



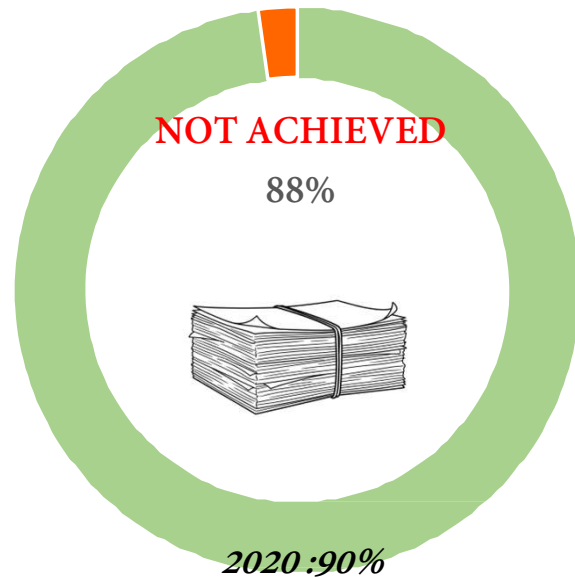
**KPI  
PERFORMANCE  
INDICATORS  
FOR MOST  
MATERIAL  
MATTERS 2021**



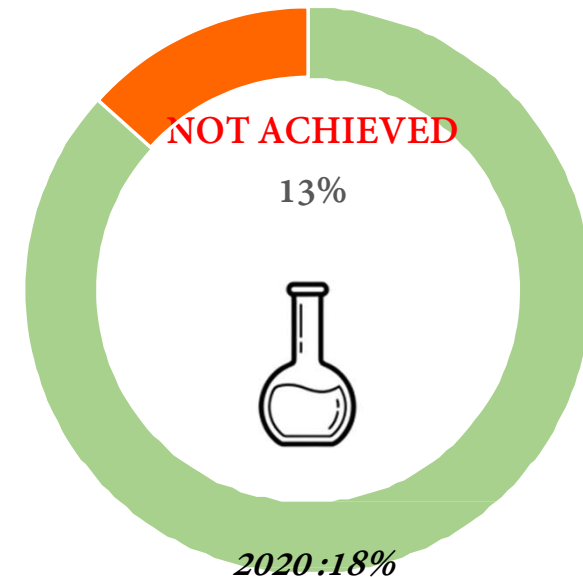
## ECONOMIC KPIs

## SUSTAINABLE PROCUREMENT AND SUPPLIER ASSESSMENT

To use 90% of forest based products for production:



To register 15% usage of biodegradable and environmentally-friendly chemicals:





## ECONOMIC KPIs

# WASTE REDUCTION AND ENVIRONMENTAL INITIATIVES

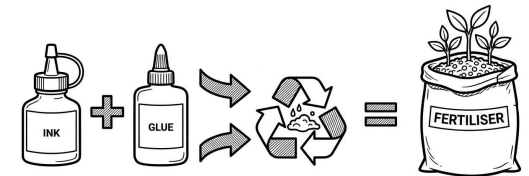
To produce moulded pulp casings  
> 90% from carton trim waste as  
part of recycling effort to achieve  
zero manufacturing waste.



## NEW

Recycling of ink and glue sludge into fertiliser

POSTPONED



## NEW

Waste segregation programme  
(paper, metal and plastic  
waste)



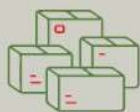


## ECONOMIC KPIs

## WASTE REDUCTION AND ENVIRONMENTAL INITIATIVES (continued)

To reduce total production waste by division:

