

Sustainability Statement

Introduction

The Board of Directors (“the Board”) of Ornapaper Berhad (“Ornapaper”) recognises the importance of developing and enhancing business operations in a sustainable and responsible manner. We are committed to creating long-term value across our value chains by embedding sustainability into our core business strategies, operations, and governance practices. This commitment not only drives the long-term growth of Ornapaper and its subsidiaries (“Ornapaper Group”) but also fosters lasting, mutually beneficial relationships with our stakeholders.

Sustainability is a cornerstone of our business strategy, especially as we navigate shifting business landscapes and operational complexities. We place great emphasis on meeting evolving customer expectations while minimising environmental impact and contributing to improved quality of life for current and future generations. Our sustainability agenda aligns with the Sustainable Development Goals (“SDGs”) established by the United Nations, underscoring our responsibility to promote prosperity while safeguarding the environment.

The Board is committed to good sustainability governance, including regular performance updates and proactive stakeholder engagement to ensure long-term business sustainability. Transparent sustainability reporting forms part of this commitment, covering the economic, environmental, and social aspects of our business operations. We believe that meaningful stakeholder engagement is essential in ensuring the relevance and resilience of Ornapaper Group’s business practices.

Through this Sustainability Statement (“Statement”), we aim to provide stakeholders with greater insight into how we create long-term sustainable value and how we are progressing in meeting our sustainability commitments. Ornapaper Group is dedicated to operating with integrity, accountability, and transparency across the value chain. We are also focused on adapting to changing market, industry, and national developments while creating shared value for both the business and society. As a responsible corporate citizen, we acknowledge our dual responsibility to deliver strong economic performance while contributing positively to the social and environmental landscape.

Beyond driving financial performance, the Board recognises that long-term success requires upholding high standards of conduct across governance, economic, environmental, and social dimensions. Our goal is to strike an optimal balance between short-term results and long-term value creation, aligned with the expectations of our stakeholders and Ornapaper Group’s strategic objectives. We are committed to ensuring that Ornapaper Group’s growth is both inclusive and sustainable in an increasingly competitive and fast-changing global environment.

Recent global developments, from heightened geopolitical tensions and trade frictions to the energy crisis and inflationary pressures, have disrupted industries worldwide and intensified interconnected challenges including poverty, inequality, carbon emissions, health, education, and economic resilience. Despite these complex and evolving challenges, Ornapaper Group remains committed to sustainable principles and practical implementation. Our long-term sustainability strategy integrates economic performance, responsible governance, environmental stewardship, and social contribution, enabling us to navigate uncertainty while upholding high standards in every aspect of our operations.

Our sustainability practices are geared toward driving long-term impact. We focus on responsible business conduct, managing environmental impacts, promoting workplace safety and well-being, and supporting the social needs of the communities we operate in. Ornapaper Group continues to enhance its efforts in energy efficiency, waste reduction, and alignment with government-led sustainability initiatives. We recognise that sustainability is not just a compliance obligation but a strategic driver of trust, brand value, and market opportunity.

Sustainability Statement

The Board of Ornapaper Group is pleased to present the Sustainability Statement for the financial year ended 31 December 2024. The Sustainability Statement underscores our commitment towards sustainability by addressing key sustainability matters relevant to Ornapaper Group's nature and business operations, with the ultimate aim of creating more value for our businesses, society and stakeholders. The Sustainability Statement is prepared pursuant to paragraphs 6.1, 6.2, 6.3 and 6.5 of Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). In particular, the management of material sustainability matters is disclosed, in all material aspects, in accordance with Part III of Practice Note 9 of MMLR of Bursa Securities and the Sustainability Reporting Guide issued by Bursa Securities ("the Guide") on the content of the Sustainability Statement.

As we move forward, Ornapaper Group is dedicated to further embedding sustainability into our operations and decision-making. In an era where global challenges such as climate change, social inequality, resource scarcity, and public health concerns are increasingly pressing, we remain focused on integrating sustainable practices into our culture, business processes, and stakeholder engagements. We aim to continuously improve our sustainability performance and transparency, and to grow responsibly in ways that benefit the economy, the environment, and society at large. Ornapaper Group is steadfast in its resolve to uphold sustainability as a key business priority and to create long-term, meaningful value for all stakeholders.

Scope of the Statement

The contents of this Sustainability Statement primarily cover activities undertaken during the financial year ended 31 December 2024, as well as relevant developments up to the date of this Statement. It focuses on the management and performance of Ornapaper Group's material economic, environmental, and social aspects in line with applicable sustainability disclosure requirements. The Statement outlines Ornapaper Group's stakeholder engagement processes, materiality assessment, sustainability initiatives, and disclosures on key impacts across the value chain. These are intended to support stakeholder understanding of Ornapaper Group's efforts in managing its sustainability risks and opportunities.

Disclosures related to corporate governance practices and compliance with relevant provisions and requirements per the MMLR of Bursa Securities, as well as the Malaysian Code on Corporate Governance ("MCCG"), are provided separately in the Corporate Governance Report and Corporate Governance Overview Statement included in this Annual Report.

Ornapaper Group's operations primarily comprise the manufacturing of paper-based packaging and stationery products, along with the provision of logistics services across Malaysia. The core business segment, which is the paper packaging segment, includes the manufacturing and sale of corrugated boards and carton boxes, contributed approximately 93% of Ornapaper Group's total revenue. Meanwhile, Ornapaper Group's secondary business segment focuses on the manufacturing of paper-based stationery products, which accounted for approximately 6% of the Group's total revenue.

As of the date of this Statement, the information disclosed in this Statement covers the identification, management, and reporting of sustainability matters and performances across six (6) primary subsidiaries of Ornapaper. These subsidiaries are the key contributors to Ornapaper Group's revenue, through their involvement in the manufacturing of paper-based packaging and stationery products, as reflected in the revenue proportions mentioned above.

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The six (6) primary subsidiaries are Ornapaper Industry (M) Sdn. Bhd. (“Ornapaper Melaka”), Ornapaper Industry (Batu Pahat) Sdn. Bhd. (“Ornapaper Batu Pahat”), Ornapaper Industry (Perak) Sdn. Bhd. (“Ornapaper Perak”), Ornapaper Industry (Johor) Sdn. Bhd. (“Ornapaper Johor”), Tripack Packaging (M) Sdn. Bhd. (“Tripack”) and Quantum Rhythm Sdn. Bhd. (“Quantum”) (collectively referred to as “the Companies” or “the Group”, and individually referred to as “the Company”).

Statement of Assurance

This Sustainability Statement has not been subjected to an assurance process.

Sustainability Principles

The Board, as the highest governance body within Ornapaper Group, holds ultimate accountability for embedding sustainability into the Group’s operations, strategy, and performance. Ornapaper Group is fully committed to advancing sustainability by continually integrating it into its work culture, business practices, and decision-making processes. The Group remains focused on meeting stakeholder expectations while pursuing strategic objectives, guided by a strong commitment to accountability and transparency in sustainability performance. This commitment is anchored in the following principles endorsed by the Board:

- To observe and comply with all relevant legislation, regulations, recommended trade practices, and code of practice applicable to Ornapaper Group;
- To consider sustainability matters and integrate these considerations into Ornapaper Group’s business operations and when making and implementing business strategies;
- To manage sustainability matters in a structured and systematic manner, whereby sustainability matters are embedded throughout Ornapaper Group and to be documented, continuously assessed and managed with reporting to the Board on scheduled intervals or as and when the materiality of the sustainability matters requires such reporting;
- To continuously promote, train and communicate with all employees, suppliers, business partners and other relevant stakeholders to ensure that they are aware of, and are committed to, implementing and measuring sustainability activities as part of Ornapaper Group’s or their strategy, taking into consideration economic, environment, social and governance aspects;
- To continuously engage and communicate with all relevant stakeholders for the identification, assessment and management of material sustainable issues; and
- To strive to improve Ornapaper Group’s sustainability performance over time.

Sustainability Policy

Ornapaper Group’s sustainability policy reflects its enduring commitment to responsible business conduct and the creation of long-term value. Guided by the 2030 Agenda for Sustainable Development and the 17 SDGs established by the United Nations, the Group aligns its operations with global efforts to eradicate poverty, improve health and education, reduce inequality, stimulate inclusive economic growth, and address the impacts of climate change and environmental degradation.

The SDGs are interconnected, acknowledging that progress in one area influences outcomes in others. They highlight the importance of adopting a balanced approach to achieving long-term sustainability, encompassing economic, social and environmental dimensions. As a global call to action, the SDGs urge collective efforts from all nations to achieve sustainable development by 2030.

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Amidst ongoing global uncertainties, including geopolitical tensions, inflationary pressures, energy market volatility, and increasingly complex environmental and social challenges, Ornapaper Group remains resolute in its commitment to fostering ethical, accountable, and sustainable business practices. These developments reinforce the importance of resilient governance and responsible corporate behaviour, guiding the Group in navigating risks while contributing positively to society and the environment.



To formalise this commitment, the Board has adopted a Sustainability Policy that integrates sustainability into the Group’s corporate strategy, daily operations, and stakeholder engagement efforts. This policy reinforces the Group’s approach to upholding responsible business conduct while pursuing excellence and innovation in its core industries. The Sustainability Policy covers the following key areas:

- To continuously identify and engage with potential suppliers at key operational locations to optimise cost efficiency and sales value.
- Compliance with high ethical standards of suppliers.
- To diversify customer portfolio in order to preserve the economic interests of all relevant stakeholders and mitigate the risk of overreliance on key customers.
- To ensure that investments in machinery are aligned with operational requirements, support timely customer delivery, and enhance overall product quality.
- To voluntarily contribute to local authorities and actively create value-added impact for surrounding communities.
- To uphold business excellence and ensure operational continuity.
- To comply with all applicable environmental and occupational safety and health regulations.
- To adopt sustainable (“green”) principles in procurement and manufacturing practices.
- To reduce material consumption through the effective implementation of 3R principles – Reduce, Reuse, and Recycle.
- To manage and dispose wastes in a responsible manner.
- To demonstrate integrity and honesty by adhering to high moral principles and maintaining zero tolerance for unethical or non-compliant behaviour.
- To commit to providing a safe, healthy, and conducive working environment for all employees.
- To enhance employee skills through continuous training and development programmes.

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Governance Structure and Process

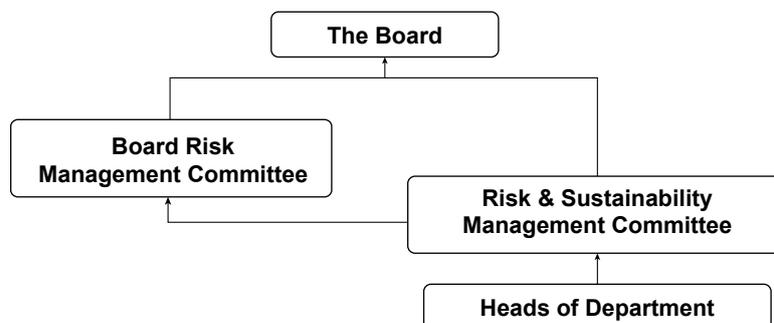
Good governance is fundamental to Ornapaper Group's ability to operate in a responsible, transparent, and sustainable manner. The Board acknowledges its overarching responsibility for integrating sustainable economic, environmental, and social practices throughout the organisation. This includes embedding sustainability into strategic planning, overseeing its implementation, and monitoring performance to ensure continuous improvement. The Group's governance structure for sustainability management is developed with reference to the Guide and Toolkit: Governance issued by Bursa Securities, with necessary adaptations to suit the scale, complexity, and operational context of Ornapaper Group's businesses.

Ornapaper Group's commitment to sustainable practices is embedded across all levels of the organisation. At the leadership level, the Board, Executive Directors, and the management of the Company ("Management") collectively recognise the importance of understanding, adopting, and promoting sustainable practices in alignment with the Group's vision, values, and long-term objectives.

To reinforce this commitment, the Board has instituted a formal governance structure to ensure accountability, effective oversight, and systematic review with respect to the identification, management and reporting of sustainability matters and performance. This structure is designed to ensure that sustainability initiatives across all levels of organisation and business units are aligned with the Group's strategic direction and Board-level expectations. Clear reporting mechanisms have been established to facilitate timely identification and management of sustainability-related risks and opportunities. These mechanisms allow for regular monitoring and informed decision-making to drive continual progress in sustainability performance.

The Risk and Sustainability Management Committee is tasked with key responsibilities in identifying, assessing, managing, and reporting sustainability matters and performance. This Committee plays a pivotal role in steering sustainability initiatives and ensuring their alignment with Ornapaper Group's overall strategy and long-term goals.

The Board has formalised its sustainability principles and expectations through the adoption of a comprehensive Sustainability Framework. In line with the nature, scale, and geographical spread of the Group's businesses, the Board has established a formal governance structure to support the identification, management, and reporting of sustainability matters and performance, as outlined below:



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The governance structure delineates clear roles and responsibilities for the Board, the Audit Committee, the Risk and Sustainability Management Committee, Heads of Department, and the Key Risk and Sustainability Officer. Essentially, the Board assumes ultimate responsibility for sustainability management and performance across Ornapaper Group, while the Audit Committee oversees sustainability management and performance for reporting to the Board.

The Risk and Sustainability Management Committee, chaired by the Chief Executive Director and Executive Director of Ornapaper, is entrusted with the following responsibilities:

- a. Implement the sustainability strategy and management policy as approved by the Board;
- b. Lead and implement the process of sustainability matters identification, assessment and management and devising appropriate action plans in cases where sustainability issues are not adequately or effectively addressed and communicate proposed action plans to the Heads of Departments;
- c. To conduct a periodic review of all sustainability matters of the Group (at least on an annual basis) and determine the adequacy of the response and the current standing of the sustainability matters and to report the review results (including material sustainability matters) and recommendations to the Audit Committee;
- d. To manage stakeholder engagement for input for assessment and communication of results of review and response;
- e. To implement the material sustainability matters' indicator and the target and performance monitoring thereof and the preparation of sustainability disclosures as required by laws and/or rules, and to report to the Audit Committee for review;
- f. To oversee the Heads of Departments in the implementation of systems of sustainability management;
- g. To update the Audit Committee on changes to the material sustainability matters on a periodical basis (at least on an annual basis) respectively or when appropriate (due to changes in the external environment or internally) and the course of action to be taken by management in managing the changes; and
- h. To ensure relevant sustainability trainings are provided for the appropriate level of employees to cultivate a positive attitude and promote the correct approach toward sustainability management.

As for the Heads of Department, their primary responsibilities are to manage sustainability matters within their respective business processes and to assist the Risk and Sustainability Management Committee with the implementation of the process of sustainability matters identification, assessment, management and monitoring of all sustainability matters.

The sustainability matters management process is established by the Board in compliance with the Guide and Toolkit: Materiality Assessment issued by Bursa Securities, with necessary adaption based on the nature and scale of the businesses of the Group, taking into consideration the business strategies promoted by the Board, as follows:

- Identification of the intended stakeholder groups and sub-groups, the focus areas expected by the intended stakeholders and engagement objective(s) for each stakeholder group through Stakeholders' Mapping and the establishment of the Stakeholders' Profile;

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- The stakeholders identified for each significant business segment and geographical segment are prioritised in relation to their influence over and dependence on the Group so that the Group can put in more effort on stakeholder groups that have higher influence and/or dependency and the concerns of such stakeholders will carry greater weight. The prioritisation of the stakeholders is conducted by the Risk and Sustainability Management Committee by using the Stakeholder Prioritisation Matrix, whereby each stakeholder identified is assessed by using the influence and dependence criteria and rating scale established by the Board. The results of the prioritisation can be used to determine the level of engagement to be employed by the Group with respective stakeholders (from collaborating/empowering to keeping informed) based on the perceived influence and dependency of each stakeholder group;
- Identification of sustainability matters for each significant business segment and geographical segment via internal sources (through internal documentation as well as an information system and internal stakeholders' communication via engagement medium and direct communication) and from external sources (through internal documentation, management information system, trusted public domains, correspondences with external stakeholders and external stakeholders' communication via engagement medium and direct communication);
- Sustainability matters identified for each significant business segment and geographical segment via internal and external sources are refined, consolidated and categorised into respective sustainability categories determined by the Board and enlisted in the Sustainability Matters Listing, detailing the influential and dependent internal and external stakeholders;
- Sustainability matters categorised in the Sustainability Matters Listing are subjected to internal materiality assessment by the Risk and Sustainability Management Committee in order to prioritise the sustainability matters for assessment by internal and external stakeholders.

