

**KPI
PERFORMANCE
INDICATORS
FOR MOST
MATERIAL
MATTERS 2022**



Quality is intrinsic to value creation and customer satisfaction. In essence, good quality is central to the creation of both financial and non-financial values. Producing products and services that are fit for purpose and enhancing the lives of stakeholders is at the core of capitalism and should have a place at the core of any business.

CBB has seen a 32.4% reduction in total complaints received year-on-year, a direct result of the subsidiary's constant focus on improving product quality through the application of total quality management measures across its production process.

In particular, the constant incorporation of customer feedback into the production process including in the selection and procurement of raw materials has been pivotal in the year-on-year reduction in complaints. CBB continues to maintain its track record 100% resolution for all customers complaints received for the third consecutive year.

KEY MEASUREMENTS	2020	2021	2022
Incidents of non-compliance concerning the health and safety impacts of products and services	Not reported	Not reported	Not reported
Customer Satisfaction Scores (%)	Not reported	Not reported	Not reported
Customer complaints received	Polyplus JB : 37 Prestige : 15 Brandpak : 2 Multiview : 6 Pro Pulp : 0	Polyplus JB : 61 Prestige : 6 Brandpak : 2 Multiview : 3 Pro Pulp : 2	Polyplus JB : 44 Prestige : 4 Brandpak : 1 Multiview : 1 Pro Pulp : 0



ECONOMIC KPIs

SUSTAINABLE LOCAL PROCUREMENT

CBB continues to ensure all suppliers adhere to the COBE and the subsidiary maintains a preference for local sourcing. The COBE has clear clauses that suppliers must comply with such as conflicts of interest, anti-corruption and bribery and no gift-giving. CBB has also established the following policies:

- » Conflicts of Interest (Suppliers) Policy
- » Anti-Corruption and Bribery Policy and No Gift Policy

Suppliers are regularly assessed based on the following criteria: Responsible Business Alliance (“RBA”) compliance, waste management practices, safety, health and environment practices for labour, certified forest-based material in production certification for suppliers of paper rolls and external sustainability evaluation by Ecovadis.

In 2022, CBB conducted five physical inspection audits of main raw material suppliers based in Malaysia.





ECONOMIC KPIs

SUSTAINABLE LOCAL PROCUREMENT (continued)



If possible, suppliers should also provide a published document detailing their sustainability performance. In addition, CBB intends to conduct its own assessments of suppliers' environmental performance going forward. Thus far, no negative environmental impacts within suppliers' operations have been identified.

In 2022, 107 suppliers have agreed to abide in writing with CBB's Supplier Integrity Pledge.



ENVIRONMENTAL ASPECT

ENERGY CONSUMPTION AND MANAGEMENT

In 2022, CBB commenced using solar energy for its operations. The installed solar panels provide 935.4 kilowatts peak (“kWp”) of system capacity.

The use of solar panels is part of CBB’s renewable energy initiative, aimed at reducing the dependence on the grid-supplied electricity, ultimately reducing the emission for CBB operation. Aside from solar panels installation, the other highlight is CBB’s energy efficiency monitoring programme. The programme aims to identify opportunities to reduce energy consumption, by eliminating wastage, switching to LED lighting, and changing consumption behavior.

Electricity consumption is mostly for powering machinery such as the corrugator, printing machines and all other machinery in its business division. Diesel consumption is used mostly for company vehicles, power generators and heavy machinery such as forklifts used at operational sites.



ENERGY CONSUMPTION	2020	2021	2022
Diesel Consumption (Litres)	Data not reported	Data not reported	46,977.00
Liquified Natural Gas (“LNG”) (mmbtu)	Data not reported	Data not reported	31,628.00
Electricity Consumption from Grid Purchased, TNB or other equivalent. (kWh)	5,731,248.00	6,112,206.00	4,868,010.00

Consistent with increased solar usage, CBB’s consumption of grid sourced electricity has declined by 20.4% with substantial savings achieved in energy bills.

EMISSIONS

Emissions are provided in terms of total emissions as well as breakdowns for operating entities, derived by first measuring estimated fuel and electricity consumption.

