

Sustainability Statement

About Ornapaper Berhad

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

Sustainability remains a key pillar of the Group’s business strategy as it navigates an evolving operating environment characterised by shifting market dynamics and operational complexities. The Group places great emphasis on meeting evolving customer expectations while minimising environmental impact and contributing to improved quality of life for current and future generations. In this regard, the Group aligns its sustainability agenda with the United Nations Sustainable Development Goals (“SDGs”).

The Board is committed to maintaining strong sustainability governance through effective oversight, regular performance monitoring and proactive stakeholder engagement. Transparent sustainability reporting forms part of this commitment, covering the economic, environmental, and social aspects of the Group’s business operations. The Board believes that meaningful stakeholder engagement is essential in ensuring that the Group’s business practices remain relevant, resilient and aligned with stakeholders’ expectations.

The Group is dedicated to operating with integrity, accountability, and transparency across its value chain. It continues to adapt to evolving markets, industry, and national developments while creating shared value for both the business and society. As a responsible corporate citizen, the Group acknowledges its dual responsibility to deliver strong economic performance while contributing positively to the social and environmental landscape.

The Board recognises that global and regional developments, including economic uncertainty, climate-related risks, resource constraints, and social challenges, continue to influence the operating landscape. In response, the Group remains committed to strengthening our sustainability resilience through responsible practices, including energy efficiency initiatives, waste reduction efforts, safe workplace practices, and community engagement programmes.

Moving forward, the Group will continue to enhance the integration of sustainability into its operations and decision-making processes. The Group remains committed to improving its sustainability performance, governance, and disclosures, in line with evolving stakeholder expectations and regulatory requirements, to support long-term, sustainable growth.

About This Statement

The Board of Ornapaper is pleased to present the Sustainability Statement (“Statement”) for the financial year ended 31 December 2025 (“FYE 2025”). This Statement provides an overview of the Group’s sustainability performance during the period of 1 January 2025 to 31 December 2025, unless stated otherwise. The Statement outlines how the Group manages its economic, environmental, social and governance (“EESG”) impacts in line with its business strategy and operational context, with the objective of creating long-term sustainable value for stakeholders.

Moving forward, Ornapaper aims to continuously improve our sustainability performance and transparency, while progressing towards alignment with evolving regulatory expectations and reporting frameworks, including the National Sustainability Reporting Framework (“NSRF”).

Sustainability Statement

Scope of the Statement

This Sustainability Statement primarily covers activities undertaken during FYE 2025, as well as relevant developments up to the date of this Statement. It focuses on the management and performance of the Group's material EESG aspects, in line with applicable sustainability disclosure requirements. This Statement outlines the Group's stakeholder engagement processes, materiality assessment, sustainability initiatives and disclosures on key impacts across the value chain. These disclosures are intended to provide stakeholders with a clear understanding of the Group's approach and efforts in managing sustainability-related risks and opportunities.

The scope of this Statement encompasses the identification, management and reporting of sustainability matters and performance across six (6) principal subsidiaries of the Group, which are key contributors to the Group's revenue and operational activities, particularly in the manufacturing of corrugated packaging and paper-based stationery products.

The six (6) principal 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 Ornapaper Plus Sdn. Bhd. (formerly known as Quantum Rhythm Sdn. Bhd.) ("Ornapaper Plus") (collectively referred to as "the Companies" or "the Group", and individually as "the Company").

A newly incorporated subsidiary, Ornapack Sdn. Bhd. (formerly known as Ornaflex Solutions Sdn. Bhd.) ("Ornapack"), which commenced production and sales operations in the fourth quarter of FYE 2025, has been excluded from the reporting scope for FYE 2025, as its contribution to the Group's revenue and overall operational impact during the reporting period is not material. Similarly, Ornapaper Logistics Sdn. Bhd. ("Ornapaper Logistics") has also been excluded on the same basis.

The Group will progressively review and expand the reporting boundary to include Ornapack in future sustainability disclosures as its operations become more significant to the Group.

Reporting Frameworks and Standards

The Statement has been 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 respects, 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.

In line with ongoing regulatory developments, the Group is also preparing for alignment with the NSRF. The Group intends to progressively transition to a reporting approach that incorporates NSRF requirements alongside other relevant standards in the next reporting period, with a view to enhancing the comparability, consistency, and robustness of its sustainability disclosures.

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

Sustainability Statement

Statement of Assurance

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

Sustainability Principles

The Board, as the highest governance body of the Group, retains ultimate accountability for embedding sustainability into the Group's operations, strategy, and performance. The Group remains committed to advancing sustainability by continuously integrating it into its work culture, business practices, and decision-making processes. In doing so, the Group seeks to meet stakeholder expectations while pursuing its strategic objectives, underpinned by a commitment to accountability and transparency in sustainability performance. This commitment is guided by the following principles endorsed by the Board:

- To observe and comply with all applicable laws, regulations, recommended trade practices, and code of practice relevant to the Group;
- To consider sustainability matters and integrate such considerations into the Group's business operations, as well as in the formulation and implementation of business strategies;
- To manage sustainability matters in a structured and systematic manner, whereby such matters are embedded across the Group, documented, continuously assessed and managed, with reporting to the Board at scheduled intervals or as warranted by the materiality of such sustainability matters;
- To promote, train and communicate with all employees, suppliers, business partners and other relevant stakeholders on an ongoing basis, to ensure awareness of and commitment to implementing and measuring sustainability initiatives, taking into consideration economic, environmental, social and governance aspects;
- To engage and communicate with all relevant stakeholders on a continuous basis for the identification, assessment and management of material sustainable matters; and
- To strive for continuous improvement in the Group's sustainability performance.

Sustainability Framework

Ornapaper's commitment to responsible business conduct and the creation of long-term sustainable value is guided by the Sustainability Framework established by the Board. In alignment with the United Nations 2030 Agenda for Sustainable Development and its 17 SDGs, the Group seeks to align its operations with global efforts to promote inclusive economic growth, enhance social well-being, and minimise environmental impact, including addressing climate change and environmental degradation.

The Group recognises that the SDGs are interconnected and require a balanced and integrated approach across EESG dimensions.

Amid ongoing global uncertainties, including geopolitical tensions, inflationary pressures, energy market volatility, and evolving environmental and social challenges, the Group remains committed to upholding ethical, accountable, and sustainable business practices. These considerations underscore the importance of strong governance and responsible corporate conduct in navigating risks and opportunities, while contributing positively to society and the environment.

Sustainability Statement

Sustainability Framework (Cont'd)



To formalise this commitment, the Board has embedded Sustainability Policies within the Sustainability Framework, thereby integrating sustainability considerations into the Group’s corporate strategy, operations, and stakeholder engagement practices. These Sustainability Policies reinforce the Group’s approach to upholding responsible business conduct, while supporting continuous improvement, operational excellence, and innovation across its core business activities. The Group has adopted the following Sustainability Policies:

- To continuously identify and engage with potential suppliers at key operational locations to optimise cost efficiency and enhance sales value.
- To ensure that suppliers adhere to high ethical standards.
- To diversify the customer portfolio to safeguard the economic interests of 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 contribute voluntarily to local communities and create positive value 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 of 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 provide a safe, healthy, and conducive working environment for all employees.
- To enhance employee capabilities through continuous training and development programmes.

Sustainability Statement

Sustainability Governance Structure

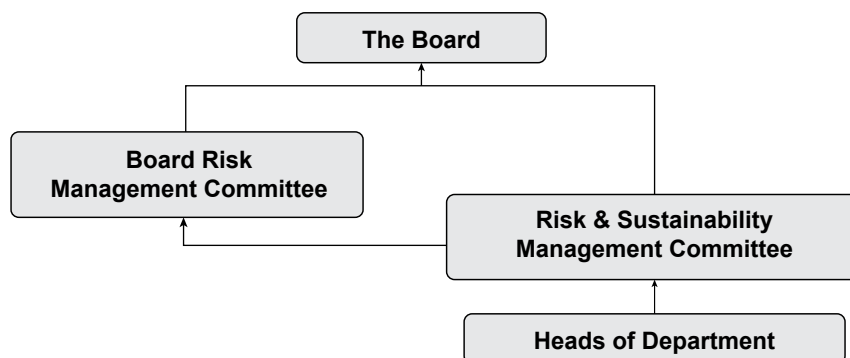
Good governance is fundamental to the Group’s ability to operate in a responsible, transparent, and sustainable manner. The Board acknowledges its overarching responsibility for integrating sustainable economic, environmental, and social practices across the organisation. This includes embedding sustainability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

The Group’s commitment to sustainable practices is embedded at 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 established a formal governance structure to ensure accountability, effective oversight, and systematic review in relation to the identification, management and reporting of sustainability matters and performance. This structure is designed to ensure that sustainability initiatives across all levels of the organisation and business units are aligned with the Group’s strategic direction and Board-level expectations. Clear reporting mechanisms have been established to facilitate the timely identification and management of sustainability-related risks and opportunities, enabling regular monitoring and informed decision-making to drive continuous improvement in sustainability performance.

The Risk and Sustainability Management Committee (“RSMC”) is entrusted with key responsibilities for the identification, assessment, management and reporting of sustainability matters and performance. The RSMC plays a pivotal role in steering sustainability initiatives and ensuring alignment with the Group’s overall strategy and long-term objectives.

In line with the nature, scale, and geographical footprint of the Group’s businesses, the Board has established a formal governance structure to support the effective identification, management and reporting of sustainability matters and performance, as outlined below:



Sustainability Statement

Sustainability Governance Structure (Cont'd)

The governance structure outlined in the Sustainability Framework defines the roles and responsibilities of the Board, the Board Risk Management Committee (“BRMC”), the RSMC, Heads of Department, and the Key Risk and Sustainability Officer (“KRSO”).

The Board assumes ultimate responsibility for the Group’s sustainability strategy, oversight and performance. The BRMC supports the Board by reviewing sustainability-related matters, including risks, opportunities, and performance, and provides recommendations and updates for the Board’s consideration and deliberation. The RSMC is responsible for coordinating and implementing sustainability initiatives across the Group. Within the RSMC, the KRSO serves as the central point of reference for sustainability matters, providing guidance, coordinating reporting activities, and overseeing the implementation of the Sustainability Framework.

The RSMC, chaired by the Chief Executive Director and Executive Director of Ornopaper, is entrusted with the following responsibilities:

- a. To implement the sustainability strategy and management policies as approved by the Board;
- b. To lead and implement the process of identifying, assessing and managing sustainability matters, and to develop appropriate action plans where such matters are not adequately or effectively addressed, as well as to communicate the proposed action plans to the Heads of Department;
- c. To conduct periodic reviews of all sustainability matters of the Group (at least annually), assess the adequacy of responses and current status of such matters, and report the review results (including material sustainability matters) together with recommendations to the BRMC;
- d. To manage stakeholder engagement processes for the purpose of obtaining input for assessments and communicating the outcomes of reviews and responses;
- e. To measure the performance of material sustainability indicators against established targets, monitor such performance, ensure compliance with applicable sustainability disclosure requirements, and report to the BRMC for review;
- f. To oversee the Heads of Department in the implementation of sustainability management systems;
- g. To update the BRMC on changes to material sustainability matters on a periodical basis (at least annually), or as and when appropriate due to changes in the external environment or internal environment, including the corresponding management actions; and
- h. To ensure that appropriate sustainability training is provided to relevant levels of employees to cultivate awareness and promote a consistent approach to sustainability management.

At the operational level, the Heads of Department are responsible for managing sustainability matters within their respective business processes and for supporting the RSMC in the identification, assessment, implementation and monitoring of sustainability initiatives across the Group.

Sustainability Matters Management Process

The Group’s sustainability matters management process has been established by the Board with reference to the Guide and Toolkit: Materiality Assessment issued by Bursa Securities, and is tailored to reflect the nature, scale and strategic priorities of the Group’s businesses:

Sustainability Statement

Sustainability Matters Management Process (Cont'd)

The process encompasses the following key steps:

- **Stakeholder Mapping and Profiling**

Identification of the intended stakeholder groups and sub-groups, including their areas of interest and engagement objectives, is undertaken through stakeholders' mapping and the development of stakeholders' profiles.

- **Stakeholder Prioritisation Exercise**

The stakeholders identified across significant business and geographical segments are prioritised based on their level of influence on and dependence upon the Group. Greater focus is placed on stakeholder groups with higher influence and/or dependency, whose concerns are accorded greater weight.

The prioritisation exercise is conducted by the RSMC by using a Stakeholder Prioritisation Matrix, whereby each stakeholder is assessed against influence and dependence criteria and rating scales established by the Board. The results are used to determine the appropriate level of engagement with each stakeholder group, ranging from collaboration and empowerment to regular information sharing.

- **Sustainability Matters Identification**

Sustainability matters are identified across significant business and geographical segments through both internal and external sources. Internal sources include documentation, management information systems and internal stakeholders' engagements, while external sources include public domains, correspondences and engagement with external stakeholders.

Identified sustainability matters are subsequently refined, consolidated and categorised into respective sustainability categories determined by the Board, and recorded in the Sustainability Matters Listing, which also identifies the relevant internal and external stakeholders.

- **Internal Materiality Assessment**

Sustainability matters categorised in the Sustainability Matters Listing are subjected to an internal materiality assessment by the RSMC to prioritise the sustainability matters for further evaluation by internal and external stakeholders.

This assessment is conducted by the RSMC based on the rating scale established by the Board, taking into consideration the significance of each sustainability matter in terms of revenue, cost, reputation, strategic and operational risks and business opportunities.

Sustainability matters are considered material where:

- they have significant economic, environmental and social impacts on the Group;
- they substantially influence stakeholder assessments and decision-making ; and
- they affect the Group's ability to meet present and future needs from a sustainability perspective.

Sustainability Statement

Sustainability Matters Management Process *(Cont'd)*

- **Internal Materiality Assessment** *(Cont'd)*

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' assessments are obtained through engagement processes conducted, either through direct communication by the RSMC or Heads of Department, using the rating system established by the Board.

- **Integration with Risk Management**

Following the materiality assessment, identified sustainability matters are integrated into the Group's risk management framework. Sustainability-related risks and opportunities are assessed and managed in accordance with the Group's established risk management policies and processes.

In the context of sustainability matters management, the RSMC evaluates the adequacy and effectiveness of existing controls and the current status of sustainability matters. Where gaps are identified, appropriate management responses (if existing controls are inadequate or ineffective) are formulated to mitigate risks or optimise opportunities, in line with the Group's risk appetite and strategic objectives. Further details are set out in the Statement on Risk Management and Internal Control.

- **Management of Material Sustainability Matters**

For the management of material sustainability matters, the RSMC develops and implements appropriate management responses, including:

- establishing relevant policies and procedures;
- implementing various initiatives, measures or action plans;
- ensure compliance with applicable laws and regulations;
- setting indicators, goals, targets and timelines aligned with strategic objectives; and
- enhancing or implementing new systems to capture, analyse, and report relevant data.

