turnkey") to carry out the stakeholder engagement exercise. This mainly involved online surveys for Nextgreen's internal and external stakeholders.

- Stakeholders were asked to evaluate the importance of each identified sustainability topics for Nextgreen. Each stakeholder was asked to first select the material topics out of 40 sustainability topics and then rank the selected topics according to their importance and relevance to Nextgreen.
- Materiality matrix is plotted using two criteria: "Importance to Stakeholders" (y-axis) and "Significance to Business" (x-axis). The score for "Importance to Stakeholders" and "Significance to Business" is based on the average score of each aspect from external stakeholders and from internal stakeholders respectively.
- The aspects in the top-right corner are considered as important topics by both internal and external stakeholders, and hence are prioritized for Nextgreen's management.
- Stakeholders were also asked to give reasons on the selection and prioritization of the sustainability topics, as well as about their awareness on Nextgreen's sustainability action plans.

Online survey methods were used to gather the quantitative data for the construction of a materiality matrix for Nextgreen as set out in the next page.

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Nextgreen's Materiality Matrix 2023



## Environmental Topics

- |                                    |  |
|------------------------------------|--|
| 1. Carbon Footprint (GHG Emission) | 8. Alternative Raw Material & Sourcing         |
| 2. Climate Change Adaptation       | 9. Energy Management & Renewable Energy        |
| 3. Air Quality                     | 10. Replanting (Reforestation)                 |
| 4. Waste Management                | 11. Management of Tenant Sustainability Impact |
| 5. Water & Waste Water             | 12. Environment Management & Compliance        |
| 6. Land Use & Biodiversity         | 13. Zero Waste & Circular Economy              |
| 7. Material Sourcing & Efficiency  |  |

## Social Topics

- |  |   |
|--|---|
| 14. Occupational Health and Safety (OHS)                       | 20. Human Rights & Modern Slavery         |
| 15. Community Investment/Corporate Social Responsibility (CSR) | 21. Customer Rights & Privacy             |
| 16. Non-Discrimination, Equality & Inclusivity                 | 22. Customer Satisfaction                 |
| 17. Employee Hiring & Retention                                | 23. Data Security                         |
| 18. Training & Development                                     | 24. Access & Affordability                |
| 19. Product Quality & Safety                                   | 25. Selling Practice & Products Labelling |

## Governance Topics

- |                                       |  |
|---------------------------------------|--|
| 26. Anti-Bribery & Anti Corruption    | 34. Public -Private Partnerships               |
| 27. Certification                     | 35. Stakeholder Engagement                     |
| 28. Corporate Governance & Compliance | 36. Sustainable Procurement Practices          |
| 29. Syariah Compliance*               | 37. Supply Chain Traceability and Transparency |
| 30. First in the world Technology     | 38. Risks and Opportunities Assessment         |
| 31. R&D/Innovation                    | 39. Business Ethics                            |
| 32. Financial Performance             | 40. Business Model Resilience                  |
| 33. Green Technology Park Development |  |

\* Removed "Syariah Compliance" from the list of material topics since the materiality assessment results have indicated that it is insignificant.



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



### Contributing to United Nations Sustainable Development Goals (“SDGs”)

Businesses have significant duty in delivering SDGs. We consider it as a key responsibility for businesses to assist in realising SDGs. We have identified the following eight global goals where we have an opportunity to make the greatest impact, given the nature of our business. We align and map the SDGs against relevant sustainability disclosures in the global framework reporting content index on pages 73 to 76.



**6 Clean water and sanitation**  
Our manufacturing processes are water-intensive; with operations impacting water resources through their extraction and use. We examine methods to enhance water quality by reducing pollution, eliminating improper disposal, dumping only at designated locations and minimising the release of hazardous chemicals and materials before treatment and boosting recycling and safe water reuse.



**8 Decent work and economic growth**  
We work towards a fair, safe, diverse and inclusive workplace for our employees who benefit from decent working conditions, skills development and purposeful employment. Our support for local enterprises creates wealth and employment, strengthens the local supply chain and promotes resilient communities.




**12 Responsible consumption and production**  
Adopting circularity through the use of biomass and by-products from our manufacturing process provides progressive opportunities for our business while reducing negative environmental impacts. Our manufacturing processes is resource-intensive and using raw materials, water and energy efficiently is fundamental to a sustainable business.



**16 Peace, justice and strong institutions**  
We put in place policies and procedures to reduce the opportunity for bribery and corruption, in line with national considerations. Employee training is in place to develop awareness of professional responsibilities.



**7 Affordable and clean energy**  
Increasing our energy self-sufficiency improves profitability, energy security and reduces carbon emissions. We invest in maximising energy utilisation and process efficiencies through the utilisation of biomass for steam generation and integrating renewable solar photovoltaic (“PV”) power for clean energy.



**9 Industry, innovation and infrastructure**  
We contribute to economic and social development by investing in local infrastructure, creating business opportunities and driving collaboration. We are also taking a leading role in advancing research and development in the non-wood pulp and paper industry.



**13 Climate action**  
Climate change is a threat to the future of our planet, making it crucial for us to adapt to it and mitigate its effects. In order to mitigate the effects of climate change, we examine approaches and actions to combat climate change by minimising carbon emissions in our business, operations, and supply chain, restoring natural environments and investing in renewable energy.






**17 Partnerships for the goals**  
We work and collaborate alongside with partners that has helped us in different ways. Partnerships is a proven way to learn new things, share best practices, achieve specific objectives, set future goals and build trust amongst our various stakeholders.


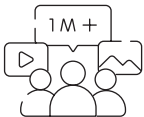
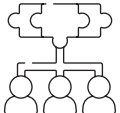

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

## Stakeholder engagement

Nextgreen engages with a broad range of stakeholders who are connected to or influenced by our business operations. Our ability to execute our sustainability efforts in a purposeful way requires input from our diverse set of external and internal stakeholders. Inputs from these active and regular engagements helps us shape, advance and implement our sustainability strategy and is reflected in how we are striving to build a more resilient future.

Stakeholder groups	Why we engage	How we engage and the frequency	Topics important to stakeholder group
 <p>Academic associations and research institutions</p>	<p>We collaborate with academic associations and research institutions to bring about purposeful change and sustainable solutions. We are involved collaboratively in developing and sharing industry best practices related to advancing the non-wood pulp and paper industry, zero waste and circular economy.</p>	<ul style="list-style-type: none"> <li>• Knowledge transfer</li> <li>• Memorandum of understanding (“MoU”) / Memorandum of Agreement (“MoA”)</li> <li>• Ongoing research and development collaborations</li> </ul>	<ul style="list-style-type: none"> <li>• Creating talent pipeline</li> <li>• Educational site visit and industry sharing</li> <li>• On-the-job training programmes</li> <li>• Product innovation</li> <li>• Research grants and collaboration projects</li> </ul>
 <p>Customers</p>	<p>We engage with our customers to understand their requirements, demands and anticipate market trends. Our engagement helps us to prioritise long-term success for our business and our customers by providing an opportunity to develop innovative solutions, build strong relationships and help them achieve their own objectives.</p>	<ul style="list-style-type: none"> <li>• Company website and social media</li> <li>• Customer satisfaction platforms i.e. emails, phone calls</li> <li>• Letter of intent (“LoI”)</li> <li>• Ongoing dialogue, negotiations and account management</li> <li>• Periodic trade fairs</li> <li>• Site Visits</li> </ul>	<ul style="list-style-type: none"> <li>• Carbon footprint</li> <li>• Consistent supply of products and quality</li> <li>• Product pricing</li> <li>• Public awareness on sustainable products, empty fruit bunches (“EFB”), pulp and paper products using EFB as a raw material</li> </ul>
 <p>Employees</p>	<p>By engaging with our employees and creating positive experiences for them, we shape our culture and live our values. We foster open dialogue to provide an opportunity to identify and resolve challenges together, as well as identify and support development initiatives so that our employees are empowered to drive our business forward. A strong and integrated sustainable company can attract and retain the necessary skills.</p>	<ul style="list-style-type: none"> <li>• Bi-annual performance management system reviews</li> <li>• Bulletin boards</li> <li>• Employee/ safety handbook</li> <li>• Periodic trainings and workshops</li> <li>• Supervisory and toolbox meetings</li> <li>• Workplace meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Employee engagement</li> <li>• Employee performance</li> <li>• Employee Share Option Scheme (“ESOS”)</li> <li>• Health and safety</li> <li>• Hiring and retention</li> <li>• Local employment</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder groups	Why we engage	How we engage and the frequency	Topics important to stakeholder group
 <p>Government (national and local), regulatory bodies and industrial associations</p>	<p>We ensure compliance with legal and government requirements as well as established responsible business conduct. We engage with national and local governments, regulators and industrial associations to share our intentions, understand their concerns and priorities, and find mutually beneficial solutions.</p>	<ul style="list-style-type: none"> <li>• Association web portal</li> <li>• Company representation at industrial association initiatives</li> <li>• Multi-stakeholder collaborations and partnerships</li> <li>• Periodic seminars and forums</li> <li>• Presentations and submissions to government</li> <li>• Progress update meetings</li> <li>• Site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Boost exports and reduce imports</li> <li>• Contribution to society i.e. creating employment and supporting local economy</li> <li>• Green products and certification e.g. MyHIJAU</li> <li>• Tax incentives</li> <li>• Zero waste</li> </ul>
 <p>Local communities and non-governmental organisations (“NGOs”)</p>	<p>Our businesses are more likely to succeed when they are part of healthy, prosperous and dynamic communities. Ongoing and transparent dialogue with local communities enables us to collaboratively address challenges, understand and manage risks, generate employment and business opportunities, improve performance and build trust.</p>	<ul style="list-style-type: none"> <li>• Ongoing dialogue meetings</li> <li>• Sponsorship and local community projects</li> </ul>	<ul style="list-style-type: none"> <li>• Social investment programmes e.g. job opportunities, contributions to local causes</li> <li>• Tree planting</li> </ul>
 <p>Shareholders, investors and bankers</p>	<p>We engage with our shareholders and investors to provide them with insights about the Company. This allows them to make informed investment decisions. Our engagement with financial institutions provides us access to wider financing options.</p>	<ul style="list-style-type: none"> <li>• Ad-hoc meetings to structure schemes and negotiate financing proposals</li> <li>• Annual General Meeting (“AGM”)</li> <li>• Annual and quarterly reports</li> <li>• Circular to shareholders</li> <li>• Company announcements</li> <li>• Company website</li> <li>• Extraordinary General Meeting (“EGM”)</li> </ul>	<ul style="list-style-type: none"> <li>• Capital requirement</li> <li>• Dividend proposal</li> <li>• Financial position and performance</li> <li>• Financial projection</li> <li>• Financing collaterals</li> <li>• Past financial results</li> <li>• Short-term and long-term strategies</li> </ul>
 <p>Suppliers and sub-contractors</p>	<p>Our suppliers and contractors provide us with business-critical products and services that enable us to drive our business strategy. We prioritise purchasing products and services from local suppliers. We work in partnership to deliver best value for our operations as well as develop their capabilities and capacity.</p>	<ul style="list-style-type: none"> <li>• Engagement via email or phone call</li> <li>• Request for tenders and procurements</li> <li>• Supervisory and toolbox meetings</li> <li>• Weekly or monthly follow-up meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of construction materials supply and on-time delivery</li> <li>• Raw materials demand</li> <li>• Securing future construction works in Green Technology Park (“GTP”), Pekan, Pahang</li> <li>• Use of local suppliers</li> </ul>