Sustainability issues are considered material if:

- it has significant economic, environmental and social impacts on the Group from the organisation's point of view;
- substantively influence the assessments and decisions of stakeholders from the stakeholders' point of view; and
- it has significant economic, environmental and social impacts that affect the ability to meet the needs of the present and future generations.

The internal materiality assessment entails the assessment by the Risk and Sustainability Management Committee based on the rating scale established by the Board on the significance of each sustainability matter on the revenue, cost, reputation, strategic and operational risk and business opportunities criteria.

From internal and external stakeholders' perspectives, stakeholders' assessment of sustainability matters is based on the significance of such matters to influence the assessment and decision by respective stakeholders. The stakeholders' assessment of the sustainability matters is obtained during stakeholders' engagement, either through direct communication by the Risk and Sustainability Management Committee or Heads of Departments, via the rating system established by the Board.

- Subsequent to the assessment process, sustainable matters identified above are subjected to risk management policy and process established by the Board for the assessment and management of the risk and opportunities identified.

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In the context of sustainability matters management, the current standing of sustainability matters is assessed for its adequacy and effectiveness by the Risk and Sustainability Management Committee and to formulate management response (if existing controls are inadequate or ineffective) to mitigate the sustainability risk or optimise the sustainability opportunities, in line with the risk appetite and business strategies established by the Board. Please refer to the Statement on Risk Management and Internal Control on the risk management system employed by Ornapaper Group in the identification, management and monitoring of business risks.

- For the management of material sustainability matters, the Risk and Sustainability Management Committee is to develop a position and response with respect to each material sustainability matter in the following manners:
 - developing policies and procedures;
 - implementing various initiatives, measures or action plans;
 - to comply with applicable laws and regulations;
 - setting indicators, goals, targets and timeframe in line with the strategic objectives; and
 - implementing new, or changing existing systems, to capture, report, analyse, and manage data requirements.

The Risk and Sustainability Management Committee is to monitor the current standing (including but not limited to, indicators, target and actual performance) and responses of the material sustainability matters and actual performance and to report to the Audit Committee on a yearly basis for review and for their recommendation to the Board for review and approval.

Stakeholder Engagement

The Board recognises and acknowledges the pivotal role of internal and external stakeholders in realising Ornapaper Group's missions and ensuring long-term business sustainability and excellence. Therefore, a stakeholder-driven approach to sustainability forms the cornerstone of our sustainability strategy and reporting. Maintaining robust communication, understanding, and relationships with stakeholders through various platforms, continuous dialogue sharing of information with stakeholders is essential for the success and sustained growth of our businesses.

Ornapaper Group places strong emphasis on engaging with its employees, customers, suppliers, investors, regulators, and local communities. Understanding the expectations and interests of these stakeholder groups is essential to building trust, enhancing reputation, motivating workforce morale, and delivering long-term sustainable value. Transparent and responsive communication allows Ornapaper Group to align stakeholder expectations with its sustainability objectives and operational strategies.

It is on this basis that the Board is pursuing the sustainable strategy of continuous engagement with internal and external stakeholders who are dependent on and/or influenced by the activities undertaken by Ornapaper Group, and to ensure that such engagements include all internal and external stakeholders across the value chain and to respond proactively, via formal and informal channels, to the concerns and views of respective stakeholder groups.

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During the financial year under review and up to the date of this Statement, with regard to the sustainability assessment, management and monitoring process, the Risk and Sustainability Management Committee relied on informal channels, such as meetings and face-to-face communication, facilitated by Heads of Department and Executive Directors, supplemented by formal communication channels of communication, such as employees' performance appraisals, to engage with the stakeholders. These engagements have enabled Ornapaper Group to validate sustainability matters identified by Management and incorporate stakeholder insights into its risk management and strategic planning processes.

The Board acknowledges that the stakeholder engagement processes engaged by the Risk and Sustainability Management Committee can be further enhanced by employing a preferred level of engagement per stakeholders' profile at the preferred frequency as determined by the Board. This ensures timely and reliable communication of key topics and concerns of respective stakeholder groups to the appropriate governance bodies of Ornapaper Group for effective response and alignment with Ornapaper Group's sustainability agenda. Ornapaper Group's stakeholder engagement process is guided by the Guide and Toolkit: Stakeholder Engagement issued by Bursa Securities, with necessary adaptation based on the nature and scale of the businesses of the Group.

Following the sustainability assessment performed, the Board has determined that, through stakeholder mapping and profiling exercise conducted by the Risk and Sustainability Management Committee and Heads of Department and reported to them subsequently, the following stakeholder groups have been identified as having significant influence on, and dependence upon, the Group:

STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Employees	<ul style="list-style-type: none"> ▪ To ensure fair engagement of salary ▪ To establish career pathways for the workforce at all levels ▪ To have a safe and healthy working environment ▪ To strike for work life balance 	<ul style="list-style-type: none"> ▪ Performance appraisal ▪ Employee's self-evaluation ▪ Memorandum ▪ Electronic mail system ▪ Meetings ▪ Employees' dialogue 	<ul style="list-style-type: none"> ▪ Annually ▪ Ongoing
Board of Directors	<ul style="list-style-type: none"> ▪ To ensure business strategy takes into consideration of sustainable practices ▪ To convey accurate financial and non-financial information for decision making ▪ To comply with good corporate governance ▪ To ensure cyber security and continuous safety of organisation data and assets (including suppliers and customers) 	<ul style="list-style-type: none"> ▪ Committee meetings ▪ Board of Directors meeting 	<ul style="list-style-type: none"> ▪ Annually ▪ Quarterly

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STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Management	<ul style="list-style-type: none"> To ensure the sustainability of human resources in pursuit of the company's goals 	<ul style="list-style-type: none"> Meetings Memorandum Electronic mail system 	<ul style="list-style-type: none"> Annually Quarterly Monthly Ongoing
Financial Institutions	<ul style="list-style-type: none"> To demonstrate financial sustainability To understand and comply with laws 	<ul style="list-style-type: none"> Annual report Public announcements Meetings 	<ul style="list-style-type: none"> Annually Ongoing
Government	<ul style="list-style-type: none"> To ensure compliance with all relevant laws and regulations 	<ul style="list-style-type: none"> Official submission Official letter Public dialogue involving government officials Public announcements Telephone conversation Face-to-face meetings Electronic mail system Periodical audit 	<ul style="list-style-type: none"> Ongoing
Local Authority	<ul style="list-style-type: none"> To ensure compliance with relevant laws and regulations 	<ul style="list-style-type: none"> Official submission Official letter Public dialogue Public announcements Telephone conversation Face-to-face meetings Electronic mail system Periodical audit 	<ul style="list-style-type: none"> Ongoing
Customers	<ul style="list-style-type: none"> To improve customer's satisfaction To meet potential customer's requirements 	<ul style="list-style-type: none"> Face-to-face meetings Electronic mail system Telephone conversation Customer audits Letter of complaint Official letter SCAR 	<ul style="list-style-type: none"> Ongoing
Investors	<ul style="list-style-type: none"> To demonstrate financial sustainability 	<ul style="list-style-type: none"> Annual report Annual general meeting Shareholders communication Press releases and public announcements 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Certification Body	<ul style="list-style-type: none"> To ensure compliance with ISO 9001: 2015 and 14001: 2015 standard 	<ul style="list-style-type: none"> Audit Electronic mail system Telephone conversation Reports 	<ul style="list-style-type: none"> Ongoing

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STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Suppliers	<ul style="list-style-type: none"> ▸ To ensure all materials are RoHS compliance/ environmentally friendly ▸ To strive for reasonable price materials and services at an acceptable quality, consistent and on-time delivery ▸ To ensure safety and health during loading and unloading process and delivery journey ▸ To ensure product quality and safety as well as services ▸ To ensure no disruption in the supply of materials 	<ul style="list-style-type: none"> ▸ Supplier's evaluation and appraisal ▸ Meetings ▸ Conflict of Interest Policy ▸ Code of Conduct ▸ Electronic mail system ▸ Telephone conversation ▸ Official letter/ memorandum ▸ Supplier audit 	<ul style="list-style-type: none"> ▸ Ongoing
Local community	<ul style="list-style-type: none"> ▸ To ensure pollution and social ills free community 	<ul style="list-style-type: none"> ▸ Corporate social responsibility programme ▸ Face-to-face meetings ▸ Press release ▸ Official letters ▸ Electronic mail system ▸ Telephone conversation 	<ul style="list-style-type: none"> ▸ Ongoing
Media	<ul style="list-style-type: none"> ▸ To minimise negative reporting and protect the company image ▸ To ensure accuracy of information reported 	<ul style="list-style-type: none"> ▸ Press release ▸ Telephone conversation 	<ul style="list-style-type: none"> ▸ Ongoing
Trade Association	<ul style="list-style-type: none"> ▸ To seek for protection of employer's interests and opportunities in business trade ▸ Sharing of industrial update 	<ul style="list-style-type: none"> ▸ Meetings ▸ Forums 	<ul style="list-style-type: none"> ▸ Ongoing

Subsequent to the stakeholder group's identification with the respective engagement methods proposed, a stakeholders' prioritisation exercise was conducted for the Group to rank respective stakeholder groups' influence over and/or dependence on the Group based on influence over and dependence rating criteria and scale approved by the Board. The results of the stakeholders' prioritisation exercise for the Group are tabulated in the following Stakeholder Prioritisation Matrix with the recommended level of engagement for respective quadrants.

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Sustainability Management Activity

During the financial year under review, Ornapaper Group undertook a series of structured activities aimed at identifying, managing, and reporting sustainability matters and performance. These activities reflect the Group's commitment to a systematic and data-driven approach in embedding sustainability throughout its operations:

- **Stakeholder Mapping and Profiling:**

The Risk and Sustainability Management Committee conducted a comprehensive identification of internal and external stakeholders relevant to the Group's manufacturing activities. This process involved mapping the stakeholders based on their degree of influence on, and dependence on, the Group. Individual stakeholder profiles were also developed to understand their specific interests, expectations, and level of engagement required.

- **Stakeholder Prioritisation Exercise:**

Internal and external stakeholders of manufacturing activities identified by the Risk and Sustainability Management Committee were assessed and prioritised for its degree of influence over and dependence on the Group based on the agreed upon criteria and rating scale ("stakeholder prioritisation exercise").

- **Sustainability Matters Identification:**

The Risk and Sustainability Management Committee performed identification of the relevant sustainability matters through internal sources and informal engagement with stakeholders. These engagements, facilitated by Heads of Department, involved direct communication with internal and external stakeholders.

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- **Internal Materiality Assessment:**

The Risk and Sustainability Management Committee performed the internal materiality assessment by using predetermined criteria and rating scales to prioritise the sustainability matters for assessment by internal and external stakeholders, and to determine the significance of the sustainability matters from the Group's perspective ("Internal Materiality Assessment").

- **Assessment of Stakeholder Perception on Sustainability Matters:**

The Risk and Sustainability Management Committee assessed the degree of significance of each sustainability matter in influencing the assessments and decisions of internal and external stakeholders through informal stakeholders' engagements, conducted via direct communication with relevant internal and external stakeholders by the respective Heads of Department.

- **Material Sustainability Matters Determination:**

The results of the stakeholder prioritisation exercise, internal materiality assessment, and the degree of significance of sustainable matters in influencing the assessment and decision-making of relevant internal and external stakeholders were utilised by the Risk and Sustainability Management Committee to prioritise sustainability matters and identify material sustainable matters. An identified sustainability matter is deemed material if it exceeds the material threshold established by the Board.

Material Sustainability Matters

Ornapaper Group places strong emphasis on delivering long-term value to shareholders, upholding sound governance practices, maximising contributions to stakeholders, and minimising its environmental footprint. Material sustainability matters are identified through a structured and systematic materiality assessment process, focusing on Economic, Environmental, and Social ("EES") factors that are relevant and important to the Group's business continuity and long-term sustainability.

This process, approved by the Board and guided by the Guide and Toolkit: Materiality Assessment issued by Bursa Securities, has been adapted to reflect the Group's specific business nature, geographical footprint, and operational scale. The assessment considers four key principles of sustainability reporting, which are the sustainability context, materiality, completeness, and stakeholder inclusiveness, and is conducted through a continuous cycle of identification, prioritisation, validation, and review.

A list of material sustainability issues was identified and determined through the sustainability matters assessment and prioritisation exercises of the Group undertaken by the Risk and Sustainability Management Committee. These exercises reflect critical sustainability considerations pertinent to each entity's business and geographical context, highlighting the expectations and concerns of stakeholder groups. The sustainability matters are rated as "Material", "Low and Medium" or "Not Material", through the materiality matrix, based on their significance from both Management's perspective on the potential impact to the business, as well as significant stakeholders' perspectives on its influence over their assessments and decisions.

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Sustainability Matter	Definition	Aspect Boundary		Relevant SDG Goals	Corresponding Risk Register
		Internal Stakeholders	External Stakeholders		
Occupational Safety and Health (Social) <ul style="list-style-type: none"> • Safe and Healthy Working Environment • Safety and Health Management 	Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers and stakeholders	Management, Employees, Board of Directors	Government, Customers, Department Of Safety and Health, Certification Body	 	Compliance with Occupational Safety & Health Act
Compliance with Laws and Regulations (Environmental)	Compliance identifies the adherence of an organisation's activities to relevant laws and guidelines	Board of Directors, Investors, Management, Employees	Media, Financial Institutions, Government, Local Community, Suppliers, Customers, Certification Body, Supply Chain	 	Compliance with Environmental Quality Act
Generation and Treatment/ Disposition of Scheduled Waste and Non-Hazardous Waste (Waste and Effluent - Environmental)	Waste and effluent discharged from operations into public areas	Board of Directors, Investors, Management, Employee	Media, Suppliers, Local Community, Government, Certification Body, Customers	   	Compliance with Environmental Quality Act

Occupational Safety and Health (Social) - Safe and Healthy Working Environment and Management

Ensuring the safety and well-being of our employees and stakeholders remains a cornerstone of our sustainability efforts. We recognise the intrinsic value of a secure and healthy workplace, which extends beyond our workforce to encompass our broader stakeholder community, including customers, suppliers, contractors, and visitors. Our unwavering commitment lies in providing a productive, dynamic, and safe environment by minimising the risk of accidents, injuries, and exposure to health hazards, to the extent practicable.

In recognition of this commitment, the Group upholds strict compliance with all applicable safety and health laws and regulations, including but not limited to:

- Occupational Safety and Health Act 1994 (Act 514)
- Occupational Safety and Health (Safety and Health Committee) Regulations 1996
- Poisons Act 1952 (Act 366)
- Poisons (Sodium Hydroxide) Regulations 1962
- Fire Services Act 1988
- Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013
- Occupational Safety and Health (Noise Exposure) Regulations 2019
- Factories and Machinery (Safety, Health and Welfare) Regulations 1970

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- PUA290 Fire Services (Fire Cert) (Amendment) Regulations 2020
- Occupational Safety and Health (Amendment) Act 2022 (Act A1648)
- Petroleum (Safety Measures) Act 1984 Act 302
- Electricity Supply Act 1990
- Electricity Regulations 1994

Each subsidiary within the Ornapaper Group has established its own Safety and Health Committee, comprising representatives from both Management and employees. These committees are responsible for overseeing the implementation of safety measures, ensuring compliance with regulatory requirements, conducting hazard identification and risk assessments, implementing control measures, and cultivating a strong safety culture.

The safety and health efforts across subsidiaries are guided by the Group Safety and Health Policy, which is approved by the Chief Executive Director. While implementation is decentralised, the Group maintains overarching oversight to ensure consistent safety principles, adherence to legal requirements, and sharing of best practices across all entities. Safety and health rules and regulations are established too by the Safety and Health Committee and approved by the Management to ensure all activities are conducted safely and effectively, with the goal of preventing workplace incidents and promoting the well-being of all employees and stakeholders.

Safety and health rules and procedures are developed by the Safety and Health Committees and endorsed by Management. These are designed to ensure that all operational activities are carried out safely and effectively, with the ultimate goal of incident prevention and the promotion of employee well-being. To reinforce a culture of safety, the Group promotes safe practices as part of daily operations. Safety and Health Committees regularly monitor compliance with established protocols, promote awareness, and facilitate a proactive approach to preventing industrial accidents. Ornapaper is committed to its vision of achieving a “Zero Accident” workforce while creating a “Good, Safe and Pleasant” environment for employees and stakeholders.

