



SUSTAINABILITY REPORT

ABOUT THIS REPORT

This Sustainability Report aims to communicate the commitments, initiatives, actions taken and performance in relating to Environmental Social and Governance issues by Box-Pak (Malaysia) Bhd. (“BPM” or “the Company”) and its subsidiaries (“BPM Group” or “the Group”) during the financial year ended 31 December 2022 (“FYE 2022”).

The report has been prepared in accordance with Paragraph 6.2, Practice Note 9 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and the third edition of the Bursa Malaysia Sustainability Reporting Guide.

This year, we enhanced our reporting approach by adopting the Global Reporting Initiative (GRI) Standards (“GRI Standards”), Core Option and aligning our initiatives with the United Nations Sustainable Development Goals.

This Report should be read together with the Company’s Annual Report 2022 (“AR 2022”) for a more comprehensive view of BPM Group’s financial and non-financial performance.

REPORTING SCOPE AND BOUNDARY

We report our sustainability initiatives and performance on an annual basis. This report covers the reporting period from 1 January 2022 to 31 December 2022. The last Sustainability Report was published in April 2022.

This report covers the Group’s active and significant operations in Malaysia and Vietnam.

Myanmar operation has not been included as it is not a significant operating segment. We will re-assess the materiality of our Myanmar operation in our next report.

ASSURANCE

The information and data of the Group are derived from our internal reporting systems and operations records. The Report has been reviewed by the Sustainability Committee and presented to the Board for approval. The Group has not sought any independent verification or assurance on the information disclosed in this Report.

FEEDBACK

We appreciate all comments and suggestions on our sustainability efforts and the contents of this Report. Please direct any questions pertaining to our sustainability initiatives or reporting, or comments and feedback to sustainability@boxpak.com.my.



SUSTAINABILITY REPORT

MESSAGE FROM GROUP MANAGING DIRECTOR

Dear Stakeholders,

It is my great pleasure to present to you our 6th Sustainability Report. This Report provides a detailed overview of what Sustainability means to us, how we handle material sustainability matters, what our goals and targets are, the strategy and management approaches we adopt to achieve them and our progress in delivering long term value to our stakeholders.

As we progress along our sustainability journey, we also improve our reporting and disclosures to be in-line with evolving expectations and requirements. This year, we prepared our report based on the Global Reporting Initiatives (GRI) Standards to reflect global best practices for sustainability reporting. In recognising the United Nations Sustainable Development Goals (“SDG”) as the blueprint to achieve a better and more sustainable future for all, we have aligned our sustainability initiatives to eight (8) SDGs to which we can contribute directly to support the global sustainability agenda.

We are also addressing Greenhouse Gas (“GHG”) emissions across our Group. We are working with our national electric utility company, Tenaga Nasional Berhad to subscribe for green energy under its Green Electricity Tariff program for our two (2) plants in Malaysia. As of February 2023, we have successfully obtained subscription of green energy for one (1) plant and hope to secure the remaining one in the coming months. Meanwhile, in Ho Chi Minh City, we have successfully converted one of its two boilers to operate on biomass waste wood during the year. This has reduced the plant’s GHG emission by 28%.

Health, safety, fair treatment, and development of our people remain the heart of our operations and we continue to safeguard them. Our workplaces are guided by our comprehensive safety and health policy and high standards in work ethics. Opportunities for career advancement, learning and development are also available and we continue to support local technical institutes and university internship programs. We believe that by upholding a values-driven culture and an empowering work environment, we can attract and retain talents.

We thank you for your support and look forward to your valuable feedback on our sustainable journey.

Yeoh Jin Hoe
Group Managing Director

SUSTAINABILITY REPORT

SUSTAINABILITY APPROACH

The Group integrates sustainable thinking in its business processes, guided by the following sustainability principles:

- Ensuring compliance with all relevant laws and regulations applicable to the Group.
- Periodically review its sustainability approach and practices for improvement and to ensure the journey aligns with the Group's business objectives.
- Continuously engage and communicate with all relevant stakeholders for the identification, assessment, and management of material sustainability matters.
- A robust governance structure to provide leadership, oversight, and accountability.

SUSTAINABILITY IN OUR BUSINESS PROCESSES

Planning and Development	Procurement	Manufacture	Sales and Delivery
<ul style="list-style-type: none"> • Research and development of sustainable packaging solutions • Co-develop products with customers 	<ul style="list-style-type: none"> • Sourcing of sustainable raw materials • Working with ethically compliant suppliers 	<ul style="list-style-type: none"> • Investment in energy-efficient machineries • Mindful management of waste, water, air, energy and effluent 	<ul style="list-style-type: none"> • Engaging with customers on their sustainability objectives • Efficient delivery and distribution
Expected Sustainability Outcomes			
<ul style="list-style-type: none"> • Fully recyclable packaging solutions • Products with lower carbon footprint • Increased availability of sustainable products solutions 	<ul style="list-style-type: none"> • Accessibility to sustainable raw materials • Elevate suppliers' sustainability practices performance • Larger pool of ethically compliant suppliers 	<ul style="list-style-type: none"> • Reduced material usage, energy usage and waste generation • Compliance with relevant laws and regulations on Scheduled Wastes and Industrial Effluent management 	<ul style="list-style-type: none"> • Expansion of market base • Reduced energy usage and emission from product distribution

GOVERNANCE STRUCTURE

The Board of Directors ("Board") assume overall responsibility and oversight of the Group's sustainability agenda. The Board receive updates on sustainability matter twice a year.

SUSTAINABILITY GOVERNANCE



SUSTAINABILITY REPORT

STAKEHOLDERS ENGAGEMENT

Our stakeholder Groups are those that have an impact on our business or have the potential to be affected by our business. We continuously engage with them to understand their evolving expectations and how our business practices impact them. The insights obtained provide guidance to our materiality determination process, sustainability plans and the initiatives to be taken.