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

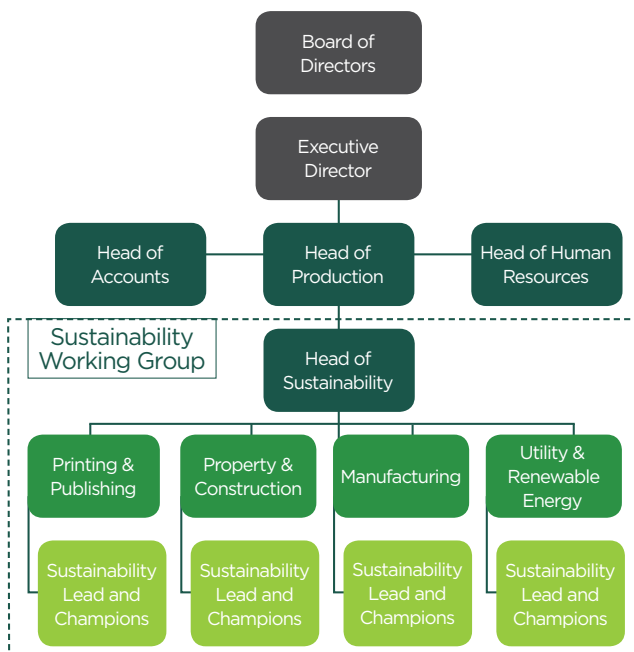
## Principles of governance

Our commitment to conduct business in an ethical and lawful manner is the foundation for our relationships with employees, customers and suppliers, as well as the communities where we operate. Our Company recognises the need for a resilient and effective governance framework to uphold strong sustainability governance and embed sustainability in our business decision-making as well as our daily operations.

## Embedding sustainability across Nextgreen

The Board of Directors has the overall responsibility to ensure that it supports and integrates the recommended sustainability considerations in its decision. The Executive Director oversees the management of corporate sustainability – identifying, assessing, managing and recommending the best course of action. The Executive Director is supported by the heads of various departments who sets the sustainability direction for the Group. The appointed Group Head of Sustainability oversees the Sustainability Working Group to implement and track the strategies and initiatives within the Group and across the various businesses. The head of each subsidiary is the Sustainability Lead; and is supported by nominated Sustainability Champions who are responsible to promote and drive sustainability within the subsidiary.

Nextgreen’s sustainability governance structure



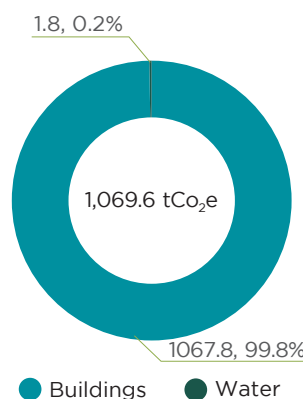
## Raising awareness internally on environmental, social and governance (“ESG”) topics

We are working to raise awareness and understanding on sustainability-related topics among employees at all levels. We support them in their roles to have an understanding and ability to hold informed conversations about ESG topics. Topics include sustainable financing, ESG ratings, climate change, sustainability certifications and labels. We also encourage all employees to take advantage of the UNGC Academy digital learning platform to gain new insights and best practices from world-class leaders, changemakers and practitioners on today’s pressing sustainability issues. Our Executive Directors participated in the Target Gender Equality Accelerator and also the Sustainability Communications Master Class on building a sustainability communications strategy that was organized by the UNGC Malaysia & Brunei network. We also submitted our Members Sustainability Stories coffee book on 19 January 2023.



Nextgreen joined the UNGC MYB Sustainability Communications Master Class on 5 April 2023 at UNGC MYB Head Quarter

Obtaining accreditation will strengthen our business’ commitments to our sustainability dedications, and with the help of Turnkey, Nextgreen submitted its findings and received the Planet Mark certification in June 2023. Planet Mark is a sustainability certification for every type of organisation, for products and real estate. Through Planet Mark, based on the reporting period for the year ending 2022, our carbon footprint reported for 2023 was measured at 1,069.6 tCO<sub>2</sub>e, using the reporting boundary of only BHS Book Printing, Ultimate Ivory and Nextgreen. This reporting earned Nextgreen a Planet Mark Certification.





# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Nextgreen also received several other certifications and membership during the reporting period.

<p><b>NGGB</b></p> <p><b>Planet Mark Certificate</b></p>  <p>Validity: 31 March 2024</p>	<p><b>Nextgreen Pulp &amp; Paper</b></p> <table border="0"> <tr> <td data-bbox="606 461 1013 761"> <p><b>MyHIJAU Mark</b> Cert no: MyHP00243/23</p>  <p>Period: 27 June 2023 - 27 June 2025</p> </td> <td data-bbox="1021 461 1445 761"> <p><b>SIRIM ECO 071:2018</b> Cert no.: EL000247</p>  <p>Period: 27 June 2023 - 27 June 2025</p> </td> </tr> </table>		<p><b>MyHIJAU Mark</b> Cert no: MyHP00243/23</p>  <p>Period: 27 June 2023 - 27 June 2025</p>	<p><b>SIRIM ECO 071:2018</b> Cert no.: EL000247</p>  <p>Period: 27 June 2023 - 27 June 2025</p>	
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<p><b>BHS Book Printing</b></p> <table border="0"> <tr> <td data-bbox="153 864 560 1171"> <p><b>FSC Chain of Custody</b> Cert no: SGSHK-COC-450102</p>  <p>Period: Dec 2023 - Dec 2026</p> </td> <td data-bbox="568 864 975 1171"> <p><b>Quality Management Systems</b></p>  <p>Period: Dec 2023 - Dec 2026</p> </td> <td data-bbox="983 864 1453 1171"> <p><b>Environmental Management Systems</b></p>  <p>Period: Dec 2023 - Dec 2026</p> </td> </tr> </table>			<p><b>FSC Chain of Custody</b> Cert no: SGSHK-COC-450102</p>  <p>Period: Dec 2023 - Dec 2026</p>	<p><b>Quality Management Systems</b></p>  <p>Period: Dec 2023 - Dec 2026</p>	<p><b>Environmental Management Systems</b></p>  <p>Period: Dec 2023 - Dec 2026</p>
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## Zero tolerance approach on bribery and corruption

To strengthen governance, integrity, and anti-corruption compliance and controls for the Group, Nextgreen established the Anti-Bribery and Anti-Corruption function in 2020. We adopt a zero-tolerance policy against all forms of bribery and corruption in our business, including any third-party or business associate dealings.

The Anti-Bribery and Anti-Corruption Policy and procedures give employees (and third-parties with whom we engage) the awareness, knowledge and resources to operate with integrity and comply with applicable laws and regulations. Policy and procedures to prevent risks relating to inappropriate behaviour, such as acts of bribery and corruption is outlined and made available for reference on the Company's website at [www.nextgreenglobal.com](http://www.nextgreenglobal.com).

Training is an important part of creating a strong ethics and compliance culture. In 2022, we translated the online training to Bahasa Malaysia to cater for a broader audience in our Company. In 2023, 138 employees participated in the Anti-Bribery Training of the Malaysian Anti-Corruption Commission ("MACC") Act, corporate liability provision, integrity, and corruption. During the reporting period, there were no confirmed incidences of bribery and corruption. Meanwhile, 128 employees also attended the Anti-Bribery and Anti-Corruption Policy Training. These trainings were held in two separate sessions in Q1 2023 and Q3 2023 respectively.



Training on MACC Act to staffs in NGPP on 12 September 2023



Internal bilingual (English and Bahasa Malaysia) awareness session on ABAC Policy Training for employees and workers at GTP, Pekan, Pahang on 12 September 2023

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

## Data privacy and security

Nextgreen is dedicated to upholding the trust and relationship we have with our stakeholders. We make our best effort to maintain the privacy and security of all personal information processed by Nextgreen, regardless of whether this data belongs to our employees, customers or other stakeholders.

## Planet

A healthy planet is essential to human health and the sustainability of our business, while also enhancing opportunities for product innovation and reducing cost and risk. Our goal is to be a responsible community member and to minimise and eliminate any possible negative impact of our business activities on the environment and the local communities. We adhere to the environmental regulatory requirements and monitor potential pollution within our operations. In 2023 there were no environmental-related fines that was subjected to our Company.

### Addressing climate change

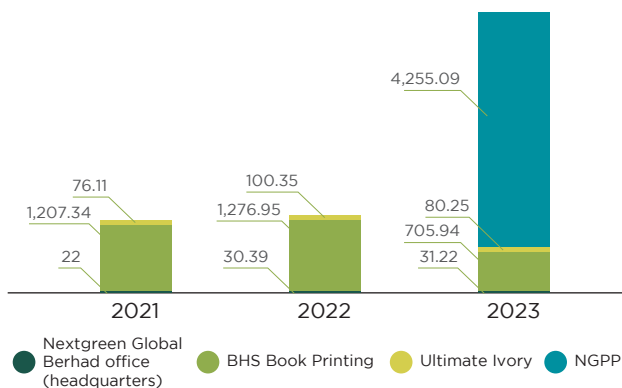
The corporate sustainability landscape has evolved over the years in response to the urgency to limit global warming below 1.5 degrees Celsius, in line with the Paris Agreement. Climate change not only poses a global threat to the environment, but also human health and the economy. We recognise that taking decisive measures to address climate change is crucial to the long-term stability of the economy and well-being of the society.

### Energy management

We continue to implement programmes to reduce our overall energy consumption, generate or utilise renewable energy and drive operational efficiencies.

