



THONG GUAN
INDUSTRIES BERHAD
199401038519 (324203-K)

FY2024 SUSTAINABILITY STATEMENT

LIVE GREEN

A SUSTAINABILITY
ADVOCATOR'S JOURNEY



Contents

Sustainability Commitment	2
Table of Contents	2
About Us	3
Our ESG Framework	4
Our Core Strategies	4
About Our Sustainability Statement	5
Sustainability Governance	5
Materiality Assessment	6
Stakeholder Engagement	8
Environmental	9
Operational Eco Efficiency	11
Circularity	19
Environment Positive	23
Social	27
Human Rights Protection	30
Health & Safety	32
Human Capital Development	33
Social Contributions	35
Governance	37
Corporate Governance	39
Ethics & Transparency	39
Digitalisation	41
Sustainable Operations	42
Global Reporting Initiative Content Index	43

OUR SUSTAINABILITY COMMITMENT

“We are dedicated to fostering a safer, enhanced, and more sustainable world as we strive toward our goal of becoming champions for sustainability.

We achieve this by directing our efforts towards product innovation, cultivating a positive organizational culture and governance, minimizing waste, reducing emissions, and responsibly managing and preserving resources.”



About Us

Who We Are

In this fast-paced era of business globalisation, Thong Guan Industries Berhad (“Thong Guan”, “the Group”, “us”, “our”, or “we”) has been continuously evolving to strive for sustainable growth. Over 80 years in business operations, we have established well-diversified plastics packaging products and food and beverage (“F&B”) businesses and export to over 70 countries.

In May 2024, the Group entered into a joint venture with Perbadanan Kemajuan Negeri Kedah to undertake a 20-acre commercial development project. The project aligns with its strategic plan to diversify into property development and establish a new source of income. A property development sales office was set up in Sungai Petani, Kedah in year 2024, however, the Group has yet to commence development activities as of 31 December 2024.

In line with the Group's sustainability direction, it ceased its additives production, including the production of calcium carbonate in 2024. The closure of the additives production is inconsequential to the Group.

As we continue our growth strides, we are very cautious of our impact on the economic, social and environmental scales. Therefore, it is pertinent to understand the matters that affect the Group's sustainability and ensure that we identify and manage them accordingly.



17

Factories



2

Overseas Sales
Offices



3

R&D Centres



>70

Country Export



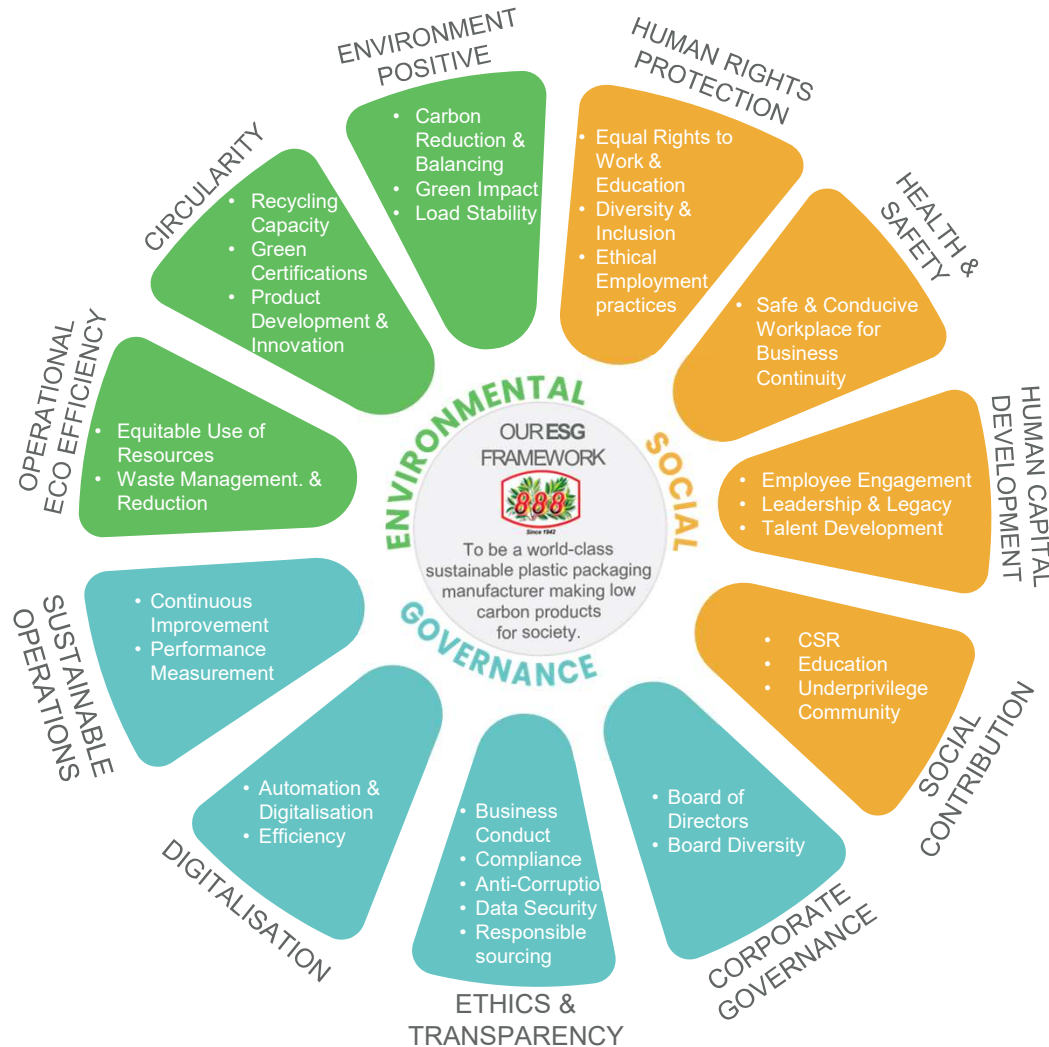
83

Years of Excellency

Our ESG Framework

#LiveGreen Roadmap

Our Environmental, Social, and Governance Framework outlines our goal, key initiatives, and strategic action plans encompassing factors related to environmental, social and governance. The aim is to make sustainability easier to achieve through sharing of our successes, document the pitfalls encountered and challenges met, and how we overcome them for future improvements.



Our Core Strategies

Matching our core strategies with United Nation (UN) Sustainability Development Goals (SDGs)

We want to build economic growth and address a range of social needs, including education, health, social protection and job opportunities, while tackling climate change issues through environmental conservation and preservation.

We create value focusing on 3Ps—People, Planet and Prosperity. We develop our Environmental, Social and Governance (ESG) core strategies through the guidance of UN SDGs.

Our Initiatives

TG as a stakeholder and steward of the planet, our sustainability and corporate citizenship initiatives encompass these areas.

- Recycling & Circular Economy
- Climate Change & Energy
- Health, Safety & Well Being
- Corporate Social Responsibilities & Collaboration
- Effective, Accountable & Transparent Organisational Structure & Culture

SUSTAINABLE DEVELOPMENT GOALS



About Our Sustainability Statement

TG Sustainability statement aims to deliver clear understanding of our sustainability commitments, ambitions, actions, and progress. This Statement furnishes information into our strategies for overseeing of our operations, encompassing matters related to the economy, the environment, the social and governance issues. At Thong Guan, sustainability is embedded in all our business activities so that we can foster meaningful and long-lasting relationships with all our stakeholders and contribute to national growth.

Scope & Boundaries

Information in this statement primarily reflects the sustainability performance of Thong Guan during the period of 1 January 2024 to 31 December 2024. It covers the two business segments of the Group, namely, plastic packaging and food & beverages in Malaysia, China and Thailand. It does not cover overseas sales offices in United States and Denmark. Historical information from previous years was include, wherever applicable, to provide a basis for comparison. No restatement of information in FY2024,

Reporting Framework

This statement has been prepared to conform with the applicable requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition) as well as with reference to the global best practices for sustainability, i.e. United Nations Sustainable Development Goals and the Global Reporting Initiative (“GRI”) Standards 2021 as respond to emerging information demands from stakeholders and regulators.

Assurance

We strive to improve our data collection in Thong Guan to ensure completeness and accuracy. The information in this Statement has been reviewed by the Thong Guan Risk Management Task Force. This Statement has yet to be externally assured.

Report Contact





If you have any questions, comments or feedback regarding the report, please contact: info@thongguan.com

Sustainability Governance

Sustainability-related topics fall under the purview of the executive committee, assisted by the risk management task force. Our executive director, Dato Ang Poon Khim represents the executive committee in reporting the sustainability-related matters to the Board of Directors.

We led our sustainability framework from the top-down, and each level of our organisation holds its respective responsibilities

Sustainability Governance

Role	Responsibilities	Composition
Thong Guan’s Board of Directors (highest governance body overseeing the management of ESG impacts) 	<ul style="list-style-type: none">Review the Group’s sustainability matters and ensure business strategy considers sustainability.Oversee the Group’s ESG risks.Provide advice and direction of sustainability in the Group when necessary, leading sustainability agenda.Provide the final review and approval on sustainability matters related to Thong Guan.	<ul style="list-style-type: none">Executive DirectorsNon-Executive Directors 
Risk Management Task Force 	<ul style="list-style-type: none">Responsible for assessing and identifying material sustainability factors.Develop sustainability strategies, policies, practices, targets and regular revision is in place.Undertake actions necessary to address sustainability concerns.Oversees operating divisions in ensuring the robustness of the system of sustainability management.Report to the Board on the progress in sustainability matters and programs.	<ul style="list-style-type: none">Executive DirectorsDivisional COOGeneral ManagerSenior Sustainability ManagerHead of Departments 
Sustainability Leaders at Operating Level	<ul style="list-style-type: none">Support strategy implementation developed by the Risk management Task Force to ensure sustainability objective is achieved.Ensure sustainability processes and controls are in place within its departments/ functions.Review and feedback on all measurements for improvement.	<ul style="list-style-type: none">Operation leadersKey department representatives

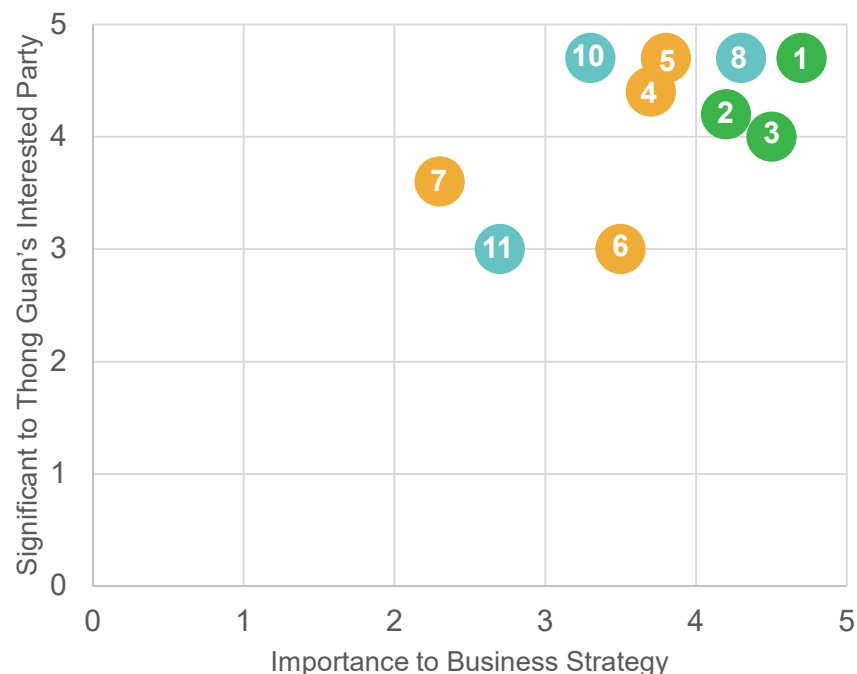
The Board aims to stay well-informed about sustainability management, including climate-related risks and opportunities. Additionally, Thong Guan implemented sustainability-linked Key Performance Indicators (KPIs) in the evaluation process senior management to foster accountability and drive sustainability performance across the organization.

Materiality Assessment

The Risk Management Task Force conducted the materiality assessment process to pinpoint significant economic, environmental, social and governance risks and opportunities affecting our business. This procedure offers stakeholders insights for decision-making and prioritizing the company's interests, guided by Bursa Securities' Sustainability Reporting Guide and Toolkits.





In 2024, There were no changes in the top 10 material matters. These matters were selected based on considerations of emerging global trends, ESG rating agency requirements, and stakeholder concerns and expectations.











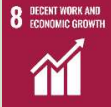
The Risk Management Task Force has recognised and ranked numerous sustainability concerns pertaining to the Group's operations, considering their impact and feedback from stakeholders.










- 1 Operational Eco Efficiency
- 2 Circularity
- 3 Climate Change and Decarbonisation
- 4 Human Rights Protection
- 5 Health & Safety
- 6 Human Capital Development
- 7 Social Contribution
- 8 Corporate Governance and Ethics & Transparency
- 9 Sustainable Operations
- 10 Digitalisation

The table below offers a concise overview of Thong Guan's material matters and their significance. These 10 material matters align with supporting UN Sustainable Development Goals (SDGs), which aim to eradicate poverty, safeguard the environment and climate, and promote peace and prosperity for all people.

	Material Matter	Description on its significance
Environment     	Operational Eco Efficiency	In manufacturing operations, efficient resource use, waste management, and product stewardship are paramount. Efficient use of resources increase profit, promoting sustainability. Efficient waste management and reduction strategies minimise environmental impact, conserve resources, and mitigate pollution. Product stewardship involves taking responsibility for a product's entire lifecycle, from design to disposal, ensuring minimal environmental harm. These practices not only enhance environmental sustainability but also improve operational efficiency, reduce costs, and bolster the company's reputation as a responsible corporate citizen.
	Circularity	Circularity and recycling are crucial in the plastic industry to mitigate environmental impact. Embracing circular economy principles promotes the reuse, repurposing, and recycling of plastic materials, reducing waste, conserving resources, and contributing to a more sustainable and resilient industry ecosystem.

	Material Matter	Description on its significance
   	Climate Change and Decarbonisation (Environment Positive)	The greenhouse gas (GHG) emissions from our manufacturing and supply chain activities, along with high water usage, contribute to climate change and strain valuable resources. To mitigate adverse effects on both our business and the environment, managing energy consumption to reduce carbon footprint and ensuring water security are vital for minimising environmental impact.
Social		
 	Human Rights Protection	Implementing human rights and ensuring fair treatment of employees enhances job satisfaction and underscores our commitment as an empathetic employer who upholds stakeholders' basic human rights and complies with relevant laws, regulations, and employment and human rights standards.
 	Health & Safety	Ensuring a healthy and safe workplace is paramount to preserving the health and overall well-being of employees and stakeholders, mitigating the risk of accidents, and is pivotal in attracting and retaining talent.
  	Human Capital Development	Attracting and retaining talent is vital for cultivating a skilled team, decreasing turnover rates and associated costs, and ultimately fostering stronger customer relationships. Consistent training and leadership development programs will elevate employee skills and competencies, fostering career growth and enabling them to meet the evolving demands of the company.

	Material Matter	Description on its significance
  	Social Contribution	Corporate responsibility involves supporting the community as a means to nurture mutual growth and demonstrate care towards society.
Governance*		
	Corporate Governance and Ethics & Transparency	Sound corporate governance and ethical business practices cultivate an atmosphere of trust, transparency, and accountability essential for nurturing enduring investment, financial stability, and corporate integrity. Our corporate governance adheres to the directives outlined in our Board Charter, Code of Conduct, and policies on anti-corruption and risk management. We also recognised a responsible and transparent supply chain is essential to mitigating social and environmental risks.
Economic*		
 	Sustainable Operations	In sustainable operation, growth and profit are vital for long-term viability, innovation, attracting investors and talent, scaling impact, building resilience, and demonstrating success. They provide resources to expand sustainability efforts and deliver long term value to the stakeholders.
 	Digitalisation	Automation and digitalization in future manufacturing operations reduce reliance on manual labour, enhancing efficiency, productivity, and quality. By streamlining processes and minimizing human intervention, these technologies mitigate labour shortages, decrease errors, and ensure consistency.

