



*Sustainable Growth,
Better Tomorrow*

SUSTAINABILITY
REPORT



SCIENTEX BERHAD

196801000264 (7867-P)

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About This Report

INTRODUCTION

Scientex Berhad ("Scientex" and/or the "Group") is proud to present its third Sustainability Report ("report"), which provides detailed disclosures on our sustainability commitments, initiatives and actions taken during the financial year ended 31 July 2023 ("FY2023").

This report has been prepared with reference to the updated Global Reporting Initiative Standards ("GRI Standards") 2021, and in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements and the second edition of the Bursa Malaysia's Sustainability Reporting Guide.

This report is designed to be read in tandem with the Scientex Integrated Annual Report 2023 ("IAR 2023") for a more comprehensive understanding of how sustainability drives value creation across the Group.

SCOPE AND BOUNDARY

This report discloses the sustainability initiatives and commitments of Scientex, covering our Malaysian and international subsidiaries across our Packaging and Property Divisions. Joint ventures and associates of the Group are excluded from this report.

REPORTING PRINCIPLES

This report has been developed in line with the Reporting Principles as defined within latest GRI Universal Standards 2021:

- **Accuracy:** Reporting information that is correct and sufficiently detailed to allow for an assessment of the Group's impacts
- **Balance:** Reporting information in an unbiased way that provides a fair representation of our positive and negative impacts
- **Clarity:** Presenting information in an accessible and understandable manner
- **Comparability:** Selecting, compiling and reporting information consistently to enable an analysis of changes in our impacts over time and an analysis of these impacts relative to those of other companies
- **Completeness:** Providing sufficient information to enable an assessment of our impacts during the reporting period
- **Sustainability Context:** Reporting information about our impacts in the wider context of sustainable development
- **Timeliness:** Reporting information on a regular schedule and making it available in time for information users to make informed decisions
- **Verifiability:** Gathering, recording, compiling, and analysing information in a way that allows information to be examined to establish its quality

The sustainability topics presented within this report are aligned with the United Nations

Sustainable Development Goals ("UN SDGs"). See p. 26 for a detailed disclosure of the initiatives and actions the Group is taking to support specific UN SDGs.

RESTATEMENTS

In this year's report, restatements have been made to the methodologies used for calculating the intensity of water consumption (p. 56), electricity consumption (p. 60), natural gas consumption, and greenhouse gas ("GHG") emissions (p. 61) within our Packaging Division.

With the availability of denominator data for our Packaging Division, past intensity data has been re-calculated, enabling a stronger basis for year-on-year comparison and improvement.

ASSURANCE

Good governance and internal reporting practices have been applied in the production of this report. Additionally, the Group's internal audit team has reviewed this report, with our Board of Directors ("Board") subsequently providing approval. Moving forward, we will strive to enhance our data collection, analysis and reporting processes in order to improve the quality and scope of our disclosures.

REPORTING PERIOD

This report covers the period of 1 August 2022 to 31 July 2023 unless specified otherwise. Our previous Sustainability Report was published on 9 November 2022.

FEEDBACK AND CONTACT POINT

This report is accessible at www.scientex.com.my/investors-relations/financial-reports/. We appreciate your feedback, comments or views, which may be sent to sustainability@scientex.com.my.



Our **Sustainability Report** provides comprehensive information on our sustainability initiatives, actions and performance in relation to Environmental, Social and Governance ("ESG") matters material to the Group and our stakeholders.

The report is prepared with reference to the updated GRI Standards 2021, and in accordance with the Bursa Malaysia's Main Market Listing Requirements and the second edition of the Sustainability Reporting Guide. Further to this, our disclosures are aligned with the UN SDGs.



Our **Integrated Annual Report** highlights how we utilise our resources to create value over the short, medium and long term, resulting in value-added outcomes that contribute to our vision: Sustainable Growth, Better Tomorrow.

The report is prepared in compliance with the International <IR> Framework, January 2021 ("<IR> Framework") by Value Reporting Foundation, with disclosures adhering to the Malaysian Financial Reporting Standards, the Malaysian Code on Corporate Governance 2021, and the Malaysian Companies Act 2016.

A close-up photograph of a black plastic seedling tray filled with numerous small green plants. The plants have two rounded leaves and are growing out of the tray's compartments. The background is blurred, showing more rows of similar seedlings.

Overview

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Our FY2023 Sustainability Highlights

CREATING SHARED SUSTAINABLE VALUE



RM3.4 billion
in economic value
distributed to
shareholders, employees,
suppliers and governments



35 product
innovations
successfully
commercialised

3,703 units
of affordable homes
completed



FTSE4Good

Listed as a constituent
company of the
FTSE4GOOD Bursa
Malaysia ("F4GBM") Index

FOR THE BETTERMENT OF THE ENVIRONMENT

34.3%
increase

in plastic waste recycled
and converted to energy by the
Packaging Division



8.3%

recycled resin used
in production



9.0%

decrease
in Group-wide GHG
emissions



5 manufacturing
plants received the
ISCC Plus Certification
for post-consumer recycled resin traceability



Embarked on renewable energy journey

600 MWh
of renewable energy generated

OUR PEOPLE, OUR PRIDE



Members of local
communities comprise

75%
of our workforce



9,066
training hours

for occupational safety and health

ZERO

on-site fatalities recorded



47%

increase in training
hours per employee



Our Sustainability Achievements

We acknowledge that sustainability is an ongoing journey, requiring continuous efforts towards supporting the global climate action agenda and the UN SDGs. To this end, various international rating agencies and analysts monitor and rate our transparency and sustainability performance based on diverse methodologies, providing a trusted perspective on our sustainability performance for the benefit of our investors and stakeholders.

This year, with the aim of enhancing our transparency and credibility amongst our stakeholders, we have included our main sustainability ratings in our disclosures.

ESG RATINGS

FTSE4GOOD ESG Rating

Assesses a company's exposure to and management of ESG matters across multiple dimensions

- We are selected as a constituent of the F4GBM index since FY2022

S&P Global Corporate Sustainability Assessment

Assesses a company's performance across ESG factors that may impact growth, profitability, capital efficiency and risk exposure

- In FY2023, we were ranked in the 80th percentile (top quintile) of the Chemicals Industry category (Score date: 12 February 2023)

Sustainalytics ESG Risk Rating

Measures the degree to which a company's economic value is at risk due to the magnitude of its unmanaged ESG risks

- In January 2023, we achieved an ESG risk rating of 19.1, indicating low risk of experiencing material financial impacts resulting from ESG factors

MSCI ESG Rating

Assesses a company's exposure to industry-specific, financially material ESG risks, and ability to manage those risks relative to peers

- In FY2023, we received an 'A' rating (on a scale of AAA - CCC) in the MSCI ESG Rating assessment

Notes:

- In no event the above ESG ratings shall be construed as investment advice or expert opinion as defined by the applicable legislation.
- The use by Scientex of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute sponsorship, endorsement, recommendation, or promotion of Scientex by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

A Message From Our Chief Executive Officer

Dear Stakeholders,

I extend my sincere appreciation to you for taking the time to engage with our Sustainability Report. At Scientex, sustainability is not just a buzzword; it is fundamental to our identity. It's a commitment we have upheld steadfastly across our businesses, benefitting not only our internal teams but also our invaluable external stakeholders.

This is our third standalone Sustainability Report, covering the period from 1 August 2022 to 31 July 2023 ("FY2023"). Within these pages, we aim to elucidate what sustainability truly means to us, outlining our commitments and detailing our ongoing actions to infuse sustainability into our operations and create shared value for our communities, stakeholders and the environment. To ensure the relevance and credibility of this report, we have prepared it in reference to the updated GRI standards 2021 and aligned our topics with their various contributions to the UN SDGs.



INTEGRATING BUSINESS AND SUSTAINABILITY

In 2023, Scientex celebrates its 55th year in operation. This marks a significant milestone in our journey, yet we remain as motivated as ever to grow robustly, while enhancing the sustainability of our strategies and practices. Our new Group Vision, "**Sustainable Growth, Better Tomorrow**," exemplifies our belief that sustainability is not a one-off endeavour but a continuous commitment embedded deeply within our operations and product offerings.

To make an even greater impact across the sustainability spectrum, we recognise the importance of instigating a collaborative effort within our supply chain. This underscores our commitment to ensuring that every action we take, and every collaboration we undertake, is conceived to deliver long-term benefits.

Please read the section entitled 'Embedding Sustainability in Our Business Processes' on p. 19 of this report for more detailed information.



On this note, it is heartening to see our strong commitments towards sustainability being recognised by the industry at large, and we are proud to remain as a constituent of the F4GBM Index for a second consecutive year. Additionally, we have received favourable ESG ratings from various international rating agencies, including S&P Global, Sustainalytics and MSCI.

For a more in-depth insights into our ESG ratings, please refer to the 'Our Sustainability Achievements' section on p. 5 of this report.

CREATING SHARED SUSTAINABLE VALUE

Effective leadership and governance serve as the pillars of our commitment to deliver value to all stakeholders. To this end, we have continued to fortify our governance framework, ensuring that it aligns with ethical and responsible business practices, promoting transparency across our organisation.

This commitment is especially crucial as we expand our global presence and connect with a diverse range of stakeholders across distinct geographical locations. We are thus cognisant of our responsibility to uphold international best practices, while also recognising our effort towards creating positive impacts across the global ESG spectrum.

The spirit of innovation within our Packaging Division remains integral to delivering shared value to a broader audience. As a forward-thinking organisation, we consistently push boundaries to enhance our reputation and presence within the global packaging supply chain while adopting technological and process enhancements to minimise our impact on the planet. Our robust investments in R&D and machinery, exceeding RM120 million in FY2023, attest to our dedication to innovation.

To learn more about our Packaging Division's integrated approach to innovation, please read the 'Product Innovation' section on p. 38 of this report.

Similarly, in our Property Division, we have continued to leverage our experience to develop robust construction techniques, enabling us to provide quality affordable homes to empower better living standards for Malaysians. In recognising the potential of replicating our tried-and-tested methodologies beyond our borders, we have explored property development opportunities in our neighbouring countries, expanding the markets to which we may deliver the intrinsic value of our affordable homes. As of FY2023, we have completed a total of 30,403 affordable homes across Malaysia.

In combination, our roles as a major integrated player in the flexible plastic packaging ("FPP") industry and a respected affordable home developer in Malaysia permit us to contribute significantly to economic progress, exemplified by the RM3.4 billion that we have distributed to the economy so far.

FOR THE BETTERMENT OF THE ENVIRONMENT

As a responsible corporate citizen committed to environmental sustainability, we are dedicated to taking meaningful actions to reduce our energy consumption and our carbon footprint – a commitment that is aligned with Malaysia's ambitious goal of becoming a net-zero greenhouse gas nation by 2050.

Prominent measures that have been embedded into our operations and practices include the integration of energy-efficient, state-of-the-art production equipment across our manufacturing facilities.

Moreover, we have embraced renewable energy sources as part of our initiatives to reduce greenhouse gas emissions. In the past financial year, we achieved a significant milestone by installing a rooftop solar photovoltaic ("PV") system at one of our manufacturing plants. Building on this success, we are determined to expand our utilisation of solar energy across both our Packaging and Property Divisions in the coming years.

Further to this, we recognise the vital role that natural ecosystems play in combating climate change, and our ongoing mangrove planting initiatives are part of our broader effort to take meaningful action towards it. Mangroves are renowned for their remarkable ability to sequester carbon, making them a natural asset in our battle against greenhouse gas emissions.

Our efforts in this realm also extend to supporting the global shift towards greater plastic circularity, which is emerging as a key factor in climate change mitigation. We actively seek ways to contribute to this endeavour through responsible waste management and the optimisation of material consumption.

Meanwhile, our comprehensive approach to waste reduction spans various strategic areas, including proactive measures to minimise waste generation, greater adoption of recycling practices and the incorporation of recycled or recyclable materials into our product offerings. Additionally, in cases where the waste is non-recyclable, we endeavour to convert it into energy whenever feasible.

To optimise material usage across our Packaging Division, we are increasing our use of both post-industrial recycled ("PIR") and post-consumer recycled ("PCR") resin in our flexible packaging products, working with customers to customise new products that meet their needs, and continuing to innovate downgauged films and packaging solutions that incur reduced raw material use. Within our Property Division, meanwhile, we employ a variety of solutions to reduce material wastage and consumption, including IBS construction techniques, standardised home designs and the use of construction moulds that can be reused more frequently.

For greater detail on our efforts, kindly refer to 'Responsible Waste Management' and 'Optimising Consumption of Materials' on p. 48 and p. 53 of this report respectively.

OUR PEOPLE, OUR PRIDE

We highly value the immense contributions made by our workforce, and we consider occupational safety and health as pivotal to our commitment as a responsible employer.

Guided by our comprehensive Safety and Health Policy, our focus remains resolute in ensuring the well-being of our employees and contractors. We take pride in our zero-fatality record for FY2023, which is made possible by our steadfast commitment to safety and health.

Our belief in fostering a safe and supportive work environment is deeply intertwined with our dedication to employee development and advancement. We are committed to establishing a workplace that is engaging and conducive to growth, all while upholding high standards of ethical and sustainable work practices. By doing so, we aim to maintain our standing as an attractive employer, which, in turn, fuels innovation and drives our sustainable growth.

However, our support for human progress extends beyond our own employees, and has been instituted within the very missions of our two business divisions. We take pride in the profound societal benefits our Property Division provides, with our developments enhancing the living standards of middle-to-lower-income populations and contributing to economic growth through urbanisation, infrastructure enhancement and township development. In our Packaging Division, we are steadfast in delivering FPP solutions that enhance protection, convenience, hygiene, safety and the reduction of incidental food waste, all of which represent growing priorities for the modern consumer.

CLOSING REMARKS

Despite the challenges we faced in FY2023, our dedication to achieving excellence in our sustainability-driven practices holds firm. We take great pride in our growing list of accomplishments in this area and, on behalf of the Board and our management team, I would like to emphasise that we will continue to further ingrain sustainability into every aspect of the Group's operations.

Our goal is to work collaboratively with all stakeholders to ensure a prosperous future for all, in which we may impart the fundamental principles of diligence and responsibility, while also leaving behind a flourishing legacy of environmental stewardship for generations to come. As we continue to work together as a community to create enduring and sustainable value, we look forward to realising our vision of **"Sustainable Growth, Better Tomorrow."**

Thank you for your steadfast support.

LIM PENG JIN

Managing Director/Chief Executive Officer

About Scientex Berhad

OUR BUSINESSES

PACKAGING

PROPERTY

Since our establishment 55 years ago in 1968, we have emerged as a leading global manufacturer of stretch film and a fully integrated end-to-end flexible plastic packaging producer, and a prominent developer of affordable homes in Malaysia.

Being a publicly listed company on the Main Market of Bursa Malaysia since 1990, we are renowned around the world for our products across the flexible plastic packaging value chain, ranging from stretch films, base films and printed films to bags and multi-layered solutions for both industrial and consumer packaging.

Our Property Division, on the other hand, strives to close the gap for affordable housing in local communities where we operate, with an established presence across seven states in Peninsular Malaysia and expanded our reach into neighbouring countries such as Thailand and Indonesia.

VISION

Sustainable Growth, Better Tomorrow

We firmly believe that sustainability is not merely a one-off initiative but rather an enduring commitment that should be deeply incorporated across our operations and product offerings. Additionally, sustainability requires a collaborative effort throughout the entire value chain to generate meaningful and lasting positive societal and environmental impacts.

Correspondingly, we have revised our vision to "**Sustainable Growth, Better Tomorrow**", reflecting our aspirations to grow our business while contributing to the Economy, Environment and Society.

PURPOSE

OUR PACKAGING DIVISION STRIVES TO PROVIDE FLEXIBLE PLASTIC PACKAGING SOLUTIONS FOR



Protection



Convenience



Hygiene and Safety



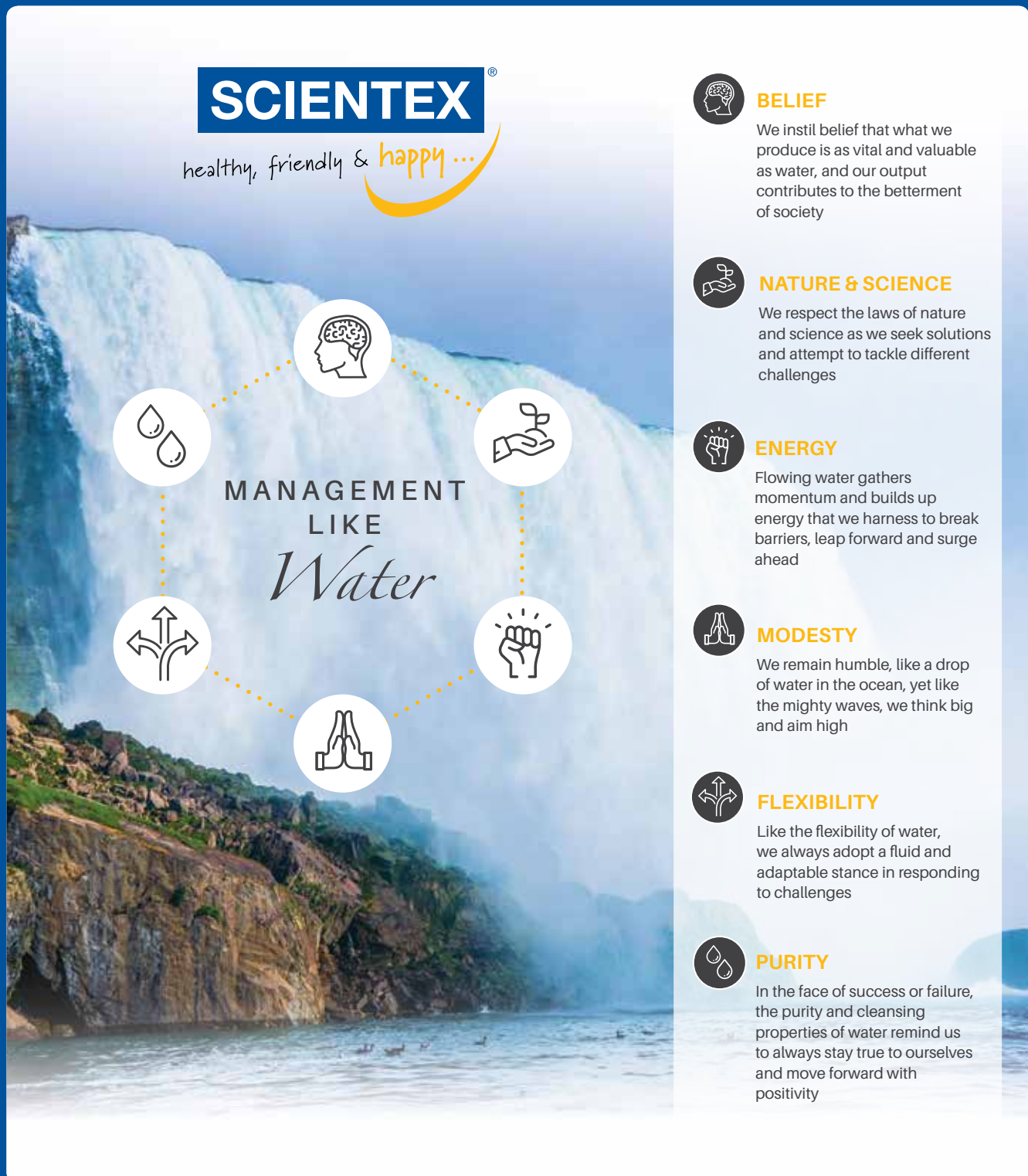
Food Waste Reduction



OUR PROPERTY DIVISION ENDEAVOURS TO SUPPORT LOCAL COMMUNITIES IN OUR LOCATIONS OF OPERATION THROUGH THE PROVISION OF **AFFORDABLE YET QUALITY HOMES**

Our Corporate Philosophy

Our corporate philosophy of 'Management Like Water' has been the driving force behind our achievements. While our strategies may evolve, this philosophy remains the foundation of our operations. It encompasses six distinct yet interconnected facets, as outlined below:



Our Corporate Tagline



healthy ...

We strongly believe that a healthy culture is important, as this ensures our employees can reap the benefits of a balanced living, and are focused and committed to their work. The positive flow of energy results in a healthy company with strong ethics to guide compliance and encourage transparency in all business dealings.



friendly ...

Being friendly speaks of the way we develop user-friendly products and solutions, and at the same time, extend courtesy, attentiveness and care to suppliers, customers, authorities and society as well as to the global environment.



happy ...

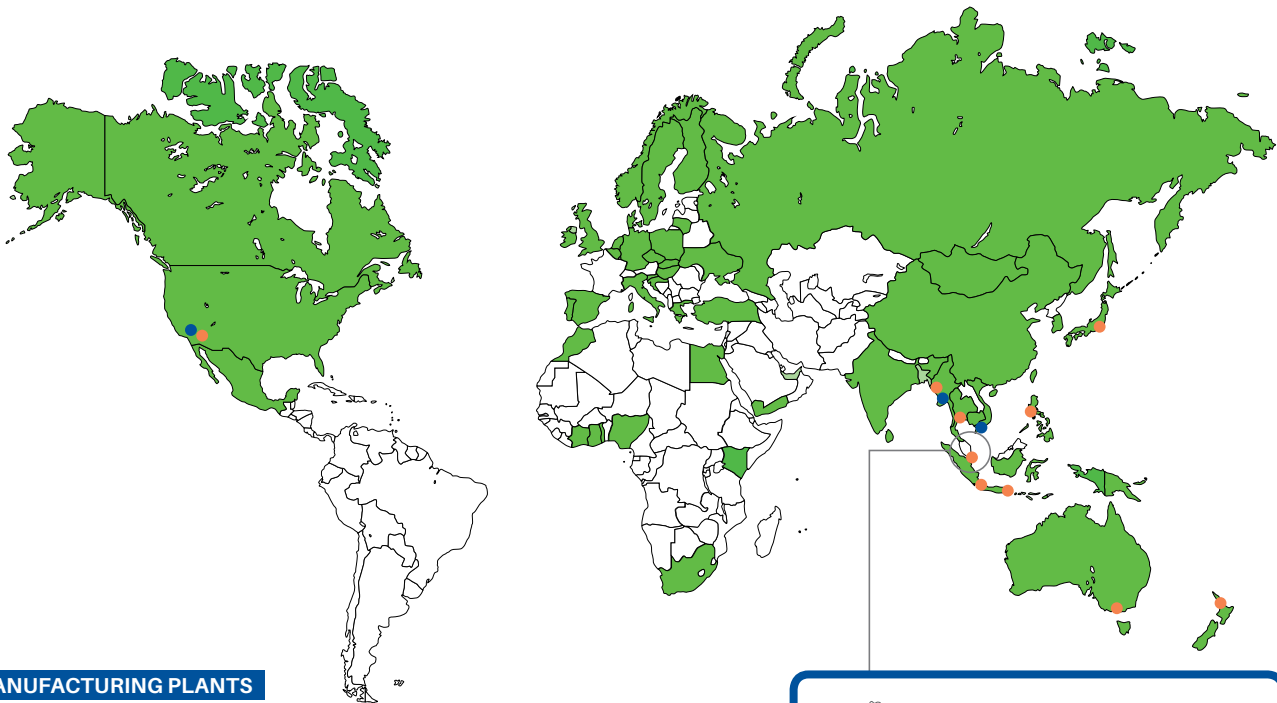
Being happy is an emotional state of mind where people find pleasure, real meaning and fulfilment in family, work and life in an environment where they can realise their full potential and embrace a keen sense of belonging in the Group.

Our Reach and Market Presence

Headquartered in Selangor, Malaysia, our global reach extends to more than 60 countries across five continents, where we export a diverse range of FPP solutions. This extensive network is supported by strategically located manufacturing plants and sales offices located around the world.

Our affordable housing footprint spans 32 matured, ongoing and new property developments located across Malaysia, with our upcoming developments in Thailand and Indonesia marking the division's first international foray.