The method and frequency in which we engage our stakeholders and their expectations as follows:-

STAKEHOLDER	METHOD OF ENGAGEMENT	FREQUENCY	EXPECTATIONS
Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting Annual Report Announcements on Bursa Malaysia 	<ul style="list-style-type: none"> Annually Periodically As and when required 	<ul style="list-style-type: none"> Sustainable business growth Financial returns Good corporate governance
Employees	<ul style="list-style-type: none"> Town Hall Meetings Performance appraisals Training 'Open door' feedback 	<ul style="list-style-type: none"> Annually As and when required 	<ul style="list-style-type: none"> Workplace safety and health Training and development Career advancement opportunities Fair remuneration practices with competitive benefits Inclusive and non-discriminatory workplace
Customers	<ul style="list-style-type: none"> Customer Satisfaction Survey Customers audit and site visits Customer feedbacks Face to face meetings 	<ul style="list-style-type: none"> Regularly As and when required 	<ul style="list-style-type: none"> Product expectations in terms of quality, price, and delivery Sustainable and innovative product Ethical labour practices
Suppliers	<ul style="list-style-type: none"> Supplier meetings Site visits and audits Suppliers' evaluations 	<ul style="list-style-type: none"> Regularly Periodically As and when required 	<ul style="list-style-type: none"> Price competitive Quality of product, services, and delivery Ethical labour practices
Governments and Regulators	<ul style="list-style-type: none"> Regular meetings and consultations Seminars, trainings and dialogue On-site inspections and audits 	<ul style="list-style-type: none"> As and when required 	<ul style="list-style-type: none"> Compliance with relevant laws, by-laws and regulations Corporate governance and compliances
Community	<ul style="list-style-type: none"> Community events Dialogue sessions Corporate Social Responsibilities events 	<ul style="list-style-type: none"> As and when required 	<ul style="list-style-type: none"> Providing employment opportunities Contributing to community initiatives Business has minimal environmental impact in terms of waste and emissions

MATERIALITY ASSESSMENT

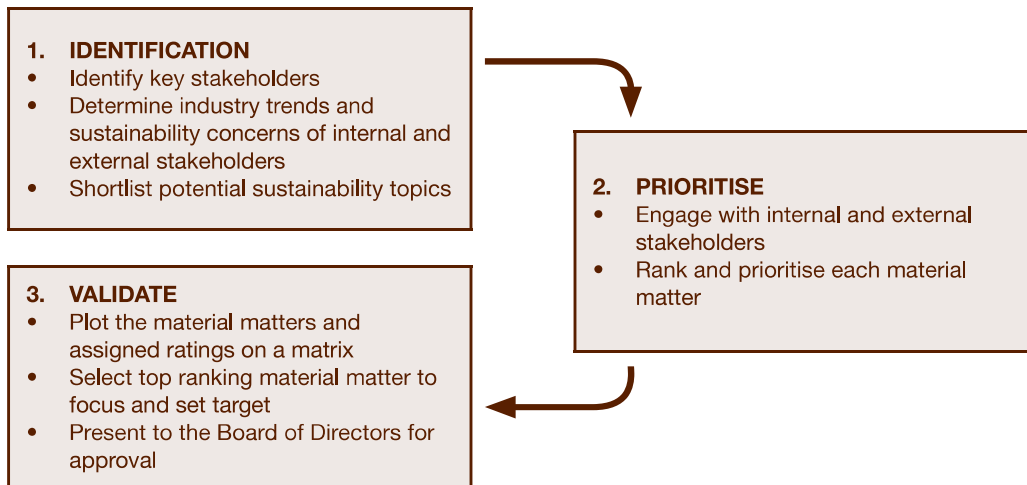
A broad cross section stakeholder assessment was conducted in Fourth Quarter FYE 2020 in the form of a survey to identify the Group's significant economic, environment and social matters that substantially impact and influence the decisions of our stakeholders.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT PROCESS

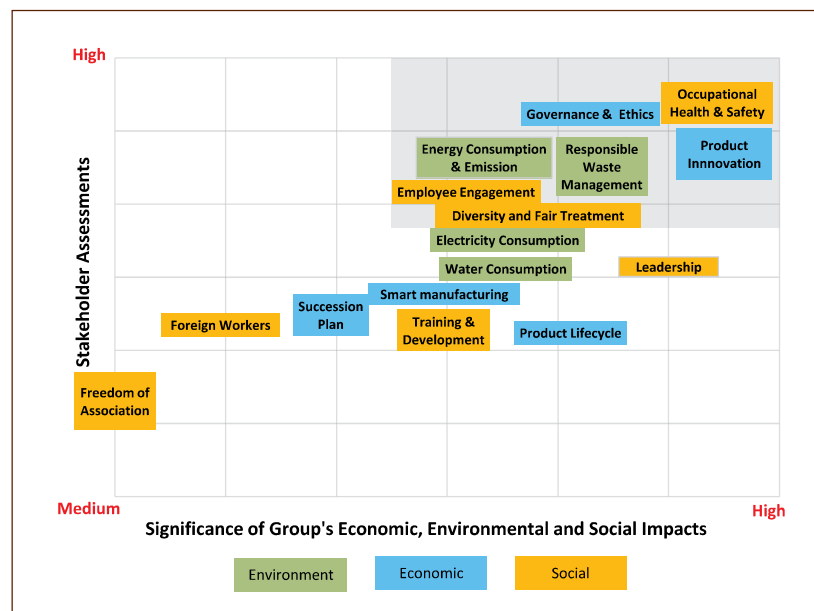
Our material assessment involves evaluating the significance of each sustainability issue based on its level of impact and influence on the Group. Factors taken into consideration include current economic, environmental, social and governance trends in geographical regions where the Group operates.