* "Governance" and "Economic" material matters are reported under Governance pillar.

Stakeholder Engagement

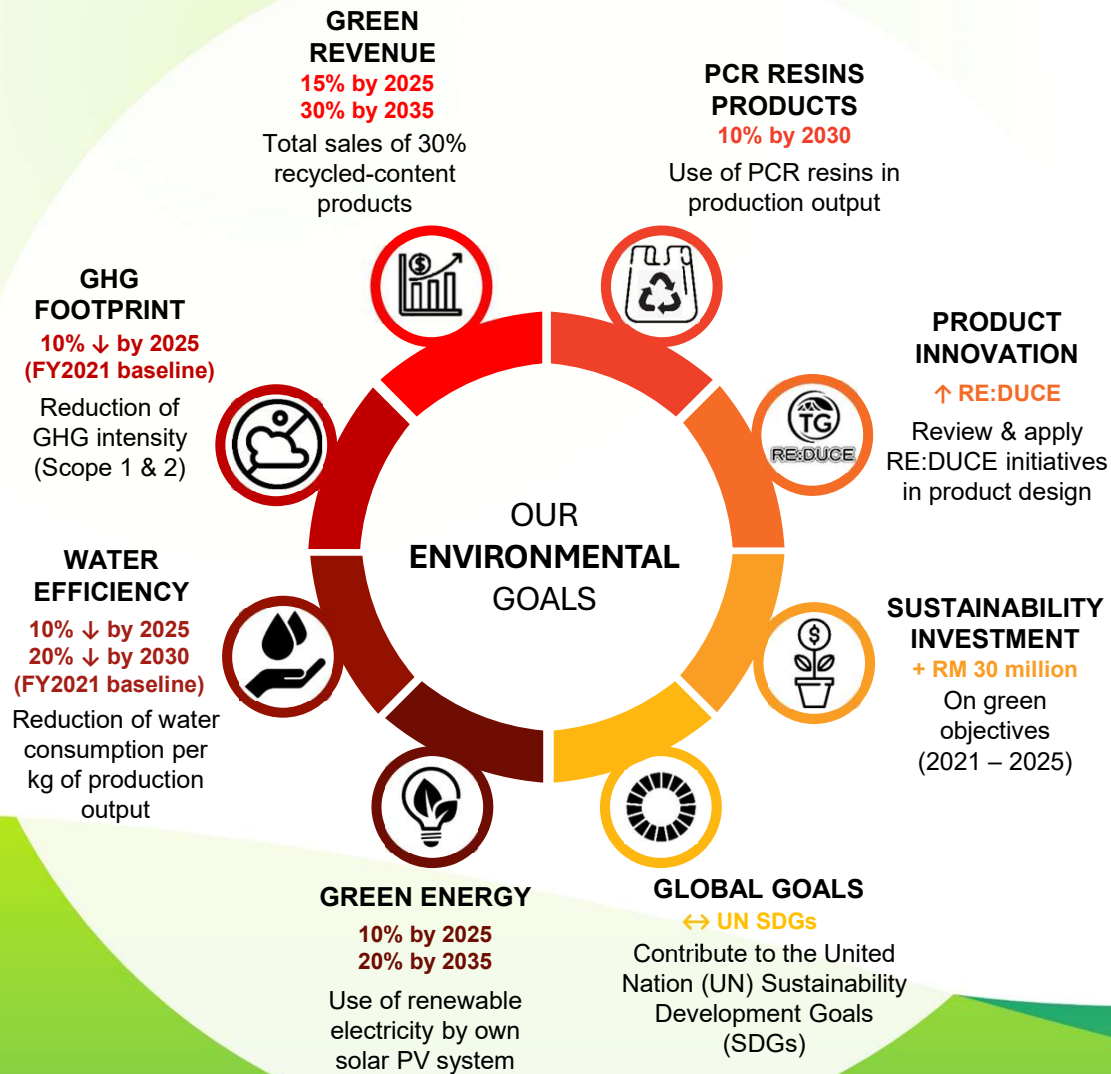
Staying relevant & add value

Stakeholder engagement is key to ensuring our business continue be relevant and add value. The table below shows the engagement activities we have carried out during financial year 2024.

STAKEHOLDERS	AREAS OF INTERESTS	METHOD AND FREQUENCY
Bankers, Investors & Shareholders	<ul style="list-style-type: none"> • Sustainable Operations • Ethics & Transparency • Corporate Governance 	<ul style="list-style-type: none"> • Quarterly Financial Result • Annual General Meeting • Company Website • Annual Reports • Press Release
Customers, Suppliers & Business Partners	<ul style="list-style-type: none"> • Operational Eco Efficiency • Circularity • Environment Positive • Responsible Sourcing • Ethics & Transparency • Digitalisation 	<ul style="list-style-type: none"> • Customer Satisfaction Survey/Supplier Evaluation • Customer Service & Communication • Trade Fairs & Frequent Site Visits • Regular meetings
Employees	<ul style="list-style-type: none"> • Human Rights Protection • Health & Safety • Human Capital Development 	<ul style="list-style-type: none"> • Communications, through counselling & memo circulation • Workplace Continuous Improvement Annual Performance Appraisal • Trainings & Workshops • Employee Events, including outing and get together gathering
Regulators, Government & Authorities	<ul style="list-style-type: none"> • Corporate Governance • Circularity • Environment Positive 	<ul style="list-style-type: none"> • Compliance & Certification Exercises, including site visits and audits by authorities/certification bodies
Local communities & NGOs	<ul style="list-style-type: none"> • Circularity • Environment Positive • Social contribution 	<ul style="list-style-type: none"> • Educational Site Visits • Community Outreach Programmes • Financial support/contribution
Consultants (In the areas of business, finance, environment, social and governance)	<ul style="list-style-type: none"> • Corporate Governance • Ethics & Transparency • Circularity • Environment Positive • Health & Safety 	<ul style="list-style-type: none"> • Communications, through collaborations and engagement sessions with consultants

Environmental

Our sustainability goals toward carbon reduction, focusing on short & mid-term targets



Environmental

- Recycling & Circular Economy
- Climate Change & Energy

Environmental Progress: 2024 ENVIRONMENTAL HIGHLIGHTS

Commencement of installation of solar power systems at 3 factories in FY2024, with a targeted group capacity of **8,625.5 kWp** (FY2023: 4,425.8 kWp). As of 31 March 2025, installation at 2 factories has been completed.

100% of our main packaging materials (paper core and carton) made of recycled and recyclable material.

Improve energy efficiency by changing water pumps and air compressor. **2 factories** have completed the implementation.

Consumption up to **3,500 pcs** of recycled wooden pallet **per month** through collaboration with supplier

An additional subsidiary is certified with **ISCC Plus** during FY2024.

Reporting of **Scope 3 emissions** to encompass **2 categories**

Resin handling improvement projects were carried out in alignment with the **OCS principles**

Continue providing **innovative packaging solutions** to customers.

OUR APPROACH TO ENVIRONMENT MANAGEMENT

As a responsible corporate citizen committed to environmental sustainability, we are dedicated to taking meaningful actions. These include regulating our resources usage, minimising air and water pollution and emphasizing wildlife conservation by supporting the Operation Clean Sweep (OCS) program, minimizing waste to landfill through recycling, and adhering to regulations set on hazardous waste.

Establishing a robust environmental governance framework is essential for integrating best practices and strategies across our value chain, ensuring accountability among relevant functions and teams. The Risk Management Task Force plays a pivotal role in driving environmental management initiatives aligned with Thong Guan's environmental goals. Supported by our Environmental Management System (EMS), which upholds high standards of environmental business conduct, the responsibilities of the Risk Management Task Force include:

- Overseeing sustainability issues stemming from internal and external factors.
- Endorsing and proposing new ESG (Environmental, Social, and Governance) initiatives.
- Presenting the progress of ESG initiatives to senior management and the Board of Directors.
- Implementing and monitoring decarbonization and other environmental initiatives.

RISK MANAGEMENT THROUGH INNOVATION AND COMPLIANCE

There has been a significant rise in public consciousness regarding the imminent threats posed by climate change and global warming. This heightened awareness has led to an escalating demand for products and solutions that boast reduced climate impact. Moreover, with the anticipated surge in regulatory requirements pertaining to plastics in the foreseeable future, the imperative to adapt and innovate is becoming increasingly urgent.

During our FY2024 enterprise review meeting, evolving legislative changes related to climate change, plastic waste and circularity continue to be the key risks impacting our international operations, particularly in the EU and USA. These factors pose significant challenges to our business.

Failure to heed both legislative mandates and evolving customer expectations could result in a decline in sales volumes for Thong Guan. To preemptively address this challenge, we diligently monitor legislative developments, ensuring swift and strategic responses. Additionally, we have proactively bolstered our regulatory expertise over the years, enabling us to remain abreast of forthcoming changes and actively engage with pertinent industry associations.

We aim not only to comply with regulatory frameworks but also to anticipate and exceed customer demands for environmentally responsible solutions. This proactive stance positions us at the forefront of sustainability initiatives, reinforcing our commitment to environmental stewardship while safeguarding our market competitiveness.

Energy Management

Improving operational efficiency & Increasing the use of renewable energy

Improving operational efficiency

Efficient energy management is central to our commitment to sustainability and environmental stewardship. Our proactive approach involves not only investing in operational and energy efficiency but also fostering a culture of continuous improvement.

In FY2023, recognizing the importance of structured oversight, we established an energy management committee. Comprising senior management, this committee provides strategic direction and oversight, ensuring alignment with our sustainability goals. By closely monitoring progress and evaluating outcomes, we ensure accountability and drive meaningful results. With the implementation of the Energy Efficiency and Conservation Act (EECA) in Malaysia, our Energy Committee is responsible for overseeing compliance, ensuring alignment with regulatory requirements, and driving energy efficiency initiatives across our operations.

Six of our plastic packaging factories have successfully completed energy audits, demonstrating our proactive commitment to identifying opportunities for energy optimization and efficiency improvements across our operations. Through systematic evaluation of energy usage and performance, we are able to implement targeted measures to minimise waste and reduce environmental impact throughout our facilities. Our goal is to achieve a 5% reduction in the Building Energy Index within three years following the completion of the audits. This ambitious target marks a significant milestone, particularly given that our facilities already operate under a robust energy management program,

Projects initiated during FY2024 include:

Energy Efficiency Review of Key Equipment: A project was launched to assess the energy efficiency of critical equipment, including air compressors, condenser pumps, chiller pumps, and production pumps. To support this initiative, we started replacing outdated equipment with more energy-efficient alternatives. The project is ongoing and will continue into FY2025. To date, two of our factories have successfully completed the implementation.

Installation of Power Meters: We initiated the installation of power meters to monitor electricity consumption across our facilities. The installation for our major subsidiary was substantially completed in FY2024. The project will continue into FY2025 to extend the installation to other subsidiaries.

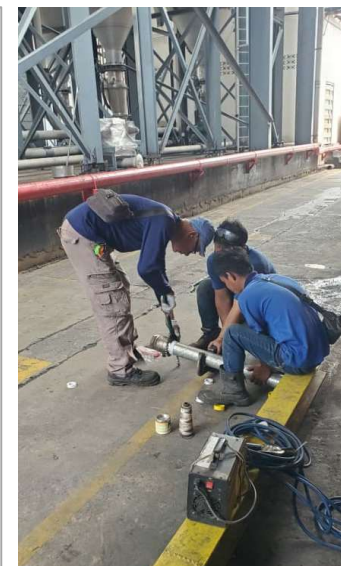
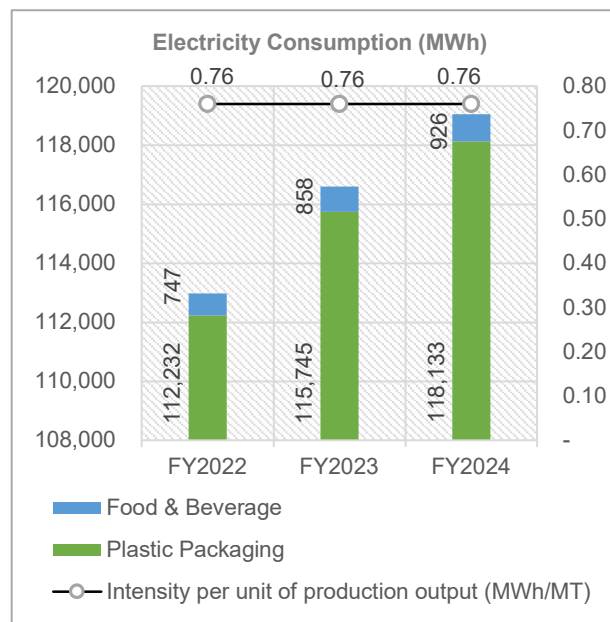
Ventilation Improvements: Building ventilation systems have been enhanced to improve natural airflow, thereby reducing dependency on electric air blowers and contributing to lower overall energy consumption.

Energy Saving Awareness Program: An energy-saving awareness program was conducted to educate employees on the importance of electricity conservation. The program included discussions on energy-saving practices and techniques for monitoring electricity usage.

In prior years, other power energy-saving projects include changing the chiller system, lightings to energy-saving bulbs & tubes, control system from direct online starter to variable frequency drive. These transformations brought considerable energy savings.

Through these initiatives, we target to reduce emissions and enhance operational resilience and cost-effectiveness. Our commitment to sustainable energy practices underscores our responsibility to future generations.

Although we maintained our electricity efficiency at 0.76 MWh/MT of output, we believe these initiatives will enhance our energy consumption efficiency in the near future.



Upgrading air compressor piping work

Energy Management

Improving operational efficiency & Increasing the use of renewable energy

Electricity Consumption (MWh)

	FY2022	FY2023	FY2024
Food & Beverage	747	858	926
Plastic Packaging	112,232	115,745	118,133
Total	112,979	116,603	119,059
Powered by:			
Solar PV System	4,468	5,067	5,570
GET	66,759	49,578	-
Fossil-based	41,752	61,958	113,489
Total	112,979	116,603	119,059

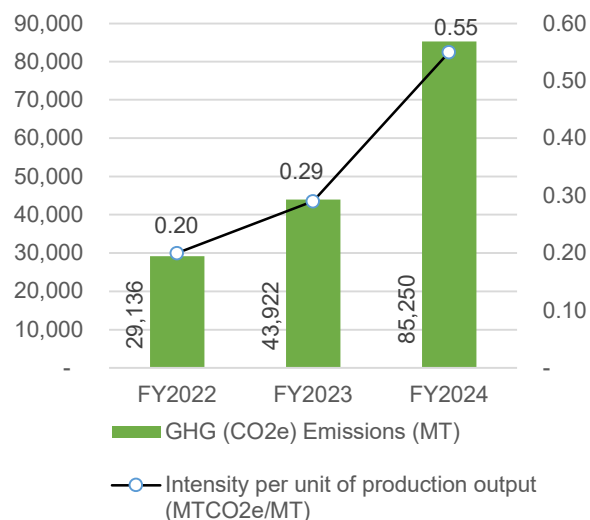
Scope 2 GHG (CO₂e) Emissions (MT)

	FY2022	FY2023	FY2024
Total	29,136	43,922	85,250

Note:

- Scope 2 emission factors refer to:
 - Grid emission factors in Malaysia (2017-2021) published by Suruhanjaya Tenaga Malaysia
 - Electricity emission factor published by Ministry of Ecology and Environment of the People's Republic of China dated 15 March 2022, 25 April 2023, 20 December 2024
 - Electricity emission factor published by Ministry of Energy of Thailand
 - Electricity emission factor published by United States Environmental Protection Agency
 - Electricity emission factor published by The Danish Energy Agency

GHG (CO₂e) Emissions (MT) - Scope 2 (Location-based)



Harnessing renewable energy

In FY2018, we began installing solar photovoltaic (PV) system on the roofs of our factories to reduce our reliance on conventional energy.

