

SUSTAINABILITY REPORT

1. INSIGHT TO THIS REPORT

We are pleased to present our Sustainability Report, detailing environmental, and social performance, and governance aspects of Tomypak Holdings Berhad ("Group" or the "Company") for the reporting period 1 July 2022 to 30 June 2023 (Financial Year 2023 or "FY2023"). The report is prepared with reference to Bursa Malaysia's Sustainability Reporting Guide with highlights of the company's contribution towards sustainability development.

1.1 OUR REPORTING APPROACH

SCOPE AND BOUNDARY

This report encompasses the sustainability initiatives and commitments of Tomypak Flexible Packaging Sdn Bhd, a wholly owned subsidiary of the Group and excludes those of SP Plastics Sdn Bhd, a 51% subsidiary.

REPORTING PERIOD

The disclosures in this report cover a 12-month period from 1 July 2022 to 30 June 2023 (financial year 2023 or "FY2023"). The previous Sustainability Report was for a period of 18 months, from 1 January 2021 to 30 June 2022, following a change in the financial year end from 31 December to 30 June.

ASSURANCE

No independent assurance has been conducted for this report.

FEEDBACK AND HOW TO REACH US

We value your thoughts on our sustainability report. Please share your comments or questions at sustainability@tomypak.com.my.

This report is available at www.tomypak.com.my/sustainability



FROM THE DESK OF THE MANAGING DIRECTOR

Dear Reader,

It gives me immense pleasure to present the Sustainability Report for Tomypak encompassing our performance and activities in the financial year 2023. As a leading player in the flexible manufacturing industry, our responsibility extends beyond the boundaries of our facilities and spreads into the communities and ecosystems that we are a part of.

Sustainability is not just a buzzword for us; it is a business imperative that guides our operations and future development. In this report, we have taken steps to be transparent about our efforts to achieve a sustainable and resilient business model.

We have structured this report in line with Bursa Malaysia's Sustainability Reporting Guide, and believe that we are accountable to our shareholders, stakeholders, and a broader community concerned with sustainability.

Being in the manufacturing sector, we are aware of the challenges we face in the areas of waste management, energy consumption, and greenhouse gas emissions. Our team has worked diligently to ensure that we adhere to the environmental regulations, not merely as a compliance measure but as a commitment to ecological responsibility.

On the social front, we have initiated various community engagements and employee well-being programs that stand testament to our dedication towards enriching lives. Our focus on creating a diverse and inclusive workplace has given us an edge in fostering innovation and enhancing productivity.

I would like to extend my deepest appreciation to our employees, partners, stakeholders, and the community at large for their support and trust to help us contribute towards sustainability development.

Thank you for taking the time to read this report, and for being part of our sustainability journey.

LEE KWEE HENG
Managing Director



"We regard sustainability as a fundamental catalyst for our business efforts. It's part of our culture."

Lee Kwee Heng

Managing Director
Chair of Sustainability Committee

SUSTAINABILITY REPORT
(CONT'D)

ABOUT TOMYPAK

Tomypak is a leading manufacturer of flexible packaging in Malaysia with over 40 years of experience specialising in the production of high-quality flexible packaging materials. Headquartered in Tampoi Industrial Zone, Johor, we cater to various industries, including food and beverage, personal care, and others.

Established in 1979, Tomypak went public on the Malaysian stock exchange in 1996 and earning the Food Safety System Certification (FSSC 22000 v5.1) in 2023.

Our newly retrofitted Tampoi plant is equipped with technologically advanced machinery and equipment after our Senai factory was destroyed by fire in December 2021.

Vision



To be the leading innovator for sustainable high-barrier packaging in the Flexible Packaging Converting Industry in this region.

Purpose and Mission



To be the leading innovator of a flexible food packaging company in this region through:

- provision of value-added high-barrier metallised packaging with our technologically advanced equipment and experienced skilled workforce;
- continuous research and development to develop sustainable packaging to meet the requirements of our customers;
- efficient production with leading-edge facilities to meet market demands at all times;
- creating value for all stakeholders with strong corporate governance and solid financial management.

CORE VALUES



¹ FSSC Certification Public Register, FSSC, www.fssc.com/public-register/MYS-1-4957-533550.

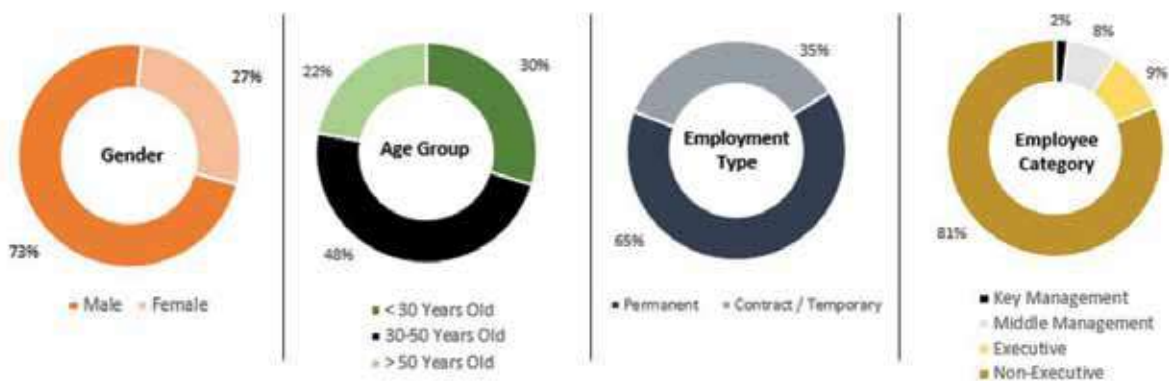
SUSTAINABILITY REPORT
(CONT'D)

OUR MARKET FOOTPRINT



OUR WORKFORCE

Our workforce of 212 employees² is central to our sustainability efforts, offering a diverse range of skills and backgrounds that enrich our organisational culture and drive our performance.



- Permanent employees are local workers who cannot arbitrarily terminate their employment.
- Contract employees are on a fixed-term or short-term employment basis where the contract may be renewed upon expiration. Examples are foreign workers, expatriates and employees above 60 years old.

The company is a member of the Malaysian Employers Federation (MEF).

² See Schedule 7.5 for detailed information on workforce data.

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2. FY2023 SUSTAINABILITY HIGHLIGHTS



3. OUR SUSTAINABILITY APPROACH

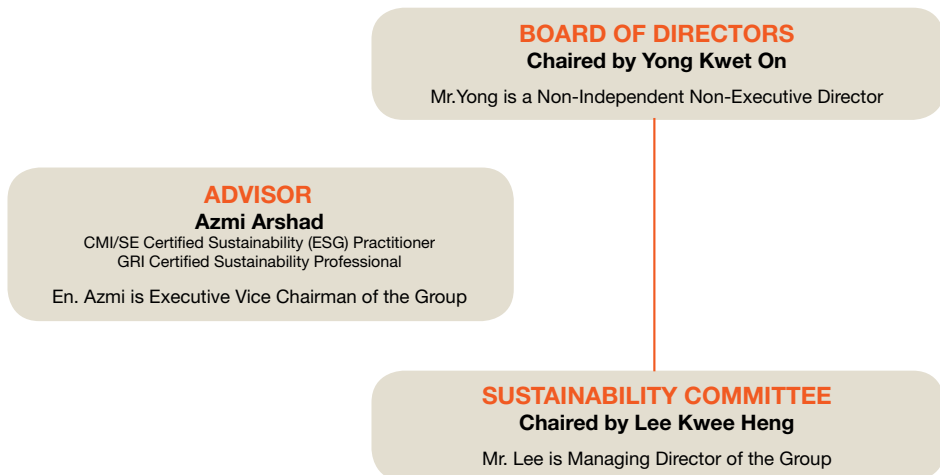
We believe that business success is measured beyond financial gains, and hence we also consider impacts of our business and operations on the community and the environment.

