



THONG GUAN INDUSTRIES BERHAD

CLIMATE CHANGE POLICY



1. Policy Statement

Thong Guan Industries Berhad and its subsidiaries (“Thong Guan”) recognizes that climate change poses significant risks and opportunities to our operations, supply chain, and stakeholders. As a responsible plastic packaging solutions provider, we are committed to mitigating greenhouse gas (GHG) emissions, improving energy efficiency, and aligning with international best practices to contribute to a low-carbon, circular economy.

2. Objectives

- To reduce the Thong Guan’s carbon footprint in line with our **Net Zero** targets by 2050.
 - To improve energy efficiency across manufacturing sites through the **Energy Management Committee**.
 - To support climate resilience by incorporating adaptation strategies into our operations and supply chain.
 - To increase transparency by disclosing climate-related risks and opportunities in line with the applicable requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), and with reference to global best practices in sustainability, including the United Nations Sustainable Development Goals and the Global Reporting Initiative (GRI) Standards 2021, in response to emerging information demands from stakeholders and regulators. We are committed to achieving compliance with the Task Force on Climate-related Financial Disclosures (TCFD) framework by 2026.
-

3. Commitments

a) GHG Emission Reduction

- We measure and disclose Scope 1, Scope 2, and progressively Scope 3 emissions.
- We set **science-based targets (SBTi-aligned)** to reduce emissions intensity per tonne of product by 2030.
- We are committed to transitioning to renewable electricity (RE) where feasible, targeting 50% RE by 2040.

b) Energy Efficiency

- We are committed to implementing an Energy Management System (EnMS) in line with ISO 50001.
- We will conduct energy audits at least once every five years and implement the findings.
- We will continue to invest in energy-efficient technologies.



c) Circular Economy & Sustainable Products

- We are committed to increasing the use of recycled content, with a particular emphasis on post-consumer recycled (PCR) materials, in our packaging products.
- We aim to develop recyclable, compostable, and reusable packaging solutions to progressively reduce reliance on fossil fuel resources.
- We will integrate the principles of 3R (Reduce, Reuse, and Recycle) across our manufacturing processes and supply chain to ensure responsible production and consumption practices. We aim to recover, recycle, and reuse materials to reduce waste to minimise environmental discharge;
- We will incorporate environmental principles in procurement processes and through a life cycle approach where applicable.

d) Climate Adaptation & Risk Management

- We will assess physical climate risks (floods, heatwaves) affecting operations and supply chains.
- We will integrate resilience planning into new facility designs and supplier requirements.

e) Governance & Accountability

- The **Board of Directors** will oversee climate strategies. Our executive director, Dato Ang Poon Khim represents the executive committee in reporting the sustainability-related matters to the Board of Directors.
- The **Energy Management Committee and Risk Management Task Force** will implement operational initiatives.
- Performance will be disclosed annually in the **Sustainability Report**.

4. Stakeholder Engagement

- We are committed to collaborating with suppliers and customers to reduce lifecycle emissions.
- We actively participate in industry coalitions, including Climate Governance Malaysia (the Malaysian chapter of the World Economic Forum's Climate Governance Initiative), as well as international sustainability forums.
- As a corporate member of Climate Governance Malaysia, we support its commendable initiatives and efforts in advancing climate governance. We recognise the urgent need to address the climate emergency, which requires governments and businesses to accelerate the transition toward an economic model consistent with the Intergovernmental Panel on Climate Change (IPCC) 2018 recommendations for a 1.5°C pathway. We also align with its view that businesses are well-positioned to confront the challenges of the climate emergency through the critical role that boards of directors play in the long-term stewardship of the companies they oversee.
- We provide employees with regular training on climate awareness and energy management to strengthen organizational capacity.

5. Monitoring & Reporting

- We are committed to annual sustainability reporting aligned with FTSE4Good, the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), and the Bursa Malaysia Sustainability Reporting Guide.
- We continuously review our progress and adjust our targets to ensure alignment with evolving standards, stakeholder expectations, and regulatory requirements.