In FY2023, we completed the installation of solar PV systems at two production facilities, bringing our total investment in solar PV systems to RM13.3 million. We continue to identify opportunities to expand our solar capacity and, in FY2024, commenced installation of solar power systems at three additional factories. Once completed, these installations will increase our Group's total solar capacity to 8,625.5 kWp (FY2023: 4,425.8 kWp) with a total investment cost of RM20.38 million

¹GET electricity is from solar and hydro generators. This offered us a further reduction opportunity of our GHG emissions in line with our support of the Paris Agreement and our development of local renewable energy sources.

Limitations of available rooftop space and variability of energy output indeed present significant challenges that limit our ability to exceed the 10% target.

In FY2024, we achieved 4.7% (FY2023: 4.3%) usage of renewable electricity generated by our own solar PV system on a group-wide basis. With these additions, we estimate that our Group's total renewable energy mix will reach 9% by 2025. Although this is slightly below our target of 10% by 2025, we remain committed to identifying further opportunities to achieve our renewable energy goals.

These initiatives underscore our commitment to sustainable practices and reducing our carbon footprint. By investing in renewable energy sources, we not only reduce our environmental impact but also enhance our resilience to energy price fluctuations. Ultimately, these efforts contribute to long-term cost savings and operational efficiency.

We subscribed to the Green Energy Tariff (GET¹) Programme by Tenaga Nasional Berhad (TNB) since the first quarter of 2022 as an alternative means to increase our use of renewable electricity. Through this initiative, we achieved 63% and 47% renewable energy usage on a Group-wide basis in FY2022 and FY2023 respectively.

In FY2024, the increase in our Scope 2 emissions was primarily due to the cessation of our subscription to the GET in August 2023, driven by high subscription costs. However, this setback has not deterred us from actively pursuing alternative solutions. For example, we are currently exploring Virtual Power Purchase Agreement (VPPA) opportunities in Malaysia as a viable option to reinforce our commitment to renewable energy

- ✓ In 2024, our combined use of 5,067 MWh of solar energy saved over 3,840 tCO₂e
- ✓ Since the installation of the PV system in FY2018, our combined use of 22,852 MWh of solar energy saved over 18,059 tCO₂e (As of 31 December 2024).

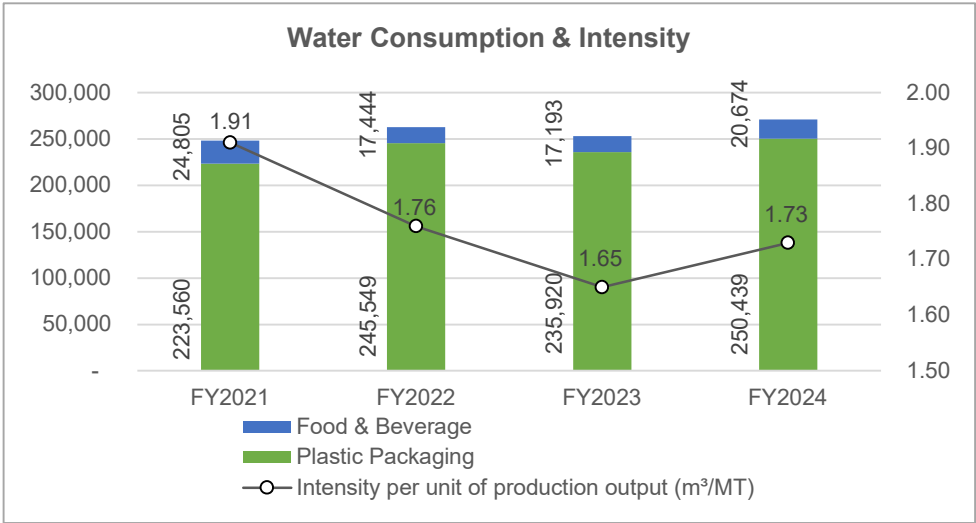
Water Management

Managing & reducing our water consumption

Water Management Policy

- Thong Guan adheres to all relevant environmental laws, international standards, procedures, and regulations in the countries where we operate. We consistently demonstrate responsible water usage by optimizing water utilization while safeguarding water sources.
- We have committed to decreasing our water intensity and mitigating water-related risks through our enterprise risk management framework.
- We preserve water quality by preventing plastic pellets from entering waterways and the environment.

Environment Progress Against Targets						
Focus Area	Metrics	Progress			Target	
		2022	2023	2024	2025	2030
Water	Reduction in water intensity (Based on FY2021 baseline)	7.8%	13.6%	9.4%	10%	20%



Water Consumption (m³)				
	FY2021	FY2022	FY2023	FY2024
Food & Beverage	24,805	17,444	17,193	20,674
Plastic Packaging	223,560	245,549	235,920	250,439
Total	248,365	262,933	253,113	271,113

In FY2024, our water intensity increased from 1.65 in FY2023 to 1.73, primarily due to the installation of new facilities and machinery. Despite this, we achieved a 9.4% reduction in water intensity compared to our FY2021 baseline, slightly below our target of a 10% reduction. We remain committed to identifying opportunities to further reduce water consumption and will continue to promote water conservation practices across our daily operations.

Consuming Water Responsibly

While water is not a primary component in our manufacturing process for plastic packaging and the food & beverage sector, it remains a significant focal point in our resource management strategies. Our F&B Division mainly processes dry material.

We initiate our water management strategy by responsibly utilizing water from municipal pipelines, which currently serve as our primary water source. Our objective is to decrease our reliance on municipal water sources by minimizing water wastage throughout our operations. For instance, we implement practices such as continuous recirculation and reuse of water in cooling towers to diminish evaporation and limit wastage. Additionally, we conduct regular monitoring of our water usage to detect any irregularities and pinpoint areas for enhancement, all while ensuring there are no leakages that could contribute to water wastage.

Additionally, we conduct periodic monitoring of the effluent quality from our plastic packaging manufacturing plants. Samples are collected and dispatched to third-party laboratories for analysis. Over the past three years, we have complied with regulations concerning both water consumption and quality, with zero incidents of non-compliance reported.

ENVIRONMENTAL

OPERATIONAL ECO EFFICIENCY

1. EQUITABLE USE OF RESOURCES

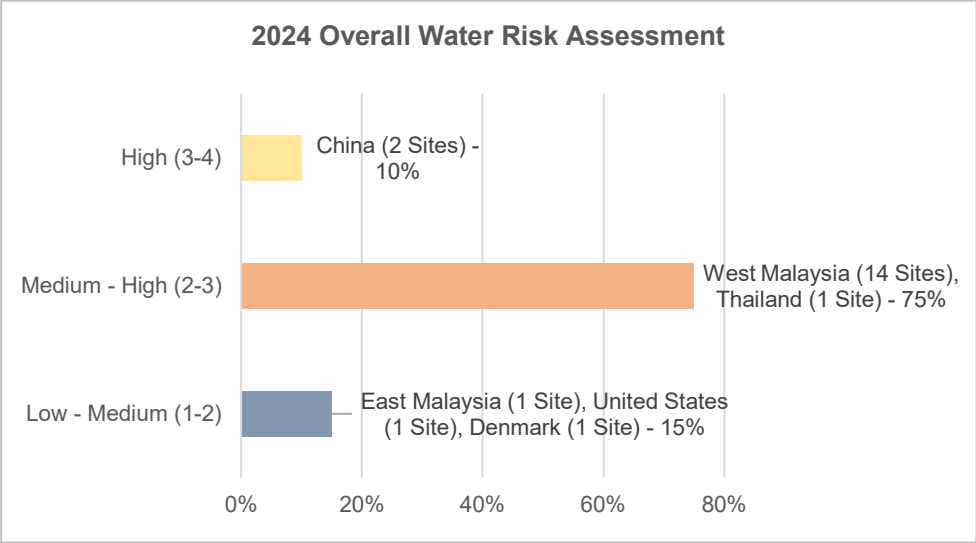
Water Management

Managing & reducing our water consumption

Consuming Water Responsibly

To optimise water resource utilization at our operational sites and alleviate strain on water-stressed environments, we implement proactive measures and utilise predictive methods. We rely on the AQUEDUCT Water Risk Atlas, which employs 13 indicators to assess our water risk, stress levels, and forecast fluctuations in demand and supply at our sites. Senior management and the Risk Management Task Force utilise these results to formulate remediation strategies for water optimization.

Location	Percentage	Overall Water Risk
East Malaysia (1 Site)	5%	Low - Medium (1-2)
West Malaysia (14 Sites)	70%	Medium - High (2-3)
Thailand (1 Site)	5%	Medium - High (2-3)
China (2 Sites)	10%	High (3-4)
United States (1 Site)	5%	Low - Medium (1-2)
Denmark (1 Site)	5%	Low - Medium (1-2)



Source of Water Withdrawal (m³)	2022	2023	2024
Plastic Packaging Division			
Surface water from rivers, lakes, natural ponds	-	-	-
Groundwater from wells, boreholes	-	-	-
Used quarry water collected in the quarry	-	-	-
Municipal potable water	245,549	235,919	250,439
External wastewater	-	-	-
Harvested rainwater	-	-	-
Sea water, water extracted from the sea or the ocean	-	-	-
Food & Beverage Division			
Surface water from rivers, lakes, natural ponds	-	-	-
Groundwater from wells, boreholes	-	-	-
Used quarry water collected in the quarry	-	-	-
Municipal potable water	17,444	17,193	20,674
External wastewater	-	-	-
Harvested rainwater	-	-	-
Sea water, water extracted from the sea or the ocean	-	-	-
Total	262,993	253,112	271,113

Operation Clean Sweep¹ (OCS)

Thong Guan pledges to OCS, ensuring zero pellet loss. We are committed to preventing resin spills with 6 actions:

- Improve our worksites set-up to prevent spills;
- Have in place internal procedures towards zero pellet loss goals;
- Provide employees training and accountability for spill prevention, containment, clean-up and disposal;
- Audit our performance regularly;
- Comply with all applicable local and national regulations governing pellet containment; and
- Encourage our partners (contractors, transporter, distributors, etc) to join the OCS



¹Operation Clean Sweep is an international programme designed to prevent the loss of plastic granules (pellets, flakes, and powders) during handling by the various entities in the plastics' value chain and their release into the environment.

Water Management

Managing & reducing our water consumption

Operation Clean Sweep (OCS)

Thong Guan has signed up to the Operation Clean Sweep (OCS) pledge and is implementing zero pellet loss measures. Pellet loss should always be avoided. Examples of actions taken to avoid pellet loss at some of our sites are installation of filters in storm water drainage, cleaning with vacuums and installing equipment, specific recycling processes for dirty granules, weekly action plans, and staff training.

We identified the manual debagging of resin bags as a key area for improvement, as it posed both environmental and occupational health concerns. The process contributed to unintentional pellet loss and presented ergonomic risks for employees due to repetitive, physically demanding tasks.

To address these challenges, we implemented an automated debagging system aimed at significantly reducing manual handling. This enhancement not only improves workplace safety by lowering the risk of posture-related injuries but also advances our environmental responsibility by minimising pellet leakage into the surrounding environment. The initiative underscores our commitment to fostering a safer workplace while upholding high standards of environmental stewardship.

In parallel, we introduced a dedicated washing process to clean contaminated granules, enabling the resin to be effectively reused and reducing overall waste. Nonetheless, we continue to stress the importance of immediate spill response, as prompt cleanup greatly improves the efficiency of the washing process and prevents further contamination.

To strengthen ownership and accountability, a dedicated WhatsApp group was established among project leaders, enabling real-time communication and swift action on any resin spillage incidents. Additionally, OCS principles have been incorporated into our forklift handling training, reinforcing best practices in pellet containment and material handling across all relevant operations.

These collective efforts have resulted in measurable improvements. Notably, one of our subsidiaries achieved a 90% reduction in resin spillage following the implementation of OCS initiatives - demonstrating the effectiveness of our approach and its scalability across operations.

These initiatives reflect our holistic commitment to sustainability, combining environmental protection, resource efficiency, and employee well-being under a unified strategy for continuous improvement.



Installation of automated debagging systems to reduce resin spillage during the debagging process



This process cleans and dries spilled resin



Internal training provided to forklift drivers on the proper handling of resin material

1. EQUITABLE USE OF RESOURCES

Material Management

Manufacturing responsibly

We always strive to use materials responsibly. Thong Guan’s use of raw materials contains virgin (fossil) and recycled. Our main raw material is polyethylene (PE), additives, compounds and masterbatches (mainly consisting of polymers) are used to enhanced properties of the films. We encourage sustainable consumption and closely monitor the total volume of primary materials. We are committed to innovating and developing more sustainable solutions, stemming from the use of virgin polymer by using recycled materials and reduce the thickness of our film.

Total Materials Used (MT)						
Type	FY2022		FY2023		FY2024	
Virgin material	131,156	93.5%	138,615	93.2%	134,979	92.1%
Recycled resin	9,143	6.5%	10,071	6.8%	11,598	7.9%
Total	140,299	100%	148,686	100%	146,577	100%

Post-Industrial Recyclate (PIR)

Recycled plastic from post-industrial waste - waste material diverted during a manufacturing process is reutilization of materials such as rework, regrind or scrap generated in a given process and capable of being reclaimed within the same process.

We oversee our daily plastic production waste as part of our ongoing commitment to minimizing in-house plastic production waste. Should the percentage of plastic production waste surpass the internal threshold, the production manager conducts an investigation. Additionally, we refine our in-house recycling process to minimise contamination in plastic production waste. We also segregate plastic production waste according to grade, type, and colour to enhance the quality of our PIR.

Our plastic production waste is recyclable and undergoes full recycling into PIR, aiming for zero plastic production waste. While PIR remains a resource at Thong Guan, it is no longer a primary component in our target follow-up process.

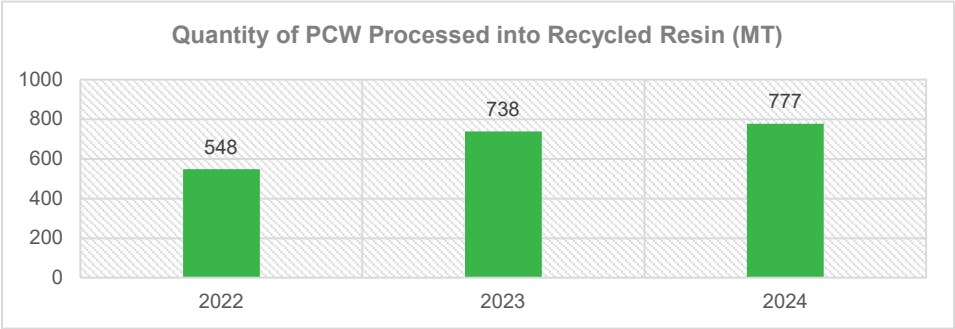
Post-Consumer Recyclate (PCR)

Recycled plastic resin from post-consumer plastic waste (PCW) (waste material generated by the end-users of products, that has fulfilled its intended purpose or can no longer be used – including material returned from within the distribution chain). Handling post-consumer waste come with immense challenges, but we support the use of PCR for greener results. Our ambition toward plastic circularity is incomplete without formulating and successfully executing our strategies for handling PCW.

We are committed to incorporating 10% PCR into our total plastic production output by the year 2030, recognizing the pivotal role PCR plays in spearheading the transition towards a circular use of plastics and in mitigating our carbon footprint. Our dedication to providing low-carbon solutions to our customers underpins our mission. Currently, our utilization of PCR is less than 1% of our total plastic production output as of FY2024. While this figure falls short of our set targets, we persistently explore avenues to bolster our PCR consumption. The primary hurdle we encounter is the restricted availability of PCR meeting our stringent quality standards. Presently, our PCR sources predominantly encompass external resin suppliers, internal post-use plastic packaging such as resin bags, shrink covers, stretch hoods, and stretch films, along with collaborative initiatives with customers aimed at collecting post-use plastic packaging.