The RSMC monitors the current status of material sustainability matters and the effectiveness of management responses, including performance against established indicators and targets, and reports to the BRMC the actual performance on an annual basis. The BRMC reviews such reports and provides recommendations to the Board for deliberation and approval.

Stakeholder Engagement

The Board recognises and acknowledges the pivotal role of internal and external stakeholders in supporting the Group's missions and long-term business sustainability. Accordingly, a stakeholder-driven approach to sustainability forms the cornerstone of our sustainability strategy and reporting. Maintaining effective communication, fostering mutual understanding, and building strong relationships with stakeholders through various platforms, continuous dialogue, and sharing of information with stakeholders are essential to sustaining business growth and resilience.

Sustainability Statement

Stakeholder Engagement (Cont'd)

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

In this regard, the Board adopts a strategy of continuous engagement with internal and external stakeholders who are dependent on and/or influenced by the activities undertaken by the 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.

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 RSMC relied on informal engagement channels, including meetings and face-to-face interactions facilitated by Heads of Department and Executive Directors, supplemented by formal channels of communication, such as employees' performance appraisals. These engagements have enabled the Group to validate identified sustainability matters and incorporate stakeholder feedback into its risk management and strategic planning processes.

The Group's stakeholder engagement approach is guided by the Guide and Toolkit: Stakeholder Engagement issued by Bursa Securities, with appropriate adaptations based on the nature and scale of the businesses of the Group.

Following the sustainability assessment performed, the Board has determined, based on stakeholder mapping and profiling exercises conducted by the RSMC and Heads of Department, that the following stakeholder groups have 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 for all levels of employees ▪ To establish career pathways for the workforce at all levels ▪ To have a safe and healthy working environment ▪ To strive 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

Sustainability Statement

Stakeholder Engagement (Cont'd)

STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
Board of Directors	<ul style="list-style-type: none"> • To ensure business strategies take into consideration sustainable practices • To convey accurate financial and non-financial information for decision making • To comply with good corporate governance • To ensure cybersecurity and continuous safety of the organisation data and assets (including suppliers and customers) 	<ul style="list-style-type: none"> • Committee meetings • Board of Directors meetings 	<ul style="list-style-type: none"> • Annually • Quarterly
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 customers' satisfaction • To meet potential customers' requirements 	<ul style="list-style-type: none"> • Face-to-face meetings • Electronic mail system • Telephone conversation • Customer audits • Letter of complaint • Official letter • Supplier Corrective Action Reports 	<ul style="list-style-type: none"> • Ongoing

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Stakeholder Engagement (Cont'd)

STAKEHOLDER GROUP	ENGAGEMENT OBJECTIVE(S)	PREFERRED ENGAGEMENT METHOD(S)	FREQUENCY OF ENGAGEMENT
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, 14001: 2015 and FSC standards 	<ul style="list-style-type: none"> Audit Electronic mail system Telephone conversation Reports 	<ul style="list-style-type: none"> Ongoing
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

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Stakeholder Engagement (Cont'd)

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.



Sustainability Management Activities

During the financial year under review, the Group undertook a series of structured activities to identify, assess, manage, and report sustainability matters and performance. These activities reflect the Group's commitment to a systematic and data-driven approach in embedding sustainability throughout its operations.

The key activities carried out are as follows:

- **Stakeholder Mapping and Profiling:**

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

- **Stakeholder Prioritisation Exercise:**

Identified stakeholders were assessed and prioritised based on their degree of influence and dependence using the Board's approved criteria and rating scales. The results of this stakeholder prioritisation exercise enabled the Group to focus engagement efforts on stakeholders with higher significance.

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Sustainability Management Activities (Cont'd)

- **Sustainability Matters Identification:**

The RSMC identified relevant sustainability matters through internal sources and informal stakeholder engagement. These engagements, facilitated by Heads of Department, involved direct communication with both internal and external stakeholders to capture key concerns and expectations.

- **Internal Materiality Assessment:**

The RSMC performed the internal materiality assessment by using predetermined criteria and rating scales to assess the significance of identified sustainability matters from the Group's perspective. This process enabled the prioritisation of sustainability matters for further validation.

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

The RSMC assessed the degree of significance of each sustainability matter from stakeholders' perspectives through engagement with internal and external stakeholders. This is conducted via direct communication facilitated by Heads of Department, allowing the Group to understand how such matters influence stakeholder assessments and decision-making.

- **Material Sustainability Matters Determination:**

The results of the stakeholder prioritisation exercise, internal materiality assessment, and the degree of significance of sustainable matters from stakeholders' perspectives were consolidated by the RSMC to prioritise sustainability matters and identify material sustainability matters to the Group. A sustainability matter is deemed material if it exceeds the materiality threshold established by the Board.

Material Sustainability Matters

Material sustainability matters are identified through a structured and systematic materiality assessment process, focusing on EESG factors that are relevant and material 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 takes into consideration the four key principles of sustainability reporting, namely sustainability context, materiality, completeness, and stakeholder inclusiveness, and is conducted through a continuous cycle of identification, prioritisation, validation, and review.

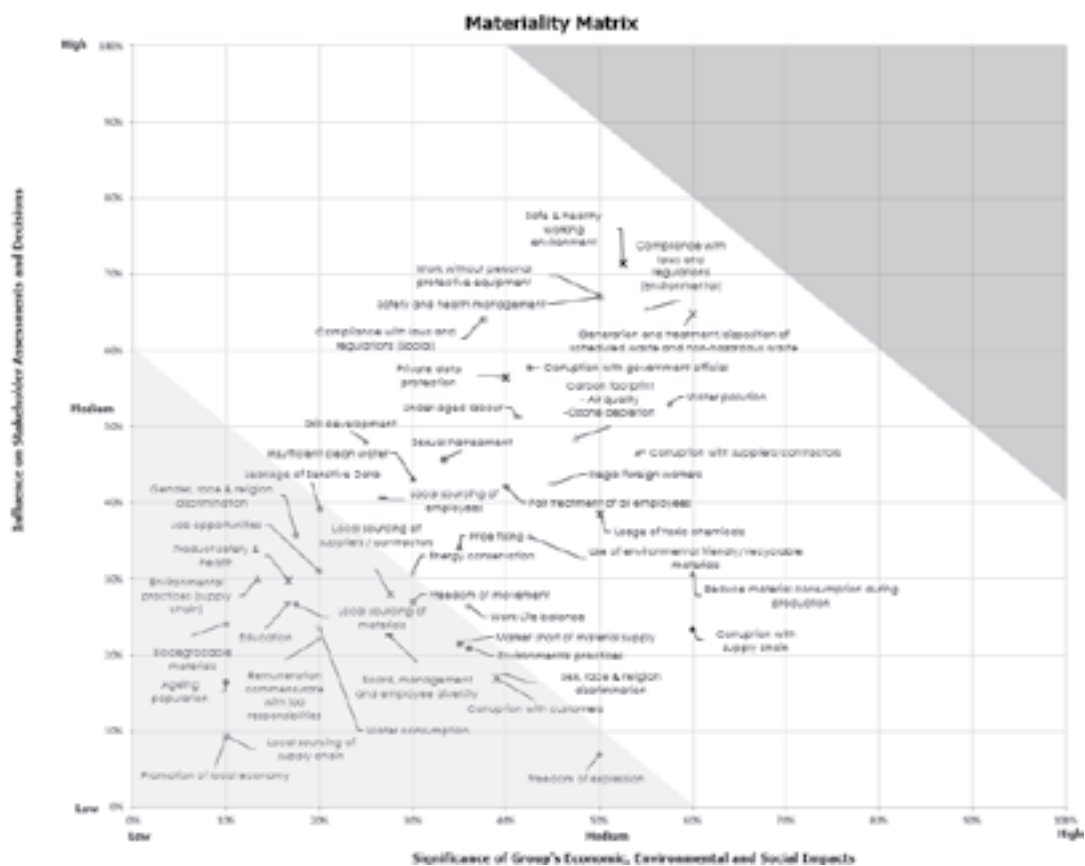
The RSMC undertakes the assessment and prioritisation exercises to identify sustainability matters relevant to the Group's operations. These exercises reflect key sustainability considerations pertinent to each entity's business and geographical context, taking into account the expectations and concerns of the respective stakeholder groups.

Sustainability matters are evaluated and categorised as "Material", "Low and Medium" or "Not Material" through the application of a materiality matrix. The assessment is based on both the significance of the potential impact on the Group's business from Management's perspective, and the extent to which such matters influence stakeholders' assessments and decision-making.

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Material Sustainability Matters (Cont'd)

Upon completion of the assessment process, the final list of material sustainability matters, together with supporting details on their identification, assessment and prioritisation, is submitted to the BRMC for thorough review prior to being presented to the Board for final approval. This comprehensive review process ensures effective sustainability management and monitoring across the Group. The consolidated assessment results of material sustainability matters of the Group are tabulated in the Materiality Matrix below.










Based on the Materiality Matrix, key material sustainability matters have been identified and prioritised by the Management of the Group, taking into consideration input from relevant stakeholder groups. The details of these material matters are set out in the table below:

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 the Occupational Safety and Health Act

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Material Sustainability Matters (Cont'd)

Sustainability Matter	Definition	Aspect Boundary		Relevant SDG Goals	Corresponding Risk Register
		Internal Stakeholders	External Stakeholders		
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 the 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 the Environmental Quality Act

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

Ensuring the safety and well-being of employees and stakeholders remain a cornerstone of the Group's sustainability efforts. The Group recognises the importance of maintaining a safe and healthy workplace, not only for its workforce but also for customers, suppliers, contractors and visitors. The Group is committed to providing a productive, dynamic, and safe working environment by minimising the risk of accidents, injuries and exposure to health hazards, to the extent practicable.

In line with this commitment, the Group upholds strict compliance with all applicable occupational 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
- 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

Sustainability Statement

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

Each subsidiary within the 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 fostering a strong safety culture.

In addition, each subsidiary has appointed a dedicated Safety and Health Coordinator who has undergone the required training and is registered with the MyKKP portal. These coordinators support the implementation and monitoring of safety and health practices at the operational level, ensuring alignment with regulatory requirements and industry best practices.

The Group's safety and health efforts are guided by a Group Safety and Health Policy approved by the Chief Executive Director. While implementation is carried out at the subsidiary level, the Group maintains overall oversight to ensure consistency in safety standards, regulatory compliance, and the sharing of best practices across all entities.

Safety and health rules and procedures are established by the respective Safety and Health Committees and endorsed by the Management to ensure that all operational activities are conducted safely and effectively. These measures aim to prevent workplace incidents and promote the well-being of employees and stakeholders. The Group promotes safe practices as part of daily operations, with ongoing monitoring, awareness initiatives, and proactive risk prevention measures. The Group remains committed to its vision of achieving a "Zero Accident" workplace while fostering a "Good, Safe and Pleasant" working environment.

Safety and health audits are conducted regularly 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. 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 operational sites are supported by trained Emergency Response Team, equipped to respond swiftly to emergencies such as fires, chemical spills and medical incidents. Emergency Response Team members undergo specialised training in fire response, evacuation procedures, first aid and emergency communication to ensure prompt and effective response when needed. Regular emergency drills and response simulations are conducted to ensure preparedness and awareness among employees.

In support of the Group's 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 following inspections by the Fire and Rescue Department of Malaysia.

Sustainability Statement

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

The Group conducts safety and health awareness programmes and training initiatives to equip all relevant stakeholders with the competencies required to maintain a safe working environment. 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, cardiopulmonary resuscitation (“CPR”) and first aid, fire evacuation 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 2025	FYE 2024	FYE 2023	TARGET
No. of Employees Trained on Health & Safety Standards				
- Headcount	925	961	538	N/A
- Proportion (%) against Total Employees	100%	100%	57%	100%

Operational safety procedures are established for high-risk activities such as forklift operations, machine handling, and chemical management. Visual guides and procedures are displayed at high-risk areas, supported by periodic training. First aid boxes are strategically placed and regularly inspected by designated First Aid Teams. To enhance workplace safety, improvements such as forklift zone markings, safety signage, trimmed vegetation for visibility, and installation of blinking safety lights at weighbridge stations have been implemented to reduce accident risks.

Additional preventive measures include proper labelling and secure storage of flammable chemicals in dedicated areas, regular safety inspections of electrical systems as well as the prohibition of smoking within the workplace (except at the dedicated smoking areas) are implemented too to reduce the likelihood of fire hazards. Electrical safety training is also conducted on-site by qualified external trainers to enhance employees’ awareness and response to electrical safety risks.

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 visitors. Floor markings and designated pedestrian walkways are implemented across facilities to segregate pedestrian and machinery movement, thereby reducing the risk of collisions. A “Forklift Area – No Pedestrian” signage is prominently displayed at the outgoing warehouse to mitigate forklift-related hazards.

As noise is inevitable in certain production processes, the Group has implemented measures to minimise its impact on employees. The corrugating section has been identified as generating the highest noise levels. Noise exposure levels are periodically assessed by an Environmental Consultant approved by the Department of Occupational Safety and Health (“DOSH”). Engineering controls, such as machinery designed with noise-reducing specifications, are implemented where practicable. In addition, personal protective equipment such as earplugs is provided to relevant employees, particularly in high-noise areas. Audiometric testing is also conducted periodically for exposed employees to monitor potential adverse effects from prolonged noise exposure.

Sustainability Statement

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

The Group provides essential personal protective equipment (“PPE”), including face masks, gloves, safety shoes, safety goggles, safety helmets and safety belts, to safeguard employees against workplace hazards. All machinery is subject to periodic maintenance and inspection to ensure optimal functionality and early detection of defects, thereby reducing the risk of mechanical failures and injuries. Where applicable, Certificates of Fitness are obtained from relevant regulatory authorities to ensure compliance with statutory safety requirements.

Relevant employees and other stakeholders with authorised access to production facilities are required to utilise appropriate PPE provided by the Company per the established safety and health rules and regulations. Besides, all visitors who have appointments with the Company’s personnel are required to register with the security personnel for security clearance before they are permitted access to the Company’s premises. Access to the manufacturing and storage area is also restricted to authorised personnel equipped with the necessary protective gear.

Strategic areas within the Group’s facilities are monitored through closed-circuit television systems while security guards are employed and deployed at important safety control points within the factories to ensure the overall workplace safety. To further enhance workplace hygiene and security, infrastructure upgrades and maintenance have been carried out, including the construction of new restrooms and repairs to factory fencing at certain subsidiaries, which reinforcing our commitment to enhance workplace hygiene, safety and employee well-being.

