ENVIRONMENT

The ongoing discussions globally and calls for companies to act on climate change has accelerated the transition to low carbon products and services. To this tune, responsible environment stewardship is no longer on voluntary basis but is now a critical to future proof any manufacturing business.

As an environmentally conscious company, Master-Pack is committed to protecting the environment and mitigating the impacts of climate change. The major environment impacts from Master-Pack's business operations are related to energy, waste production and logistics.

We are committed to complying with all applicable environment laws and regulations. In FY2024, we complied with all relevant environmental regulations and no sanctions resulting from non-compliance for our operations in Malaysia and Vietnam.

Environment Permits and Reporting

All required environmental permits, approvals and registrations are obtained, maintained and kept up to-date. Reporting requirements in compliance to regulations are duly adhered to.

Pollution Prevention and Resource Reduction

The use of resources and generation of waste including water and energy, are tracked and monitored and where applicable control actions are taken to reduce consumption such as steam recycling and recycling of waste materials.

Hazardous Substance

All hazardous chemicals and other materials harmful to the environment are identified and appropriately handled during use, in storage and for disposal.

Wastewater and Solid Waste

Wastewater and solid waste generated from operations such as ink flakes and sanitation facilities are monitored, controlled and treated.

Licensed waste collectors are engaged by the company to ensure waste undergo proper disposal and appropriate recycling. Paper core and scraps form the major bulk of waste generated and these scraps are fully recycled as they are collected and ultimately sold back to paper mills.

Air Emissions

Air emissions are tested per DOE requirements

Material Restrictions

Adherence to all applicable laws, regulations and customer requirements regarding prohibition on material restrictions and in compliance to the law.

Storm Water Management

Preventive measures are in place at all times to prevent storm water contamination including discharge and spills from entering public drain. Periodic testing is conducted.

Energy Management

In FY2024, we commit to transition to using energy which are produce by eco-friendly technology and resources such as electricity from hydro power plants and solar power panels as much as possible.

In East Malaysia, Master-Pack Sarawak Sdn. Bhd. 100% electricity source although purchase from Sarawak Energy is mainly powered by renewal hydro power. In West Malaysia, Master-Pack Sdn. Bhd. had recently commenced a project to install solar power panels which are an eco-friendly source for energy. This project will tentatively complete in 2025. In Vietnam, 47% of the electricity consume in 2 of our warehouses are powered by solar panels installed by the industrial park management.

Majority of the electricity consumption is utilized by production machinery and facilities equipment. We recognize the importance of properly managing and regulating energy consumption as part of cost measurement.

ENVIRONMENT (CONT'D)

Total Energy Consumption

	Unit	2022	2023	2024
Electricity	MWh	1533	1592	1600
Energy intensity	(MWh/RM'000)	0.0303	0.0318	0.0103

	Unit	2022	2023	2024
Gas consumption	M3	215,429	192,030	190,503
Petrol	Litre	27,330	27,403	25,980
Diesel	Litre	257	237	206

High energy lightings in the workplace had already been changed to energy saving lightings for all production sites. During lunch breaks, we inculcate a habit of asking workers to switch off air-conditioners and lightings and non-operating machines to save energy. The higher recording of electricity in the year 2024 is inclusive of all operational plants, rented warehouses and hostel which the hostel data was not collected in the previous year. We have been able to recycle steam which is normally release during production back to operation process resulting in a reduction of energy and water consumption.

Water

	Unit	2022	2023	2024
Water Consume	Megalitres	13.19	9.81	15.02

Understanding the importance and how valuable water is to this planet, it is our commitment to take proactive measures to reduce the consumption of water in our business operations. This year's water consumption is higher as it is inclusive of all operational plants, rented warehouse and hostel which warehouse and hostel data was not collected in the previous years.

Water is mainly used for cleaning and personnel hygiene and is not used during production thus not recycled for reuse. Water is supplied by the municipal district of each Malaysian manufacturing operations sites. In Vietnam, the water usage is charge by the management of the industrial park. The group does not withdraw water from any natural water resources such as natural springs, streams or well water. All operations are not located in water stress areas.

Base on the successful implementation of rain water harvesting last year as well as enabling water storage during seasonal dry period, the operating plant in Bukit Panchor initiated the installation of a larger capacity tank in an effort to further reduce water consumption and be ready for water shortage during the dry season. Rain water harvesting implemented in both East and West Malaysia are basically for lavatory usage only and is not recycled for reuse. All lavatories have been modified to reduce water usage per single flush.