To effectively meet our PCR utilization targets, we have implemented comprehensive strategies focused on forging enduring partnerships with PCR suppliers and waste collectors, thereby securing a reliable and steady influx of externally sourced PCR. Additionally, recognizing the paramount importance of bolstering our recycling infrastructure, we have made significant investments totaling RM5.3 million over the past four years. These investments are directed towards enhancing our recycling capabilities, thus fortifying our ability to process and utilise PCR materials efficiently and sustainably.

Waste segregation campaign was successfully launched in within TG. In FY2024, total PCW from internal post-use processed into recycled resin increased by 39MT to 777MT.



We adhere to a responsible approach in industrial waste management, prioritizing compliance with pertinent laws and regulations. Our waste management practices include providing guidance on the safe handling and disposal of waste, aligning with health and safety control requirements. Our approach involves:



In FY2022, we committed to reducing waste to landfill by 30% in 2023. To achieve this goal, we implemented a waste segregation and recycling awareness program, and conducted regular briefings for operational staff on the importance of recycling. Additionally, we engaged with suppliers who demonstrate strong awareness of waste reuse, recovery, and recycling.

As a result of these efforts, we achieved encouraging results and successfully reduced waste to landfill by 37% in FY2023. However, in FY2024, waste volumes increased in tandem with the rise in sales from our Food & Beverage division, causing us to miss our waste reduction target of 30%. We are currently exploring solutions to improve the recyclability of packaging materials used in incoming supplies of Food and Beverage division.

Environment Progress Against Targets					
Focus Area	Metrics	Progress		Target	
		2023	2024	2023	2025
Waste	Reduction in waste (Based on FY2022 baseline)	37%	25.5%	30%	60%

Note: FY 2023 and FY2024 refers to waste reduction progress in West Malaysia only.

Total solid waste excludes production scraps generated directly from our manufacturing process such as plastic trimmings and rejected films. Production scraps generated directly from our manufacturing process is fully recycled, upcycled and sold to third parties that may use them as raw material in their own production processes. Our manufacturing plants are equipped with recycling facilities which made the recycling of our production scraps efficient and achieved zero production scraps.

Our solid waste includes:

- Post-use industrial plastic waste, including packaging like resin bags, shrink covers, stretch hoods, and films from our suppliers
- Post-use industrial non-plastic waste, such as used wooden pallets, paper, and metal.
- Post-consumer waste from in-house segregation program, including PET bottles, clean flexible packaging, and paper.

Total waste generated (MT)						
Type	FY 2022		FY 2023		FY 2024	
	Plastic Packaging	Food & Beverage	Plastic Packaging	Food & Beverage	Plastic Packaging	Food & Beverage
Total waste diverted from disposal	Information not available	Information not available	5,485	35	7,130	60
Total waste directed to disposal	1,983	540	1,169	414	1,226	754
Total	1,983	540	6,654	449	8,356	814

Note:
FY 2022 and FY2023 refers to total waste of facilities in West Malaysia only.
FY2024 refers to total waste of facilities of Thong Guan Group

Scheduled (Hazardous) Waste

Thong Guan collaborates with licensed collectors from the Department of Environment (DOE) to manage schedule waste. This waste is either sent to landfills, incinerated, or recycled. We transparently report and disclose our scheduled waste generation on the government portal.

Over the past three years, we have complied with regulations concerning scheduled waste disposal, with zero incidents of non-compliance reported.

Wooden Pallet Recycling Program

Managing & reducing our production waste

TG Group is dedicated to embracing sustainable practices in response to environmental concerns, particularly in light of the growing demand from eco-conscious consumers for more sustainable packaging solutions. We place a strong emphasis on the recyclability of our packaging materials, including wooden pallets, recognizing the importance of collaboration with stakeholders across the value chain to address the systemic challenge of waste management.



Used, worn and broken pallets sent to vendor

In FY2022 December, Thong Guan initiated the Wooden Pallet Recycling Program with our vendors, focusing on rebuilding used, worn, and broken pallets into usable recycled pallets. Collaborating closely with our vendors, we ensured that the durability and strength of the recycled pallets met our quality standards. Furthermore, we undertook efforts to educate our customers on the significance of using recycled wooden pallets and demonstrated how this initiative contributes to minimizing deforestation issues.

Our recycled wooden pallet program continued to gain strong traction in FY2023 & FY2024, receiving positive feedback from customers and stakeholders. As a result, internal consumption of recycled pallets increased significantly, from an average of 50 pieces per month to 1,000 pieces per month by the end of the FY2023.

Building on this momentum, we had set an ambitious target to increase consumption to 2,500 pieces per month in FY2024. We are pleased to report that we exceeded this goal, achieving an average of 3,500 recycled wooden pallets per month in the final quarter of FY2024.

Over the course of FY2024, a total of 25,600 recycled wooden pallets were utilised. This effort not only supported circular economy principles but also contributed to substantial environmental benefits, equating to an estimated carbon savings of 716MT of CO₂ or diverting approximately 253 MT of waste from landfill.

Through the Wooden Pallet Recycling Program, even wood dust and broken wood planks are repurposed into wood chips or energy by our vendors. This demonstrates our commitment to ensuring that our used, worn, and broken pallets are handled responsibly while emphasizing the importance of stakeholder partnerships for achieving circularity in our operations. In FY2024, we collected 48,570 pieces (FY2023: 47,324) broken or used pallet for recycling in our manufacturing operations.



Thong Guan is committed to build a sustainable supply chain with our stakeholders and contribute to both CO₂e and landfill avoidance. Every recycled wooden pallet saves 28KG of CO₂eq.

Recyclability and Recycling

Driving plastic circularity

Product Recyclability

Promoting recyclability plays a pivotal role in reducing the environmental impact of a product by minimizing its carbon footprint. Thong Guan is committed to enhancing the recyclability of our products post-consumption, thereby steering them away from conventional disposal routes like landfills or incinerators. Instead, our focus is on maintaining their presence within the material cycle, thus bolstering circularity within the system. This objective is pursued through various initiatives, such as advancing process technologies and innovating the design of plastic products to optimise their recyclability potential.

Our products are designed with recyclability in mind, ensuring that they can be efficiently repurposed at the end of their lifecycle. This holistic approach not only aligns with our sustainability goals but also underscores our dedication to fostering a more environmentally responsible manufacturing process.

Thong Guan defines recyclable products as those that are deemed recyclable in polyethylene (PE) upon receipt from our company. However, it is important to note that certain products designed for specific uses may become contaminated in a manner that renders mechanical recycling unfeasible. Examples of such applications include medical products and hygiene laminations, which are therefore excluded from our recyclability definition.

Recycling Capacity

TGSH Plastic Industries Sdn. Bhd. has served as our internal recycling plant since 2011. As of December 31, 2024, TGSH owns 5 recycling lines and has the capacity to convert 6,000 MT of plastic waste into recycled resin. TGSH specialise in recycling of post-consumer waste (PCW). Managing PCW requires specialised knowledge and expertise in feedstock management to ensure effective processing. Our investment in recycling facilities has been substantial, totalling RM6.6 million since 2016.

To our customers, we:

- Increase awareness among customers regarding their role in minimizing environmental impact by supporting environmentally friendly products and offer an after-use collection program.
- Provide data and evidence-based test results from the Newton R&D Centre to assure customers of the quality performance of our recycled packaging.
- Quantify our sustainability commitment through green certificates such as ISCC Plus & GRS to ensure traceability of certified material (recycled resin) and third-party confirmation on recycled content.

Risk management in relation to recycling

As of the present day, Thong Guan's impact on end-of-life plastic recycling is somewhat constrained, given that the actual recycling process hinges on several factors including product usage, as well as the collection and management of waste post-consumption. Waste collection procedures are predominantly governed by national and local authorities, thereby limiting the standardization of recycling regulations. Furthermore, the perception of recycling among both local authorities and the public plays a significant role in shaping our expansion plans for recycling facilities.

To enhance the recycling rate, it is imperative to establish efficient conditions that encourage the collection of used plastics and create a predictable regulatory framework conducive to investments in circular plastics. In response to this need, Thong Guan has initiated the RE:USE program, aimed at providing after-use waste collection services to our customers. Additionally, we are actively exploring collaboration opportunities with waste collectors to scale up the recycling of post-consumer plastic waste (PCW), thereby enabling a greater volume of plastic waste to be recycled.

Life Cycle Assessment (LCA)

In collaboration with SIRIM, we successfully completed our first life cycle assessment (LCA) of our nano stretch film product in FY2023. This assessment was conducted in accordance with ISO14044 (Environmental Management – Life Cycle Assessment) to comprehensively evaluate the environmental impact of our products.

This assessment was conducted to carefully evaluate the environmental impacts of our products, with a specific focus on our core offerings, such as nano stretch film. Throughout this process, we actively solicited feedback and input from both our suppliers and customers, seeking valuable insights to enhance various facets of our product lifecycle.



2. GREEN CERTIFICATIONS







Justifiable Sustainability

Quantifying & qualifying our green competency

Green Certifications

Through the application of globally recognised standards and the validation of our sustainability efforts by external entities, we secure an additional layer of assurance for both ourselves and our stakeholders, affirming our trajectory towards becoming the preeminent leader in sustainability within our industry. Our emphasis on obtaining globally recognised certifications such as ISO14001, ISCC Plus and GRS enables us to stay updated with industry best practices and enhance our reputation by showcasing our commitment to be transparent in supply chain.

We meticulously choose our certificates, and when applicable, seek assistance from external parties to ensure that we engage with certifications that yield the greatest impact and establish the most stringent standards for sustainability. Thong Guan's subsidiaries, where relevant, are certified in accordance with a range of international and national standards and certifications, including but not limited to the following:

	<p>ISO 14001</p> <p>ISO 14001 is a globally recognised standard for establishing and maintaining effective environmental management systems (EMS). It guides organizations in addressing environmental responsibilities, fostering sustainability, and driving continual improvement. Compliance with ISO 14001 signifies a commitment to environmental stewardship and operational excellence.</p>	<p>By adhering to this standard, we are taking proactive measures to minimise our environmental footprint and comply with relevant legal requirements. The framework encompasses various aspects, from resource usage and waste management to monitoring environmental performance and involving stakeholders in environmental commitments.</p>	<p>6 Factories</p> 
	<p>ISCC Plus</p> <p>The International Sustainability and Carbon Certification (ISCC) stands out as a premier solution provider for fostering sustainable international supply chains. Renowned for its comprehensive approach, ISCC encompasses the entirety of the supply chain, encompassing diverse bio-based feedstocks and renewables. With ISCC certification, companies are assured of meeting stringent ecological and social sustainability criteria, achieving reductions in greenhouse gas emissions, and maintaining traceability across the entire supply chain.</p>	<p>The ISCC certification serves as a testament to a commitment to sustainability, ensuring that materials sourced are sustainably produced and traceable throughout global supply chains. By opting for ISCC PLUS certification, Thong Guan demonstrates its dedication to sustainable practices, particularly in the conversion of circular materials with mass balance approach. This strategic choice underscores Thong Guan's commitment to environmental responsibility and its role in driving positive change within the industry.</p>	<p>3 Factories</p>  <p>An additional factory in FY2024</p>
	<p>GRS</p> <p>Global Recycled Standard (GRS) set the criteria for third-party certification of recycled materials and chain of custody. Certifiable products must contain at least 20% of recycled material and only products with at least 50% Recycled Content qualify for product-specific GRS labelling</p>	<p>GRS sites are required to meet strict social and environmental requirements. Chemicals with harmful potential are not allowed to be used on GRS products.</p>	<p>2 Factories</p> 

3. PRODUCT DEVELOPMENT AND INNOVATION

LoopClosers

Closing the loop with product development and innovation

Industrial and Consumer Packaging

Through consistent investment in innovation, we are well-positioned to deliver sustainable packaging solutions across a broader range of formats and market segments, effectively addressing the evolving needs of both consumer and industrial customers. Our innovation initiatives focus on advancing packaging technologies that drive resource efficiency, recyclability, and circularity. Key areas of innovation include:

Industrial Packaging Solutions

- Developing high-performance, resource-efficient packaging through downgauging of films without compromising quality or functionality.
- Incorporating PIR and PCR resin into product formulations to support circular economy goals.

Consumer Packaging Solutions

- Designing mono-material laminates to enable fully recyclable plastic packaging structures.
- Integrating PIR and PCR resin content into packaging materials to reduce environmental impact.

Optimizing Performance Through Downgauging

As part of our commitment to sustainability, we continue to innovate through *downgauging*, reducing the thickness of our stretch films without compromising their quality or performance. This approach enables us to significantly lower material consumption and reduce our overall carbon footprint.

As a global leader in stretch film manufacturing, we have made substantial strides in this area over the past decades. Our current hand film portfolio reflects this progress:

- The Maxstretch Series, our flagship product, offers robust performance with thicknesses ranging from 7 to 15 microns.
- Flexlite, our ultra-thin 4-micron pre-stretch film with reinforced edges, stands as the world's thinnest stretch film.

Our innovation extends to machine films as well. Using our state-of-the-art 67-layer nano stretch film cast line, we developed the high-performance Velocity series, specifically designed for high-speed wrapping machines. These highly stretchable films allow up to 50% reduction in material usage, while maintaining full compliance with EUMOS 40509:2020 standards for load rigidity and transport safety.

Our innovation extends to machine films as well. Using our state-of-the-art 67-layer nano stretch film cast line, we developed the high-performance Velocity series, specifically designed for high-speed wrapping machines. These highly stretchable films allow up to 50% reduction in material usage, while maintaining full compliance with EUMOS 40509:2020 standards for load rigidity and transport safety.

Available in thicknesses ranging from 8 to 23 microns, our machine film portfolio is engineered to support a wide variety of wrapping systems, helping our customers enhance load stability, reduce plastic consumption, and meet their carbon reduction targets.



3. PRODUCT DEVELOPMENT AND INNOVATION

LoopClosers

Closing the loop with product development and innovation

Integrating Recycled Resin into Our Products

As part of our commitment to circularity, we are continuously advancing the integration of PCR and PIR resins into our product lines. This not only helps divert plastic waste from natural ecosystems but also reduces our reliance on virgin resin, minimizing the environmental impact of raw material extraction.

In FY2024, we expanded these efforts by launching a broader range of products containing recycled content. For customers seeking more sustainable packaging solutions, we now offer pre-stretch hand films with 30% recycled content, including the 7-micron Flexlite 30 and Maxstretch Regan with 30% PCR content, which is available in thicknesses from 12 to 15 microns. Both films incorporate recycled material while maintaining the strength and performance expected of our premium film range.

Innovating Recyclable FPP Solutions

We have dedicated significant resources over the years to the development of mono-material laminates, flexible plastic packaging (FPP) structures made from a single type of resin across all layers. This innovation enhances recyclability, making it easier for companies to transition away from traditional multi-material, non-recyclable formats.

The increasing versatility and performance of these mono-material laminates empower more brands to adopt recyclable packaging solutions, supporting their sustainability goals and contributing to a more circular plastic economy.

These advancements have been made possible through close collaboration with brand owners, supported by our innovation centres and our strategic presence across the FPP value chain. This integrated approach enables us to accelerate the commercialization of recyclable packaging and deliver solutions that meet both functional and environmental requirements.



Sharing of iPAK 5 at AMI Stretch and Shrink Film Conference

iPAK 5

iPAK5, an affordable IoT solution, has been developed to enhance businesses' visibility and traceability in their packaging operations. With iPAK5, customers can achieve optimal performance by:

- Providing visibility and traceability of operations.
- Reducing product damages during transportation.
- Enhancing safety throughout the supply chain.
- Boosting productivity.
- Offering long-term cost reduction.
- Improving sustainability Key Performance Indicators (KPIs).

iPAK5 delivers valuable insights, including:

- Total films consumed.
- Downtime alerts.
- Monitoring across multiple sites.
- Estimated CO2 savings.
- Load stability.