Our material assessment process typically involved:-



MATERIALITY MATRIX

The matrix below is the result of our materiality assessment process showing the significance of each materiality matter to the Group and to our stakeholders.



SUSTAINABILITY REPORT

MATERIALITY MATRIX (continued)

For FYE 2022, we have revisited the material topics from previous year for relevance and have refreshed the materiality matrix to reflect changes in the sustainability landscape and to streamline our initiatives.

We replaced Product Safety with Product Innovation to address a broader landscape that innovation is necessary to remain relevant in business besides producing products that meet quality and safety standards. Business Ethics and Ethical Sourcing grouped under Governance and Ethics while Safety at Workplace is replaced by a broader scope under Occupational Health and Safety. And lastly, Air Quality and Energy and Carbon Emission grouped under Energy Consumption and Emission.

With the above realignment, our efforts are now focused on 7 key material matters in terms of ranking as previously determined.

SUSTAINABILITY TARGETS

The key material matters together with their targets has been reviewed and approved by the Sustainability Committee. The targets will be measured against the FYE 2020 baseline and progress and achievement will be updated in our annual Sustainability Report.







Sustainability Pillar	Key Material Matters	Sustainability Targets
Economic	<ul style="list-style-type: none"> Product Innovation Governance and Ethics 	<ul style="list-style-type: none"> Zero product recall from packaging material defects Zero bribery and corruption cases reported Procure from suppliers who are ethically compliant
Environmental	<ul style="list-style-type: none"> Responsible Waste Management Energy Consumption and Emission 	<ul style="list-style-type: none"> Minimise waste generation. Scheduled waste management compliant with regulatory framework Air emission consistently meet Department of Environment guidelines Adoption of solar energy as renewable source for greenfield sites. For Vietnam plant, substitution of coal energy to greener source Energy efficiency will be given high consideration for future machinery and equipment investment
Social	<ul style="list-style-type: none"> Occupational Health and Safety Diversity & Fair Treatment Employee Engagement 	<ul style="list-style-type: none"> Zero employees and contractor fatality Increase female representation by 10% by 2025 Increase staff retention rate by 3% by 2025 Improve staff satisfaction rate by 5% by 2025



SUSTAINABILITY REPORT



OUR CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGs”)

As a responsible business Group, we recognise the need to contribute to global efforts such as UN SDGs for sustainable development. For FYE 2022 we have identified eight (8) Sustainable Development Goals which are relevant to our operations and where we can directly contribute as they are consistent with our key material matters and initiatives.

UN SDGs	Goal	Our contribution and Initiatives
 <p><i>End Poverty in all forms everywhere</i></p>	1.4	<ul style="list-style-type: none"> Provide long term employment opportunities to local communities and empowering greater income security. Undertake social and charitable initiatives to improve community livelihoods.
 <p><i>Ensure healthy lives and promote well-being for all at all ages</i></p>	3.9	<ul style="list-style-type: none"> Safety and preventive measures in managing safety and health risk at factory premise (ISO 45001 at Batu Caves plant) All our plants are ISO 14001 Environmental Management System certified. Employees access to medical care through company appointed panel of clinics.
 <p><i>Ensure inclusive and equitable quality education. Promote lifelong learning opportunities for all.</i></p>	4.4 4.7	<ul style="list-style-type: none"> Professional development and lifelong learning through training and development programs for our employees. Supporting local technical institutes and universities through Internship Program.
 <p><i>Achieve gender equality and empower all women and girls.</i></p>	5.5	<ul style="list-style-type: none"> Increasing female participation in leadership and decision-making. Commitment to provide equal employment opportunities and career progression that does not discriminate based on gender, ethnicity, nationality, marital status, disabilities, or age.
 <p><i>Promote sustained, inclusive and sustainable economic growth. Full and productive employment for all.</i></p>	8.1 8.3 8.4 8.7 8.8	<ul style="list-style-type: none"> Sustainable business growth and deliver long term economic performance to stakeholders. Supporting local SMEs on goods and services. ISO 9001 Quality Management System continuous improvement processes to minimise and reduce waste and energy consumption. Employees' Code of Conduct and Suppliers Code of Conduct on ethical labour practices.
 <p><i>Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.</i></p>	9.4	<ul style="list-style-type: none"> Sustainable business growth and deliver long term economic performance to stakeholders. Ensuring responsible resources consumption and production in our operations as part of our continuous improvement process.

SUSTAINABILITY REPORT

OUR CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGs") (continued)

UN SDGs	Goal	Our contribution and Initiatives
 <p>Ensure sustainable consumption and production patterns.</p>	12.2 12.4 12.5	<ul style="list-style-type: none"> Ensuring responsible resources consumption and production in our operations. Safety, Health and Environment ('SHE') officers along with the SHE committee at the respective plants ensure compliance with laws on Scheduled Wastes and Industrial Effluent management. All manufacturing plants are accredited with ISO 14001 Environmental Management System.
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	16.5	<ul style="list-style-type: none"> Anti-Corruption and Whistle-blowing policies in place. Compliance with MACC Act 2018. Responsible sourcing. Supply chain affirming their compliance with our Suppliers' Code of Conduct.

ECONOMY

PRODUCT INNOVATION

Why it matters

Innovation gives a competitive advantage to meet customer needs and staying relevant while products meeting quality and safety standards are key in customer attraction and retention which is vital to sustainable financial performance.

Opportunities and Risks

- Reputation and promise to customers.
- Retain and increase market share with product offerings and portfolio diversity.
- Reputational risk arising from customers' supply chain disruption.

Management approach

All operating entities in the Group are ISO 9001:2015 accredited. As an ISO 9001 certified manufacturer, the manufacturing plants are built around a quality management system incorporating a strong customer focus, leadership, process driven approach, evidence based decision-making and continuous improvement principles.

