

SUSTAINABILITY STATEMENT (CONT'D)

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.

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.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT (cont'd)

Wastewater and Solid Waste (cont'd)

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

Our operations sites primarily need energy in the form of electricity which we purchase directly from the local grid. In West Malaysia electricity is purchased from Tenaga Nasional Berhad, in East Malaysia from Sarawak Energy and in Vietnam from Vietnam Electricity.

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.

Total Energy Consumption

	Unit	2021	2022	2023
Electricity	MWh	1469	1533	1592
Energy intensity	(MWh/RM'000)	0.0305	0.0303	0.0318

	Unit	2021	2022	2023
Gas consumption	M3	227,451	215,429	192,030
Petrol	Litre	25,542	27,330	27,403
Diesel	Litre	255	257	237

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. 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	2021	2022	2023
Water Consume	Megalitres	12.31	13.19	9.81

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 manufacturing operations sites.

Ongoing water saving action taken is to reduce the water in lavatory flushing system. Rain water harvesting for lavatory usage has been implemented in East and West Malaysia.

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT (cont'd)

GHG Emissions Management

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.

We have not yet started on the process of collecting data on GHG emissions Scope 3 (indirect emissions) which relates to business travel and employees daily commuting to work.

GHG Emissions	Unit	2021	2022	2023
Scope 1	tCO ₂ e	1,166	1,153	1,057
Scope 2	tCO ₂ e	611.50	656.46	553.72
Scope 1 Intensity	tCO ₂ e/RM'000	0.0261	0.0249	0.0232
Scope 2 Intensity	tCO ₂ e/RM'000	0.0113	0.0115	0.0086

Note:

- GHG emissions Scope 2 covers consumption of electricity
- West Malaysia:- the emission scope is calculated using the emission factor obtained from TNB Annual Report Greenhouse Gas Emission Intensity of CO₂ emissions
- 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
- Vietnam:- the emission scope is calculated using the emission factor announcement from Vietnam Electricity.

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

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

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.

Our operating sites in West and East Malaysia are fully certified with ISO14001 :2015 or 67% of our sites in the group are covered by environment management systems. The operating site in Vietnam have still yet to take the final step to obtain this certification. 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	2021	2022	2023
Paper recycled	tonnes	1,687	1,675	1,626
Wood recycled	tonnes	132	245	308

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.