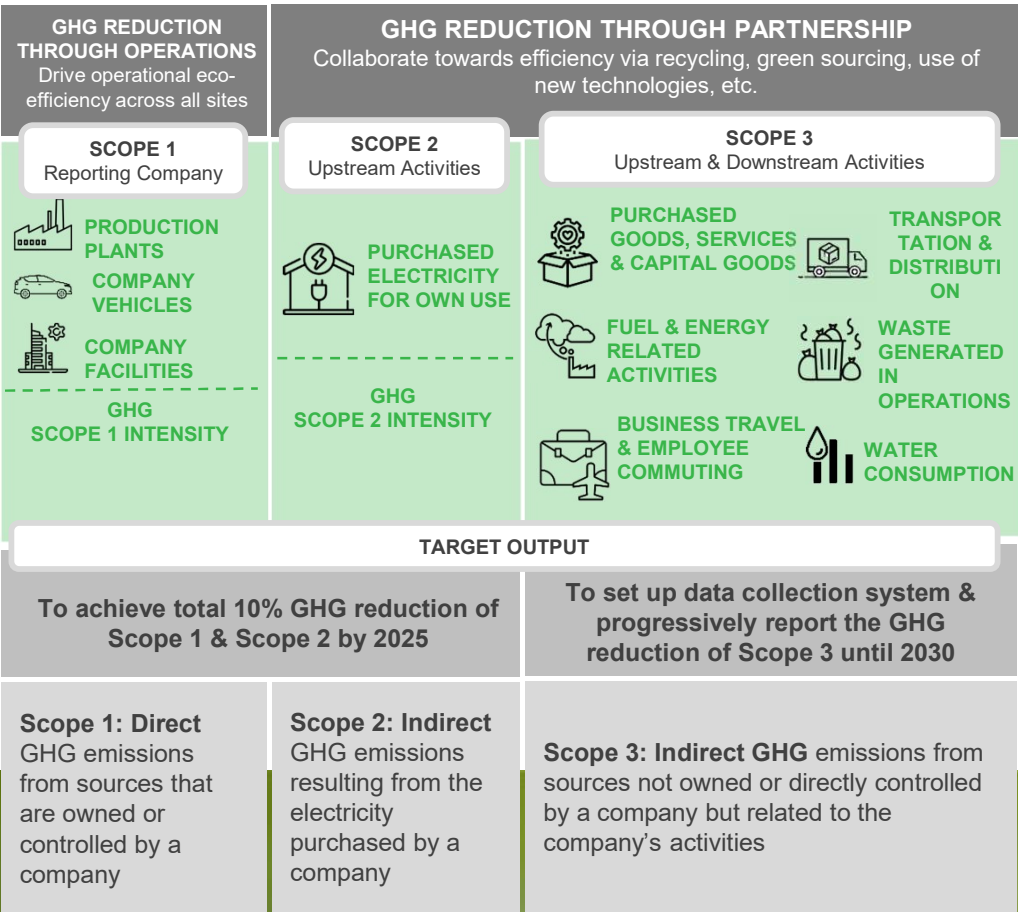
ENVIRONMENTAL ENVIRONMENT POSITIVE

1. CARBON FOOTPRINT REDUCTION & BALANCING

GHG Emissions Reduction

Keeping our environmental impact in check

GHG EMISSIONS ACROSS OUR VALUE CHAIN



GHG Emissions Reduction

As a producer of plastic packaging, Thong Guan directly and indirectly contributes to GHG emissions. Thong Guan is committed to limiting emissions and adapting to climate change. In 2021, Thong Guan strengthened its commitment to reducing its climate impact by setting group-wide emissions reduction targets for Scope 1 & Scope 2 GHG emissions, aiming for a 10% reduction compared to the FY2021 baseline.

Understanding where emissions occur across the value chain is crucial for improving our climate impact. Our assessment of Scope 1 & Scope 2 emissions revealed that 98% of Thong Guan's production sites' energy consumption comes from purchased electricity (Scope 2), while our Scope 1 emissions derive from diesel and petrol consumption. Following our roadmap, we aim to reduce our Scope 1 & Scope 2 GHG emissions by 10% through transitioning to renewable electricity, such as electricity generated by our solar PV system, and continuous improvement in energy efficiency. Additionally, we are exploring Virtual Power Purchase Agreements to further decrease our Scope 1 & Scope 2 emissions beyond the 10% target.

Transportation and distribution are identified as major components of our Scope 3 emissions. We have established a data collection system and are exploring greener transportation modes. We have also set Key Performance Indicators to increase the utilisation of return containers.

In FY2024, we disclose our Scope 3 emissions for Category 6 (business travel) and Category 7 (employee commuting) in accordance with the Bursa Sustainability Reporting Guide (3rd edition).



Air Pollution Management

Minimising environmental pollution

As a responsible corporate citizen, Thong Guan remains dedicated to upholding adherence to relevant local and international environmental and climate regulations. We are resolute in our commitment to incorporating sustainable environment practices into our business activities and minimising adverse impacts on the environment resulting from air pollution. Our formal air pollution management is guided by ISO 14001 to address odour-related environmental concern.

During FY2021 to FY2024, there were no instance of non-compliance resulting from air pollution. We strictly abide by environmental laws and regulations to achieve the goal of zero penalty.

At Thong Guan, we have established various initiatives for air pollution control in our manufacturing processes and comply with the Environmental Quality (Clean Air) Regulations of 2014. These initiatives include:

1. Collaboration with external laboratory to ensure that emissions from our chimneys consistently adhere to regulatory limits.
2. Prohibition of open burning to mitigate air pollution.
3. Modernization our equipment by changing diesel forklift to electric forklift. Since FY2022, we purchased 20 (FY2023: 14) electric forklifts with a total cost of RM1,565k (FY2023: RM1,113k).

In 2024, we also introduced restrictions on internal and external lorries from idling their engines while waiting within our premises. This initiative aims to reduce air pollution and lower greenhouse gas emissions associated with unnecessary fuel consumption.



We are committed to addressing air pollution as part of its broader occupational health and safety initiatives. To safeguard employee well-being and promote a clean working environment, the company conducts personal and area chemical exposure monitoring at least once every two years. This practice aligns with the Occupational Safety and Health (Use and Standards of Exposure of Chemical Hazardous to Health) Regulations 2000, which emphasises the need to monitor exposure to airborne contaminants that pose health risks.

Air pollution in industrial settings can have serious implications for workers' health, making it essential for Thong Guan to implement effective monitoring protocols. The methodology for these assessments is derived from the "Guidelines on Monitoring of Airborne Contaminant for Chemicals Hazardous to Health," published by the Department of Occupational Safety and Health, Ministry of Human Resources, Malaysia. Additionally, the company follows the standards set in the NIOSH Manual of Analytical Methods by NIOSH, USA, ensuring that its monitoring practices are rigorous and reliable.

By focusing on air quality, Thong Guan not only complies with regulatory requirements but also demonstrates its commitment to creating a cleaner, safer workplace. The findings from these monitoring efforts enable the company to assess potential air pollution sources and take proactive measures to mitigate them. This dedication to monitoring and reducing air pollution is a vital component of our overall strategy to protect employee health and contribute positively to the environment.

✓ In 2024, there were no instance of non-compliance resulting from air pollution.

Chemical Substances Management

Minimising environmental pollution

Chemical Substances Management

Thong Guan places paramount importance on the responsible handling of its raw materials, particularly those classified as chemical substances. Thong Guan diligently adheres to the regulations outlined REACH¹ framework, ensuring ongoing compliance. Additionally, in cases where relevant, Thong Guan strictly follows legislation governing food contact materials to guarantee the safety and quality of its products.

At the heart of our commitment to compliance is the meticulous selection of substances that have been either registered or pre-registered in accordance with the rigorous standards set forth by REACH. Furthermore, fostering transparent communication and collaboration, we engage in continuous dialogue with our network of raw material suppliers, ensuring that they too uphold the stringent requirements of REACH. Our dedication to transparency extends to providing access to our REACH statement via our official website, affirming our unwavering commitment to regulatory adherence and responsible business practices.

We are committed to effective chemical management through our Chemical Health Risk Assessment (CHRA) conducted every five years, in accordance with the Occupational Safety and Health Act 1994 and the Occupational Safety and Health (Use and Standards of Exposure of Chemical Hazardous to Health) Regulations 2000.

The primary aim of the CHRA is to identify significant health risks and recommend measures to eliminate or minimise exposure to hazardous chemicals. We conducts thorough walkthrough inspections to assess chemical usage and exposure levels.

This proactive approach enables Thong Guan to implement targeted strategies like substituting hazardous chemicals, enhancing ventilation, and providing comprehensive training for employees. By prioritizing chemical safety and continuously improving its practices, we demonstrates our unwavering commitment to safeguarding the health of its workforce and promoting a sustainable working environment.



¹Regulation for Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a regulation of the European Union, adopted to improve the protection of human health and the environment from risks that can be posed by chemicals.

Collaboration Helps Growth

Optimising synergy for greater positive green impact

Our Membership In Associations

As active member in a variety of industry associations, we unlock greater value through collaboration, develop closer relationship with various stakeholders and contribute to the uplifting of standard across the Malaysian business community. Our membership also enable us to stay abreast of the latest industry innovations and trends.

Association	Business Division	Our Role
Malaysian Plastic Manufacturers Association (MPMA)	Packaging	Member in Central Committee Northern Branch Chairman
Federation of Malaysian Manufacturers (FMM)	Packaging	Member
International Safe Transit Association (ISTA)	Packaging	Member
European Safe Logistics Association (EUMOS)	Packaging	Member
ASTM International (American Society for Testing and Materials)	Packaging	Member

Support Green Initiatives

The call for climate action continue to grow louder. At Thong Guan, we support organisation/agencies who share the same value to same value to develop and implement sustainable environment practices to effectively manage climate and environmental risk.

We are a member of the Climate Governance Malaysia, the Malaysian chapter of the World Economic Forum (WEF) climate governance initiative



Sustainability Through Data

Optimising performance to achieve greener impact

Safe & Stable Load Reduce Risk of Road Accidents

While Thong Guan acknowledges the significance of sustainability initiatives within the packaging sector, particularly in recycling and downgauging, we also prioritise the delicate balance between environmental concerns and logistical safety. This is especially pertinent when considering the utilization of recycled materials in packaging films, such as stretch film, shrink film, stretch hood, and strappings, and reducing packaging material thickness, which are crucial for load stability. Excessive use of recycled materials may alter the physical properties of packaging film, resulting in decreased tensile strength, puncture resistance, and elongation capacity, directly impacting load stability.

At Thong Guan, ensuring load stability remains paramount and is not to be compromised, even in the pursuit of increased recycled content and downgauging in packaging films.

Compromised load stability poses significant safety risks and operational inefficiencies:

- **Increased Product Damage:** Unstable loads are more prone to collapse or shift, leading to a higher incidence of product damage.
- **Repacking and Reverse Logistics:** Damaged goods necessitate repacking and return shipments, involving additional material use and transportation.
- **Labour and Documentation:** Handling incidents related to unstable loads requires extra labour and extensive documentation, thereby increasing operational costs.
- **Overall Increased Carbon Emissions:** Ironically, the additional transportation, manufacturing of replacement goods, and waste management resulting from load failures may outweigh the carbon savings from using recycled materials.

The establishment of the Newton Research and Development Centre aims to provide customers with visibility of data and guidance on the suitability of films to be used, including the optimal percentage of recycled content and thickness.

In Newton, our state-of-the-art simulators assess palletised load stability and integrity in real-world scenarios, encompassing various transportation modes such as road, rail, sea, and air. Our global standards lab simulations reassure customers that their palletised load can withstand the rigors of long journeys, even in potential transit or situational incidents. Reducing the risk of road accidents also contributes to mitigating transportation-related fatalities, aligning with our mission.



Social

Empowering our people & the communities

HUMAN RIGHTS PROTECTION

Scope & Strategies:

1. Equal Rights to Work & Education
2. Diversity & Inclusion

We assess & address our human rights risk & impact per internationally accepted guidelines and best practices, i.e. SMETA or its equivalent.

Targeted Output:

- To certify our major manufacturing plants in Malaysia as Sedex members by 2025.
- To improve 50% women leadership by FY2025.

HEALTH & SAFETY

Scopes & Strategies:

1. Business Continuity
2. Safe & Conducive Workplace

We benchmark our workplace safety & health practices with internationally accepted guidelines and best practices, i.e. ISO 45001:2018.

Targeted Output:

To achieve 100% ISO 45001:2018 certification for all our factories by 2025.

OUR SOCIAL GOALS

SOCIAL CONTRIBUTION

Scope & Strategies:

1. CSR
2. Education
3. Underprivilege Community

- Provide aid & relief to the poor, aged, sick, old, disabled, orphans & victims of violence & abuse.
- Support & assist in the welfare of local communities.
- Support projects relating to environmental sustainability.

Targeted Output:

To be an active participant in creating a sustainable and caring society.

HUMAN CAPITAL DEVELOPMENT

Scope & Strategies:

1. Employee Engagement
2. Talent Development
3. Leadership & Legacy

We invest in our workforce by providing training to our employees.

Targeted Output:

- To increase training hours by 10% in FY2023 and 30% by FY2025.
- To develop a succession plan for key leadership positions to mitigate key person risk.



Social

- Health, Safety & Well Being
- Corporate Social Responsibilities & Collaboration

Social Progress:

2024 SOCIAL HIGHLIGHTS

Zero complaint on incident of unfair employment, violation of labour law and human rights, unfair harassment and unlawful discrimination practices in the past three years.

Donated goods and money worth RM134,083 to 65 beneficiaries.

Zero fatality in FY2024. To continue to achieve zero fatality in coming years.

All our hostels are approved Centralised Labour Quarters (CLQ).

Recruited 180 employees under JomKerja @ NCER.

We employed 4 employees with disabilities and 38 interns as at 31 Dec 2024.

Automated External Defibrillator (AED) was installed on the factory premises to enhance emergency response capabilities.

Increased training hours by 35% compared to FY2023, achieving our target set in the prior year.

OUR APPROACH TO SOCIAL MANAGEMENT

Thong Guan demonstrates a commitment to responsible employment practices and active community engagement across our operational areas. Our focus lies in fostering a secure and inspiring workplace environment that prioritises the well-being of our employees. We pledge to cultivate a culture where our staff not only excel and grow but also enjoy optimal physical and mental health. By investing in our personnel, promoting continuous learning, and fostering a culture of recognition for all contributions, we strive to create an inclusive environment. While adherence to laws and regulations is non-negotiable across all our sites, Thong Guan goes beyond mere compliance, embracing a heightened level of social responsibility in many instances.

RISK MANGEMENT THROUGH KEY STRATEGIES

Major risks associated with heavily relying on foreign workers include changes in immigration policies, geopolitical tensions, and currency fluctuations. Additionally, there is the potential for increased costs related to work permits, visas, and recruitment fees. To address these challenges, Thong Guan aims to minimise dependence on foreign labour by prioritizing local economic development and sourcing its workforce locally whenever feasible, thereby reducing reliance on external factors beyond the Group's controls.