Occupational safety and health performance is monitored through regular reporting, including monthly progress reports that identify emerging or recurring issues and corresponding corrective measures. These are discussed and reviewed annually during Management Review Meetings. The Group remains committed to achieving a zero-injury workplace, encompassing both minor and major incidents. The incident statistics for the past three (3) financial years are presented below:

ENTITY	No. of Incidents					
	FYE 2025		FYE 2024		FYE 2023	
	Major	Minor	Major	Minor	Major	Minor
Ornapaper Melaka	0	5	3	5	2	2
Ornapaper Batu Pahat	3	1	3	2	1	1
Ornapaper Perak	0	0	0	2	0	0
Ornapaper Johor	1	0	0	0	0	0
Tripack	0	0	0	0	1	0
Ornapaper Plus	0	2	1	3	1	0

Sustainability Statement

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

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 2025	FYE 2024	FYE 2023	TARGET
No. of Work-Related Fatalities (Cases)	0	0	0	Zero fatality annually
Lost Time Incident Rate ("LTIR")	5.67	7.30	4.03	N/A

The Management has been proactively discussing and implementing counter measures to reduce the incident rates 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 employees apart from on-the-job trainings provided. Besides, investments are planned to upgrade and optimise machinery within production lines to further minimise operational hazards and injury risks.

While striving for a zero-injury workforce, we remain vigilant in identifying opportunities to further improve safety performance. Our investments in safety infrastructure and procedures demonstrate our resolve to protect our workforce and uphold a high standard of occupational safety and health. Despite the inherent challenges, the Group maintained full compliance with occupational safety and health regulations during the financial year under review, with no major legal actions, fines, or penalties imposed. Notably, there were no work-related fatalities recorded during the year.

Overall, the Group's commitment to occupational safety and health, supported by decentralised execution across subsidiaries and Group-wide coordination, reflects its dedication to safeguarding employees and stakeholders. Through continuous improvement, regulatory compliance, and proactive risk management, the Group strives to maintain a safe, healthy, and resilient working environment that supports sustainable business operations.

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

The Group recognises its role as a responsible corporate citizen and remains committed to safeguarding the environment, preserving natural resources, and creating long-term value for all stakeholders. Guided by a strong environmental stewardship approach, the Group manages its operations in an environmentally responsible manner through compliance with applicable regulatory requirements and continuous improvement of environmental performance across its operations.

Sustainability Statement

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

The Group recognises its role as a responsible corporate citizen and remains committed to safeguarding the environment, preserving natural resources, and creating long-term value for all stakeholders. Guided by a strong environmental stewardship approach, the Group manages its operations in an environmentally responsible manner through compliance with applicable regulatory requirements and continuous improvement of environmental performance across its operations.

The Group's Environmental Policy, approved by the Chief Executive Director, is a key component of its sustainability framework. The policy outlines the Group's commitment to fulfilling its environmental responsibilities for the benefit of present and future generations. It is publicly available on the corporate website and may also be provided to stakeholders upon request. To reinforce awareness and accountability, the policy is prominently displayed at strategic locations within the Group's premises, including departments, guardhouses, meeting rooms, canteens, and reception areas.

The Environmental Policy outlines the Group's commitment to:

- Fulfil the responsibility as a custodian of the environment for present and future generations.
- Adopt pollution prevention practices and control technologies, where feasible, to minimise pollution.
- Ensure compliance with all applicable regulatory requirements.
- Establish and review appropriate environmental objectives and targets.
- Strive to minimise releases to air, water and land.
- Implement corrective actions to address adverse environmental impacts arising from past practices.
- Provide environmental awareness training to Management and employees.
- Strive for continual improvement of the environmental management system.
- Communicate the environmental policy to 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, the Group has designated and trained qualified personnel as competent persons for scheduled waste management and industrial effluent treatment operations. The Group complies with the Environmental Quality Act 1974 and other relevant environmental laws and regulatory requirements, 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
- Poison Act 1952 (Act 366)
- Poison (Sodium Hydroxide) Regulations 1962
- Occupational Safety and Health (Noise Exposure) Regulations 2019

Sustainability Statement

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

- 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
- Department of Environment (“DOE”) Requirement for Permohonan Guna Tapak

The Group’s compliance efforts are further supported by periodic inspections and assessments conducted by the DOE Malaysia.

As part of its environmental management framework, the Group has obtained ISO 14001:2015 certification, reflecting its commitment to internationally recognised standards for environmental management, regulatory compliance and continual improvement. This certification demonstrates the Group’s structured approach to identifying, managing and mitigating environmental risks across its operations.

Additionally, the Group has obtained Forest Stewardship Council (“FSC”) Chain of Custody (“COC”) certification, which affirms its 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, providing assurance that relevant products are sourced from responsibly managed forests that deliver environmental, social and economic benefits.

To support this commitment, the Group has established an FSC COC Policy, which is publicly available on the corporate website of Ornapaper. The policy provides guidance to employees, suppliers and relevant stakeholders in supporting sustainability practices grounded in the principles of People, Planet and Prosperity (“3Ps”). The Group also monitors relevant suppliers and contractors involved in the production or manufacturing of FSC-certified products to support compliance with applicable FSC sourcing and production requirements.

The Group remains committed to responsible environmental stewardship, with particular emphasis on the proper handling, treatment and disposal of both scheduled and non-hazardous waste generated from its operations. Waste management practices are underpinned by strict adherence to the Environmental Quality (Scheduled Wastes) Regulations 2005 as well as other relevant guidelines issued by the DOE.

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

For non-scheduled waste, comprising general industrial and domestic waste, the Group engages authorised waste collectors to facilitate recycling or appropriate disposal at approved landfill sites, where applicable.

Sustainability Statement

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

Industrial effluent generated from operations is treated and monitored in accordance with applicable regulatory requirements prior to discharge. Periodic monitoring and testing are carried out to ensure compliance with prescribed discharge standards, in line with the Environmental Quality (Industrial Effluent) Regulations 2009.

Besides, grease traps are installed at designated discharge points to capture and prevent oils and other contaminants from entering the drainage system, thereby helping to protect local water quality.

To maintain a clean and hygienic working environment, the Group has implemented pest control measures across its operational facilities. Pest control services are carried out by licensed service providers on a scheduled basis, focusing on the prevention and control of common pests such as rodents and insects. Regular inspections and monitoring are conducted to ensure the effectiveness of these measures, thereby minimising potential contamination risks and supporting overall environmental hygiene within the Group's premises.

To further reduce environmental impact, the Group has implemented stack emission monitoring systems at relevant facilities to enable real-time monitoring and control of emissions from chimneys and stacks. Although the Group's manufacturing processes do not generate significant air emissions, the Group remains committed to complying with the Environmental Quality (Clean Air) Regulations 2014. Engineering controls are also incorporated into machinery and operational processes, where appropriate, to minimise emissions, reduce waste generation and optimise resource utilisation.

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

- Cleaning of clogged drains in the vicinity of operational facilities to help prevent flooding and improve hygiene, showcasing the Group's concern for community welfare;
- Continued investment in on-site solar energy infrastructure through the installation of solar panels on factory rooftops to generate renewable energy, offset electricity consumption, and reduce carbon emissions; and
- Integration of digital printing technology into production processes to enhance efficiency while reducing material wastage, aligning with the Group's commitment to sustainable resource management.

The Group also adopts the "Reduce, Reuse, Recycle" ("3Rs") approach to minimise waste generation and conserve resources across its 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 returning empty cartridges to suppliers for refilling.
- Recycling trim waste, paper cores, strapping bands, metal scraps and rejected cartons to conserve energy and natural resources and ultimately reduce pollution.
- Reusing cleaning water in glue starch generation to reduce water consumption.
- Reusing hydraulic lubricants extracted during the maintenance of corrugating rolls.
- Returning reusable plastic containers to suppliers for repeated use.
- Repairing and reusing pallets.
- Promoting energy and water conservation through awareness reminders placed at strategic locations to encourage employees to switch off unused lights, air-conditioners, computers and water taps.

Sustainability Statement

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

The Group continuously monitors its energy and water consumption to identify opportunities for efficiency improvement. The total energy and water consumption across the Group for the financial years ended 31 December 2023, 2024 and 2025 are presented in the tables below:

ORNAPAPER GROUP – ANNUAL ENERGY CONSUMPTION						
Energy Source (in GJ) *	FYE 2025		FYE 2024		FYE 2023	
Diesel	14,960		8,307		7,624	
Petrol	5,383		4,839		3,263	
LPG	636		564		512	
Natural Gas	48,207		24,753		17,900	
Lubricant	136		109		169	
Purchased Electricity	24,142		24,489		20,792	
Solar Energy (Self-Generated)	5,003		2,941		3,032	
Biomass (Self-Generated)	96,232		85,126		-Nil**	
Total Energy Consumed	194,699		151,128		53,292	
Energy Source (in MWh) *	FYE 2025		FYE 2024		FYE 2023	
Diesel	4,156		2,308		2,118	
Petrol	1,495		1,344		906	
LPG	177		157		142	
Natural Gas	13,391		6,876		4,972	
Lubricant	38		30		47	
Purchased Electricity	6,706		6,803		5,776	
Solar Energy (Self-Generated)	1,390		817		842	
Biomass (Self-Generated)	26,731		23,646		-Nil**	
Total Energy Consumed	54,084		41,981		14,803	
Breakdown by Type of Energy:	FYE 2025		FYE 2024		FYE 2023	
Renewable Energy	101,235 GJ	52%	88,066 GJ	58%	3,032 GJ	6%
Non-Renewable Energy	93,464 GJ	48%	63,061 GJ	42%	50,260 GJ	94%

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

**Biomass energy data for FYE 2023 is unavailable as such records were not maintained during that period.

ORNAPAPER GROUP – ANNUAL WATER CONSUMPTION				
Description	FYE 2025	FYE 2024	FYE 2023	TARGET
Total Water Consumption (Megalitre)	60.29	56.86	53.85	N/A
Total Water Consumed/Production Output (m³/MT)	0.56	0.53	0.57	0.70

Sustainability Statement

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

In line with its proactive environmental management approach, the Group has 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 its environmental footprint and enhancing operational sustainability. Performance against these objectives is systematically monitored and reviewed periodically, and corrective actions are implemented where necessary to ensure continual improvement and ongoing compliance with regulatory requirements.

The environmental objectives, targets and corresponding performance outcomes of respective companies within the Group are set out in the tables below.

ORNAPAPER MELAKA	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To ensure that water consumption does not exceed an average of 0.7 m ³ /MT for the next twelve months.
2. To control electricity consumption	To ensure that electricity consumption does not exceed 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 does not exceed 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 2025	FYE 2024	FYE 2023	TARGET
Average Water Consumed/MT (m ³ /MT)	0.32	0.33	0.36	0.7
Average Electricity Consumed/MT (kWh/MT)	61	56	52	50 (with 10% tolerance)

For FYE 2025, Ornapaper Melaka recorded an average electricity consumption of 60.75 kWh/MT, which exceeded the target of 50 kWh/MT (with a 10% tolerance). The variance was mainly attributable to higher operational activity during the year, including increased production volume and the expansion of converting and finishing processes, which contributed to higher overall electricity usage.

Sustainability Statement

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

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

These developments are aligned with the Group's long-term operational growth strategy to enhance production capacity and product offerings. Management remains committed to improving energy efficiency and will continue to monitor electricity consumption closely while implementing optimisation initiatives to enhance performance over time. Management will also continue to monitor electricity consumption trends and assess the appropriateness of its energy intensity targets in line with operational developments.

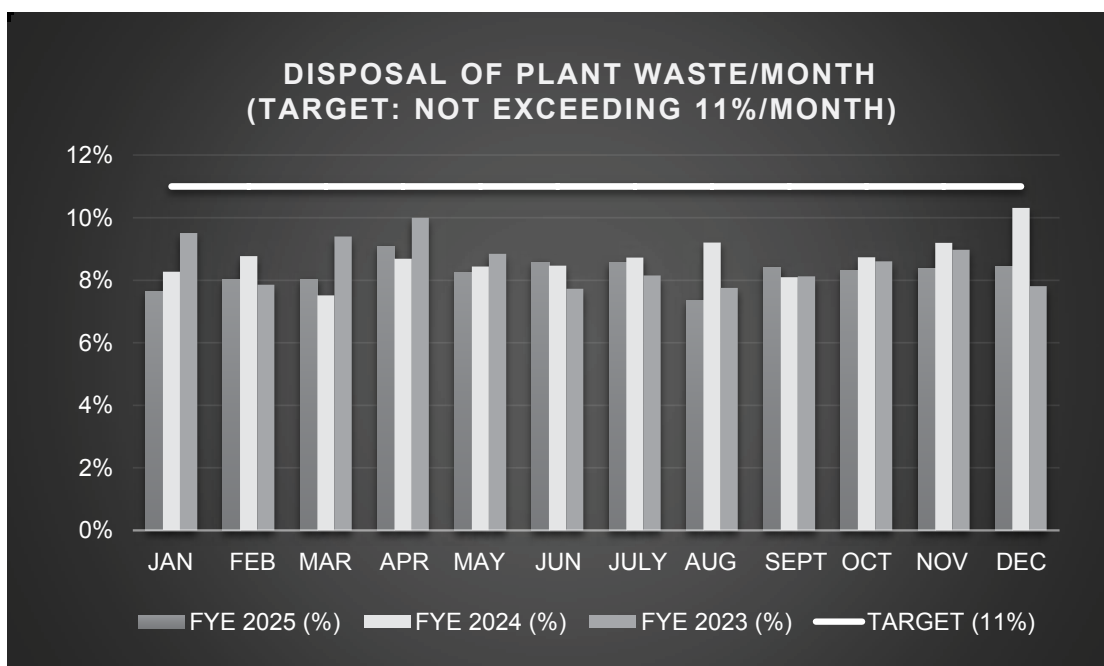
➤ **Gas Consumption (For Ornapaper Melaka):**

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Gas Consumed/MT (GJ/MT)	0.90	0.87	0.87	1.10

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

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Glue Sludge Generated/Year (MT/year)	19.62	12.83	14.11	25
Average Ink Sludge Generated/Month (MT/month)	4.87	3.89	2.14	10

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



Sustainability Statement

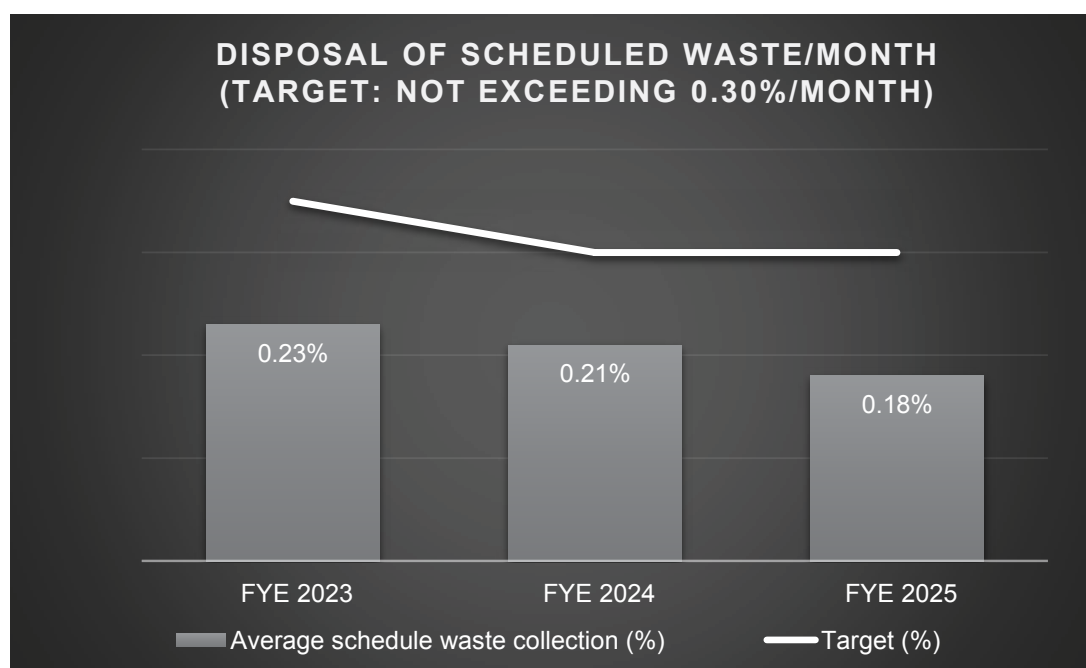
Environment - Compliance with Environmental Laws and Regulations, Generation and Treatment/Disposition of Scheduled Waste and Non-Hazardous Waste (Waste and Effluent) (Cont'd)

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.