Safety and health audits are conducted by the respective Safety and Health Committees to identify any instances of non-compliance or potential hazards promptly. These include hazard identification, risk assessments, and control planning. Corrective actions are implemented swiftly to prevent recurrence. Furthermore, scheduled Safety and Health Committee meetings are held periodically in accordance with the statutory requirements. These scheduled meetings serve as a platform to have effective communication in promoting better and safer work practices, review accident or near-miss trends, investigate workplace incidents including occupational poisoning or disease, and propose preventive and corrective actions. This structured engagement helps maintain a hazard-free workplace.

All sites are equipped with trained Emergency Response Team prepared to respond swiftly to incidents such as fires, chemical spills, or medical emergencies. Emergency Response Team members receive specialised training in fire suppression, evacuation procedures, first aid, and crisis communication to ensure prompt and effective response when needed. Regular emergency drills and response simulations are conducted to ensure team readiness and foster wider awareness among employees.

In support of our emergency protocols, clear fire evacuation plans are established, briefed to employees, and displayed at strategic locations. Firefighting equipment such as fire extinguishers, sprinklers and hose reels are installed and inspected at regular intervals to ensure their functionalities are not compromised over time. Fire alarm systems are in place to alert building occupants, and fire certificates are renewed annually upon inspection by the Fire and Rescue Department of Malaysia.

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The Group organises safety and health awareness programmes to equip all relevant stakeholders with the competencies required to maintain workplace safety. To promote safety and health culture among the employees, regular safety and health-related trainings or workshops and on-the-job trainings covering areas such as noise exposure mitigation, chemical handling, CPR and first aid, fire evacuation procedures, and electrical safety are conducted and provided to all employees to keep them abreast with the current safety and health practices with necessary precautions to be taken in place to minimise accidents or incidents in the workplace.

	FYE 2024	FYE 2023	FYE 2022	TARGET
Safety & Health-Related Training Hours per Employee	21	13	16	N/A
No. of Employees Trained on Health & Safety Standards				
- Headcount	961	538	514	N/A
- Proportion (%) against Total Employees	100%	57%	54%	100%

Specific workplace safety procedures and instructions are in place for forklift operations and machine handling to guide employees in operating the forklift, production machines and equipment in a safe and sound manner. Procedures and visual guides for chemical spillage handling are established and placed at high-risk areas, supported by periodic awareness training. First aid boxes are available at designated prominent locations in the premises for easy access and prompt retrieval by employees in the event of the occurrence of any accidents. Inspection of first aid boxes is also performed regularly by the First Aid Team of the respective companies.

To further mitigate risks posed by vehicle movement within factory compounds, improvements include forklift zone markings and new safety signage were installed to guide drivers and pedestrians more effectively. Overgrown roadside vegetation was trimmed to improve landscape visibility and reduce the risk of traffic-related incidents involving delivery or factory vehicles. Besides, blinking safety lights are installed at the weighbridge stations to enhance nighttime visibility and driver safety.

Additional preventive measures including proper labelling and secure storage of flammable chemicals in dedicated areas, regular safety inspections of electrical systems as well as the prohibition of smoking at the workplace (except at the dedicated smoking areas) are implemented too to reduce the likelihood of fire hazards. The electrical safety programme is also arranged to be conducted on-site by a qualified external trainer to strengthen employees' awareness and response in relation to electrical safety at the workplace.

Safety notices/signboards and indicators are placed at strategic and hazard-prone locations as well as on production equipment to communicate key precautions to employees, customers, suppliers, contractors and other visitors. Floor markings and pedestrian safety walkways are implemented in warehouses and factory floors to separate foot traffic from moving machinery in order to reduce the risk of collisions. A "Forklift Area – No Pedestrian" signage is clearly displayed at the outgoing warehouse to protect against forklift-related hazards.

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As noise is inevitable in some of the Company's production processes, we have implemented measures to mitigate the impact on our employees. In particular, our corrugating section has been identified as the process that generates the highest noise levels. Noise levels are subject to periodic assessments by an Environmental Consultant approved by the Department of Occupational Safety and Health ("DOSH"). To better control noise levels, we deployed engineering controls as far as reasonably practicable, such as machineries constructed with noise reducing specifications. Employee noise exposure is also mitigated by using personal protective equipment, such as earplugs, especially in sections with higher noise exposure. Audiometry tests are carried out periodically for exposed machine operators too to monitor employees' risk of detrimental exposure to noise.

The Group also ensures the provision of essential PPE such as face masks, gloves, safety shoes, safety goggles, safety helmets and safety elastic belts to employees too to protect them from workplace hazards that can cause injury or illness. Moreover, all machinery used within the Companies are subject to periodic maintenance and inspection to ensure optimal functionality and early detection of defects, reducing the risk of mechanical failures or workplace injuries. For applicable machinery and equipment, the required Certificates of Fitness are duly obtained from the relevant regulatory authorities, ensuring that our operations comply with legal safety standards and are certified fit for use.

Relevant employees and other stakeholders with authorised access to our production facilities are provided with the required personal protective equipment per the Company's safety and health rules and regulations established. Besides, all visitors who have appointments with the Company's personnel are required to report to the security personnel for security clearance and visitor registration before they are permitted access to the Company's premises. Access to the manufacturing and storage area is also restricted to authorised personnel only with the required personal protective gear to be equipped.

Strategic locations at our factories are also monitored through a closed-circuit television system while security guards are employed and deployed at important safety control points in the factories to ensure the general safety of our employees and other stakeholders within our premises at all times. To further enhance workplace hygiene and security, infrastructure upgrades have been carried out, including the construction of new restrooms and repairs to factory fencing at certain subsidiaries, which reinforcing our commitment to employee dignity and safety.

Occupational safety and health performance are regularly monitored and reported in monthly progress reports, identifying any emerging or recurring health and safety issues that may occur in the workplace and the measures undertaken to address these issues proactively. These are also discussed and reviewed by the Management annually during the Management Review Meeting. The Group strives to work towards a zero-injury (both minor and major) workforce. The figures below illustrate the incident records of the Companies over the course of 3 years from the financial years ended 2022 to 2024.

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ENTITY	No. of Incidents					
	FYE 2024		FYE 2023		FYE 2022	
	Major	Minor	Major	Minor	Major	Minor
Ornapaper Melaka	3	5	2	2	4	3
Ornapaper Batu Pahat	3	2	1	1	5	1
Ornapaper Perak	0	2	0	0	3	0
Ornapaper Johor	0	0	0	0	0	0
Tripack	0	0	1	0	0	0
Quantum	1	3	1	0	0	0

Classification of Major and Minor Injury:

Major injury	Employees who injured cause incapacity for more than 4 calendar days
Minor injury	Employees who injured cause incapacity for less than 3 calendar days

	FYE 2024	FYE 2023	FYE 2022	TARGET
No. of Work-Related Fatalities (cases)	0	0	0	Zero fatality annually
Lost Time Incident Rate ("LTIR")	7.30	4.03	6.12	N/A

The Management has been proactively discussing and implementing counter measures to reduce the incident rate to the extent possible in attaining the target of zero-injury set, including enhancing the workplace safety procedures and instructions in operating forklifts, machines and equipment with trainings provided to relevant employees, providing more comprehensive and targeted safety and health related trainings and awareness programmes to the employees apart from the on-the-job trainings provided. Besides, the Management is planning for investment in upgrading and fine-tuning some machines in production lines in order to minimise hazards and the risk of injury.

While striving for a zero-injury workforce, we remain proactive in implementing measures to reduce incident rates. Investments in upgrading machinery and enhancing safety procedures underscore our commitment to continuous improvement. Despite challenges, we have maintained a strong record of compliance, with no major legal actions taken against the Group nor any fine or monetary sanction imposed related to occupational safety and health aspects during the financial year under review. There were no fatalities arising from occupational health and safety incidents.

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Overall, our steadfast dedication to occupational safety and health, supported by decentralised execution across subsidiaries and Group-wide coordination, reflects our commitment to protecting lives and enhancing well-being. Through continuous improvement, regulatory compliance, and proactive risk management, we strive to foster a resilient, safe, and healthy work environment that empowers our people and supports sustainable business success.

Environment - Compliance with Environmental Laws and Regulations, Generation and Treatment/Disposition of Scheduled Waste and Non-Hazardous Waste (Waste and Effluent)

Ornapaper Group recognises its role as a responsible corporate citizen, committed to safeguarding the environment, preserving natural resources, and creating long-term value for all stakeholders. Guided by a strong environmental ethos, we are determined to manage our operations in an environmentally responsible manner, ensuring regulatory compliance while continuously improving our environmental performance across the Group.

The Group's Environmental Policy, approved by the Chief Executive Director, is central to our sustainability strategy. It outlines our commitment to fulfilling our environmental responsibilities for the benefit of current and future generations. The policy, which is publicly available on our corporate website and distributed to stakeholders upon request, is also prominently displayed throughout company premises, including departments, guardhouses, meeting rooms, canteens and reception areas, to reinforce awareness and accountability among employees and stakeholders.

The Environmental Policy outlines the Group's commitment to:

- Fulfill the responsibility as a trustee of the environment for this and future generations.
- Adopt pollution prevention practices and control technologies, where feasible, to minimise pollution.
- Ensuring compliance with all regulatory obligations.
- Set and review appropriate environmental objectives and targets.
- Strive to minimise releases to air, water and land.
- Implement corrective actions for any adverse environmental impacts arising from past practices.
- Provide environmental awareness training to management and employees.
- Strive for continual improvement of our environmental management system.
- Advertise and announce the environmental policy to our customers and the general public.
- Prevent pollution through waste reduction, reuse, and recycling initiatives.
- Establish and maintain an environmental quality assurance system based on Sony Technical Standards SS-00259 to control environment-related substances.

To support the effective implementation of this policy, qualified personnel are designated and trained as competent persons for scheduled waste management and industrial effluent treatment operations. The Group adheres strictly to all pertinent environmental laws and regulatory requirements, i.e. Environmental Quality Act 1974 and its associated regulations, including but not limited to:

- Environmental Quality (Scheduled Wastes) Regulations 2005
- Environmental Quality (Control of Petrol and Diesel Properties) Regulations 2007
- Environmental Quality (Sewage) Regulations 2009
- Environmental Quality (Industrial Effluent) Regulations 2009
- Environmental Quality (Clean Air) Regulations 2014

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- Poison Act 1952 (Act 366)
- Poison (Sodium Hydroxide) Regulations 1962
- Occupational Safety and Health (Noise Exposure) Regulations 2019
- Environmental Quality (Refrigerant Management) Regulations 2020
- Guidelines for Packaging, Labelling and Storage of Scheduled Wastes in Malaysia
- Environmental Quality (Control of Emission from Petrol Engines) Regulations 1996
- Environmental Quality (Control of Emission from Diesel Engines) Regulations 1996
- Electricity Supply Act 1990
- Electricity Regulations 1994

As part of our broader environmental management system, the Group has achieved ISO 14001:2015 certification, underscoring our commitment to international standards in environmental performance, regulatory compliance, and continuous improvement. This certification reflects our structured approach to identifying, managing, and mitigating environmental risks throughout our operations. Our compliance efforts are further validated through periodic inspections and assessments conducted by the Department of Environment (“DOE”) Malaysia.

Additionally, the Group has obtained Forest Stewardship Council (“FSC”) Chain of Custody (“COC”) certification, which affirms our commitment to responsible sourcing and alignment with globally recognised principles of sustainable forestry. This certification is awarded following strict compliance with FSC principles and criteria, ensuring that our products are sourced from responsibly managed forests that deliver environmental, social, and economic benefits.

To support this commitment, we have established an FSC COC Policy, publicly available on the corporate website of Ornapaper, which guides our employees, suppliers, and stakeholders in advancing sustainability practices grounded in the principles of People, Planet, and Prosperity (“3Ps”). The Group also monitors and ensures that relevant suppliers and contractors involved in the production or manufacture of FSC-certified products strictly adhere to FSC-compliant sourcing and production standards.

The Ornapaper Group remains steadfast in its commitment to responsible environmental stewardship, with particular emphasis on the proper handling, treatment, and disposal of both scheduled and non-hazardous waste across our operations. Our waste management practices are underpinned by strict adherence to the Environmental Quality (Scheduled Wastes) Regulations 2005, as well as all relevant guidelines issued by DOE.

Scheduled wastes generated from our manufacturing activities are systematically segregated, properly packaged, clearly labelled, and securely stored in designated scheduled waste storage areas within our premises. The generation and movement of scheduled waste are tracked through the Electronic Scheduled Waste Information System (“eSWIS”), ensuring traceability, accountability, and full regulatory compliance. Disposal is strictly managed through licensed contractors approved by the DOE, further ensuring environmentally sound waste treatment.

For non-scheduled waste comprising general industrial and domestic waste, the Group partners with the selected authorised waste collectors to facilitate recycling or appropriate disposal at approved landfill sites. Additionally, grease traps are installed at strategic discharge points to capture and prevent oils and contaminants from entering the drainage systems, thus safeguarding local water quality.

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To further reduce environmental impact, the Group has implemented stack emission monitoring systems across facilities, enabling real-time assessment and control of emissions from chimneys and stacks. Despite the relatively low air emissions generated by our manufacturing processes, Ornapaper remains in full compliance with the Environmental Quality (Clean Air) Regulations 2014. We also incorporate engineering controls into our machinery and operations to further minimise emissions, reduce waste generation, and optimise resource use.

Our commitment to environmental preservation extends beyond regulatory compliance through the implementation of proactive sustainability initiatives aimed at reducing our ecological footprint and enhancing community well-being. Notable initiatives undertaken during the year included:

- Cleaning of clogged drains in the vicinity of our facilities to prevent flooding and improve hygiene, showcasing our concern for community welfare.
- Continued investment in on-site solar energy infrastructure, where solar panels installed on factory rooftops to generate clean and renewable energy, offsetting electricity consumption and reducing carbon emissions.
- Integration of digital printing technology in production to enhance efficiency while reducing material waste, aligning with our commitment to sustainable resource management.

We also embrace a “Reduce, Reuse, Recycle” (“3Rs”) philosophy to reduce waste and conserve resources across all operations. Some of the specific 3R initiatives implemented include:

- Reusing and recycling A4 paper to help conserve trees and reduce greenhouse gas emissions.
- Recycling and reusing printer toner cartridges by sending the empty cartridges to the supplier for refilling.
- Recycling of trim waste, paper cores, stripping bands, metal scraps and rejected cartons to conserve energy and natural resources and ultimately reduce pollution.
- Reuse of cleaning water in glue starch generation to reduce water consumption.
- Reuse of hydraulic lubricants extracted during maintenance of corrugating rolls.
- Returning reusable plastic containers to suppliers for multiple-use cycles.
- Repairing and reusing old wooden pallets.
- Promoting energy and water conservation through behavioural change campaigns, including prominently displayed signage reminding employees to switch off unused lights, air-conditioners, computers, and water taps.

We continuously monitor our energy and water usage to identify areas for efficiency improvements. Our total energy and water consumption across the Group for the financial years ended 31 December 2024 and 2023 are detailed in the following tables:

ORNAPAPER GROUP – ANNUAL ENERGY CONSUMPTION		
Energy Source (in GJ) *	FYE 2024	FYE 2023
Diesel	8,307	7,624
Petrol	4,839	3,263
LPG	564	512
Natural Gas	24,753	17,900**
Lubricant	109	169
Purchased Electricity	24,489	20,792
Solar Energy (Self-Generated)	2,941	3,032
Biomass (Self-Generated)	85,126	-NIL-***
Total Energy Consumed	151,128	53,292

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ORNAPAPER GROUP – ANNUAL ENERGY CONSUMPTION				
Energy Source (in MWh) *	FYE 2024		FYE 2023	
Diesel	2,308		2,118	
Petrol	1,344		906	
LPG	157		142	
Natural Gas	6,876		4,972**	
Lubricant	30		47	
Purchased Electricity	6,803		5,776	
Solar Energy (Self-Generated)	817		842	
Biomass (Self-Generated)	23,646		-NIL-***	
Total Energy Consumed	41,981		14,803	
Breakdown by Type of Energy:	FYE 2024		FYE 2023	
Renewable Energy	88,066 GJ	58%	3,032 GJ	6%
Non-Renewable Energy	63,061 GJ	42%	50,260 GJ	94%

* Energy data conversion is based on UK Government GHG Conversion Factors for Company Reporting 2023.