**Cartons: <13%**

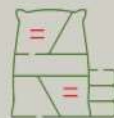


**14.25%**



2020: 13.05%

**Cement Paper Bags: <0.5%**



**1.14%**



2020: 1.9%

**General Paper Bags: <1.5%**



**2.1%**



2020: 1.9%

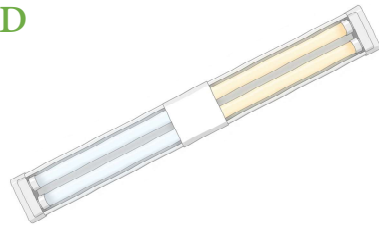


ECONOMIC KPIs

## ENERGY EFFICIENCY

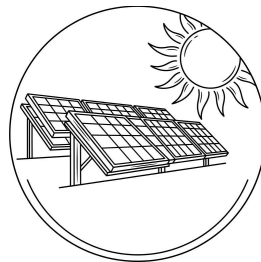
NEW

Changing of fluorescent lights to LED



NEW

To install solar panels at manufacturing facilities





## SOCIAL KPIs

### STRINGENT QUALITY CONTROL PROCEDURES

To **reduce customer's rejection rate** (reject/delivered orders):

Carton Division < 2 units



**Not achieved**  
5.1 units

2020: 3.1 units

Paper Division < 1 unit



**Achieved**  
0.5 units

2020: 1.25 units

### PROTECTING THE SAFETY AND HEALTH OF WORKERS

To achieve **ZERO accidents and fatalities**:





# ECONOMIC AND BUSINESS PERFORMANCE

## HIRING FROM THE LOCAL COMMUNITY

Large companies, including public-listed entities, form a critical component of the economic ecosystem in local communities by providing employment. While the information provided under this disclosure covers the operations within Malaysia and our overseas operations, our reporting scope is focused on our Malaysian operations.

Although CBB endeavours to prioritise local hires at all positions across the Group, it should be noted that the pool of general workers, particularly at our manufacturing subsidiaries, have a significant proportion of migrant workers on their payroll. This is due to locals nominally opting for more attractive jobs with better pay.

Nonetheless, at the executive level, the Group is made up of predominantly Malaysians.



## SUSTAINABLE PROCUREMENT PRACTICES AND SUPPLIER ASSESSMENT

In 2021, CBB contracted a total of 1,621 suppliers compared to 1,954 in 2020, leveraging the benefits of local sourcing, accounting for 89.6% or 766 suppliers (2020: 91% or 1,771 suppliers) compared to 10.4% or 89 non-local suppliers (2020: 9% or 183 non-local suppliers) out of its 855 suppliers.

The escalating cost of materials and labour drove CBB to aim for supplier consolidation, reducing the number of suppliers and vendors to cushion the strain on finding cost-saving initiatives and reducing risk. This strategy has also allowed CBB more time to focus on improving core suppliers' quality, efficiency, and overall performance.



# ENVIRONMENTAL STEWARDSHIP

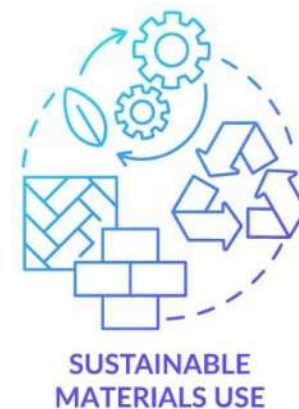


## SUSTAINABLE MATERIALS

As a producer of integrated packaging solutions, CBB purchases raw paper as its primary input material and production chemicals represent the secondary input materials. 88% of its paper are forest based products as originating from responsibly-managed forests. CBB's consumption of materials purchased was 85.5% of materials purchased with 7.25% either kept in reserve or scrapped. Reused and recycled materials represented 7.25% of total materials consumed.

### CONSUMPTION/RECYCLING OF RAW MATERIALS (KG)

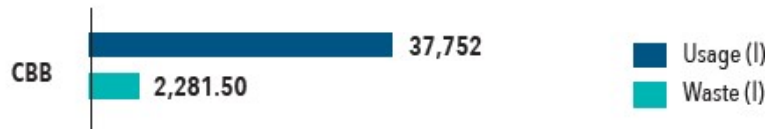
|                       | 2021                 | 2020                 |
|-----------------------|----------------------|----------------------|
| Consumed              | 9,102,490.00         | 10,218,590.00        |
| Scrapped              | 770,197.00           | 720,813.00           |
| Reused/Recycled       | 777,418.00           | 702,940.00           |
| <b>TOTAL PURCHASE</b> | <b>10,650,105.00</b> | <b>11,642,343.00</b> |



## CHEMICAL MANAGEMENT

CBB recorded 2,281.50 litres of chemical waste, which is in line with its nature of operations. CBB is driving toward using biodegradable type chemicals to reduce the impact and hazard to its employees and the environment. In 2021, 12 of 94 chemicals used by the company are already biodegradable.