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

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Water Consumed/MT (m³/MT)	0.87	0.85	0.79	1.0
Average Electricity Consumed/MT (kwh/MT)	80.67	89.77	90.15	83 (with 10% tolerance)

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



Sustainability Statement

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

ORNAPAPER PERAK	
Environmental Objective(s)	Environmental Target(s)
1. To control energy consumption	To ensure that energy consumption does not exceed an average of 70.32 kWh/MT for the next twelve months.
2. To control water consumption	To ensure that water consumption does not exceed 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.

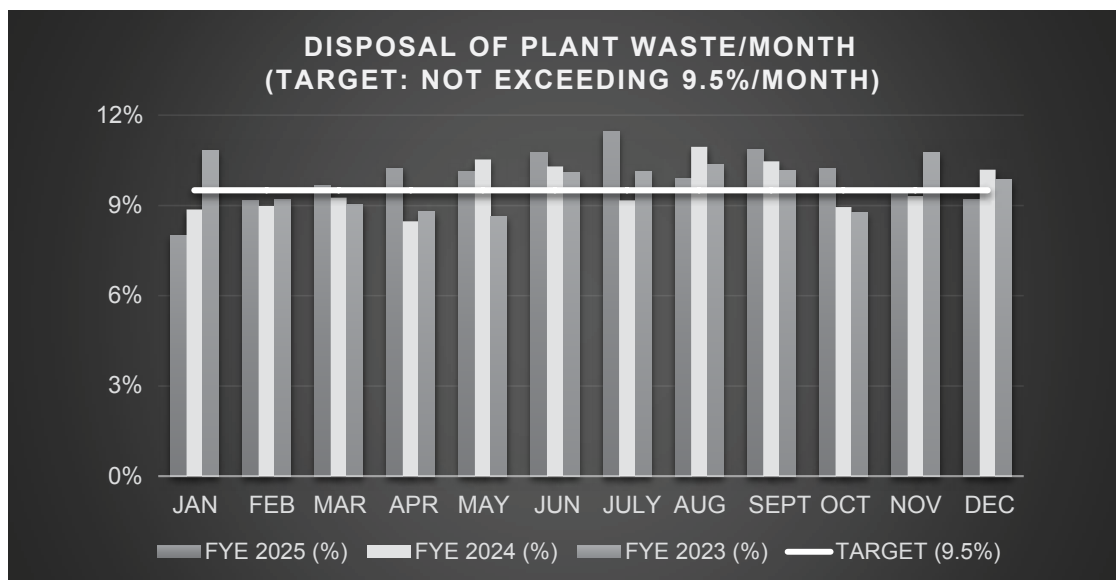
➤ **Energy and Water Consumption (For Ornapaper Perak):**

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Energy Consumed/MT (kwh/MT)	35.58	53.09	51.49	70.32
Average Water Consumed/MT (m ³ /MT)	0.35	0.40	0.37	0.90

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

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Ink Sludge Generated/Month (kg/month)	1,610	1,506	1,280	2,000

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



Sustainability Statement

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

➤ Disposal of Plant Waste (For Ornapaper Perak):

For several months in FYE 2025, Ornapaper Perak recorded plant waste disposal levels exceeding the targeted threshold of 9.5% per month. This was mainly due to unexpected failures in certain corrugator machine components, which affected operational inefficiency and led to increased plant waste generation. Replacement of the affected parts is currently in progress, with some components already rectified.

Management continues to adopt a proactive approach through enhanced monitoring of plant waste trends and timely maintenance interventions. Ongoing corrective actions, including the replacement of defective components and preventive maintenance practices, are being consistently implemented to minimise waste generation and improve operational efficiency, with the aim of maintaining disposal levels within the established target going forward.

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

➤ Water and Electricity Consumption (For Ornapaper Johor):

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Water Consumed/pcs (m ³ /pcs)	0.0002	0.0002	0.0003	0.0004
Average Electricity Consumed/pcs (kWh/pcs)	0.04	0.03	0.04	0.05

➤ Generation of Ink Sludge (For Ornapaper Johor):

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Ink Sludge Generated/6-Month Period (MT/6-month period)	17.21	12.62	10.27	10.5

Sustainability Statement

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

> **Generation of Ink Sludge (For Ornapaper Johor): (Cont'd)**

For FYE 2025, Ornapaper Johor recorded an average ink sludge generated of 17.21 MT per six-month period, which exceeded the target of 10.5 MT. The variance was primarily attributable to higher production activity during the year, including increased machine utilisation and more frequent changes in production requirements, which resulted in higher ink usage and subsequent sludge generation. In addition, improvements in measurement and recording practices during the year have resulted in more accurate capture of ink sludge quantities, contributing to the higher reported volume. Despite the increase, Management remains committed to waste minimisation and will continue to enhance process efficiency, optimise chemical usage and improve sludge handling practices to reduce ink sludge generation over time.

TRIPACK	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To ensure that water consumption does not exceed an average of 0.45 m ³ /MT for the next twelve months.
2. To control energy consumption	To ensure that energy consumption does not exceed an average of 55 kWh/MT for the next twelve months.
3. To reduce disposal of paper waste	To ensure the disposal of paper waste not exceeding 5%/month.

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

	FYE 2025	FYE 2024	FYE 2023	TARGET
Average Water Consumed/MT (m³/MT)	0.77	0.37	0.30	0.45*
Average Energy Consumed/MT (kWh/MT)	61.18	53.92	54.38	55*

* Targets for average water and energy consumption were revised for FYE 2025 to align with updated operational requirements and efficiency initiatives.

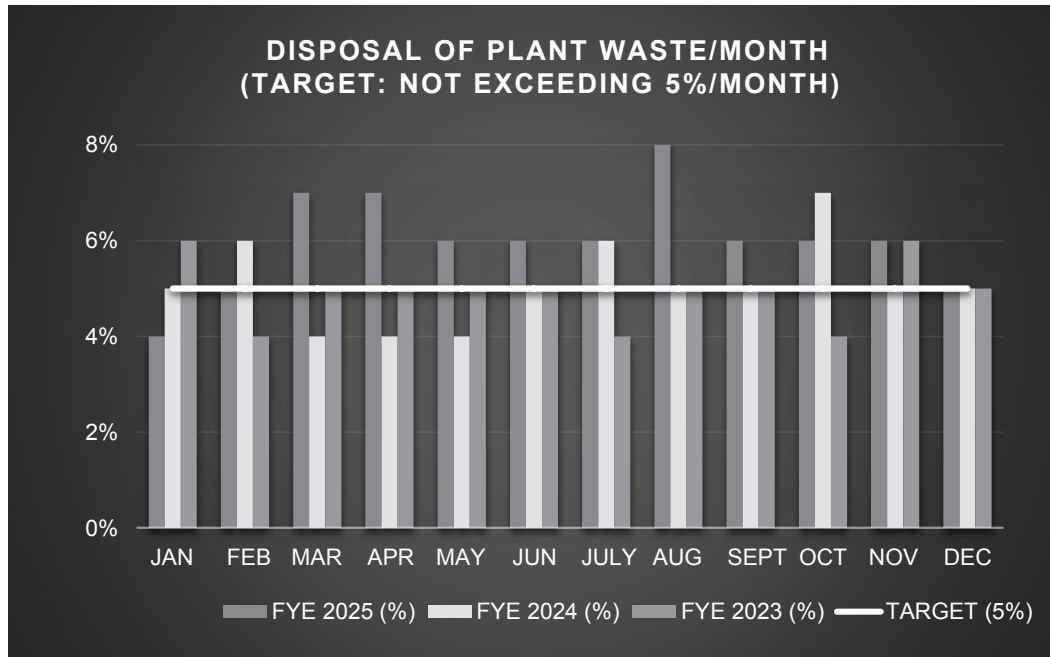
For FYE 2025, Tripack recorded an average water consumption of 0.77 m³/MT and average energy consumption of 61.18 kWh/MT, both of which exceeded the respective targets set for the year. The variance was primarily attributable to higher operational activity during the year, including increased production volume and the utilisation of additional machinery, which contributed to higher overall resource consumption. In addition, operational factors such as production variability and process requirements, including frequent machine adjustments and colour changes, have also contributed to higher consumption levels for both water and energy.

Management remains committed to improving resource efficiency and will continue to implement optimisation initiatives, enhance operational practices, and monitor consumption trends closely to improve performance over time.

Sustainability Statement

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

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



For FYE 2025, Tripack recorded plant waste disposal levels that exceeded the target of not more than 5% per month. The variance was primarily attributable to higher production output during the year, which led to an increase in paper waste generation. In addition, operational factors such as production variability and material handling during processing have contributed to higher waste levels in certain periods. Management remains committed to waste reduction and will continue to enhance operational practices, strengthen employee awareness and training, and implement process optimisation initiatives to improve material utilisation and reduce waste generation over time.

ORNAPAPER PLUS	
Environmental Objective(s)	Environmental Target(s)
1. To control water consumption	To ensure that water consumption does not exceed an average of 1.5 m ³ /MT for the next twelve months.
2. To control electricity consumption	To ensure that electricity consumption does not exceed an average of 120 kWh/MT for the next twelve months.
3. To reduce generation of ink waste	To ensure that generation of ink waste does not exceed an average of 1.000 MT/month.

Sustainability Statement

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

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

	FYE 2025	TARGET
Average Water Consumed/M T (m³/MT)	4.1	1.5
Average Electricity Consumed/M T (kWh/MT)	101	120

For FYE 2025, Ornapaper Plus recorded an average water consumption of 4.1 m³/MT, which exceeded the target of 1.5 m³/MT. The variance was primarily attributable to abnormal water usage during the year arising from leakage within the piping system, which resulted in higher overall water consumption over the affected period. Following the identification of the issue, rectification works were carried out, and water consumption levels have shown improvement subsequently. Management remains committed to improving water efficiency and will continue to strengthen monitoring and maintenance practices, including periodic inspection of piping systems, to prevent recurrence and enhance overall water management performance.

➤ **Generation of Ink Waste (For Ornapaper Plus):**

	FYE 2025	TARGET
Average Ink Waste Generated/Month (MT/month)	0.986	1.000

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 training. 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 2025	YEAR 2024	YEAR 2023
NO. OF ENVIRONMENTAL MANAGEMENT SYSTEM (“EMS”) RELATED TRAINING	ORNAPAPER MELAKA	201	221	163
	ORNAPAPER BATU PAHAT	126	147	176
	ORNAPAPER PERAK	149	97	84
	ORNAPAPER JOHOR	39	19	19
	TRIPACK	15	10	11
	ORNAPAPER PLUS	81	54	34

During the financial year under review, there were no material legal actions, fines, or monetary sanctions imposed on the Group in relation to environmental matters. The Group remains committed to regulatory compliance and continues to take prompt corrective and preventive measures to address any identified non-compliance and ensure adherence to applicable environmental requirements across all operations.

Sustainability Statement

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, which came into effect on 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.

Governance and Framework

Under the Group's Code of Conduct, particularly in relation to avoiding conflicts of interest and upholding business integrity, the Group adopts a strict zero-tolerance policy towards all forms of unethical conduct. This includes bribery, corruption, extortion, embezzlement (including the act of promising, offering, giving, or accepting any form of bribe), as well as money laundering. The Group is committed to complying with all applicable anti-bribery and corruption laws and regulations, in addition to adhering to its established Anti-Bribery and Corruption ("ABC") Framework.

To demonstrate strong top-level commitment, the Group has established a comprehensive ABC Framework, which reinforces its zero-tolerance stance towards any form of corrupt practices. Oversight of the ABC Framework lies with the Group's senior management and is monitored by the Audit Committee to ensure its effectiveness, independence, and continuous improvement of anti-corruption practices and internal controls. The Code of Conduct and ABC Framework, both publicly available on the Company's corporate website, provide guidance to employees and business associates on the expected standards of conduct and ensure compliance with applicable laws and regulations. All business dealings are required to be conducted in a transparent manner and accurately recorded, supported by adequate monitoring and enforcement mechanisms.

Employees and officers who refuse to engage in corrupt acts or bribe-related conduct are protected, even if such refusal results in the loss of business opportunities. This firm stance underscores the Group's commitment to ethical conduct over commercial gain.

Risk Management and Internal Controls

The Group adopts a comprehensive approach to managing bribery and corruption risk, covering 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.

Sustainability Statement

Anti-Bribery and Corruption (Cont'd)

Risk Management and Internal Controls (Cont'd)

	FYE 2025	FYE 2024	FYE 2023	TARGET
Percentage of Operations Assessed for Corruption-Related Risk (%)	100%	100%	100%	100%

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.

Training and Awareness

The Group actively promotes a culture of integrity through continuous awareness programmes and training initiatives for both new and existing employees. These sessions are designed to reinforce the Group's anti-bribery and anti-corruption policies, while fostering a strong culture of ethical conduct, transparency, and accountability across all levels of the organisation.

The Group has set a target of achieving at least 90% employee coverage for ABC training. The Group is pleased to report that it has not only met but exceeded this target, achieving 100% training coverage since FYE 2024, and successfully maintaining full participation in FYE 2025. This reflects the Group's strong commitment to ensuring that all employees are adequately trained and aware of their responsibilities in upholding ethical standards.

Sustainability Statement

Anti-Bribery and Corruption (Cont'd)

Training and Awareness (Cont'd)

	FYE 2025	FYE 2024	FYE 2023	TARGET
% Employees Received Training on Anti-Corruption	100%	100%	80%	> 90%
Employee Category (By Level)				
- Managerial and Above	100%	100%	77%	
- Executive and Below	100%	100%	80%	
Employee Category (By Function)				
- Administrative	100%	100%	80%	
- Production	100%	100%	80%	

Whistleblowing Mechanism

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 2025, there were zero whistle-blowing reports filed through both the whistleblowing channel and the incident reporting channel under the Group's anti-bribery and corruption management function. This reflects the continued effectiveness of the Group's internal controls, ethical culture and preventive measures.