3.1. SUSTAINABILITY STATEMENT

Our commitment to sustainability is integral to our corporate core values, and we strive to manage actual, potential, positive and negative impacts on the environment, people, our customers, the communities in which we operate and other stakeholders.

3.2. GOVERNANCE STRUCTURE

Tomypak upholds strong governance. Under the Board’s leadership, headed by Mr. Yong Kwet On, sustainability matters are reviewed at least bi-annually. The Sustainability Committee, led by Mr. Lee Kwee Heng, is advised by En. Azmi Bin Arshad who is our Executive Vice Chairman and a certified sustainability professional.



SUSTAINABILITY REPORT (CONT'D)

3.2.1. ROLES AND RESPONSIBILITIES

Role	Key Responsibilities
Board of Directors	<ul style="list-style-type: none"> • Approve overarching sustainability strategies. • Ensure compliance with legal and regulatory requirements. • Make high-level decisions related to ESG (Environmental, Social, Governance) issues and delegates responsibilities to Sustainability Committee. • Review reports and updates from the Sustainability Committee. • Ultimate accountability for the company's sustainability performance.
Sustainability Committee	<ul style="list-style-type: none"> • Collaborate with internal departments and external partners on sustainability efforts. • Develop and propose sustainability strategies to the Board. • Ensure alignment with relevant frameworks, standards and guidelines. • Execute approved sustainability initiatives and projects. • Gather and analyse sustainability data. • Monitor and report on key sustainability metrics.
Advisor	<ul style="list-style-type: none"> • Ensure alignment with Business Plan. • Provide expert counsel on sustainability matters and reporting. • Prevent greenwashing.

3.2.2. BOARD OVERSIGHT

The Board is committed to providing strategic direction and rigorous governance for the company. As part of its oversight role, the Board regularly reviews performance metrics, operational efficiencies, and financial integrity to ensure that the company is aligned with its goals and follows relevant legal and ethical standards.

3.2.3. RISK MANAGEMENT AND STRATEGIC INTEGRATION

The Board takes an active role in risk management including ESG considerations towards achieving our objectives as set out in our roadmap (see Section 3.5.1).

3.2.4. CORPORATE GOVERNANCE

The company is guided by the Malaysian Code on Corporate Governance which includes sustainability related governance. Please refer to the Corporate Governance Overview statement in the Annual Report.

3.2.5. DIVERSITY AND INCLUSION IN BOARD COMPOSITION

While the Board recognises that diversity can bring fresh perspectives in deliberations, Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.

At the same time, the Board is of the view that it is important to recruit and retain the best available talent regardless of gender and ethnicity to maximise the effectiveness of the Board.

Board Composition				
	60 years old and below	More than 60 years old	Total	Proportion
Male	3	1	4	80%
Female	1	0	1	20%
Total	4	1	5	100%

SUSTAINABILITY REPORT
(CONT'D)

3.2.6. SUSTAINABILITY COMMITTEE'S MANDATE

While the Board takes overall responsibility and accountability, the Sustainability Committee ensures that sustainability development initiatives are effectively implemented and monitored.

3.3. POLICIES AND CODES

The following policies help us address key sustainability issues responsibly and ethically. These policies may be accessed on the Company's website.

7 Whistleblower Policy
Supports employees and stakeholders in reporting suspected unethical, illegal, or unsafe activities, offering a confidential and secure reporting mechanism, and protecting those who raise concerns in good faith from retaliation.

6 Human Right Policy
Outlines our commitment to human rights, including principles of non-discrimination, fair employment practices, and legal compliance.

5 Health and Safety Policy
Highlights our commitment to providing a healthy and safety work environment, outlining procedures for managing workplace hazards and fostering a culture of safety and health awareness throughout the organisation.

4 Environmental Policy
Reflects our dedication to minimising environmental impacts, conserving resources, and reducing waste. It establishes a framework for achieving environmental goals and encourages employee participation in sustainability initiatives.



1 Anti-Bribery and Anti-Corruption Policy
Demonstrates our commitment to ethical business practices and compliance with relevant laws, by providing guidance on managing potential risks and upholding high standards for employees and partners to prevent bribery and corruption.

2 Code of Conduct for Suppliers
Communicates our expectations for suppliers regarding ethical practices, labour rights, environmental stewardship, and legal compliance, ensuring a responsible supply chain in line with our values and sustainability objectives.

3 Code of Ethics Business Conduct
Sets the ethical principles and standards that guide our employees' and management's conduct in business, addressing topics like conflicts of interest, confidentiality, fair competition and professionalism, and legal compliance.



Customer audit in progress on our production floor – a testament to our dedication and commitment to quality and sustainability.



Empowering Our Team with Knowledge: Our dedicated IT staff engages in an intensive cybersecurity week training, focusing on combating phishing threats.



The Townhall Meeting where achievements were applauded, and prospects discussed.

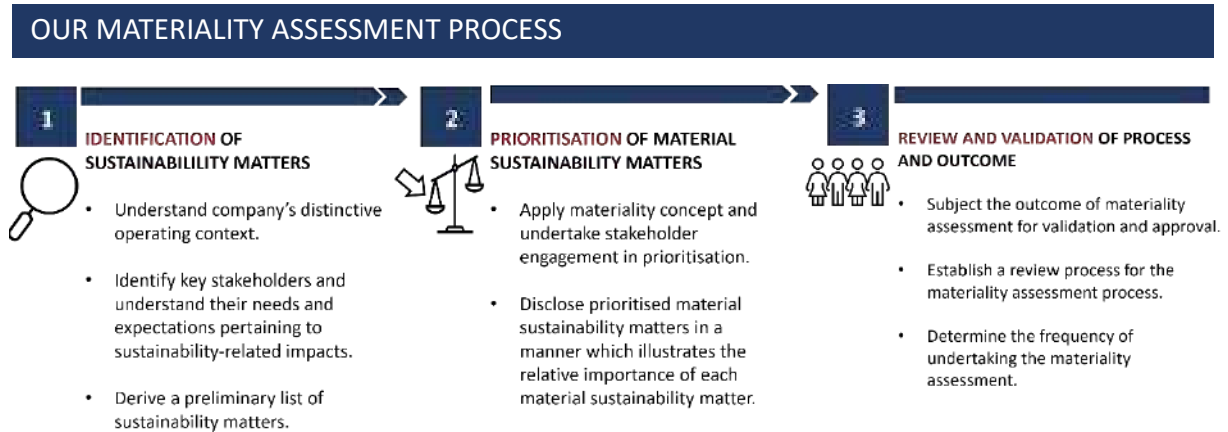


Managing Director, Mr Lee Kwee Heng, meets with staff members from various departments in a Coffee Session to foster communication, collaboration, and a sense of community among employees.