Primary raw materials are checked against Material Safety Data Sheet ("MSDS") to ensure they meet specification standards and to identify potential hazards (health, fire, reactivity, and environment) before they are approved for use.

Audits are carried out by Internal Audit department to ensure operations comply with the policies and processes while independent certification bodies are engaged periodically to assess and verify ISO compliance.

All our plants are accredited under Forest Stewardship Council ("FSC")-Chain of Custody which enable the offering of papers sourced from responsibly managed forests to our customers.



SUSTAINABILITY REPORT

ECONOMY (continued)

Our Performance

- There were no product recall cases reported or received for the FYE 2022.
- Demand for FSC paper has increased from 6% in FYE 2020 to 11% in FYE 2022.

FSC papers used in production in Metric Ton (MT)

FYE 2020	FYE 2021	FYE 2022
13,000	18,000	22,300

GOVERNANCE AND ETHICS

Why it matters

Operating a business with an ethical, transparent, and responsible governance provides a foundation for a sustainable business operation and raises market reputation.

Opportunities and Risks

- Uphold Group's reputation and maintain trust amongst its stakeholders.
- Reputational risks if transparency and governance is lacking.

Management approach

To establish a culture of integrity and high ethical standards in our Group throughout our value chain, the following policies are in place:-

- [Anti-Corruption policy](#)
- [Whistle-blowing policy](#)

The Group's Anti-Corruption policy is aligned with the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Anti-Corruption policy reiterates our commitment to conduct business within anti-corruption laws in the countries we operate in and to cause our organisation, directors, officers and employees to comply accordingly.

Whistle-blowing policy and procedure provide a channel to further safeguard the Group and its stakeholders against unethical behavior. The channel enables any person to report any actual or suspected malpractices including unethical behaviour to the Group Managing Director with confidentiality and assurance of anonymity.

These policies and procedures have been made available to all employees through various channels and communicated to all our operating units. Periodic communications are also carried out.

All managerial and key employees are required to declare and sign-off an Annual Statement of Compliance to Independence and Anti-Corruption Behaviour. In addition, General Managers and Heads of Departments are required to confirm that they are not aware of any fraud or bribery in their respective business units.

- [Employees Code of Conduct](#)

This Code covers employees work ethics, professional conduct, respect for human rights and promoting a safe and healthy work environment.



SUSTAINABILITY REPORT

ECONOMY (continued)

- Suppliers Code of Conduct (“SCC”)

Our Suppliers Code of Conduct, developed with guidance from the 10 Principles of United Nations Global Compact, requires commitment from vendors to be socially responsible and practice lawful and ethical labour practices without violation of international human rights. Sign off on SCC is required to affirm their compliance while engaging in business with the Group.

Compliance audit would be carried out periodically to confirm their adherence.

Our Performance

- There were no cases of corruption, bribery or unethical business conduct reported or investigated in FYE 2022.
- A survey conducted by Internal Audit department in First Quarter 2022 revealed 60% of the employees interviewed were aware of the Anti-Corruption policy while 40% were aware of the Whistle-blowing policy. The lower awareness rate for the latter could be due to the policy being introduced only in FYE 2020. Following the survey, Human Resource department conducted further training and briefing to the employees.
- Suppliers audit on compliance with our Code of Conduct comprising self-assessments and physical visits commenced in FYE 2022 as COVID-19 moved into endemic phase. A checklist developed with Internal Audit department will be rolled out in 2023 to guide the operating companies.

ENVIRONMENT

RESPONSIBLE WASTE MANAGEMENT

Why it matters

As a responsible Group, we are mindful of the wastes that our business activities and operations generate, and that proper and responsible waste management is required to ensure the preservation and protection of the environment and the communities where we operate.

Opportunities and Risks

- Reputation, community support, certifications, and accreditations.
- Reprimand, fines and/or penalties by authorities and reputation loss.

Management approach

A Group Sustainability Policy provides clear guidance to all employees on their actions and practices towards the environment.

Governance procedures ensure our operations comply with all related environmental laws and regulations in the countries where we operate.

Safety, Health, and Environment (“SHE”) Committee is established at each plant to monitor compliance and provide oversight. The committee is further supported by SHE officers within the respective plants.

All our manufacturing plants are accredited with ISO 14001 Environmental Management System 2015 certification.



SUSTAINABILITY REPORT

ENVIRONMENT (continued)

Internal Auditors conduct compliance review periodically on the compliance. Independent certification bodies are engaged periodically to assess and verify ISO compliance.

Paper scraps forms bulk of the solid waste generated by the Group. These are collected by licensed collectors and fully recycled and re-use by the respective manufacturers.

Our plants use water for cleaning and cooling of machineries. As the wastewater generated may contain certain metal, chemicals, organic and inorganic compounds, the wastewater is treated on-site at the respective plants by the Wastewater Treatment Plant ("WWTP"). The operations of these WWTPs comply strictly with the local applicable laws and regulations.

Other wastes are largely water-based ink sludge from the WWTP and waste glue. These are classified as scheduled waste and are collected and stored in compliance with the Environmental Quality Regulations in the respective countries before they are sent to licensed waste management companies where they undergo treatment and recovery process. These wastes are classified as recoverable. Where recovery is not possible, they undergo proper disposal.

All scheduled waste disposed are reported to the Department of Environment ("DOE") of the respective countries. In Malaysia, the reporting and monitoring of scheduled waste is through DOE's Electronic Scheduled Waste Information System or e-SWIS.

Our Performance

- FYE 2022 management of scheduled waste at all our plants were in compliance with the Environmental Quality Regulations. There were no violations or summons received during the FYE 2022.
- To ensure our scheduled waste is managed properly and in accordance with the latest legal requirements, facilities personnel at our Malaysian plants attended the following programs during the year.
 - Certified Environmental Professional in Scheduled Waste Management (CePSWaM).
 - Certified Environmental Professional in The Operation of Industrial Effluent Treatment Systems (Biological Processes)
 - Hazardous Chemical and Spills Management Training.
 - Industrial Effluent Treatment Updates and Solutions.