Then the data are converted into carbon dioxide equivalent (“CO₂e”). CBB has collected Scope 1 and 2 emissions



Type of Emissions	CBB (Tonne CO ₂ e)
1. Direct Emissions (Scope 1)	2,281.42
2. Indirect Emissions (Scope 2)	3,797.05
GHG Emissions (Scope 1 & 2)	6,078.47



Where our
Carbon
Footprint
comes
from?

SCOPE 1: DIRECT EMISSION

GHG from our manufacturing plants, and other sources that are owned or controlled by KPS Berhad.

SCOPE 2: INDIRECT EMISSION

GHG resulting from electricity, heat or steam purchased by KPS Berhad.

SCOPE 3: INDIRECT EMISSION

GHG from sources not owned or directly controlled by, but related to, KPS' business activities.



Purchased good and raw material



Waste generated in operations



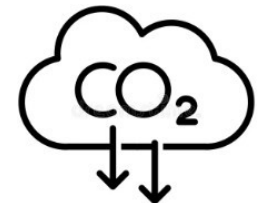
Processing and/or used of sold products



Business travel and employee commuting



Distribution/Logistic



POLLUTION AVOIDANCE AND CHEMICAL MANAGEMENT

01 Air Emission Monitoring

Environmental Quality (Clean Air) Regulations 2014

The production of paper and packing products does create waste products. Many of these are reused within the business through the adoption of circular economy methods or sent for recycling by external parties. The aforementioned is mainly applies to pulp and paper waste.

02 Local Exhaust Ventilation (LEV) monitoring

Occupational Safety and Health, (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulations 2000

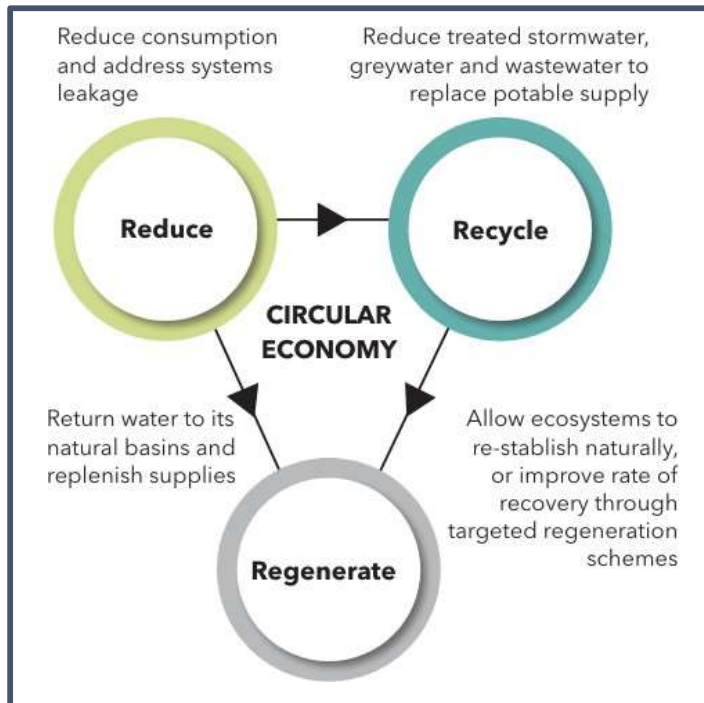
Wastewater generated from production is treated to permissible standards as provided in the Environmental Quality (Industrial Effluent) Regulation 2009 before being discharged. Regular internal assessment is conducted to ensure wastewater meets regulatory standards prior to discharge. External assessments are also performed on a periodically basis by the Department of Environment (“DOE”).

03 Water sampling monitoring

Environmental Quality (Industrial Effluent) Regulation 2009

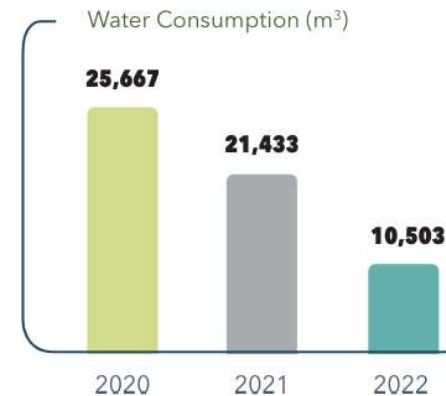
Similarly, regular monitoring is also undertaken for air emissions and noise levels, both internally as well as by the DOE. Results for 2022 show that CBB has complied with regulatory levels.

