

KPI PERFORMANCE INDICATORS FOR MOST MATERIAL MATTERS 2024



ECONOMIC COMMITMENT



ECONOMIC KPI

SUSTAINABLE LOCAL PROCUREMENT

CBB has implemented industry-specific quality assurance frameworks, reinforcing consistent delivery and operational reliability. These systems are not only aligned with regulatory and client requirements but are also reviewed periodically to ensure relevance in dynamic market environments



CBB also maintained its stringent product rejection thresholds, achieving a low 0.26% rejection rate for carton products and **zero** percent for its paper-based output, reflecting consistent production reliability and adherence to quality benchmarks.



Customer Satisfaction

ECONOMIC KPI

QUALITY AND PRODUCT RESPONSIBILITY

ASSURING QUALITY IN PRODUCTS AND SERVICES



IMPACT STORY 4

CBB Enhances Quality Through Customer-Driven Insights

CBB operates in a highly competitive market where customer expectations for quality and service constantly evolve. To maintain a competitive edge, CBB needed a structured approach to capturing customer insights and translating them into measurable quality improvements.

✓ The Initiative

To strengthen product quality, CBB implemented the following initiatives:



The Outcome

- **Low Product Rejection Rates**



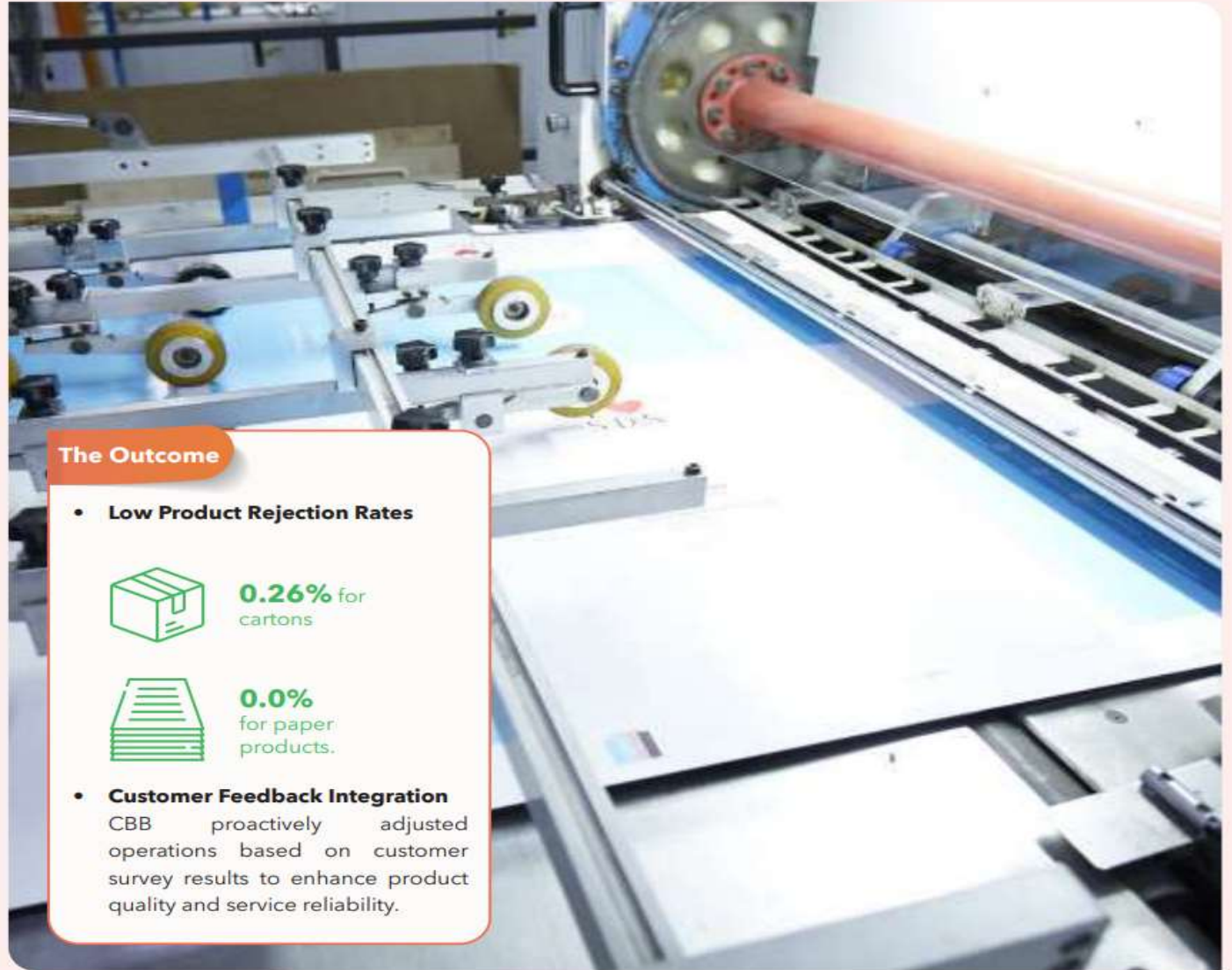
0.26% for
cartons



0.0%
for paper
products.

- **Customer Feedback Integration**

CBB proactively adjusted operations based on customer survey results to enhance product quality and service reliability.



ENVIRONMENT COMMITMENT



ENVIRONMENT KPI

EMISSION

In 2024, CBB has expand the emission boundary to Indonesia. This expansion marks a critical step in strengthening our climate strategy and enabling us to track and manage our carbon footprint with greater accuracy across our regional operations.

Type of Emissions	Emission (tCo2)
Scope 1	1986.20
Scope 2	4570.05
Scope 3	347.36

SCOPE 1