OUR PACKAGING PRESENCE



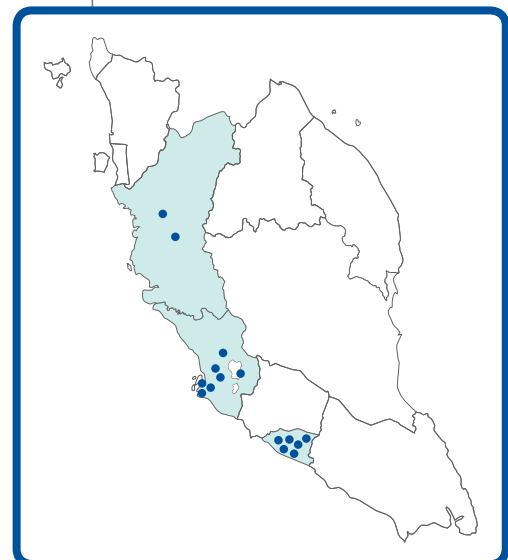
MANUFACTURING PLANTS

- Pulau Indah, Selangor (3 plants)
- Shah Alam, Selangor
- Klang, Selangor
- Rawang, Selangor
- Kajang, Selangor
- Sg Siput, Perak
- Chemor, Perak
- Tanjung Kling, Melaka (2 plants)
- Jasin, Melaka
- Bukit Rambai, Melaka
- Ayer Keroh, Melaka
- Teluk Emas, Melaka
- Ho Chi Minh City, Vietnam
- Phoenix, Arizona, USA
- Yangon, Myanmar

OVERSEAS SALES OFFICES

- Melbourne, Australia
- Jakarta, Indonesia (2 offices)
- Surabaya, Indonesia
- Tokyo, Japan
- Auckland, New Zealand
- Manila, Philippines
- Singapore
- Bangkok, Thailand
- Phoenix, Arizona, USA
- Yangon, Myanmar

EXPORT COUNTRIES



Exporting to
more than

60 countries

Overseas sales
offices in

9 countries

18

manufacturing
plants worldwide

OUR PROPERTY PRESENCE

32

townships and developments across Malaysia, Thailand & Indonesia

MALAYSIA

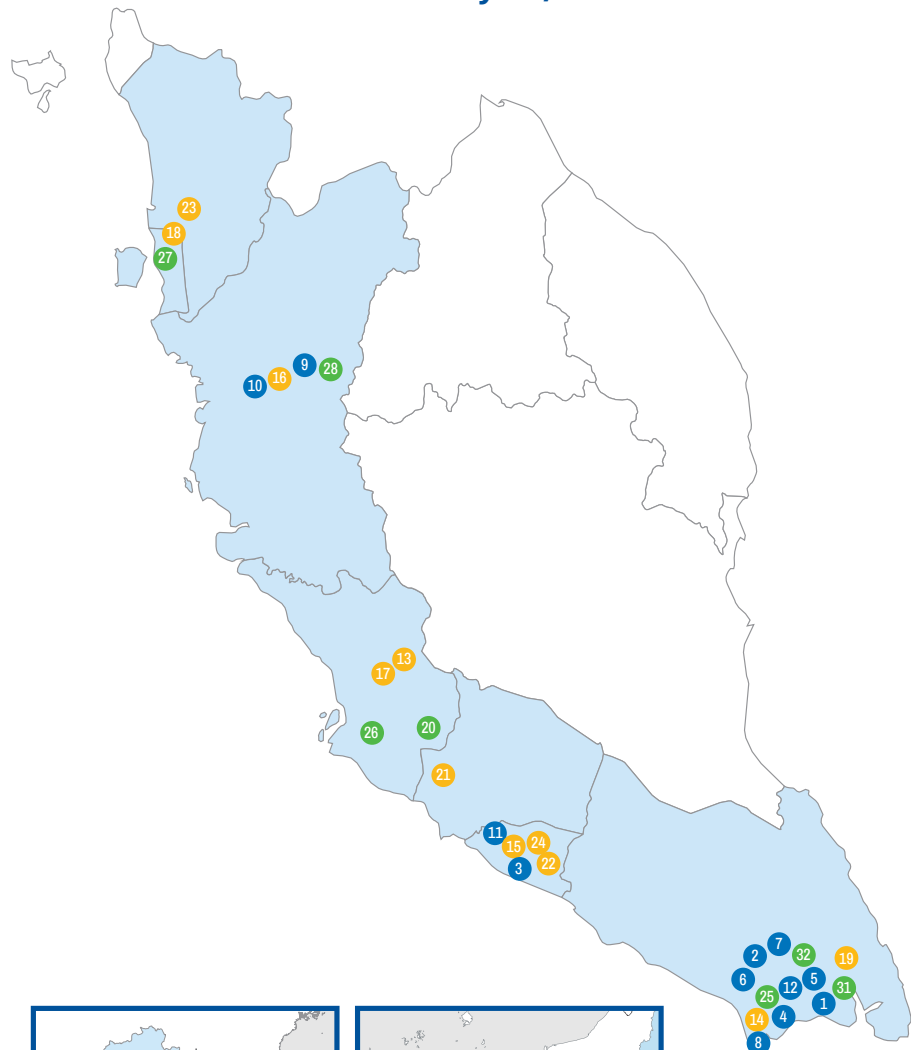
- 1 Scientex Pasir Gudang
- 2 Scientex Kulai
- 3 Scientex Heights
- 4 Scientex Skudai
- 5 Scientex Senai
- 6 Scientex Kulai 2
- 7 Scientex E'Roca Hills
- 8 Scientex Pulau
- 9 Scientex Klebang
- 10 Scientex Meru
- 11 Scientex Durian Tunggal
- 12 Scientex Senai 2
- 13 Scientex Rawang
- 14 Scientex Amber Land
- 15 Scientex Durian Tunggal 2
- 16 Scientex Meru 2 & 3
- 17 Scientex Kundang Jaya
- 18 Scientex Tasek Gelugor
- 19 Scientex Kota Tinggi
- 20 Scientex Cheras
- 21 Scientex Seremban
- 22 Scientex Bandar Jasin
- 23 Scientex Sungai Petani
- 24 Scientex Jasin
- 25 Scientex Pulau 3
- 26 Scientex Jenjarom
- 27 Scientex Sungai Dua
- 28 Scientex Ipoh
- 31 Scientex Tebrau
- 32 Scientex Bandar Kulai

THAILAND

- 29 Kraf Vibe Bangna

INDONESIA

- 30 Mustika Garden Tamansari



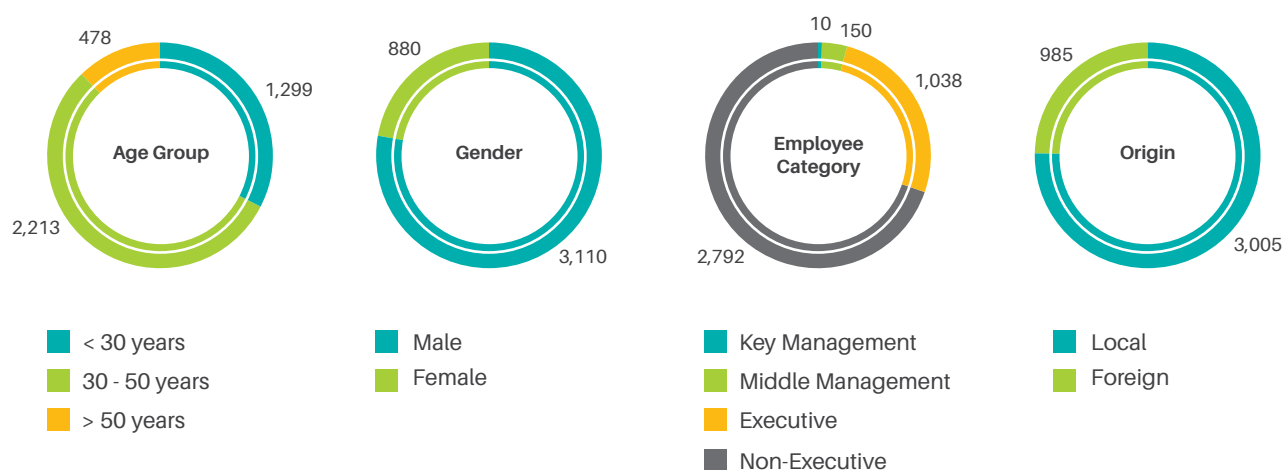
12 Matured
Developments

11 Ongoing
Developments

09 New
Developments

Our Workforce and Our Value Chain

As of FY2023, our dual core businesses employ a dedicated workforce of 3,990 staff. Ensuring the retention and continuous development of our valued employees is of the utmost importance to us, as these valued individuals serve as the foundation of our well-established processes and embody our culture of innovation.



OUR VALUE CHAIN

Our Suppliers

To achieve our business objectives, we leverage on a trusted network of suppliers and service providers. This includes raw materials and machinery suppliers, contractors, logistics providers and other service providers, with many of whom we have long-standing partnerships.

When sourcing for suppliers, we prioritise working with local companies whenever possible, thereby promoting value circulation within the local business ecosystem. We also regularly engage with our suppliers to foster upskilling in areas relevant to our business, such as sustainability.

Our Customers

As a fully integrated end-to-end player in the FPP industry, we serve a diverse range of customers across different industries and regions. Our customers primarily consist of distributors, industrial end users and brand owners. We actively collaborate with our customers to drive innovation and develop recyclable FPP solutions, in support of the circular plastic economy.

Within our Property Division, our focus is on customers from the medium-to-lower-income groups, which form the majority of the population in the areas where we operate. Our goal is to complete 50,000 affordable homes by 2028, providing equal opportunities for local communities to realise home ownership.

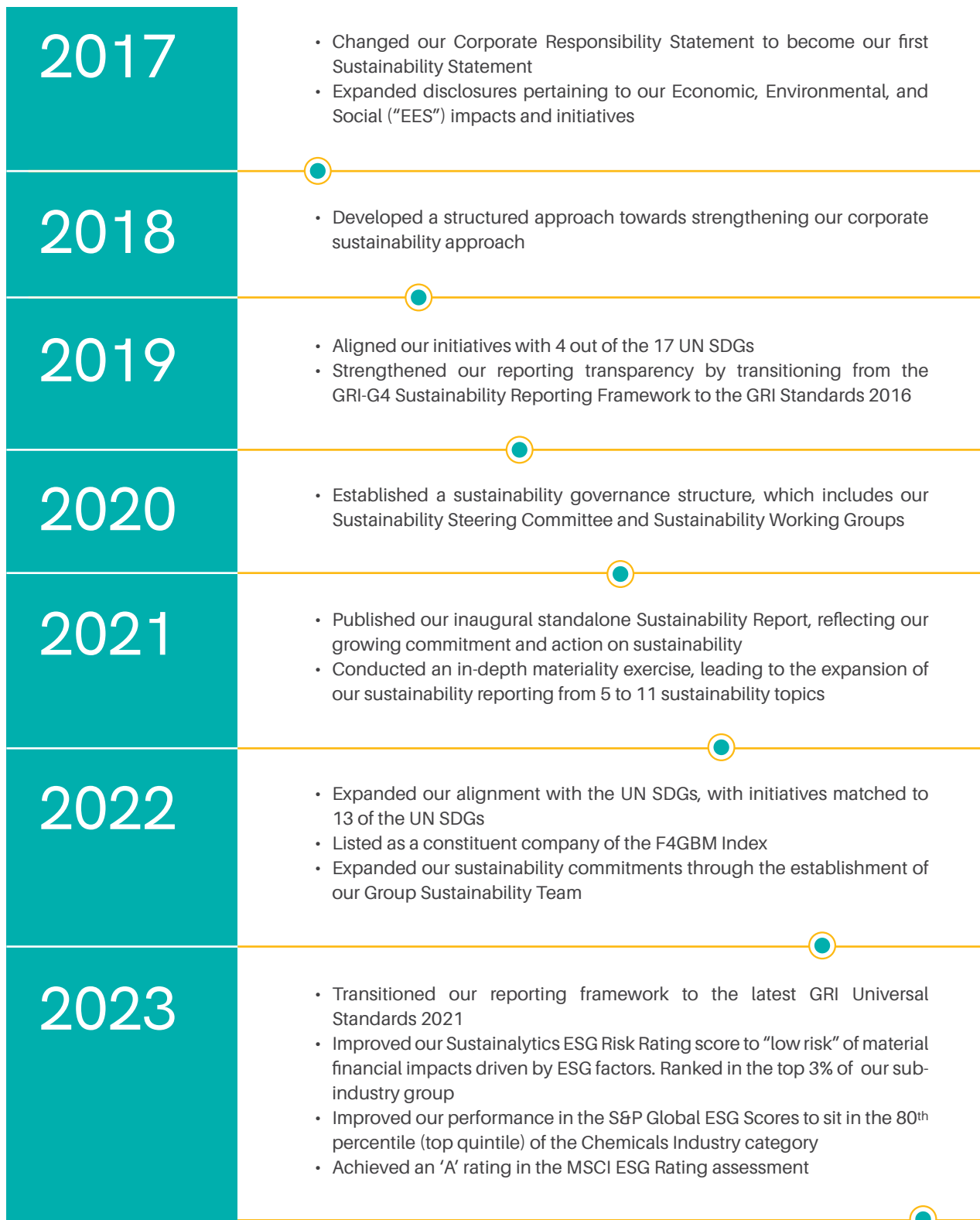
OUR MEMBERSHIP IN ASSOCIATIONS

We actively participate in various industry associations, leveraging these collaborations to unlock enhanced value, foster closer ties with regulatory authorities and contribute to the uplifting of standards within the Malaysian business community. Our various memberships also keep us informed about the latest innovations and trends, enabling us to institutionalise strategies that generate sustainable value for our stakeholders and communities.

Association	Business Division	Our Role
Malaysian Plastics Manufacturers Association ("MPMA")	Packaging	Member and Representative in Central Committee
Malaysian Employers Federation ("MEF")	Packaging	Member
Federation of Malaysian Manufacturers ("FMM")	Packaging	Member
Real Estate and Housing Developers' Association ("REHDA")	Property	Member
Construction Industry Development Board ("CIDB")	Property	Member
Master Builders Association Malaysia ("MBAM")	Property	Member

Our Sustainability Journey

Since the publishing of our first sustainability statement in 2017, we have made firm strides on our journey, expanding our alignment with respected international standards and achieving strong performance in globally-recognised ESG ratings.





Our Sustainability Approach

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in Our Business Processes

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Nations Sustainable
Development Goals

Sustainability Framework

Our Sustainability Framework describes how we achieve a harmonious balance between business and sustainability, detailing the interconnected roles that our business processes, governance framework and initiatives play towards creating long-term value and fostering sustainable growth.

As the basis of our framework, sustainability has been embedded within the business processes of our dual business divisions: Packaging and Property (p. 19). This helps us in realising our corporate Vision and Purpose while also lending support to the specific UN SDGs (p. 26) we have identified as relevant to our operations.

Each of our 11 sustainability material topics (p. 25) have been aligned to specific UN SDGs, categorised under three pillars: "Creating Shared Sustainable Value", "For the Betterment Of The Environment" and "Our People, Our Pride". These topics are refined through stakeholder engagements (p. 22) and regular materiality assessments (p. 24), enabling us to develop specific strategies, initiatives and action plans that create long-term value.

At the core of the framework is our Sustainability Governance structure (p. 20), which empowers a collaborative approach to sustainability. This robust structure enables us to maintain strong oversight of our initiatives, stay up-to-date on evolving sustainability matters, and formulate strategies that maximise positive impact.



Embedding Sustainability in Our Business Processes

By integrating sustainability within our established business processes, we deliver outcomes that maximise shared value between our business, our people and the planet.

PACKAGING DIVISION

DEVELOP

- Research and development of sustainable packaging solutions
- Co-creating products with our customers

PROCURE

- Centralised procurement of raw materials
- Sourcing of sustainable raw materials

PRODUCE

- Investing in advanced, energy-efficient production machinery and lighting
- Implementing renewable energy solutions including investing in solar PV systems for our plants
- Efficient production planning
- Upholding best practices in water usage, waste and effluent management

SELL

- Engaging with customers to understand their long-term sustainability objectives
- Maintaining efficient and time-tested distribution channels and methods

SUSTAINABLE PROCESSES

SUSTAINABLE OUTCOMES

- Recyclable FPP solutions
- Biodegradable and compostable packaging solutions
- Products with reduced material usage
- Increased range of sustainable products innovated
- Reduced emissions from transportation due to centralised procurement
- Increased accessibility of sustainable raw materials
- Reduced material use, energy use and waste generation
- Using recycled resin as a production input
- Recycling plastic waste and converting non-recyclable waste to Processed Engineered Fuel
- Reduced Scope 2 GHG Emissions due to lower use of conventional electricity
- Continuous increase sustainable products sold
- Reduced energy usage and emissions related to product distribution
- Continuous expansion of our market base

PROPERTY DIVISION

ACQUIRE

- Continuously expanding our presence through land bank acquisitions in Malaysia and venturing into neighbouring countries
- Identifying suitable land banks at competitive prices

PLAN

- Efficient planning of land use and house designs
- Developing plans that incorporate connectivity and transport infrastructure to larger population hubs, and encourage job creation within these communities
- Inclusion of green spaces and recreation facilities

LAUNCH

- Adopting digital channels to promote our developments
- Adopting systematic online procedures for property purchasing
- Installing solar PV systems to power our sales galleries

BUILD

- Utilising the industrialised building system ("IBS") construction technique
- Adopting good practices in waste and effluent management
- Reusing construction materials across multiple construction sites
- Optimising logistics planning to minimise emissions

SUSTAINABLE PROCESSES

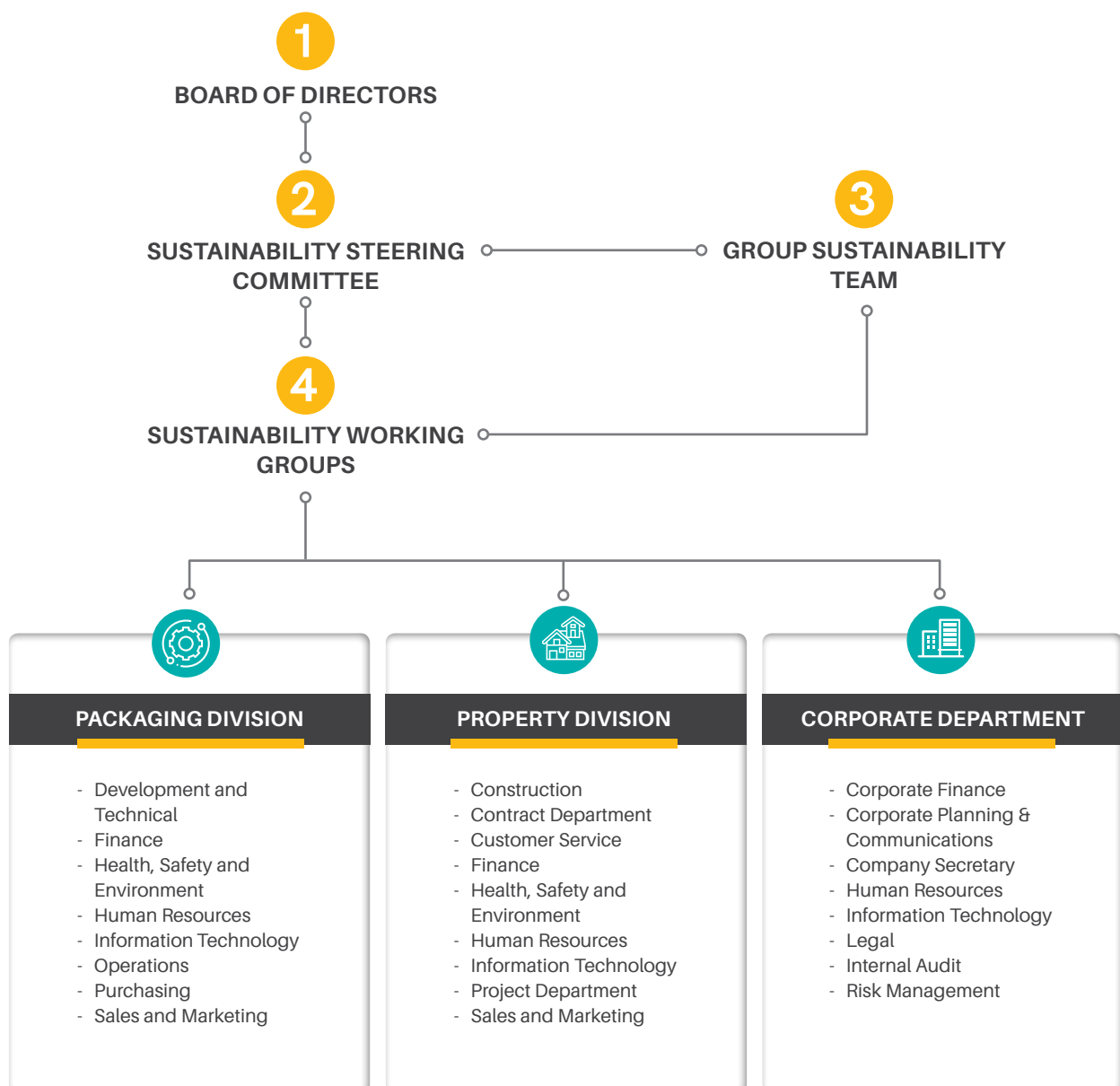
SUSTAINABLE OUTCOMES

- Enabled home ownership for more people in the middle-to-lower-income groups
- Cost effective acquisitions of land banks, with savings passed on to home owners
- Creation of townships that cater to holistic economic and social needs
- Improved quality of life for residents
- North-south building orientations to reduce heat exposure of dwellings
- Providing equal opportunities for affordable home ownership to people in middle-to-lower-income groups
- Enhanced convenience and safety for potential home buyers
- Reduced Scope 2 GHG emissions due to installation of solar PV systems at our sales galleries
- Improved employee safety due to use of the IBS construction technique
- Reduced waste generation due to material reuse and use of the IBS construction technique

Sustainability Governance

Our approach to sustainability is underpinned by a robust governance structure that involves key internal stakeholders at all levels of the Group.

Headed by our Board, our governance structure seeks to instil a culture of sustainability across our workforce and our global footprint. It establishes dependable avenues for all team members to raise pertinent sustainability matters aligned with their expertise and drive the transformative change they aspire to achieve. Supporting this, our governance structure is anchored by the crucial role of the Sustainability Steering Committee, who act as a bridge between vision and execution, translating our top-level sustainability agenda into actionable strategies and initiatives.



(Composition of working groups are determined based on the specific needs of sustainability topics and their associated initiatives)

Sustainability Governance

**Board of
Directors**

1

- Assumes overall responsibility for and oversight of the Group's sustainability agenda, including identifying sustainability topics, setting objectives and establishing policies and practices
- Nominated by the Nomination and Remuneration Committee, which further evaluates the Board's performance on sustainability matters through a peer evaluation process
- The Board's sustainability responsibilities are led by our Managing Director/Chief Executive Officer, Mr. Lim Peng Jin

**Sustainability
Steering
Committee
("SSC")**

2

- Comprises members of the Scientex Executive Committee ("EXCO") and is led by our Managing Director/Chief Executive Officer, Mr. Lim Peng Jin
- Regularly engages with stakeholders and staff at the departmental or subsidiary level
- Identifies potential sustainability topics based on these engagements, and subsequently presents said topics to the Board for consideration
- Develops comprehensive strategies for identified sustainability topics
- Sets key performance indicators for strategies identified, involving data management systems, reporting processes and internal control mechanisms
- Develops sustainability-related policies which govern sustainability practices across the Group, and tables these policies to the Board for approval

**Group
Sustainability
Team**

3

- Provides recommendations to the SSC on potential sustainability topics, and on the subsequent development and execution of strategies for identified and approved sustainability topics
- Supports the SSC in the nomination of specific working groups responsible for executing strategies formulated by the SSC
- Implements strategies together with the identified Sustainability Working Groups
- Reports on the outcomes and progress of related strategies during monthly management meetings with the SSC
- Monitors sustainability initiatives, and maintains records for regular reviews of sustainability management procedures and performance
- Takes the lead in preparing and presenting sustainability-related reports, in compliance with applicable reporting requirements

**Sustainability
Working
Groups**

4

- Appointed on a topic-by-topic basis depending on the needs of the topic and its initiatives
- May include representatives from the various departments and divisions within the Group
- Works with the Group Sustainability Team to ensure the effective implementation of formulated strategies while adhering to specific management procedures
- Maintains accurate records of actions taken and the results achieved
- Delivers comprehensive reports on related actions taken and their outcomes, during monthly management meetings
- Act as a conduit between the Group Sustainability Team and individual departments and subsidiaries, providing an avenue for staff members to highlight and elevate potential sustainability matters for consideration





Engaging Our Stakeholders

The insights from our stakeholders empower us to understand their evolving needs and gain a fuller picture of the impacts of our business practices. To this end, stakeholder engagements are conducted frequently and comprehensively, forming a key component of our materiality determination process and shaping our initiatives across our sustainability topics.



Our stakeholders are identified based on two factors:

1. Their potential to be affected by or influence the Group's ESG impact; and
2. Their ability to impact the Group's reputation in the markets we operate in, which can either enhance or diminish our ability to create positive ESG impacts through our products and services.

Details regarding the method and frequency of our stakeholder engagements, as well as their expectations, are provided below.