SUSTAINABILITY REPORT (CONT'D)

3.4. MATERIALITY ASSESSMENT

Materiality assessment is a vital element of our sustainability approach, helping us identify and prioritise key environmental, social, and governance issues.



3.4.1. OUR BUSINESS SECTOR

Tomypak operates in the private sector, offering flexible packaging solutions, manufacturing innovative and sustainable packaging materials to various industries. Our flexible packaging solutions includes laminated films, pouches, and bespoke packaging materials. Following an unfortunate fire incident that destroyed our Senai plant in December 2021, our products are manufactured at our main factory located at Tampoi, and also by three major sub-contractors. 69% of our revenue is derived from overseas markets, underscoring our global reach. We serve a diverse customer base spanning 11 countries, predominantly within the food and beverage, and personal care sectors, aiding businesses in safeguarding and effective marketing of their products.

3.4.2. STAKEHOLDER ENGAGEMENT

Engaging with key stakeholders enables us to better understand their needs, expectations, and concerns to inform our decision-making processes and shape our sustainability strategy.

Our stakeholder engagement process is built upon the following key principles:

Inclusiveness: Involve a wide range of stakeholder groups that have a direct or indirect interest in our business operations and sustainability performance.

Regularity: Maintain open communication with our stakeholders, conducting both formal and informal engagements at various levels within and outside the organisation, ensuring a continuous feedback loop.

Responsiveness: Actively listen to our stakeholders' feedback and concerns, taking their input into account when making decisions and implementing actions related to sustainability.

Transparency: Share information openly and honestly, providing stakeholders with accurate and timely information about our sustainability performance, progress, and challenges.



Stakeholder groups were prioritised after consulting representatives from different departments within the company who have dealings with stakeholder groups to capture diversity of perspectives.

SUSTAINABILITY REPORT (CONT'D)




3.4.2. STAKEHOLDER ENGAGEMENT (CONT'D)

Each group was assessed against three key considerations, namely influence, dependence and willingness to engage. The stakeholder groups identified to have the most influence and/or most likely to be impacted by Tomypak's business practices are:

- Employees
- Customers
- Suppliers
- Investors and Shareholders
- Government and Regulators

KEY STAKEHOLDER GROUP	ENGAGEMENT APPROACH	AREAS OF CONCERN	EXPECTATIONS
Employees 	<ul style="list-style-type: none"> • Coffee Sessions • Feedback Surveys • Open House • Performance Reviews • Sustainability Report • Townhall Meetings • Webinars • Workshops 	<ul style="list-style-type: none"> • Climate Issues • Community Engagement • Diversity and Inclusion • Employee Welfare • Ethics • Health and Safety • Human Resource Regulatory Compliance • Human Rights • Sustainability Culture • Training Needs • Work Arrangements 	<ul style="list-style-type: none"> • Competitive wages and benefits • Employment stability • Good career prospects • Involvement in company's sustainability initiatives • Open and transparent dialogue about company update and changes • Reasonable working hours • Robust occupational health and safety measures • Secured data security systems • Transparent and fair treatment from management
Customers 	<ul style="list-style-type: none"> • Customers' Audits • Dedicated Account Managers • Emails • Feedback • In-Person Visits • Phone Calls • Sustainability Report • Text Messages • Video Conferences 	<ul style="list-style-type: none"> • Climate Issues • Ethics • Food Safety Compliance • Health and Safety • Human Rights • Supply Chain Sustainability • Sustainability Goals Alignment • Sustainability Products and Services • Transparency 	<ul style="list-style-type: none"> • Assurance that company adheres to ethical labour practices • Consistent and high-quality packaging solutions • Competitive pricing without compromising quality • Environmentally friendly products and practices • Products that meet or exceed safety and regulatory standards • Prompt and efficient customer support • Regular updates and advancements in product offerings

SUSTAINABILITY REPORT (CONT'D)

KEY STAKEHOLDER GROUP	ENGAGEMENT APPROACH	AREAS OF CONCERN	EXPECTATIONS
Suppliers 	<ul style="list-style-type: none"> Email Feedback In-Person Visit Open House Periodic Meetings Questionnaires Supplier Audits Sustainability Report 	<ul style="list-style-type: none"> Business conduct Delivery Ethics Environmental compliance Health and Safety Human Rights Opportunities for collaboration Payment Terms Sustainability Goals Alignment 	<ul style="list-style-type: none"> Adherence to agreed-upon standards and regulations Ethical and transparent business practices Equitable contract terms and condition Open communication regarding business needs and changes Prompt settlement of invoices Sustained and mutually beneficial partnerships
Investors and Shareholders 	<ul style="list-style-type: none"> Annual General Meeting Annual Report Investor Relations Engagements Sustainability Report 	<ul style="list-style-type: none"> ESG Performance Financial Performance Governance Labour Relations Long-term Strategy Operational Matters Shareholders Rights 	<ul style="list-style-type: none"> Adherence to financial and sustainability regulations Clear roadmap for sustainable growth Consistent and competitive returns on investment Detailed and timely financial reporting Effective strategies to mitigate business risks Strong corporate governance and ethical conduct
Government and Regulators 	<ul style="list-style-type: none"> E-Forms Emails Forums In-Person Visits Phone Calls Seminars Websites 	<ul style="list-style-type: none"> Bursa Listing Requirements Custom Duties Environmental Issues Fire Issues Health and Safety Immigration Labour Recycling Taxation 	<ul style="list-style-type: none"> Accurate and prompt tax filings Adherence to industry and environmental regulations Fair labour practices and equal opportunities Initiatives to minimise environmental impact Timely and accurate reporting

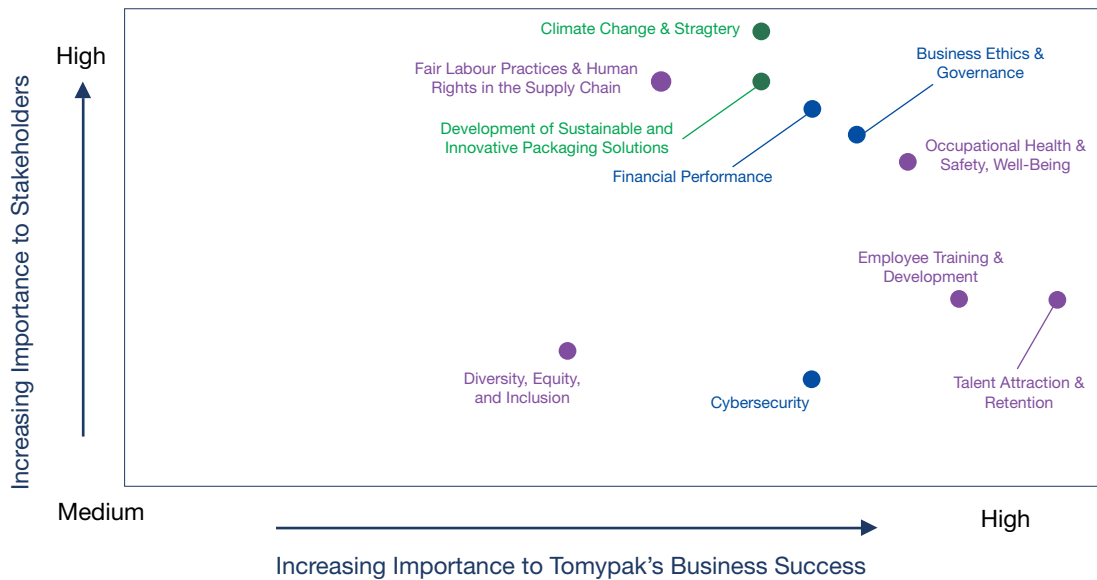
SUSTAINABILITY REPORT
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3.4.3. MATERIALITY MATRIX