**Natural gas consumption for FYE 2023 was previously omitted and has been restated accordingly in FYE 2024.

***Biomass energy data for FYE 2023 is unavailable as Management did not maintain such records during that period.

ORNAPAPER GROUP – ANNUAL WATER CONSUMPTION				
Description	FYE 2024	FYE 2023	FYE 2022	TARGET
Total Water Consumption (Megalitre)	56.86	53.85	88.61	N/A
Total Water Consumed/ Production Output (m³/MT)	0.53	0.57	0.88	0.70

In line with our proactive environmental management approach, Ornapaper Melaka, Ornapaper Batu Pahat, Ornapaper Perak, Ornapaper Johor, and Tripack have each established tailored environmental objectives and targets focused on mitigating emissions, conserving water and energy, and reducing waste generation. These targets reflect the Group's ongoing commitment to minimising our environmental footprint and enhancing operational sustainability. Performance against these objectives is systematically monitored and reviewed at regular intervals. Where necessary, corrective actions are implemented to ensure continuous alignment with our sustainability goals and regulatory obligations. The environmental objectives, targets, and corresponding performance outcomes are detailed in the table below.

Sustainability Statement

ORNAPAPER MELAKA	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To ensure the water consumption not exceeding an average of 0.7 m ³ /MT for the next twelve months.
2. To control electricity consumption	To ensure the electricity consumption not exceeding an average of 50 kwh/MT with a tolerance level of 10% for the next twelve months.
3. To reduce disposal of plant waste	To ensure disposal of plant waste not exceeding 11%/month.
4. To control gas consumption	To ensure the gas consumption not exceeding an average of 1.10 GJ/MT for the next twelve months.
5. To reduce generation of glue sludge	To reduce the generation of glue sludge to 25MT/year.
6. To reduce generation of ink sludge	To reduce the generation of ink sludge to an average of 10MT/month.

➤ **Water and Electricity Consumption (For Ornapaper Melaka):**

	FYE 2024	FYE 2023	FYE 2022	TARGET
Average Water Consumed/MT (m³/MT)	0.33	0.36	0.5	0.7
Average Electricity Consumed/MT (kwh/MT)	56	52	52	50 (with 10% tolerance)

For FYE 2024, Ornapaper Melaka recorded an average electricity consumption of 56 kWh/MT, exceeding the set target of 50 kWh/MT (with a 10% tolerance). The deviation was primarily attributed to the installation of new converting machinery and the commencement of additional processing activities for corrugated boards and cartons during the year. These developments, while temporarily increasing electricity consumption, are aligned with the Group's long-term growth strategy to enhance production capacity and operational efficiency. Management remains committed to improving energy efficiency and will continue to closely monitor electricity consumption trends. Energy efficiency measures and process optimisation initiatives will be implemented to improve performance and ensure continued alignment with the Group's environmental objectives.

➤ **Gas Consumption (For Ornapaper Melaka):**

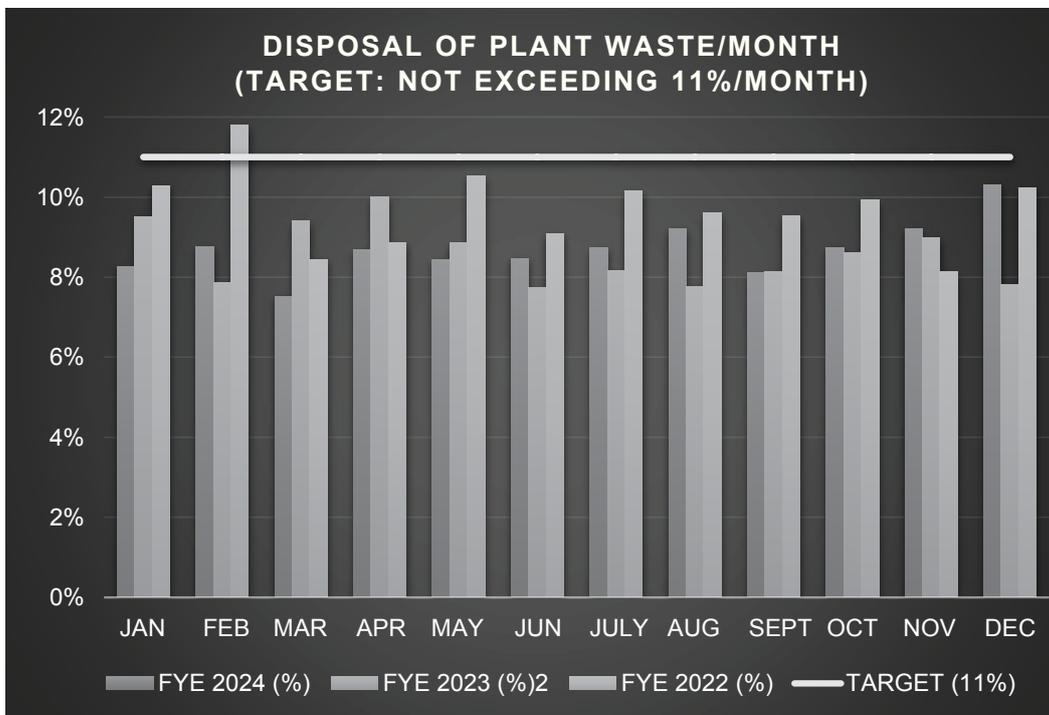
	FYE 2024	FYE 2023	FYE 2022	TARGET
Average Gas Consumed/MT (GJ/MT)	0.87	0.87	1.03	1.10

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➤ **Generation of Glue Sludge and Ink Sludge (For Ornapaper Melaka):**

	FYE 2024	FYE 2023	FYE 2022	TARGET
Average Glue Sludge Generated/Year (MT/year)	12.83	14.11	10.72	25
Average Ink Sludge Generated/Month (MT/month)	3.89	2.14	3.58	10

➤ **Disposal of Plant Waste (For Ornapaper Melaka):**



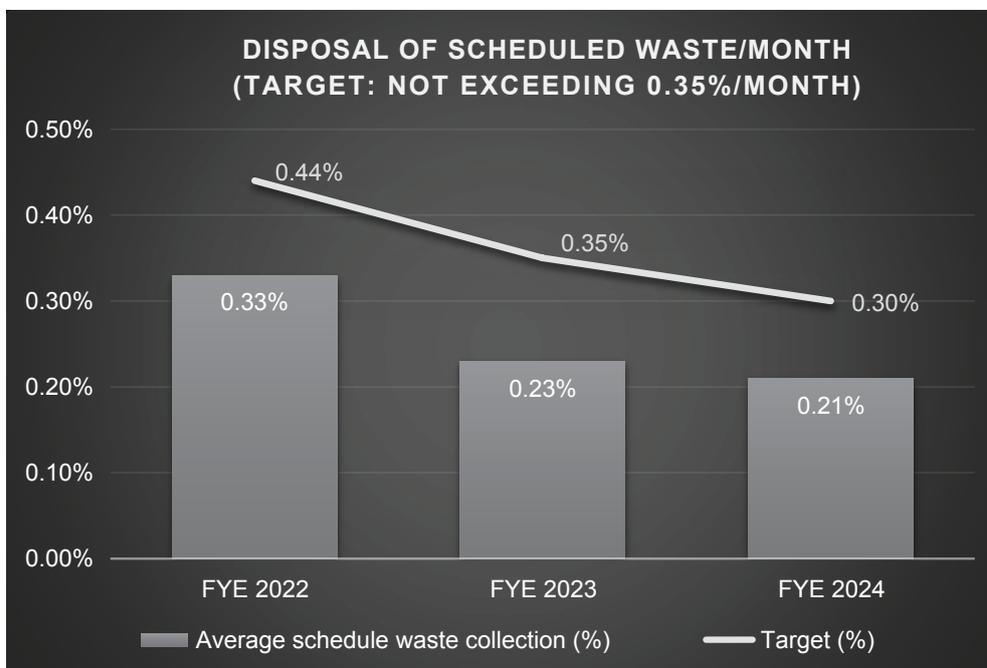
ORNAPAPER BATU PAHAT	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To control the average consumption of water not exceeding 1.0 m ³ /MT for the next twelve months.
2. To control electricity consumption	To control the average consumption of electricity not exceeding 83 kwh/MT with a tolerance level of 10% for the next twelve months.
3. To control disposal of scheduled wastes	To control the generation of scheduled wastes below 0.30% for the next twelve months.

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➤ **Water and Electricity Consumption (For Ornapaper Batu Pahat):**

	FYE 2024	FYE 2023	FYE 2022	TARGET
Average Water Consumed/MT (m³/MT)	0.85	0.79	1.04	1.0
Average Electricity Consumed/MT (kwh/MT)	89.77	90.15	86.80	83 <i>(with 10% tolerance)</i>

➤ **Disposal of Scheduled Wastes (For Ornapaper Batu Pahat):**



ORNAPAPER PERAK	
Environmental Objective(s)	Environmental Target(s)
1. To control energy consumption	To ensure the energy consumption not exceeding an average of 70.32 kwh/MT for the next twelve months.
2. To control water consumption	To ensure the water consumption not exceeding an average of 0.90 m ³ /MT for the next twelve months.
3. To reduce disposal of plant waste	To ensure disposal of plant waste not exceeding 9.5%/month.
4. To control generation of ink sludge	To control the generation of ink sludge collection to an average of 2,000 kg/month.

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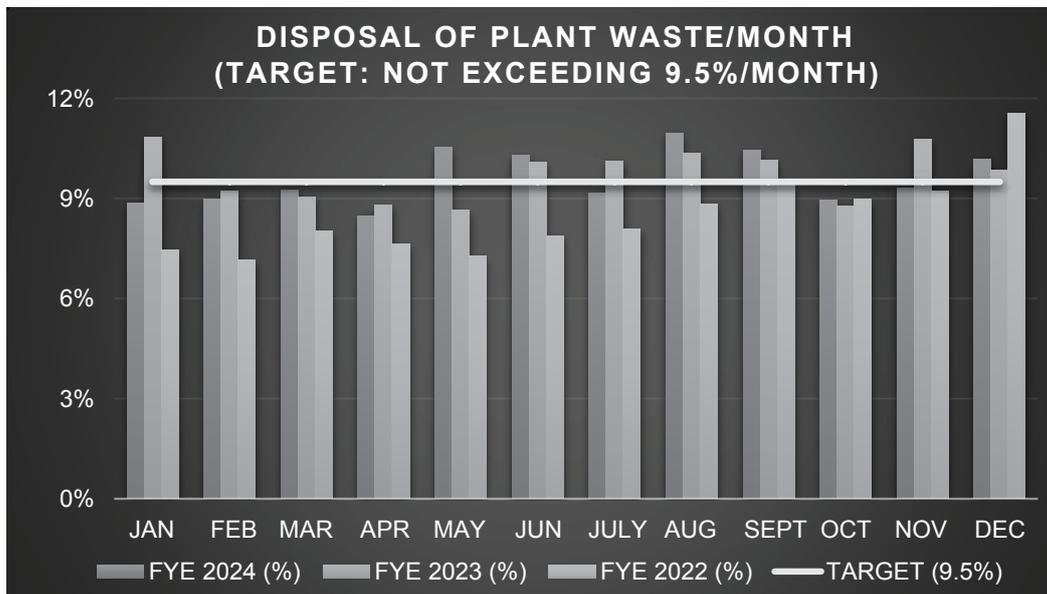
➤ **Energy and Water Consumption (For Ornapaper Perak):**

	FYE 2024	FYE 2023	FYE 2022	TARGET
Average Energy Consumed/MT (kwh/MT)	53.09	51.49	50.36	70.32
Average Water Consumed/MT (m³/MT)	0.40	0.37	0.41	0.90

➤ **Generation of Ink Sludge (For Ornapaper Perak):**

	FYE 2024	FYE 2023	FYE 2022	TARGET
Average Ink Sludge Generated/Month (kg/month)	1,506	1,280	1,693	2,000

➤ **Disposal of Plant Waste (For Ornapaper Perak):**



For several months in FYE 2024, Ornapaper Perak recorded plant waste disposal levels that exceeded the target of 9.5% per month. This deviation was primarily attributed to unanticipated failures in certain components of the corrugator machines, which led to inefficiencies and higher plant waste generation. While replacement of the affected parts is currently in progress, with some components already addressed, Management continues to adopt a proactive approach to maintenance and waste reduction. Continuous monitoring has been implemented to track plant waste trends, and corrective measures, including timely maintenance and replacement of defective parts, will be consistently enforced. These efforts aim to minimise plant waste and ensure disposal rates remain within the targeted monthly threshold moving forward.

Sustainability Statement

ORNAPAPER JOHOR	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To ensure the water consumption not exceeding an average of 0.0004 m ³ /pcs for the next twelve months.
2. To control electricity consumption	To ensure the electricity consumption not exceeding an average of 0.05 kwh/pcs for the next twelve months.
3. To reduce disposal of ink sludge	To reduce the disposal of ink sludge to not exceeding an average of 10.5 MT for every 6 months.

➤ **Water and Electricity Consumption (For Ornapaper Johor):**

	FYE 2024	FYE 2023	TARGET
Average Water Consumed/pcs (m³/pcs)	0.0002	0.0003	0.0004
Average Electricity Consumed/pcs (kwh/pcs)	0.03	0.04	0.05

➤ **Disposal of Ink Sludge (For Ornapaper Johor):**

	FYE 2024	FYE 2023	TARGET
Average Ink Sludge Disposed/6-Month Period (MT/6-month period)	12.62	10.27	10.5

For FYE 2024, Ornapaper Johor did not meet the target of limiting ink sludge disposal to an average of 10.5 MT over each six-month period. The variance was primarily driven by increased machine operational intensity, which correlates directly with higher ink sludge generation. In anticipation of the new machine installation scheduled in May, the production team strategically advanced production timelines to maintain consistent order fulfilment and minimise disruption to customer deliveries. This early scheduling led to intensified machine usage during the reporting period, resulting in temporary increase in the volume of ink sludge generated and disposed. Despite this short-term variance, the Group remains committed to waste minimisation as part of its broader sustainability goals. Management will continue to temporary increase in the volume of ink sludge generated and disposed of.

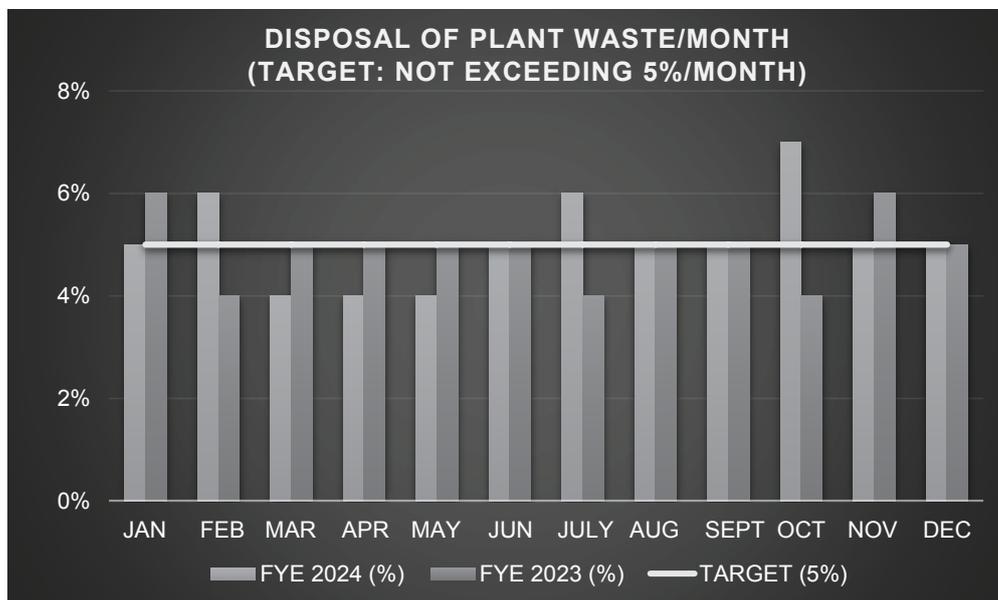
TRIPACK	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To ensure the water consumption not exceeding an average of 0.30 m ³ /MT for the next twelve months.
2. To control energy consumption	To ensure the energy consumption not exceeding an average of 45 kwh/MT for the next twelve months.
3. To reduce disposal of paper waste	To ensure disposal of paper waste not exceeding 5%/month.