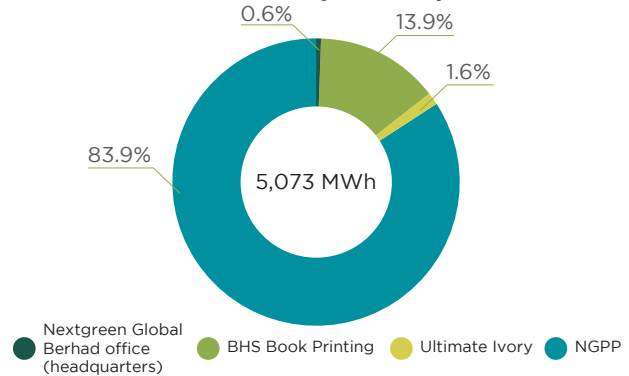
In 2023, our electricity consumption increased significantly due to the electricity consumption at Nextgreen Pulp and Paper plant which went fully operational in 2023. NGPP took the lion's share of the Group's electricity consumption at 83.9%. The remaining electricity consumption of 13.9%, 1.6% and 0.6% are by BHS Book Printing, the Ultimate Ivory site office and our headquarters, Nextgreen's office, respectively.

### Electricity consumption from 2021-2023, MWh



Electricity consumption from 2021 to 2023 in MWh

### Breakdown of electricity consumption in 2023



Breakdown of electricity consumption in 2023, %

### Investing in renewable energy and increasing self-sufficiency

Utilisation of renewable energy is a growing expectation. The advancements in renewable technology and incentives through legislation, have facilitated the creation of a robust renewable energy market. Nextgreen's rooftop solar panel operations started in July 2023 at Nextgreen Pulp and Paper plant. On 14 November 2022, NGPP entered into a 20-year agreement with Kejuruteraan Asastera Berhad ("KAB") which is now known as Kinergy Advancement Berhad, for the purchase of solar energy. KAB will install, operate, and maintain rooftop solar photovoltaic (PV) systems with a combined capacity of 3,387 kWp on multiple production plants and buildings at GTP, Pekan, Pahang.

### Reforestation efforts to combat climate change

Reforestation can alleviate the effects of carbon emissions on climate change, re-establish ecosystems, improve biodiversity and the availability of natural resources. One of the collaboration areas between NGPP and Universiti Malaysia Pahang Al-Sultan Abdullah ("UMPSA") is the Tree Planting Programme, initiated by Yayasan UMPSA to support the Pahang State Forestry Department's tree planting agenda. NGPP and UMPSA entered an MoU to strengthen and foster collaboration in 2021.

In 2022, NGPP committed a total of 1,000 tree saplings which will be planted in phases over the year.

The objective of this initiative was to demonstrate the long-term benefits of reforestation and to foster environmental stewardship among local communities and industries. These efforts will also help boost the green covering for Hutan Simpan Chini which is home to the Jakun tribal villagers and over hundreds of aquatic and non-aquatic species.

On 10 September 2022, the first batch of 214 tree saplings comprising of Batai, Kasai, Meranti Temak Nipis and Merawan Siput Jantan species were planted at Hutan Simpan Chini with the help of NGPP and UMPSA volunteers. The objective of this initiative was to demonstrate the long-term benefits of reforestation and to foster environmental stewardship among local communities and industries.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

The second phase of the Tree Planting Programme was held in June 2023 where about 150 indigenous tree saplings, including Kulim, Kembang Semangkuk, Mengkulang, and Merbau were planted there, bringing the total to over 350 trees planted. The third phase of the Tree Planting Programme was held in July 2023 where a further 150 indigenous tree saplings, including Merbau, Mengkulang, and Keruing were planted there, bringing the total to over 500 trees planted.



*Third Tree Planting event with UMPSA volunteers at Hutan Simpan Chini, Pahang on 13 July 2023*

October 2023 was the final phase of the Tree Planting Programme with the remaining 550 trees planted. The installation of a signage at Chini Lake commemorates our collaboration, and signifies the successful conclusion of our fourth 'Program Alam @ UMPSA' and Nextgreen's commitment to plant 1,000 trees in a year.



*Installation of Signage on 26 October 2023*

On March 2023, at Taman Tugu Negara, Kuala Lumpur, organized by the Free Tree Society, Nextgreen employees participated in the Forest and Health Volunteer Programme. It is aligned with the International Day of Forests, promoting the theme of "Forests and Health". Seedlings of Hopea Odorata or Cengal Merawan Siput were planted to foster environmental appreciation and knowledge.



*Nextgreen Volunteers at Taman Tugu Negara, Kuala Lumpur on 17 March 2023*

### Promoting circular economy and reducing waste

Advancing Circularity in product innovation, product packaging and waste is a significant consideration for our businesses. We strive for zero waste by reducing the amount of waste generated and bringing it back into value-creation processes through increasing reuse and recycling in our businesses and supply chain. We are working to increase resource efficiency both within and beyond our operations by collaborating with partners and investing in the right initiatives.

### Materials management

We have a responsibility to use resources as efficiently as possible. Embedded within our materiality topics, securing raw material sources as well as considering and producing alternative raw material is fundamental to us achieving our commitments. We explore more of the latter in the "R&D pipeline" section in pages 68 to 72.

Materials used in our operations varies due to the different business nature of the subsidiaries. BHS Book Printing's core business is printing and publishing; Ultimate Ivory develops, constructs and manages GTP, Pekan, Pahang; and NGPP, which commenced operations in 2022, converts EFB into pulp for paper production with the Preconditioning Refiner Chemical-Recycle Bleached Mechanised Pulp ("PRC-RBMP") technology.



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

<b>Materials used</b>			
<b>Raw Materials</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>BHS Book Printing</b>			
Paper, MT	515	917	<b>642</b>
Ink, kg	8,460	14,823	<b>1,370</b>
Plate, kg	7,058	8,364	<b>1,130</b>
<b>Ultimate Ivory</b>			
Concrete, m3	4,042	2,111	<b>62</b>
Steel bar, tonnes	397	150	<b>8</b>
Sand brick, pcs	247,620	28,080	<b>5,040</b>
Steel structure, tonnes	119	99	<b>0</b>
BRC/ Wire mesh, m2	8,869	6,776	<b>0</b>
Glass, m2	246	831	<b>0</b>
Metal deck roof, m2	4,897	1,357	<b>0</b>
Metal deck wall cladding, m2	3,523	3,705	<b>0</b>
<b>NGPP</b>			
Empty Fruit Bunch, tonnes	0	0	<b>22,104</b>
<b>Materials for packaging purposes</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>BHS Book Printing</b>			
Carton Box, Box	0	1,520	<b>5,732</b>
Stretch Film, Roll	2,052	1,120	<b>110</b>
Opp Tape, Roll	8,809	3,534	<b>480</b>
Pallet, pcs	20	39	<b>58</b>
<b>NGPP</b>			
Stretch Film, roll	0	0	<b>600</b>
Kraft Paper Roll, roll	0	0	<b>120</b>
Paper Core, pcs	0	0	<b>5,000</b>
Die-cut Pad, pcs	0	0	<b>3,000</b>
<b>Materials recycled</b>			
	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>BHS Book Printing</b>			
Waste paper, kg	344,618	251,870	<b>134,120</b>
Used plate, kg	3,218	4,804	<b>0</b>

### Managing our water resource

We share water, a valuable resource, with the communities surrounding our business operations. Access to clean water and sanitation facilities is a fundamental human right. Our Business strives to minimise the amount of water we extract, reuse processed water as much as possible and return treated wastewater to nature.

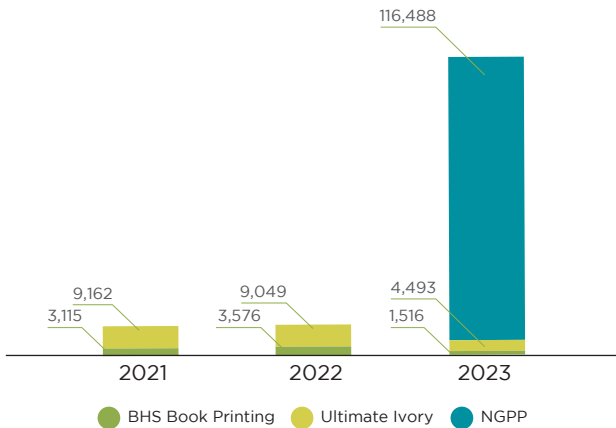
In order to support the preservation of the local water-dependent ecosystems and habitats, we monitor the quality and quantity of water used in our operations, or discharge from our operation, and carry out an assessment of the biological and chemical pollutants, as well as other key assessment parameters. This monitoring, including wastewater from our facilities is treated in compliance with regulatory requirements, so as to ensure negative impacts are minimised and that we are operating in compliance with regulatory requirements.

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Aligned with World Water Day held on 22 March every year since 1993, Nextgreen employees also joined the Volunteer and Learn activity to learn about rainwater harvesting, collecting, storing, and using rainwater for tree watering. Rainwater is free for the environment and harvesting, collecting, storing, and using rainwater reduces stormwater runoff and utility expenditures.

In 2023, BHS Book Printing saw a 57.61% decrease from 2022 in its water consumption due to rectification of a faulty meter. Ultimate Ivory also has seen a decrease in its water consumption since 2022 due to the near completion of construction activities. NGPP holds the highest water consumption since the plant is fully operational in 2023.

**Total Water Consumption from 2021-2023, m3**



Water Consumption until year 2023 in m3

## People

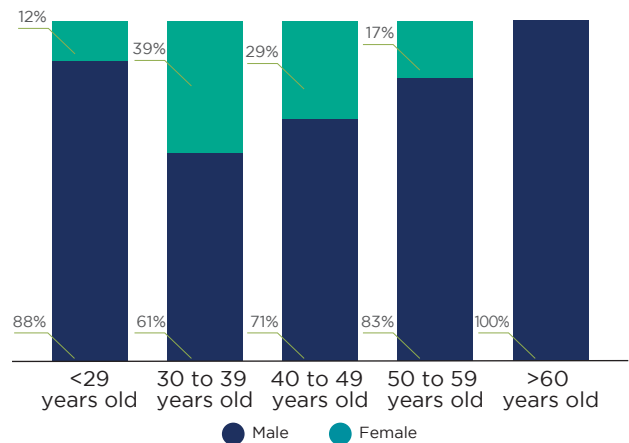
The United Nation's 2030 Agenda for Sustainable Development puts people in the forefront, focusing on ending poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfil their potential in dignity and equality and in a healthy environment. The success of our Company is based on a culture that upholds human rights, welcomes diversity of viewpoints, and values the contribution of our people and the communities in which we operate, those within our supply chains and those who may be impacted by our activities. We recognise that a diverse, skilled and engaged workforce strengthens our competitiveness.