Key impacts were identified with reference to material topics in certain sustainability standards and through engagements with key stakeholders. We conduct a materiality assessment by prioritising topics after taking into consideration on the likelihood and severity of economic, social and environmental impacts.




Based on the outcomes of our materiality assessment, the Materiality Matrix visually represents an overview of the most significant sustainability topics.

Materiality Matrix




SUSTAINABILITY REPORT
(CONT'D)

3.4.4. SDGs IN ACTION

SDG ³	MATERIAL TOPICS	OUR RESPONSES
ENVIRONMENT		
	<ul style="list-style-type: none"> Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation 	<ul style="list-style-type: none"> Climate change and strategy Development of sustainable and innovative packaging solutions
	<ul style="list-style-type: none"> Ensure sustainable consumption and production patterns 	<ul style="list-style-type: none"> Engaged vendors to explore the implementation and integration of Internet of Things (IoT) technology and Manufacturing Execution Systems (MES) to increase operations efficiency, and track and reduce wastages. Installed carbon filters at factory chimney stacks. Installed CCTVs, gate barriers, turnstiles and door access control for improved security. Installed centralised air compressor and chiller for enhanced operational efficiency and streamline maintenance. Installed factory rooftops that are solar panel ready for the next stage of solar panel installation.
	<ul style="list-style-type: none"> Take urgent action to combat climate change and its impacts 	<ul style="list-style-type: none"> Invested in advanced R&D lab equipment to support innovation and create competitive advantage. Installed energy-saving LED lightings on production floor to enhance safety. Installed solar-powered perimeter lights to enhance security and safety. Installed video conferencing system to facilitate virtual meetings and reduce need for physical travel. Implemented Microsoft SharePoint e-Form to improve administrative efficiency. Transitioned to a digital cloud-based Human Resource Management System (HRMS) for managing employee attendance, leave, and claims, replacing paper-based processes.

³ “Sustainable Development.” *United Nations*, www.un.org/sustainabledevelopment

SUSTAINABILITY REPORT (CONT'D)

SDG ³	MATERIAL TOPICS	OUR RESPONSES
	<ul style="list-style-type: none"> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. 	PEOPLE <ul style="list-style-type: none"> Fair labour practices and human rights in the supply chain Occupational health and safety, and well-being of employees Talent attraction and retention Employee training and development Diversity, Equity, and Inclusion in the workplace
		<ul style="list-style-type: none"> Conducted work-related training to develop skillsets and advance career opportunities. Encouraged Sustainability discussions during employee engagements amongst employees via Townhall Meetings and Coffee Sessions. Organised 2 community events as part of our corporate social responsibility including visiting ex-employees with serious illnesses. Renovated a canteen to better serve our employees within the factory premises, and enhance their overall well-being.
		GOVERNANCE <ul style="list-style-type: none"> Business ethics and governance Cybersecurity Financial performance
		<ul style="list-style-type: none"> Conducted cybersecurity training. Conducted training sessions such as anti-bribery, anti-corruption, cybersecurity, and health and safety. Tracked and reported our financial performance.

3.5. SUSTAINABILITY STRATEGY

Our sustainability strategy is premised on the following pillars:

- **Environmental Stewardship:** Minimise impact on the environment by improving resource efficiency, reducing waste, and adopting innovative technologies that reduce greenhouse gas emissions.
- **Sustainable Products and Innovation:** Develop and provide sustainable packaging solutions which meet customer needs. This includes using eco-friendly materials, promoting recyclability, and driving innovation in product offerings.
- **Responsible Supply Chain Management:** Collaborate with suppliers to ensure adherence to our sustainability standards as per our Code of Conduct for Suppliers, including ethical labour practices, environmental protection, and responsible sourcing of raw materials.
- **Social Responsibility and Community Engagement:** Provide for well-being of employees and contribute to the communities in which we operate.
- **Reporting:** Communicate our plans, initiatives, activities and progress through various channels, including the Annual Sustainability Report and company website.

3.5.1. ROADMAP

Our Roadmap to Sustainability

Realised Objectives

In FY 2023

- Food Safety System Certification (FSSC 22000 v5.1)
- Tampoi plant audited and certified by major clients

Near-Term Targets

FY 2024 – FY 2025

- ISO 14001 & 45001 Certifications
- ISCC Plus Certification
- 15% solar-powered manufacturing operations

Long-Term Targets

FY 2025 – FY 2026

- 30% of SKUs made of sustainable structures*
- Be a constituent of FTSE4Good Bursa Malaysia Index Series

By FY 2028

- 10% reduction in energy consumption per unit of revenue*
- 5% reduction in water consumption per unit of revenue*
- 20% reduction in waste generation*
- Complete 12 new community engagements

*Compared to baseline year FY 2023

3.6. MILESTONES

To achieve our sustainability objectives, we have established key goals and targets, structured into realised objectives, near-term targets, and long-term targets:

3.6.1. REALISED OBJECTIVES

- **Food Safety System Certification (FSSC 22000 v5.1):** We were awarded the FSSC 22000 v5.1 certification in February 2023, a globally recognised benchmark for food safety management. In line with the advanced ISO 22000:2018 standard, this accolade reflects our commitment to elite food safety standards. Our certification is not just an emblem of our strict safety protocols but also a tribute to the dedication and proficiency of our team. This achievement reinforces our dedication to public health, customer satisfaction, and regulatory adherence. As we celebrate this milestone, our clients and partners can remain assured of our unwavering focus on quality and safety in every package.
- **Customer Audit:** Tampoi factory has been audited and certified by major customers.



SUSTAINABILITY REPORT (CONT'D)

3.6.2. NEAR-TERM TARGETS

- **ISO Certifications:** To obtain ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety) certifications for our manufacturing facility by FY2024. These internationally recognised standards symbolize our dedication to top-tier environmental stewardship and occupational safety, guaranteeing a sustainable future for our organisation and all stakeholders.
- **ISSC Plus Certification:** To obtain the ISSC Plus certification, reflecting our commitment to environmental excellence in FY2024. The ISSC Plus certification is an internationally recognised standard that will validate Tomypak for our sustainable and responsible sourcing practices, ensuring compliance with environmental, social and governance (ESG) criteria.
- **Solar Energy:** To achieve 15% solar-powered manufacturing operations by the end of FY2025, reducing our reliance on non-renewable energy sources and lowering our carbon footprint.