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➤ **Water and Energy Consumption (For Tripack):**

	FYE 2024	FYE 2023	TARGET
Average Water Consumed/MT (m ³ /MT)	0.37	0.30	0.30
Average Energy Consumed/MT (kwh/MT)	53.92	54.38	45

➤ **Disposal of Paper Waste (For Tripack):**



To cultivate an environmentally conscious mindset among employees and ensure compliance with the Environmental Quality Act and its associated regulations, the Group conducts ongoing environmental awareness and preservation trainings. These include Environmental Management System (“EMS”) trainings, which aim to reinforce employees’ understanding of key environmental issues and instil the expected conduct in support of the Group’s environmental objectives.

TRAINING / YEAR	ENTITY	YEAR 2024	YEAR 2023	YEAR 2022
NO. OF ENVIRONMENTAL MANAGEMENT SYSTEM (“EMS”) RELATED TRAINING	ORNAPAPER MELAKA	169	163	169
	ORNAPAPER BATU PAHAT	147	176	117
	ORNAPAPER PERAK	97	84	113
	ORNAPAPER JOHOR	19	19	0
	TRIPACK	10	11	10
	QUANTUM	54	34	27

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During the financial year under review, there were no legal actions, fines, or monetary sanctions imposed on the Group in relation to environmental matters. This reflects the Group's proactive approach in addressing environmental risks, whereby prompt actions and preventive measures were consistently implemented to ensure compliance with applicable environmental regulations across all operations.

Anti-Bribery and Corruption

The Group places integrity at the forefront of its values and is dedicated to combatting bribery and corruption across all levels of its operations and value chain. Recognising the importance of responsible and transparent business conduct, the Group is committed to upholding professionalism, accountability, and ethical standards in all dealings with business associates, including but not limited to customers, suppliers, agents, and consultants. In line with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 effective 1 June 2020, the Group continuously implements initiatives to ensure that adequate procedures are in place, in accordance with the TRUST principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister's Department.

To demonstrate an adequate level of top-level commitment, the Group's Anti-Bribery and Corruption Framework has been established, reflecting its zero-tolerance stance towards any form of bribery or corruption. Oversight of this Framework lies with the Group's senior management and is monitored by the Audit Committee to ensure effectiveness, independence, and continuous improvement of anti-corruption practices and internal controls. This Framework, published on Ornapaper's corporate website, ensures compliance with applicable laws and regulations and guides all officers, employees, and business associates to act with integrity and transparency.

All business dealings must be conducted in a transparent manner and be accurately recorded, with adequate monitoring and enforcement mechanisms in place. Employees and officers who refuse to engage in corrupt acts or bribe-related conduct are protected, even if such refusal leads to the loss of business opportunities. This firm stance underscores the Group's commitment to ethical conduct over commercial gain.

The Group's anti-bribery and corruption risk management approach is comprehensive and applies to both external parties (such as suppliers, agents, or third-party service providers) and internal stakeholders, including employees at all levels. Risks of corruption are not limited to third-party engagements but also encompass potential misconduct from within the organisation. As such, the Group undertakes regular corruption-related risk assessments that cover the entirety of its operations. These assessments are supported by appropriate control measures, which include enhanced internal processes, active monitoring, and swift corrective actions when required.

The Group also strengthens its governance practices through the issuance of Anti-Bribery and Corruption Commitment Forms to employees, suppliers, and customers. These forms ensure their understanding, acceptance, and formal acknowledgement of the Group's anti-bribery stance. All completed forms are required to be signed and returned to the Group as evidence of commitment. Additionally, employees are required to complete a declaration of conflict-of-interest as part of the adequate procedures, which helps the Group identify and manage potential areas of concern in a transparent and timely manner. This helps to further support the Group's objective to maintain impartiality and transparency in decision-making and daily operations.

The Group's core principles on anti-bribery and corruption are further embedded in its Code of Conduct, as approved by the Board. Additionally, relevant provisions on misconduct and conflict of interest are addressed in the Group's human resources policies and procedures and Employee Handbook. These documents provide clear guidance on acceptable conduct, misconduct, and conflict of interest, and serve to uphold good business practices and high standards of personal integrity among employees and business partners.

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To promote ethical behaviour across the organisation, the Group consistently conducts awareness programs and training sessions for both new and existing employees. These sessions reinforce anti-bribery and anti-corruption measures while cultivating a strong culture of integrity, transparency, and accountability. For FYE 2024, the Group achieved full training coverage across all employee levels, with 100% of staff receiving training on anti-corruption.

	YEAR 2024	YEAR 2023	YEAR 2022	TARGET
% Employees Received Training on Anti-Corruption	100%	80%	31%	90%
Employee Category (By Level)				
- Managerial and Above	100%	77%	52%	
- Executive and Below	100%	80%	30%	
Employee Category (By Function)				
- Administrative	100%	80%	30%	
- Production	100%	80%	32%	

To further support its governance structure, the Group has also established a Whistleblowing Policy, which is approved by the Board and administered by the Audit Committee. The Whistleblowing Policy provides a confidential reporting channel for whistle-blowers, including anonymous disclosures, to report any suspected unethical or unlawful conduct. Reports can be made anonymously and are treated with the highest level of confidentiality. All disclosures are independently reviewed, and whistle-blowers are protected from retaliation, victimisation, or discrimination in accordance with the Group's policy and relevant laws, unless prohibited by law. This reinforces the Group's commitment to impartiality and fairness in all business dealings.

The Whistleblowing Policy is publicly accessible on Ornapaper's corporate website, demonstrating the Group's commitment to transparency and corporate accountability. For FYE 2024, there were zero whistle-blowing reports filed through both the whistleblowing channel and the incident reporting channel under the anti-bribery and corruption management function.

	YEAR 2024	YEAR 2023	YEAR 2022	TARGET
Percentage of Operations Assessed for Corruption-Related Risk (%)	100%	100%	100%	100%
No. of Confirmed Corruption Incidents	0	0	0	Zero tolerance

Through these comprehensive measures, the Group remains committed to promoting ethical conduct and ensuring that all business operations are carried out in compliance with the highest standards of integrity and transparency.

Sustainability Statement

Supply Chain Management

The Group upholds responsible and ethical practices across its supply chain as a cornerstone of our social sustainability strategy. At the heart of this approach lies a deliberate and strategic sourcing policy, where the majority of our primary raw materials are procured from local suppliers. This commitment reflects our dual focus on ensuring quality and reliability, while simultaneously generating positive socio-economic impacts within the communities where we operate.

By sourcing locally wherever reasonably practicable, the Group supports the growth and resilience of the local economy. Increased spending with local suppliers helps drive revenue retention within the region, stimulates business activity, generates employment opportunities, and contributes to the overall development of local communities. These efforts align with our overarching commitment to shared prosperity, inclusive economic participation, and sustainable development.

In addition to economic contributions, our procurement practices are designed to cultivate long-term partnerships based on trust, transparency, and mutual growth. Building close relationships with local suppliers facilitates more agile, responsive, and sustainable supply chain operations. It also enables us to work collaboratively with our supply partners in addressing shared challenges, improving standards, and promoting responsible business conduct throughout the value chain.

To strengthen operational continuity and supply chain resilience, the Group regularly reviews its procurement risks and supplier base. This includes the adoption of risk mitigation strategies such as supplier diversification, contingency sourcing, and active engagement with key vendors to reduce the impact of potential disruptions or material shortages. Business continuity planning is also in place to safeguard operations and ensure the steady flow of materials needed for production.

This local sourcing strategy not only enhances the sustainability and resilience of our supply chain, but also reinforces our commitment to broader Environmental, Social, and Governance principles. By embedding responsible sourcing into our operational practices, the Group aims to create lasting value for stakeholders, support local livelihoods, and ensure the long-term viability of our procurement and production activities.

	YEAR 2024	YEAR 2023	YEAR 2022
Proportion of Spending on Local Suppliers	86%	89%	82%

The Group remains committed to enhancing responsible sourcing practices and will continue engaging with local suppliers to promote sustainable procurement and community development.

Data Privacy and Security

The Group's commitment to data privacy and security is an essential part of our broader dedication to professional ethics, integrity, and responsible business practices. We are deeply conscious of our duty to safeguard the personal and confidential information entrusted to us by our stakeholders, including employees, customers, and suppliers.

Sustainability Statement

To uphold this responsibility, the Group ensures full compliance with the Personal Data Protection Act 2010 (“PDPA”) and has implemented robust internal controls, protocols, and security measures across our operations. These include access controls, secure data storage systems, and data handling procedures designed to prevent unauthorised access, misuse, or disclosure of sensitive information.

We prioritise the principles of transparency, confidentiality, and accountability in all matters related to personal data processing. All personnel handling personal data receive guidance and oversight to ensure they act in accordance with data protection standards and corporate policies.

We are pleased to report that no substantiated complaints were received regarding breaches of customer privacy or data loss incidents during the financial year under review, reflecting the effectiveness of our controls and our continued emphasis on high standards of data protection.

The Group remains committed to enhancing its data governance capabilities by continually reviewing and updating data security measures in line with evolving threats, technological developments, and regulatory expectations. We also aim to raise further awareness among employees through periodic training and to promote a culture of vigilance and accountability in data handling.

	YEAR 2024	YEAR 2023	YEAR 2022	TARGET
No. of Substantiated Complaints Concerning Breaches of Customer Privacy & Losses of Customer Data	0	0	0	Zero complaints

Social

Ornapaper Group recognises the importance of upholding social values across its entire value chain as a cornerstone of responsible and sustainable business practices. The Group believes that long-term success is not only measured by financial performance, but also by the ability to foster positive relationships with all stakeholders, including employees, customers, suppliers, and the communities in which it operates. To this end, the Group is committed to building and maintaining trust-based relationships that are rooted in ethical conduct, transparency, accountability, and mutual respect. By embedding these values into its operations, Ornapaper aims to create a socially responsible business environment that contributes to the broader well-being of society while driving sustainable growth.

Central to the Group's long-term success and sustainability is its workforce, acknowledged as a pivotal asset and key driver of business success. Fostering human capital development and maintaining a resilient workforce are imperative for supporting ongoing business expansion and growth. Ornapaper is dedicated to ensuring fair and equitable treatment of all employees while providing a safe, healthy, and conducive working environment. The Group actively invests in employee development to enhance skills, knowledge, and capabilities, empowering individuals to contribute meaningfully to the business while advancing their personal career aspirations.

To attract and retain top talent, the Board remains committed to offering fair and competitive remuneration and benefits that are commensurate with each employee's duties and responsibilities, alongside ongoing training and development as well as career advancement opportunities. Employees are encouraged to pursue training and development across a wide range of disciplines, including technical, functional, on-the-job, and interpersonal skills, that are relevant to their current or future roles. These initiatives support continuous learning and position employees for advancement within the organisation.

Sustainability Statement

A performance-based culture is a cornerstone of the Group's human resource strategy. Employees are given the opportunity to demonstrate their capabilities and be recognised for their contributions, with remuneration and advancement tied to competencies and performance. The Group understands that fair compensation is critical to motivating and engaging the workforce to achieve its strategic objectives.

The Group is committed to fostering a positive and inclusive workplace environment where open communication and employee engagement are actively encouraged. Annual performance appraisals serve as a key platform for meaningful two-way communication between employees and management. Beyond determining performance-based remuneration, these appraisals provide opportunities for constructive feedback, recognition of achievements, future planning, and alignment of expectations, all of which support continuous improvement and long-term employee development.

In reinforcing a culture of transparency and accountability, the Group maintains established channels for whistleblowing and Anti-Bribery and Corruption Management reporting. Employees are encouraged to report any unethical conduct or grievances through these channels without fear of retaliation. The Group is committed to ensuring the confidentiality and protection of whistleblowers in strict accordance with its policies.

The Group places the highest priority on the safety and health of all personnel, particularly in operational areas with elevated risk profiles such as production. The Group takes all necessary precautions to safeguard the occupational safety and health of all personnel. In compliance with the Occupational Safety and Health Act 1994, all employees are expected to adhere strictly to established safety-related standard operating procedures. The Group continues to strengthen its safety culture through the provision of regular targeted health and safety training and courses to relevant personnel to ensure that employees are equipped to maintain a secure working environment.

The Group also promotes diversity and inclusion as integral aspects of its corporate culture, in recognition of Malaysia's rich tapestry of ethnicities and backgrounds. All employees are provided equitable opportunities and treatment regardless of race, ethnicity, religion, nationality, age, marital status, gender, or any other protected characteristic. This commitment applies across recruitment, remuneration, promotions, retention, and training, helping to create a workplace that motivates employees and supports continuous growth.

To reinforce these commitments, the Group has established a comprehensive Employee Handbook and Human Resource policies and procedures, which clearly outline employee rights, benefits, and entitlements. Discrimination of any kind, whether based on race, religion, nationality, gender, age, pregnancy, marital status, sexual orientation, or physical disability, is strictly prohibited. Every individual is empowered with equal rights and opportunities to contribute to the sustainable growth of the Group. All employees are entitled to fair wages, reasonable working hours, leave entitlements, medical benefits, termination procedures, and access to complaints mechanisms. The Group also enforces a strict policy against illegal employment.

The Group maintains a zero-tolerance stance on all forms of harassment, including sexual harassment, in the workplace. A dedicated Policy on the Prevention and Eradication of Sexual Harassment has been implemented and communicated to all employees via departmental notice boards and the corporate website. This policy ensures that all employees, regardless of gender, are protected from any forms of unwanted or inappropriate conduct, whether verbal, non-verbal, physical, visual, or psychological.