### Creating a diverse and inclusive workplace

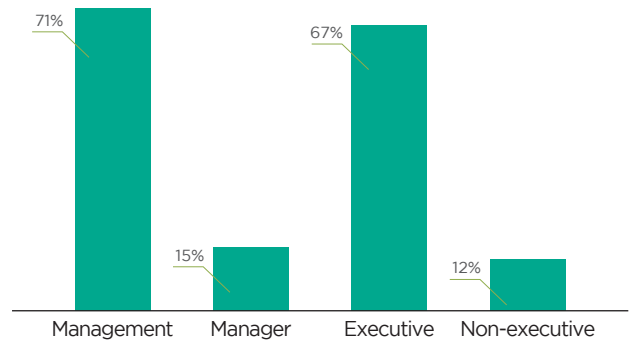
Nextgreen strives to develop a diverse workforce and foster an environment that inspires our people to discover and nurture their talents. We work to ensure our people feel appreciated and are treated with respect, regardless of their age, race, gender, religion or their differing abilities. Since the previous reporting period, we began to include NGPP's workforce data.

Nextgreen aims to create a positive impact for our communities, through local hiring. Most of our employees are permanently employed with less than 2% employed on a fixed-term contract. We comply with local legislation on employment rights, including meeting the local minimum wage and employee benefits. We continuously work towards developing competitive remuneration packages and benefits that can attract and retain talents for the Group.

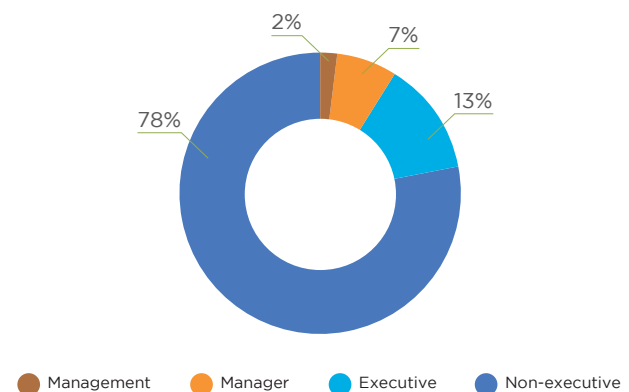
**Employees by age group and gender in 2023, %**



**Women representation by employment category in 2023, %**



**Women representation by employment category in 2023, %**





## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



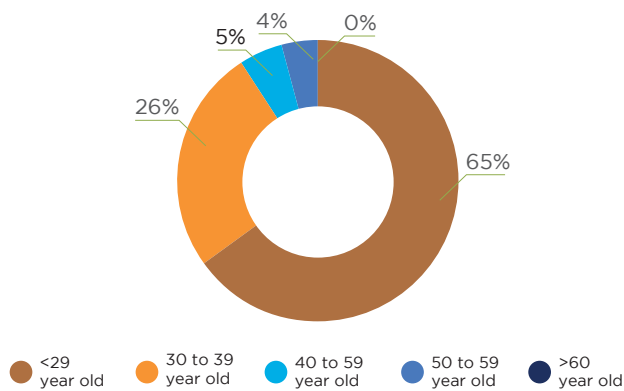
Nextgreen celebrated International Women's Day with the theme Embrace Equity on 8 March 2023

### Monitoring turnover and new hires

We understand that attracting and retaining talents is critical to our success. We monitor turnover closely while continuously striving to improve our benefits to attract new talents while improving employee retention.

Our business saw a significant decrease in new hires below the age of 30 years old from the previous year. We intensified hiring to support business growth and expansions in key areas, largely for production operations at our plant, GTP, Pekan, Pahang.

### New Hires by age group from year 2023



We actively explore potential young talents by offering internship programs and recruiting students from local universities and institutions. 4 students from UMP&SA did their internship with our research and development ("R&D") Department, of which 2 students served their

internship from March to July 2023 while pursuing their Diploma of Industrial Science in Chemistry Technology, and another 2 students served their internship from August to December 2023 while pursuing their Diploma of Chemical Engineering.



R&D Department with some of the interns on 26 October 2023

An improvement to our human resource systems and processes was conducted to equip us better for the increase of workforce in our expanding business. Improvements include establishing an employee self-service e-office system, and standard operation policy and procedures, amongst others.

### Developing our people and establishing a workplace culture

Skills and career development are managed as a shared responsibility between managers and their teams. Development is linked to personal objectives, which employees set with their line managers.

We are aware that investing in training for employees is crucial to developing employee competencies that will drive continuous performance improvement, enhance compliance and minimize risks. Training needs are assessed according to the requirements of employees, to fulfill their current roles and achieve their career aspirations.

In GTP, several NGPP employees went through "on-the-job training" for modules relevant to their roles, such as paper making, warehouse operation, quality awareness and safety, health, and environment modules. We also established a training and development framework that outlines job-specific training required for non-executive employees at NGPP.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Our R&D Department also organized the Nextgreen Knowledge Fair 2023 ("NKF 2.0") training session to improve employee comprehension of the GTP concept and the company's commercial operation. The NKF 2.0 2023 which was held at GTP, Pekan Pahang targeted all executives and managers of the main subsidiaries in the Group such as NGPP, BHS Book Printing, and Ultimate Ivory.



*NKF 2.0 at NGPP on 9 May 2023*

Following the completion of Nextgreen's first successful R&D project on Sustainable Food Packaging Material from EFB to produce moulded paper for food packaging in 2022, the R&D team participated in a series of International Workshop co-organized by Universiti Putra Malaysia and Bangor University, United Kingdom.

These workshops were held on 13 -14 February 2023 at the Faculty of Engineering, Universiti Putra Malaysia. The International Workshop on Introduction to Life Cycle Assessment ("LCA") featured 3 experts of LCA who shared their knowledge and expertise with Malaysian researchers. Meanwhile, the International Workshop on Sustainable and Biocompostable Packaging brought together researchers to discuss the latest advances in the production of sustainable packaging. Through this workshop, the R&D team members gain information on the types of sustainable packaging that universities are developing now, as well as what is currently available in the market .



*R&D team joining International Workshop on Introduction of LCA on 13 February 2023*

In November 2023, our R&D team also joined the Carbon Offset & Achieving Net-Zero Target Workshop by SIRIM Bhd. & ASEAN Regional Integration Support by the EU (ARISE+) at Malaysia International Trade and Exhibition Centre (MITEC), Kuala Lumpur. The purpose of this workshop is to introduce to leaders and non-sustainability professionals the key actions an organisation will need to take to deliver their net zero target ambitions. This workshop provides a guide to the language, principles, and steps required on our road to net zero.



*R&D team joining International Carbon Offset & Achieving Net-Zero Target Workshop on 21 November 2023*



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### Courtesy visit from member of The Pahang Royal

On 2 February 2023, GTP Pekan, Pahang received an honorary visit from The Pahang Royal Reigning as Regent Tengku Mahkota Tengku Hassanal Ibrahim Alam Shah Ibni Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah.

He toured Phase 1A (10,000MT woodfree paper) to witness Nextgreen's patented PRC-RBMP technology, a hybrid process using oil palm waste. The Regent praised the GTP's sustainable economic development and its positive impact on local communities. He emphasized the need to promote Malaysia's eco products in both local and international markets.



### Health and safety

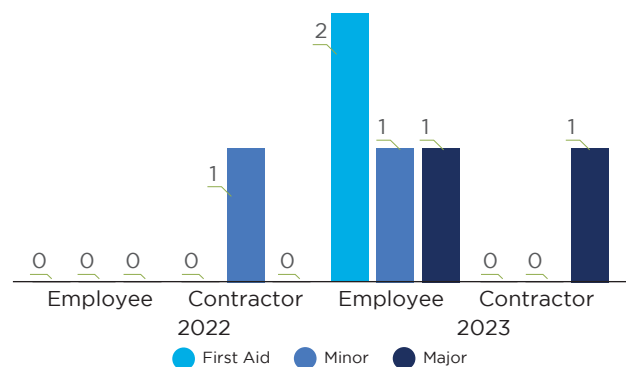
We are committed to safeguarding the safety, health and well-being of all employees and individuals in our workplace. We anticipate all our employees, sub-contractors and suppliers working at our operations to take reasonable care to support these efforts. The Occupational Safety, Health, and Environmental ("SHE") Policy was established to embark on our top management's commitment towards continuous improvement of SHE management. Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") is one of the tools being used to identify potential hazards arising from our operation to assess the probability of body injuries, property damage or financial loss.

Our Company is committed to complying with local acts and regulations. We conduct yearly evaluations on compliance to ensure that we comply with the Occupational Safety and Health Act 1994, the Factory Machinery Act 1967, the Environmental Quality Act 1974 and the Fire Service Act 1988. Our bilingual - English and Bahasa Malaysia - safety handbook is provided to employees and workers, to which they are required to read and acknowledge. Each subsidiary usually leads their own health and safety initiatives at their respective operations.

At GTP Pekan, Pahang, our NGPP has a Safety, Health, and Environment Committee ("SHEC") consisting of employer representatives, employee representatives, and in-house contractors. The assigned SHE Committee in each department carries out health and safety workplace audits around Nextgreen Pulp and Paper plant and immediately reports and updates any safety incidents or concerns to their respective Head of Departments or SHO without waiting for the next scheduled session.

Every SHE working inspection and SHEC meeting is recorded and tabulated accordingly. Meeting frequency for workplace health and safety inspection was reduced from bi-weekly in the previous year to once in 3 months (to replace the daily operation meeting which is integrated with the bi-weekly management meeting). This reduction in meeting frequency is due to lower incidents of accidents and fewer safety issues after over a year of operations at the plant. In the reporting period, there were only two major incidents that affected 1 employee and 1 contractor.

### Work Related Injury



Managing in-house contractors, vendors, suppliers and visitors is also part of our responsibility to strive for zero accidents at the workplace. Third parties are introduced to our Safety, Health, and Environmental management system, procedures, visitor's guide and safety passport. The wearing of personal protective equipment is mandatory when entering our operation site. Any high-risk area and activity are closely monitored to ensure the safety of third parties.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

In 2023, the workplace inspection findings are communicated to all the staff in NGPP as a part of our monthly risk assessment of the latest findings during the reporting period. These findings include physical, ergonomical, chemical, biological, psychosocial and related to work-organisation hazards and 52% of those findings are resolved immediately.

The Safety Alert memo (which indicates incidents that occurred, mistakes that were identified, and corrective actions taken) is emailed out to all employees and conveyed during the morning briefings, and will also be shared through the bulletin board at GTP as part of SHE awareness. The Safety Alert is also conveyed in Bahasa Malaysia for ease of staff understanding.