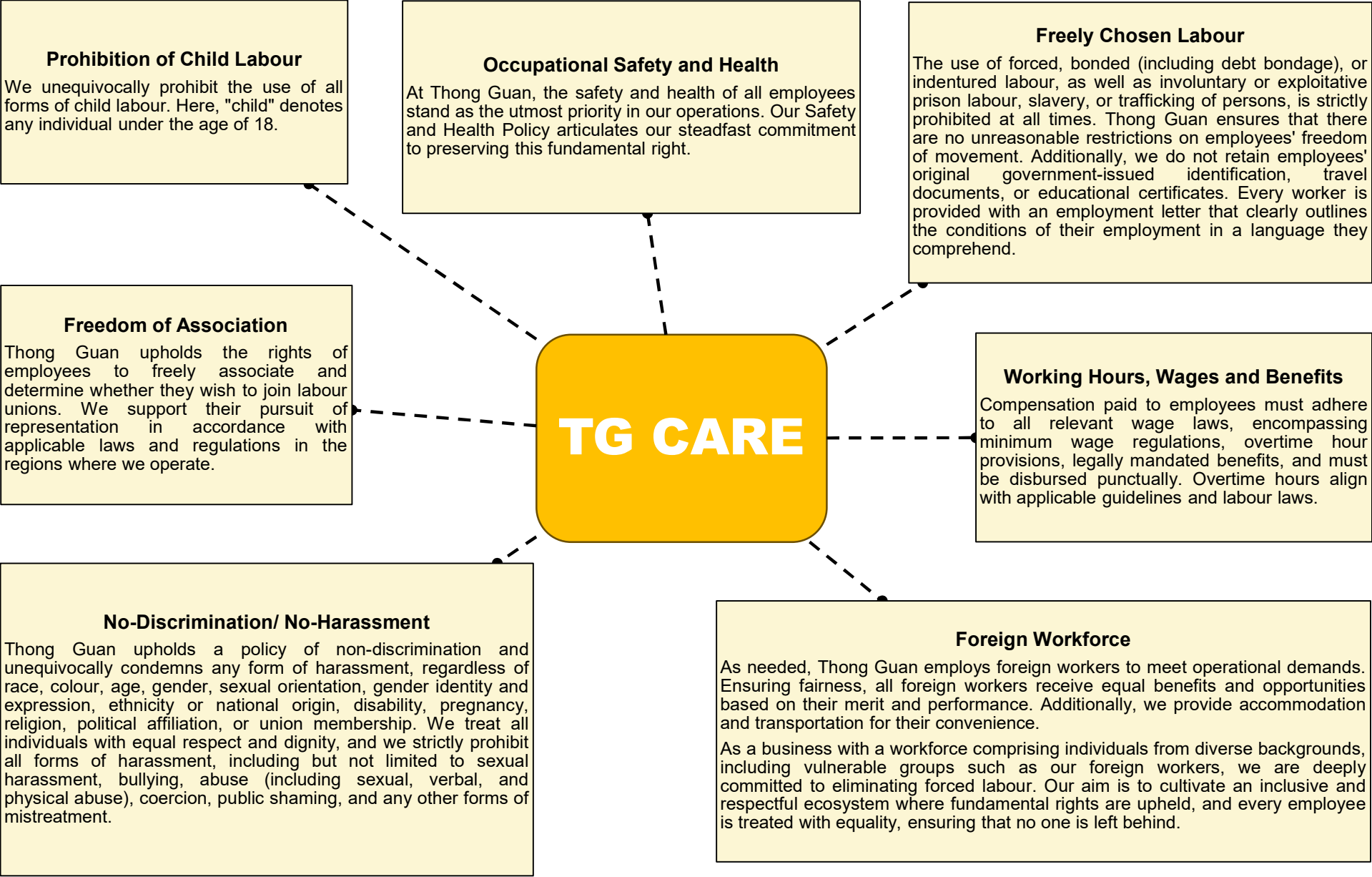
To mitigate these risks effectively, Thong Guan has implemented several key strategies:

- 1. Monitoring Regulatory Changes:** Thong Guan's Group Human Resources Department remains vigilant regarding developments in labour laws and regulations. They provide proactive updates to ensure the Group stays abreast of the latest regulatory changes, enabling timely adjustments to policies and practices.
- 2. Continuous Improvement of Labour Practices:** Thong Guan consistently monitors and enhances its labour practices, committed to complying with best practices to promote the resilience of its workforce and mitigate potential disruptions.
- 3. Manpower Utilization Planning:** The Group has established a dedicated manpower utilization plan, regularly reviewed to ensure a sufficient talent pool to meet the organization's evolving needs, thus reducing reliance on external hiring.
- 4. Adoption of Technology and Diversification:** Thong Guan is actively embracing technology and automation to minimise reliance on human labour.

These proactive measures underscore Thong Guan's commitment to managing risks associated with foreign labour reliance while promoting sustainable growth and resilience across its operations.

Our People

Our commitment to human rights and labour standard is seamlessly integrated into our human capital management principle



SOCIAL HUMAN RIGHTS PROTECTION

1. EQUAL RIGHTS TO WORK & EDUCATION

Equal Opportunities

Protecting our people on their rights

Workplace human rights

TG respects the human rights of all its workers and supports the local communities. A primary subsidiary of TG passed the SMETA audit in 2021, followed by another subsidiary obtained SMETA accreditation in FY2022 to ensure no human rights violations across the organisation. We continue to engage with our suppliers on their commitment to addressing human rights issues.

Sedex Member Ethical Trade Audit (SMETA)



SEDEX is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in the global supply chain.

SMETA (Sedex Members Ethical Trade Audit) is the most widely used social audit globally. SMETA is Sedex's social auditing methodology, enabling businesses to assess their sites and suppliers to understand working conditions in their supply chain.

Equal rights to work & education

Our practice is always basing employee performance on a merit system, regardless of language, culture, age, gender, ethnicity or nationality.

We provide equal training and promotion opportunities to all employees, including migrant workers. There is clear evidence of our practice with certain long service migrant workers being promoted to supervisory level.



Company trip included all employees regardless gender, ethnicity or nationality

SOCIAL HUMAN RIGHTS PROTECTION

2. DIVERSITY & INCLUSION

Welcoming Workplace

Embracing differences for the greater good

Diverse & inclusive workplace

Diversity and inclusivity are our core focus for maintaining a sustainable workplace. We understand that by embracing people regardless of who they are, where they come from, and what they believe in, we can achieve extraordinary work results. Diversity sparks innovation, improves collaboration, makes better decisions, attracts new talents, and boosts profitability.

But above all, it is our respect towards everyone as human, and we respect what they bring to the table, not who brought it.

A diverse workforce is essential for continued innovation, a growth mindset and sustained business growth.

As a diverse and inclusive organisation that continues to seek differences in opinions, viewpoints and ideas, we do not discriminate based on language, culture, age, gender or nationality and offer employees promotions and rewards based on merit.

From the outset of our recruitment activities, we demonstrate our commitment to diversity and inclusion. When we hire internally and externally, we search for a diverse pool of candidates based on individual qualities. Diversity is also a key focus in succession planning.

Our Diversity & Inclusion Framework

We embrace employees from different ethnicities, cultures, nationalities and educational backgrounds. Our framework, comprising five core strategies, ensure the practice of diversity and inclusion throughout our organisation.



2. DIVERSITY & INCLUSION

Women Leadership

Advancing gender justice & equality for furthering economic, social and environmental progress

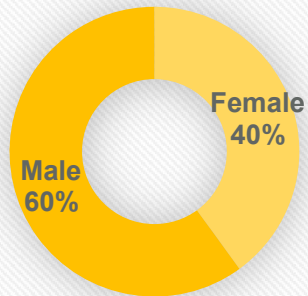
The power of women leadership

We know that women are powerful agents of change. The far-reaching benefits of diversity and gender parity in leadership and decision making are increasingly recognised everywhere.

In Thong Guan, we recognised people by their talents and ability to hold leadership position and not by gender. In FY2024, we have 40% (FY2023: 46%) of women in our management team. They held positions of business unit and departmental heads. The decrease in the percentage of women in leadership roles is attributed to the creation of two new management positions, which were filled by male candidates based on their suitability for the roles. This outcome was not influenced by gender bias. We are committed to providing equal career advancement opportunities to both male and female candidates..

28% (FY2023: 30%) of our global workforce are female employees as at 31 Dec 2024.

Women Leadership Distribution in TG in FY2024

**Board Diversity**

Under the Malaysian Code of Corporate Governance, the board should at least comprises 30% of women directors. Thong Guan welcomes its first female director to join TG family in FY2022 as we recognise the importance of board diversity, and board decisions should consider diverse perspectives and insights.

- ✓ We have 40% (FY2023: 46%) women leaders in Thong Guan.
- ✓ Despite not yet reaching our target of 50%, we remain committed to providing opportunities for qualified female candidates to assume roles as business unit and departmental heads.

3. ETHICAL EMPLOYMENT PRACTICES

Fair Remuneration

Recognising Value, Rewarding Effort

Competitive and dynamic remuneration and benefits

At the heart of our human resource strategy is the recognition that competitive and dynamic remuneration and benefits are essential in attracting and retaining top-tier talent. We believe that our employees are our most valuable assets, and providing them with robust compensation packages is vital for fostering a motivated and engaged workforce. Our remuneration strategy is built upon strict adherence to all applicable laws in Malaysia and other countries where we operate. We ensure compliance with regulations governing minimum wage, overtime pay, and other financial matters related to employee compensation.

To maintain our competitive edge, we conduct regular reviews of our remuneration levels. These reviews involve benchmarking against industry standards and country-specific guidelines, allowing us to ensure that our compensation remains attractive and aligned with market trends. Our commitment to our employees extends to a comprehensive suite of benefits, which includes:

OUR SUITE OF EMPLOYEE BENEFITS**Leave Entitlement**

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

**Health and Medical Benefits**

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

**Special Benefits**

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

Fair Remuneration

Recognising Value, Rewarding Effort

Competitive and dynamic remuneration and benefits

These benefits reflect our commitment to not only meet the basic needs of our employees but also to invest in their personal and professional development. By providing opportunities for continued education and performance incentives, we recognise and motivate exceptional contributions, fostering a culture of excellence.

When formulating our remuneration and benefits packages, our primary focus is on ensuring that rewards grow in proportion to each employee’s contributions to the organization. We evaluate this through various metrics, including individual capabilities, experience, level of accountability, and the breadth of responsibilities undertaken. This approach allows us to create a compelling case for our employees to envision a long-term career with us, as they see a clear pathway for growth and advancement.

In conclusion, our commitment to ethical human resource management, competitive compensation, and comprehensive benefits packages is designed to cultivate a workplace where employees feel valued, engaged, and motivated. By aligning our policies with our ethical standards and continuously reviewing our remuneration strategies, we aim to not only attract the best talent but also to retain them, ensuring a thriving organization built on a foundation of respect, growth, and shared success.

Supportive and Communicative Culture

We prioritise creating a workplace where all employees feel valued and supported. To achieve this, we provide both formal and informal communication channels for employees to voice their concerns and receive constructive feedback on their performance.

Our Heads of Department uphold an open-door policy, encouraging employees to discuss comments, complaints, and other issues without fear of reprisal. Additionally, employees can utilise our Whistleblowing Policy to formally raise grievances, which can be addressed by their department head, the Human Resource Department, or escalated to the Audit Committee if necessary.

We are dedicated to keeping our employees informed about our business strategies, opportunities, and challenges, highlighting their essential role in creating value for the Group. This is achieved through internal management meetings held every four months.

✓ Zero incidents of non-compliance with regard to our employment practices

OHS System for the people

Ensuring our workplace is safe & conducive

Safety and health at work are paramount for our workforce and operations. We are proud to be a responsible operators maintaining our duty of care for the environment and our employees, and we routinely go beyond minimum legislative requirements. Our well-established Occupational Health and Safety (OHS) system ensures that everyone understands their responsibility in providing a safe work environment and maintaining safe and healthy habits daily within our business.

Number of workplace accidents



Summary of major workplace accidents (with medical leave > 2 days) were published in our group’s employee intranet to serve as a reminder to all employees on the importance of carefulness in their daily operations. Investigations were conducted to find out the root cause and allows us to take precautionary measures to prevent it in future.

In FY2024, Automated External Defibrillator (AED) was installed on the factory premises to enhance emergency response capabilities and support life-saving efforts during medical emergencies.



Process safety

In addition to prioritising workforce safety, we ensure that our plant’s infrastructure and equipment are regularly maintained and tested to meet international health and safety standards. This reduces the risk of safety incidents, improves efficiencies and helps us avoid potential incidents, many of which can have significant adverse social and environmental implications.

We also provide occupational health services, including medical surveillance tests and audiometry. We outsource this work to external providers to support employees’ health efforts.

Safety Week was held annually to promote safety and health awareness and workplace health & safety risk assessment was performed to identify area for improvement.

Employee Engagement Model

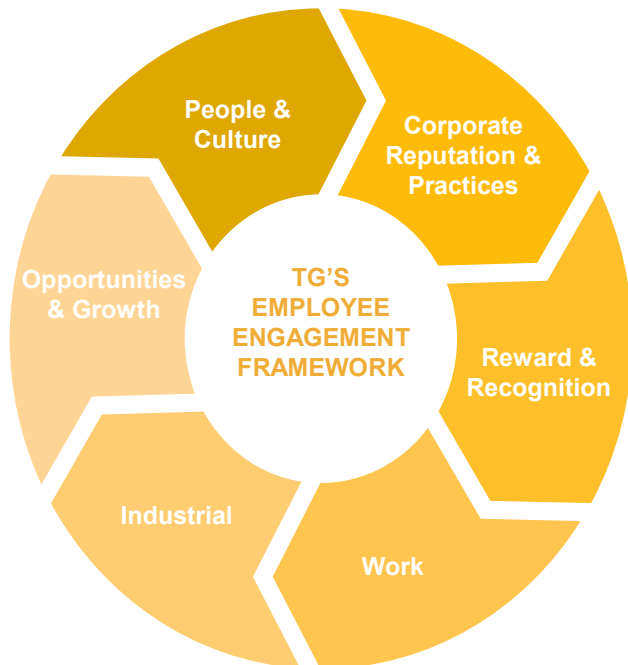
Investing in our people

Benefits of highly engaged employees

Highly engaged employees are essential for our business success and help us achieve and sustain our vision. We have an open door policy of which the staffs are encouraged to share their issues with superiors. Weekly meetings are held between executive directors and leaders to discuss operational matters and to provide solutions and guidance.

Our Employee Engagement Framework

Our people are our most valuable assets. As such we invest heavily in our workforce. In our focus on employee engagement, we follow the guideline of our framework. The focus is on these six areas.



Our people are our most valuable asset, and we invest heavily in our workforce. We focused on creating a strong leadership team with the right capabilities and experiences to drive our ambitions and achievements. We develop our people and reward strong performance through our career management strategies, learning and development opportunities, and access to resources.

Organisational Success

Future-proofing our workforce

Developing strong leadership

Leaders are important to set the culture of the company.

Our corporate values and philosophy are

- Driving excellence through innovation
- Fostering trust and confidence
- Cultivating a safer, better working world

As such, we ensure our leaders are aligned and can propagate the same cultural essence and values through their own ways.

Succession planning



A strong pipeline is critical to ensure sustained quality leadership and organisational success. We need a well-structured and consistent process to build a robust pipeline of competent candidates to fill the positions. Therefore, we follow the succession planning process to identify key leadership positions to mitigate key person risk.

In FY2024, we conducted various team-building activities to strengthen the bond between department heads and middle management, enhancing their understanding of each other as part of our succession plan. These initiatives aim to foster collaboration and prepare our leaders for future challenges within the organisation.

Opportunities & Growth

Training & developing our people for progression

Attract, develop and engage

People are a company's ultimate competitive advantage. We strive to attract, develop and engage our employees because our people's success is TG's success.

Attracting Talent

We continually attract qualified and talented personnel and nurture our workforce, so they are ready to take on new challenges. Our ambition is to facilitate the seamless integration of talent into the organisation and build our brand as an employer of choice.

Developing Talent

We encourage employees to adopt a growth mindset where learning is ongoing. There are different ways to learn and grow, depending on the development needs and an individual's learning style.



In Thong Guan, these are the learning styles we adopt.

- **On the job training and learning.** For example, taking on new challenges or stretched assignments
- **Growth through others.** For example, social and collaborative interactions and constructive feedback in a community, networks, peers, coaches and mentors
- **Formal learning.** For example, structured programmes and courses like training, online classes and readings

Each business unit and department need to submit an annual training plan to the human resources department to make necessary training arrangement. Employees can also discuss with their superiors to request additional training if required. We also have an education sponsorship programme for qualified employees.