	FYE 2025	FYE 2024	FYE 2023	TARGET
No. of Confirmed Corruption Incidents	0	0	0	Zero incidents

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 its social sustainability strategy. At the heart of this approach lies a deliberate and strategic sourcing policy, whereby the majority of primary raw materials are procured from local suppliers. This commitment reflects its dual focus on ensuring quality and reliability, while simultaneously generating positive socio-economic impacts within the communities where it operates.

By prioritising local sourcing where 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 the Group’s overarching commitment to shared prosperity, inclusive economic participation, and sustainable development.

In addition to economic contributions, the Group’s 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. Close engagement with supply partners enhances operational responsiveness and enables the Group to work collectively with suppliers to improve standards and promote 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 its supply chain but also reinforces the Group’s commitment to broader EESG principles. By embedding responsible sourcing into its 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.

	FYE 2025	FYE 2024	FYE 2023
Proportion of Spending on Local Suppliers	90%	86%	89%

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. The Group is deeply conscious of its duty to safeguard the personal and confidential information entrusted to us by our stakeholders, including employees, customers, and suppliers.

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.

Sustainability Statement

Data Privacy and Security (Cont'd)

The Group uphold the principles of transparency, confidentiality, and accountability in all aspects of personal data processing. All employees handling personal data are guided by established policies and procedures to ensure compliance with applicable data protection requirements.

The Group is pleased to report that there were no substantiated complaints concerning breaches of customer privacy or loss of customer data during the financial year under review, reflecting the effectiveness of controls put in place and its continued emphasis on high standards of data protection.

The Group remains committed to strengthening its data governance capabilities by continually reviewing and enhancing data security controls in response to evolving risks, technological developments, and regulatory expectations. Ongoing employee awareness and training programmes are also conducted to reinforce a culture of vigilance and accountability in data management.

	FYE 2025	FYE 2024	FYE 2023	TARGET
No. of Substantiated Complaints Concerning Breaches of Customer Privacy & Losses of Customer Data	0	0	0	Zero complaints

Social

The Group recognises the importance of upholding strong social values across its value chain as a cornerstone of responsible and sustainable business practices. The Group believes that long-term success is measured not only by financial performance, but also by its ability to build and maintain positive relationships with stakeholders, including employees, customers, suppliers, and the communities in which it operates. Accordingly, the Group is committed to fostering trust-based relationships rooted in ethical conduct, transparency, accountability, and mutual respect.

Human Capital Development

The Group's workforce is a key driver of its long-term sustainability and business success. The Group is committed to ensuring fair and equitable treatment of all employees, while providing a safe, healthy, and conducive working environment. Continuous investment in employee development enables the enhancement of skills, knowledge, and capabilities, empowering employees to contribute effectively to the organisation while advancing their career aspirations.

To attract and retain talent, the Group offers competitive remuneration and benefits that are commensurate with employees' duties and responsibilities. Employees are encouraged to participate in training and development programmes covering technical, functional, and interpersonal competencies. These initiatives support continuous learning and career progression within the organisation.

A performance-based culture is embedded within the Group's human resource practices, where employee contributions are recognised and rewarded based on performance and competencies. 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.

Sustainability Statement

Social (Cont'd)

Workplace Culture and Ethics

The Group promotes a positive and inclusive workplace environment that encourages open communication and active employee engagement. In reinforcing a culture of transparency and accountability, the Group maintains established channels for whistleblowing and Anti-Bribery and Corruption Management reporting, as well as a structured Grievance System.

Employees are encouraged to report any unethical conduct or grievances through these established channels without fear of retaliation, and the Group is committed to maintaining confidentiality and protecting whistleblowers in strict accordance with its policies.

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 form of unwanted or inappropriate conduct, whether verbal, non-verbal, physical, visual, or psychological.

Occupational Safety and Health

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.

Diversity, Inclusion and Employee Welfare

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 complaint mechanisms. The Group also enforces a strict policy against illegal employment.

Sustainability Statement

Social (Cont'd)

Labour Standards and Human Rights

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, which is available on the corporate website of Ornopaper. The Group upholds these standards, as set out below to ensure the well-being and dignity of its workforce while fostering a culture of respect, fairness, and inclusivity.

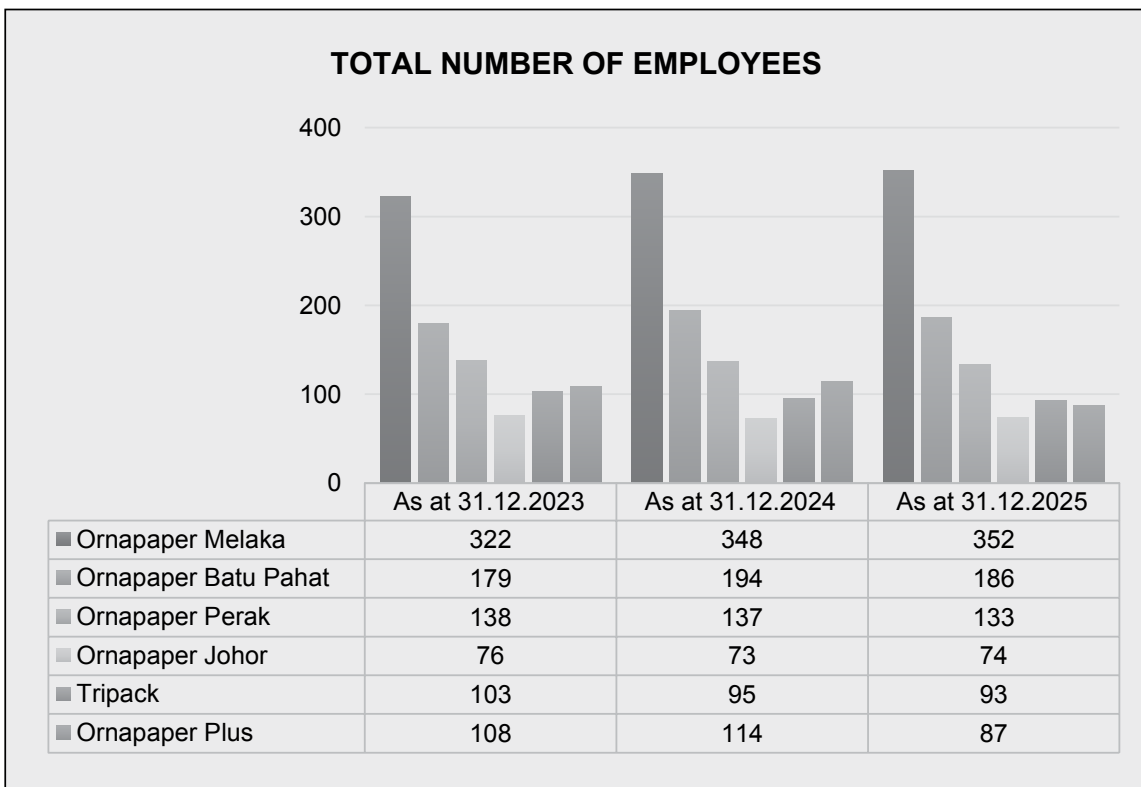
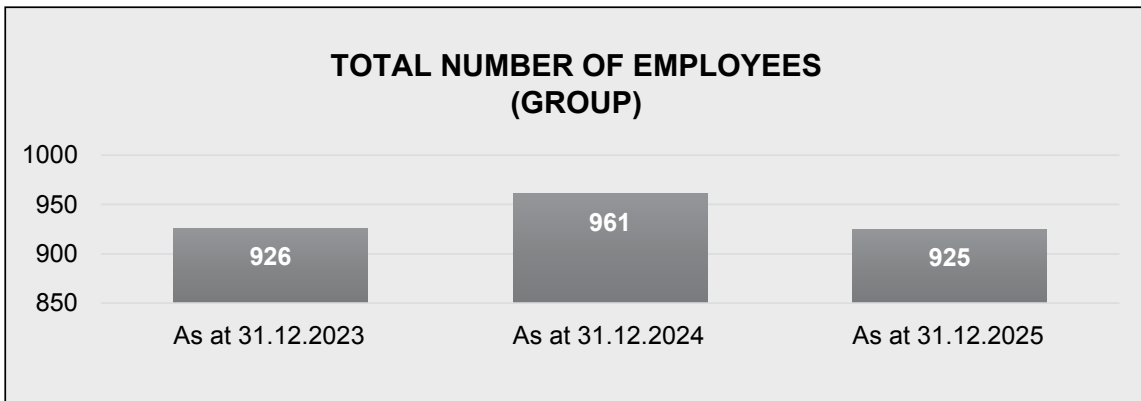
- (a) No forced, bonded and indentured labour.
 - Under no circumstances shall forced labour be used, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour, or any other forms of involuntary labour.
 - Mental and physical coercion, slavery and human trafficking are prohibited.
 - Workers are not required to work beyond regular hours, and all overtime work by workers is strictly on a voluntary basis.
- (b) No child labour.
 - All workers employed must be above eighteen (18) years of age, or above the local legal minimum age for employment 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

Social (Cont'd)

Workforce Profile

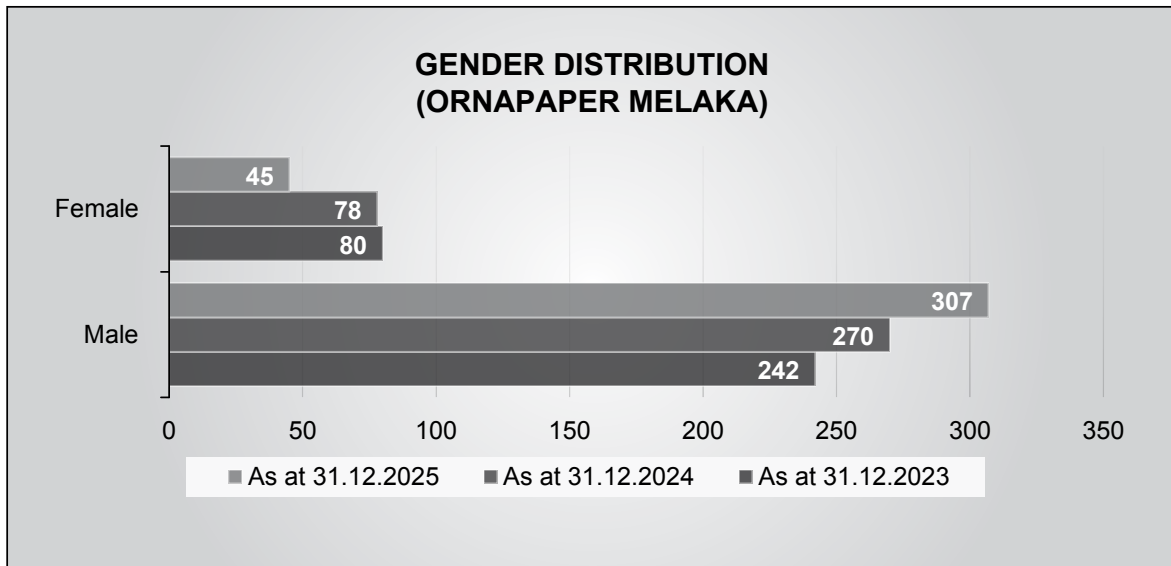
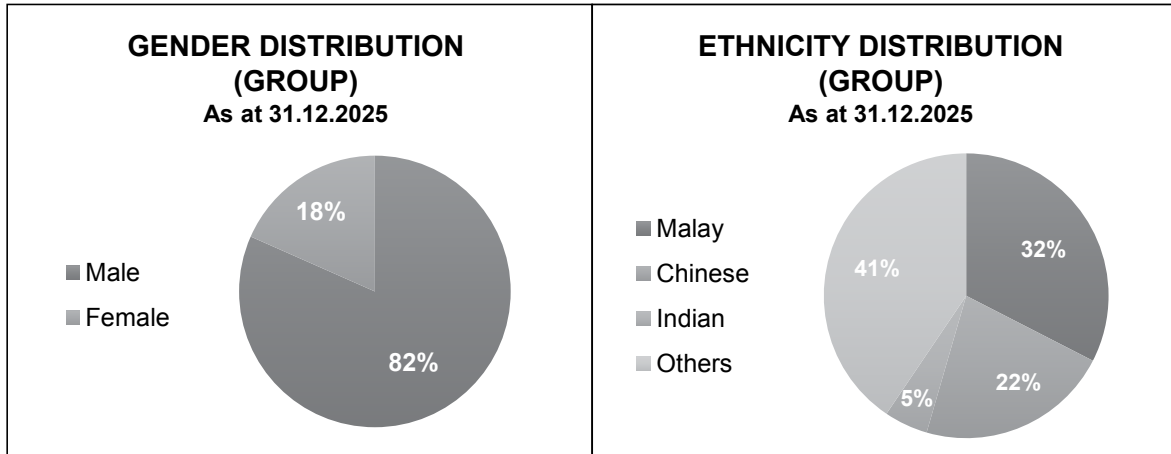
A full breakdown of the Group's workforce, including by individual subsidiaries, namely, Ornapaper Melaka, Ornapaper Batu Pahat, Ornapaper Perak, Ornapaper Johor, Tripack and Ornapaper Plus, is illustrated below.