Stakeholder Group	Mode of Engagement	Frequency of Engagement	Expectations
 Customers	<ul style="list-style-type: none"> • Customer feedback channels • Social media channels • Scientex corporate website • Marketing and promotional events • Customer service offices • Regular meetings and plant visits • Collaborations on product development (Packaging Division) 	RG AWR	<ul style="list-style-type: none"> • Meeting product expectations in terms of quality, cost, price and delivery • Delivering sustainable and innovative products for increased customer and end-consumer benefit
 Suppliers	<ul style="list-style-type: none"> • Regular supplier meetings and progress updates • Site visits • Exhibitions and trade fairs • Technical seminars • Our Code of Conduct for Suppliers and ongoing evaluations 	RG PR AWR	<ul style="list-style-type: none"> • Maintaining ethical standards in procurement, taking into account environmental and social concerns • Setting clear expectations and best practices regarding product quality, product delivery and supplier payment • Supporting local suppliers and the local business ecosystem
 Employees	<ul style="list-style-type: none"> • Quarterly Rolling Budget ("QRB") dialogues • Employee appraisals • Employee engagement events • Internal bulletins • Progress update meetings • Monthly management meetings 	RG PR AWR	<ul style="list-style-type: none"> • Maintaining a safe and conducive work environment that supports physical, social and mental health • Maintaining an inclusive and non-discriminatory work environment and culture • Providing training, development and career advancement opportunities
 Investors and Shareholders	<ul style="list-style-type: none"> • Annual General Meetings ("AGM") • Investor relations engagements • Scientex Integrated Annual Reports and Sustainability Reports • Scientex corporate website • Announcements on Bursa Malaysia 	AN PR AWR	<ul style="list-style-type: none"> • Delivering sustainable growth that meets annual and long-term financial targets • Delivering consistent returns in the form of dividends and stock price appreciation • Upholding the Group's reputation as a socially and environmentally responsible organisation • Maintaining best practices in corporate governance

Engaging Our Stakeholders

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Expectations
 Governments and Regulators	<ul style="list-style-type: none"> Regular meetings and consultations Seminars, training sessions, dialogues and forums organised by regulatory bodies On-site inspections and audits 	AWR	<ul style="list-style-type: none"> Supporting the Malaysian Government's policies by providing affordable housing to middle-to-lower-income Malaysians Supporting the Ministry of Natural Resources, Environment and Climate Change ("NRECC") in developing actions to achieve the targets of the Malaysia Plastic Sustainability Roadmap ("MPSR") 2021-2030 Upholding best practices across the ESG spectrum Maintaining strict compliance on all applicable rules and regulations, including mandatory contributions Participating in the PLCT Programme organised by Bursa Malaysia to enhance the "investability" of listed companies in Malaysia
 Local Communities	<ul style="list-style-type: none"> Social media channels Scientex corporate website Customer service offices (Property Division) Community events Dialogue sessions 	RG PR AWR	<ul style="list-style-type: none"> Contributing to community initiatives that lead to economic benefits and societal advancement opportunities Developing infrastructure as part of property developments that improve connectivity, widen community services and increase job opportunities Providing employment and career advancement opportunities to members of the community Ensuring that products and services developed across both divisions have minimal negative environmental impacts, in terms of materials used and waste and emissions generated

LEGEND: AN = Annually RG = Regularly PR = Periodically AWR = As and when required

We also engage with our key stakeholders by participating in various voluntary initiatives. These initiatives provide us with valuable insights into important matters that impact our industry, business community, society and Malaysia as a whole. For more detailed information, please refer to our topic-level disclosures.

Initiative	Nature of Initiative	Stakeholders We Engage
'Cross Border Development Strategy' initiative	Voluntary	   
State level affordable housing initiatives: <ul style="list-style-type: none"> Rumah Mampu Biaya (Johor) Rumah Mampu Milik (Melaka) Rumah Harapan (Selangor) Rumah Mampu Milik (Pulau Pinang) 	Voluntary	  
Participation in environmental initiatives (including talks, discussions and webinars)	Voluntary	   
The Green Truck, 'Back to Earth' Food Composting Programme and our mangrove planting initiative	Voluntary	 
Public Listed Companies Transformation ("PLCT") Programme	Voluntary	

Materiality

OUR MATERIALITY DETERMINATION PROCESS

Incorporating input from our stakeholders, our workforce and various industry sources, our materiality determination process aims to identify and prioritise key matters across the ESG spectrum. These identified matters then form the foundation of our sustainability efforts, steering our strategic focus towards maximising our positive impacts and mitigating areas of negative impact.

1 IDENTIFY

Aided by credible internal and external sources, the SSC undertakes a detailed analysis of industry and sustainability trends, reviews the Group's current sustainability topics, and identifies potential new sustainability topics for inclusion.

2 SHORTLIST

Potential sustainability topics undergo a thorough assessment, considering factors that include stakeholder needs and concerns, impacts to local communities where we operate, regulatory matters and the topic's significance to business operations.

4 VALIDATE

A materiality matrix is generated, incorporating the proposed list of sustainability topics and the result of the preceding three steps, and is reviewed by the Managing Director/Chief Executive Officer for validation. The reviewed matrix is then presented to the Board for final approval.

3 PRIORITISE

The shortlist of sustainability topics are then assessed through various consultations with certain stakeholders and heads of departments, providing a gauge on each topic's materiality.

OUR MATERIALITY DETERMINATION PROCESS

MATERIALITY MATRIX

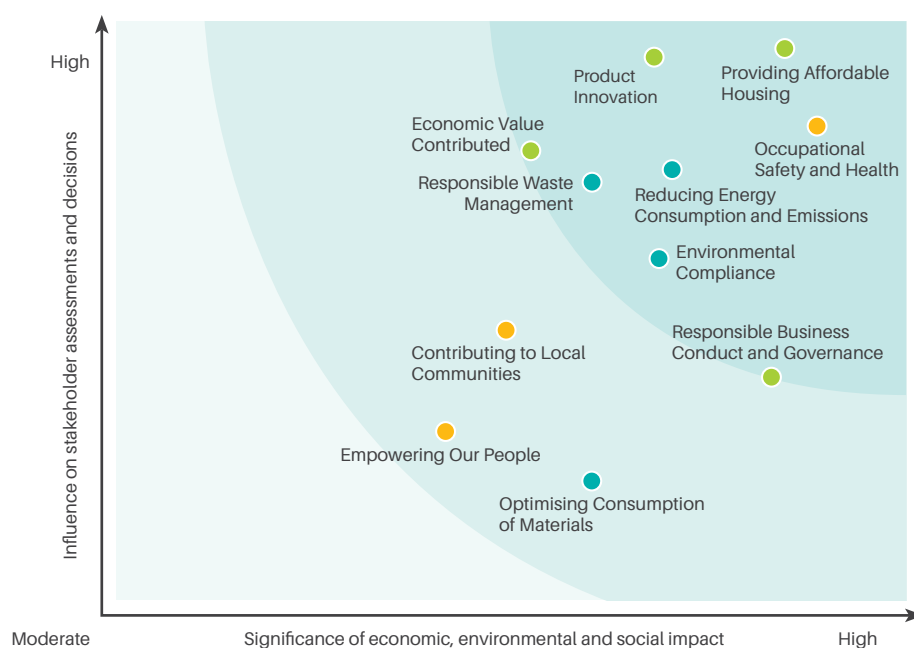
Upon completion of the materiality determination process, a materiality matrix is generated, illustrating the significance of each sustainability material matter to both the Group and our stakeholders.

In FY2023, our sustainability material matters remained the same as in the previous year. However, two material matters - "Responsible Business Conduct and Governance" and "Reducing Energy Consumption and Emissions" - were repositioned, as shown below. For a detailed comparison with our prior materiality matrix, please refer to our FY2022 Sustainability Report.

The repositioning of "Responsible Business Conduct and Governance" reflects the growing scrutiny of corporate governance practices by governments and regulators. Meanwhile, "Reducing Energy Consumption and Emissions" was repositioned along both axes, illustrating the increasing influence that climate action has on the considerations of our stakeholders and thus, our ability to achieve our sustainability and business objectives.

These changes reflect our recognition of the importance of addressing both of these important topics and aligning our priorities with evolving environmental and governance trends.

The updated materiality matrix including the materiality determination process undertaken has been reviewed by our Sustainability Steering Committee and approved by the Board of Directors.



CLASSIFYING OUR SUSTAINABILITY TOPICS

Each of our sustainability topics are classified under one of three pillars: "Creating Shared Sustainable Value", "For the Betterment Of The Environment" and "Our People, Our Pride". This provides an overarching focus and direction to our value creation efforts.



CREATING SHARED SUSTAINABLE VALUE

- Responsible Business Conduct and Governance
- Providing Affordable Housing
- Product Innovation
- Economic Value Contributed



FOR THE BETTERMENT OF THE ENVIRONMENT

- Responsible Waste Management
- Optimising Consumption of Materials
- Reducing Energy Consumption and Emissions
- Environmental Compliance



OUR PEOPLE, OUR PRIDE

- Occupational Safety and Health
- Empowering Our People
- Contributing to Local Communities

Supporting the United Nations Sustainable Development Goals

In striving to make a positive impact beyond the bounds of our business, we have aligned our sustainability strategies and initiatives with the UN SDGs.

The UN SDGs comprise 17 Global Goals which the United Nations has identified as critical to global sustainable development. At present, we have aligned our sustainability topics with 13 of the UN SDGs, and will continue to evaluate and, if relevant, adopt additional UN SDGs as our sustainability agenda evolves.



Supporting the United Nations Sustainable Development Goals

United Nations Sustainable Development Goal (UN SDG)	Aligned Sustainability Topics	How We Contribute
 <p>NO POVERTY End poverty in all its forms everywhere</p>	<ul style="list-style-type: none"> • Providing Affordable Housing • Empowering Our People • Contributing to Local Communities 	<ul style="list-style-type: none"> • Enabling home ownership for more people in the middle-to-lower-income groups • Providing gainful, long-term employment opportunities to members of local communities, thereby empowering greater income security • Initiating and contributing to meaningful charitable initiatives that improve livelihoods in local communities
 <p>GOOD HEALTH AND WELL-BEING Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> • Product Innovation • Occupational Safety and Health • Contributing to Local Communities 	<ul style="list-style-type: none"> • Innovating packaging solutions with enhanced food hygiene and safety standards, for health and well-being • Upholding best practices in employee safety and health at our workplaces, including by introducing measures to mitigate non-work-related health issues • Promoting physical, social and mental health through employee activities and initiatives • Improving access to and knowledge of health among our local communities through initiatives including our Scientex Health Day, which provides free health screenings and health talks to the public • Developing townships with facilities that promote a healthy and active lifestyle
 <p>QUALITY EDUCATION Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> • Empowering Our People • Contributing to Local Communities 	<ul style="list-style-type: none"> • Providing training and development programmes so our employees have avenues for lifelong learning and continuous professional development • Developing school-based programmes that raise awareness of and educate children on the benefits of recycling
 <p>AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> • Reducing Energy Consumption and Emissions 	<ul style="list-style-type: none"> • Adopting energy-efficient production machinery and low-energy lighting solutions in our plants and development sites, while continuously upgrading our production machinery for improved energy efficiency • Accelerating the adoption of solar PV systems at our production plants and sales galleries to reduce our emissions




Supporting the United Nations Sustainable Development Goals

United Nations Sustainable Development Goal (UN SDG)	Aligned Sustainability Topics	How We Contribute
 <p>DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Economic Value Contributed • Occupational Safety and Health • Empowering Our People 	<ul style="list-style-type: none"> • Contributing to the Malaysian economy through taxes, capital investments, wages, payments made to suppliers and more • Achieving sustainable growth and sharing the benefits of this growth through staff benefits and professional growth opportunities • Ensuring work environments that prioritise the physical safety, security and well-being of our workforce, in line with global standards in occupational safety and health • Supporting the Malaysian government's talent development agenda by providing employment opportunities to local talent, and offering equal pay and fair wages • Adhering to and upholding national labour laws to ensure good labour practices for our employees
 <p>INDUSTRY, INNOVATION AND INFRASTRUCTURE Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>	<ul style="list-style-type: none"> • Providing Affordable Housing • Product Innovation 	<ul style="list-style-type: none"> • Adopting the IBS construction technique to promote efficient construction and material utilisation • Building sustainable infrastructure, including access roads and community services, as a key part of our property developments • Developing material solutions and process innovations in packaging that enhance convenience, safety and health, and which are sustainable • Utilising innovative and resource-efficient machinery, as well as recycling infrastructure, in our operations to achieve more sustainable and efficient industrial processes
 <p>REDUCED INEQUALITIES Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> • Responsible Business Conduct and Governance • Providing Affordable Housing • Empowering Our People 	<ul style="list-style-type: none"> • Enforcing our Code of Conduct for Suppliers and Code of Ethics to strengthen our business practices and mitigate incidents of corruption and discrimination in the workplace • Providing affordable yet quality homes to middle-to-lower-income groups, thereby contributing to an equal opportunity environment for home ownership • Maintaining a fully inclusive and non-discriminatory approach to recruitment, including by providing equal professional development opportunities to all employees

Supporting the United Nations Sustainable Development Goals

United Nations Sustainable Development Goal (UN SDG)	Aligned Sustainability Topics	How We Contribute
 <p>SUSTAINABLE CITIES AND COMMUNITIES Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> • Providing Affordable Housing • Economic Value Contributed • Contributing to Local Communities 	<ul style="list-style-type: none"> • Contributing towards connectivity through the development of access roads, in addition to developing infrastructure such as public parks surrounding our developments • Continuously expanding our affordable housing presence and thereby providing more people with safe and inclusive living environments • Placing increased emphasis on the development of self-sustaining townships that not only provide housing but also economic benefits to local communities
 <p>RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • Product Innovation • Responsible Waste Management • Optimising Consumption of Materials • Reducing Energy Consumption and Emissions • Environmental Compliance 	<ul style="list-style-type: none"> • Developing sustainable, recyclable and resource-efficient packaging solutions in our Packaging Division, while introducing efficient construction methods in our Property Division • Introducing and adhering to our waste management framework and waste management hierarchy to reduce and minimise waste and its impacts on the environment • Ramping up recycling efforts across our dual core businesses, including by reusing construction materials, recycling plastic waste and using recycled resin as an input in packaging production • Investing in efficient machinery and continuously improving our production processes to reduce waste and energy consumption • Prioritising the procurement of materials from environmentally responsible suppliers, and encouraging responsible utilisation of materials across our supplier base • Upholding our commitment to all relevant environmental laws and regulations in our countries of operation
 <p>CLIMATE ACTION Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • Optimising Consumption of Materials • Reducing Energy Consumption and Emissions • Contributing to Local Communities 	<ul style="list-style-type: none"> • Recycling plastic waste to produce recycled resin for packaging production, thereby reducing material use and carbon footprint • Downgauging films produced in our Packaging Division to reduce their thickness, raw material consumption and carbon footprint related to production • Adopting energy-efficient production machinery and low-energy lighting solutions in our plants and development sites, while continuously upgrading production machinery for improved energy efficiency

Supporting the United Nations Sustainable Development Goals

United Nations Sustainable Development Goal (UN SDG)	Aligned Sustainability Topics	How We Contribute
		<ul style="list-style-type: none"> Considering and addressing indirect emissions that we may generate throughout our supply chain, and countering GHG emissions through our corporate activities, such as with our mangrove planting initiative Advocating environmental responsibility in our processes and among our suppliers, while promoting environmental awareness within local communities via collaborations with the MPMA
 <p>LIFE BELOW WATER Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<ul style="list-style-type: none"> Responsible Waste Management Environmental Compliance 	<ul style="list-style-type: none"> Utilising PCR resin which is derived from ocean-bound plastics in our packaging solutions Initiating mangrove planting activities and contributing towards the restoration of a mangrove habitat which was formerly used as a dump site
 <p>LIFE ON LAND Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> Environmental Compliance Contributing to Local Communities 	<ul style="list-style-type: none"> Undertaking Environmental Impact Assessments ("EIA") for property developments of 50 hectares or more, focusing on the environmental impact of land use change on local biodiversity and ecosystems Clearing property development sites in phases to encourage gradual fauna migration Planting various species of trees and shrubs, including various vulnerable species of trees, within our property development sites Restoring mangrove forests while preserving their high biodiversity value through our mangrove planting activities
 <p>PEACE, JUSTICE AND STRONG INSTITUTIONS Promote just, peaceful and inclusive societies</p>	<ul style="list-style-type: none"> Responsible Business Conduct and Governance 	<ul style="list-style-type: none"> Promoting ethical business conduct and upholding justice and the rule of law at all levels and in all jurisdictions where we operate Upholding our Anti-Bribery and Anti-Corruption ("ABAC") Policy, which extends to our employees, suppliers and other stakeholders Creating awareness on Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and all the practices stipulated therein



Creating Shared Sustainable Value

32 Responsible Business Conduct
and Governance

38 Product Innovation

35 Providing Affordable Housing

45 Economic Value Contributed



RESPONSIBLE BUSINESS CONDUCT AND GOVERNANCE

Placing Ethics and Integrity First

WHY IT MATTERS

As an organisation with a global footprint, it is integral that we uphold high standards of integrity in everything that we do.

By placing ethics as a paramount consideration in our business, we are well-positioned to maintain strong relationships with our stakeholders, engender the trust and loyalty of our workforce and protect our reputation as a responsible organisation. By doing this, we can unlock new business opportunities that enable us to achieve our growth objectives.

OUR APPROACH

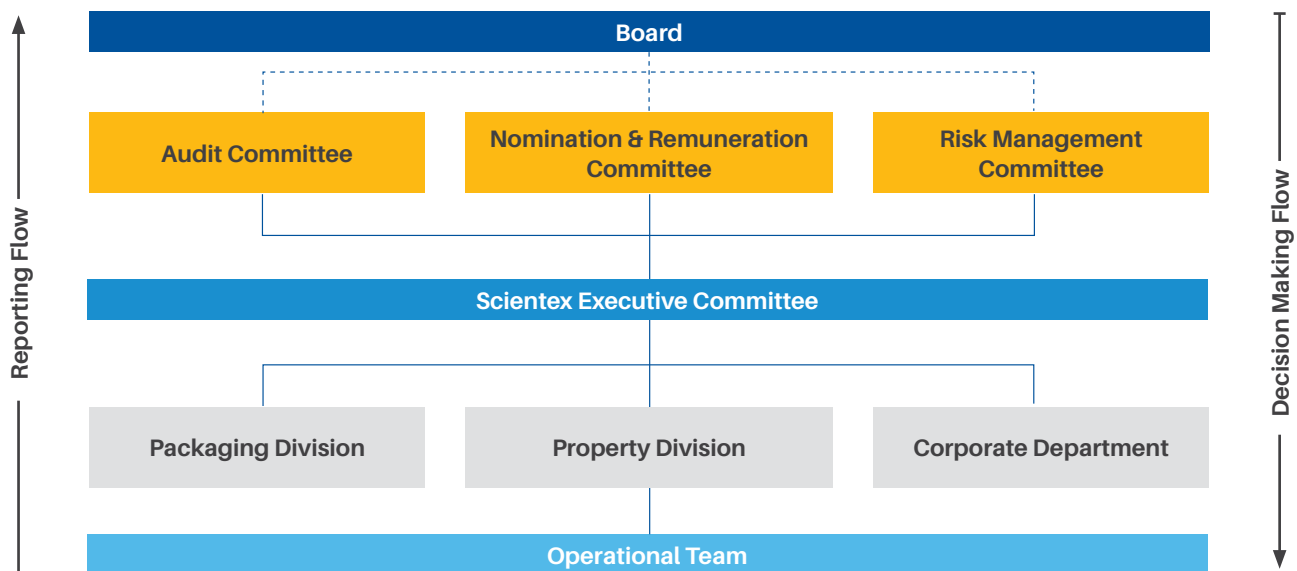
Our stringent stance on business conduct is founded on a zero-tolerance policy towards any and all unethical actions. This is enforced at all levels of our business structure, from top management to executive-level staff. It is also informed by relevant local, international and industry-level rules and

regulations, which we continuously monitor to ensure that we remain abreast of changes.

Our zero-tolerance policy is supported by a well-established governance structure and a suite of codes and policies. Meanwhile, our employees are provided with relevant learning modules to ensure their awareness and ongoing compliance.

Our Robust Governance Structure

We believe that effective governance forms the foundation for ethical and responsible business conduct, while also promoting business transparency. To this end, our governance structure – as detailed below – provides oversight of actions taken across all divisions of the Group. This facilitates effective decision-making on matters related to business operations and empowers our Board of Directors to make well-informed decisions and implement suitable policies and practices in ensuring our continued long-term value creation potential.



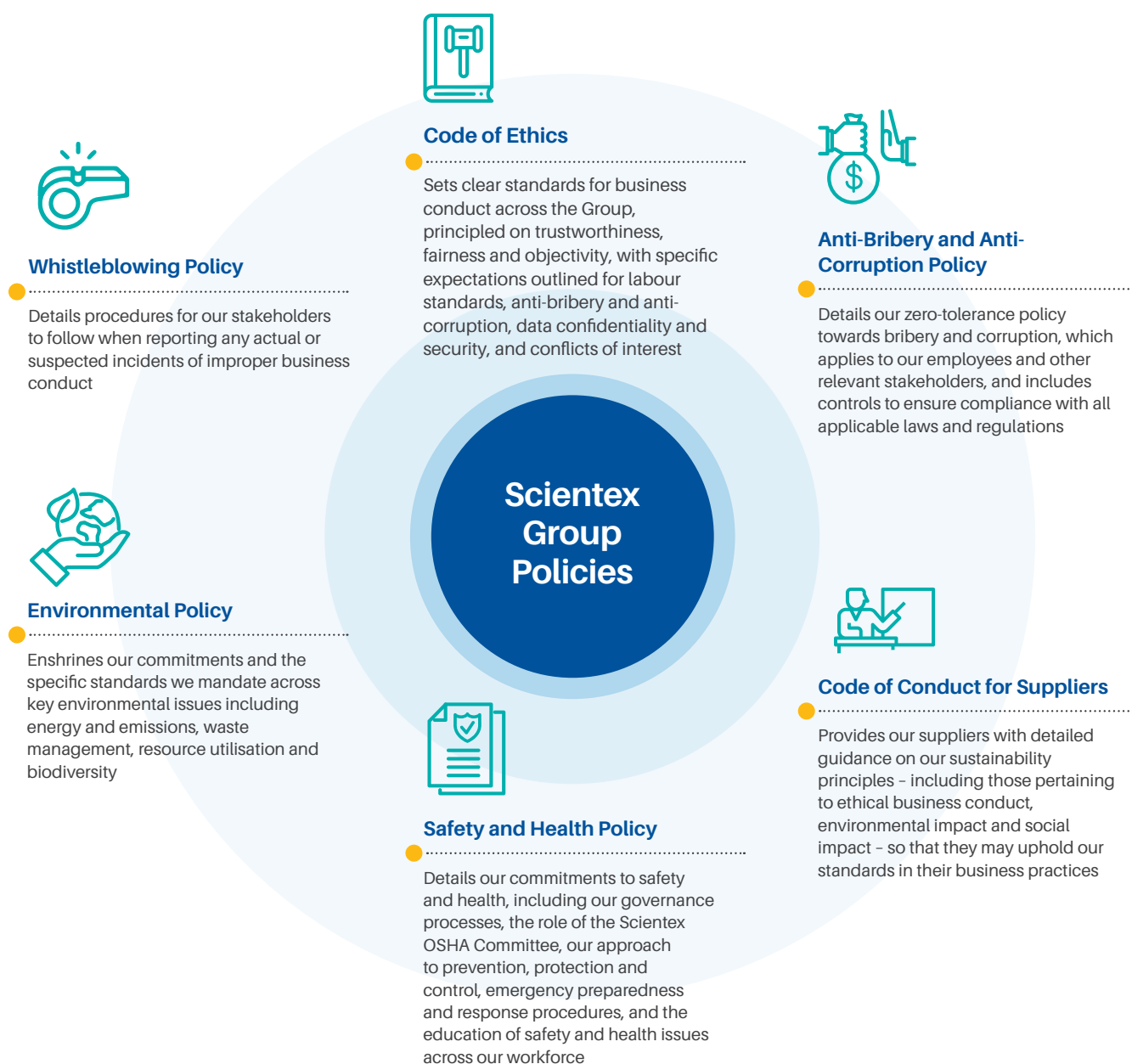
Note: For more details on the respective roles and responsibilities of each party within our governance structure, please refer to p. 89 (Corporate Governance section) of our IAR 2023.

In line with our commitment to responsible business conduct, our external auditors are rotated every seven years or at any time beforehand at the Board's discretion, as per the requirements of the Malaysian Institute of Accountants. Further to this, our external auditors rotate the engagement quality control partners assigned to the Group every seven years.

We have also undertaken a corruption risk assessment for various departments within the Group's operations. This has enabled the identification of primary risks for potential corruption within the organisation, empowering us to take proactive measures in implementing mitigation controls.

Our Suite of Codes and Policies

To establish clear standards and expectations in business conduct, we have developed a suite of Group-wide codes and policies which are periodically reviewed to ensure their effectiveness and alignment to relevant regulations. All relevant employees and other stakeholders, including third-party vendors, are informed of policies that are relevant to their engagement with the Group and are expected to understand and comply with all rules and regulations when undertaking their duties.



Further to the codes and policies detailed herein, our Data Privacy Policy provides specific standards and processes for our employees in handling personal data, and was developed in line with the Personal Data Protection Act 2010. All stakeholders may reach out to our dedicated personnel to lodge any inquiries or concerns regarding the personal data they have provided.

All of our policies and codes are available for download on our corporate website.

Driving Awareness and Adherence

To ensure that our standards in business conduct are upheld, we communicate our codes and policies to our stakeholders and provide relevant employees with training courses and regular review sessions.

In FY2023, our employees were availed of e-learning modules covering our Whistleblowing Policy, ABAC Policy and Code of Conduct for Suppliers. Further to this, all new executive-level employees are consistently required to attend a separate briefing session on our ABAC Policy, placing the onus upon them to set a positive example from the top.

Meanwhile, all new suppliers with an annual supply value of more than RM50,000 continued to receive communication regarding our ABAC Policy and Code of Conduct for Suppliers, which align with our established practices. Additionally, separate briefing sessions on the Code were conducted for our procurement team, ensuring they remain well informed and equipped to observe the guidelines stipulated in our Code during the supplier procurement process.