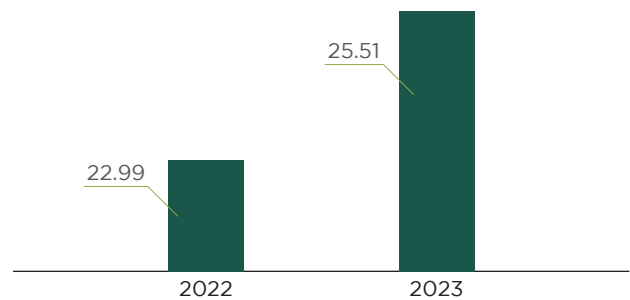


Example of Safety Alert memo in NGPP by the SHEC

All incident reports are maintained by the SHEC to analyze the severity rate of calamities and mishaps that occurred at Nextgreen Pulp and Paper plant throughout the year. We continuously strive to reduce workplace risks through improvements in the usage and safety procedures for machinery, plants, equipment, appliances, and personal protective equipment.

During the reporting period, there were no fatalities recorded for employees and contract workers while the lost time incident rate is 25.51 for the year 2023 which is a slight increase as compared to the year 2022 at the rate of 22.99.

### Lost Time Incident Rate



Number of Fatalities	2022	2023
Employees	0	0
Contractor	0	0

The SHEC also conducted safety and health related training programs throughout 2023 for staff and workers to increase their competency level, safety awareness and safety practices such as Competence person for scheduled waste management (“CepSWaM”), Competence person for Scrubber Operation (“CepSO”) and Authorised entrant and standby person (“AESP”) which were attended and completed successfully by the participants.

SHE related training such as (i) emergency evacuation exercises, (ii) emergency response plan and preparedness training, (iii) material handling equipment, (iv) crane hoist handling safety awareness, (v) working at height in safety measures, and (vi) hearing conservation program and noise awareness, were provided to designated departments. A total of 286 workers received training during the reporting period with total hours of training conducted at 33 hours 30 minutes.



Working at height safety measures training on 30 December 2023

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



Overhead cranes training on 31 December 2023

Throughout 2023, we conducted activities such as (i) chemical health risk assessment, (ii) chemical exposure monitoring activity, and (iii) local exhaust ventilation inspection, to improve the health and safety aspects of our people. The SHEC also ensures that chemicals are properly stored and handled in compliance with regulatory requirements.



Fire drill exercise in NGPP on 4 July 2023

### Prosperity

Prosperity is more than profit alone. We are cognizant that our economic growth flourishes when the communities in which we operate thrive. Nextgreen strives to promote sustainable economic development by fostering environments that attract investment and provide employment opportunities while benefiting the environment and society at large.

#### Promoting economic growth

The ability to create and sustain economic performance is important for Nextgreen and our stakeholders. We strive for positive economic growth and sustained value for both our business and stakeholders as our business continues to evolve.

#### Participating in leading industry events

We progressively take part in industry events to introduce our business and products to both the local and international markets.

In March 2023, Nextgreen participated in the local technology innovation competition at the Malaysia Technology Expo 2023 (“MTE 2023”) and proudly secured 3 Gold Innovation Awards and 1 Outstanding Innovation Award.

#### Gold Innovation Awards:

*Category: Manufacturing Process and Advanced Materials*

1. Sustainable food packaging from oil palm empty fruit bunches cellulosic fibre extracted using hybrid chemical-mechanical-thermal process.
2. Preconditioning Refiner Chemical-Recycle Bleached Mechanised Pulp (PRC-RBMP) technology for oil palm fibre-pulp production.

*Category: Protection of the Environment, Energy, Water, Wastewater, Sanitation & Green Technology*

3. Green Technology Park: The next generation of green.

#### Outstanding Innovation Award:

1. Sustainable food packaging from oil palm empty fruit bunches cellulosic fibre extracted using hybrid chemical-mechanical-thermal process.

These recognitions highlight our intensive research efforts in environmental protection, energy conservation, water management, wastewater treatment, sanitation and green technology. These achievements inspire Nextgreen to continue to advance our research to remain competitive and aligned with the forefront of sustainability and industrial advancements.



Awards Nextgreen obtained in MTE 2023 on 18 March 2023



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Nextgreen participated in the International Greentech & Eco Products Exhibition and Conference Malaysia (“IGEM”) 2023 at the Kuala Lumpur Convention Centre held on 4 – 6 October 2023, with the objective to actively contribute to the nation’s pursuit of achieving net-zero emissions by 2050. Our sustainable products crafted from renewable materials are showcased to show our commitment to Leadership for Climate Action. Nextgreen also delivered a Pocket Talk at the IGEM 2023, entitled “Green Technology Park (GTP): Eco-Innovative Industrial Model with Circular Economy” to unveil the remarkable journey of GTP located in Pekan, Pahang.



Nextgreen delivering Pocket Talk at IGEM 2023 on 6 October 2023



Appreciation Hi-Tea at the IGEM 2023 on 6 October 2023

In addition, Nextgreen has successfully held its product launching ceremony for its sustainable food grade empty fruit bunch moulding packaging, named Pure Palm Mold, in conjunction with IGEM 2023. Through its associate company, Nextgreen Crowning Package Pulp Molding Sdn Bhd (“NGCP”), Nextgreen successfully produced this product, in two variations; clamshell and square box at NGCP’s pulp moulding manufacturing factory located at the self-sustaining industrial park, GTP, owned by Nextgreen in Pekan, Pahang.

In addition, Nextgreen also manage to be one of the exhibitors under the Pahang State Pavillion that focuses on development towards a ‘Green Economy’. Kerajaan Negeri Pahang won the States Innovation Awards for IGEM 2023.



Nextgreen launching its food packaging at IGEM 2023 on 6 October 2023



Nextgreen representing Pahang state at IGEM 2023

Also in October 2023, Nextgreen was a sponsor for the 2nd International Conference on Plantation Technology (“ICPTech”) 2023, held on 10 – 11 October 2023 at Hotel Tenera, Bangi, Selangor. The program organized by the Institute of Plantations Studies (“IKP”), Universiti Putra Malaysia was officiated by the Director of IKP, Professor Dr. Shaufique Fahmi Ahmad Sidique. The presentation on the GTP received positive acclamation. The exhibition booth attracted diverse visitors, including academicians, researchers, and representatives from ministries and private companies, which highlighted the broader positive impact of innovative palm oil biomass products.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



*Our Managing Director, Dato' Lim, presenting Nextgreen and GTP.*



*Nextgreen as a speaker during the Biomass Business Model session on 6 December 2023*

Nextgreen was also awarded with the Biomass Industry Innovation Award 2023 by the MBIC, for our expertise in converting oil palm biomass into high-value added commoditised products



*R&D team representing Nextgreen at ICPTech 2023 on 10 October 2023*



*Biomass Industry Innovation Award*

Nextgreen also participated in the esteemed National Biomass Conference 2023, organized by the Ministry of Plantation & Commodities (“KPK”) and Malaysia Biomass Industries Confederation (“MBIC”) held on 6 - 7 December 2023 at The Everly Hotel, Putrajaya. Nextgreen Global Berhad was recognized in the newly launched National Biomass Action Plan 2023-2030 (PTBN2030) by the KPK, and we are honored to be acknowledged as a role model for our contribution for setting up Biomass Hub in Malaysia. Further information regarding this contribution is presented in our Partnership Pillar article.



*Nextgreen receiving award at the National Biomass Conference 2023*



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### *Supporting the local economy and supply chain*

We understand that it is our responsibility to ensure that the raw materials used for our products are sustainable. We strive to build a more resilient and sustainable supplier chain. Where possible, we procure local products and services. Nextgreen is developing a more comprehensive supplier sourcing method to include due diligence process that takes into account factors such as environmental and social aspects as part of the supplier registration, evaluation and assessment processes.

### *Enhancing customer satisfaction*

We strive to consistently deliver exemplary quality products and services for our customers. BHS Book Printing complies to industry quality management standards, the ISO 9001:2015, the ISO 14001:2015 and FSC Chain of Custody in its efforts to meet the requirements and expectations of its customers. Returning customers motivates us to continue to deliver our best services and quality products. NGPP on the other hand has established a customer feedback procedure for its products and has implemented continual improvement procedures with a multidisciplinary approach across our operation to ensure product quality. These procedures will come into effect once full production begins.

### *Committing to corporate social investment*

We recognise that our relationships and interaction with local communities, including community leaders, NGOs, local businesses and schools play a major role in our success. The communities where we operate are home to our workforce. It is critical to understand the concerns and needs of our communities and address local challenges so that we can help build stronger communities and support the sustainability of our business. We contribute to the economy of local communities directly and indirectly through employment and training. Beyond this, we bring benefits to communities through our social investments and partnerships.

### *Empowering youth education, training and development*

We continue to empower individuals and communities where we operate through creating opportunities to improve livelihoods, such as providing educational scholarships, training and skills development and employment prospects with our Company.

A group of 14 final-year Chemical Engineering students from Universiti Malaya ("UM"), led by Dr. Haneer Farzana, visited GTP in Pekan, Pahang on 2 June 2023. The students explored innovative products showcased in our R&D Annual Report 2022 (which is also published in our website), including EFB wood-free paper and food packaging, and then proceeded to visit the wood-free paper factory. The visit sparked enthusiasm as students related their knowledge to previous experiences and recognized Nextgreen's commitment to environmental preservation and SDGs. These enriching experiences will inspire the students to share their newfound insights and contribute to a greener future.



*Chemical Engineering students from UM visiting GTP on 2 June 2023*

### *Encouraging product innovation, local skills development and job creation through farming*

Our support for product innovation, building local expertise and generating jobs creates prosperity and work opportunities, strengthens the local supply chain and builds more independent, resilient communities. In 2022, we initiated a pilot study to set up a greenhouse to plant locally farmed Apollo melons, led by an external industry expert.

Our greenhouse is located in the GTP, managed by four locals which includes 2 trained Orang Asli employees who are equipped with the technical know-how and growing techniques. Efforts are taken to ensure maximum nutrients are absorbed by maintaining one fruit per plant.

With the positive results in the harvest rate, we continue to pursue this initiatives by planting Apollo melons. As a celebration of our success, we shared the harvest in 2023 with our employees at Nextgreen's head office.