3.6.3. LONG-TERM TARGETS

- **Sustainable Solutions:** Our objective is to have 30% of our SKUs made of sustainable structures by FY2025, compared to the baseline year FY2023 of 20%, subject to customers' specifications.
- **Corporate Responsibility Excellence:** We aim to become a FTSE4Good Bursa Malaysia Index series constituent by demonstrating high achievement of the ESG criteria by the end of FY2025.
- **Energy Reduction:** 10% reduction in energy consumption per unit of revenue by the end of FY2028, compared to the baseline year of FY2023. This reduction will be achieved through various energy efficiency measures and investments.
- **Water Conservation:** 5% reduction in water consumption per unit of revenue by the end of FY2028, compared to the baseline year of FY2023. To achieve this, we will educate and raise awareness among our employees regarding water conservation, install water-efficient fixtures and improve the production process.
- **Waste Reduction:** 20% reduction in waste generated from our operations by the end of FY2028, compared to the baseline year of FY2023. This reduction will be accomplished through waste reduction initiatives, improved production processes, and increased recycling and reuse efforts.
- **Community Engagement:** Complete 12 new engagements by FY2028. We will achieve this by collaborating with community organisations and volunteering our time and resources to support community projects.

SUSTAINABILITY REPORT
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A 2-day of Sustainability Development and Reporting Training and Workshop was conducted for 13 key personnel to ensure a clear understanding of sustainability development, ESG criteria and reporting requirements, where participants provided valuable input on targets, strategy, implementation of initiatives and management of actual and potential economic, environmental, and social impacts.



Advisor to our Sustainability Committee, En Azmi Arshad, guiding members through best practices in a focused 2-day seminar.,



In January 2023, Tomypak employees and Bomba fire brigade share a moment for the camera after concluding a session of fire safety exercises.

SUSTAINABILITY REPORT
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4. RISK MANAGEMENT

Effective risk management is a vital aspect of our company's economic performance, as it enables us to address potential challenges and uncertainties that may affect our operations, financial stability, and overall growth.

Our Risk Management Committee is chaired by Mr. Lim Bee Leong who is an independent and non-executive director, and the Managing Director as a member of the committee. The Board, working together with the Risk Management Committee, plays an essential role in overseeing the risk management process, ensuring that it is effectively integrated into the company's overall strategy and decision-making.

Please refer to the Statement on Risk Management and Internal Control in the Annual Report for more details.

Anti-Bribery Anti-Corruption (ABAC)

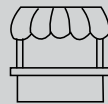


100%
of employees attended training

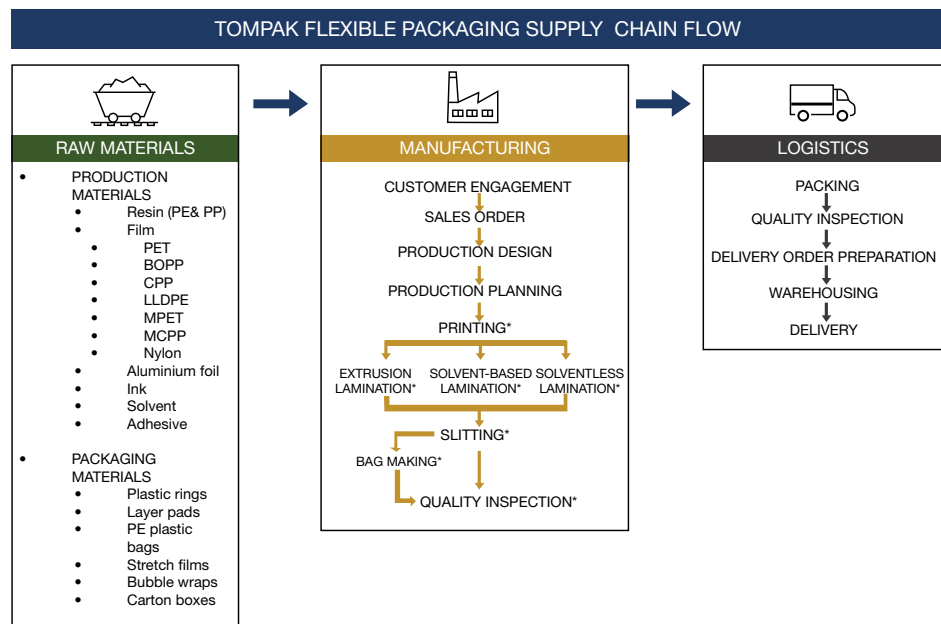
4.1. SUPPLY CHAIN SUSTAINABILITY

Supply Chain Sustainability is vital to our comprehensive sustainability strategy, ensuring responsible and environmentally friendly practices across our entire value chain. To this end, we have established a Code of Conduct for Suppliers. This Code outlines our expectations for ethical business practices, environmental responsibility, and legal compliance and also explicitly demands supplier compliance regarding child labour, forced labour, discrimination, equal opportunity, and upholding human rights. It upholds the right to freedom of association and collective bargaining and emphasises the elimination of excessive working hours.

Spending on Local Suppliers



79%
of all our spending went towards supporting local suppliers



SUSTAINABILITY REPORT
(CONT'D)

4.1.1. RAW MATERIALS

Within our supply chain, raw materials are fundamental to our sustainability efforts. Tomypak purchases its raw materials from sources available worldwide.

In the production materials category, we prioritise responsible sourcing of polyethylene (PE) and polypropylene (PP) resins, with a focus on minimising consumption and exploring recycling opportunities. Our films, including PET, BOPP, CPP, LLDPE, MPET, MCPP, and Nylon, are sourced exclusively from overseas suppliers due to their predominant availability abroad. We emphasise the use of recycled materials and collaborate closely with international partners to reduce the environmental impact of film production.

Special components such as aluminium foil, ink, solvent, and adhesive adhere to rigorous sustainability standards. Notably, ink and solvent are stored in dedicated storage facilities at our factory, equipped with hazard mitigation features such as grounded tanks to prevent fire hazards. Most of our raw materials, including resins and films, are securely stored in our warehouse, where they are carefully managed to optimise resource usage.

In line with our commitment to promote local economies, we give priority to local suppliers for packing materials. Their proximity allows for shorter lead times, reducing the environmental footprint associated with transportation and supporting our local communities.

4.1.2. MANUFACTURING

Our commitment to sustainability extends into the heart of our operations, encompassing every stage of the manufacturing process. From initial Customer Engagement to Quality Inspection, we integrate sustainability principles and practices to minimise our environmental footprint and enhance the overall efficiency of our production.