Scheduled Waste	FYE 2020	FYE 2021	FYE 2022
MT	1,500	1,500	1,600
% of production usage	0.7%	0.7%	0.8%

Scheduled waste represents less than 1% of our production usage. We continually seek opportunities to adopt best practices in our processes to improve efficiency and minimise wastes generated.



SUSTAINABILITY REPORT

ENVIRONMENT (continued)

ENERGY CONSUMPTION AND EMISSION

Why it matters

We strive to minimise our environmental footprints in business and operations and contribute to the preservation and protection of the environment.

Opportunities and Risks

- Profitability, reputation, new markets, community support, certifications, and accreditations.
- Reprimand, fines and/or penalties by authorities and reputation loss.

Management approach

Air Quality

The nature of our industry does not have any significant air emission.

Combustion from our boiler systems emit nitrogen oxides (NO_x), carbon dioxide (CO₂), nitrous oxide (N₂O), trace amount of sulphur dioxide (SO₂) and particulate matter.

Our boiler systems are inspected daily and undergo periodic independent inspection as part of regulatory requirements to ensure the system is operating at optimum condition. We also monitor our air emissions regularly to ensure compliance with the local regulations wherever we operate.

Energy and Carbon Emission

Electricity which is sourced from the power grid is used extensively in the manufacturing operations of converting raw paper into corrugated boards which then undergo various converting and printing processes, where required, to form a corrugated carton box.

Boiler system provide steam and heating for the process of converting raw paper into corrugated boards. Boiler systems in our Malaysian plants are powered by natural gas while at Vietnam plants, coal is used as natural gas is not widely available and there are no natural gas infrastructures at the industrial parks where the plants are located. A cleaner fuel source is required.

Our aim is to manage our energy needs in a responsible manner. We are continuously looking at new technologies, upgrading our existing machinery and adopting good management practices to improve our energy efficiency.

All our plants are fitted with energy efficient LED lighting.

Our Performance

- The Ho Chi Minh City plant has converted one of its two coal-fired boilers to run on biomass-waste wood in FYE 2022. The plant would continue to operate the boilers on 2 fuel type system as part of its risk management plan until it can be assured that a stable and consistent biomass supply is readily available. Following the conversion, the plant reduced its GHG (CO₂e) emission by 2,500MT (28%) in FYE 2022.



SUSTAINABILITY REPORT

ENVIRONMENT (continued)

- The Malaysian plants are applying to subscribe for green energy from the national utility company, Tenaga Nasional Berhad ("TNB") under its Green Electricity Tariff ("GET") program. TNB currently fixed 30% of our total energy requirement as subscription limit. As demand is greater than supply, a quota system is in place. If the subscription for our 2 plants are successful, it could potentially reduce our Group CO₂ emission by approximately 9%.

Electricity	FYE 2020	FYE 2021	FYE 2022
Consumption (Mwh)	22,500	21,500	21,900
Intensity (Mwh / RM'mil)	34.6	32.0	29.8

Gas	FYE 2020	FYE 2021	FYE 2022
Consumption (MMBtu)	57,500	58,700	54,800
Intensity (MMBtu / RM'mil)	319.0	291.6	291.1

Fewer production disruptions following COVID-19 endemicity led to better energy efficiency.

Water	FYE 2020	FYE 2021	FYE 2022
Consumption (M ³)	251,900	240,100	244,300
Intensity (M ³ / RM'mil)	388.2	357.6	331.7

Water intensity similarly improved following less production disruption.

Direct (Scope 1) GHG Emissions	FYE 2020	FYE 2021	FYE 2022
Emissions (tCO ₂ e)	15,400	15,200	12,300
Intensity (tCO ₂ e / RM'mil)	44.5	42.1	33.7

Note:

- Scope 1: Emission source is natural gas, coal and biomass consumption.
- Emissions are calculated based on emission factors published by Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories, GHG Protocol: Emission Factors from Cross-Sector Tools (April 2014) and GHG Protocol: Global Warming Potential Values (using IPCC Fifth Assessment Report, 2014 (AR5)).

Scope 2 GHG Emissions	FYE 2020	FYE 2021	FYE 2022
Emissions (tCO ₂)	17,300	16,500	16,900
Intensity (tCO ₂ / RM'mil)	26.7	24.6	22.9

Note:

- Scope 2: Emission source is purchased electricity from the national grid.
- Emissions are calculated based on emission factors published by the Malaysian Green Technology Corporation for the Peninsular Grid 2014 and Department of Climate Change on research and develop emission factor for Vietnam's electricity grid 2020.



SUSTAINABILITY REPORT

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Why it matters

We pursue our commitment in protecting the health, safety and welfare of our people as they are the heart of our operations. We ensure the workplace comply with occupational health, safety, and environment regulations.

Opportunities and Risks

- Attract and retain talents, safety and health accreditation.
- Difficulties recruiting and retaining talents. Stop-work order and operations disruption.

Management approach

The Group's Safety and Health Policy helps to guide the employees and contractors in ensuring that the safety and health precautions are observed whilst working at our plant premise.

SHE Committees in the respective plants oversee the safety and health of employees at workplace. SHE committees have representation from various departments and seniority level to allow a balanced and well-informed approach towards all Occupational Health and Safety matters. They also allow employees to flag potential issues and escalate them to the committee's attention.

SHE Committees are supported by their safety officer who ensure the workplace meet safety and health laws and regulations.

Facility maintenance audits are carried out regularly to ensure facilities and equipment are working as intended and safety measures are in place to minimise injury.