We also recognised employees who have been with us through thick and thin by awarding them a long-service award.

- ✓ FY2024, we clocked 19,076 (FY:2023 14,155) structured training hours for our employees. An increase of 35% compared to FY2023 and an average of 7.8 (FY2023: 5.8) training hours per employee.
- ✓ We achieved training hours target set.

Empower Workforce Through JomKerja NCER

Thong Guan is proud to support the JomKerja program launched by NCER, aimed at providing employment opportunities for graduates and individuals affected by layoffs. This initiative also seeks to enhance the quality of life for skilled workers while addressing the growing demands of the industry. Aligned with our commitment to community development and national workforce resilience, Thong Guan has recruited 180 employees under this program. We believe in empowering talent, supporting government efforts, and contributing to a sustainable workforce ecosystem. Through this collaboration, we aim to create meaningful impact and foster long-term growth for both individuals and the industry.



SOCIAL **SOCIAL CONTRIBUTIONS**

4. CORPORATE SOCIAL RESPONSIBILITIES

CSR Projects

Helping others during hard times

Contribution to society

In FY2024, our commitment to serving and uplifting our communities through corporate social responsibility (CSR) initiatives remained steadfast. Throughout the fiscal year, we actively responded to the needs of our communities by engaging in various CSR activities. Among our efforts, we proudly contributed to the betterment of society by donating both funds and goods totaling RM134,083 to a diverse range of 65 deserving beneficiaries. Through these contributions, we aimed to make a meaningful and lasting impact on the lives of those in need, reinforcing our dedication to social responsibility and community support.

Support local talents

In 2024, we continued to champion promising athletes and individuals who showcased exceptional performance in various sporting events. Through our sponsorship initiatives, we provided financial support to these talented individuals, empowering them to reach greater heights in their sporting endeavors. By investing in the development of local talent, we not only fostered a culture of excellence but also contributed to the growth and success of our communities.



Thong Guan Joins Hand for a Cleaner Kedah

Thong Guan is proud to participate in the gotong-royong initiative organised by the First Minister of Kedah State and Majlis Perbandaran Sungai Petani as part of our ongoing commitment to community and environmental well-being. This collective clean-up effort reflects the spirit of unity and shared responsibility, bringing together local residents, government bodies, and businesses. As part of our CSR efforts, our team joined hands to help beautify and restore the local environment. We believe in giving back to the community and supporting initiatives that promote sustainability, cleanliness, and civic pride. Together, we are building a cleaner, greener Kedah for future generations.



Support underprivilege community and local schools

Throughout the year, we extend our support to various local initiatives, including schools, the Malaysia Relief Agency, and blood donation campaigns. Our primary objective is to assist those in need and foster a compassionate community. By actively participating in these endeavors, we aim to make a positive impact on the lives of vulnerable groups and contribute to the creation of a caring and supportive society. Through our collective efforts, we strive to build stronger bonds within our community and inspire others to join us in spreading kindness and goodwill.

SOCIAL SOCIAL CONTRIBUTIONS

4. CORPORATE SOCIAL RESPONSIBILITIES

CSR Projects

Helping others during hard times

Waste Collection Campaign for Recycling and Charity

We successfully organised a waste collection and segregation campaign aimed at fostering a culture of recycling and environmental stewardship among our employees. This initiative reflects the company's commitment to sustainability and the well-being of our planet.

Throughout the campaign, employees donated the recyclable items from home and workplace, which included paper, plastic, metal, clothes, e-waste and other materials. The collective effort resulted in a total of 917 kilograms of recyclable items being gathered. These materials were then sold, and the proceeds were donated to charity, exemplifying Thong Guan's dedication to giving back to the community while promoting eco-friendly practices.

By engaging employees in this campaign, Thong Guan aims to instill the values of recycling and environmental awareness, encouraging everyone to take responsibility for their ecological footprint. This initiative not only highlights the importance of waste management but also reinforces the company's commitment to corporate social responsibility. Together, we can make a significant difference in our environment and support those in need, fostering a culture of sustainability and compassion within our organisation.



We donated to the local fire brigade as a token of appreciation for their unwavering dedication and service to the community. This contribution reflects the company's commitment to supporting local non-profit organisations and recognizing the vital role that firefighters play in ensuring public safety. This donation not only supports the fire brigade but also strengthens the bond between Thong Guan and the community it serves, reinforcing the values of collaboration and gratitude.

Governance

Effective, accountable & transparent

CORPORATE GOVERNANCE

Scope:

1. Board of Directors
2. Board Diversity

Strategies:

Have a strategic corporate governance structure

Value Creation:

To ensure the creation and protection of shareholders' value

ETHICS & TRANSPARENCY

Scope:

1. Business Conduct
2. Responsible Sourcing
3. Communication
4. Compliance
5. Anti-Corruption
6. Data Security

Strategies:

Clearly defined process and procedures, Training and education, Open communication, Third party accreditation

Value Creation:

To build trust and confidence among stakeholders

OUR GOVERNANCE GOALS

SUSTAINABLE OPERATIONS

Scope:

1. Continuous Improvement
2. Performance Measurement

Strategies: Streamline all our strategies on a growth mindset that focuses on the People, Planet & Prosperity

Value Creation:

- To be a world-class sustainable plastic packaging manufacturer
- To double the group's revenue to RM 2 billion by FY2027

DIGITALISATION

Scope:

1. Automation & Digitalisation
2. Efficiency
3. Timeliness

Strategies: Invest in technology and operational infrastructure

Value Creation:

- To build a culture of excellence that meet our stakeholders' needs and expectation
- To create an environment that supports employees' personal and professional development
- To encourage continuous learning



Governance

• Effective, Accountable & Transparent Organisational Structure & Culture

Governance Progress:

2024 GOVERNANCE HIGHLIGHTS

Performed **enterprise risk assessment** together with internal auditor, **PKF**.

Annual Board Effectiveness Evaluation conducted internally, facilitated by the Company Secretary.

Enhance the disclosure of **sustainability performance data** according to Bursa Malaysia enhanced sustainability reporting requirements.

Engagement between Non-executive Directors and Management

100% board meeting attendance.

100% independent directors on audit, nominating & remuneration committee.

The Board consists of **50%** independent directors.

Continuously improving operation and production efficiency.

OUR APPROACH TO GOVERNANCE MANAGEMENT

Thong Guan's esteemed reputation is firmly rooted in its core Business Ethics: Honesty, Integrity & Transparency. From day one, we instill these values in every employee, recognizing that earning stakeholders' trust is paramount for our business's future success. We are dedicated to upholding exemplary ethics and compliance, fostering a culture of good corporate governance throughout the Group.

Demonstrating the highest standards of corporate governance is integral to building a foundation of credibility and integrity. We are committed to implementing comprehensive risk management practices, adhering to good boardroom principles, and instilling a culture of anti-bribery, anti-corruption, and ethical conduct. By prioritizing these principles in all aspects of our operations, we uphold our commitment to ethical excellence and sustain the trust of our stakeholders.

RISK MANGEMENT THROUGH COMPREHENSIVE FRAMEWORK

The risk management system in Thong Guan is set up in accordance with the principles of Committee of Sponsoring organisations of the treadway Commission ("CoSo") enterprise Risk Management framework and ISO31000 on risk management which are internationally recognised risk management frameworks. Our Enterprise Risk Management Framework is to provide us with the capability to align risk management with corporate strategies, business direction and sustainable development.

Guided by Thong Guan's Enterprise Risk Management Framework, which is reviewed on frequent basis, we strive to maintain a sustainable balance between our risk appetite and business potential to achieve a competitive advantage. Please refer to the Statement On Risk Management And Internal Control in the Annual Report 2024 for more disclosure on our risk management practices.

In May 2024, we undertook a comprehensive review of our Enterprise Risk Management (ERM) framework, collaborating closely with our internal auditor, PKF, to conduct an enterprise risk assessment. During this process, the internal auditor also provided essential training to our Risk Management Task Force on the details of our ERM framework. The Task Force reviewed and updated both the risk profile and the risk register. The newly revised documents were then presented to the Board of Directors for discussion and approval. Thong Guan has formalised a policy to review the risk profile and risk register at least once every three years. This regular review process ensures that we stay attuned to the evolving risks within our business environment. It also serves as a valuable platform for members of the Risk Management Task Force to express their concerns regarding risks transparently.

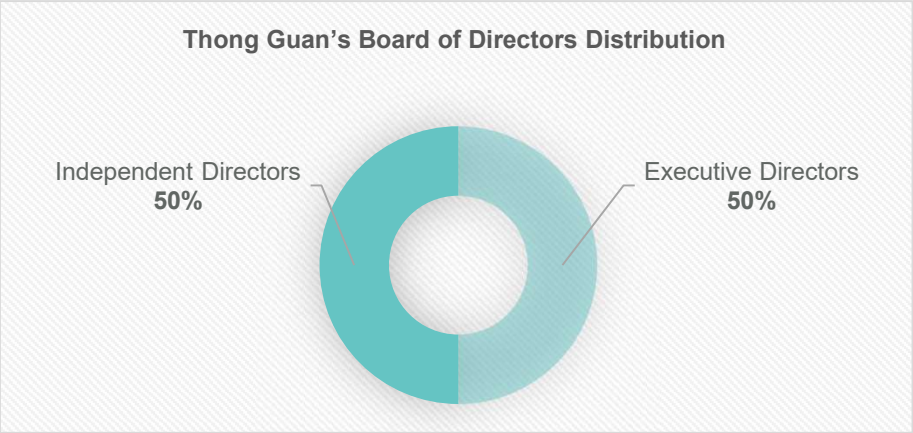
Board of Directors

Leveraging on the invaluable assets of a strong & effective Board of Directors

Good corporate governance creates a conducive business environment for long-term growth. Our efforts are underpinned by a board of directors elected to represent shareholders in providing strategic and independent oversight for the corporation's affairs, including corporate management, activities, policies, and more.

Board of Directors

In 2024, the Board comprised eight directors who met on four occasions, during which they approved the company's financial statements. The Board receives updates and reviews from internal and external experts on issues of importance to the company.



- ✓ 100% board meeting attendance
- ✓ 100% independent directors on audit, nominating & remuneration committee

Business Code of Conduct

Building deep trust among stakeholders of the company

Ethics & transparency

Thong Guan strives to uphold high ethical standards in all aspects of our business. Our **Business Ethics and Code of Conduct** set the ethical conduct expectation for our Group.

Thong Guan encourages employees and contractors to ask questions, voice concerns and report any alleged violations of company policies.

In addition to our open-door communication culture, we have the **Whistleblowing Policy**, providing an independent channel to offer more accessible, secure, and confidential reporting. We respect confidentiality, subject to legal requirements, and strictly prohibit retaliation against any employee for submitting concerns—audit Committee reviews reports of suspected violations concerning ethics and management integrity.

Our audit committee, comprising three independent directors, oversees accounting and internal control matters for the company, including compliance with legal and regulatory requirements. Thong Guan conducts quarterly internal audits and self-assessments to verify the effectiveness of our control system.

Anti bribery & corruption

In FY2024, we continue to review and update our risk analysis in relation to anti bribery and corruption. Anti-corruption training was carried out in FY2022. Below is our anti-corruption and anti bribery data for FY2022, FY2023 & FY204.

In FY2023 we have implemented an online course on anti-bribery and corruption for executive-level employees and above, complemented by foundational training sessions tailored for non-executive staff and also include the training in our on-boarding process. While we have not yet achieved full participation from our workforce, we remain committed to emphasizing the importance of corporate integrity to all our employees.

Financial year	2022	2023	2024
Number of corruption and bribery case	0	0	0
Political contribution made (RM)	0	0	0
Facilities payment made (RM)	0	0	0
Fines imposed in relation to corruption, bribery (RM)	0	0	0
Percentage of operations assessed for corruption-related risks	100	100	100

Data Security

Protecting data assets

Data Security

Thong Guan's commitment to data security extends beyond mere technological upgrades. Within our organization, we actively prioritise ethical standards in data handling, as outlined by our Security Policy and Procedures. These guidelines dictate the responsible utilization of information, ensuring the protection of our information assets and network infrastructure. An essential aspect of this approach involves the implementation of Non-Disclosure Agreements (NDAs), serving as a legal safeguard to shield our intellectual property from theft or unauthorised access.

Our dedication to cybersecurity compliance not only enhances our daily operations but also fosters trust among stakeholders. Our employees serve as the first line of defense in safeguarding data. Through comprehensive training and awareness initiatives, we empower them to act as a human firewall, remaining vigilant against potential threats. By nurturing a culture of security awareness, we instill a sense of accountability in each individual to protect our data assets. This entails following best practices and promptly identifying and reporting any suspicious activities, contributing to a collective effort to bolster our defenses.

To ensure that employees only access necessary data for their roles, we have implemented access controls within our business processes. Our technological solutions, including endpoint protection, secure cloud storage, and cloud email security, work together seamlessly to establish a robust defense mechanism against cyber threats and unauthorised access attempts.

To proactively address emerging risks, we continually invest in and adopt innovative technologies to reinforce our commitment to upholding data security standards.

✓ There were no complaints concerning breaches of customer privacy and losses of customer data in 2024.

Responsible Sourcing

Ethically Sourced, Sustainably Yours

Responsible Sourcing Policy

In FY2024, Thong Guan formally adopting a responsible sourcing policy. This initiative is not merely a response to growing consumer demands for sustainability; it is a moral imperative that reflects the company's commitment to ethical sourcing, responsible consumption, and long-term business viability. By prioritizing responsible sourcing, Thong Guan aims to ensure that the products it manufactures are not only high-quality but also sustainable and ethically produced.

Adopting a responsible sourcing policy is essential for:



Ethical Considerations: In an era where consumers are increasingly aware of the origins of the products they purchase. It is imperative for companies to ensure that the materials they utilise are sourced ethically. This means avoiding practices that exploit labour, harm communities, or contribute to human rights abuses.



Environmental Impact: The environmental impact of sourcing practices cannot be overstated. Responsible sourcing policies prioritise sustainable practices that reduce the negative effects of resource extraction, manufacturing processes, and transportation. Thong Guan's commitment to responsible sourcing includes measures aimed at mitigating climate change, preserving biodiversity, and protecting ecosystems.



Legal Compliance: Compliance with sourcing-related laws is more critical than ever. Many jurisdictions have enacted regulations governing sourcing practices, particularly regarding labour rights and environmental standards. Our responsible sourcing policy is designed to help ensure compliance with these laws, thereby reducing the risk of legal issues and potential penalties.



Supply Chain Resilience: A robust responsible sourcing policy also promotes supply chain resilience. Through our responsible sourcing policy, Thong Guan aims to engage with suppliers who share the similar values and commitment to sustainability. By working closely with these suppliers, the company can create a more resilient supply chain that is better equipped to navigate challenges and uncertainties.

Responsible Sourcing

Ethically Sourced, Sustainably Yours



Business Continuity: By securing access to vital resources and reducing dependency on finite or environmentally damaging materials, Thong Guan enhances its ability to mitigate risks associated with resource scarcity. This strategic approach is crucial for maintaining operational stability and fostering long-term success.

Enhanced Vendor Assessments

Strengthening Supply Chain Management

To reinforce its commitment to responsible sourcing, Thong Guan has enhanced its vendor assessment documentation. The company has implemented a system that conducts assessments on suppliers with annual purchases exceeding RM1 million at least once every three years. Additionally, this assessment is compulsory for new suppliers with estimated annual purchases exceeding RM1 million.

These assessments serve as a vital platform for communicating expectations regarding sustainable supply practices to suppliers. They foster an open dialogue, allowing Thong Guan to understand the challenges suppliers face while encouraging them to provide invaluable feedback. This collaborative approach is essential for identifying potential social and environmental risks and developing strategies to mitigate them.