- **Customer Engagement**
Active engagement and collaboration with our customers to understand their specific needs and preferences. We optimise materials selection and manufacturing processes to align with their sustainability goals.
- **Sales Order**
Optimal planning to minimise overproduction and efficient material usage throughout the production cycle.
- **Production Design**
Application of innovative design principles that maximize product functionality while minimising material usage. This results in eco-friendly and cost-effective products for our customers.
- **Printing**
Utilisation of technologically advanced machinery to optimise ink consumption, waste reduction, and minimise environmental impact.
- **Extrusion Lamination, Solvent-based Lamination, or Solventless Lamination**
Adoption of method of lamination namely, Extrusion Lamination, Solvent-based Lamination, or Solventless Lamination, is driven by the unique requirements and preferences of our customers. We select processes and materials to reduce energy consumption, emissions, and waste while ensuring product quality and performance.
- **Slitting**
Focus on precision and efficiency of Slitting process thereby contributing to resource conservation.
- **Bag Making (if required):**
Application of sustainable practices, where bag making forms part of the production process.
- ***Quality Inspection**
Quality Inspection occurs at the end of every process in our manufacturing, ensuring that every product meets our high-quality standards. By catching any defects early, we minimise rework and waste.

SUSTAINABILITY REPORT (CONT'D)

4.1.3. LOGISTICS

- **Packing**
Packing of finished goods is carried out according to exact customers' specifications.
- **Quality Inspection**
Quality Inspection of packed finished goods ensures product excellence and sustainability. By catching defects early, we minimise resource waste and enhance material efficiency.
- **Delivery Order Preparation**
Efficiency guides our Delivery Order Preparation. We optimise delivery routes for reduced emissions and resource conservation while accurately preparing orders to avoid incorrect shipments.
- **Warehousing**
Packed finished goods are housed in a clean and secured environment, ready for delivery and export.
- **Delivery**
The Delivery phase prioritises sustainability through efficient route planning, reducing fuel consumption, and emissions. We collaborate with customers to consolidate orders, when possible, further minimising environmental impact.

4.1.4. SUPPLIER AUDIT

In our ongoing commitment to ensure sustainable and responsible practices throughout our supply chain, we had audited key suppliers, and have further plans to conduct on-site audits on other selected suppliers in the upcoming reporting period. These audits allow us to assess their environmental performance, compliance with our sustainability standards, and their commitment to human rights.

In addition to ESG aspects, specific focus is placed on suppliers' compliance with Good Manufacturing Practices (GMP) as outlined by the Global Food Safety Initiative (GFSI). It encompasses manufacturing practices, quality control, and adherence to food safety standards.

Areas of Assessment: On-Site Supplier Audits

Waste Management

- Review of waste management systems and practices to ensure proper handling, disposal, and recycling of waste materials.
- Evaluation of waste segregation processes, recycling initiatives, and compliance with local environmental regulations.

Energy Efficiency

- Assessment of energy consumption and efficiency measures to identify opportunities for improvement.
- Examination of energy management systems, equipment efficiency, and implementation of energy-saving technologies.

Emissions Control

- Evaluation of monitoring process and mitigation of greenhouse gas emissions and other air pollutants.
- Assessment of emission control systems, usage of cleaner fuels, and adoption of emission reduction strategies.

SUSTAINABILITY REPORT (CONT'D)

Water Conservation

- Examination of water usage and conservation practices to ensure responsible water management.
- Assessment of water treatment and recycling systems, water efficiency measures, and compliance with relevant water quality standards.

Environmental Compliance

- Verification of compliance with environmental regulations and standards and validity of permits and licenses for operations.
- Review of environmental monitoring and reporting practices to ensure transparency and accountability.

Human Rights Compliance

- Assessment of adherence to human rights principles as outlined in our Code of Conduct for Suppliers.
- Review of policies and practices related to labour rights, non-discrimination, freedom of association, and other human rights aspects.

4.2. SUSTAINABLE GROWTH STRATEGY

Our long-term strategy for sustainable growth focuses on expanding our market presence, driving product innovation, enhancing resource efficiency, empowering our employees, and collaborating and engaging with stakeholders.

- **Market Expansion and Diversification:** Expand our market presence both domestically and internationally by tapping into new customer segments and exploring emerging markets. Through portfolio diversification and acquisition of new clients, we extend our reach and strengthen our ability to withstand market fluctuations and foster stable growth.
- **Product Innovation and Sustainability:** Drive product innovation that prioritises sustainability and caters to the evolving needs of our customers. By investing in research and development, we strive to create sustainable packaging solutions that minimise environmental impacts, reduce waste, and contribute to a circular economy.
- **Resource Efficiency and Operational Excellence:** Enhance resource efficiency and improve our production processes by investing in energy-efficient technologies and implementing waste reduction initiatives. Our focus on operational excellence to improve cost savings and reduce our environmental footprint.
- **Employee Empowerment and Well-being:** Invest in employees' professional development, ensure a safe and healthy work environment, and foster a culture of inclusivity and diversity to attract and retain top talent while driving productivity and innovation.
- **Stakeholder Engagement and Collaboration:** Engage with our stakeholders, including customers, suppliers, employees, investors, and the communities we serve, to gather valuable insights and feedback. This collaborative approach allows us to identify new opportunities for sustainable growth, address challenges, and create shared value for all parties involved.



Mr Lee Kwee Heng (2nd from left), represented Tomypak as a panelist on the Bursa-sponsored forum-PLC Transformation Programme #digital4ESG Forum - on 10 May 2023.

In the segment covering perspectives from mid- and small-sized companies on digitalisation, Mr Lee shared with the audience the challenges, in terms of complexity and time, of gathering accurate data from different sources within a company.

SUSTAINABILITY REPORT (CONT'D)

5. ENVIRONMENTAL

Our commitment to environmental protection and sustainability is guided by our Environmental Policy, which focuses on achieving environmental goals, improving our performance in resource efficiency, waste reduction, energy management, emissions reduction, water management, ecosystem protection, and environmental compliance.

5.1. WASTE MANAGEMENT AND RESOURCE EFFICIENCY

Our waste management strategy includes to reduce, reuse and recycle used materials to minimise waste and enhance resource efficiency.

Key initiatives include:

- **Production Process Optimisation:** Minimise waste generation and material usage by refining our manufacturing processes and improving overall productivity.
- **Proper disposal:** Engaging certified waste management companies to ensure proper disposal of recyclable, non-recyclable, and scheduled waste, adhering to environmental standards and regulations.



Our pursuit of resource efficiency extends waste management to encompass optimisation of production and administrative processes. With plans to adopt digital technologies like e-signatures soon and more usage of cloud-based software, we will reduce dependency on manual tasks and paper-intensive workflows, conserving resources, minimising waste, and boosting overall efficiency.

In FY2023, we transitioned to a digital cloud-based Human Resource Management System (HRMS) for managing employee attendance, leave, and claims, replacing paper-based processes.

To curb paper consumption further, we initiated the “Think Before You Print” campaign, featuring reminder posters near copiers and messages in email signatures.

Furthermore, we have been making progress to implement a Reuse Station for employees, where they can exchange and repurpose various items, including textbooks, toys, games, sports equipment, and musical instruments. This initiative encourages a sustainable mindset as well as benefiting employee welfare.

5.2. ENERGY MANAGEMENT

Our energy management strategy emphasises efficiency, renewable energy investments, and the application of advanced technology to minimise our carbon footprint such as devices within our manufacturing facility to monitor and report emissions.

We have retrofitted our Tampoi production plant with technologically advanced machines specifically designed for flexible packaging manufacturing. The facilities including gravure printing lines and solventless laminating lines are energy efficient.

Our facilities are outfitted with LED lighting, solar perimeter lights, smart HVAC systems to optimise energy consumption while the factory roof is solar panel ready.