Sustainability Statement

Social (Cont'd)

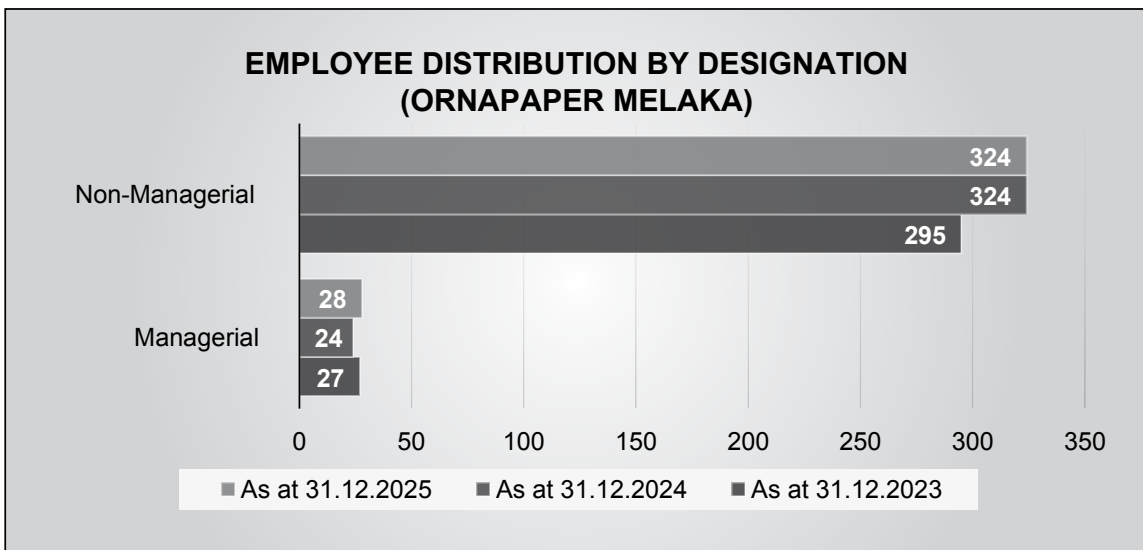
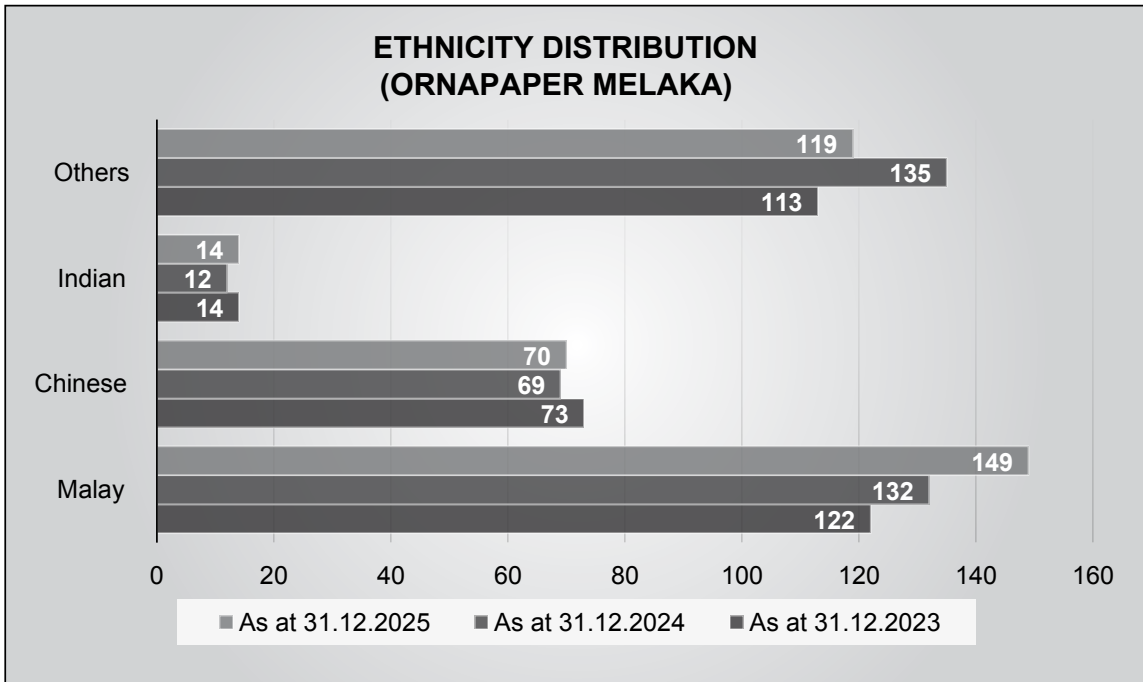
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

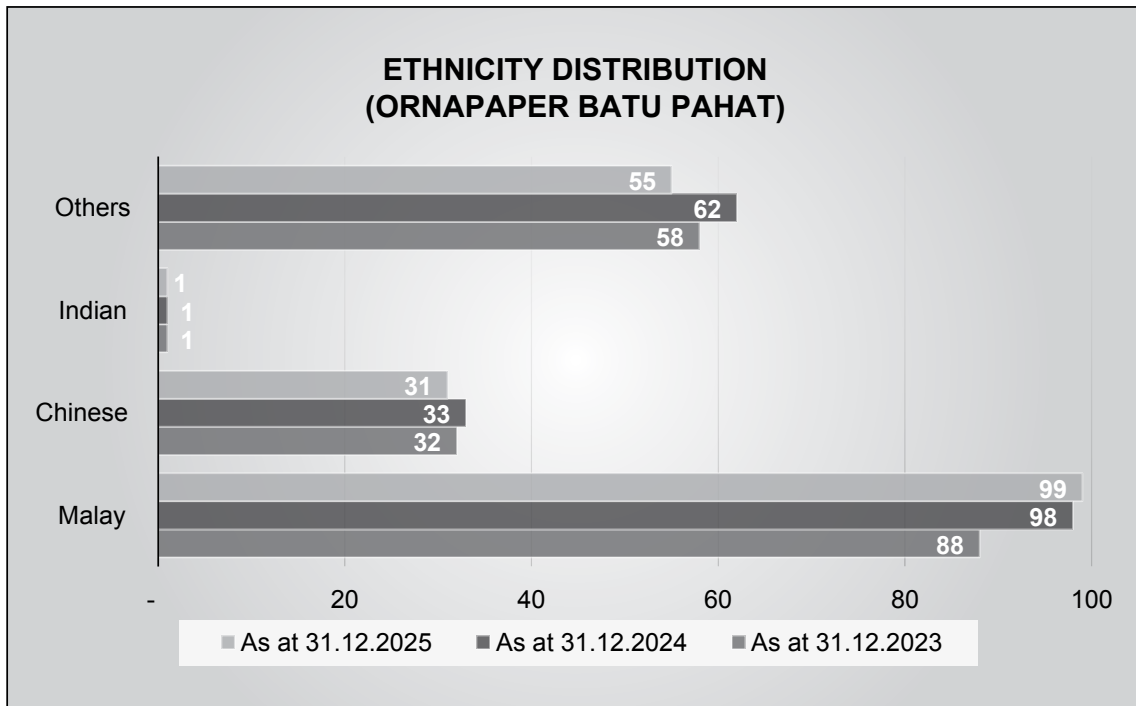
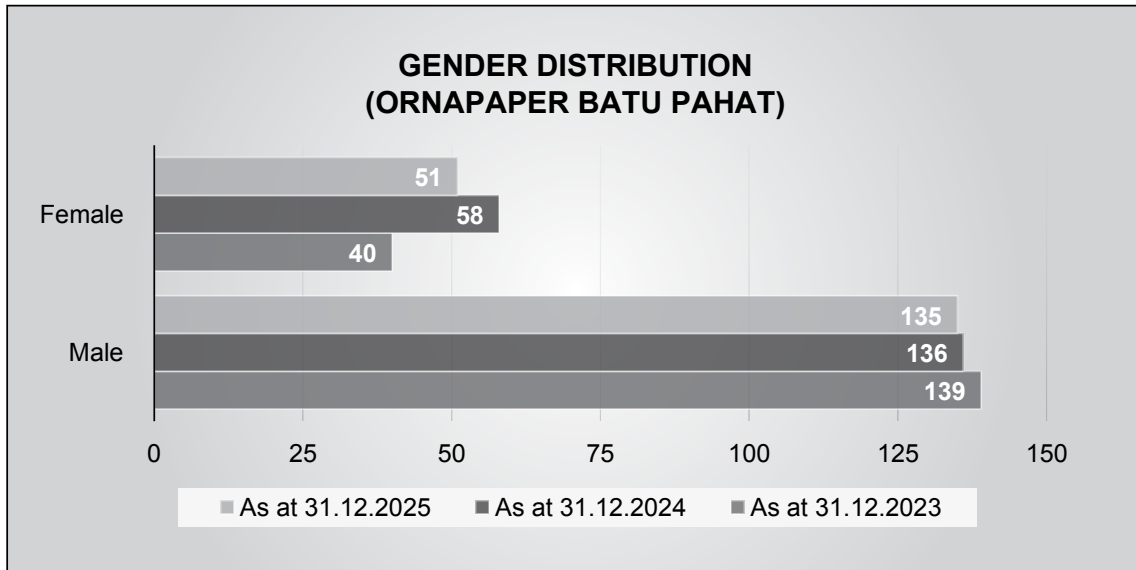
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

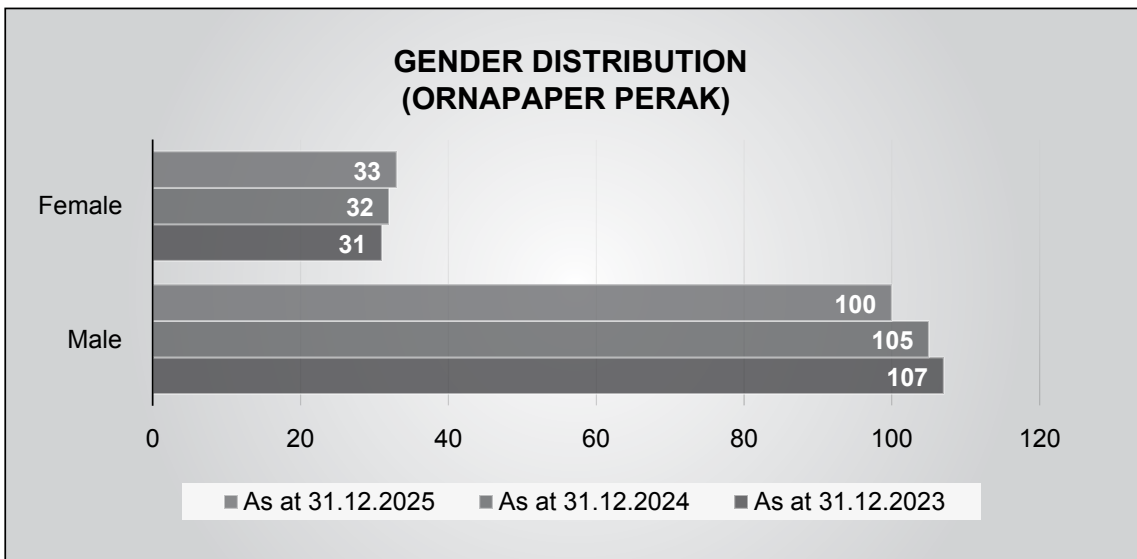
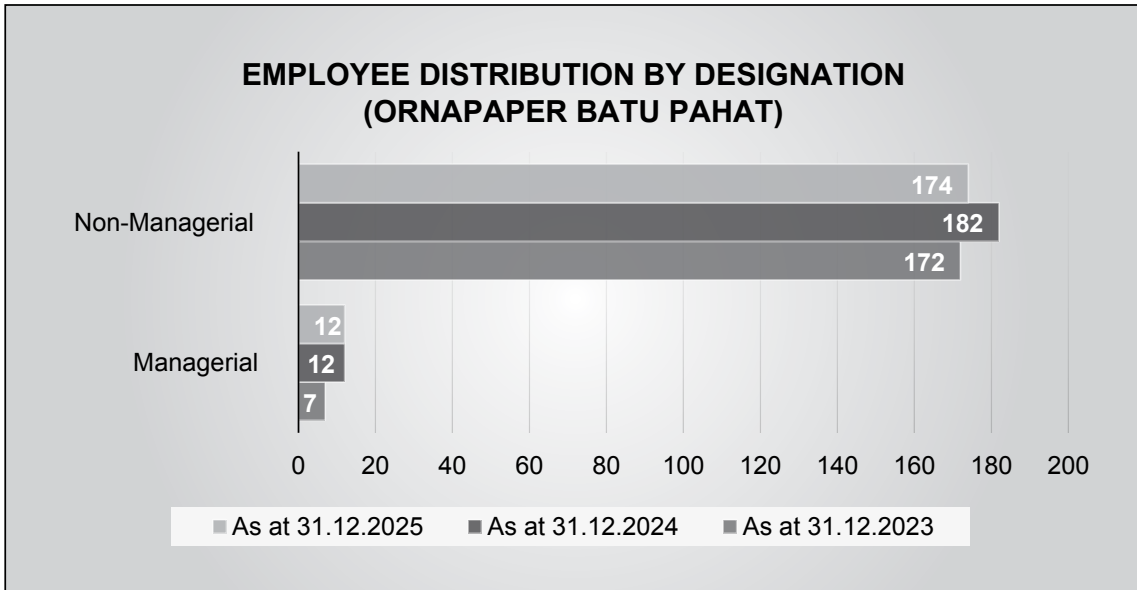
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Sustainability Statement

Social (Cont'd)

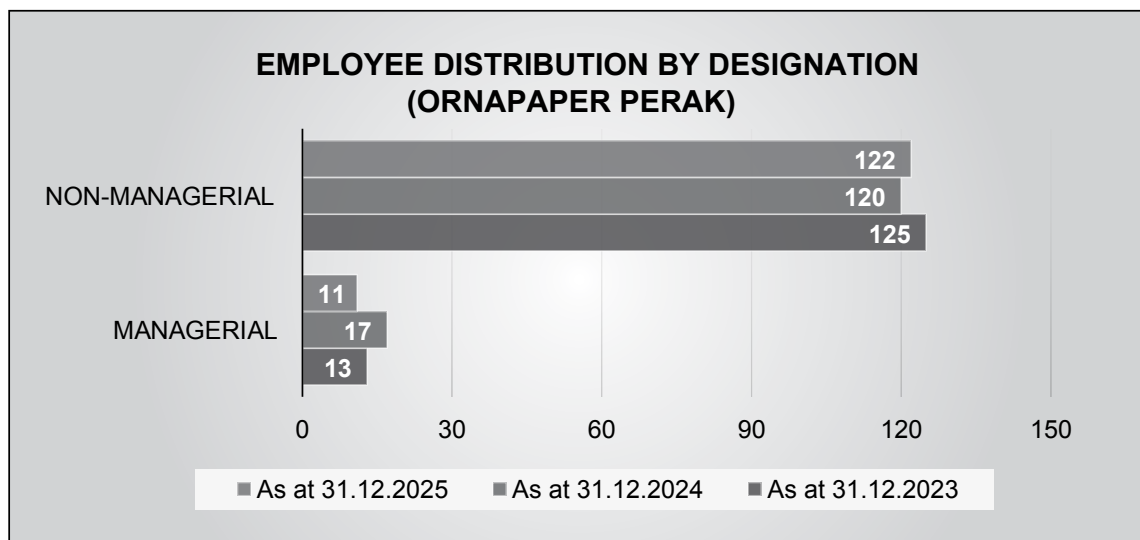
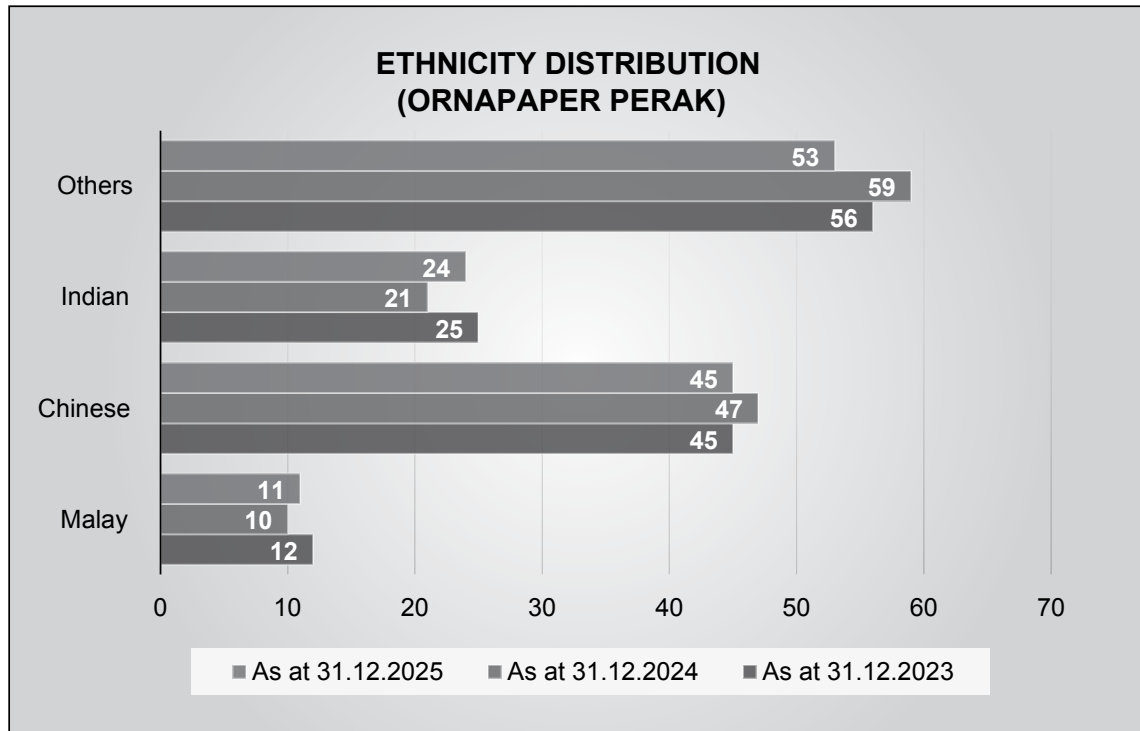
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Sustainability Statement