*Distribution of Apollo melons to staff on 8 June 2023*

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

In August, NGPP participated in the 2023 Proficiency Testing Programme for Paper Products. This program aims to enable laboratories in the Malaysian pulp and paper industry to monitor and improve the quality of their measurements for selected parameters in their product(s) or sample(s). The program will also enable laboratories and their customers to gain information about the overall quality of these measurements. This program is organized by the Steering Committee for Proficiency Testing, Forest

Research Institute Malaysia (FRIM) with guidance from the Department of Standards Malaysia (Standards Malaysia). For this program, we were given 2 sets of papers to test in our QC lab using our methods and standards. The results were shared with FRIM, who compiled and prepared the report. Findings from this program proves that the quality of paper produced by NGPP is according to Malaysian paper standards.

### ***Universiti Putra Malaysia Sustainability Program***

Our ongoing collaboration with Universiti Putra Malaysia continues to thrive with our recent joint Sustainability Program launch ceremony hosted by the Faculty of Biotechnology and Biomolecular Sciences (FBSB) on 19th September 2023. As a tangible testament to our commitment to reforestation and our battle against climate change, we took part in a meaningful tree-planting activity within the faculty's premises.

We proudly donated 6 Pine trees and 2 Pandan Coconut trees as part of the program's ecological initiatives. We also sponsored our biodegradable food packaging products, Pure Palm Mold, from NGCP for the event's lunch. This generous contribution included 200 pieces of food packaging crafted from renewable materials, specifically oil palm empty fruit bunches.



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### Partnership and Pipeline

We have always understood the importance of collaborating with others to realise our environmental and social goals. The circularity of products is complex and evolving through the entire value chain. To drive innovation and advance circular solutions at scale, Nextgreen makes strategic investments in partnerships and collaborations. We believe that sharing knowledge, resources and best practices with industry players, government agencies, NGOs and academia creates opportunities to develop sustainable solutions and empower a more responsible and sustainability-minded future. Collaboration is also a proven way to learn new things, accomplish specific objectives, establish future targets and build trust with various stakeholders who have an interest in our Company.

#### Partnering for progress across our value chain

Following the signing of the Memorandum of Agreement with Malaysian Green Technology and Climate Change Corporation (“MGTC”) on 15 July 2022, Nextgreen proceeded to enter into a Shareholder’s Agreement on 3 April 2023 to establish a joint venture in the special purpose vehicle (“SPV”) company known as GTC Biomass Berhad. The consortium comprises of Nextgreen Biomass Sdn Bhd (a wholly-owned subsidiary of Nextgreen), GreenTech Malaysia Alliances Sdn Bhd (a subsidiary of MGTC), Koperasi Sahabat Amanah Ikhtiar Malaysia Berhad (“KOOP Sahabat”), and Koperasi Perkhidmatan Setia Berhad (“KOSETIA”). This venture was recognised in the National Biomass Action Plan to construct 20 oil palm waste collection and processing centres (“CPC”) throughout Malaysia.

Nextgreen has also become one of the key investors in the PLANMalaysia@Kelantan initiative, contributing to the

realisation of the Special Area Plan Development Project (“RKK”) in Bandar Dato’ Bentara Gua Musang, Kelantan. The inauguration ceremony of the RKK in Bandar Dato’ Bentara Gua Musang was officiated by YAB Dato’ Bentara Kanan Ustaz Dato’ Haji Ahmad bin Yakob (former Chief Minister of Kelantan) on 18 May 2023. In conjunction with the event, a shareholding agreement exchange ceremony for the oil palm biomass CPC was signed between Nextgreen Land Sdn Bhd (a wholly-owned subsidiary of Nextgreen) and Kelantan Utilities Mubaarakan Holdings Sdn Bhd, to construct 1 of the 20 CPCs in Bandar Dato’ Bentara Gua Musang.

We are proud to work with Perbadanan Menteri Besar Kelantan to promote sustainable development including the development of the industrial sector within the RKK, with particular focus on Mahalla 3. Our development plans include the establishment of the CPC, Pulp Mill, Animal Feed, and Organic Fertilizer plant. These developments in the industrial area of Bandar Dato’ Bentara will help contribute to Kelantan’s environmental and socioeconomic sustainability in the long term and Nextgreen’s corporate commitment towards environmental responsibility.



Inauguration ceremony at Bentara Gua Musang, Kelantan on 18 May 2023

### Nextgreen Global Berhad role in National Biomass Action Plan

To support and contribute to the nation’s sustainability goals and economy, Nextgreen initiated the business model of Oil Palm Biomass CPC. With the support from strategic partners like MGTC, KOOP SAHABAT and KOSETIA, collection centres will act as a one-stop centre to collect palm oil waste such as EFBs and the processed EFBs will be sold to Nextgreen (off-taker) for conversion into pulp and paper products. The collection centres are located close to palm oil mills, resulting in cost-effective transportation of EFBs and reduced greenhouse gases from transportation.

The processed EFBs are converted into high-value bio-based products i.e. EFB pulp & paper for export to other countries. The plant is designed to produce up to 10,000 tonnes of Wood Free Paper and 2,000 tonnes of Unbleached Pulp for Premium Packaging Paper. The expected contribution for this manufacturing segment is a constant annual turnover between RM30 RM35 million a year.

This CPC business model will be the first of its kind in Malaysia and in the world, in the context of the oil palm biomass commercialization model. The pilot CPC located in Gua Musang, Kelantan and Pekan, Pahang, with a total processing capacity of 450,000 – 500,000 tonnes of oil palm biomass annually.

The CPC is part of the Kelantan Sustainable Projects to be developed by Nextgreen Global Berhad.

2023 is in the Early Planning Stage of Oil Palm Biomass CPC and by 2030, the desired stage is to facilitate the potential industry partnerships from local biomass stakeholders including plantation companies, palm oil mills or multi-national corporations.

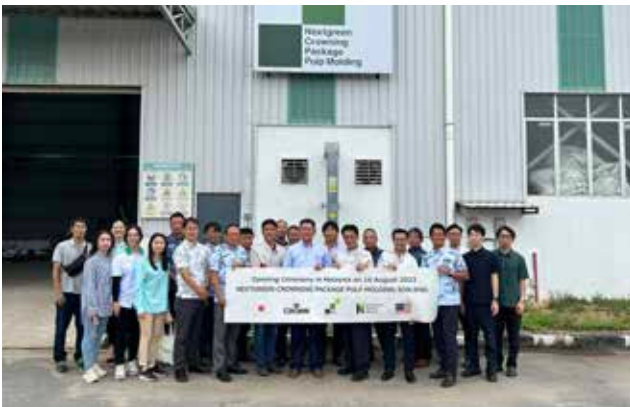
Recognised in the National Biomass Action Plan, the CPC serves as a role model, exemplifying the realisation of circular economy models for palm biomass, acting as a precursor to KPK.





## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

On 16 August, Nextgreen held an opening ceremony of NGCP at GTP, Pekan, Pahang. NGCP is a joint venture company incorporated in July 2020 between Nextgreen and Crown Package Co. Ltd. (“Crown”) from Japan with the purpose of manufacturing and selling pulp moulding made from empty fruit bunch, and selling packaging materials to Japan. The construction of its factory has completed, hence, NGCP commenced trial production of the food grade empty fruit bunch pulp moulding, with the manufacturing process is carried out in a clean room. NGCP’s factory has a total built-up area of 14,780 square feet and is capable of producing 4 million units of pulp moulding.



*Opening ceremony of NGCP at GTP on 16 August 2023*



*Commencing trial production of food grade EFB pulp moulding*

Nextgreen is aware of its approach towards circular economy, we are committed to utilising sustainable raw materials, minimising waste, and maximising the utilisation of resources and by-products in both production and consumption. To enhance our zero-waste business model, Nextgreen’s wholly owned subsidiary, Nextgreen Resources Sdn Bhd collaborates with P Teguh Services Sdn Bhd (“PTSSB”) through a Joint Venture Agreement to form a special purpose vehicle (“SPV”) company known as P Teguh Nextgreen Sdn Bhd to engage in the business focus on trading, supply and export of biodiesel, edible cooking oil and various other related products.



*Signing of the JVA between Nextgreen with PTSSB on 11 October 2023*

On 17 November 2023, Nextgreen entered into a Memorandum of Agreement (“MoA”) with Malaysian Bioeconomy Development Corporation Sdn Bhd (“Bioeconomy Corporation”), a key player in biotechnology and bio-based industries. This partnership is to revolutionize biomass production through advanced biotechnology applications, aligning with the National Biotechnology Policy 2.0 Flagship Programme and the National Biomass Action Plan 2022-2025. The key objectives of the collaboration include supporting national initiatives for biotechnology and biomass, promoting the application of biotechnology for the production of downstream products, and advocating for the adoption of BioNexus Status and Bio-based Accelerator Programmes among small businesses in the biomass sector.

Nextgreen’s circular economy approach to converting oil palm biomass into higher-value products like biofertilizers and animal feed, aligns seamlessly with Malaysia’s biomass potential. With the Malaysian fertilizer industry expected to double to RM9.2 billion by 2026 and the animal feed market projected to reach RM17.5 billion, this collaboration positions both organisations at the forefront of sustainable growth.



*Signing of the MoA between Nextgreen with Bioeconomy Corporation on 17 November 2023*

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### Developing Successful Strategic Partnership with Universities

In Q1 2023, Nextgreen participated in a forum titled "Bridging the Gap between University and Industry" organized by the Department of Bioprocess Technology, Faculty of Biotechnology & Biomolecular Sciences (FBSB) at Universiti Putra Malaysia ("UPM"). The event focuses on highlighting the importance of collaboration between academia and industry, recognizing their respective roles in integrating innovation into businesses and promoting sustainable development, thereby creating value for society. Nextgreen is setting a positive example for the industry by participating in this forum and attempting to reduce the gap between institutions. This will encourage the next generation to be more receptive and knowledgeable about Nextgreen's businesses.



*Nextgreen at "Bridging the Gap between University and Industry" forum at UPM on 3 February 2023*

In May 2023, NGPP collaborated with Universiti Teknologi MARA ("UiTM") Cawangan Jengka Pahang, for the Knowledge and Technology Transfer Workshop, which is to be conducted twice a year. This Knowledge and Technology Transfer Workshop was attended by the QC team of NGPP at the Pulp and Paper Laboratory, Centre of Wood Industry, in UiTM Cawangan Jengka, Pahang. This workshop aims to understand the K-Value inspection for paper.



*Visit from UiTM Jengka, Pahang to NGPP on 9 May 2023*

In July 2023, Nextgreen also joined Compost and Organic Nutrient Making Workshop at Putra Agriculture Centre UPM. This workshop provides a platform to the participants to further understand the concept, techniques in the composting process using both manual and machineries, and the importance of utilising effective microbes and plant booster for the plants in enhancing its growth.