### CHEMICAL USAGE/WASTE 2021



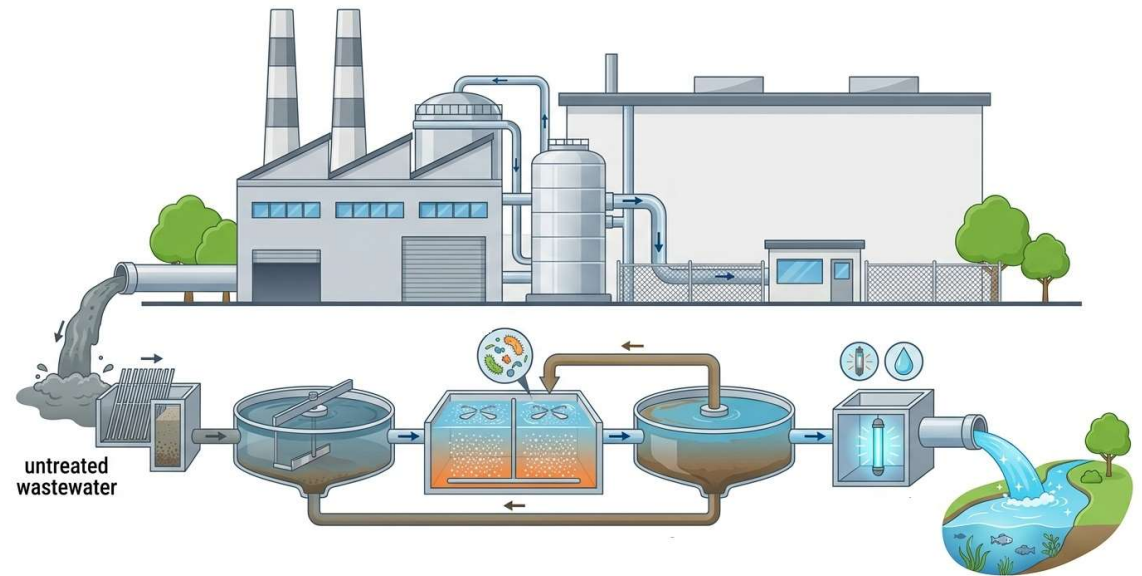
2021 is the baseline year for this initiative.

### BIODEGRADABLE CHEMICALS USED



## WATER MANAGEMENT

In the first year reporting on this metric, CBB achieved a water consumption average cost per revenue of 0.046% and this will form the baseline for future year comparisons. The subsidiary company had installed a wastewater treatment plant, which started operations in October 2020 to improve the quality of its discharge and to reduce the environmental impact.



## EMISSIONS

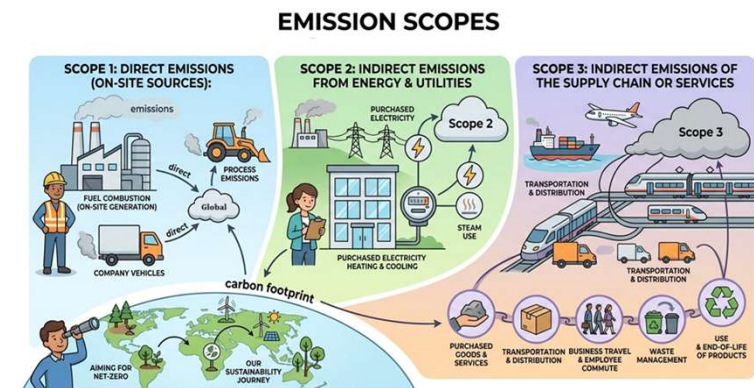
Our emissions accounting is based on various benchmarks whose methodologies and conversion factors apply to a Malaysian context, in particular the source of fuel as well as type of power generation. At the same time, we also refer and compare to other benchmarks such as GHG Protocol and Intergovernmental Panel on Climate Change ("IPCC") Guidelines for National Greenhouse Gas Inventories.