ENVIRONMENT (CONT'D)

GHG Emissions Management

MPGB Sustainability Targets	Target	Results
	6% GHG reduction by 2026	On track

Our operation GHG emissions are measured and disclosed as follows:-

Scope 1 refers to direct GHG emissions from the activities in our organization including mobile combustion such as petrol and diesel consume by Company's owned forklifts and company owned motor vehicle.

Scope 2 refers to indirect GHG emissions from consumption of electricity. The purchased electricity is primarily used to operate production machinery, facility equipment and office equipment.

GHG Emissions	Unit	2022	2023	2024
Scope1	tCO2e	1,153	1,057	976
Scope 2	tCO2e	656.46	553.72	528.91
Scope 1 & 2	tCO2e	1,809.46	1,610.72	1,504.91
Scope 1 Intensity	tCO2e/RM'000	0.0249	0.0232	0.0223
Scope 2 Intensity	tCO2e/RM'000	0.0115	0.0086	0.0086
Scope 1 & 2 Intensity	tCO2e/RM'000	0.0364	0.0318	0.0309

Note:

a) West Malaysia:- the emission scope is calculated using the emission factor obtained from TNB Annual Report Greenhouse Gas Emission Intensity of CO2 emissions

b) East Malaysia :- the emission scope is calculated using the emission factor obtained from the Sarawak Energy Annual Report Greenhouse Gas Emission Intensity of CO2 emissions. Sarawak electricity is generated predominantly from renewable hydro power from a clean source.

In the year 2024, East Malaysia purchased a Renewable Energy Certificate to offset the scope 2 GHG emissions totaling 500 (2023 : 451) MWh of electricity generation from a Production Asset.

c) Vietnam:- the emission scope is calculated using the emission factor announcement from Vietnam Electricity . For the year 2024, 47% of the electricity consume in Master-Pack Vietnam operations are supplied via solar power generation which is installed by the industrial park management.

As shown above, GHG emissions -Scope 1 & 2 is on a reducing trend and on track to achieve our set targets. The Group is committed to monitoring, managing and implementing actions to improve the GHG emissions.

Scope 3

For the year 2024, Scope 3 data collected covers only employee commuting in accordance to the types of vehicles used by employees and the number of days employees commute to work.

We will study into the system on collecting data and method to calculate indirect emissions from business travels in the forth coming year.

GHG Emissions	Unit	2024
Scope 3	tCO2e	248.53

Master-Pack business operations do not produce any Nitrogen Oxides ("NOx") and Sulphur Oxides ("Sox") emissions as our business activities does not involve biomass combustion.

ENVIRONMENT (CONT'D)

Waste Management

3Rs

The Group has incorporated the 3Rs(Reduce, Reuse and Recycle) principle into its manufacturing process, established energy and resources management system to better utilize the resources in its manufacturing process, aiming to reduce energy consumption, minimize waste production and recycling waste to ensure it does not end up in the landfills.

These commitments are embedded and set forth in our Environment Management System registered with ISO14001. The adoption of this standard underlies our commitment to safeguarding the environment which can be seen from our effort in obtaining the environment permits, pollution prevention, resource reduction of hazardous substances, minimize the energy consumption and greenhouses gas emissions.

All operating sites in the group are fully certified with ISO14001 :2015. The operating site in Vietnam have recently been audited by SIRIM for the first time in March 2025 and was duly certified.

Corrugated cartons manufactured are fully recyclable products. Our factories endeavor to enhance ways corrugated paper can be utilized and had been successful in producing paper pallets and layer pads to replace wooden pallets and packing saw dust or plastic bubble pads. These paper pallets are ideally used in containerized shipment and are acceptable to countries inculcating ESG, as it is easily recycled. We continuously work with customers to best design corrugated carton boxes that minimized superfluous material/ over design. In addition, the Group's office and production departments proactively collect all scrap papers, production rejects and waste material for recycling.

	Unit	2022	2023	2024
Paper recycled	MT	1,675	1,626	1,532
Wood recycled	MT	245	308	353
Total Diverted from disposal and recycled	MT	1,920	1,934	1,885

Paper is resold back to a waste collector where ultimately ends up at the paper mills for reprocessing to new paper. Wood is also resold back to the waste collector to be recycled into saw dust pellets used in boilers.

Directed to Landfill	Unit	2024
Garbage dispose	MT	137.39

Garbage directed to the land fill is in accordance to the reports received from the City Council's appointed agents. In Penang, province of Seberang Perai Selatan, the garbage agents were only able to provide data for 2nd half year of 2024 which was extrapolated to a year.

	Unit	2024
Scheduled Waste for incineration and recovery	MT	15.67

The above scheduled waste have been identified, categorized, collected and paid to licensed waste collectors for proper disposal.