Social (Cont'd)

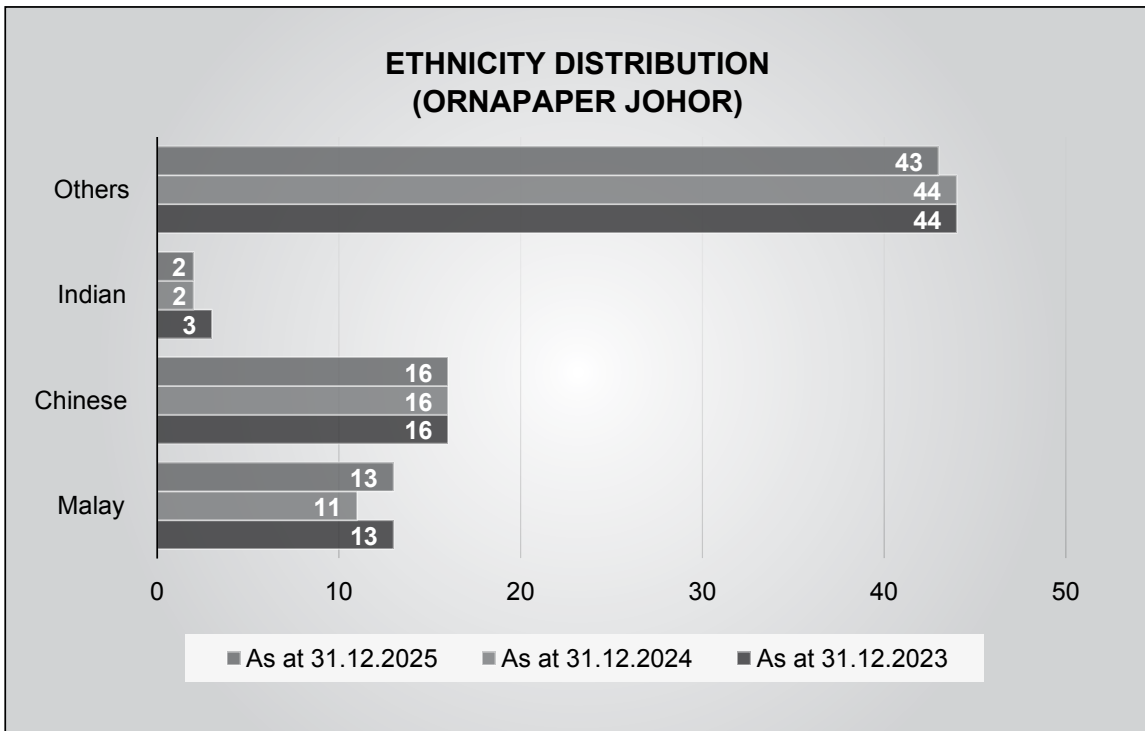
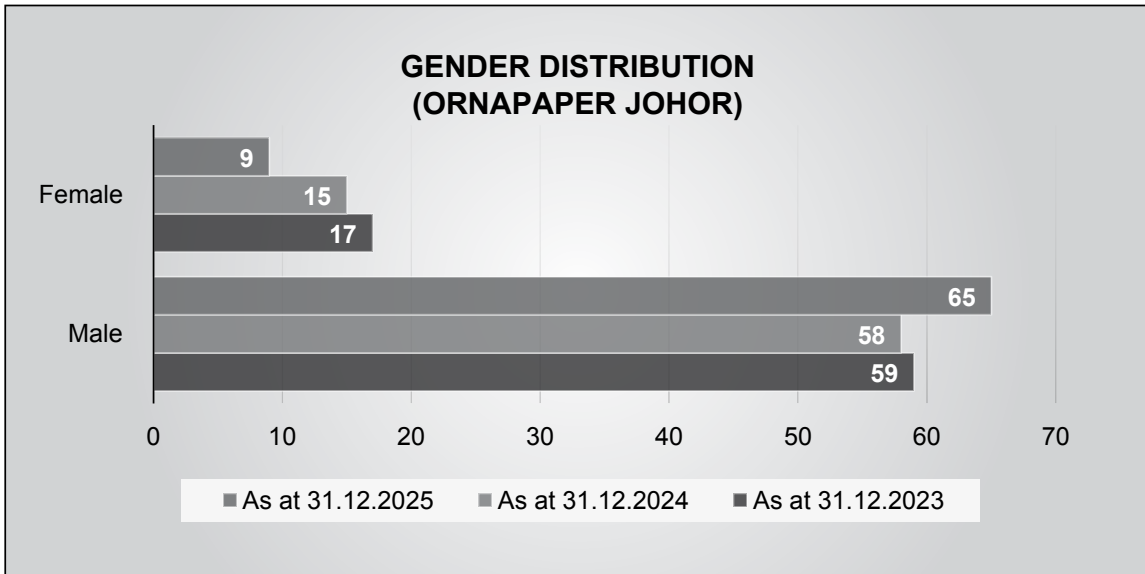
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

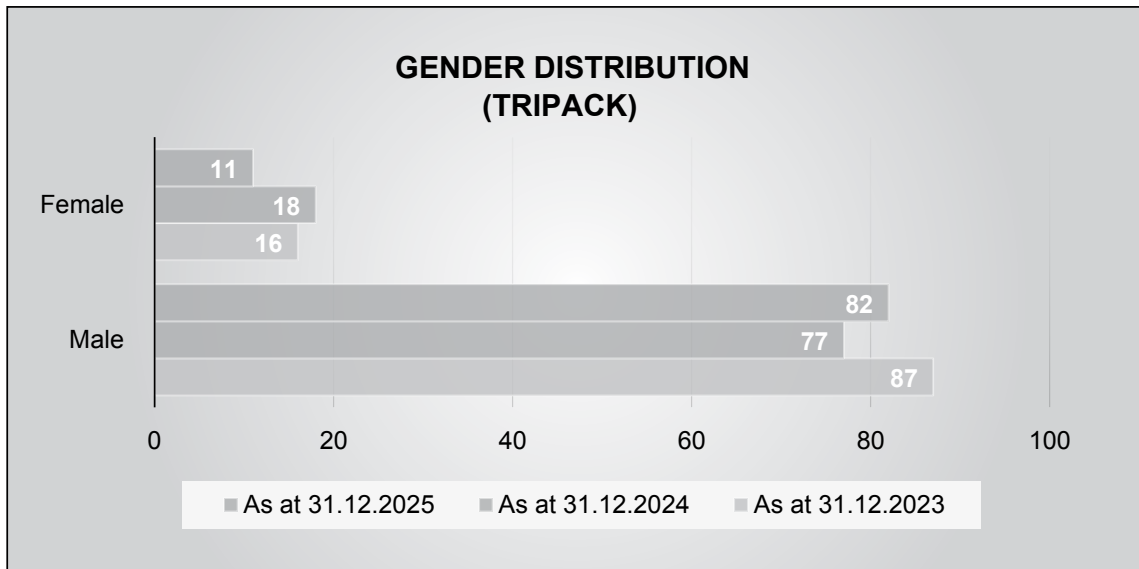
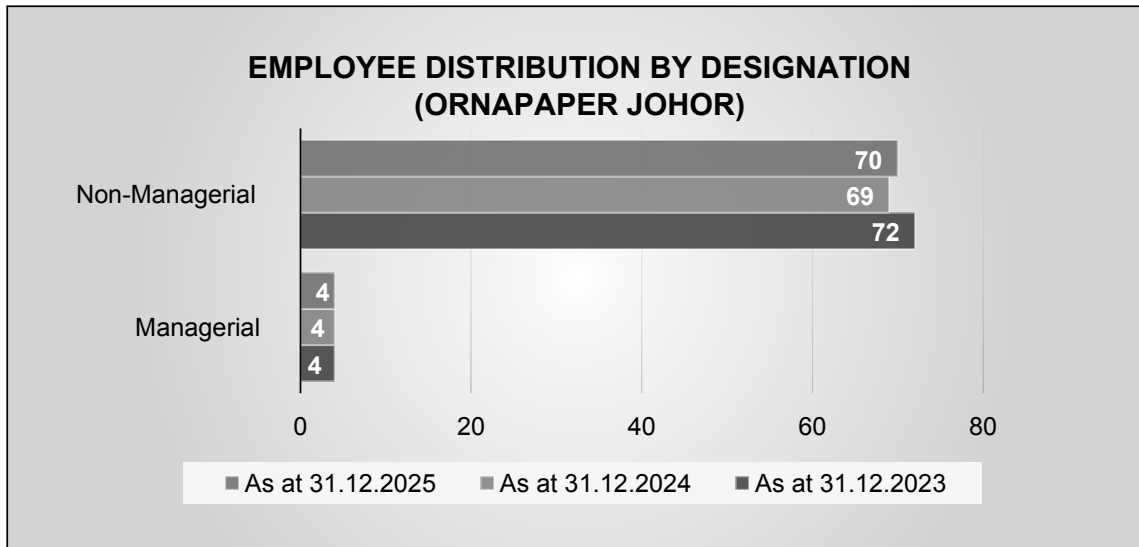
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

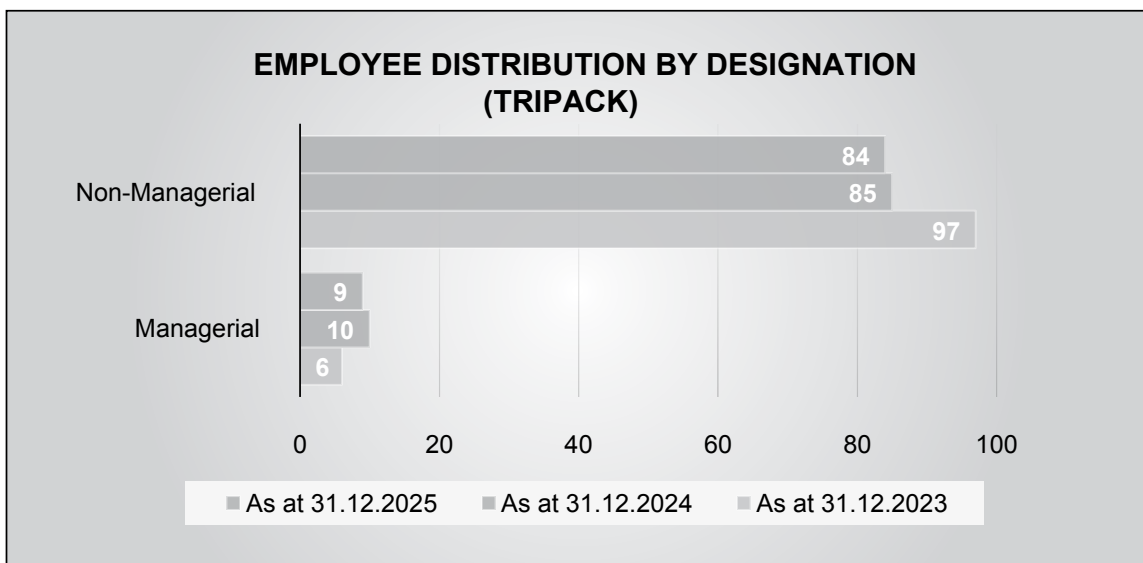
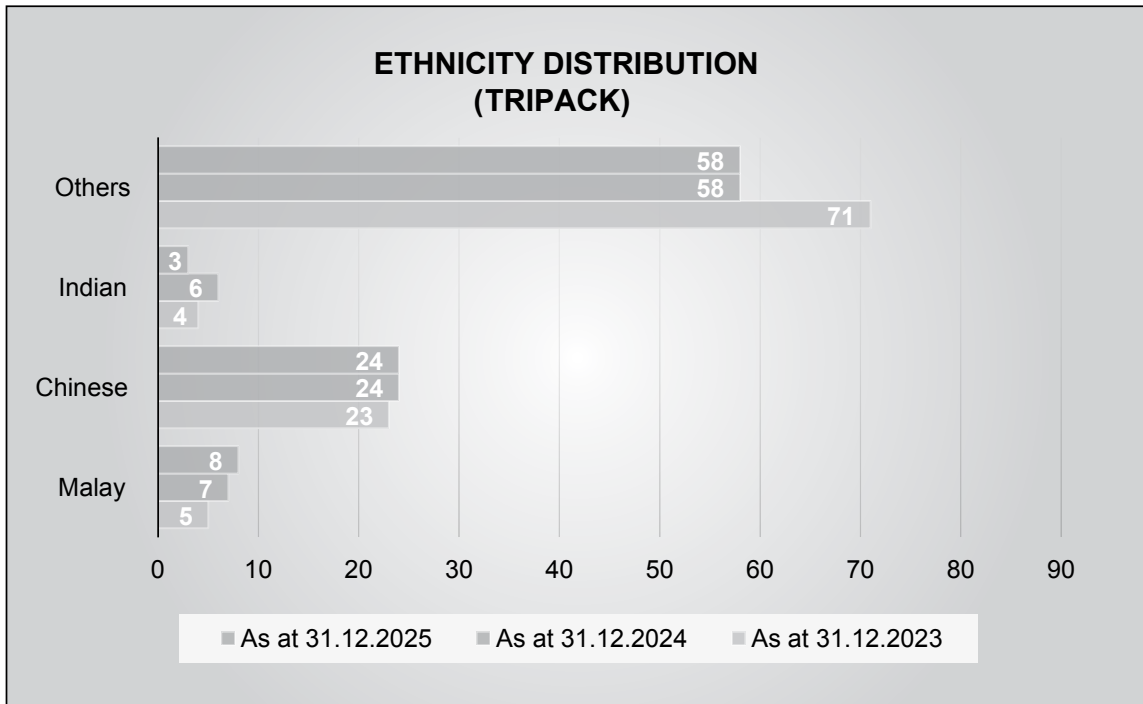
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