Our Batu Caves plant is accredited with ISO 45001:2018 Occupational Health and Safety Standard certification. Two (2) other plants have also embarked on the process to seek similar accreditation.

Our Performance

- No fatalities were recorded for employees and contractors in FYE 2022. We maintained our record of zero fatalities in the last 3 years.
- To prevent injury and minimise property damage through accidents involving the operations of forklift trucks, our forklift drivers attended a refresher course on Forklift Safety Training during the year. This provides them with the knowledge on handling, daily inspection, proper maintenance, and safety in operations.
- Fire and evacuation drills are held annually to help prepare personnel for an emergency and letting them know what to expect and how to respond safely.
- SHE Committee meets on a quarterly basis as a minimum to discuss safety and health matters at the respective plants.

SUSTAINABILITY REPORT

SOCIAL (continued)

- Programs attended by SHE personnel during the year:
 - o First Aider Training
 - o Hazardous Chemical Handling
 - o Employee usage of Personal Protection Equipment

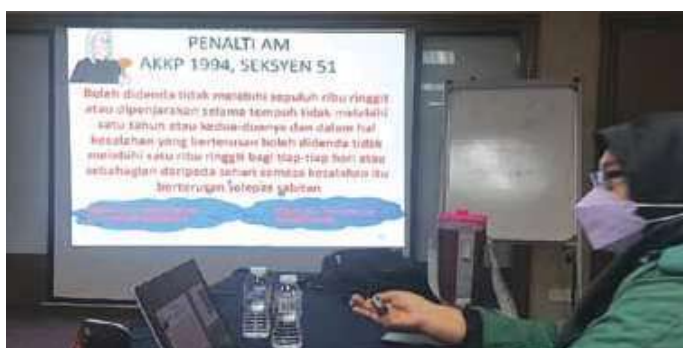
Work Related Injury by Case	FYE 2020	FYE 2021	FYE 2022
- Minor injury	65	41	36
- Major injury	12	6	–
- Fatality	–	–	–

Lost time injury (Days)	663	300	237
-------------------------	-----	-----	-----

Work Related Ill-health by Case			
- Minor injury	–	–	–
- Major injury	–	–	–
- Fatality	–	–	–



First Aider Training



Chemical Handling training by JKPP

SUSTAINABILITY REPORT

SOCIAL (continued)

DIVERSITY AND FAIR TREATMENT

Why it matters

We value diversity, equality, and inclusion. We respect the unique cultures, backgrounds, and talents of our workforce.

Opportunities and Risks

- Diversed perspectives and thought processes, attract and retain talents.
- Inability to attract and/or retain talents from diversified backgrounds may lead to cultural, age centric or gender centric gaps in knowledge or experience.

Management approach

We are committed to provide equal opportunities in recruitment and career progression and have zero tolerance for discrimination whether based on gender, ethnicity, nationality, cultural background, marital status, disabilities, or age. We are also committed to provide our employees with attractive remuneration and benefits packages, a supportive working environment and rewarding career advancement opportunities.

Our Code of Conduct (“Code”) contains policies and guidelines relating to the standards and ethics that all employees are expected to adhere to in the course of their work. This Code covers ethical behaviour, channel for grievances and ethical labour practices including prohibiting the employment of underaged workers, harassment or bullying, discrimination, forced labour, working hours, fair wages, and freedom of association.

The Group engages agents to assist in recruitment of migrant workers for the plants in Malaysia. Agents engaged are required to sign an agreement with us to confirm that the agent will not charge or claim any fee from the migrant worker arising from our employment. Our agreement also requires the agent to brief the terms and conditions of our employment to the potential migrant workers in their native language before they sign our employment contract. Retention of their personal documents are not allowed.

Employment of migrant workers in our Malaysian plants adhere to the Minimum Wages Order 2022 and the Employment Act 1955.

Accommodations provided to the migrant workers comply with The Workers’ Minimum Standards of Housing and Amenities (Amendment) Act 2020 (Act 446). Compliance audits are carried out periodically by our Internal Audit department to confirm adherence.

Three of our plants are members of SEDEX, a global membership organisation dedicated to driving improvements in ethical and responsible business practices.



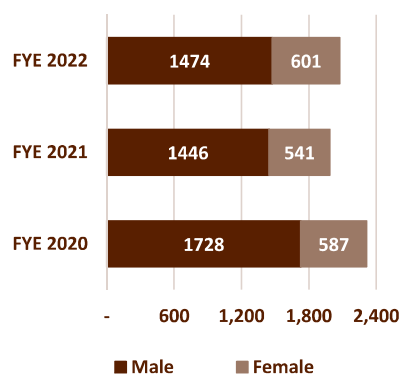
SUSTAINABILITY REPORT

SOCIAL (continued)

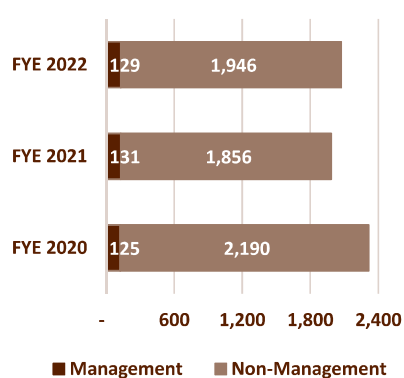
Our Performance

- 2,075 employees in the Group (FYE 2020: 2,315 employees).
- 56% and 99% local employees in Malaysia and Vietnam plants respectively.
- 29% of workforce are female (FYE 2020: 25%). Female representation at management level is 49% (FYE 2020: 46%).
- 58% are millennial employees (FYE 2020: 62%)
- Our HR personnel attended the following programs during the year.
 - o Updates on Employment Act 1955 and Industrial Relations Act 1967.
 - o Managing the latest amendments to Employment Act, Minimum Wage Order & OSHA.