OUR PERFORMANCE

In FY2023, we continued to make progress in advancing ethical business conduct and good corporate governance. As an illustration, we assessed 32% of our business entities (7 in total) for corruption-related risks during the year under review, and will continue to rotate this assessment across other entities in the future.

Communication and Declarations



100% of our employees* have completed the e-learning modules made available to them



100% of our new hires* during FY2023 have acknowledged our ABAC Policy



260 new suppliers were informed about our ABAC Policy and Code of Conduct for Suppliers in FY2023

* Employees at executive level and above only

Compliance

There were zero instances of corruption, bribery, unethical business conduct, data privacy breaches or human rights violations reported or investigated during FY2023. The Group did not make any political contributions during the reporting period.

PROVIDING AFFORDABLE HOUSING



Improving Lives Through Quality Affordable Homes

WHY IT MATTERS

Property development is a core facet of our business, and our commitment to delivering quality affordable homes is a pivotal driver of both financial and non-financial value creation, generating a variety of positive social and economic outcomes.

Since the commencement of our property development activities, our focus on building affordable homes for the middle-to-lower-income segment has been driven by our social mission to increase the accessibility of home ownership. Our efforts not only uplift the lives of these home owners, but stimulate economic growth within the surrounding local communities.

Strategically, our focus on affordable homes also translates into economic benefit for the Group, enabling steady growth in our Property Division as we fulfil unmet demand for such homes within the market. The sustainability of our approach is further enhanced by our alignment with government-led initiatives aimed at promoting greater home ownership among lower-income groups, as well as our consistent reinvestment of resources to expand our portfolio of affordable homes at suitable locations.

OUR APPROACH

With the aim of completing 50,000 affordable homes by 2028, we strive to consistently expand the footprint of our property developments. In achieving this, we are guided by three imperatives:



Improve Quality and Value - We pursue innovative ways of improving the quality and value of our developments without sacrificing on their price competitiveness.

Utilise Efficient Construction Methods - To deliver on our quality, value and cost propositions, we actively integrate construction methods and techniques that give us the means to develop homes more efficiently.

Maintain Affordable Pricing - We ensure that our development projects are priced at a level that is accessible to the middle-to-lower-income segment, in line with our purpose as an affordable homes developer.

Enhancing Construction Efficiencies

Over the years, we have adopted various strategies and construction methods that improve the time and cost-efficiencies of our developments, with one example being our use of standardised building designs. With a focus on practical layouts and optimising land usage, this approach has boosted our construction efficiencies, unlocked economies of scale and enabled us to provide greater value to our customers.

In parallel to this, we employ the IBS construction technique within a growing list of our developments to enhance efficiency across the building process. Our application of IBS steel formworks, replacing traditional materials such as timber or plywood, permits us to create better quality buildings in a cost-effective manner, while simultaneously optimising our usage of resources and minimising wastage. These steel formworks are pre-engineered at an off-site location and assembled on-site, reducing reliance on labour and accelerating the construction process.

This practice also significantly enhances the consistency of our build quality, granting us the capacity and capabilities to undertake and deliver large-scale affordable home projects on time and within budget.

During FY2023, we expanded our application of IBS further, extending the utilisation of the technique beyond sheer walls to encompass all wall sections of the homes we develop. This has resulted in an increased speed of construction and a decreased reliance on conventional building materials, further elevating the competitiveness of our building processes.



A sample development utilising the IBS construction technique encompasses all wall sections

Expanding Our Property Development Footprint

Over the years, we have steadily grown the presence of our developments across Peninsular Malaysia, expanding from our traditional home base in the south of Malaysia to the central and northern regions of the peninsula. This expansion is guided by our 'Cross Border Development Strategy', under which we strive to consistently identify cost-competitive land banks that are suitable for affordable housing developments in terms of accessibility, connectivity, local demand and projected cost of construction.

In recognising the potential of replicating our methodologies beyond our national borders, we began exploring property development opportunities in Thailand and Indonesia during FY2023. Through the formation of strategic regional partnerships, we aim to leverage our established construction methodologies to establish a competitive advantage in these markets, with the goal of growing our regional presence over the long term.



An artist's impression of our development in Thailand

Supporting our expansion goals, profits generated by the division are consistently reinvested to fund new land bank

acquisitions, ensuring a sustainable supply of affordable homes to meet the needs of local communities.

Providing to Holistic Community Needs

Our property development efforts are aligned with the Malaysian government's ongoing initiatives to improve the socio-economic welfare of lower-income communities, wherein the provision of affordable homes plays a key role. In support of this, more than 70% of the homes we have built to date have been priced below RM300,000, providing an accessible entry point for many Malaysian families to achieve home ownership.

However, our contribution extends beyond building homes alone. To drive the holistic advancement of local communities in the vicinity of our developments, we also build new infrastructure – such as access roads – and strive to expand the reach of existing public transportation where possible. Our presence also creates positive multipliers for the surrounding economy through our hiring of local vendors and the integration of commercial and community centres within our developments. Collectively, these actions contribute to the sustainable development of local communities, further improving the standard of living of our home buyers.

At the same time, our property development processes are guided by and adhere to environmental and social regulations and standards, reinforcing our reputation as a responsible developer.

OUR PERFORMANCE

In FY2023, we made steady progress towards achieving our goal of completing 50,000 affordable homes by 2028.

Affordable homes completed (cumulative units)

PRICE RANGE (RM)	2021	2022	2023
<100K	2,639	2,639	2,639
100K-200K	10,820	11,650	12,474
200K-300K	4,772	5,006	6,760
300K-400K	4,958	4,958	5,882
400K-500K	2,108	2,447	2,648
Total	25,297	26,700	30,403

As of FY2023, the total percentage of completed units of affordable homes sold is approximately 99.7%.

ESTABLISHING A STRONG Foothold IN PENANG

Encouraged by the success of our inaugural venture in Penang, Scientex Tasek Gelugor, we recently launched our second development, Scientex Sungai Dua, to meet growing demand from the middle-to-lower income population in the area.

Spread across 343 acres of prime freehold land and located in close proximity to the first Penang Bridge, this mixed development will comprise affordably priced double-storey terrace homes, shop offices, a leisure park and a multipurpose hall, providing to the holistic needs of homeowners. Due to its strategic location, residents will enjoy ease of access to the North-South Expressway, Kulim Hi-Tech Park and other important hubs of commerce and industry.

The take-up rate for our initial launch of 309 double-storey terrace house units has been promising, with 91% of homes being taken up at prices starting from only RM298,800.

This development substantially contributes to the Penang Affordable Housing Scheme, under which the state government aims to drive the development of affordable homes across the state. The delivery target for the scheme was recently raised from 220,000 units to 250,000 units by 2030, a move that underscores robust demand for affordable homes from within local communities.

To support our growing presence in the state, we have opened a sales gallery in Sungai Dua. The gallery is powered by a solar PV system to reduce our carbon footprint, demonstrating our continuous and proactive commitment to sustainability.



An artist's impression of our double-storey terrace house at Scientex Sungai Dua



The rooftop solar PV system at our sales gallery



PRODUCT INNOVATION

Pushing Boundaries in Pursuit of Sustainability

WHY IT MATTERS

As a forward-thinking organisation, we wholeheartedly embrace a spirit of innovation, constantly pushing boundaries to grow our reputation and presence across the global packaging supply chain, while minimising our impact on the planet. As such, innovation is the underlying factor behind our three Drivers of Growth (detailed on p. 38 of our IAR 2023), empowering us to make progress towards our business goals.

By prioritising the development of environmentally friendly products that support the circular plastic economy, we enhance our status as an environmentally conscious organisation – a reputation that consumers and stakeholders increasingly expect from leading businesses. Besides that, prioritising innovation ensures our ability to adapt and remain competitive in the future, thereby securing our long-term sustainability.

OUR APPROACH

Building a Strong Foundation for Innovation

Through meaningful investments and dedicated research and development efforts, we strive to remain at the forefront of the FPP industry, delivering innovative and sustainable solutions that address the evolving demands of our customers and contribute to a more environmentally friendly future.

To further improve our innovation capabilities, we invested a total of RM120.1 million in new machinery, advanced technologies and factory enhancements during FY2023. These investments complement our previous efforts, including the development of state-of-the-art innovation centres to oversee our innovation efforts across the value chain and cultivate a culture of innovation throughout the Group.

Our efforts are bolstered by our expertise as a fully integrated end-to-end player in the FPP industry. With a direct understanding of the evolving requirements of market players in the fast-moving consumer goods ("FMCG"), food and beverage ("F&B") and other consumer markets, we can swiftly develop, produce and test customised base films and recyclable multi-layered FPP structures that meet their specific needs. By doing so, we contribute to enhancing sustainability across the board, aligning our innovation efforts with our environmental objectives.

In FY2023, we invested a total of **RM120.1 million** to drive innovation across the Group

Supporting the Circular Plastic Economy

Recognising that the traditional linear model of production and consumption may no longer be sustainable, our innovations in both products and processes are firmly rooted in the imperative of contributing to the circular plastic economy. By doing so, we aim to reduce waste, minimise material utilisation and consequently reduce GHG emissions. Reflecting this, we have positioned circularity as the common and overarching focus of our innovation efforts.

The circular plastic economy can be broken down into five stages, with our contributions to each stage as detailed below:

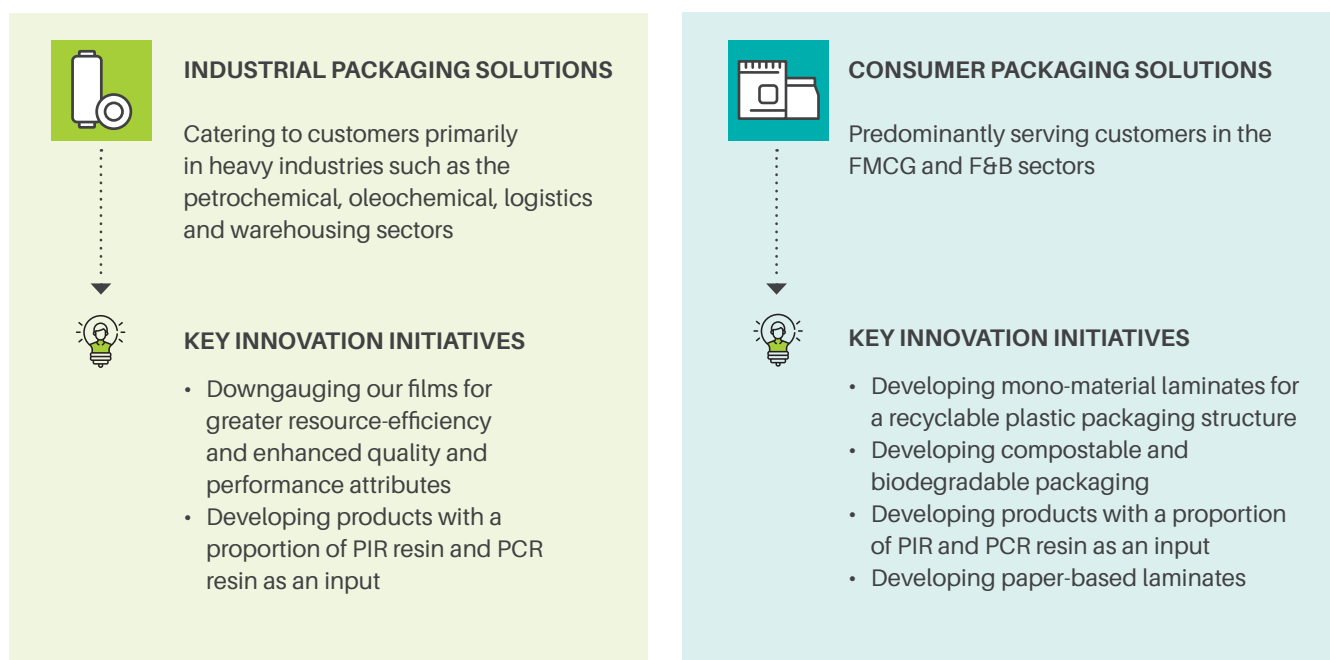


Stages of the circular plastic economy	Description	How we contribute
 PRODUCTION	Production of FPP solutions that enable enhanced: <ul style="list-style-type: none"> • Protection of goods during transit • Consumer convenience • Hygiene and safety • Food waste reduction 	<ul style="list-style-type: none"> • Enhancing the energy efficiency of our production processes • Utilising recycled resin wherever practicable to reduce reliance on virgin resin <p>For more information, please refer to the 'Reducing Energy Consumption and Emissions' topic on p. 57.</p>
 CONSUMPTION	Consumption of FPP by manufacturers in various industries as well as end consumers	<ul style="list-style-type: none"> • Collaborating with MPMA to educate consumers and the public on the responsible disposal of packaging waste after use
 WASTE MANAGEMENT	Management of industrial waste (i.e. plastic trimmings) and waste disposed by end users	<ul style="list-style-type: none"> • Collecting and separating recyclable plastic trimmings and other waste materials for recycling <p>For more information, please refer to the 'Responsible Waste Management' topic on p. 48.</p>
 RECYCLING	Recycling of collected waste into PCR resin or PIR resin for reuse in production	<ul style="list-style-type: none"> • Recycling waste collected from our production processes into PIR resin, which is then used as an input in the manufacturing of FPP • Procuring PCR resin from our suppliers as a substitute for virgin resin • Collaborating with a plastic pallet manufacturer to recycle general plastic waste into new pallets for transporting our goods <p>For more information, please refer to the 'Optimising Consumption of Materials' topic on p. 53.</p>
 INNOVATION	Innovation of recyclable FPP solutions which accelerate the transition to a circular plastic economy	<ul style="list-style-type: none"> • Collaborating with our customers to design recyclable multi-layered FPP structures that can effectively replace existing non-recyclable structures. • Continuously investing in the innovation of additional recyclable packaging solutions in order to meet growing market demand • Expanding our range of packaging products with PCR content manufactured at our ISCC PLUS-certified plants

As we work towards fostering a circular plastic economy, active participation from the entire industry, covering the entire value chain, is crucial. This collaborative effort ensures that the principles of sustainability and resource efficiency are upheld at every stage of the product lifecycle, from product innovation and tailored design of the packaging to the eventual collection, sorting and recycling of plastic waste.

Innovating Consumer and Industrial Applications

As detailed below, our innovation efforts focus on creating sustainable packaging solutions that meet the needs of both the consumer and industrial sectors.



The following pages provide an overview of our sustainable innovations in both of these sectors. For a more comprehensive understanding of our specific innovations, please refer to the 'Operational Review – Packaging' section on p. 63 of our IAR 2023.



INDUSTRIAL PACKAGING SOLUTION INNOVATIONS

Enhancing Efficiency Through Downgauging

As one of the world's leading manufacturers of stretch film, we constantly innovate our products to maximise the use of resources, minimise our carbon footprint and meet customer demands. One way we achieve this is through downgauging, through which stretch films are reduced in thickness without sacrificing quality. Our Elite Series films, for example, offer thicknesses ranging from 8 microns to 12 microns, while our Nano 6 Series features a 6-micron film.

In FY2020, we successfully developed an ultra-thin 4.5-micron film with a reinforced edge. This breakthrough product holds the distinction of being the world's thinnest stretch film produced directly from a cast line machine in a single process, while still providing excellent load securing capabilities. Leveraging our advanced Nano 67-layer stretch film cast line, on the other hand, we introduced Nano Ultra XE, an innovative stretch film offering thickness as low as 10 microns, engineered specifically for high-speed wrapping machines.

In addition, our Ultra XE product line features stretch film that can be elongated up to 400% of its original length, resulting in a remarkable 50% reduction in material usage compared to conventional machine wrapping stretch film. Notably, the Nano Ultra XE complies with the stringent rigidity and load safety standards of EUMOS 40509:2020, providing customers with peace of mind and greater assurance of product quality.

Looking to the future, we will continue to leverage our innovation capabilities towards developing high-quality and resource-efficient stretch film products, driven at the core by our aim to minimise our GHG emissions and actively contribute to the circular plastic economy.

Innovating Recyclable Packaging for Powdered Products

In FY2022, we launched VentiFlex, an advanced heavy-duty packaging solution tailored for moisture-sensitive and fine powder items. With unique features like an inserted strip and silt-proof film with de-aeration, this innovative offering enables air to escape during high-speed filling while securing powdered contents within the packaging. Variations include VentiFlex FFS for form-fill-seal machines and VentiFlex VS, which features a self-closing check valve for polyethylene valve bags, both of which are 100% recyclable and contribute to the circular plastic economy.

Spearheading Industrial Products with Recycled Resin Content

As part of our efforts to integrate recycled resin content into our industrial product range, we collaborated with our Japanese business partner during FY2023 to co-create a hand roll stretch film that incorporates 10% PCR resin content. This innovation matches the performance and stretchability of traditional stretch films, ensuring secure transportation of goods and storage without compromising on quality.

Expanding our efforts further, we achieved another significant milestone during the year through the innovation of a plain LDPE collation shrink film with a substantial 30% PIR resin content, which was developed and commercialised for a manufacturer and distributor of a world renowned beverage based in Malaysia.



LDPE collation shrink film with 30% PIR resin for bottled water packaging



CONSUMER PACKAGING SOLUTION INNOVATIONS



We are continually innovating to develop a wider range of recyclable FPP solutions

Advancing Sustainability Through Recyclable FPP Solutions

Our commitment to sustainability is exemplified by our achievement as the first industry player in Malaysia to successfully commercialise a mono-material multi-layered laminated FPP structure. Mono-material lamination is an innovative approach to FPP that utilises a single type of plastic resin across the packaging's various layers to ensure recyclability without compromising on desired performance. As of FY2023, our various mono-material laminates are used in stick packs, sachets, bar wrappers and stand-up pouches or doypacks, to list a few formats.

In our efforts to accelerate our contribution to the circular plastic economy, we have intensified our focus in recent years on developing mono-material laminates that cater to a wider range of applications, thereby enabling more manufacturers to replace their non-recyclable packaging structures with eco-friendly alternatives. By expanding the versatility of our mono-material laminates in this way – while enhancing their barrier properties and heat-sealing capabilities – we have successfully gained traction with more customers in the F&B industry in particular.

Leveraging our capabilities, we adeptly met customer demands to develop a larger, recyclable packaging solution that features enhanced strength and superior sealing

properties. This offering was commercialised by a chocolate malt beverage brand to replace their existing packaging with PET content.

Concurrently during the year, we extended our expertise to assist one of the world's largest snacks manufacturers in their sustainability journey, innovating a new "Recycle Ready" packaging to replace their conventional packaging across a broad product range.



A sample of our snack packaging solution that is "Recycle Ready"

Simultaneously, we have leveraged the additional expertise, experience and internal synergies gained from our acquisition of Scientex Packaging (Kajang) Sdn Bhd (formerly known as Taisek Lamick Malaysia Sdn Bhd) to drive the successful commercialisation of new recyclable packaging solutions for sauces and pastes, tailored to meet the needs of high-speed filling machines.

Empowering Brands with Sustainable Base Films

We play a vital role in advancing sustainability and circularity in the packaging industry by manufacturing the specific base films required for mono-material laminates. In doing so, we provide our customers with access to a cost-effective and practical means of adopting recyclable packaging solutions, offering a viable alternative to purchasing the same laminate from overseas producers at a prohibitive cost – a need that has heightened in the wake of the prevailing uncertain geopolitical and macroeconomic environment.

In FY2021, we established ourselves as pioneers in the manufacturing of flexo-grade Oriented Polypropylene ("OPP") films in Southeast Asia with our in-house development of Biaxially-Oriented Polypropylene ("BOPP") and Metallised OPP ("MOPP") films. In tandem with this, we produced a recyclable FPP structure for a FMCG company that also met their specific printing requirements, thereby minimising GHG emissions associated with film importation and helping the customer reduce its dependence on the global supply chain, which experienced significant bottlenecks due to the COVID-19 pandemic.

To address the evolving needs of the F&B sector, we also introduced a resilient and high-integrity Retort Cast Polypropylene ("CPP") film. Capable of withstanding the rigorous retort process – a high-temperature sterilisation method used to extend the shelf life of products – the film serves as a practical and cost-effective alternative to using cans for food packaging.

Additionally, we have successfully commercialised a series of recyclable high-barrier MOPP films that offer superior adhesion and barrier properties compared to conventional foil and metallised polyester, while maintaining the advantage of being recyclable as a mono-material structure.

Following the successful development of these base films, we have been empowered to commercialise multiple new sustainable packaging solutions in FY2023. A notable example is the introduction of a paper laminated MOPP packaging solution for one of the world's largest F&B conglomerates, which will be used for the packaging of their chocolate wafer bars and various powdered drinks.

Harnessing the Power of Recycled Plastic

Following the successful commercialisation of our innovative instant noodle packaging solution, which integrates 30% recycled resin sourced from ocean-bound plastic ("OBP"), and our packaging solution composed of 30% recycled resin for a prominent food manufacturer based in Australia and New Zealand, we have further expanded our range of sustainable packaging products across both the industrial and consumer sectors. For instance, in FY2023, we extended our consumer product line to include disposable diaper packaging made from 30% PIR resin.

OUR PERFORMANCE

In FY2023, we initiated a total of 236 research and development projects, resulting in the successful commercialisation of 35 innovations across our business.

We remain steadfast in our commitment to driving efficiency, reducing environmental impacts and investing in innovative production methods to enhance customer relationships and our reputation as a sustainable packaging provider.

OUR RANGE OF SUSTAINABLE PACKAGING SOLUTIONS

Over the years, our unwavering commitment to advancing the circular plastic economy through innovative solutions has led us to successfully introduce a wide array of sustainable packaging solutions, serving both industrial and consumer sectors. This remarkable journey has not only enriched our business but has also empowered our team while making a positive contribution to our planet.

Resource-Efficient Innovations



Stretch film

Eco-friendly PE valve sacks

Recyclable Mono-Material Laminates



Recyclable Paper-Based Packaging



Packaging with recycled content such as PCR/PIR





ECONOMIC VALUE CONTRIBUTED

Creating Shared Value Between Our Business, Stakeholders and Countries of Operation

WHY IT MATTERS

Our business generates significant financial value through our packaging and property development activities. As a responsible organisation, it is our duty to ensure that this value is shared with our stakeholders and contributes sustainably to national development objectives, with a specific focus on our home country of Malaysia.

Through the taxes we pay, jobs we create, suppliers we engage, investments we make and more, we strive to

play a key role in advancing human ambition, uplifting communities and laying the groundwork for stronger national economies.

OUR APPROACH

Reflecting our overall approach to business, we adopt a process-driven approach to economic value creation that enshrines the paramount importance of delivering long-lasting benefits to each of our stakeholder groups. This, in turn, guides our strategies and facilitates consistent, sustainable value creation over time.