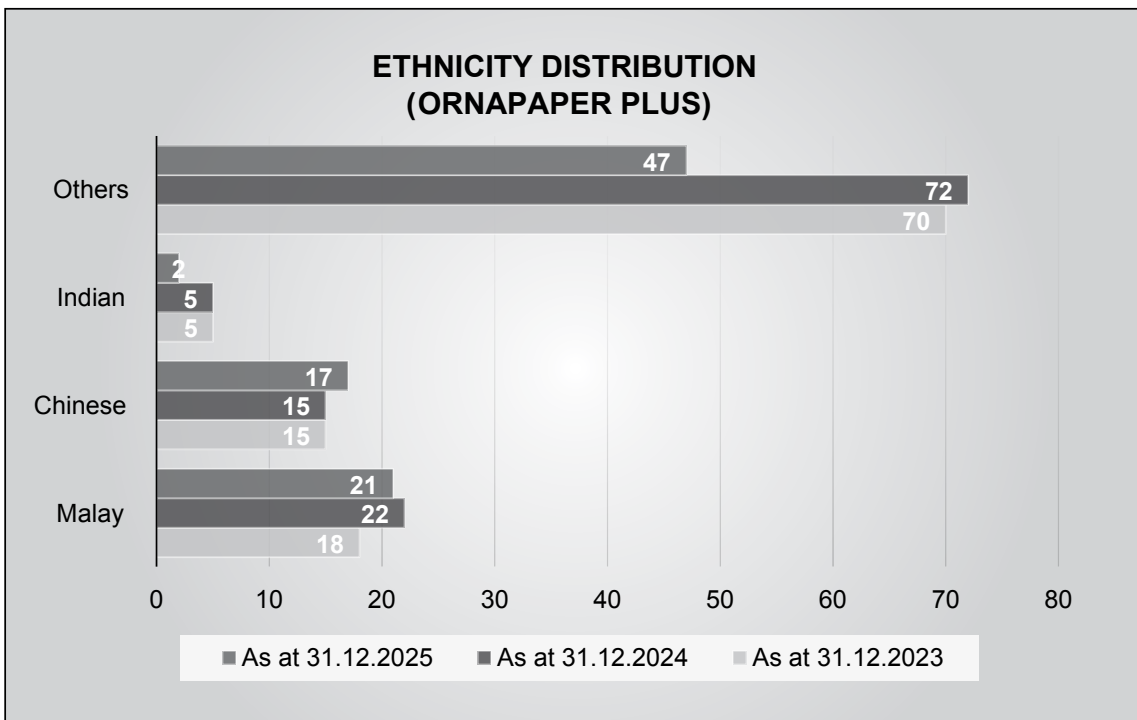
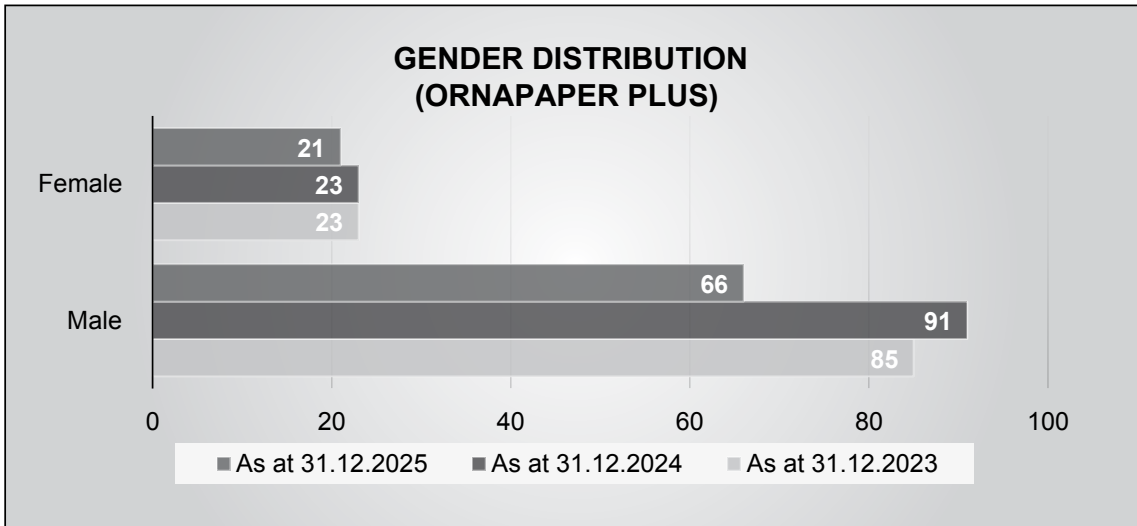
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

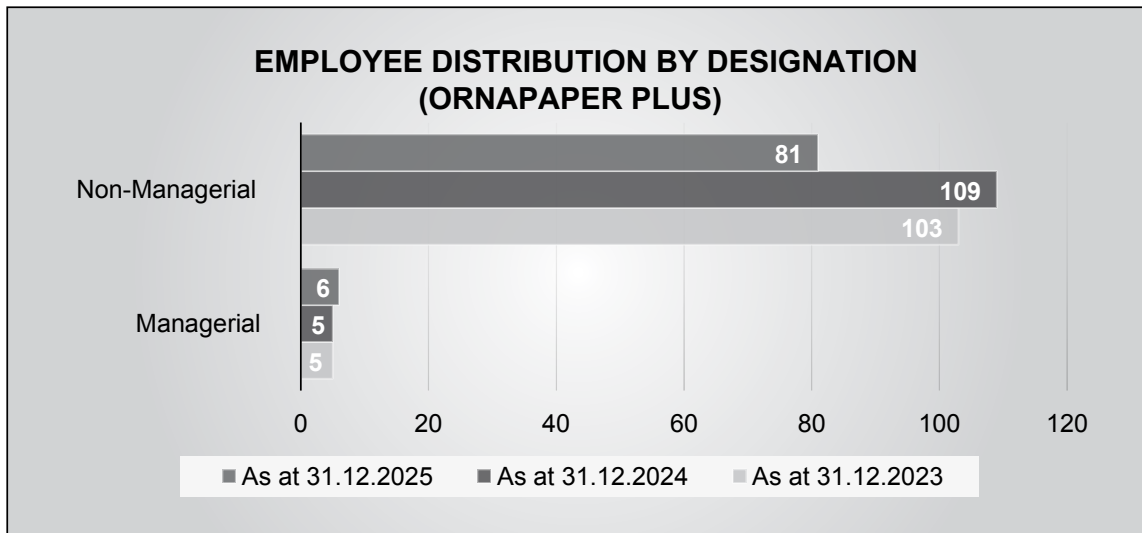
Workforce Profile (Cont'd)



Sustainability Statement

Social (Cont'd)

Workforce Profile (Cont'd)



Regulatory Compliance

As a responsible corporate citizen, the Group is dedicated to implementing sustainable and ethical practices that support long-term business growth, environmental stewardship, and social well-being. In fostering social responsibility, the Group places strong emphasis on upholding the rights of its employees by strictly complying with all applicable 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.

Community Investment and Social Contribution

The Group places strong 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 the belief that corporate success is closely linked to the strength, well-being, and resilience of the communities it serves. Through such contributions, the Group seeks to promote inclusive growth, reduce social disparities, and support community aspirations in a sustainable and meaningful manner. By leveraging its capabilities and resources, the Group endeavours to foster positive and enduring relationships with key stakeholders, strengthen community resilience, and create shared value for both business and society.

During the financial year, the Group undertook various community investment initiatives aligned with its corporate social responsibility objectives. These included monetary contributions to charities, schools, and non-profit organisations to support socio-economic development programmes, as well as participation in community engagement activities. The Group also established an internal "Love Fund" to provide financial assistance to employees and their families during times of need.

Sustainability Statement

Social (Cont'd)

Community Investment and Social Contribution (Cont'd)

In addition to financial contributions, the Group provided non-monetary support to promote education and social development. Internship programmes were conducted to equip students with practical work experience and skill development opportunities, while also serving as a potential talent pipeline for the Group. These initiatives enable students to fulfil academic requirements, gain industry exposure, and explore future career opportunities.

Through these collective efforts, the Group continues to strengthen its relationships with stakeholders, contribute to community development, and foster shared value for both society and the business. The Group remains committed to advancing social responsibility, employee well-being, and ethical business practices as part of its long-term strategy to create sustainable value for all stakeholders.

Performance Data Table

Indicator	Unit	2025	2024	2023	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%	100%	80%	-
- Managerial and above	Percentage	100%	100%	77%	-
- Executive and below	Percentage	100%	100%	80%	-
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	100%	100%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	Zero incidents of corruption annually
Community Investment					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	32,616	160,976	111,968	-
Busa C2(b) Total number of beneficiaries of the investment in communities	Number	25	49	43	-

Sustainability Statement

Performance Data Table (Cont'd)

Indicator	Unit	2025	2024	2023	Target
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	4%	7%	3%	-
- Managerial and Above (35-45)	Percentage	29%	26%	29%	-
- Managerial and Above (45-60)	Percentage	52%	52%	54%	-
- Managerial and Above (above 60)	Percentage	15%	15%	14%	-
- Executive and Supervisory (below 25)	Percentage	5%	4%	1%	-
- Executive and Supervisory (25-35)	Percentage	29%	27%	33%	-
- Executive and Supervisory (35-45)	Percentage	20%	26%	27%	-
- Executive and Supervisory (45-60)	Percentage	40%	40%	35%	-
- Executive and Supervisory (above 60)	Percentage	6%	3%	3%	-
Age Group by Employee Category					
- Non-executive (below 25)	Percentage	18%	23%	19%	-
- Non-executive (25-35)	Percentage	41%	42%	42%	-
- Non-executive (35-45)	Percentage	24%	23%	25%	-
- Non-executive (45-60)	Percentage	15%	10%	12%	-
- Non-executive (above 60)	Percentage	2%	2%	2%	-
Gender Group by Employee Category					
- Managerial and Above Male	Percentage	63%	65%	66%	-
- Managerial and Above Female	Percentage	37%	35%	34%	-
- Executive and Supervisory Male	Percentage	61%	56%	43%	-
- Executive and Supervisory Female	Percentage	39%	44%	57%	-
- Non-executive Male	Percentage	87%	83%	85%	-
- Non-executive Female	Percentage	13%	17%	15%	-

Sustainability Statement

Performance Data Table (Cont'd)

Indicator	Unit	2025	2024	2023	Target
Diversity					
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%	12.5%	-
- 50-60	Percentage	50.0%	50.0%	50.0%	-
- Above 60	Percentage	37.5%	37.5%	37.5%	-
Energy Management					
Bursa C4(a) Total energy consumption	Megawatt	54,084	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	5.67	7.30	4.03	-
Bursa C5(c) Number of employees trained on health and safety standards	Number	925	961	538	100% of employees to receive training on safety and health
Labour Practices and Standards					
Bursa C6(a) Total hours of training by employee category					
- Managerial and above	Hours	1,431	2,169	1,083	Average 15 hours per employee
- Non-Managerial	Hours	13,390	17,904	10,836	Average 15 hours per employee
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	42%	47%	46%	-
Bursa C6(c) Total number of employee turnover by employee category					-
- Managerial and above	Number	1	1	0	-
- Executive and Supervisory	Number	14	22	10	-
- Non-Executive	Number	123	124	141	-
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	Zero complaints concerning human rights violations

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Performance Data Table (Cont'd)

Indicator	Unit	2025	2024	2023	Target
Supply Chain Management					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90%	86%	89%	-
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	60.29	56.86	53.85	-
Total Water Consumed/ Production Output	m ³ /MT	0.56	0.53	0.57	Lower than 0.7 cubic metre (m ³) of total water consumption per metric tonne of production output



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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	100	>90	No assurance	Managerial & Above
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	100	>90	No assurance	Executive and below
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	No assurance	
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	No assurance	
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	32,616	—	No assurance	
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	25	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	0	—	No assurance	Managerial & Above Under 25
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	4	—	No assurance	Managerial & Above Between 25-35

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	29	—	No assurance	Managerial & Above Between 35-45
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	52	—	No assurance	Managerial & Above Between 45-60
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	15	—	No assurance	Managerial & Above Above 60
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	5	—	No assurance	Executive and supervisory Under 25
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	29	—	No assurance	Executive and supervisory Between 25-35
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	20	—	No assurance	Executive and supervisory Between 35-45
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	40	—	No assurance	Executive and supervisory Between 45-60
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	6	—	No assurance	Executive and supervisory Above 60

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	18	—	No assurance	Non-executive Under 25
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	41	—	No assurance	Non-executive Between 25-35
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	24	—	No assurance	Non-executive Between 35-45
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	15	—	No assurance	Non-executive Between 45-60
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	2	—	No assurance	Non-executive Above 60
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	63	—	No assurance	Managerial & Above Male
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	37	—	No assurance	Managerial & Above Female
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	61	—	No assurance	Executive and supervisory Male

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	39	—	No assurance	Executive and supervisory Female
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	87	—	No assurance	Non-executive Male
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category	Percentage	13	—	No assurance	Non-executive Female
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group	Percentage	875	—	No assurance	Male
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group	Percentage	12.5	—	No assurance	Female
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group	Percentage	0.0	—	No assurance	Under 40
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group	Percentage	12.5	—	No assurance	Between 40-50
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group	Percentage	50.0	—	No assurance	Between 50-60
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group	Percentage	37.5	—	No assurance	Above 60

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Megawatt	54,084	—	No assurance	
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0	0	No assurance	
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	5.67	—	No assurance	
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	925	100% of employees to receive training on safety and health	No assurance	
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category	Hours	1,431	Average 15 hours per employee	No assurance	Managerial & Above
Bursa (Labour practices and standards)	Bursa C6(b) Total hours of training by employee category	Hours	13,390	Average 15 hours per employee	No assurance	Non-Managerial
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	42	—	No assurance	
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category	Number	1	—	No assurance	Managerial & Above
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category	Number	14	—	No assurance	Executive and supervisory
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category	Number	123	—	No assurance	Non-executive
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance	
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	90	—	No assurance	

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	No assurance	
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	60.29	0.7 M3 / MT	No assurance	

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