SUSTAINABILITY REPORT (CONT'D)

5.3. WATER MANAGEMENT

Our commitment to responsible water management involves adopting water-saving practices and incorporating water-efficient technologies.

For production-related usage, our operations require minimal water. Nonetheless, we have invested in a closed-loop water system for machine cooling. Water loss of 222m³ per year only occurs during maintenance, which is performed quarterly.

For administrative and facility usage, we have placed reminder posters to encourage employees to turn off taps when not in use and report any leaks promptly.

6. SOCIAL



Mr Yong Kwet On, Chairman of the Board, delivered the opening address at the Hari Raya Open House event, where more than 150 employees and suppliers came together to celebrate and enjoy a luncheon.

6.1. LABOUR PRACTICES

Tomypak is committed to fostering an inclusive and diverse work environment that provides equal opportunities for personal and professional growth.

We embrace fair labour practices and strive to offer competitive compensation and benefits packages.

We comply with the local labour laws as well as the Ethical Trading Initiative (ETI) Base Code.

Labour Union



2

union meetings held to discuss labour issues and provide updates to members

SUSTAINABILITY REPORT
(CONT'D)

6.1. LABOUR PRACTICES (CONT'D)

Our approach to labour practices includes:

- Competitive wages and a range of benefits for our employees, ensuring their well-being and satisfaction.
- Equal opportunities and a work culture that values and respects differences and encourages employees to reach their full potential.
- Safeguarding labour rights, including the freedom of association and collective bargaining, providing avenues for our employees to have a voice in the workplace.
- Adhering to the ETI Base Code principles, which encompass safe and hygienic working conditions, the prohibition of child and forced labour, and reasonable working hours, among other important standards.

Training



212 employees underwent training



Foreign workers dormitory equipped with bunk beds complete with pillows and mattresses, along with 2-door wardrobe for storage.

6.2. HEALTH AND SAFETY

We are dedicated to employee health and safety, as evidenced by our Health and Safety Policy, and ongoing training initiatives. Although we regret to have experienced five injury incidents during the current reporting period, our commitment to enhancing safety measures and protocols remains steadfast. We are learning from these incidents to further improve our safety performance.

Lost Time Incident Rate (LTIR)



8.8

Instances where injuries have occurred that resulted in workers taking time off from work per million hours worked

Health & Safety Training



212

employees trained on health and safety standards

Work-related fatalities/ill-health



0

work-related fatalities/ill-health cases

Injuries

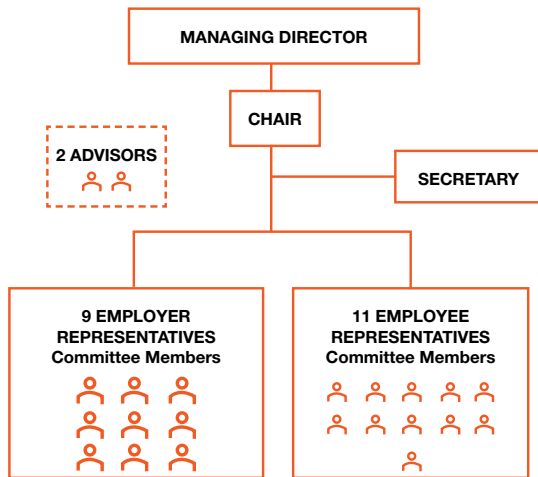


5

cases of recordable injuries

6.2. HEALTH AND SAFETY (CONT'D)

OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENT (OSHE) COMMITTEE



FUNCTIONS

- ▶ Assist in developing safety rules and standard operating procedures
- ▶ Conduct Health and Safety meetings
- ▶ Investigate accidents and propose work safety improvements
- ▶ Study accident and incident trends
- ▶ Report accidents to Department of Safety and Health
- ▶ Review effectiveness of Safety and Health programs
- ▶ Conduct routine safety inspections

ROLES	KEY RESPONSIBILITIES
Managing Director	<ul style="list-style-type: none"> • Ensure OSHE Committee functions in accordance with legal and related requirements • Accountable for all safety and health matters within the organisation
Chair	<ul style="list-style-type: none"> • Oversee functions of the OSHE Committee
Advisor	<ul style="list-style-type: none"> • Provide related occupational safety and health related advice to balance Tomypak's wellbeing and compliance obligations
Secretary	<ul style="list-style-type: none"> • Act as chief executor of Tomypak's safety and health matters • Ensure compliance with related regulations
Committee Members	<ul style="list-style-type: none"> • Carry out all occupational safety and health related instructions • Uphold Tomypak's occupational safety and health aspirations • Participate actively in conducting risk and opportunity assessment

In order to prioritise the health and safety of our employees, we have implemented an occupational health and safety management system which is aligned with ISO 45001 requirements.

Our key initiatives include:

- Conducting regular risk assessments and safety audits to identify and address potential hazards.
- Conducting training for all employees, ensuring they are well-equipped to handle various workplace situations.
- Developing and establishing emergency response plans and procedures to prepare for and effectively manage unforeseen events.



SUSTAINABILITY REPORT
(CONT'D)

6.3. HUMAN RIGHTS

Tomypak holds human rights in high regard and complies with international standards, including the United Nations Guiding Principles on Business and Human Rights. Our Code of Conduct for Suppliers also outlines our expectations for our supply chain partners to adhere to the same standards.

There were no human rights violations reported during this period.

Human Rights



cases of human rights violations

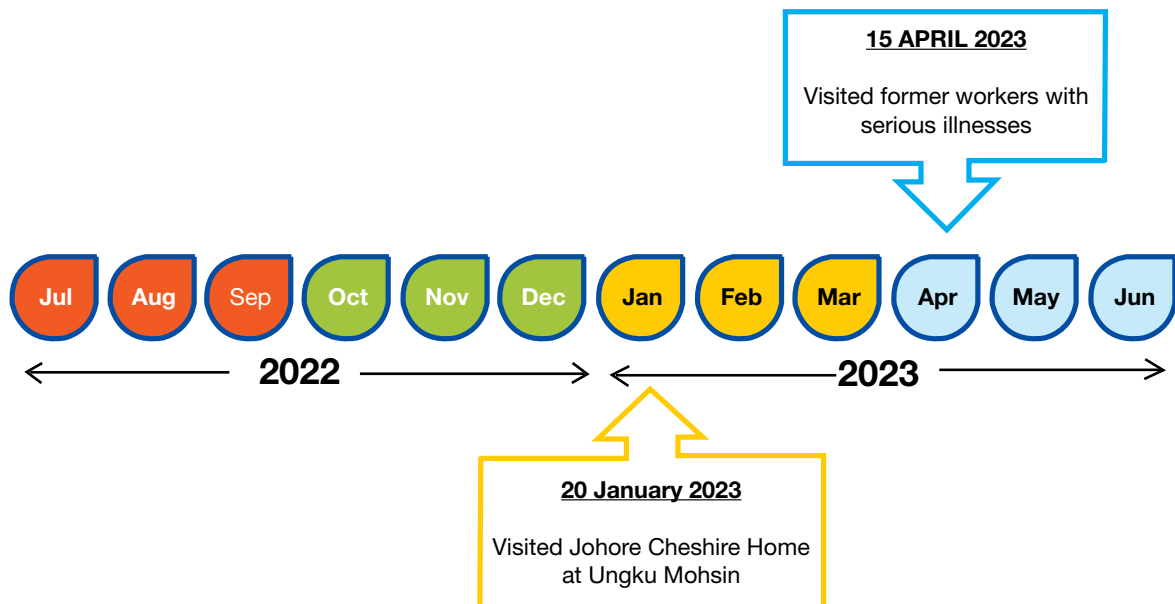
6.4. COMMUNITY INVESTMENT

We are committed to contributing to local communities and have planned activities like feeding the homeless and planting trees. We have also visited former employees who could no longer work due to serious illnesses to provide support and show concern for their well-being.