In the case of emissions from mobile combustion (petrol and diesel) under Scope 1, we based our conversion factors on the European Ecoscore and a 2020 study on CO<sub>2</sub> emissions by Universiti Kebangsaan Malaysia ("UKM").

For emissions from purchased electricity under Scope 2, we applied the projection of emissions intensity by the World Benchmarking Alliance ("WBA") based on Malaysia's specific mix of power generation assets by 2023, which includes oil, gas and coal-fired as well as hydroelectric plants.

| Type of Emissions               | CBB (kg CO <sub>2</sub> -eq) |
|---------------------------------|------------------------------|
| 1. Direct Emissions (Scope 1)   | -*                           |
| 2. Indirect Emissions (Scope 2) | 3,801,792                    |
| GHG Emissions (Scope 1 & 2)     | 3,801,792                    |
|                                 |                              |

*\*CBB Direct Emissions (Scope 1) not reported for 2021*



## EMISSIONS (continued)

Along with our step in monitoring and disclosing of our emissions, our manufacturing operations have established action plans towards climate actions through the following initiatives:

### Energy Efficiency



- CBB replaced conventional appliances with energy- saving appliances

### Circularity



- CBB has leveraged on the circularity concept by producing moulded pulp casings from carton trim waste, i.e. from B2B (business-to-business) for repurposing and recycling.
- Waste segregation in CBB as part of recycling efforts to help keep materials out of landfills.



## WASTE MANAGEMENT

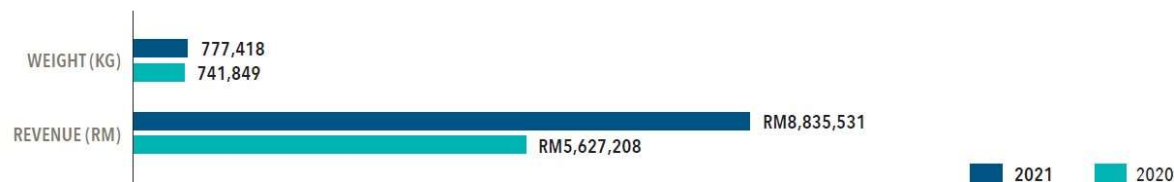


CBB introduced new waste segregation and recycling initiatives in a bid to maximise the use of its raw and other materials. The first initiative was to segregate paper, metal and plastic waste, while the second involved the recycling of ink and glue sludge into fertiliser.

In line with our efforts to improve the circular economy, the Company has also achieved zero manufacturing waste by converting all its carton trim waste into moulded pulp casings during the year, achieving this KPI (target set  $\geq 90\%$ ) for its Materiality Matter of Waste Reduction and Environmental Initiatives. These moulded pulp casings generated RM8.84 million in revenue in the current reporting period, a 56.13% increase from RM5.63 million in 2020.

The subsidiary's raw materials and subsequent recycled consumption for its production processes were 85.50% and 7.30%, respectively.

### CONVERSION OF CARTON TRIM WASTE TO PULP MOULDING (KG/REVENUE)



### BREAKDOWN OF RECYCLED MATERIALS 2021 (KG)



Total scheduled waste disposed of in 2021 was 19,668 kg as compared to 20,279 kg the previous year.

|                     | 2021          | 2020          |
|---------------------|---------------|---------------|
| SW 409 - INK DRUMS  | 4,009         | 318           |
| SW 416 - INK SLUDGE | 15,659        | 19,961        |
| <b>TOTAL</b>        | <b>19,668</b> | <b>20,279</b> |

CBB achieved a scheduled waste disposal average cost per revenue of 0.09% in the year against 0.04% in 2020.

# END OF REPORT



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