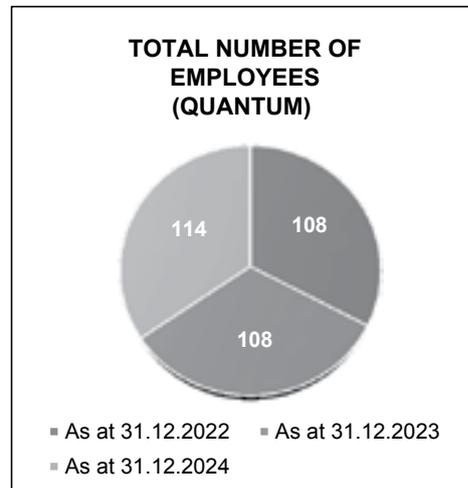
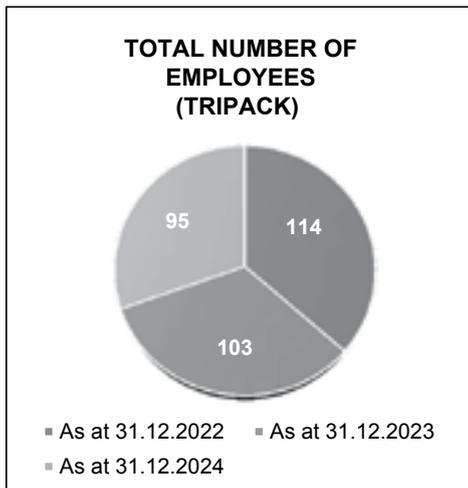
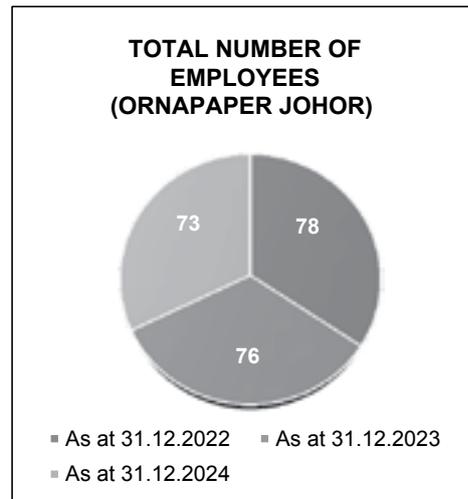
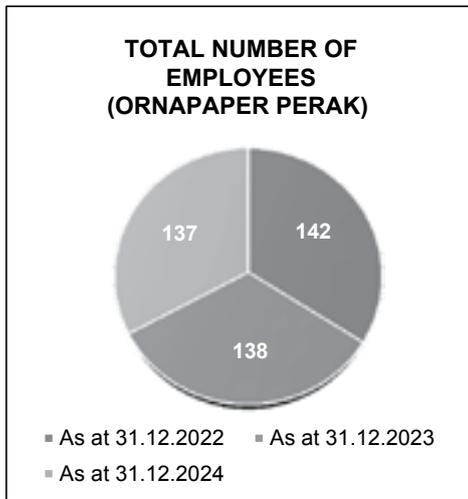
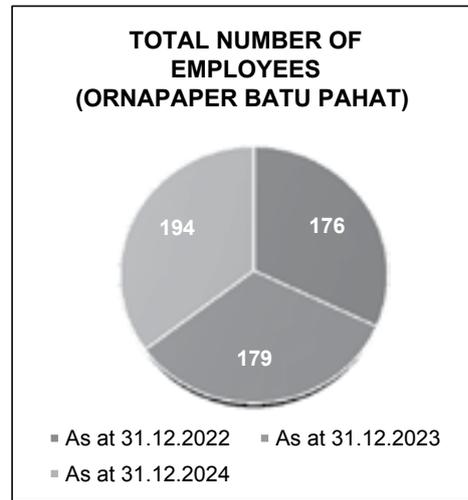
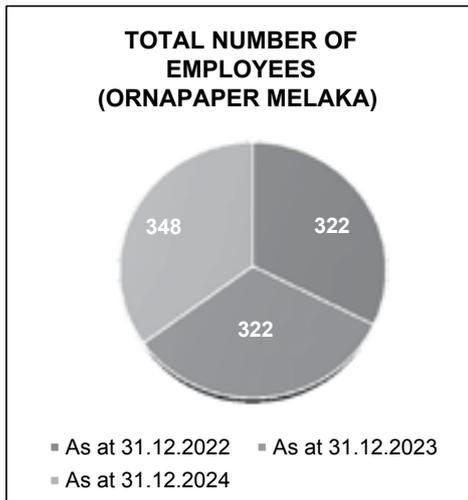
Sustainability Statement

As a responsible employer and sustainability-focused organisation, the Group upholds the principles of the 3Ps (Prosperity, Planet, and People) and is committed to adhering to the International Labour Organisation's ("ILO") Core Conventions as stipulated in the Group's FSC-COC Policy established, which is available on the corporate website of Ornapaper. The Group upholds these standards, as below, to ensure the well-being and dignity of its workforce while fostering a culture of respect, fairness, and inclusivity.

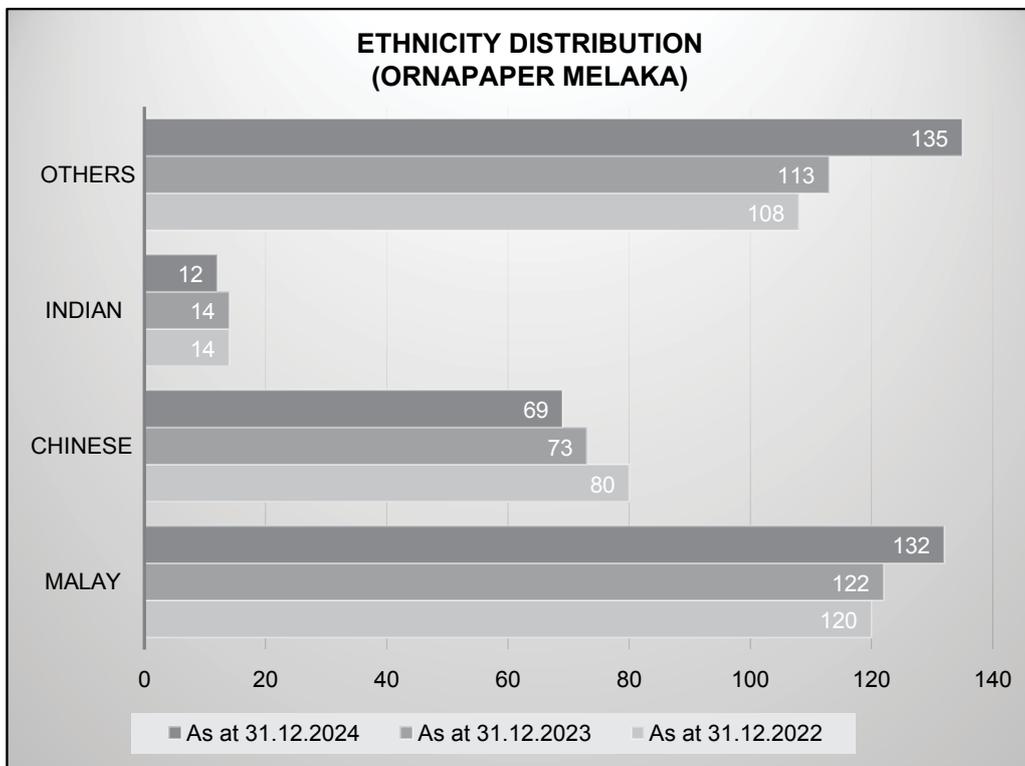
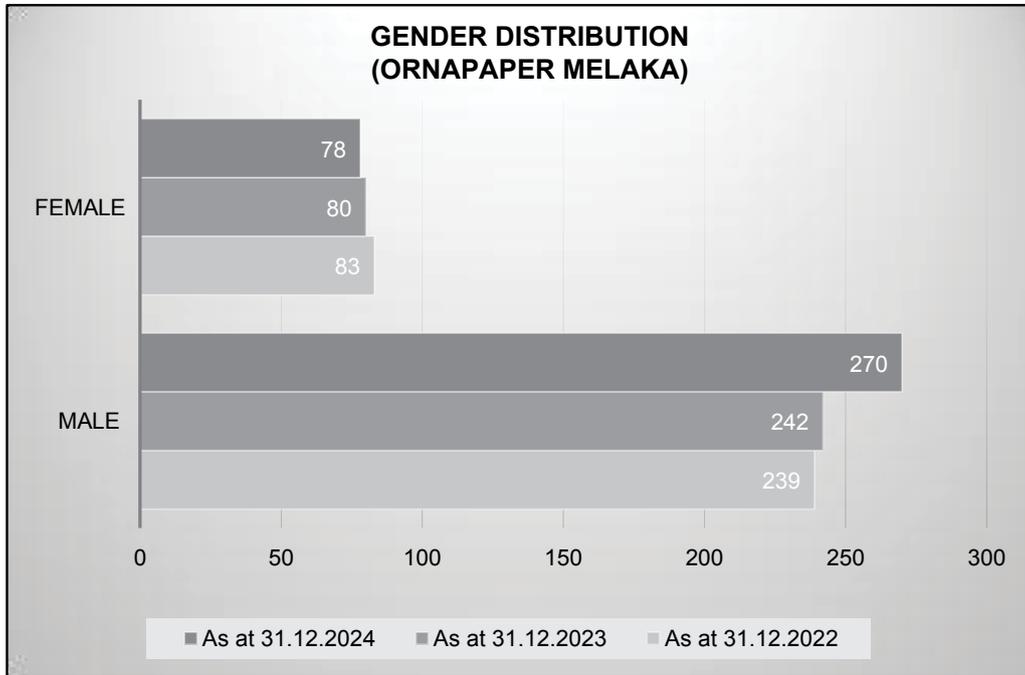
- (a) No forced, bonded and indentured labour.
 - Under no circumstances forced labour shall be used, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour, or any other forms.
 - Mental and physical coercion, slavery and human trafficking are prohibited.
 - Workers are not required to work more than the regular hours, and all overtime work by workers is on a voluntary basis.
- (b) No child labours.
 - All workers employed must be above 18 years old, or under the local legal minimum age for work or mandatory schooling, whichever is higher.
- (c) Freedom of association and the effective recognition of the right to collective bargaining.
 - Workers are not intimidated or harassed in the exercise of their rights to join or refrain from joining any organisation.
- (d) No discrimination, harassment and abuse.
 - Workers are not subject to any physical, sexual, psychological or verbal harassment, abuse, or other forms of intimidation.
 - Shall not engage in, support or tolerate discrimination in employment.
- (e) Safe and healthy working environment.
 - Work environments must be safe, healthy, and compliant with applicable regulations.
- (f) Consistent wages, benefits and terms of employment.
 - Employees must receive fair wages and benefits aligned with legal standards and Group policies.
- (g) Complaints and grievances.
 - Proper channels are established and regular meetings are conducted for employees to raise their concerns.
- (h) Welfare of employees is taken care of.
 - All workers are provided with transparent, fair and confidential procedures that result in the swift, unbiased and fair resolution of difficulties that may arise as part of their working relationship.
 - All provisions of services and facilities for workers and their dependents are at, or above, the legally required minimum standards (if applicable).
- (i) Training and competency
 - Training and development opportunities are provided equally to all employees.

Sustainability Statement

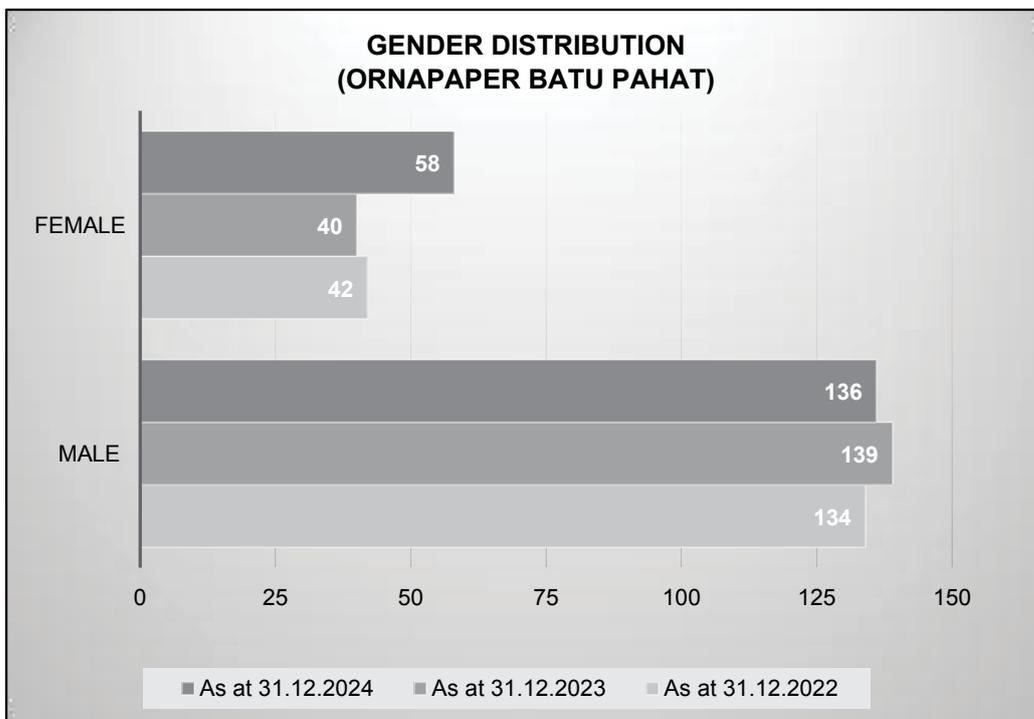
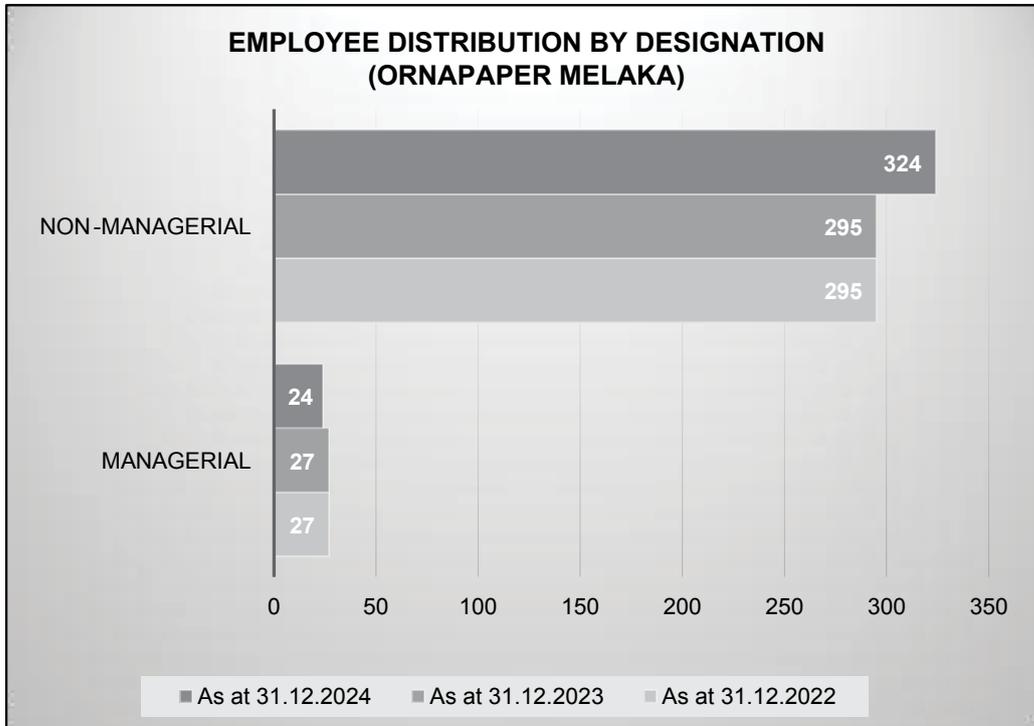
A full breakdown of our workforce in Ornapaper Melaka, Ornapaper Batu Pahat, Ornapaper Perak, Ornapaper Johor, Tripack and Quantum is illustrated below.