*Compost and Organic Nutrient Making Workshop on 11 July 2023*

By September 2023, our GTP was visited by UPM and Texchem Polymers Sdn Bhd researchers to explore potential collaborations between NGPP, UPM and Texchem on the utilisation of EFB Pulp for bio composite production.



*UPM and Texchem Polymers Sdn Bhd visit to GTP on 12 September 2023*

Nextgreen also contributed as a sponsor in the "Pemberdayaan Komuniti, Fostering Community Empowerment for a Cleaner Planet" 2023 ("PERMINDA 2023") Exhibition held on 20 - 21 November 2023 at Taylor's University, Selangor. PERMINDA 2023 aligns perfectly with our mission to create a sustainable future. We showcased our products made from EFB through Zero-Waste Technology and Renewable Energy in our GTP.



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



R&D Team representing Nextgreen at PERMINDA 2023 on 20 November 2023

### Managing the research and development (“R&D”) pipeline

We are committed to understanding, managing and reducing the social and environmental impacts of our products and the materials associated with discovering and producing our products.

We identify the culture of continuous improvement as one of Nextgreen’s core value – passion – a fuel to the enthusiasm and curiosity for the future.

Our R&D pipeline is a reflection of our dedication to providing solutions and challenges to both companies and consumers, empowering them to make responsible choices regarding the use of locally sourced raw materials or environmentally friendly solutions. We identify the culture of continuous improvement as one of Nextgreen’s core value – passion – a fuel to the enthusiasm and curiosity for the future.

#### Production of sustainable value-added products.

- Biofertilizer from pulp production by-product.
- Lignin extraction from black liquor.

This collaborative research supports **target 8.2** whereby higher levels of economic productivity through diversification, technological upgrading and innovation could be achieved. Additionally, research and development in nanocellulose aligned with **target 8.3** which is to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



#### Research & development innovation and expenditure.

Nextgreen efforts and expenditure in R&D are aligned with **target 9.4** which is to upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, in line with the aim by all countries to take action in accordance with their respective capabilities by 2030.

The R&D activities also support **target 9.5** which is to enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially by increasing the number of research and development workers per 1 million people for public and private research and development spending.

#### Utilises, recycles and reuse sustainable resources which includes but not limited to:

- Biofertilizer from pulp production by-product.
- Optimization of EFB-kenaf production for various purposes.
- Lignin extraction from black liquor.

These efforts generally support **target 12.2** which states that by 2030, sustainable management and efficient use of natural resources could be achieved. The research activities conducted are also aligned with **target 12.5** whereby waste generation could be substantially reduced through prevention, reduction, recycling and reuse.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### Sustainable food packaging materials from EFB pulp & nanocellulose

One of the objectives of Nextgreen, a pulp manufacturer from EFB, is to develop a food packaging solution that is eco-friendly, biodegradable, and meets the Government of Malaysia's reduction drive in single-use plastics. This in-house project explores the biodegradation of EFB-nanocellulose food packaging during the period March to December 2023. Findings revealed that food packaging made entirely of EFB degraded by 97% within 5 months of the soil burial test, while EFB incorporated with nanocellulose degraded by 99% within 5 months of the soil burial test. Aligned with Nextgreen's mission of producing a green product with zero waste that can benefit stakeholders and society as a whole, the Social Return on Investment ("SROI") forecast indicates that Nextgreen will achieve its goals of transforming stakeholders' lives and conditions, not only economically, but also socially and environmentally.



	<b>Eco-polypropylene packaging</b> <b>0%*</b> weight loss
	<b>EFB packaging</b> <b>97%*</b> weight loss
	<b>EFB + nanocellulose packaging</b> <b>99%*</b> weight loss

\*Duration: 5 months

### Paper production from empty fruit bunches ("EFB") and kenaf

Through collaboration with UiTM Shah Alam, Selangor and UiTM Jengka Pahang, Nextgreen aims to reduce wood fibers dependency for paper making process by considering the abundant raw materials in the form of EFB and blending it with the fast-growing kenaf whole stem

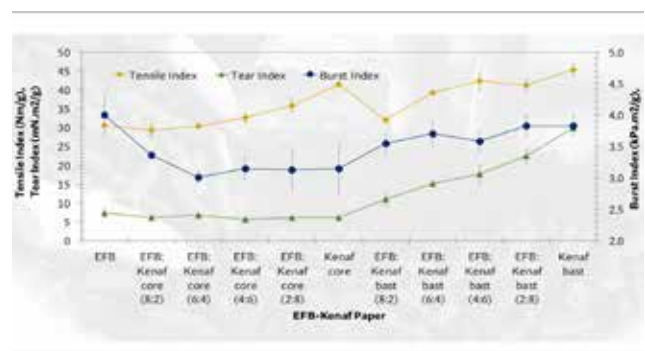
fibers. This three-year research project, which started in August 2021, has been completed during the year and all objectives have been achieved which are to reduce wood fibers dependency for paper making process by considering the abundant raw materials in the form of EFB and blending it with the fast-growing kenaf whole stem fibers. Findings revealed that mix production between EFB and Kenaf can be utilized in the production of various uses of paper. This innovation may help to reduce the waste of EFB which may protect the environment by controlling the release of toxic gases into the atmosphere from the burning of empty fruit bunches and fully utilize of the usage of Kenaf.



	EFB	Kenaf core	Kenaf bast
Fiber length(mm)	1.1	1.2	3.9
Runkel ratio*	0.701	0.74	1.4
Felting power (slenderness ratio)**	67	55	245

\* Runkel ratio = (2 x thick wall)/lumen diameter;

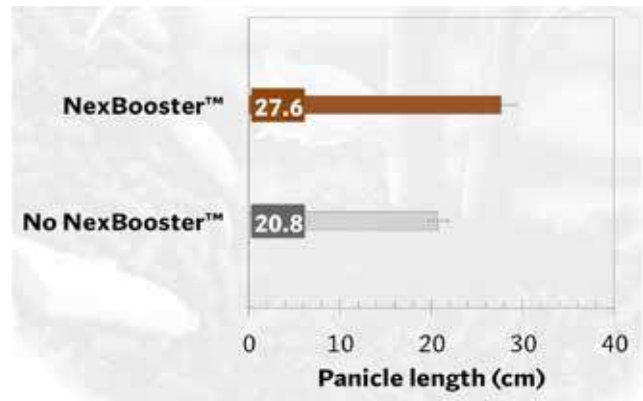
\*\* Felting power = fiber length/fiber diameter



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### Conversion of black liquor to lignin for adhesive production

The use of black liquor-derived lignin to replace harmful precursors in adhesive production such as formaldehyde and petroleum-derived phenol promotes responsible and sustainable production in terms of the efficient use of renewable and environment-friendly resources. This project aims to extract lignin from black liquor which itself is derived from Nextgreen's pulping process. Findings revealed that Nextgreen's black liquor contains high amount of lignin of approximately 45%, and it can be an alternative material to replace some petrochemical feedstocks in the future.



Note: Panicle length correlates with number of grains which indicates the rice yield.

### Development of biofertilizers: NexBooster™

This in-house project by Nextgreen has been in development for 2 years since January 2022 and has since been completed. The objective is to produce liquid fertilizer derived from EFB-black liquor, a by-product of Nextgreen's NeuWhite® wood-free pulp processing and has been tested on multiple crops. It is best used as a supplemental fertilizer and plant booster to provide essential nutrients to plants, promoting healthy and vigorous growth. NexBooster™ complied with Malaysian Standard (MS 2555:2014) and was free of pathogenic bacteria and heavy metals. This product is ready for commercialization in Q1 2024.



NexBooster™

### Development of biofertilizers: NexCompost™

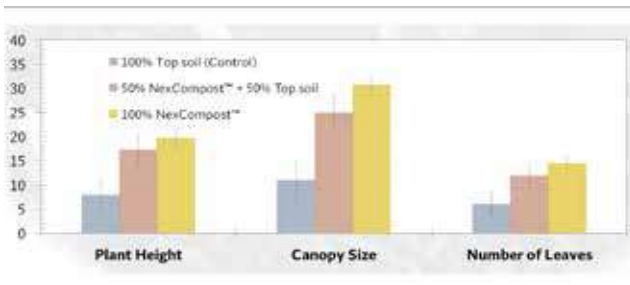
This is an in-house project that is currently ongoing since January 2022. The objective for this project is to produce solid organic fertilizer made up of degraded EFB and Nextgreen's in-house effective microbes. The project is still on-going, and NexCompost™ is targeted to be ready for commercialization in Q3/Q4 2024. The findings revealed that it works best as a multi-purpose soil conditioner and organic fertilizer, revitalising soil and improving plant growth by providing essential nutrients. NexCompost™ complies with Malaysian Standard (MS 1517:2012) and can be classified as an organic fertilizer.



NexCompost™



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



### Development of Neuwhite® woodfree paper

In June 2023, SIRIM QAS International Sdn.Bhd. visited Nextgreen Pulp and Paper plant to perform an audit for the SIRIM ECO 071:2018 Certification for Nextgreen's Neuwhite® woodfree paper. This visit resulted in Nextgreen achieving the certification for our Product: NeuWhite® Paper under Eco-labelling criteria: Paper for printing and writing and Green Label Certification (ISO 14024 Type I ECO-Labels).