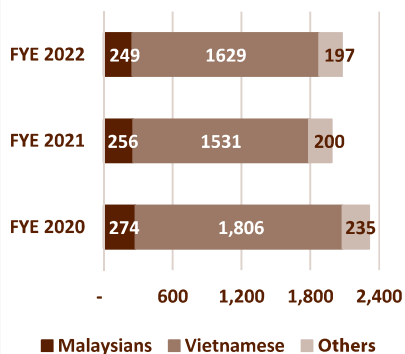
Employees by Gender



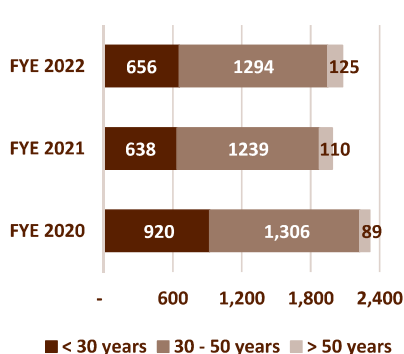
Employees by Type



Employees by Nationality



Employees by Age Group





SUSTAINABILITY REPORT

SOCIAL (continued)

EMPLOYEE ENGAGEMENT

Why it matters

Continuous engagement with employees and hearing their views forge trust and create a more conducive working environment.

Continuous learning, upskilling, training and development programs enable our people to enhance their skills to achieve greater outcomes.

Management approach

We constantly strive to foster a holistic working environment and culture as part of building and retaining an engaged, skilled, and motivated workforce for sustainable business and growth.

Employee satisfaction

An employee satisfaction survey provides us with a better understanding of how employees assess their job satisfaction at the workplace and allow us better insight into how we can improve the systems and processes that are in place to achieve a healthier and more inclusive working environment. In a survey conducted in September 2021, the satisfaction score was 74% with 87% response rate. We plan to conduct such survey every 2 years.

Training and development

We invest in a life-long learning and development culture and offer opportunities for our employees to enhance their personal and professional growth. Training and development opportunities provided include technical, non-technical and on-the-job training to upskill our employees technically as well as develop soft-skills to enhance their leadership and personal competencies.

The Group supports its employees to pursue additional training and development under its continued education assistance program.

The Group also supports local Universities, Technical Institutes and other Institutes of Higher Learning on Internship programs.

Social relation

The Group organises various employee events ranging from festival celebrations to recreational activities to foster teamwork, cohesiveness, and engagement within our workforce.

Our Performance

- Staff turnover rate for FYE 2022 was 3.92% (FYE 2020: 3.29%).
- Training and development. 111,866 hours were spent on training in FYE 2022 where Malaysia operations made up 2,758 hours (6.2 hours per employee) and Vietnam operations 109,108 hours (66.9 hours per employee). The high training hours in Vietnam is attributed to inclusion of technical trainings held for supervisors and machine operators. These are conducted in-house. The Malaysian operations also conduct technical training for their supervisors and operators through on-the-job training. These hours invested however are not recorded.

SUSTAINABILITY REPORT

SOCIAL (continued)

- Community projects
 - o Mangrove forests is an important part of the ecosystem as they capture carbon dioxide emissions and greenhouse gases from the atmosphere and then trap and store them in the soil providing nutrient-rich habitats besides protecting retreating shorelines. In December 2022, we participated in the 'Malaysia's Greening Program – 100 Million Tree Planting Campaign' organised by Forestry Department of Malaysia at Jimah Beach Coast, Port Dickson, Negeri Sembilan. The Group joined hands and planted 150 Rhizophora mucronate or "Bakau Kurap" saplings.





SUSTAINABILITY REPORT

GRI CONTENT INDEX

Box-Pak Group's Sustainability Report 2022 has been prepared in accordance with the Global Reporting Initiative (GRI) Standards : Core Option.

The following table presents the GRI Content Index for this Report.

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 102 General Disclosure 2016			
102-1	Name of organisation		Box-Pak (Malaysia) Bhd
102-2	Activities, brands, products and services	4	Refer to AR2022 – Management Discussion and Analysis ('MDA')
102-3	Location of headquarters	2	Refer to Corporate Information in AR 2022
102-4	Location of operations		Malaysia, Vietnam, Singapore, Myanmar. Only Malaysia and Vietnam are covered in this report
102-5	Ownership and legal form		A Bursa Listed company
102-6	Markets served	4	Refer to AR 2022 MDA
102-7	Scale of organisation	3	Refer to Corporate Structure in AR 2022 and 102-8 and 201-1 below
102-8	Information on employees and other workers	35,36	Refer to Diversity and Fair Treatment section
102-9	Supply chain		Malaysian plants spent RM65.1 million on local suppliers. Vietnam plants spending will be included in next report.
102-10	Significant changes to the organisation and its supply chain		No changes
102-11	Precautionary principle or approach	43-57	Refer to Corporate Governance Overview Statement in AR2022
102-12	External initiatives		None
102-13	Membership of associations		Member of Federation of Malaysian Manufacturers.
102-14	Statement from senior decision maker	21	Refer to Message from Group Managing Director
102-16	Values, principles, standards and norms of behaviour	28,29	Refer to Governance and Ethics section
102-18	Governance structure	22	Refer to Governance Structure section
102-40	List of stakeholder groups	23	Refer to Stakeholders engagement section
102-41	Collective bargaining agreements		48% (214 employees) of total employees in our Malaysia plants are covered by Collective Agreement
102-42	Identifying and selecting stakeholders	23	Refer to Stakeholders engagement section
102-43	Approach to stakeholder engagement	23	Refer to Stakeholders engagement section
102-44	Key topics and concerns raised	23	Refer to Stakeholders engagement section



SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page	Brief Information on Disclosures			
102-45	Entities included in the consolidated financial statements	4	Refer to AR 2022 MDA			
102-46	Defining report content and topic boundaries	20	Refer to Reporting Scope and Boundary section			
102-47	List of material topics	24	Refer to Materiality Matrix section			
102-48	Restatements of information		No restatement during reporting period			
102-49	Changes in reporting	24,25	Refer to Materiality Matrix section			
102-50	Reporting period	20	Refer to Reporting Scope and Boundary section			
102-51	Date of most recent report		Last report dated 5 April 2022			
102-52	Reporting cycle		Annually			
102-53	Contact point for questions regarding the report	20	Refer to Feedback section			
102-54	Claims of reporting in accordance to GRI Standards		Core Option GRI Standards 2020			
102-55	GRI content index	39-42	Published index page			
102-56	External assurance		No external assurance conducted			
GRI 201 Economic Performance 2016						
201-1	Direct economic value generated and distributed	81	RM ' million			
			2020	2021	2022	
			Revenue	650.9	678.2	765.8
			Operating Cost	512.7	555.6	646.1
			Payment to Capital provider	11.4	11.4	12.5
			Employee wages and benefits	79.6	81.3	86.3
			Payment to Government	3.7	3.4	2.0
Refer to AR 2022 and AR 2021 for further details.						
GRI 205 Anti-Corruption 2016						
205-1	Operations assessed for risks related to corruption	58-60	Refer to Audit and Risk Management Committee Report			
205-2	Communication and training about anti-corruption policies and procedures	28	Training, memo, employee handbook. Refer to Governance and Ethics section.			
205-3	Confirmed incidents of corruption and action taken	28	None. Refer to Governance and Ethics section.			



SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page	Brief Information on Disclosures																				
GRI 302 Energy 2016																							
302-1	Energy consumption within the organisation	31,32	Refer to Energy Consumption and Emission section																				
302-3	Energy intensity	31,32	Refer to Energy Consumption and Emission section																				
GRI 303 Water and Effluent 2018																							
303-4	Water and Effluent	29-30	Refer to Responsible Waste Management section																				
303-5	Water Consumption	32	Refer to Energy Consumption and Emission section																				
GRI 305 Emission 2016																							
305-1	Direct (Scope 1) GHG emissions	32	Refer to Energy Consumption and Emission section																				
305-2	Energy indirect (Scope 2) GHG emissions	32	Refer to Energy Consumption and Emission section																				
305-5	Reduction in GHG Emission	32	Refer to Energy Consumption and Emission section																				
GRI 306 Waste 2020																							
306-1	Waste generation and significant waste related impacts	29-30	Refer to Responsible Waste Management section																				
306-2	Management of significant waste-related impacts	29-30	Refer to Responsible Waste Management section																				
GRI 307 Environmental Compliance 2016																							
307-1	Non-compliance with environmental laws and regulations	30	None. Refer to Responsible Waste Management section																				
GRI 401 Employment 2016																							
401-1	New employee hires and employee turnover	36	<p>Malaysia plants new hires:-</p> <table> <tr> <th>Age Group</th><th>Male</th><th>Female</th><th>total</th></tr> <tr> <td>< 30</td><td>34</td><td>13</td><td>47</td></tr> <tr> <td>30 – 50</td><td>17</td><td>6</td><td>23</td></tr> <tr> <td>>50</td><td>–</td><td>2</td><td>2</td></tr> <tr> <td>Total</td><td>51</td><td>21</td><td>72</td></tr> </table> <p>Vietnam plants data will be included in the next report. Employee turnover for the Group was 3.92%</p>	Age Group	Male	Female	total	< 30	34	13	47	30 – 50	17	6	23	>50	–	2	2	Total	51	21	72
Age Group	Male	Female	total																				
< 30	34	13	47																				
30 – 50	17	6	23																				
>50	–	2	2																				
Total	51	21	72																				
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		All categories entitled to medical coverage, life insurance, social security, parental leave and paid annual leave.																				
401-3	Parental leave		Malaysia plants, total person entitled to parental leave was 418. Total taking maternity leave was 7 (6 female and 1 male). All returned to work following end of parental leave. Vietnam plants data will be included in the next report.																				



SUSTAINABILITY REPORT

GRI Standard	Disclosure	Page	Brief Information on Disclosures
GRI 403 Occupational Health and Safety 2018			
403-1	Occupational Health and Safety Management System	33,34	Refer to Occupational Health and Safety section
403-4	Workers participation, consultation and communication on occupational health and safety	33,34	Refer to Occupational Health and Safety section
403-5	Worker training on occupational health and safety	33,34	Refer to Occupational Health and Safety section
403-6	Promotion of worker health	33,34	Access to company panel of clinics and annual audiometric test
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Supplier Code of Conduct in place and audits are carried out to ensure compliance
403-9	Work-related injuries	33,34	Refer to Occupational Health and Safety section
403-10	Work-related ill health	33,34	Refer to Occupational Health and Safety section
GRI 404 Training and Education 2016			
404-1	Average hours of training per year per employee	37	Refer to Employee Engagement section
404-2	Programs for upgrading employees' skills and transition assistance programs	37	Refer to Employee Engagement section
404-3	Percentage of employees receiving regular performance and career development reviews		Annual appraisals are conducted for all staff. Case-to-case basis is also carried out.
GRI 405 Diversity & Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	35, 51,52	Refer to Diversity and Fair Treatment section and Corporate Governance Overview Statement
GRI 408 Child Labour 2016			
408-1	Operations and suppliers at significant risk for incidents or child labour	29,35	Code of Conduct for Employees and Suppliers Code of Conduct
GRI 409 Forced or Compulsory Labour 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	29,35	Code of Conduct for Employees and Suppliers Code of Conduct
GRI 416 Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of products and services	27	Refer to Product Innovation section. Plants are ISO 9001, 18001 and 14001 accredited. In-house QC laboratory at site.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	28	Refer to Product Innovation section. There were no incidents of non-compliance for the year