STAKEHOLDERS

Customers

We place the utmost priority on delivering products and services that meet high standards in quality, reliability, safety and convenience, while continuously innovating our products and processes to meet evolving customer demands and market trends

Suppliers

We support local suppliers and their products wherever practicable, striving to maintain long-term relationships with our supplier base to support their business growth and drive economic value creation

Employees

We hire local talent wherever possible, and provide our workforce with an inclusive work environment, fair employment benefits and a range of training and development opportunities to support their professional growth

Governments and Regulators

We ensure that our operations are carried out with strict compliance to all applicable rules and regulations, while also fulfilling statutory contributions to governments

Investors and Shareholders

We commit to best practices in corporate governance and stewardship, supported by our Group-wide policies, to maintain discipline and accountability at all levels of our organisation

Local Communities

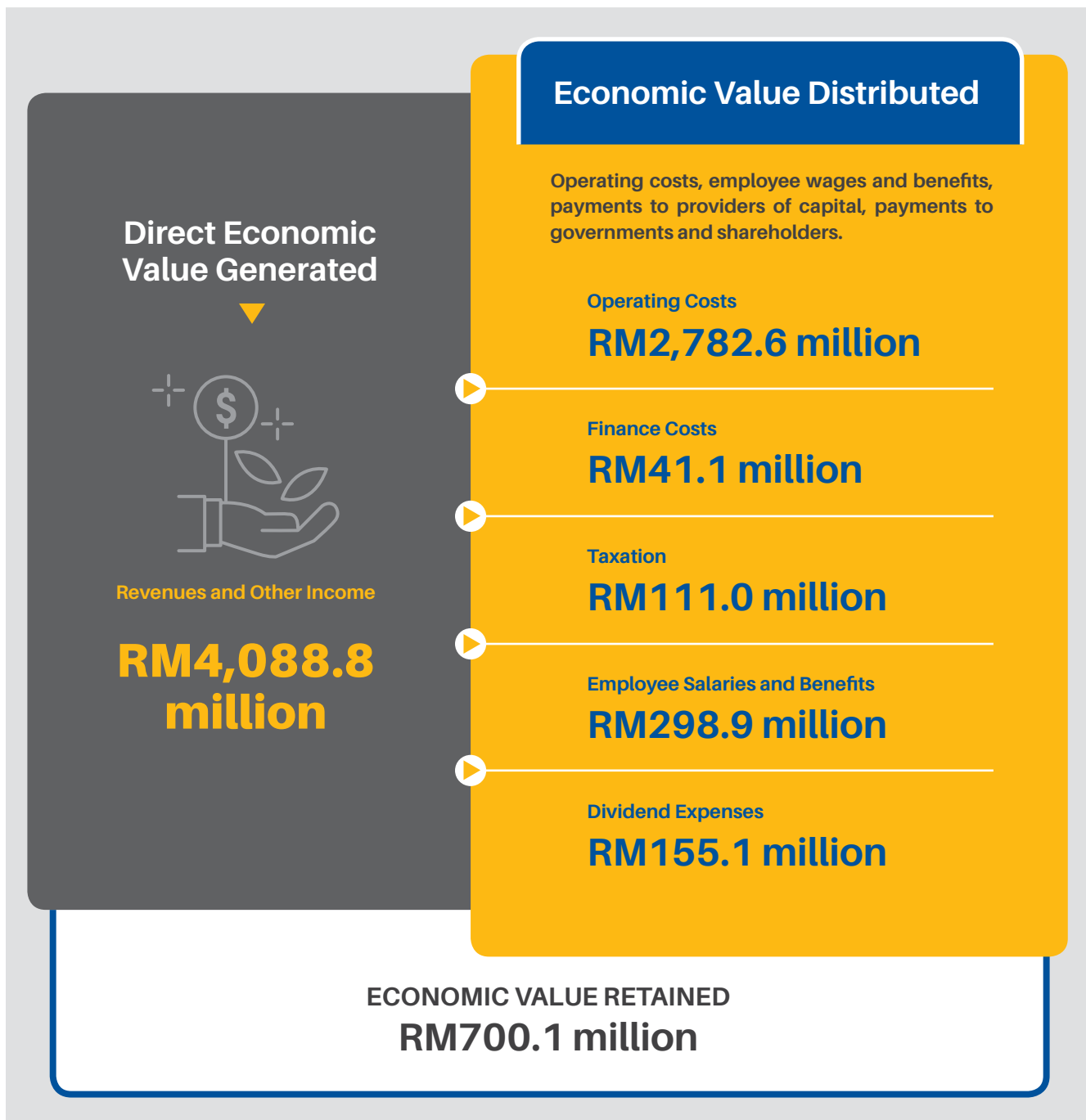
We undertake community investments and participate in initiatives and projects that bring benefit to local communities, either directly through financial investment or indirectly through the development of skills and capabilities amongst community members

THE VALUE WE GENERATE

- High quality packaging products that meet the stringent requirements of our customers
- Sustainable and recyclable packaging products that use less raw materials and energy, and generate less waste
- Affordable housing that improves quality of life and promotes greater fairness and equality in home ownership
- Enhanced ability of long-term suppliers to expand their operations and provide employment opportunities
- 100% of materials used in our Property Division are procured from local suppliers
- Wages and benefits paid to members of our workforce
- Development of relevant skills and capabilities, and enhanced career advancement opportunities, as a result of training and development initiatives
- Taxes paid to national governments
- Associational benefits derived from our adherence to best practices in corporate governance
- Continued support of government-led sustainability initiatives, including through our provision of affordable homes for the middle-to-lower-income segments and our innovations that support the circular plastic economy, in line with the MPSR 2021-2030
- Consistent dividends paid to shareholders
- Associational benefits derived from our adherence to best practices across the ESG spectrum
- Investments made towards community development programmes
- Townships that offer holistic community services and catalyse job opportunities, driving economic empowerment and community enrichment

OUR PERFORMANCE

Despite facing formidable economic challenges and elevated operational expenses, we continued to successfully generate strong value for our stakeholders in FY2023. We distributed a total economic value of RM3,388.7 million to suppliers, shareholders, employees, the Malaysian government and various other stakeholders, while retaining RM700.1 million to support the expansion of our businesses.





For the Betterment of the Environment

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RESPONSIBLE WASTE MANAGEMENT

Minimising Our Waste Footprint

WHY IT MATTERS

Our business activities involve the use of materials and may result in products that create waste at end-of-life. As a responsible organisation, we must therefore be proactive in seeking ways to reduce negative waste impacts, both in our production processes and during the lifecycle of our products.

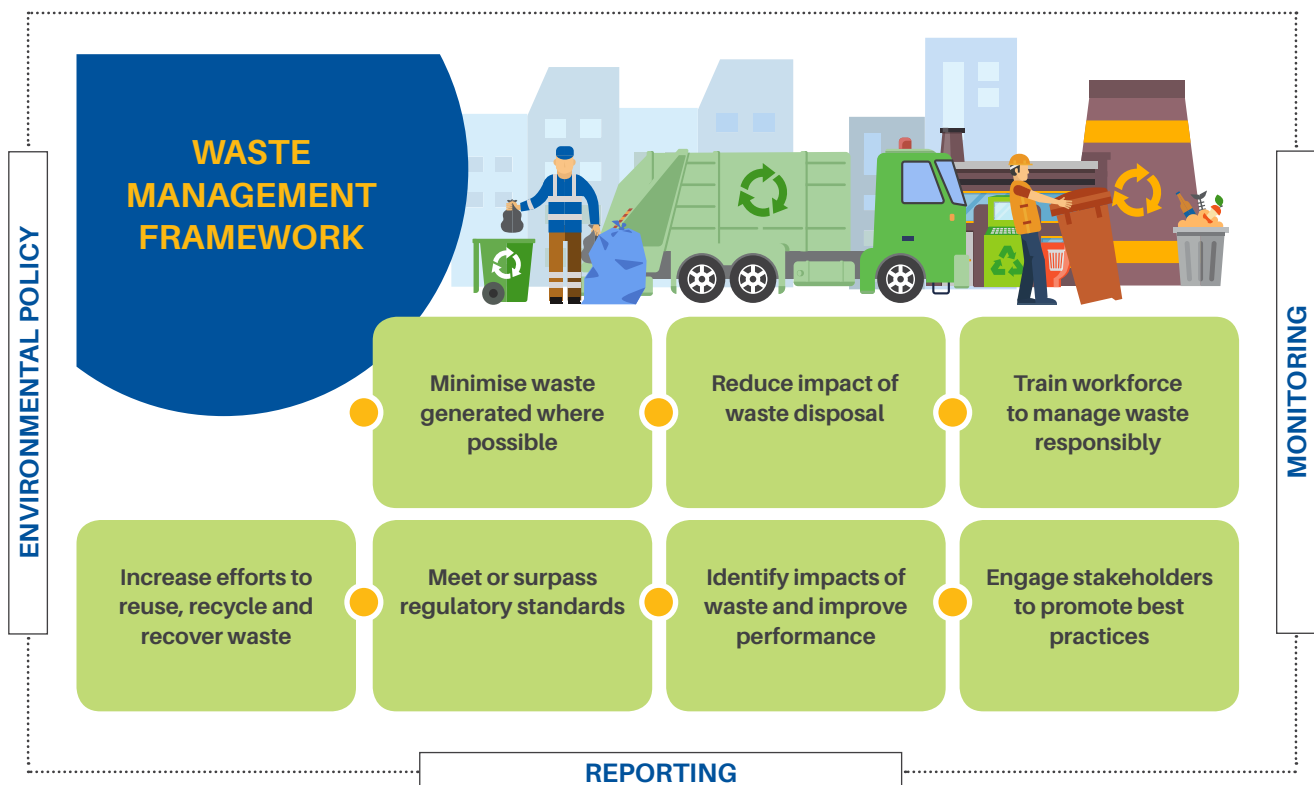
The importance of this is amplified by the global push towards the circular plastic economy which in turn plays a key role in climate change mitigation. Regulators worldwide are developing legislation around plastic circularity, while consumers are increasingly adopting circularity as a key consideration when making purchasing decisions. Therefore, our actions in this area are critical to our long-term competitiveness as a business.

Hence, we remain continuously dedicated to reducing the environmental impacts of waste within the communities where we operate and optimising our use and management of resources, empowering us to earn respected accreditations and certifications from regulatory bodies and further ingrain our reputation as a responsible corporate citizen.

OUR APPROACH

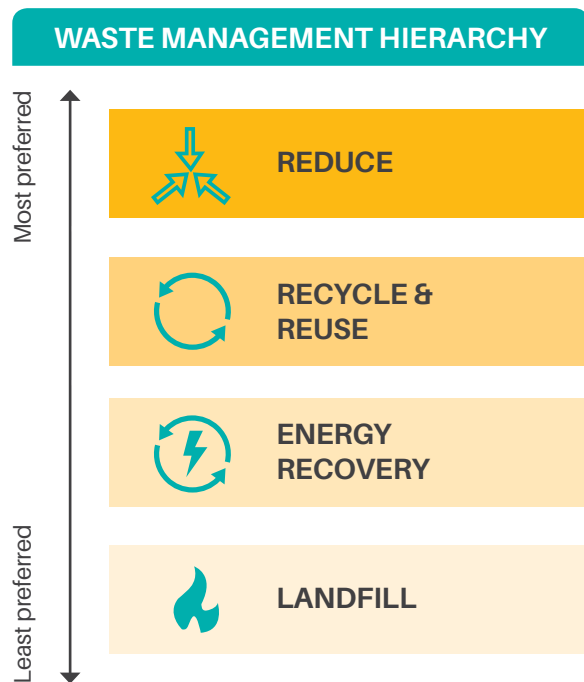
Our wide-ranging efforts to minimise our waste footprint extend across various areas of focus. These include proactively reducing the waste we generate, recycling and using recycled or recyclable materials in our products, and converting unrecyclable waste into energy where possible.

In managing our internal processes, we are guided by our Waste Management Framework, which outlines seven key focus areas in waste management:



To ensure that we deliver on the stipulations of the framework, dedicated competent persons or management representatives have been identified at each of our business premises, with these individuals responsible for overseeing our practices and ensuring alignment with our Group-wide standards. These individuals also take the lead in reporting our performance to management for deliberation during monthly management meetings, with findings and proposals then further reported to the EXCO.

Our on-ground waste reduction efforts are supported by robust Group-level initiatives to reduce waste. As dictated by our Environmental Policy, all waste generated and recycled is rigorously tracked and analysed to identify potential areas of improvement. Further to this, we adhere to a waste management hierarchy that ranks our priorities in managing waste generated by our activities, with priority placed on innovating processes and products that result in reduced waste generation. Should this course of action be deemed not practicable, we then seek to recycle or reuse the waste that is generated or, failing which, undertake energy recovery processes. All waste that cannot be recycled, reused or converted to energy is disposed of in accordance with all applicable regulations and best practices.



Innovating to Reduce Waste

Our innovation efforts (please see 'Product Innovation' on p. 38 for more) play an important role in our waste management efforts.

One of our most long-standing initiatives is downgauging, wherein we reduce the thickness of our stretch films and other industrial and consumer products in order to optimise our use of resin and other raw materials while fulfilling their required functions. Through downgauging, we can contribute to waste reduction at both ends of the value chain – minimising waste from our production processes and the disposal of our products at end-of-life.

In producing FPP solutions, we design and develop recyclable mono-material laminates – which utilise only one type of plastic within its structure – wherever possible. Our ongoing research and development efforts in this area are enabling mono-material laminates to be utilised across a wider variety of industries, thereby encouraging our customers to promote the recycling of their packaging and make a greater contribution to the circular plastic economy.

Over the past few years, we have also made headway towards developing compostable packaging that biodegrades in an industrial composting facility or home composting system according to relevant industry standards. These efforts are headlined by our BioPBS™ packaging solution, which we actively integrate into new products developed for our customers wherever possible.

In complement to this, we are rapidly expanding our portfolio of products developed from PCR and PIR resin. In FY2023, we launched a diaper packaging solution made from 30% PIR resin for a multinational brand while also developing a stretch film with 10% PCR resin for one of our key Japanese clients.



A sample of the diaper packaging solution with 30% PIR resin content

We also utilise recycled OBP as input materials to help reduce the amount of plastic waste that ends up disposed in the world's oceans, with our most recent initiative being the development and commercialisation of one of the world's first instant noodle packaging made from 30% OBP during the last financial year.

With recycled materials playing an increasingly important role in our products, we are validated by the ISCC Plus accreditation, a globally recognised sustainability certification system that utilises the mass balance approach to enable recycled materials to be traced throughout the supply chain. The accreditation, which has been received by five of our plants to date, enhances the confidence of our customers in our solutions and positions us to play a leadership role in the plastic packaging sector's circular economy transition.



Lastly, to further reduce the waste footprint of our products, we actively pursue innovations to our production processes that minimise the use of materials and, as a consequence, reduce the hazardous waste produced by these materials. As an example, our introduction of solventless lamination has enabled us to eliminate the use and disposal of solvents in our production process. Meanwhile, our use of the Extended Colour Gamut ("EXG") printing technology has also empowered us to reduce solvent use as well as ink wastage.

Enhancing Our Recycling Efforts

In addition to developing recyclable products, we strive equally to recycle and upcycle the waste generated by our production processes into other functional items, thereby promoting plastic circularity and minimising the waste that we send to the landfill. Our efforts include:

- Recycling leftover metallised film trimmings into high-quality strapping bands
- Using resin recycled from metallised film waste to form side disk protectors (which are used to guard our film roll ends during transportation)

- Recycling general plastic waste into new plastic pallets (which are used to transport our goods to customers) in collaboration with our plastic pallet supplier
- Selling excess recycled resin and recyclable waste to third parties (for use in their production processes)

Further to this, non-recyclable waste is sent to a waste-to-energy incineration facility where it is converted into Processed Engineered Fuel, with a total of 3,121 MT of waste processed via this method in FY2023.

Responsibly Managing Scheduled Waste and Effluents

Scheduled waste refers to hazardous waste that must be disposed of cautiously using special technologies and facilities. To ensure its responsible disposal, we adhere strictly to the practices outlined within the Environmental Quality (Scheduled Wastes) Regulations 2005 as published by Malaysia's Department of Environment ("DOE"). In addition, competent persons have been appointed at all sites that generate scheduled waste to oversee the disposal process. Their responsibilities include:

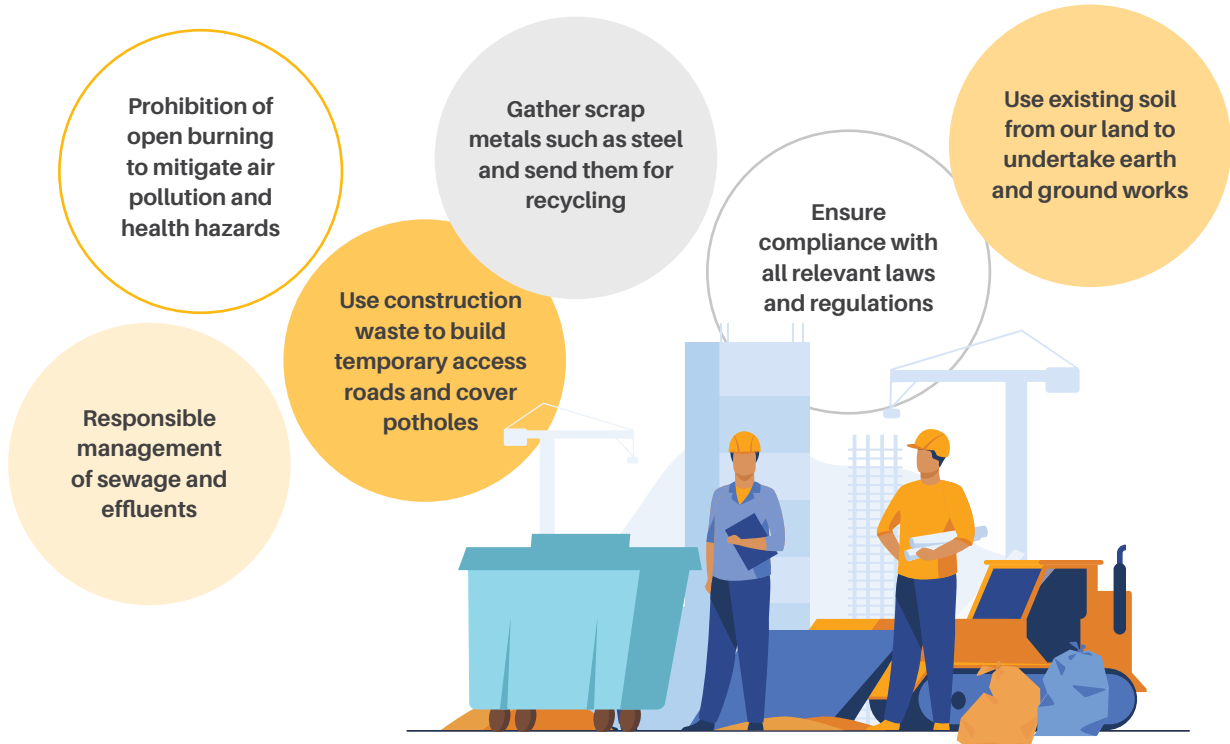
- Utilising and updating the Electronic Scheduled Waste Information System ("eSWIS") as necessary
- Overseeing the storage of scheduled waste in a secure location that is not connected to our production facilities
- Overseeing the timely disposal of all scheduled waste by approved and accredited contractors

Our production activities also result in the generation of small amounts of water effluents, the disposal of which is managed in accordance with the Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B) and any other relevant regulations with jurisdiction over our operations. In addition, we undertake periodic monitoring of effluent quality in our plants, with samples sent to third parties for analysis, and carry out regular checks on effluent storage and handling to minimise the risk of effluents being accidentally discharged into the ground and contaminating natural water sources.

Minimising Waste from Property Development Activities

Within our Property Division, we have adopted an equally stringent approach to waste management, which is pillared by the following six practices:

WASTE MANAGEMENT INITIATIVES AT PROJECT SITES



In addition to these practices, which are carried out in strict adherence to the Environmental Quality Act 1974, we have also adopted the use of recyclable materials within our IBS construction framework, such as steel and aluminium. By utilising easily recyclable metals, we are able to reduce the need for using timber or wood formworks.

Nurturing a Waste Management Culture

Above and beyond our division-specific initiatives, we are forging a Group-wide culture that inculcates the importance of effective waste management and recycling, both in the context of our business operations and in the daily lives of our employees.

With the aim of driving action at the individual level, we have installed separate bins for recyclable plastic and paper waste under our Reduce, Reuse and Recycle ("3R") initiative, while our 'Back to Earth' programme (please see 'Contributing to Local Communities' on p. 81 for more) involves our employees in the practice of food composting, giving them first-hand experience in contributing to the circular economy which, in turn, informs their day-to-day practices.

Furthering our action on waste management, FY2023 also saw the launch of a new long-term initiative to inculcate responsible fabric recycling practices amongst our employees. To raise awareness, a special talk on the importance of recycling fabrics was held and attended by over 240 employees, while close to 1,000kg of fabric waste was collected and donated for recycling during the year.



Our Fabric Recycling Awareness Talk, attended by over 240 employees

OUR PERFORMANCE

We take pride in our ongoing commitment to minimise waste generation, supported by a robust waste management framework. In tandem with monitoring and reporting our performance, we continuously explore innovative practices that can augment our environmental performance in the future.

The table below illustrates the quantities of scheduled (hazardous) waste and non-hazardous plastic waste produced by our manufacturing facilities. Data on scheduled (hazardous) waste is collected through eSWIS and waste transfer notes.

Type of Waste by Metric Tonne (MT)	FY2021	FY2022	FY2023
Scheduled (Hazardous) Waste	1,318	1,327	1,661
Total Non-Hazardous Plastic Waste	15,036	11,329	13,200
- Recycled	11,561	6,926	8,507
- Recycled (Converted to Energy)	679	2,478	3,121
- Non-Recycled (Others)	2,796	1,925	1,572

Waste as a Percentage of Output (%)	FY2021	FY2022	Y2023
Scheduled (Hazardous) Waste	0.5	0.5	0.7
Total Non-Hazardous Plastic Waste	5.5	4.2	5.3
- Recycled	4.3	2.6	3.4
- Recycled (Converted to Energy)	0.2	0.9	1.3
- Non-Recycled (Others)	1.0	0.7	0.6

We remain committed to reducing the environmental impacts of waste within the communities where we operate. In FY2023, the proportion of recycled plastic waste in relation to our output increased to 4.7%, up from 3.5% in the previous year.

Compliance

During the year under review, there were zero instances of non-compliance related to the disposal of scheduled waste.

OPTIMISING CONSUMPTION OF MATERIALS

Maintaining Responsible Material Utilisation Practices

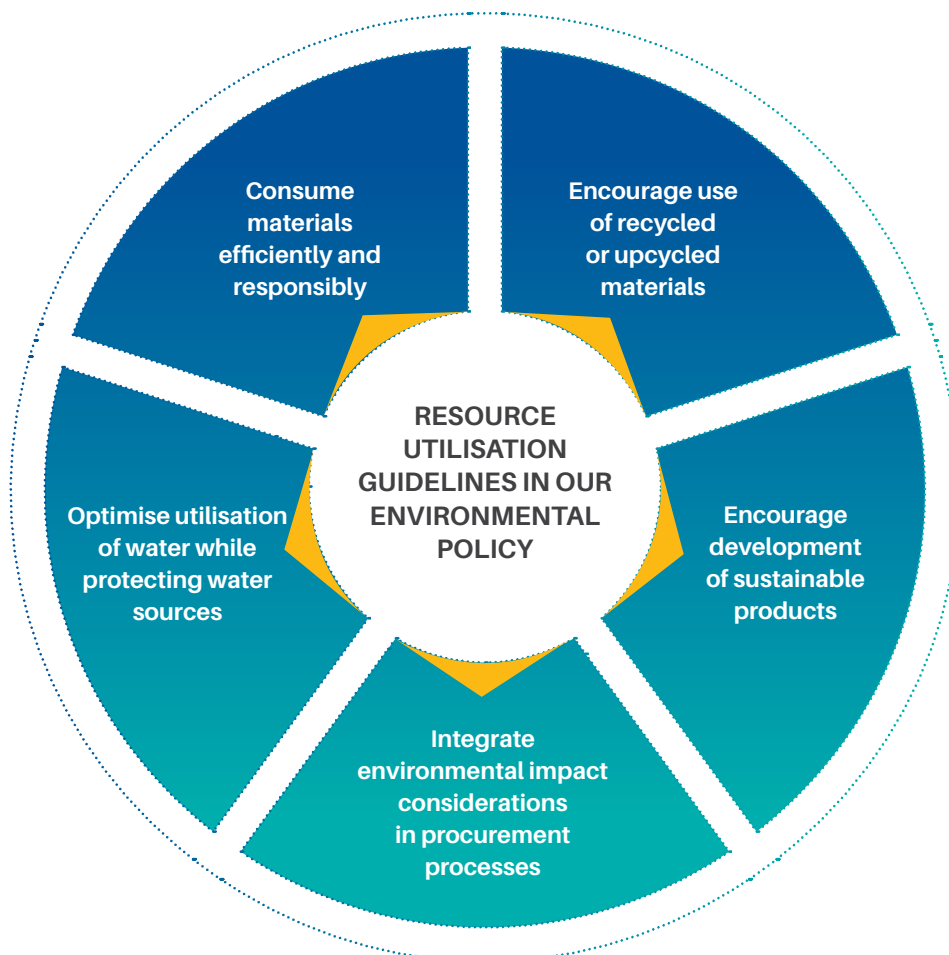
WHY IT MATTERS

The raw materials and production resources we use are a major determinant of our environmental impact as an organisation, and it is incumbent on us to ensure that our inputs are responsibly sourced and that we continually enhance and expand our use of recycled and recyclable materials wherever possible.

Equally importantly, we believe it is vital to consistently innovate and introduce less resource-intensive product formulations to the marketplace in order to meet evolving customer, consumer and industry requirements.

OUR APPROACH

Recognising the importance of reducing our resource consumption footprint, responsible material consumption is enshrined as one of the core pillars of our Environmental Policy, wherein clear responsibilities and practices are detailed for our teams to follow, as shown below:



Our framework is aligned with the directives set forth by various national and international organisations that oversee regulations related to responsible material and resource consumption in our respective industries. It emphasises a whole-of-lifecycle approach to resource management, starting from our procurement processes and choice of inputs to the recyclability of the end products we develop.

Scaling Up Our Use of PIR Resin

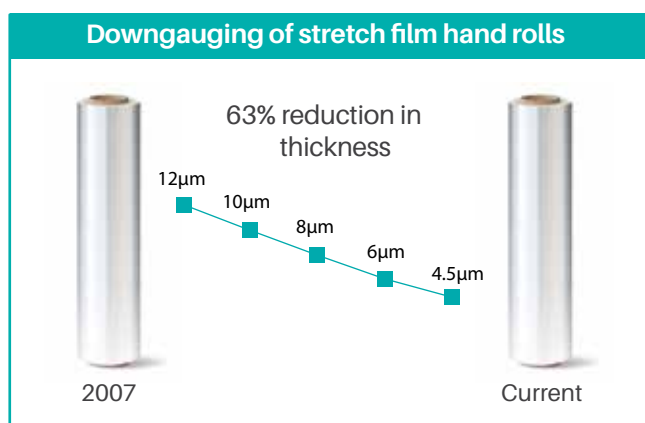
PIR resin is derived from the recycling of incidental waste generated by our manufacturing processes, such as plastic trimmings and other recyclable waste materials. Using plastic recycling machines, these trimmings are granulated back into resin that may be reused within our processes, thereby reducing our reliance on virgin resin derived from natural resources and lowering our GHG emissions footprint. Developing packaging solutions from recycled resin also increases our appeal to a wider range of global customers for whom sustainable solutions have become a priority.