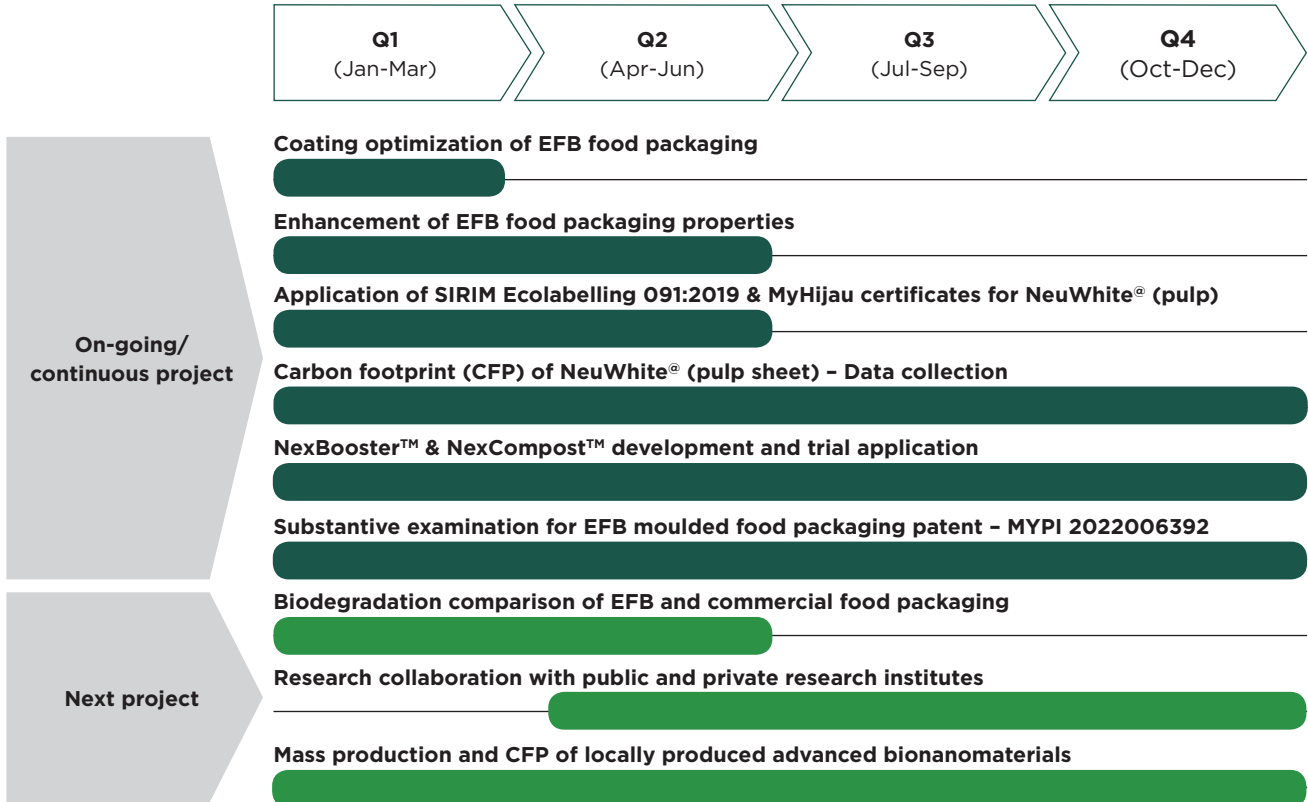
Visit from SIRIM QAS International Sdn.Bhd. on 6 June 2023



Neuwhite® comes in different types of brightness and comes in rolls

# CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

## R&D projection 2024



## Statement of Assurance

This Corporate Sustainability Statement has not been subjected to an assurance process. We intend to strengthen the credibility of our reporting by undertaking the process for the year ending 2024.

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



### Global framework reporting: GRI, UNGC and SDG content index

**Statement of use** Nextgreen Global Berhad has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023

**GRI 1 used** GRI 1: Foundation 2021










GRI Standards	Disclosure number and title	Page number(s) in Annual Report 2023 and direct answers	Relevant SDGs	Relevant UNGC principles	
<b>General Disclosure</b>					
<b>GRI 2: General Disclosure 2021</b>	2-1	Organisational details	30 to 42 Back cover		
	2-2	Entities included in the organisation's sustainability reporting	43		
	2-3	Reporting period, frequency and contact point	43		
<b>GRI 2: General Disclosure 2021</b>	2-4	Restatements of information	52 to 55  Restatement of information is conducted following an internal data review, in relation to 2021 figures for total electricity consumption, materials recycled and water consumption.		
	2-5	External assurance	This Statement is not externally assured.		
	2-6	Activities, value chain and other business relationships	30 to 42 60 to 72		
	2-7	Employees	55 to 60		Principle 6
	2-8	Workers who are not employees	55 to 60		
	2-9	Governance structure and composition	8, 20 to 27, 79 to 86		
	2-10	Nomination and selection of the highest governance body	93 to 94		
	2-11	Chair of the highest governance body	8, 20 to 27		
	2-12	Role of the highest governance body in overseeing the management of impacts	42 to 44, 79 to 86, 93 to 94		
	2-13	Delegation of responsibility for managing impacts	42 to 44, 79 to 86, 93 to 94		
	2-14	Role of the highest governance body in sustainability reporting	42 to 44, 93 to 94		
	2-15	Conflicts of interest	70 to 77, 87 to 88		
	2-16	Communication of critical concerns	87 to 88		

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)




GRI Standards	Disclosure number and title	Page number(s) in Annual Report 2023 and direct answers	Relevant SDGs	Relevant UNGC principles	
<b>GRI 2: General Disclosure 2021</b>	2-17	Collective knowledge of the highest governance body	79 to 86		
	2-18	Evaluation of the performance of the highest governance body	93 to 94		
	2-19	Remuneration policies	93 to 94		
	2-20	Process to determine remuneration			
	2-21	Annual total compensation ratio	Compensation is reflective of the education, talent, experience and performance of the individual		
	2-22	Statement on sustainable development strategy	43		
	2-23	Policy commitments	43, 50 to 60		
	2-24	Embedding policy commitments	43, 50 to 60		
	2-25	Processes to remediate negative impacts	43, 79 to 86		
	2-26	Mechanisms for seeking advice and raising concerns	43, 79 to 86		
	2-27	Compliance with laws and regulations	50 to 60, 79 to 86		
	2-28	Membership associations	44		
	2-29	Approach to stakeholder engagement	48 to 49		
2-30	Collective bargaining agreements	At present, we are not observing any collective bargaining or union related matters			
<b>Material Topic</b>					
<b>GRI 3: Material Topic 2021</b>	3-1	Process to determine material topics	45 to 46		
	3-2	List of material topics	45 to 46		
	3-3	Management of material topics	50 to 64		
<b>Anti-corruption</b>					
<b>GRI 205: Anti- corruption 2016</b>	205-1	Operations assessed for risks related to corruption	50 to 52, 79 to 92		
	205-2	Communication and training about anti-corruption policies and procedures	50 to 52, 79 to 92		Principle 10
	205-3	Confirmed incidents of corruption and actions taken	50 to 52		



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

GRI Standards	Disclosure number and title	Page number(s) in Annual Report 2023 and direct answers	Relevant SDGs	Relevant UNGC principles
<b>Material</b>				
<b>GRI 301: Material 2016</b>	301-1	Materials used by weight or volume	52 to 55, 68 to 72	  Principle 7 Principle 8 Principle 9
	301-2	Recycled input materials used	52 to 55, 68 to 72	
	301-3	Reclaimed products and their packaging materials	52 to 55, 68 to 72	
<b>Energy</b>				
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organisation	52 to 55, 68 to 72	  Principle 7 Principle 8 Principle 9
	302-2	Energy consumption outside of the organisation	52 to 55, 68 to 72	
	302-3	Energy intensity	52 to 55, 68 to 72	
	302-4	Reduction of energy consumption	52 to 55, 68 to 72	
	302-5	Reductions in energy requirements of products and services	52 to 55, 68 to 72	
<b>Water and Effluents</b>				
<b>GRI 303: Water and Effluents 2018</b>	303-1	Interactions with water as a shared resource	52 to 55, 68 to 72	  Principle 7 Principle 8
	303-2	Management of water discharge-related impacts	52 to 55, 68 to 72	
	303-3	Water withdrawal	52 to 55, 68 to 72	
	303-4	Water discharge	52 to 55, 68 to 72	
	303-5	Water consumption	52 to 55, 68 to 72	
<b>Waste</b>				
<b>GRI 306: Waste 2020</b>	306-1	Waste generation and significant waste-related impacts	52 to 55, 68 to 72	  Principle 7 Principle 8 Principle 9
	306-2	Management of significant waste-related impacts	52 to 55, 68 to 72	
	306-3	Waste generated	52 to 55, 68 to 72	
	306-4	Waste diverted from disposal	52 to 55, 68 to 72	
	306-5	Waste directed to disposal	52 to 55, 68 to 72	
<b>Employment</b>				
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	55 to 60	 Principle 6
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	55 to 60	
	401-3	Parental leave	55 to 60	

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

GRI Standards	Disclosure number and title	Page number(s) in Annual Report 2023 and direct answers	Relevant SDGs	Relevant UNGC principles
<b>Occupational Health and Safety</b>				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1	Occupational health and safety management system	55 to 60	
	403-2	Hazard identification, risk assessment, and incident investigation	55 to 60	
	403-3	Occupational health services	55 to 60	
	403-4	Worker participation, consultation, and communication on occupational health and safety	55 to 60	
	403-5	Worker training on occupational health and safety	55 to 60	
	403-6	Promotion of worker health	55 to 60	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	55 to 60	
	403-8	Workers covered by an occupational health and safety management system	55 to 60	
	403-9	Work-related injuries	55 to 60	
	403-10	Work-related ill health	55 to 60	
<b>Training and Education</b>				
<b>GRI 404: Training and Education 2016</b>	404-1	Average hours of training per year per employee	55 to 60	
	404-2	Programs for upgrading employee skills and transition assistance programs	55 to 60	 Principle 6
	404-3	Percentage of employees receiving regular performance and career development reviews	55 to 60	
<b>Diversity and Equal Opportunity</b>				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	20 to 27, 79 to 86, 93 to 94	
	405-2	Ratio of basic salary and remuneration of women to men	Basic salary and remuneration are reflective of the education, talent, experience and performance of the individual	 Principle 6
<b>Local Communities</b>				
<b>GRI 413: Local Communities 2016</b>	413-1	Operations with local community engagement, impact assessments, and development programs	60 to 64	
	413-2	Operations with significant actual and potential negative impacts on local communities	60 to 64	

## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

### ESG Performance Data Table

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform. It is included in this Sustainability Statement as mandated by Bursa Malaysia's enhanced Sustainability Reporting requirements.

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	67.00
Non-executive/Technical Staff	Percentage	92.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	5,073.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR") Rate	Rate	25.51
Bursa C5(c) Number of employees trained on health and safety standards	Number	286
<b>Bursa (Diversity)</b>		
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	38.00
Management Above 50	Percentage	62.00
Executive Under 30	Percentage	15.00
Executive Between 30-50	Percentage	85.00
Executive Above 50	Percentage	0.00
Non-executive/Technical Staff Under 30	Percentage	0.00
Non-executive/Technical Staff Between 30-50	Percentage	0.00
Non-executive/Technical Staff Above 50	Percentage	0.00
Gender Group by Employee Category		
Management Male	Percentage	29.00
Management Female	Percentage	71.00
Executive Male	Percentage	33.00
Executive Female	Percentage	67.00
Non-executive/Technical Staff Male	Percentage	88.00
Non-executive/Technical Staff Female	Percentage	12.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	29.00
Female	Percentage	71.00
Under 30	Percentage	14.00
Between 30-50	Percentage	57.00
Above 50	Percentage	29.00



## CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2023
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	122.500000
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	0
Executive	Hours	0
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	0
Non-executive/Technical Staff	Number	0
General Workers	Number	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	0.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Internal assurance

External assurance

No assurance

(\*)Restated