We visited former employees with serious illnesses, expressing our care.

**CORPORATE SOCIAL RESPONSIBILITY
CALENDAR**



SUSTAINABILITY REPORT
(CONT'D)**7. SCHEDULES**

Data presented in the following Schedules are reported as:

Reporting Period	Dates Covered	Coverage
• FY 2020	• 1 January 2020 to 31 December 2020 (12 months)	• Senai and Tampoi factories
• FP 2022	• 1 January 2021 to 30 June 2022 (18 months)	• Senai, Tampoi factories and sub-contractors*
• FY 2023	• 1 July 2022 to 30 June 2023 (12 months)	• Tampoi factory and sub-contractors*

* In line with Tomypak's business continuity plan after the Senai fire incident, certain sub-contractors were engaged to manufacture on our behalf. Therefore, data relating to the sub-contractors has been incorporated in the reporting where applicable.

7.1. PRODUCTION WASTE GENERATED

	FY 2020	FP 2022	FY 2023
Non-Recycled Waste (MT)*	2,261.39	2,331.05	434.18
MT per RM100,000	1.5	1.53	0.88
Recycled Waste (MT)	719.51	709.97	335.15
MT per RM100,00	0.48	0.47	0.68
Percentage of Waste Recycled	24%	23%	44%
Scheduled Waste SW 322** (MT)	158.48	243.54	29.98
MT per RM100,000	0.11	0.16	0.06
Scheduled Waste SW 409*** (MT)	17.30	36.83	5.35
MT per RM100,000	0.01	0.02	0.01
Revenue (RM)	150,929,203	152,574,414	49,169,848

* MT denotes metric tonnes.

** SW 322 refers to waste on non-halogenated organic solvent (waste solvent).

*** SW 409 refers to disposed containers, bag or equipment contaminated with chemicals, pesticide, mineral oil or scheduled wastes (contaminated containers).

SUSTAINABILITY REPORT
(CONT'D)**7.2. ELECTRICITY USAGE**

	FY 2020	FP 2022	FY 2023
Energy Usage (kWh)	14,947,369	17,876,017	3,958,111
Revenue (RM)	150,929,203	152,574,414	49,169,848
Emissions Factor (EF)* tCO ₂ e/MWh	0.57	0.55	0.55
Total tCO₂e	8,520.00	9,831.81	2,176.96
tCO₂e per RM 100,000	5.65	6.44	4.43

* Tenaga Nasional. Sustainability Report 2021, Tenaga Nasional Berhad, 2021, p.96.

7.3. NATURAL GAS USAGE

	FY 2020	FP 2022	FY 2023
Natural Gas (m ³)	41,175	63,014	14,828
Revenue (RM)	150,929,203	152,574,414	49,169,848
Natural Gas (m ³) per RM 100,000	27.28	41.30	30.16

7.4. WATER USAGE

	FY 2020	FP 2022	FY 2023
Water Usage (m ³)	39,559	80,382	15,752
Revenue (RM)	150,929,203	152,574,414	49,169,848
Water Usage (m ³) per RM 100,000	26.21	52.68	32.04

SUSTAINABILITY REPORT
(CONT'D)

7.5. WORKFORCE DATA

	Key Management		Middle Management		Executive		Non-Executive		Total	
Male	4	100%	12	75%	8	40%	130	76%	154	73%
Female	0	0%	4	25%	12	60%	42	24%	58	27%
Total	4	100%	16	100%	20	100%	172	100%	212	100%
< 30 Years Old	0	0%	0	0%	5	25%	58	34%	63	30%
30-50 Years Old	0	0%	7	44%	12	60%	83	48%	102	48%
> 50 Years Old	4	100%	9	56%	3	15%	31	18%	47	22%
Total	4	100%	16	100%	20	100%	172	100%	212	100%
Training Hours	68		416		456		1,433		2,373	
Employee Turnover	2		4		12		30		48	

	Employees	
Local	150	71%
Foreign / Expatriates	62	29%
Total	212	100%

Permanent	137	65%
Contract	75	35%
Total	212	100%

Key Management	4	2%
Middle Management	16	8%
Executive	20	9%
Non-Executive	172	81%
Total	212	100%

SUSTAINABILITY REPORT
(CONT'D)**SUSTAINABILITY TOPICS AS REQUIRED BY BURSA MALAYSIA**

NO.	TOPIC	ITEM	DESCRIPTION	RESPONSE FY2023
1	Anti-corruption	(a)	Percentage of employees who have received training on anti-corruption by employee category	100%
		(b)	Percentage of operations assessed for corruption-related risks	6%
		(c)	Number of confirmed incidents of corruption and action taken	0 Incidents
2	Community /Society	(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM2,700
		(b)	Total number of beneficiaries of the investment in communities	0
3	Diversity	(a)	Percentage of current employees by gender and age group, for each employee category	Please see Schedule 7.5. Workforce Data
		(b)	Percentage of directors by gender and age group as at the end of FY2023	80% Male 20% Female 80% 60 years old and below 20% more than 60 years old
		(c)	The number of independent board directors as a percentage of all directors.	3 independent directors 2 non-independent directors
		(d)	The number of female senior management as a percentage of senior management.	0
4	Energy Management	(a)	Total energy consumption Gigajoules ("GJ")	14,249 GJ (3,958,111 kWh)

SUSTAINABILITY REPORT
(CONT'D)

NO.	TOPIC	ITEM	DESCRIPTION	RESPONSE FY2023
5	Health and safety	(a)	Lost time incident rate ("LTIR")	8.8
		(b)	Total number of employees trained on health and safety standards	212
		(c)	Number of work-related fatalities, high-consequence injuries, recordable injuries, recordable work-related ill health cases	0 fatalities 5 injuries 0 ill health cases
6	Labour practices and standards	(a)	Total hours of training by employee category	Please see Schedule 7.5. Workforce Data
		(b)	Percentage of employees that are contractors or temporary staff	35%
		(c)	Total number of employee turnover by employee category	Please see Schedule 7.5. Workforce Data
		(d)	Number of substantiated complaints concerning human rights violations	0 cases
7	Supply chain management	(a)	Proportion of spending on local suppliers	79%
8	Data privacy and security	(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0 Cases
9	Water	(a)	Total volume of water used	15,752 m ³
10	Waste management	(a)	Total waste diverted (i) from disposal (ii) to disposal	From disposal: 335.15 metric tonnes To disposal: 434.18 metric tonnes