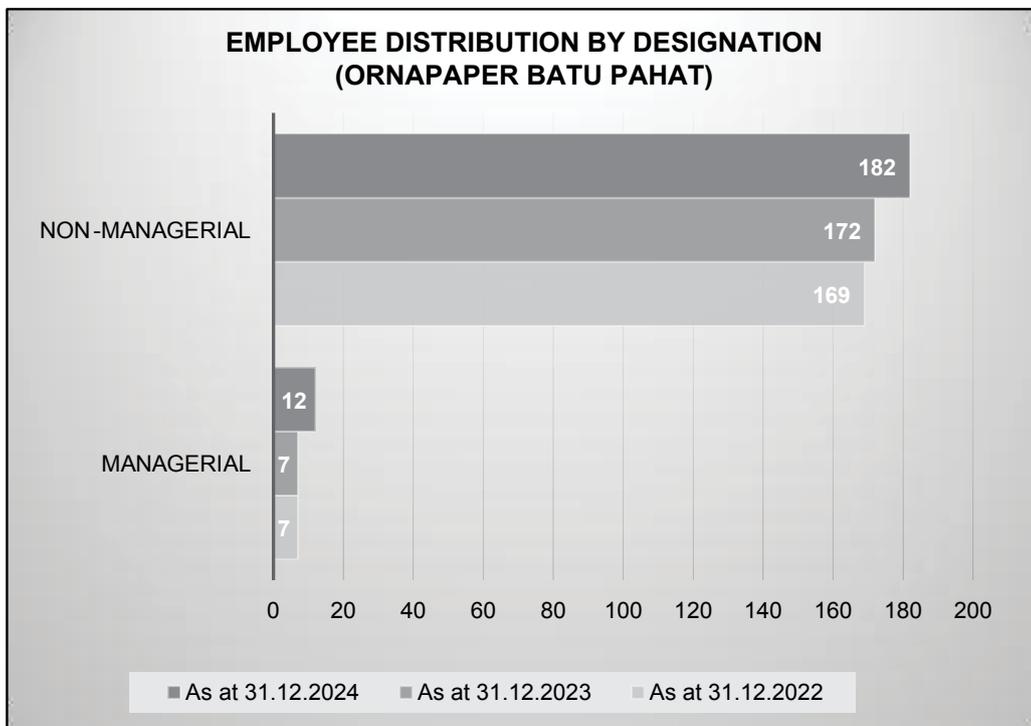
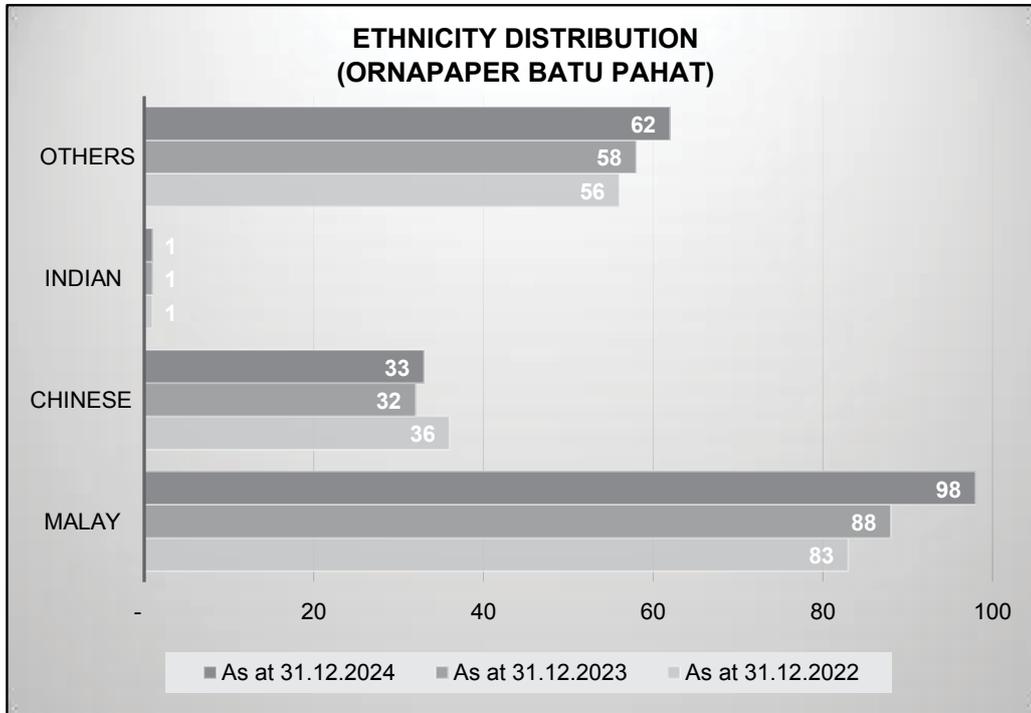
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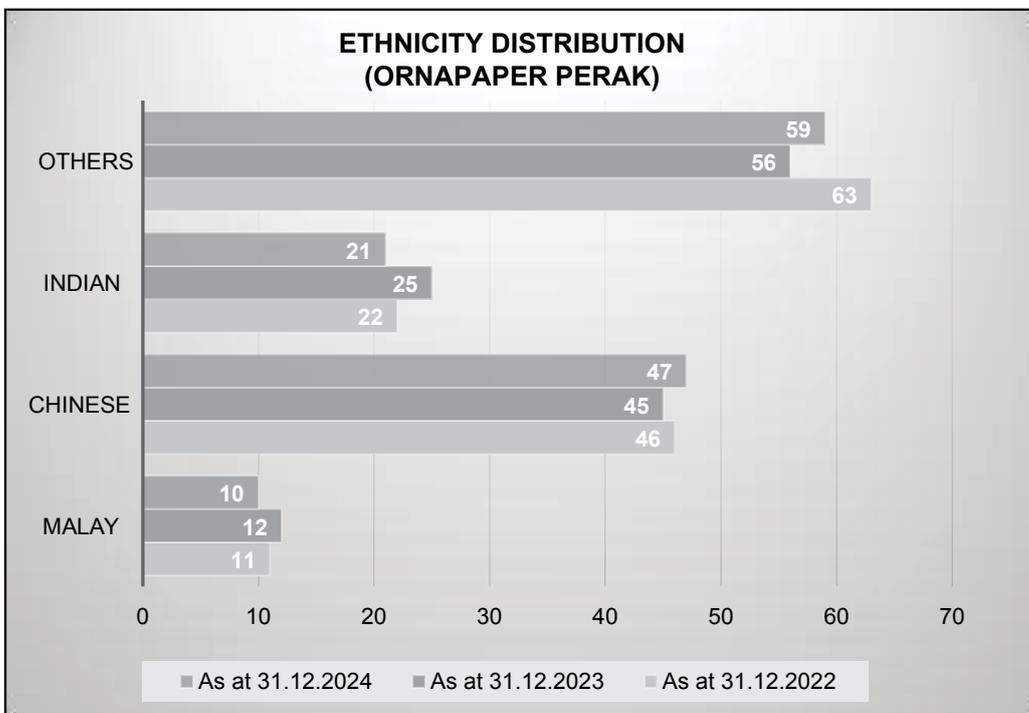
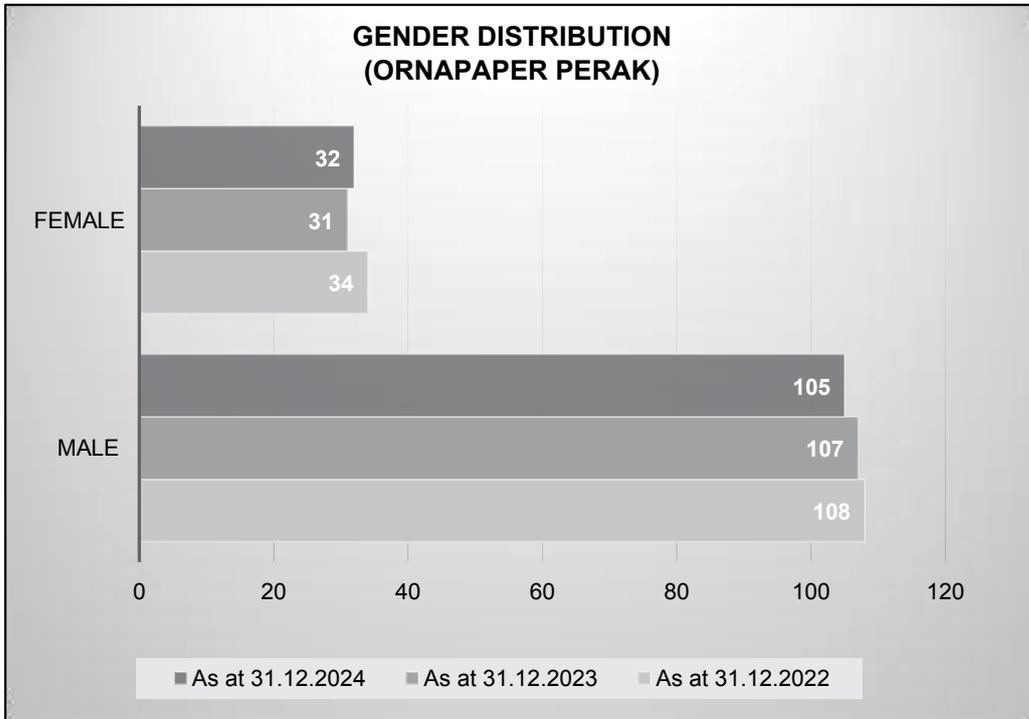
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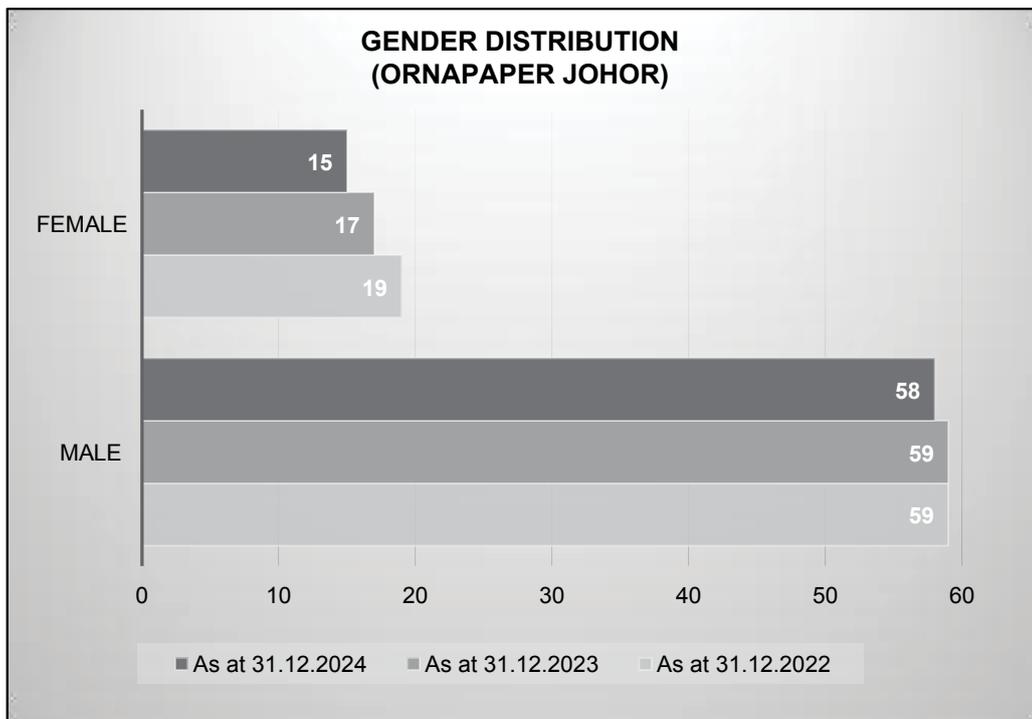
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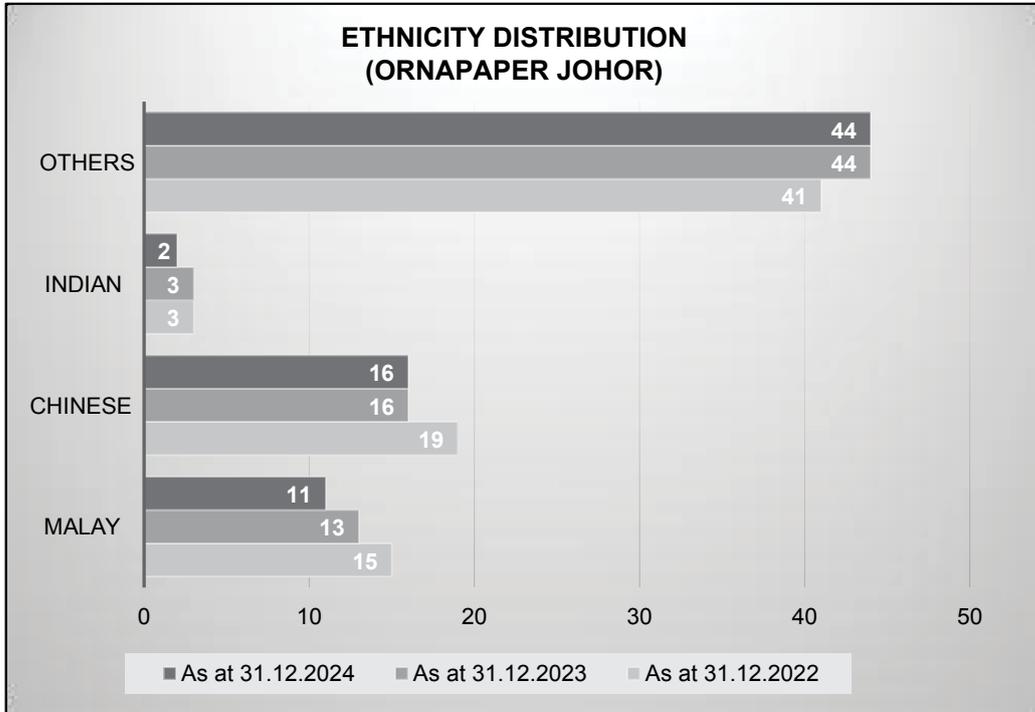
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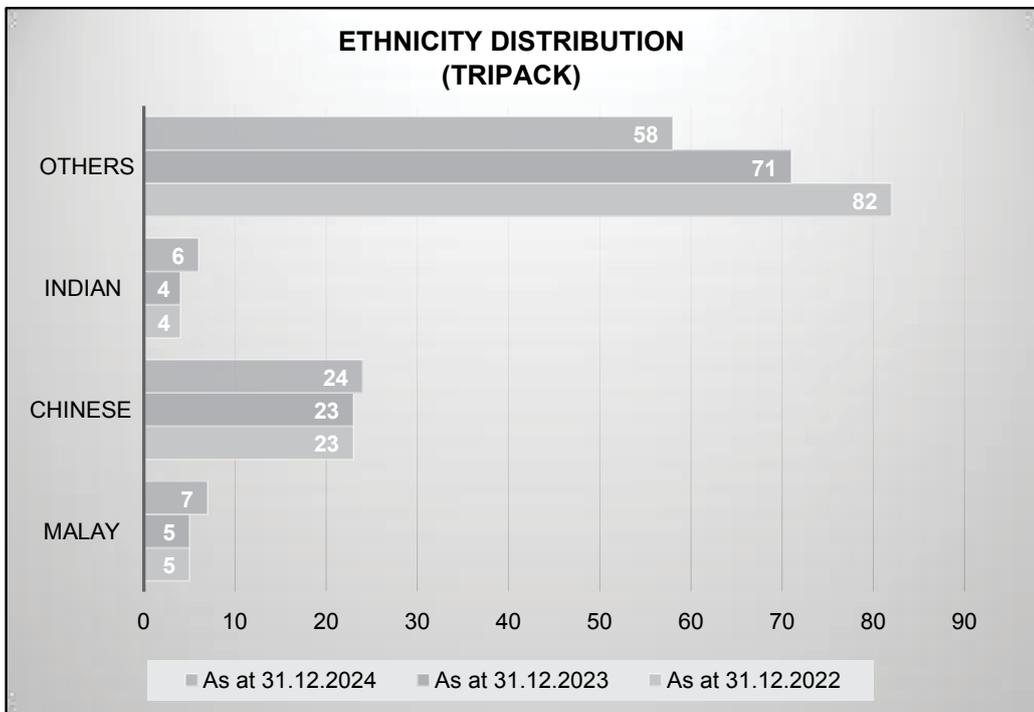
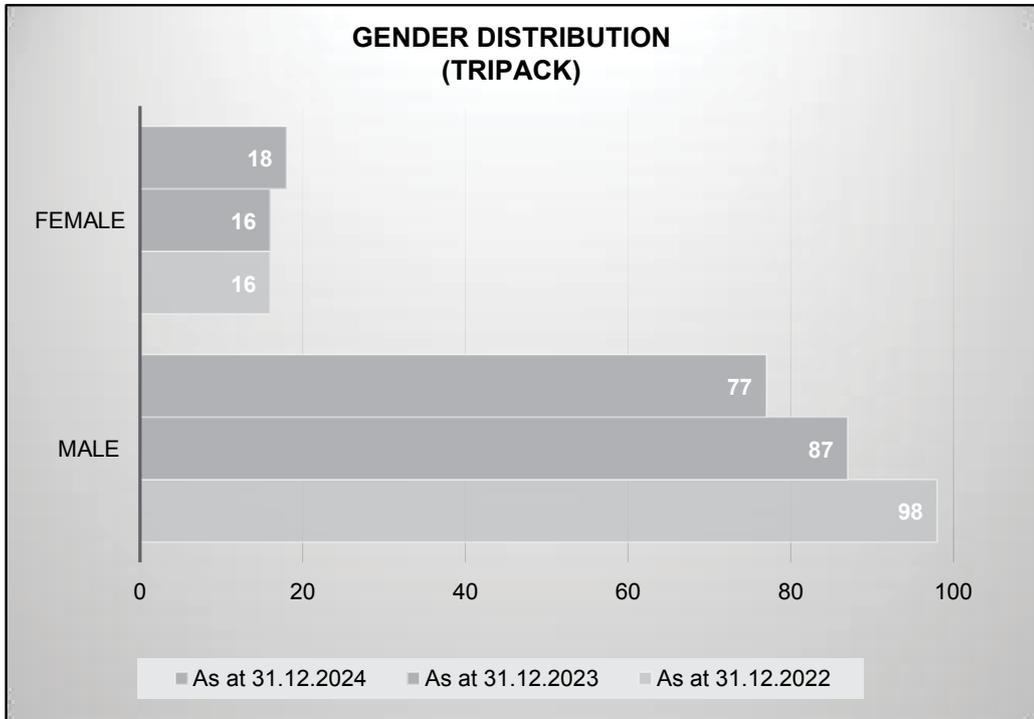
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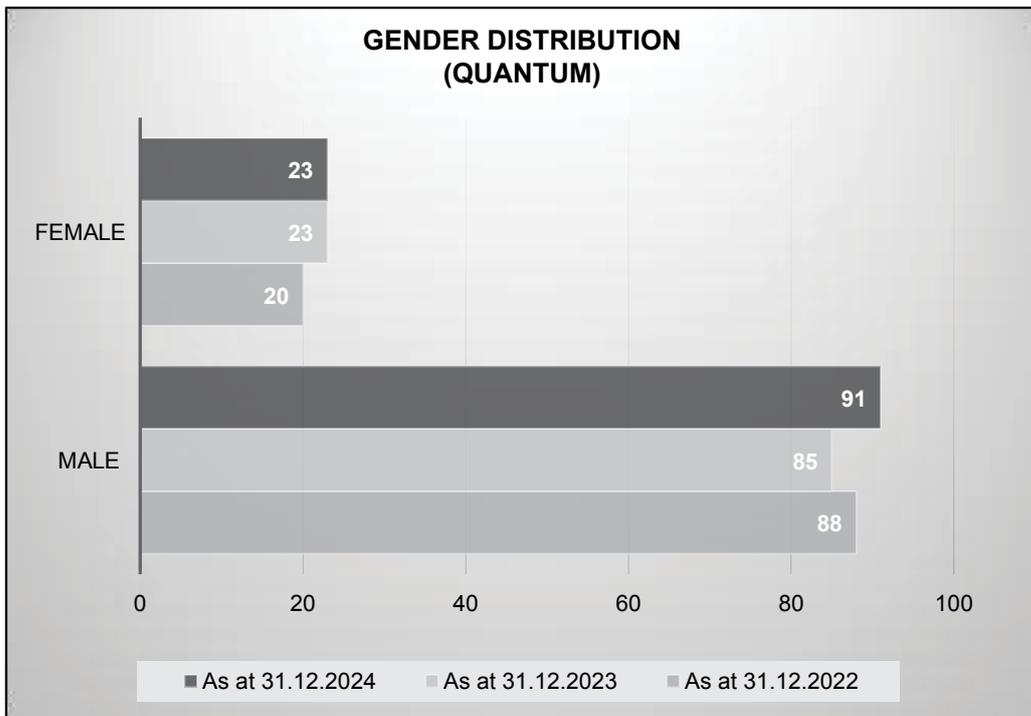
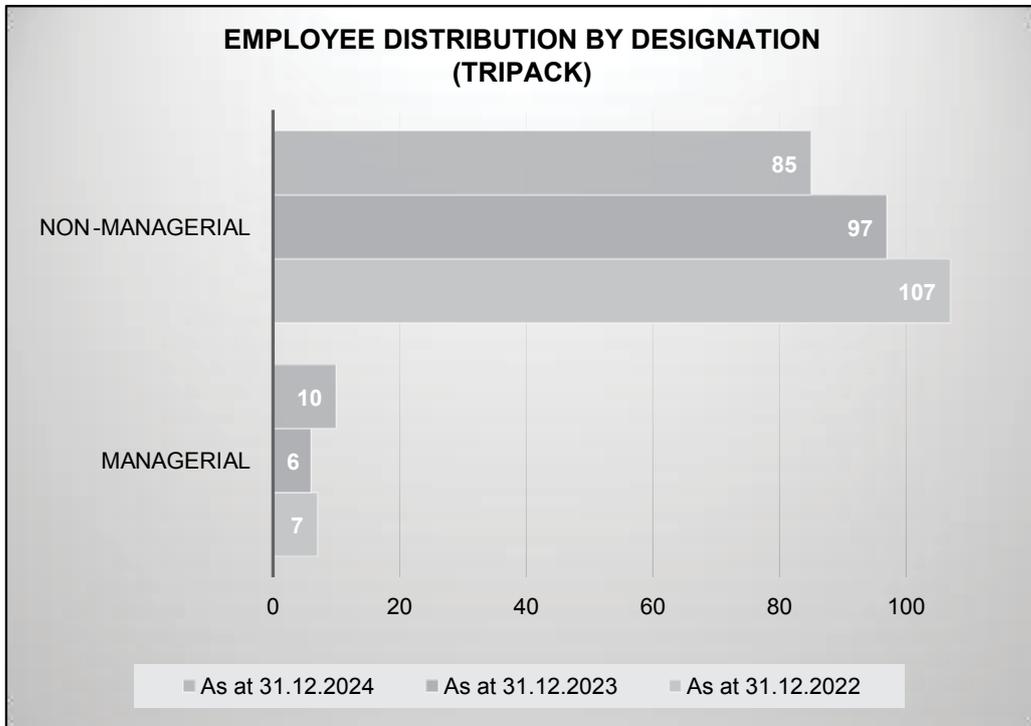
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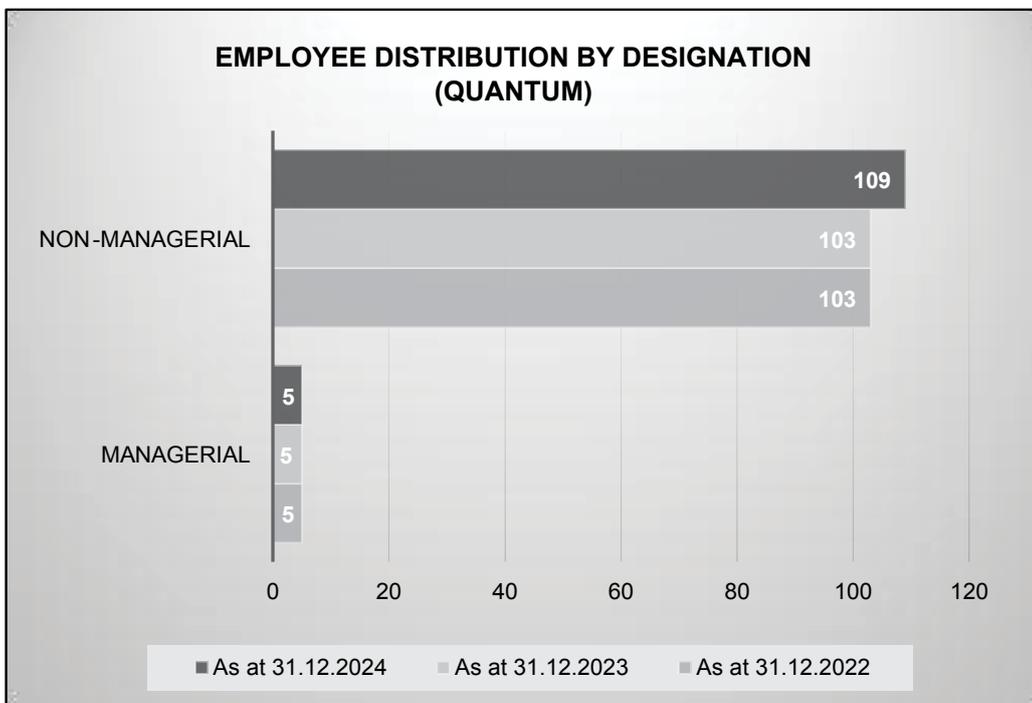
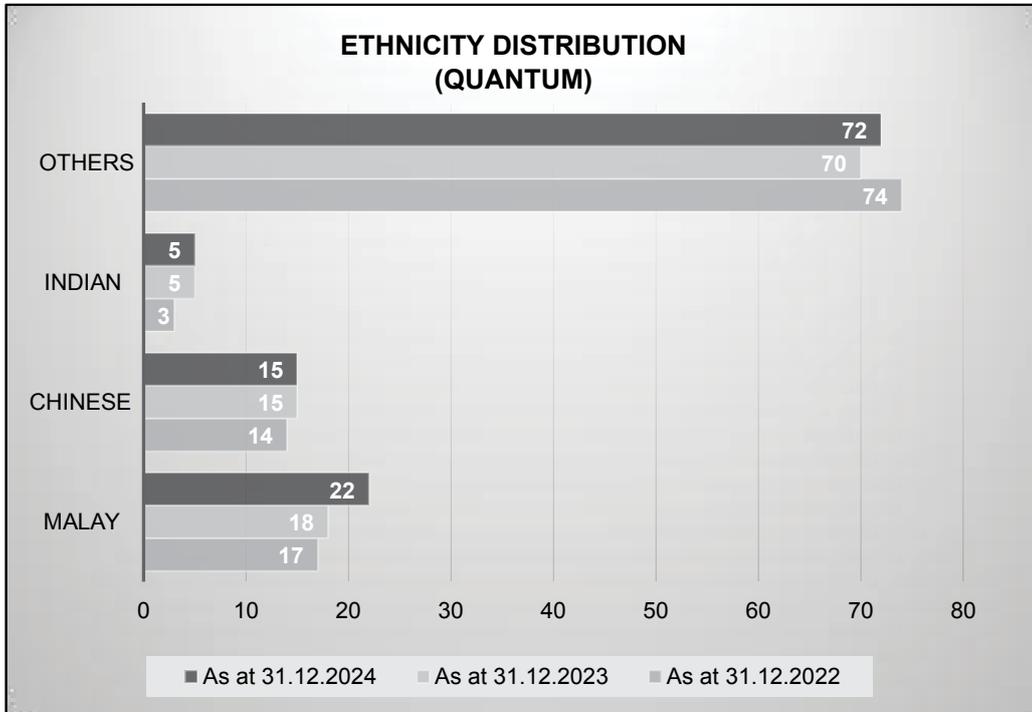
Sustainability Statement