In FY2023, we demonstrated our commitment to increasing our use of PIR resin by installing a recycling machine at our new Robotic Stretch Film Plant in Shah Alam. Further to this, we continuously seek out ways to improve our plastic waste recycling processes, such as by relocating our recycling machines closer to the extrusion areas in our plants and redesigning process flows so that recycled resin may be pumped directly into feedstock silos. These actions have resulted in a more efficient waste recycling process and enabled us to produce higher-quality PIR resin.

Developing Resource-Efficient Products

Complementing our drive to introduce recycled inputs, we are equally focused on developing products that minimise resource use.

A key example of this is the downgauging of our stretch film and other plastic film products, whereby the thickness of our films is reduced without sacrificing on their functionality and quality. Beyond its obvious material utilisation benefits, downgauging also enhances our competitiveness in the packaging industry as our films weigh less and take up less space, thus reducing the carbon footprint and cost of transportation and storage.



As evidence of our achievements in downgauging, our ongoing innovation efforts have seen us deliver a 63% reduction in stretch film hand roll thickness since 2007, during which time we have launched several market-leading products. This includes our Nano 6 series, which has a thickness of 6 microns, making it one of the world's thinnest stretch films.

Optimising Resource Utilisation

By optimising the resources we use, as well as the processes via which they are utilised, we are making positive inroads in reducing our overall resource footprint across both our Packaging and Property Divisions.

The IBS construction methodology we employ in our property development operations boosts precision during construction, directly cutting down on material waste. This practice is supplemented by the standardisation of our home designs, which further increases our construction efficiency, as well as other practices to foster optimal resource management throughout the construction process and elevate our ability to monitor and manage overall material consumption.

Further bolstering the resource efficiency of our construction processes, we have introduced metal formworks to replace the role of timber or plywood in setting the form of our homes. These metal formworks offer a notably higher reuse potential than timber or plywood, contributing significantly to reducing our long-term resource footprint when introduced at scale.

Complementing this, we have also started using self-climbing platforms - which move vertically up the building as construction progresses - for our taller apartment complexes. This construction mechanism offers a much more resource-efficient means of scaffolding large construction projects as it negates the use of steel pipes, which are often used once and then discarded. In contrast, our self-climbing platforms can be reused multiple times.

In our Packaging Division, the deployment of EXG and Combination Printing has reduced ink wastage and minimised the solvents required for cleaning, in addition to unlocking quicker setup times and reducing stoppages. Meanwhile, we strive to reuse materials for the packing, wrapping and bundling of our packaging products wherever possible, and promote the responsible use of paper and printing facilities at our headquarters.

Upholding Responsible Procurement Practices

Our resource management responsibility extends beyond our internal processes and products, as we also strive to ensure that our business supports suppliers who adhere to environmentally responsible and sustainable material sourcing practices.

To this end, we prioritise the procurement of paper used for our recyclable or compostable paper-based packaging solutions from suppliers that are certified by the Forest Stewardship Council ("FSC"), which sets the globally recognised standard in paper harvested from responsibly managed forests. Moving forward, we will continue to prioritise procurement from FSC-certified suppliers across all our paper-based solutions wherever possible.

Mirroring this, the aluminium used in our packaging is procured from Aluminium Stewardship Initiative ("ASI") certified suppliers wherever possible. ASI sets clear sustainability guidelines across the aluminium value chain, including specific social, environmental and ethical standards that all member organisations must adhere to.

Consuming Water Responsibly

While water is not a primary input in our processes, it is nevertheless a key area of focus in our resource management strategies.

Our approach to water management starts with responsible utilisation of water from municipal pipelines, as they presently form our main source of water. Only one of our 18 plants – our plant in Phoenix, Arizona, USA – is located in a 'water stressed area' as assessed by WRI's Aqueduct or WWF's Water Risk Filter.

To reduce our impact on municipal water sources, we aim to minimise water wastage in our processes. A prime example of this is our implementation of a closed-loop water cooling system within our Packaging Division, whereby the water used in cooling towers is constantly recirculated and reused, reducing water evaporation and minimising wastage during the process. We also constantly monitor our water usage to identify anomalies and areas for improvement, while ensuring there are no leakages that could lead to water wastage.

Lastly, to further reduce our consumption of municipal water, we practice rainwater harvesting at several of our manufacturing plants and property development sites. The water collected through this eco-friendly method is used in our water cooling systems, for general cleaning, toilet flushing and the watering of plants.

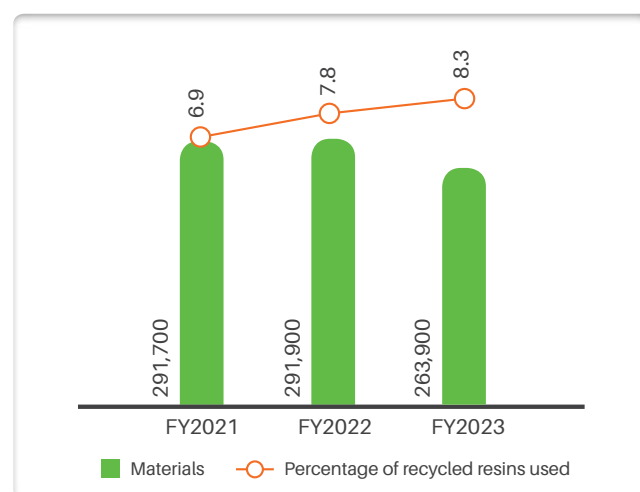
During FY2023, we recorded zero incidents of non-compliance with regulations pertaining to water consumption or quality.

OUR PERFORMANCE

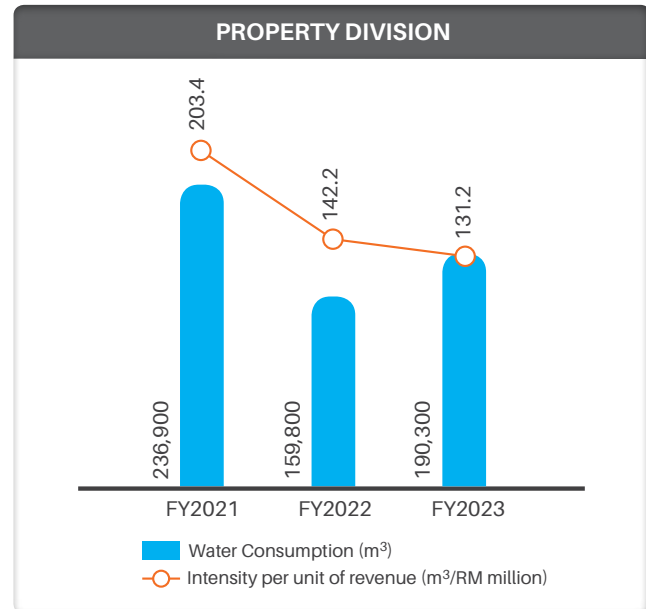
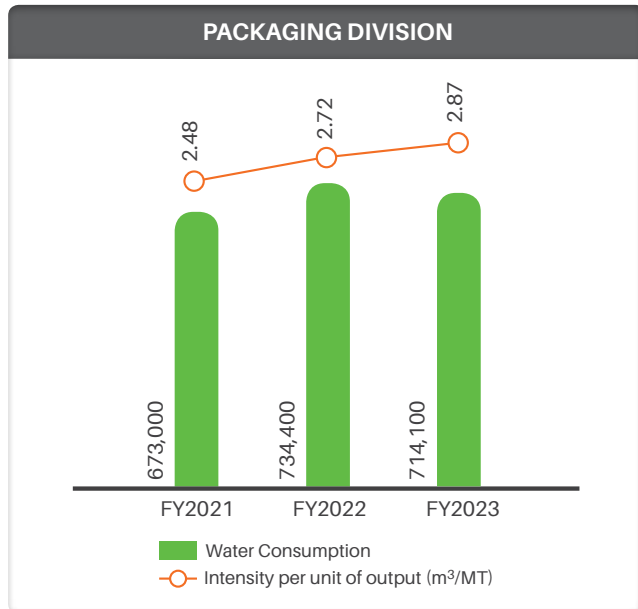
Materials Used and Quantity

We maintain a vigilant watch over the overall consumption of primary materials, including resins, masterbatches and additives, within our Packaging Division. Furthermore, we track the percentage of recycled resin used, with the aim of consistently enhancing this ratio over time.

Total Materials Used (MT)			
	FY2021	FY2022	FY2023
Total	291,700	291,900	263,900



Water Consumption and Intensity



Water Consumption (m³)	FY2021	FY2022	FY2023
Total	909,900	894,200	904,400

In FY2023, total water consumption was at 904,400 m³ compared to 894,200 m³ in the previous year. Meanwhile, water consumption intensity of our Packaging Division increased by 5.5% to 2.87 m³/MT, whereas the intensity for our Property Division decreased by 7.7% to 131.2 m³/RM million.

Note: We have separated and restated the disclosure of water consumption intensity for our two divisions to enhance the accuracy and suitability of the metric for analysis and improvement.

In the Property Division, the reported total water consumption encompasses water sourced from rivers, further detailed in a separate disclosure below:

Water Consumption (m³)			
	FY2021	FY2022	FY2023
Surface water	8,548	8,888	59,534

The exponential increase in water consumption during FY2023 is attributed to the use of underground water at additional development sites, namely Scientex Bandar Jasin and Scientex Jasin in Melaka.

In the Packaging Division, the total water consumption reported encompasses the utilisation of water at our facility in Phoenix, Arizona, USA. Given that Phoenix is situated in a water-stressed area, we have similarly detailed our water use there in a separate disclosure:

Water Consumption (m³)			
	FY2021	FY2022	FY2023
Phoenix, Arizona	2,699	1,132	3,491

REDUCING ENERGY CONSUMPTION AND EMISSIONS



Expanding Our Climate Commitment

WHY IT MATTERS

The global target – set under the Paris Agreement – to limit global warming to 2°C above pre-industrial levels underlines the urgency of the climate crisis, calling for coordinated action from all nations and industries to reduce emissions and adapt to the impacts of climate change. Collectively, we shoulder the responsibility to establish less emissions-intensive ways of doing business in order to mitigate further potential impacts on the health of the planet and the communities that call it home.

Beyond its obvious environmental ramifications, climate change also poses significant transition risks to our business. As the world moves towards greater sustainability and decarbonisation, we must establish ourselves as a company that places a high priority on emissions reductions, both within our operations and across our value chain.

To this end, we are committed to adopting Task Force on Climate-Related Financial Disclosures ("TCFD") reporting in the near future, enabling us to assess and disclose climate-related risks and opportunities, adapt our practices and strategies proactively, and mitigate operational disruptions while simultaneously embracing emerging opportunities.

OUR APPROACH

Driving Energy-Efficiency

With the majority of our emissions derived from the electricity we use, our approach to climate action centres around improving the energy efficiency of our processes. To this end, we leverage our end-to-end presence across the FPP value chain to identify areas of inefficiency, acting upon these areas by investing in new technologies that reduce the amount of electricity we consume from the grid.

One example of this is our Nano 67-layer cast stretch film line, which we equipped with customised extruder screws that require less heating, resulting in a 15% reduction in electricity consumption per unit of output compared to conventional machines. Similarly, the installation of a high-performance air ring and modular cooling system has improved the efficiency of our new blown film lines for Form-Fill-Seal bags, while increasing output by 50%. Meanwhile, our new compressors with variable speed drive control have enabled a 30% reduction in electricity consumption when generating high pressure compressed air for our manufacturing processes.

Energy-efficient innovations also take the form of more wholesale changes to our processes. In our converting plants, we have installed a drying system that adds a heat pump, heat exchanger and condenser to the traditional drying process, enabling the recirculation of hot air and reducing the amount of energy required for our printing and lamination processes by more than 50%. In addition, the new system involves the emission of cool air from its exhaust fan, thereby reducing the temperature of our plants and necessitating less energy for cooling purposes.

Concurrent with the implementation of these new processes, we are progressively switching the lighting used in our manufacturing plants to more energy-efficient LED lights and installing low-energy streetlights across all new property developments. Similarly, we have replaced a portion of our conventional forklifts with electric forklifts across our manufacturing plants. The transition to electric forklifts that produce zero emissions during operation enables us to reduce our overall emissions and minimise our environmental footprint.



The electric forklift used in our manufacturing plant in Melaka

Embracing Renewable Energy

Recognising the significant positive climate impact that we can create, we are actively transitioning to renewable energy sources wherever possible.

We acknowledge the importance of adopting solar energy as an alternative source of clean and renewable energy that does not emit harmful greenhouse gases, thus reducing our carbon footprint. Since embarking on our renewable energy journey in FY2022, we have installed a grid-connected rooftop solar PV system at one of our manufacturing plants, as well as similar rooftop solar PV systems at our property sales galleries in Melaka and Penang.

Moving forward, we are committed to expanding our utilisation of solar energy across both the Packaging and Property Divisions. We are already in the midst of finalising plans for the installation of more rooftop solar PV systems and will continually expand our efforts at viable manufacturing plants and property sales galleries in the near future.



Our maiden solar PV project at one of our manufacturing plants in Ipoh

Our dedication towards adopting clean and renewable solar energy will enable us to progressively reduce our reliance on non-renewable energy sources, decreasing our Scope 2 GHG emissions and solidifying our commitment towards sustainability and a greener future.

Our current solar PV systems
have a maximum energy output
capacity of **985 kWp**

Optimising Our Raw Material Usage and Production Processes

While energy efficiency and renewable energy offer the greatest potential in reducing our emissions, we are also making a positive impact by implementing more efficient processes and product formulations.

In our Packaging Division, our introduction of solventless lamination has eliminated emissions associated with the transportation, use and disposal of solvents, while eradicating the use of energy previously required during the drying process of solvent-based lamination. Meanwhile, our growing use of PIR resin, typically derived through mechanical plastic recycling, reduces our reliance on virgin resin to manufacture our products, thereby minimising our contribution to the energy-intensive production of virgin

resin. Moving forward, we will actively seek to develop more products with PIR resin through ongoing collaborations with our customers.

Optimisation is also taking place at the plant level, where we have aligned each plant with the production of specific packaging solutions. By doing this, we have not only improved time- and cost-efficiencies in production but also reduced the amount of downtime that comes with reconfiguring machines for different products, thereby reducing the associated electricity consumption. A key initiative undertaken in FY2023 was to consolidate our stretch hood production into a single facility to unlock the aforementioned production efficiencies.

We will consistently enhance our efforts in this aspect, driven forward by our corporate strategy to focus on our core and strengthen our fundamentals.

Reducing Our Indirect Emissions

In addition to our wide-ranging efforts to reduce the energy consumed by our production processes, we have taken steps to minimise emissions across our supply chain and in the usage of our solutions by our customers.

In our Packaging Division, continuing efforts to downgauge our industrial and consumer packaging products equate to a lower emissions footprint in their transportation to our customers. Meanwhile, in our Property Division, our use of eco-friendly, lightweight construction blocks means that less fuel is required to transport them, while emissions related to transportation are further reduced by housing our workers in centralised quarters located in close proximity to our project sites.

We also seek innovative design solutions to unlock long-term reductions in energy consumption and emissions when constructing our properties. To this end, we prioritise building our homes in north-south facing orientations, as this reduces heat exposure from the sun and subsequently reduces the energy required for homeowners to cool their homes.

Lastly, we encourage our suppliers to reduce their emissions by way of our Environmental Policy and Code of Conduct for Suppliers, which outlines the clear expectations we hold of our vendors in terms of energy and emissions, as well as other important areas of environmental action. We will continue to work closely with our suppliers to encourage greater adoption of energy efficiency, low-carbon technologies and responsible business practices.

Offsetting our Carbon Emissions

In FY2022, we made our first contribution to carbon sequestration with our mangrove planting programme. Harnessing the collective passion and purpose of our workforce, the programme involved the planting of mangroves in Teluk Panglima Garang in Selangor, contributing to an endangered ecosystem that plays a vital role in sequestering carbon from the atmosphere, maintaining local biodiversity and providing a coastal defence against extreme weather events.

Encouraged by the success of the programme, we have continued our efforts during the year under review, planting a total of 250 mangroves to take the total planted to 750 since the programme's initiation. Through this activity, we contributed towards protecting natural biodiversity by planting two mangrove species, *Bruguiera Parviflora* and *Bruguiera Sexagula*, both of which are known to be declining in prevalence.

Since FY2022, we have planted
750 mangroves at Teluk
Panglima Garang in Selangor

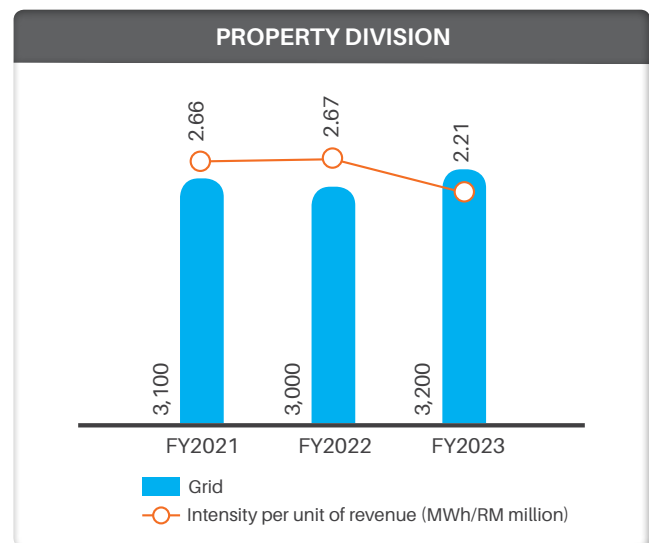
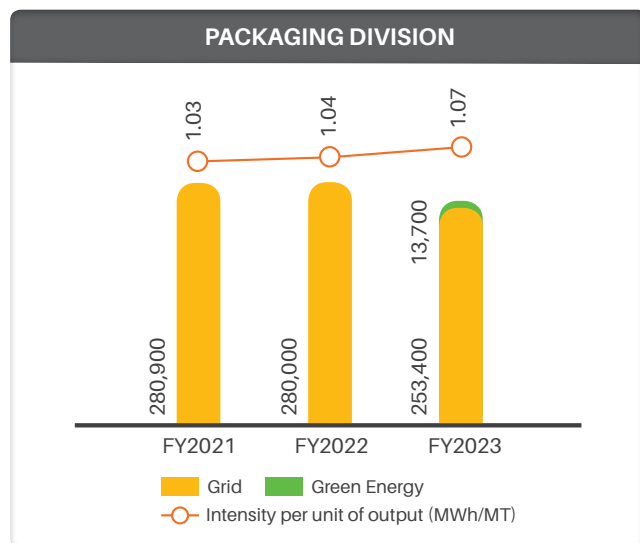


Our employees from various divisions participated in this mangrove planting programme

OUR PERFORMANCE

Throughout the year under review, we diligently assessed the Group's aggregate energy consumption over the last three years and gauged its influence on our GHG emissions. To bolster our endeavours in energy utilisation and emissions, we aim to improve our performance on an annual basis, guided by the establishment of and adherence to precise targets across key metrics.

Electricity Consumption and Intensity

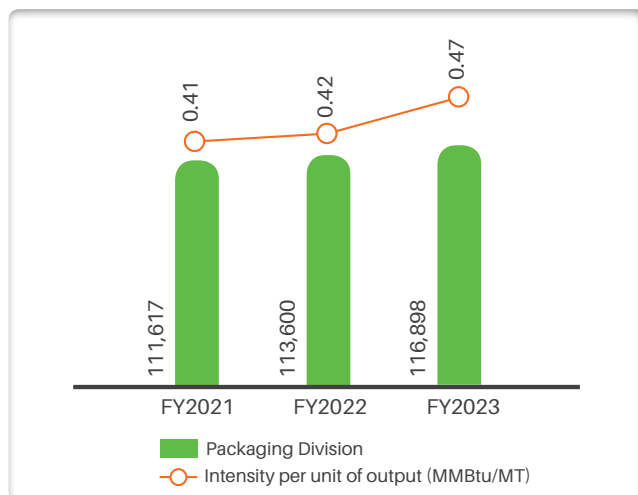


Electricity Consumption (MWh)	FY2021	FY2022	FY2023
Total Grid	284,000	283,000	256,600
Total Green Energy	-	-	13,700
Total	284,000	283,000	270,300

In FY2023, total electricity consumption - now encompassing green energy for our Packaging Division - was 270,300 MWh, a 4.5% decrease from 283,000 MWh in the previous year. Meanwhile, electricity consumption intensity for our Packaging Division increased by 2.9% to 1.07 MWh/MT, whereas electricity intensity for our Property Division decreased by 17.2% to 2.21 MWh/RM million.

Note: We have separated and restated the disclosure of electricity consumption intensity for our two divisions to enhance the accuracy and suitability of the metric for analysis and improvement.

Natural Gas Consumption and Intensity



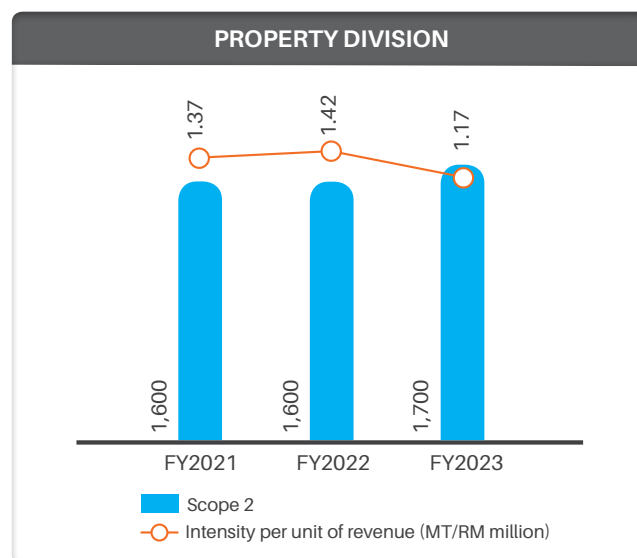
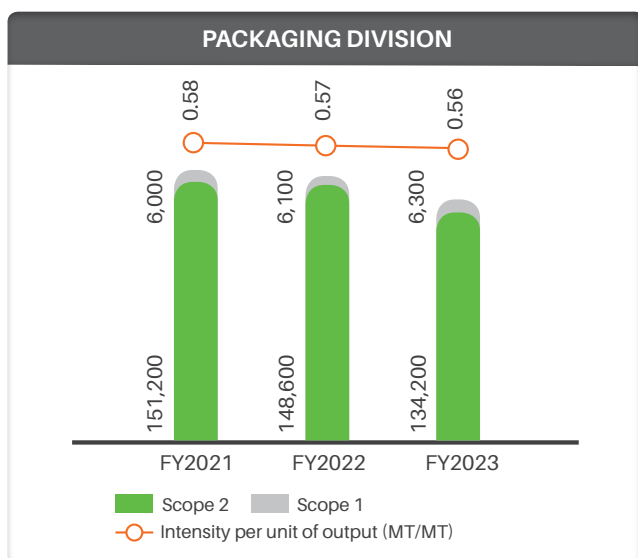
Natural Gas Consumption (MMBtu)

	FY2021	FY2022	FY2023
Total	111,617	113,600	116,898

In FY2023, total natural gas consumed was 116,898 MMBtu, a 2.9% increase from 113,600 MMBtu in the previous year. Meanwhile, natural gas consumption intensity per unit of output increased by 11.9% to 0.47 MWh/MT.

Note: We have restated the disclosure of natural gas consumption intensity to enhance the accuracy and suitability of the metric for analysis and improvement.

GHG Emissions and Intensity (Scope 1 and 2)



GHG (CO₂e) Emissions (MT)

	FY2021	FY2022	FY2023
Total	158,800	156,300	142,200

In FY2023, our total GHG emissions was 142,200 MT of CO₂e, a 9.0% decrease from 156,300 MT in the previous year. Meanwhile, GHG emissions intensity for our Packaging Division decreased marginally by 1.8% to 0.56 MWh/MT, whereas the intensity for our Property Division decreased by 17.6% to 1.17 MWh/RM million.

Notes:

- We have separated and restated the disclosure of GHG emissions intensity for our two divisions to enhance the accuracy and suitability of the metric for analysis and improvement.
- The Scope 1 emission source is natural gas
- The Scope 2 emission source is purchased electricity from grid
- Scope 1 emissions are computed based on emission factors published by Intergovernmental Panel on Climate Change ("IPCC") 2007 and IPCC AR5
- Scope 2 emissions are computed based on emission factors published by the:
 - Institute for Global Environmental Strategies 2023 List of Grid Emissions Factor, for our plants based in Malaysia and Vietnam
 - United Nations Framework Convention on Climate Change ("UNFCCC") Emission Reduction Profile: Myanmar, for our plant based in Myanmar
 - U.S. Environmental Protection Agency Emissions and Generation Resource Integrated Database ("eGRID"), for our plant based in the USA



ENVIRONMENTAL COMPLIANCE

Maintaining Best Practices in Environmental Management

WHY IT MATTERS

As an environmentally responsible organisation, we acknowledge the potential wide-ranging impacts that our operations may have on natural ecosystems and resources across land, air, water and soil. With this in mind, we strive to ensure strict compliance with all relevant local and international regulations pertaining to environmental management. Doing so enables us to take proactive measures in mitigating any anticipated negative impacts. Ultimately, this safeguards our reputation and the sustainability of our operations, paving the way for us to achieve our business objectives.