In 2024, we identified 65 suppliers from whom we purchase more than RM1 million. As of December 31, 2024, we have completed the evaluation process for 17 of these suppliers. Based on the findings of our evaluation, we will tailor ESG content training specifically for our SME suppliers. Additionally, we underwent an assessment under the EcoVadis scheme to enhance our ESG practices throughout our supply chain.

Supporting SME Suppliers: Training and Development

Thong Guan recognises that small and medium-sized enterprises (SMEs) often face unique challenges in transitioning toward sustainable practices. To facilitate this transition, the company has recommended relevant training sessions tailored to the needs of SME suppliers. These training sessions are designed to enhance their understanding of sustainable sourcing practices and equip them with the knowledge and skills necessary to implement such practices effectively.

In FY2025, we plan to organise in-house development training for our SME suppliers to enhance their knowledge of ESG practices.

Automation & Digitalisation

Improving efficiency, transparency & speed

Automation & digitalisation transformation

Automation and digitalization revolutionise manufacturing by enhancing efficiency, precision, and agility. They streamline processes, reducing human error and labour costs while accelerating production. Real-time data analytics optimise resource allocation, inventory management, ensuring seamless operations. Furthermore, automation enhances workplace safety by minimizing hazardous tasks. Overall, embracing automation and digitalization in manufacturing environments not only boosts productivity and competitiveness but also paves the way for innovation and sustainability.

From FY2021 to FY2024, we focused on enhancing efficiency and sustainability through key digitalization and automation initiatives.

In FY2021, we digitalised our production processes by implementing a Manufacturing Execution System (MES) to track the transformation of raw materials into finished goods. We also introduced an automated weighing system and a digital waste management monitoring system, improving operational tracking and efficiency.

In FY2022, we upgraded our procurement and payable systems with Robotic Process Automation (RPA) and Supplier Relationship Management (SRM). This enhancement improved data accuracy and transparency while significantly reducing paper usage in

In FY2023, we successfully implemented an auto-debagging system for incoming resin materials. This solution not only decreased manpower needs but also minimised the risk of resin leakage, ensuring environmental safety and protecting staff from posture-related injuries.

In FY2024, we kicked off a project aimed at automating our packaging process. This initiative will include the introduction of robotic arms into our production line, further enhancing efficiency in packaging operations. By automating this aspect of our manufacturing, we aim to improve productivity while continuing to prioritise the well-being of our workforce.



Continuous Improvements

Ensuring our business thrive for the people, environment & economy

Sustainable Operation Management & strategies



FTSE4Good

**We have been included as a constituent of the
FTSE4GOOD Bursa Malaysia ("F4GBM") Index in FY2024**

Thong Guan has been recognised as a constituent of the FTSE4Good Bursa Malaysia Index, a significant achievement that underscores the company's commitment to ESG standards. Inclusion in the FTSE4Good Index is a testament to Thong Guan's ongoing efforts to enhance transparency in ESG reporting. This recognition highlights the company's dedication to sustainable business practices and its proactive approach to integrating responsible practices across its operations. By aligning with the rigorous criteria set by the FTSE4Good Index, Thong Guan demonstrates its commitment to maintaining high ethical standards and fostering a positive impact on the environment and society.

- ✓ In 2024, Thong Guan paid 5.5 cents per share dividend to shareholders (total RM22.0 M) to shareholders.
- ✓ In 2024, Thong Guan Paid RM21.1 M tax to support the development of the countries where we operates.



**We has been awarded the prestigious Bronze
Medal by EcoVadis in FY2024**

In addition, Thong Guan has achieved a Bronze status from EcoVadis, further solidifying our role as a leader in sustainable practices within the supply chain. It reflects the company's continuous improvement in its sustainability initiatives and its dedication to supporting green practices. The EcoVadis assessment evaluates companies on their ESG performance, and Thong Guan's Bronze status indicates a robust commitment to responsible business operations. Together, these recognitions embody Thong Guan's vision of sustainability and its drive to contribute positively to the global movement towards greener practices in industry.

We recognised business growth and profit are vital for long-term viability, innovation, attracting investors and talent, scaling impact, building resilience, and demonstrating success. Our aim is to elevate the Group's revenue to RM2 billion by FY2027. Despite facing a downturn, with a 3.3% decrease in revenue and a 6.8% decline in profit after tax compared to FY2023, attributed to challenging global economic conditions, we remain resolute in our dedication. Our commitment continues to drive us to pursue our target, realizing the ambitious RM2 billion revenue milestone by FY2027.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	<i>The organisation and its reporting practices</i>		
	2-1	Organisation details	Annual Report FY2024 (AR)-Group Structure & Principal Activities, page 3; About Us, page 3
	2-2	Entities included in the organisation's sustainability reporting	About Our Sustainability Statement, page 5
	2-3	Reporting period, frequency and contact point	About Our Sustainability Statement, page 5
	2-4	Restatements of information	About Our Sustainability Statement, page 5
	2-5	External assurance	About Our Sustainability Statement, page 5
	<i>Activities and workers</i>		
	2-6	Activities, value chain and other business relationship	AR-Group Structure & Principal Activities, page 3
	2-7	Employees	Social – Human Rights Protection, page 30-32
	2-8	Workers who are not employees	Social – Human Rights Protection, page 30-32

GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	<i>Governance</i>		
	2-9	Governance structure and composition	Sustainability Governance, page 5; AR-Corporate Governance Overview Statement, page 64-72
	2-10	Nomination and selection of the highest governance body	AR-Corporate Governance Overview Statement, page 64-72
	2-11	Chair of the highest governance body	AR-Corporate Governance Overview Statement, page 64-72
	2-12	Role of the highest governance body overseeing the management of impacts	AR-Corporate Governance Overview Statement, page 64-72
	2-13	Delegation of responsibility for managing impacts	AR-Corporate Governance Overview Statement, page 64-72
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, page 5; AR-Corporate Governance Overview Statement, page 64-72
	2-15	Conflict of interest	AR-Profile of Directors, page 10-13; AR-Audit Committee Report, page 78-79
	2-16	Communication of critical concerns	Governance – Ethical & Transparency, page 39

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	<i>Governance</i>		
	2-17	Collective knowledge of the highest governance body	AR-Profile of Directors, page 10-13; AR-Audit Committee Report, page 78-79
	2-18	Evaluation of the performance of the highest governance body	AR-Corporate Governance Overview Statement, page 64-72
	2-19	Remuneration policies	AR-Corporate Governance Overview Statement, page 64-72
	2-20	Process to determine remuneration	AR-Corporate Governance Overview Statement, page 64-72
	2-21	Annual total compensation ratio	AR-Corporate Governance Overview Statement, page 64-72
	<i>Strategy, policies and practices</i>		
	2-22	Statement on sustainable development strategy	Our sustainability Commitment, page 2; Our ESG Framework, page 4; Our Core Strategies, page 4
	2-23	Policy commitments	Environmental, page 9-10; Social, page 27-28; Governance, page 37-38
	2-24	Embedding policy commitments	Environmental, page 9-10; Social, page 27-28; Governance, page 37-38; Business Code of conduct, page 39

GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	<i>Strategy, policies and practices</i>		
	2-25	Process to remediate negative impacts	Sustainability Governance, page 5; AR-Corporate Governance Overview Statement, page 64-72
	2-26	Mechanism for seeking advice and raising concerns	Sustainability Governance, page 5; AR-Corporate Governance Overview Statement, page 64-72
	2-27	Compliance with laws and regulations	Environmental –Operational Eco Efficiency, page 11-18; Environment Positive, page 23-26; Social – Human Rights Protection, page 30-32; Governance – Ethical & Transparency, page 39-41
	2-28	Membership associations	Environmental – Environment Positive, page 23-26
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, page 8
	2-30	Collective bargaining agreement	Our People, page 29
MATERIAL TOPIC			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment, page 6-7
	3-2	List of material topics	Materiality Assessment, page 6-7

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
CORPORATE GOVERNANCE AND ETHIC & TRANSPARENCY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Governance – Corporate Governance, Ethics & Transparency, page 39-41
	205-1	Operations assessed for risks related corruption	Business Code of Conduct, page 39
	205-2	Communication and training about anti-corruption policies and action taken	Business Code of Conduct, page 39; Bursa Sustainability Indicators, page 49-50
	205-3	Confirmed incidents of corruption and action taken	Business Code of Conduct, page 39; Bursa Sustainability Indicators, page 49-50
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing, page 40-41
GRI 308: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Sourcing, page 40-41

GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
SUSTAINABLE OPERATIONS			
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainable Operation, page 42
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Sustainable Operation, page 42
DIGITALIATION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Automation & Digitalisation, page 41
OPERATIONAL ECO EFFICIENCY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Operational Eco Efficiency, page 11-18
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management, page 17-18
	306-2	Management of significant waste-related impacts	Waste Management, page 17-18
	306-3	Waste generated	Waste Management, page 17-18

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
OPERATIONAL ECO EFFICIENCY			
GRI 306: Waste 2020	306-4	Waste diverted from disposal	Waste Management, page 17-18
	306-5	Waste directed to disposal	Waste Management, page 17-18
GRI 303: Water and effluents	303-1	Interaction with water as a shared source	Water Management, page 13-15
	303-2	Management of water-discharged-related impacts	Water Management, page 13-15
	303-3	Water withdrawal	Water Management, page 13-15
	303-5	Water consumption	Water Management, page 13-15
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Material Management & Reduction, page 16
	301-2	Recycled input material used	Material Management & Reduction, page 16
GRI 301: Energy 2016	302-1	Energy consumption within the organization	Energy Management, page 11-12
	302-3	Energy intensity	Energy Management, page 11-12

GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
CIRCULARITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Recycling Capacity, page 19; Green Certifications, page 20; Sustainable Product Development and Innovation, page 21-22
ENVIRONMENT POSITIVE			
GRI 3: Material Topics 2021	3-3	Management of material topics	GHG Emissions Reduction, page 23; Air Pollution Management, page 24; Chemical Substances Management, page 25; Collaboration Helps Growth, page 25; Sustainability Through Data, page 26
	305-1	Direct (Scope 1) GHG emissions	GHG Emissions Reduction, page 23; Bursa Sustainability Indicators, page 49-50
	305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions Reduction, page 23; Bursa Sustainability Indicators, page 49-50
	305-4	GHG emission intensity	GHG Emissions Reduction, page 23; Bursa Sustainability Indicators, page 49-50
	307-1	Non-compliance with environmental laws and regulations	Water Management, page 13-15; Waste Management, page 17-18; Air Pollution, page 24

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Thong Guan Industries Berhad has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
HUMAN RIGHTS PROTECTION			
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Rights Protection, page 30-32
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Development, page 34; Bursa Sustainability Indicators, page 49-50
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ethical Employment Practices, page 31-32
	401-3	Parental leave	Ethical Employment Practices, page 31-32
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	Diversity and Inclusion, page 30-31; Bursa Sustainability Indicators, page 49-50
HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Social, page 27; Our People, page 29; Safe & Conducive Workplace, page 32
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Social, page 27; Our People, page 29; Safe & Conducive Workplace, page 32
	403-2	Hazard identification, risk assessment, and incident investigation	Safe & Conducive Workplace, page 32
	403-3	Occupational health services	Safe & Conducive Workplace, page 32
	403-4	Worker participation, consultation, and communication on occupational health and safety	Safe & Conducive Workplace, page 32

GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS			
HEALTH AND SAFETY			
	403-5	Worker training on occupational health	Bursa Sustainability Indicators, page 49-50
	403-6	Promotion of worker health	Safe & Conducive Workplace, page 32
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe & Conducive Workplace, page 32
	403-9	Work-related injuries	Safe & Conducive Workplace, page 32
	403-10	Work-related health	Safe & Conducive Workplace, page 32
HUMAN CAPITAL DEVELOPMENT			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Human Capital Development, page 33-34; Bursa Sustainability Indicators, page 49-50
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital Development, page 33-34
CORPORATE SOCIAL RESPONSIBILITY			
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Social Responsibility, page 35-36
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	Corporate Social Responsibility, page 35-36; Bursa Sustainability Indicators, page 49-50



THONG GUAN
INDUSTRIES BERHAD
199401038519 (324203-K)

Sustainability is Responsibility



BURSA SUSTAINABILITY INDICATORS

The table below contains the common and specific sustainability indicators as required by Bursa Malaysia in their Enhanced Sustainability Guide (3rd edition), and it is presented in the prescribed format as shown in the Bursa Malaysia's Illustrative Sustainability Report that was published in September 2023. This reflects our unwavering commitment to providing our stakeholders with the most reliable and up-to-date information, ensuring our sustainability performance are best reported to our knowledge.

Indicator	Measurement unit	2023 ^(*)	2024
Common Sustainability Matters: Anti-corruption			
C1(a) Percentage of employees who have received training on anticorruption by employee category			
Level			
Senior Management	Percentage	93	85
Middle Management	Percentage	83	82
Executive	Percentage	78	65
Non-executive	Percentage	64	75
C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100
C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Common Sustainability Matters: Community/Society			
C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	91,016	134,083
C2(b) Total number of beneficiaries of the investment in communities	Number	44	65
Common Sustainability Matters: Diversity			
C3(a) Percentage of employees by gender and age group, for each employee category			
Gender by Level			
Senior Management Female	Percentage	7	28
Senior Management Male	Percentage	93	72
Middle Management Female	Percentage	38	38
Middle Management Male	Percentage	62	62
Executive Female	Percentage	50	62
Executive Male	Percentage	50	38
Non-Executive Female	Percentage	26	25
Non-Executive Male	Percentage	74	75
Age by Level			
Senior Management below 30 years old	Percentage	0	0
Senior Management 30-50 years old	Percentage	46	53
Senior Management above 50 years old	Percentage	54	47
Middle Management below 30 years old	Percentage	10	0
Middle Management 30-50 years old	Percentage	61	65
Middle Management above 50 years old	Percentage	29	35
Executive below 30 years old	Percentage	24	13
Executive 30-50 years old	Percentage	62	70
Executive above 50 years old	Percentage	14	17
Non-Executive below 30 years old	Percentage	43	41
Non-Executive 30-50 years old	Percentage	49	50
Non-Executive above 50 years old	Percentage	8	9

Indicator	Measurement unit	2023 ^(*)	2024
C3(b) Percentage of directors by gender and age group			
Gender			
Female	Percentage	13	10
Male	Percentage	87	90
Age			
below 30 years old	Percentage	0	0
30-50 years old	Percentage	38	22
above 50 years old	Percentage	62	78
Common Sustainability Matters: Energy management			
C4(a) Total energy consumption	Megawatt	111,536	119,059
Common Sustainability Matters: Health and safety			
C5(a) Number of work-related fatalities	Number	0	0
C5(b) Lost time incident rate ("LTIR")	Rate	0.54	0.58
C5(c) Number of employees trained on health and safety standards	Number	462	799
Common Sustainability Matters: Labour practices and standards			
C6(a) Total hours of training by employee category			
Level			
Senior Management	Hours	67	796
Middle Management	Hours	1,937	1,849
Executive	Hours	7,477	2,553
Non-Executive	Hours	4,674	13,879
C6(b) Percentage of employees that are contractors or temporary staff	Percentage	31	28
C6(c) Total number of employee turnover by employee category			
Level			
Senior Management	Number	0	2
Middle Management	Number	7	11
Executive	Number	77	50
Non-Executive	Number	578	475
C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Common Sustainability Matters: Supply chain management			
C7(a) Proportion of spending on local suppliers	Percentage	32	35
Common Sustainability Matters: Data privacy and security			
C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Common Sustainability Matters: Water			
C9(a) Total volume of water used	Megalitres	253	271
Common Sustainability Matters: Waste management			
C10(a) Total waste generated			
C10(a)(i) Total waste diverted from disposal	Metric tonnes	5,520	7,190
C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,583	1,980
Common Sustainability Matters: Emission Management			
C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,112	1,767
C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	43,922	85,250
C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	1,557

(*) - FY2023 figures have been restated to conform to the FY2024 presentation.