Sustainability Statement



Sustainability Statement



Sustainability Statement

As a responsible corporate citizen, the Group is dedicated to implementing sustainable and ethical practices that contribute to the long-term growth of its businesses, the conservation of the environment, and the promotion of social well-being. In fostering social responsibility, the Group places strong emphasis on upholding the rights of its employees by strictly complying with all relevant labour and social legislation, including but not limited to the Federal Constitution of Malaysia, the Employment Act and its regulations, Minimum Wages Order, Competition Act, Personal Data Protection Act, Minimum Retirement Age Act, Children and Young Persons Act, and Workers' Minimum Standards of Housing and Amenities Act, among others.

The Group places great emphasis on corporate philanthropy and community investment as part of its broader commitment to being a responsible and conscientious corporate citizen. These efforts are deeply embedded within the Group's core values and business philosophy, reinforcing its belief that corporate success is inherently linked to the strength, well-being, and vitality of the communities it serves. Through these contributions, the Group also aims to promote inclusive growth, reduce social disparities, and support community aspirations in a sustainable and impactful manner. By leveraging its capabilities and resources, the Group endeavours to nurture positive, lasting relationships with key stakeholders, strengthen community resilience, and foster shared value that benefits both business and society.

During the financial year, the Group undertook a range of impactful community investment initiatives, including corporate donations and participation in community events aligned with its corporate social responsibility objectives. Monetary contributions were extended to charities, schools, and non-profit organisations to support a variety of causes and socio-economic development initiatives. In addition, a Love Fund was established within the organisation to support employees and their families in times of need. For instance, Ornapaper Melaka contributed both financial aid and a foldable commode chair to assist an employee who had suffered injuries, exemplifying Ornapaper's care and compassion towards its workforce.

In addition to monetary support, the Group provided non-monetary contributions to promote education and social development. Ornapaper Melaka hosted a company tour for secondary schoolchildren as part of an outdoor education initiative, giving students firsthand insight into the operations of a paper packaging company. The Group also participated in a school's Book Culture Week, donating customised carton products for a whale-themed exhibition to inspire creativity and environmental awareness. Furthermore, Quantum also donated stationeries to one of the primary school's students, reinforcing the Group's commitment to enhancing educational access for the younger generation.

Beyond building sustainability in business operations, we also recognise the importance of being responsible to society by not only providing financial and non-financial support to the local communities and those in need but also sharing our knowledge base for the next generation of community development. The Group continued to support education and talent development through internship programmes designed to provide students with valuable work experience and skill-building opportunities while serving as a talent pipeline for the Group. These programmes help students meet academic requirements, gain practical experience, and explore future career pathways within the organisation.

Through these collective efforts, Ornapaper Group demonstrates its unwavering commitment to the well-being of its employees, the betterment of society, and the development of future generations. These initiatives reflect the Group's deeply held values of integrity, inclusiveness, and shared prosperity. The Group remains firmly dedicated to social responsibility, employee empowerment, and ethical business practices as part of its long-term strategy to create enduring value for all stakeholders and drive sustainable business growth.

Sustainability Statement

Performance Data Table

Indicator	Unit	2024	2023	2022	Target
Anti-Fraud, Bribery and Corruption					
Bursa C1(a) Percentage of employees who have received training on anti-corruption					More than 90% of employees received training on anti-bribery and corruption
- Total Employees	Percentage	100%	80%	31%	-
- Managerial and above	Percentage	100%	77%	52%	-
- Executive and below	Percentage	100%	80%	30%	-
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	100%	-
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	-
Community Investment					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	160,976	111,968	83,338	-
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	49	43	36	-
Diversity					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					-
Age Group by Employee Category					
- Managerial and Above (below 25)	Percentage	0%	0%	0%	-
- Managerial and Above (25-35)	Percentage	7%	3%	3%	-
- Managerial and Above (35-45)	Percentage	26%	29%	19%	-
- Managerial and Above (45-60)	Percentage	52%	54%	61%	-
- Managerial and Above (above 60)	Percentage	15%	14%	16%	-
- Executive and Supervisory (below 25)	Percentage	4%	1%	4%	-
- Executive and Supervisory (25-35)	Percentage	27%	33%	32%	-
- Executive and Supervisory (35-45)	Percentage	26%	27%	33%	-
- Executive and Supervisory (45-60)	Percentage	40%	35%	28%	-
- Executive and Supervisory (above 60)	Percentage	3%	3%	3%	-

Sustainability Statement

Performance Data Table (Cont'd)

Indicator	Unit	2024	2023	2022	Target
Diversity					
Age Group by Employee Category					
- Non-executive (below 25)	Percentage	23%	19%	20%	-
- Non-executive (25-35)	Percentage	42%	42%	42%	-
- Non-executive (35-45)	Percentage	23%	25%	23%	-
- Non-executive (45-60)	Percentage	10%	12%	12%	-
- Non-executive (above 60)	Percentage	2%	2%	2%	-
Gender Group by Employee Category					
- Managerial and Above Male	Percentage	65%	66%	69%	-
- Managerial and Above Female	Percentage	35%	34%	31%	-
- Executive and Supervisory Male	Percentage	56%	43%	42%	-
- Executive and Supervisory Female	Percentage	44%	57%	58%	-
- Non-executive Male	Percentage	83%	85%	84%	-
- Non-executive Female	Percentage	17%	15%	16%	-
Bursa C3(b) Percentage of directors by gender and age group					
- Male	Percentage	87.5%	87.5%	87.5%	-
- Female	Percentage	12.5%	12.5%	12.5%	-
- Under 40	Percentage	0.0%	0.0%	0.0%	-
- 40-50	Percentage	12.5%	12.5%	0.0%	-
- 50-60	Percentage	50.0%	50.0%	62.5%	-
- Above 60	Percentage	37.5%	37.5%	37.5%	-
Energy Management					
Bursa C4(a) Total energy consumption	Megawatt	41,981	14,803	-	-
Health and Safety					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	Zero fatality annually
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	7.3	4.03	6.12	-
Bursa C5(c) Number of employees trained on health and safety standards	Number	961	538	514	100% of employees to receive training of Safety and Health

Sustainability Statement

Performance Data Table (Cont'd)

Indicator	Unit	2024	2023	2022	Target
Labour Practices and Standards					
Bursa C6(a) Total hours of training by employee category					
- Managerial and above	Hours	2,085	1,083	484	-
- Non- Managerial	Hours	17,968	10,836	14,644	-
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2%	10%	10%	-
Bursa C6(c) Total number of employee turnover by employee category					-
- Managerial and above	Number	1	0	0	-
- Executive and Supervisory	Number	22	10	21	-
- Non- Executive	Number	124	141	209	-
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	Zero complaints concerning human rights violations
Supply Chain Management					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	86%	89%	82%	-
Data Privacy and Security					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Zero complaint concerning breaches of customer privacy and losses of customer data
Water					
Bursa C9(a) Total volume of water used	Megalitres	56.86	53.85	88.61	Lower than 0.7 cubic metre (m ³) of total water consumption per metric tonne of production output