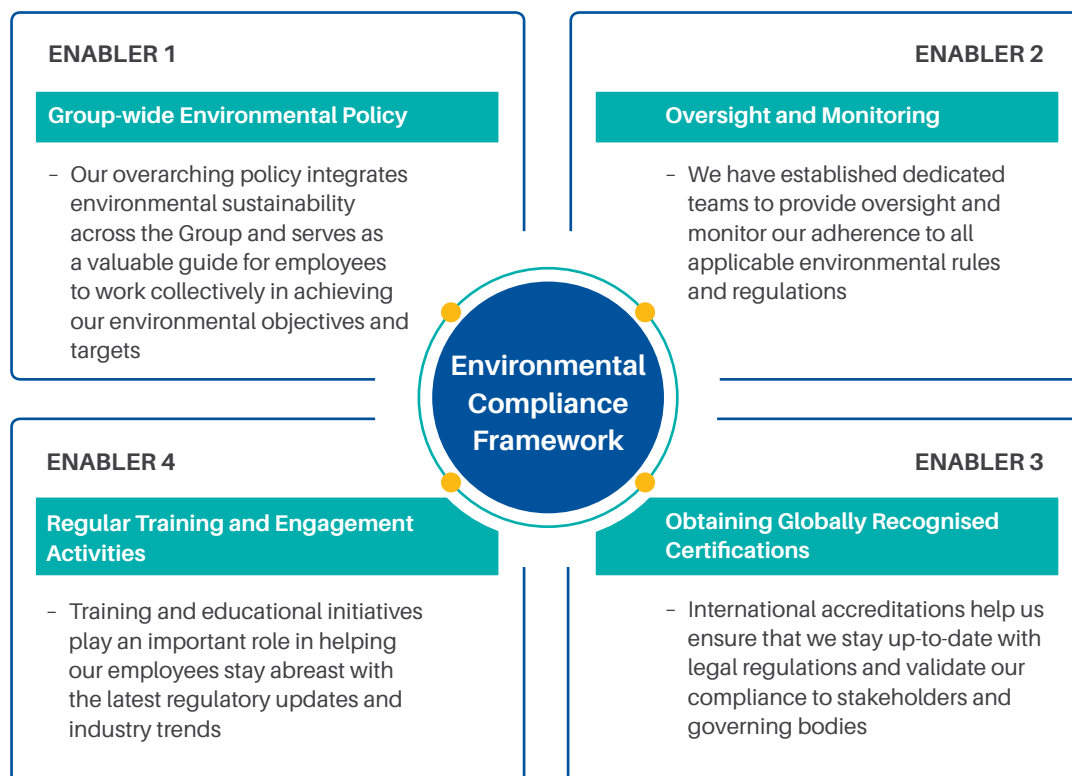
OUR APPROACH

Adhering to a Comprehensive Framework

Our approach to environmental compliance is founded on Malaysia's Environmental Quality Act 1974 and its associated regulations, standards and guidelines, including but not limited to:

- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B)
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Clean Air) Regulations 2014
- National Water Quality Standards
- Malaysian Air Quality Guidelines (Ambient Standard)

To ensure continued compliance with these regulations, we have developed a comprehensive Environmental Compliance Framework and a Group-wide Environmental Policy that guides our concerted efforts to drive adherence across the organisation. Our framework, as detailed below, enshrines the important roles of obtaining global certifications, stringent oversight and monitoring, and employee training and engagement in maintaining a strong culture of compliance. We consistently review and update our framework and policies to reflect the ongoing evolution of local and global regulations, making certain that our practices stay up-to-date.







The remainder of the disclosures under this topic shall dive into each aspect of the framework in greater detail.

Our Group-wide Environmental Policy

With the objective of integrating environmental sustainability across all our operational activities and nurturing a culture of positive environmental action, we established our Group-wide Environmental Policy.

The policy details clear standards and actions that we expect of all our employees within four pillars of action – Energy and Emissions, Waste Management, Resource Utilisation and Biodiversity. As a result, the policy guides the creation of initiatives that are in line with prevailing environmental regulations and which deliver a positive impact on natural environments and neighbouring communities.

KEY PILLARS IN OUR ENVIRONMENTAL POLICY

			
▶ Energy and Emissions ◀	▶ Waste Management ◀	▶ Resource Utilisation ◀	▶ Biodiversity ◀
<ul style="list-style-type: none"> • Reduce energy consumption where possible • Integrate energy efficiency into operations • Develop technology and processes to improve performance • Comply with legal requirements and best practices • Consider environmental impacts during procurement processes • Advocate awareness amongst stakeholders 	<ul style="list-style-type: none"> • Minimise waste generation where possible • Increase efforts to prevent, reduce, reuse, recycle and recover waste • Meet or surpass regulations and integrate industry best practices • Identify impacts of waste generated and set targets to continually improve performance • Engage with stakeholders to promote awareness and good practices 	<ul style="list-style-type: none"> • Practise responsible material utilisation through efficient consumption • Incorporate environmental impact prevention in procurement processes and encourage the use of recycled or upcycled materials • Encourage development of sustainable products • Optimise utilisation and conservation of water • Engage innovation and collective action to ensure sustainable supply of water 	<ul style="list-style-type: none"> • Minimise impacts on biodiversity in areas where we operate • Integrate the management of natural capital and biodiversity into environmental management plans • Highlight and raise awareness on the importance of biodiversity protection and conservation through training and education

Oversight and Monitoring

Internal teams are tasked with ensuring our continued adherence to the standards and actions outlined in our Environmental Policy.

Oversight is headed by our dedicated Health, Safety and Environment ("HSE") Committee, which is responsible for overseeing our practices across each pillar of the policy. The HSE Committee is supported by HSE Officers and representatives at each of our subsidiaries who provide localised, on-ground monitoring. Further to this, our internal auditors conduct regular reviews of our practices during each reporting period, providing us with detailed insights into the environmental management performance of each of our subsidiaries.

Obtaining Globally Recognised Certifications

Amidst a fast-evolving regulatory environment, we understand the important role that obtaining globally recognised certifications plays in maintaining the trust of our customers, investors and governments in our markets of operation.

Two of the key certifications that our subsidiaries have obtained are ISO 14001 and ISCC PLUS:

- ISO 14001 represents the globally recognised standard for environmental management systems, certifying that a company has the resources and processes necessary to manage its environmental responsibilities
- ISCC Plus is the world's leading chain-of-custody accreditation for recycled, renewable and recycled-renewable plastic, certifying that a company uses materials that can be traced across the supply chain and legitimately contributes to the circular economy

To date, seven of our subsidiaries have successfully obtained the ISO 14001 certification, while five subsidiaries are currently ISCC PLUS certified.



Scientex Group entities that have obtained the ISO 14001 certification

Company/Plant Location	Certified Since (Year)
Scientex Great Wall (Ipoh) Sdn Bhd - Sg Siput	2004
Scientex Great Wall (Ipoh) Sdn Bhd - Chemor	2004
Scientex Packaging Film Sdn Bhd - Pulau Indah	2005
Scientex Great Wall Sdn Bhd - Rawang	2010
Scientex Packaging (Ayer Keroh) Berhad - Melaka	2011
Scientex Great Wall Sdn Bhd - Tg Kling	2018
Scientex Great Wall Sdn Bhd - Pulau Indah	2018



Scientex Group entities that have obtained ISCC PLUS certification

Company/Plant Location	Certified Since (Year)
Scientex Packaging Film Sdn Bhd - Pulau Indah	2021
Scientex Great Wall Sdn Bhd - Rawang	2021
Scientex Great Wall Sdn Bhd - Tg Kling	2021
Scientex Packaging (Ayer Keroh) Berhad - Melaka	2021
Scientex Packaging (Teluk Emas) Sdn Bhd - Melaka	2021

Regular Training and Engagement Activities

We maintain a calendar of training and engagement activities through which we educate our employees on the latest industry practices and drive collaborative action with fellow industry players and regulatory authorities.

At the business level, we use prevailing topics and issues as well as regulatory changes as a basis to curate training and development programmes for our employees. Courses that our employees were availed of in FY2023 included:

- ISO14001:2015 Awareness Training;
- Schedule Waste Awareness and Training;
- Course For Certified Environmental Professional In Scheduled Waste Management; and
- Managing and Handling Chemicals.


Our collaborative activities also extend to our customers and, during the year under review, we partnered with a multinational corporation to support their efforts in decarbonising their supply chain. This partnership has the potential to create a positive multiplier effect by encouraging more companies within the supply chain to transition to low-emissions practices.

Remaining Attuned and Responsive to Our Environmental Impacts

Our property development activities necessarily involve the clearing of land, which may have a direct impact on environmental factors in their vicinity, including but not limited to biodiversity, soil erosion and sedimentation, water quality, air quality, and noise and vibrations.

Cognisant of our responsibility to manage and minimise negative impacts, we undertake EIA prior to the development of our larger projects, enabling us to identify and quantify potential environmental risks that would be invoked by the development. These EIAs focus on five key aspects of potential impact, with our detailed mitigation measures for each of these focus areas outlined in the accompanying table.



Environmental-Related Matters	Key Mitigation Measures
 <p>Soil Erosion and Sedimentation</p>	<p>Preventive measures carried out to mitigate the risk of soil loss and sedimentation include the following:</p> <ul style="list-style-type: none"> • Clearing of vegetation is carried out only to the extent essential for any phase of the project development • Planting of grass and suitable cover crops to protect newly cleared areas against soil erosion • Slopes developed from earthwork activities, embankments and other structures are planted with suitable grass to minimise collapsing soil hazards • Diversion channels and drainage installed to divert runoff from the areas impacted to sediment basins

Environmental-Related Matters	Key Mitigation Measures
 <p>Water Quality</p>	<p>Key actions undertaken to mitigate water quality impacts include:</p> <ul style="list-style-type: none"> • Perimeter earth drainage and diversion channels installed to divert surface water from project area to dedicated silt trap for treatment prior to discharge • Temporary check dams and silt fences constructed as sediment control measures • Periodic maintenance of the sewerage pipelines, internal drains and monsoon drains (during the construction phase) to ensure the functionality of the pipeline and drainage
 <p>Air Quality</p>	<p>Air quality issues are managed and addressed via:</p> <ul style="list-style-type: none"> • Installation of hoarding at the boundary of the project site to trap entrained dust within work areas • Speed limit imposed on vehicles entering project site to reduce dust entrainment and along access roads to avoid any resurgence of dust • Strict prohibition of open burning at project sites • Exposed areas including access roads and stock of loose construction materials are damped (with water sprinkler) or covered during dry and windy days to reduce airborne dust • Ambient air monitoring conducted to measure the quantity and type of pollutants in the surrounding air of the project site
 <p>Noise and Vibration</p>	<p>Noise and vibration impacts due from our project site are addressed by the following key actions:</p> <ul style="list-style-type: none"> • Installation of hoarding to confine the noise generated from work areas to within its surroundings • No resounding construction activities are carried out during night time • Periodic maintenance for machineries and equipment carried out as a prevention measure to minimise loud noise emissions • In-ground barriers installed as a tool to deter vibrations that are mainly transmitted by the soil or which propagate near to the ground surface
 <p>Social Impact</p>	<p>Measures undertaken to manage the impact of the project on nearby communities include:</p> <ul style="list-style-type: none"> • All pilling works are prohibited during night time • Priority for participation and employment is provided to locals where possible and, if foreign workers are employed, these workers are briefed on Malaysian laws, rules, regulations, local customs and social etiquette • All workers are required to undergo a background check and health screening prior to the commencement of their employment • Cooperation with local communities to control the impact of traffic flow, through: <ul style="list-style-type: none"> - Provision of traffic management team to control movement of traffic during peak hours and mobilisation of heavy machineries - Provision of adequate warning signage on existing heavy vehicles - Vehicular movement for transportation purposes are avoided (where possible) during peak traffic hours - Awareness on road safety and traffic regulations is regularly provided to all parties working on the project site

Recognising the greater potential impact of larger projects, we conduct EIAs for all our developments that exceed 50 hectares in size. It is important to note that, to date, none of our completed or ongoing landbanks have been specified as a site of high diversity value.

Concurrently, social impact assessments are carried out by the relevant authorities, and we make sure to comply with all stipulations and recommendations resulting from these evaluations.

Spearheading Community-based Environmental Efforts

Beyond compliance with all relevant local and international regulations, we play an active role in community-based environmental efforts, where our employees contribute to initiatives that seek to maintain vital ecosystems and protect biodiversity.

One of our initiatives in this area is our mangrove planting programme, under which we have planted 750 mangroves in Teluk Panglima Garang, Selangor, since the programme's initiation in FY2022. Our efforts have contributed to rejuvenating this vital ecosystem, which supports a wide range of shrimp, fish and marine species.

The positive impact that this programme has had on carbon sequestration is augmented by our ongoing tree planting efforts, wherein we plant a diverse range of tree species within our property development sites. This includes vulnerable species as classified under the International Union for Conservation of Nature ("IUCN") Red List, such as Eucalyptus Deglupta, Hopea Odorata and Saraca Asoca (otherwise known as "Ashoka").



Our River Immersion Day emphasise the importance of preserving rivers

Supplementing these programmes, we are also playing an active role in the ongoing conservation of the Klang River, which is one of the nation's key riverways. In FY2023, we held a River Immersion Day where our employees had the opportunity to see the current state of the river and learn more about the Selangor Maritime Gateway ("SMG") project, under which the Selangor state government has improved the water quality index of the river, leading to various native animals returning to their natural habitats within its banks. We are also contributing to the construction of a river trail in collaboration with Landasan Lumayan Sdn Bhd ("LLSB"), which will enable local community members to experience the natural beauty of the river's surroundings and gain a deeper appreciation of its role in supporting local ecosystems.

OUR PERFORMANCE

We are pleased to highlight significant progress in our environmental compliance efforts during FY2023. These achievements were realised through the institutionalisation of a robust framework, improved communication with our supply chain partners regarding our goals and practices, and the adoption of eco-friendly development approaches.

Compliance

Within our Property Division, one of our project sites faced fines amounting to RM62,500 due to an incident of inadvertent soil spillage, with the issue confined to the main road of the development. The matter was investigated and measures were implemented to prevent such incidents from occurring in the future.

Supply Chain Oversight

Our Code of Conduct for Suppliers has been communicated to all our suppliers with an annual supply value of more than RM50,000.

Mori Residences 2: Expanding our Adoption of Sustainable and Green Construction

Located in Rawang, Mori Residences 2 is our second development to be GreenRE certified, reflecting the Group's commitment to continually increase our adoption of environmentally responsible development practices.

The development is the first of its kind in Rawang to feature three levels of gardens in a high-rise residential development, with green spaces at the Level 10 facility podium, as well as a Lobby Garden and a Sky Garden at Level 38.

What truly sets this project apart, however, is our application of a wide variety of green construction principles in the design and construction of the development.

By integrating these green features, we are on course to achieve our second consecutive GreenRE Bronze certification from REHDA upon the project's completion.

REHDA's GreenRE assessment tools provide a performance-based framework for meeting green certification requirements, which is fully endorsed by all relevant ministries and other local authorities, such as the Malaysian Green Technology and Climate Change Corporation ("MTGC"), Malaysian Investment Development Authority ("MIDA") and Iskandar Regional Development Authority ("IRDA").

Our emphasis on attaining GreenRE certification for our developments underscores our contributions to the UN SDGs as well as the World Green Building Council's Advancing Net Zero programme for total sector decarbonisation by 2050.

Through our adoption of GreenRE criteria into Mori Residences 2, we are empowered with a valuable blueprint for developing high-performance green buildings and townships that are more energy, water and resource-efficient, while featuring a lower overall carbon footprint.

Equally importantly, these green buildings and townships will also require a lower operating cost, which will serve to reduce the living expenses of its occupants in as much as it offers them a greener quality of life.

In line with the impending transition to electric-powered vehicles, we have proactively incorporated dedicated EV charging bays and infrastructure for easy installation of DC Charging Wallboxes at Mori Residences 2. These efforts are in conjunction with a multi-pronged collaboration with Sime Darby Beyond Auto Sdn Bhd, the sole distributor for BYD cars in Malaysia, through which we aim to educate and enable EV adoption, even amongst median-income families, as we promote affordable lifestyles that are simultaneously sustainable.

GreenRE features incorporated at Mori Residences 2

- ✓ Improved energy use efficiency
- ✓ Improved water use efficiency
- ✓ Electric Vehicles ("EV") charging bays
- ✓ Enhanced indoor environmental quality
- ✓ Control of carbon emissions during development
- ✓ Recycled-grade steel used in construction



An artist's impression of the Mori Residences 2 pool area



Our People, Our Pride

70 Occupational Safety and Health

81 Contributing to Local
Communities

75 Empowering Our People



OCCUPATIONAL SAFETY AND HEALTH

Putting Employee Welfare and Well-Being First

WHY IT MATTERS

We value the contributions of our workforce and view occupational safety and health as central to our promise as a responsible employer. By taking care of their welfare and well-being, we can foster high morale workplaces that promote long-term employee retention, while empowering our employees to produce their best work.

Maintaining a strong record in occupational safety and health also minimises our risk of suffering reputational or financial damage as a result of any workplace accidents, enhances our operational efficiencies, and places us in a strong position to build trusting customer relationships and achieve our business growth objectives.

OUR APPROACH

Adhering to a Strong Overarching Policy

With 3,990 staff members and a wide range of contractors across our broad geographical footprint, our Safety and Health Policy empowers us to maintain consistently high standards in occupational safety and health across our worksites.

Pillared on six key elements, the policy aligns with all applicable laws and regulations in our markets of operation. At a practical level, it vests the responsibility of managing safety and health matters to site-specific OSHA Committees, with the Board charged with overseeing all matters and providing overarching steer to our practices. The policy is communicated to all employees and contractors of the Group and is easily accessible via our corporate website.



Implementing Effective Management Systems

Complementing the overarching guidance provided by our Safety and Health Policy, safety and health practices at our manufacturing plants and property development sites are developed and carried out utilising robust management systems that comply with relevant regulations and international best practices.

We currently have two plants accredited with the ISO 45001:2018 certification. In accordance with said standards, we follow the Plan, Do, Check, Act ("PDCA") management approach, which guides consistent evaluation of the effectiveness of changes to our worksite-level safety and health systems, driving continual improvement to our performance.

We are also investing in improving our safety and health leadership capabilities among employees, while developing specific practices and guidelines to improve the observation and management of our employees' physical and mental health.

Our overall efforts in implementing these effective management systems will not only lead to improvements in our safety and health performance, but will drive greater alignment between our Group-wide practices and the expectations of other ISO standards as we progress towards achieving our vision.

In FY2023, one of our manufacturing plants in Ipoh won two awards in recognition of its elemental and safety management:

- 1) Winner of SOHELP DIY Terbaik (chemical management elements) under category four (companies appointed by the Department of Occupational Safety and Health or DOSH Perak to compete)
- 2) Second place for SOHELP DIY Terbaik 2023 (overall elements, covering noise exposure management, chemical management and ergonomic management)

As we evolve and improve our approach to OSHA management, we will continue to carry out regular assessments and inspections to ensure compliance across all of our worksites.



Receiving awards presented by the Deputy Minister of Human Resources.

Achieving Balanced Representation Through Collaborative Committees

We believe that effective OSHA management is achieved by combining strong overarching guidance with on-the-ground knowledge and insights. To this end, our OSHA Committees are a fair and inclusive channel for both management-level leaders and worksite-level employees to converge, discuss safety and health issues and formulate appropriate strategies.

These OSHA Committees, which feature balanced representation from both employers and employees, are tasked with ensuring that safety operating procedures are updated and adhered to by all employees, monitoring and assessing safety and health practices, and suggesting improvements to these practices where necessary, amongst other focus areas. OSHA Committees are also responsible for

ensuring compliance with all relevant laws and regulations pertaining to safety and health, and overseeing regular inspections carried out by internal and external parties across all worksites.

Supporting the work of these committees, safety officers are appointed at each worksite to ensure that all safety and health protocols are implemented, equipment maintenance is undertaken to ensure proper function, and that practices remain in compliance with the Malaysian Occupational Safety and Health Act 1994, the Factories and Machinery Act 1967, and other country-level occupational safety and health related laws and regulations. Safety officers also carry out regular spot checks, supporting continued compliance.

Further to our established management structure, all our employees may raise potential issues or provide suggestions for improving our safety and health practices, with input duly considered and potential responses deliberated during monthly management meetings.

Establishing Practices to Identify and Minimise Risks

To minimise the occurrence of workplace accidents, we have established a comprehensive range of hazard and risk management processes.



Risk Identification and Hazard Management

Hazard Identification Risk Assessment Risk Control ("HIRARC")

Daily Safety Inspections

Job Safety Analysis

Monthly House Audits

Work Site Safety Inspections

Work Permit System

Security Management

By adhering to these processes, we ensure that any emerging safety and health issues are promptly identified and addressed. Further to this, we undertake preventive action to address other potential issues that fall outside the remit of our management system, such as by undertaking the fogging of our worksites to prevent mosquito breeding and installing mosquito traps to minimise the risk of dengue outbreaks and other mosquito-related health hazards. Meanwhile, safety briefings are conducted and an ambulance is placed on standby whenever large-scale outdoor activities that fall outside the remit of day-to-day work are carried out. This was the case during our Scientex 55th Anniversary Run event held at multiple locations during FY2023, which was attended by hundreds of our employees.



Safety practices in place during our 55th Anniversary Run

Implementing Advanced Technologies and Approaches

We leverage automation technology wherever practicable to enhance our workers' safety and reduce their exposure to processes that pose a higher accident risk from human error. In recent years, we have adopted technologies including a fully automatic raw material feeding system and lifting manipulators to assist workers with tedious and potentially hazardous tasks.

We have continued to make progress on this journey during FY2023, adopting greater use of automation to protect our workers from such risks. Most notably, we launched our first Robotic Stretch Film Plant in Shah Alam, a cutting-edge facility that minimises worker interactions with machines, as well as installed an automated bag-making machine at our Melaka plant. To further enhance employee safety, we have also installed perimeter safety fences around the machines at our Robotic Stretch Film Plant to prevent unauthorised access and reduce the potential for accidents.



Perimeter safety fence installed at our Robotic Stretch Film Plant in Shah Alam

In our Property Division, meanwhile, our newly implemented self-climbing platform – which includes a high tensile steel netting to protect against falling objects – has decreased the safety risks associated with the construction of high-rise buildings.

Providing Safety and Health Training

As our employees form the frontline of our defence against safety and health hazards, we ensure that they are provided with role-specific training programmes to inform their day-to-day practices. The learnings they gain enable them to ensure our ongoing compliance with relevant regulations and to act promptly in the event of an incident.

Both physical and online programmes conducted by a range of internal and external providers were offered in FY2023, including:

- a) JKKP Putrajaya – Webinar Keselamatan Struktur Sementara
- b) OSH Train the Trainer Competency Based Programme
- c) Occupational First Aid Certification with AED & CPR Skill Training
- d) How to Cultivate a Positive Mindset
- e) Hazard Identification, Risk Management and Determining Control at the Workplace ("HIRADC")
- f) Extrusion-Food Safety Management System
- g) Slitting-Refreshing of FSSC Procedure-Personal Hygiene & Disease Control
- h) Safety Operation Procedure (Scheduled Waste Storage Activity)
- i) Risk Based Thinking Training
- j) ISO 45001:2018 Awareness Training
- k) Building Up a Future towards Sustainable Risk Assessment & Safety Development
- l) Fire Prevention and Fire Fighting

Total training hours for
occupational safety and health:
9,066 hours

Promoting and Supporting Employee Health

Beyond protecting our employees from work-related hazards, we also promote their well-being outside the workplace by encouraging healthier lifestyle practices and providing comprehensive healthcare coverage.

When it comes to our foreign workers, we ensure that all of them receive screenings for infectious diseases, including tuberculosis, hepatitis B, malaria, HIV/AIDS and more, thereby reducing the risk of disease transmission across our worksites.

OUR PERFORMANCE

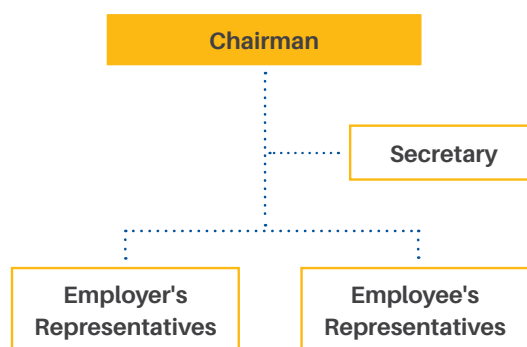
Supported by the robust framework of our Safety and Health Policy and our ongoing efforts to review existing initiatives and identify new areas where we can enhance our efforts, we have continued to make safety and health a key priority during FY2023.

At the same time, we undertake activities that promote health and fitness amongst our entire workforce. A significant activity held during FY2023 was the Scientex 55th Anniversary Run, which was open to all employees and held in various locations across Malaysia. As an added bonus, participating employees were provided with free basic health screenings covering blood glucose, blood pressure, BMI and other important indicators.

In tandem with this, we encourage all of our staff to undergo annual health checks and have provided corporate health check-up benefits to our executive-level staff, which include detailed screenings for the detection and early treatment of specific diseases – such as cancer – that fall outside the scope of regular screenings.