WATER AND EFFLUENT MANAGEMENT



Water is a key component in the production of paper packaging products. The process generates wastewater.

With increased rainwater harvesting implemented in CBB's operations, the company has achieved a 51.0% reduction in water sourced from the utility water provider.

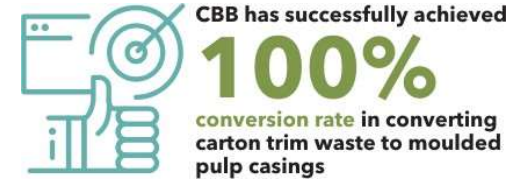


WASTE MANAGEMENT

CBB follows the best practice ISO 14001 standards to ensure all environmental objectives are achieved. It also continues to vigorously implement its 3R approach i.e., reduce, reuse and recycle. CBB has continued its waste segregation and recycling efforts, as well as striving for zero manufacturing waste through repurposing of all carton trim waste into moulded pulp casings. In doing so, CBB has successfully achieved 100% conversion rate in converting carton trim waste into moulded pulp casings.

Disposal and transportation of waste from CBB's premises are managed by specific waste management companies that are DOE-certified as fit for this purpose. Waste is disposed only at prescribed facilities listed in the eSWIS.

Going forward, CBB intends to establish its waste policy so that it shall specifically state the company's intention to reduce and eliminate waste generated from its production operations and processes. The subsidiary's raw materials and subsequent recycled consumption for its production processes were 85.50% and 7.30%, respectively for 2022.



	2020	2021	2022
Scheduled Waste (kg)	20,279.00	19,668.00	56,502.00
Non-hazardous Waste Reused (Carton to Pulp) (kg)	741,849.00	777,418.00	355,014.00
Non-hazardous Waste sold to recyclers (kg)	Data not reported	Data not reported	1,225,987.00
Revenue (from conversion of carton trim waste to pulp moulding) (RM)	5,627,208.00	8,835,531.00	3,246,608.12



**SOCIAL
ASPACT**

HIRING FROM THE LOCAL COMMUNITY

As much as possible, CBB's approach to employee recruitment is a preference for local hires, with local being defined as in local to where the Group operates. While there is no formal policy stipulated to that effect, across the Group's operations, both at Headquarters and at the subsidiary level, the practice is as much possible, to provide locals with first opportunities to jobs.

In certain unavoidable situations i.e. employment of manual labour in Malaysian operations, foreign workers are hired due to locals not wanting to work in these professions. The use of foreign workers is typically only on the manufacturing floor of operating companies.



TALENT DEVELOPMENT



Carton operation at CBB; manufacturing plant in Senai.

CBB's Human Resources department coordinates the preparation of the annual Training Plan and Budget for all employees. The appointed Human Resources Champion drives the HR agenda with support from KPS Berhad's GHR.

Focus areas for professional development are as follows:

- Enhance employees' skills, knowledge and competencies for them to perform their duties more effectively.
- Enhance employee morale and productivity.

Identification and selection of participants to attend relevant training programs will be channelled through HR in consultation with the respective HODs, based on the Personal Development Plan.

TALENT DEVELOPMENT (continued)

Courses employees attended in 2022 either via internal training sessions or via external engagement are as follows: Certified Environmental Professional in Scheduled Waste Management (CePSWaM) and Certified Environmental Professional in the Operation of Industrial Effluent Treatment System - Physical Chemical Process (CePIETSO-PCP). For FY 2022, 100% of CBB's employees were appraised.



Assessing and Evaluating Effectiveness of Training

All training provided is assessed to measure effectiveness. Assessment is done via the following:

- Measuring job impact or behavioural changes, business impact.
- Feedback provided by attendees through feedback forms or through other forms of feedback.

END OF REPORT



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