For more information on our approach to employee health well-being, please read the 'Empowering Our People' section on p. 75 of this report.

THE OSHA COMMITTEE STRUCTURE FOR BOTH PROPERTY AND PACKAGING DIVISIONS



PERCENTAGE OF WORKPLACES REPRESENTED BY BOTH EMPLOYER'S AND EMPLOYEES' REPRESENTATIVES

Description	PACKAGING	PROPERTY
The number of total workplaces	16 plants	14 development sites
The number of total workplaces with OSHA Committee	16	14
Percentage of workplaces represented by OSHA Committee	100%	100%

The above table excludes property worksites with no active construction of buildings as yet, as well as packaging plants which are not a subsidiary of the Group.

Report on Safety Incident

Zero fatalities were reported in FY2023. Nonetheless, we maintain a proactive approach to overseeing, tracking and enforcing workplace safety to ensure that our employees consistently adhere to safety and health protocols.

OSHA Statistics

PACKAGING DIVISION	FY2021	FY2022	FY2023
WORK RELATED INJURY BY CASE			
Fatal Injury (Number)	1	-	-
Minor [#] Accident (Number)	49	36	31
Major [#] Accident (Number)	45	29	31
WORK RELATED ILL-HEALTH BY CASE			
Fatal Injury (Number)	-	-	-
Minor [#] Accident (Number)	-	-	-
Major [#] Accident (Number)	-	-	-
PACKAGING DIVISION	FY2021	FY2022	FY2023
Total Lost Man Days (Number of days)	760	700	637
Total Number of Hours Worked ('000)	8,662	8,200	8,942
Fatality Rate (N1)	0.1	-	-
Injury Rate (N2)	10.9	7.9	6.9
Ill-health Rate (N3)	-	-	-
Lost Day Rate (N4)	87.7	85.4	71.2
PROPERTY DIVISION	FY2021	FY2022	FY2023
WORK RELATED INJURY BY CASE			
Fatal Injury (Number)	-	-	-
Minor [#] Accident (Number)	35	54	68
Major [#] Accident (Number)	-	-	-
WORK RELATED ILL-HEALTH BY CASE			
Fatal Injury (Number)	-	-	-
Minor [#] Accident (Number)	-	-	-
Major [#] Accident (Number)	-	-	-
PROPERTY DIVISION	FY2021	FY2022	FY2023
Total Lost Man Days (Number of days)	-	-	-
Total Number of Hours Worked ('000)	2,101	3,729	4,467
Fatality Rate (N1)	-	-	-
Injury Rate (N2)	16.7	14.5	15.2
Ill-health Rate (N3)	-	-	-
Lost Day Rate (N4)	-	-	-

Notes:

- Statistics for Property Division includes data on both employees hired by Scientex as well as those appointed by our contractors
- In the current year, our scope has been expanded to include foreign subsidiaries. Comparison figures have been adjusted accordingly
 - # Minor Injury: Injury which resulted in four days or less lost workdays
 - # Major Injury: Injury which resulted in more than four days lost workdays
 - N1 - Total Number of Fatalities/Total Number of Hours Worked x 1,000,000
 - N2 - Total Number of Injuries/Total Number of Hours Worked x 1,000,000
 - N3 - Total Number of Ill-health/Total Number of Hours Worked x 1,000,000
 - N4 - Total Lost Man Days/Total Number of Hours Worked x 1,000,000

EMPOWERING OUR PEOPLE



Maintaining Ethical, Engaging and Empowering Work Environments

WHY IT MATTERS

The growth of our business goes hand-in-hand with the development and advancement of our employees. By providing them with the resources to enhance their skills, broaden their expertise and achieve career progression within Scientex, they can in turn drive innovation that fosters our sustainable growth.

Beyond nurturing the development of our employees and maintaining competitive remuneration and benefits packages, we also hold a responsibility to maintain high ethical standards and to respect the rights of our employees at every juncture.

OUR APPROACH

Our employment approach is anchored on the imperative of retaining our workforce for the long term. Employees who have been with us for an extended period gain a deeper understanding of our business, enabling them to formulate and implement solutions that open new avenues of growth for our business. This, in turn, enhances our reputation and ability to attract high-quality new hires, creating a powerful and mutually beneficial feedback loop.

To this end, we focus our efforts on four core strategies as detailed below:



Upholding Responsible and Ethical Labour Practices

Our approach to employment is underscored by an uncompromising commitment to responsible and ethical labour practices that are in line with the laws and regulations of the countries where we operate. These practices are guided by our Group-wide Code of Ethics, which enshrines the imperative of upholding human rights (as guided by the International Bill of Human Rights), fairness, inclusivity and diversity.

As a core principle, we stand firmly against:

- Employment of underaged workers
- Forced or unpaid labour
- Coercion to work
- Workplace harassment or bullying
- Workplace discrimination

In addition to these commitments, we protect our employees' right to bargain collectively in a lawful and peaceful manner. We also strive to minimise impediments for differently-abled people to work at our business by installing accessibility solutions such as entrance ramps at our Shah Alam headquarters.

To proactively address potential issues that may arise at specific business premises or subsidiaries, additional human resource policies have been developed to provide more precise guidance. In addition, all relevant employees receive periodic updates on our codes and policies through refresher sessions, which involve completing questionnaires to reinforce their understanding and adherence to our practices. This helps to ensure that our expectations are met in a consistent manner across all business premises.

However, our responsibility extends beyond our business alone. As part of our commitment to continually enhance our approach towards upholding responsible labour practices, we are driven towards securing Supplier Ethical Data Exchange ("SEDEX") membership. SEDEX is an online

system that enables companies to transparently share data about their labour practices. To date, four of our plants have obtained SEDEX membership, committing us to undergoing detailed annual audits at each of these locations.

Our Human Resource department takes the lead in ensuring ongoing compliance with all applicable local and international regulations. To this end, the department maintains stringent oversight of labour practices across all our business premises, identifying and addressing any violations in a prompt manner to protect our employees and our reputation as a business.

Providing Attractive and Dynamic Remuneration Packages

We steadfastly maintain compliance with all relevant governance laws in Malaysia and in every country where we conduct operations, particularly concerning minimum wage and overtime pay requirements. Additionally, we remain committed to offering competitive compensation to employees across all levels. To this end, we regularly review our remuneration packages against local guidelines and industry benchmarks.

Further to this, all our employees – whether engaged on a permanent or contractual basis – are provided with a wide range of benefits including healthcare, parental leave, insurance and more. Our full suite of employee benefits is detailed below:

OUR SUITE OF EMPLOYEE BENEFITS



Leave Entitlement

- Annual Leave
- Compassionate Leave
- Medical and Sick Leave
- Hospitalisation Leave
- Prolonged Illness Leave
- Paternity and Maternity Leave
- Unpaid Leave



Health and Medical Benefits

- Personal Accident Insurance
- Group Hospitalisation and Surgical Insurance
- Outpatient Medical Claims
- Medical Check-Up Benefits
- Specialist Treatment



Special Benefits

- Company Car
- Fixed Allowance
- Travelling and Handphone Expenses
- Education Assistance
- Retirement and Service Benefits
- Stock Ownership

In line with our goal to drive employee retention and attraction, we are dedicated to ensuring that each employee's remuneration and benefits package accurately reflects the value they bring to our business and grows in proportion to their increasing contributions to the Group. Factors considered here encompass the employee's capabilities, experience, level of accountability and the responsibilities they assume.

Annual performance reviews play a vital role in evaluating each employee's performance and apprising their individual remuneration packages. Supporting this process, all employees are provided with regular performance reviews through which they can glean feedback on their performance and any areas of improvement.

Establishing an Engaging and Supportive Working Culture

Continuous engagement with employees and listening to their views and grievances are crucial components of cultivating a desirable working environment. Accordingly, we have established a variety of platforms through which management teams can actively communicate with their employees.

Through our QRB dialogues, we provide our employees with transparent information on our business strategies, as well as the challenges and opportunities ahead of us. Featuring our Managing Director/Chief Executive Officer, Executive Directors, Chief Operating Officers and department heads, these dialogues cultivate stronger alignment with the overall direction of our business strategies and provide clarity to our employees on the role they can play in achieving our goals. Reflecting the critical importance of sustainability to our business, QRB dialogues in FY2023 covered key elements of our sustainability agenda, including our alignment with the UN SDGs



SDG Board Game during one of our QRB dialogues

In addition to our QRB dialogues, employees are kept abreast of ongoing business updates through regular news bulletins and media clippings, which are disseminated via our on-premise notice boards, email blasts and our corporate website.

Besides this, we conduct transparent and impartial performance reviews with our employees annually, whenever feasible. This practice serves as a vital two-way communication platform between the management and our employees, enabling feedback from both parties to be considered in the spirit of collective improvement.

Meanwhile, to address any professional challenges that our employees may be facing, our heads of departments practice an open-door policy whereby comments, complaints and other issues may be raised and discussed without fear of reprisal. We have also instituted a formal grievance mechanism via our Whistleblowing Policy, whereby grievances may be raised to heads of departments, reported directly to the Human Resource department or, if necessary, escalated to the attention of a higher governing body such as the Audit Committee.

As a reflection of our concern for the well-being of our people, we organised a mental health awareness talk in FY2023. The session was attended by over 270 employees and detailed strategies to avoid and manage important mental health pitfalls, such as burnout, while also providing an open and supportive environment for employees to discuss any mental health issues they may be facing.



Our Mental Health Awareness Talk featured an experienced doctor and interactive discussions

Over 270 employees

attended our mental health awareness talk in FY2023

Providing Avenues for Growth and Career Development

We aim to foster dynamic workplaces where every employee can aspire to achieve their career progression goals within the Group through dedicated effort and contribution. To accomplish this, we are committed to providing a comprehensive range of resources for their continuous personal and professional development.

Training programmes are identified by heads of departments on a needs basis, taking into consideration the requirements of each job position in order to curate programmes that deliver maximum impact. Moreover, employees are encouraged to submit requests for training programmes they believe would benefit their work.

To support the development of our younger employees, we encourage them to assume different roles outside their normal scope of work. In doing so, they gain a deeper appreciation of our business, equipping them to eventually ascend to leadership roles within the Group. As such, this practice plays a key role in maintaining a strong pipeline of talent, thereby future-proofing our business over the long term.

In a similar vein, we maintain an internship programme which provides students with real-life working experience. In FY2023, we hired a total of 24 interns across our various manufacturing plants.

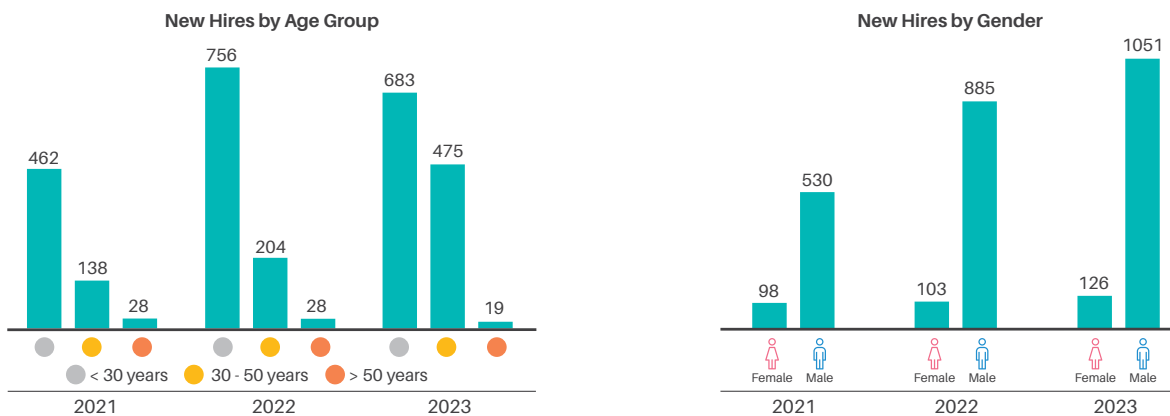
OUR PERFORMANCE

The following charts and visuals provide an impartial review of our annual performance across workplace diversity, employee retention, parental leave and training.

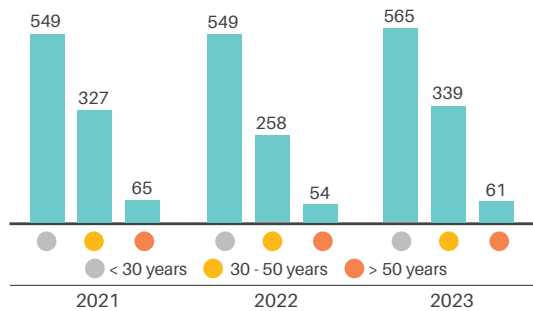
Breakdown of Workforce



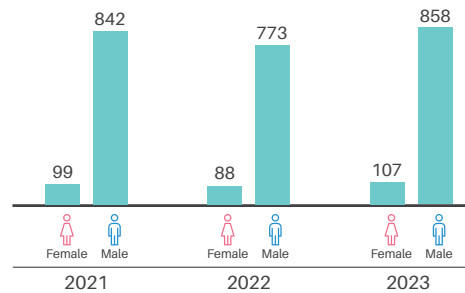
Total Number and Rate of New Hires and Employee Turnover



Employee Turnover by Age Group



Employee Turnover by Gender



	New Hire Rate			Employee Turnover Rate		
Financial Year	2021	2022	2023	2021	2022	2023
Rate (%)	16.7	27.0	30.5	25.0	23.5	25.0
By Age						
< 30 years	12.3	20.6	17.7	14.6	15.0	14.6
30 to 50 years	3.7	5.6	12.3	8.7	7.0	8.8
> 50 years	0.7	0.8	0.5	1.7	1.5	1.6
By Gender						
Female	2.6	2.8	3.2	2.6	2.4	2.8
Male	14.1	24.2	27.3	22.4	21.1	22.2

Parental Leave

Financial Year	2021		2022		2023	
Gender	Female	Male	Female	Male	Female	Male
	Number of Employees					
Took parental leave	50	69	54	67	32	81
Returned to work in the reporting period after parental leave ended	46	69	50	67	32	81
Returned to work after parental leave ended and still employed 12 months after parental leave	36	49	35	55	47	63
Rate of return for employees who had taken parental leave (%)	92	100	93	100	100	100
Retention rate of employees who had taken parental leave (%)	97	86	76	80	94	94

Training

The following training programmes and initiatives were undertaken in FY2023:

- Occupational safety and health
- Waste management
- ESG/ sustainability related matters
- Mental and physical health
- Corporate compliance
- Human resource related matters

Number of training hours in FY2023

Total 33,380 Hours	8.4 Hours Per Employee
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Compliance

The Group continues to maintain zero incident of non-compliance with regard to our employment practices.

CONTRIBUTING TO LOCAL COMMUNITIES



Placing Human Needs at The Heart of Our Mission

WHY IT MATTERS

As reflected in our vision, “Sustainable Growth, Better Tomorrow”, we have consistently aspired to adopt strategies and practices that may create enduring value for not only our business, but also for the larger community. This can be seen through the work of our Property Division, which provides affordable home solutions for middle-to-lower-income families, as well as our Group-wide commitment to elevate the talents of locally-based employees and suppliers wherever possible.

By working to enhance livelihoods within local communities, we in turn bolster our reputation as a responsible organisation, enabling us to forge stronger partnerships with governmental authorities, community-based organisations and our customers. This ultimately supports the sustainability of our business, paving the way for us to achieve our long-term objectives.

OUR APPROACH

We contribute to local communities in a multitude of ways, from awareness and education programmes to preferential hiring practices. These wide-ranging initiatives are underpinned by the goal of driving sustainable and equitable economic advancement within our countries of operation.

Promoting the Circular Plastic Economy

Mirroring the increasingly important role that recycled and recyclable materials play in our packaging products, we have established awareness campaigns that educate local communities about the importance of recycling and circular plastic economy practices.

Through our Green Truck Programme, which was co-developed with MPMA and ExxonMobil Chemical, we bring an innovative mobile truck to schools and educate students about the plastic recycling process. This prompts them to re-think how they dispose of plastic products at end-of-life and empowers them to become agents of change by driving the adoption of the 3R practices within their local communities. After a short hiatus due to the COVID-19 pandemic, we ramped up the programme in FY2023, expanding its reach to more schools across Peninsular Malaysia.

Within the confines of our business premises, the Back To Earth programme encourages our employees to compost food waste generated at our headquarters. Doing this not only makes a tangible difference to our waste footprint but gives our team first-hand experience of contributing to the circular economy, placing environmental sustainability at the front of their minds when suggesting innovations to our products and processes.

In FY2023, we **donated**
600kg of compost
to local farmers via our Back
to Earth programme

FY2023 also saw the launch of a new collaboration with Global Peace Foundation Malaysia, through which we donate our compost to Orang Asli community members in Pahang to support their adoption of regenerative farming practices. Through these practices, they can enhance the fertility of the soil they use to grow crops on without resorting to harmful pesticides or additives. As a result, they are empowered to achieve greater self-sufficiency (or food security) while also improving the quality of their crops. This in turn leads to greater income generation possibilities, kickstarting a positive multiplier effect that drives their continued economic advancement.



We collaborated with Global Peace Foundation Malaysia and supported the Orang Asli community members in Pahang

Extending a Caring, Helping Hand

Our plants and property developments are located in close proximity to underserved and marginalised communities, and we have a responsibility to assist these communities in any way that we can.

In conjunction with our 55th anniversary celebrations, we initiated a series of Scientex Health Day events during FY2023, held across multiple property development regions in Peninsular Malaysia, offering free basic health screenings and health talks to local communities, filling the need for quality healthcare in areas of the country which are often out of reach of this vital service. This new initiative builds upon our long-term blood donation drive, which helps to address shortfalls in blood banks across Malaysia's government hospitals.



Our Scientex Health Day featured free basic health screenings and health talks

Extending our efforts further, we responded to the needs of local schools in underserved areas by providing cash donations, with our contributions going towards upgrading facilities to enable the delivery of better-quality education for students. We also provided financial support to various sports events held near our developments, in line with our drive to promote active and healthy lifestyles.

Providing Local Economic Opportunities

With the objective of spurring sustainable economic growth in local communities, we prioritise the recruitment of locally-based talent wherever possible. This applies both to our Malaysian and overseas operations, and at present 75% of our total workforce hails from the countries of our respective subsidiaries. Further to this, we also look local when procuring suppliers, cognisant that this approach can create a positive knock-on effect by providing additional opportunities to other companies within local business ecosystems.

Meanwhile, with the aim of driving the upskilling of employees and suppliers, we maintain a consistent calendar of training and development initiatives, with these initiatives curated to our business priorities and to emerging trends and issues. Read the 'Empowering Our People' section on p. 75 of this report to learn more.

Improving Quality of Life Through Affordable Home Provision

Our biggest and most longstanding impact on local communities comes through our Property Division, which focuses specifically on developing quality homes at affordable prices for middle-to-lower-income families, thereby promoting greater equality in home ownership across the populace where we operate.

Beyond providing safe and well-constructed places to live, we design our developments to include commercial zones where retail and service-based outlets may set up shop, thereby providing job opportunities for residents and delivering a positive impact on neighbouring communities. Our developments are also sensitively planned to incorporate spaces for leisure to promote healthy lifestyles and foster greater social connectivity. Lastly, we collaborate with local authorities to ensure that existing transport infrastructure is extended to our developments, enabling our homeowners to conveniently access larger commercial centres with ease.

On the whole, our developments deliver benefits for homeowners and local communities by:

COMMUNITY BENEFITS DERIVED FROM DEVELOPMENT PROJECTS



Preserving Economically Vital Environmental Ecosystems

Many local communities – particularly those located in rural areas – depend on natural ecosystems as a source of income and also to provide protection against natural disasters. One key example of this can be found in the role that mangroves play, and, in FY2022, we initiated a programme to revitalise a mangrove forest in Teluk Panglima Garang, Selangor, which was formerly used as a dumpsite. Our work has seen us plant a total of 750 mangrove seedlings over the past two years, helping to preserve this diverse habitat and safeguard its contribution to Malaysia’s shallow seas ecosystem. Just as importantly, the preservation of the mangrove forest helps to safeguard the livelihoods of the fishermen who depend on it.

OUR PERFORMANCE

In FY2023, we expanded our commitment to local communities, maintaining our dedication towards our long-term recycling and blood donation initiatives while launching new programmes to support underserved schools and promote healthy, active lifestyles. Meanwhile, our new regenerative agriculture programme for Orang Asli communities promises to deliver long-term benefits in the form of improved food security and greater economic opportunities.

Moving forward, we will continue to remain attuned to local community needs with a view to establishing targeted initiatives that create long-term, shared value.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Scientex Berhad has reported the information cited in this GRI content index for the period 1 August 2022 to 31 July 2023 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1	Organisational details	About This Report, page 2; About Scientex Berhad, page 9 - 13
	2-2	Entities included in the organisation's sustainability reporting	About This Report, page 2
	2-3	Reporting period, frequency and contact point	About This Report, page 2
	2-4	Restatements of information	About This Report, page 2; Optimising Consumption of Materials, page 56; Reducing Energy Consumption and Emissions, page 60 - 61
	2-5	External assurance	About This Report, page 2
	Activities and workers		
	2-6	Activities, value chain and other business relationships	About Scientex Berhad, page 9 - 14
	2-7	Employees	About Scientex Berhad, page 14; Empowering Our People, page 79
	2-8	Workers who are not employees	Empowering Our People, page 79
	Governance		
	2-9	Governance structure and composition	Sustainability Governance, page 20 - 21
	2-10	Nomination and selection of the highest governance body	Sustainability Governance, page 20 - 21; Corporate Governance Overview Statement, IAR 2023 page 93 - 96
	2-11	Chair of the highest governance body	Sustainability Governance, page 20 - 21
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, page 20 - 21
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance, page 20 - 21
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, page 20 - 21
	2-15	Conflicts of interest	Board of Directors, IAR 2023 page 26 - 29; Corporate Governance Overview Statement, IAR 2023 page 92 - 93; Audit Committee Report, IAR 2023 page 103 - 105

GRI Standards	Disclosure Number	Disclosures	Page Reference
	2-16	Communication of critical concerns	Sustainability Governance, page 20 - 21; Empowering Our People, page 77 - 78
	2-17	Collective knowledge of the highest governance body	Sustainability Governance, page 20 - 21; Corporate Governance Overview Statement, IAR 2023 page 93 - 96
	2-18	Evaluation of the performance of the highest governance body	Sustainability Governance, page 20 - 21; Corporate Governance Overview Statement, IAR 2023 page 93 - 96
	2-19	Remuneration policies	Corporate Governance Overview Statement, IAR 2023 page 93 - 97
	2-20	Process to determine remuneration	Corporate Governance Overview Statement, IAR 2023 page 93 - 97
Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	A Message From Our Chief Executive Officer, page 6 - 8
	2-23	Policy commitments	Responsible Business Conduct and Governance, page 32 - 34; Empowering Our People, page 75 - 76
	2-24	Embedding policy commitments	Responsible Business Conduct and Governance, page 32 - 34; Embedding Sustainability in Our Business Processes, page 19
	2-25	Processes to remediate negative impacts	Responsible Business Conduct and Governance, page 33; Empowering Our People, page 77 - 78
	2-26	Mechanisms for seeking advice and raising concerns	Responsible Business Conduct and Governance, page 33; Empowering Our People, page 77 - 78
	2-27	Compliance with laws and regulations	Responsible Business Conduct and Governance, page 34; Responsible Waste Management, page 52; Environmental Compliance, page 67; Empowering Our People, page 80
	2-28	Membership associations	About This Report, page 15

GRI Standards	Disclosure Number	Disclosures	Page Reference
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Engaging Our Stakeholders, page 22 - 23
	2-30	Collective bargaining agreements	Empowering Our People, page 77 - 78
MATERIAL TOPIC			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality, page 24 - 25
	3-2	List of material topics	Materiality, page 24 - 25
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
RESPONSIBLE BUSINESS CONDUCT AND GOVERNANCE			
GRI 3: Material Topics 2021	3-3	Management of material topics	Responsible Business Conduct and Governance, page 32 - 34
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Responsible Business Conduct and Governance, page 32 - 34; Key Risks and Mitigation Section, IAR 2023, page 51 - 55
	205-2	Communication and training about anti-corruption policies and procedures	Responsible Business Conduct and Governance, page 34
	205-3	Confirmed incidents of corruption and action taken	Responsible Business Conduct and Governance, page 34
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Business Conduct and Governance, page 34; Environmental Compliance, page 67
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Business Conduct and Governance, page 34; Environmental Compliance, page 67
PROVIDING AFFORDABLE HOUSING			
GRI 3: Material Topics 2021	3-3	Management of material topics	Providing Affordable Housing, page 35 - 37;
GRI 203: Indirect Economic Impact 2016	203-1	Infrastructure investments and services supported	Providing Affordable Housing, page 35 - 37; Contributing to Local Communities, page 83
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GRI 3: Material Topics 2021	3-3	Management of material topics	Product Innovation, page 38 - 44
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RESPONSIBLE WASTE MANAGEMENT			
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GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Responsible Waste Management, page 48 - 52
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GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	Responsible Waste Management, page 50
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GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared source	Optimising Consumption of Materials, page 55 - 56
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	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health, page 70 - 73
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	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering Our People, page 76 - 78
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GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Empowering Our People, page 80
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