Generated directly on site, typically through the combustion of fossil fuels, including emissions from central heating plant, campus fleet vehicles, etc.

SCOPE 2



Generated off-site, but are directly attributable to the University's activities, such as emissions from purchased electricity

SCOPE 3



Indirect emissions through operations, such as staff and learner commuting, institution-sponsored travel, and from the production and disposal of purchased products and services

ENVIRONMENT KPI

EMISSION

Overview of Energy Consumption Breakdown

	
Scope 1: Stationary + Mobile Fuel Consumption (MWh) 2024: 8,333.88 2023: 13,844.51 2022: 9,744.69	Scope 1: Stationary + Mobile Fuel Consumption (Mj) 2024: 30,328,237.66 2023: 49,840,246.75 2022: 35,080,882.01
Scope 2: Purchased Electricity (MWh) 2024: 5,905.24 2023: 8,011.63 2022: 4,868.01	Scope 2: Purchased Electricity (Mj) 2024: 21,258,870.08 2023: 28,841,868.00 2022: 17,524,836.00
Total Scope 1 + Scope 2 Energy Consumption (MWh) 2024: 14,239.12 2023: 21,856.14 2022: 14,612.70	Total Scope 1 + Scope 2 Energy Consumption (Mj) 2024: 51,587,107.74 2023: 78,682,114.75 2022: 52,605,718.01
Total Solar PV Energy Generation (MWh) 2024: 1,108.98 2023: 1,121.41 2022: 0	Total Solar PV Energy Generation (Mj) 2024: 3,992,316.84 2023: 4,037,070.78 2022: 0
Total Energy Consumption (MWh) 2024: 15,348.10 2023: 22,977.55 2022: 14,612.70	Total Energy Consumption (Mj) 2024: 55,579,424.58 2023: 82,719,185.53 2022: 52,605,718.01


Installed Capacity (kWp) 2024: 935.4 2023: 935.4
Total Solar PV Energy Generation (MWh) 2024: 1,108.98 2023: 1121.41
Total Solar PV Energy Generation (Mj) 2024: 3,992,316.84 2023: 4,037,071
Amount of TCO₂e Offset through Solar Energy 2024: 858.35 2023: 874.70
Percentage of Solar Energy from the Energy (%) 2024: 7.23% 2023: 4.88%

ENVIRONMENT KPI

ENERGY MANAGEMENT

INCREMENTAL INNOVATIONS IN OUR OPERATIONS



IMPACT STORY 4

CBB: Breakthrough in Reducing Natural Gas Consumption

Traditionally, the company relied on a liquefied natural gas ("LNG") powered heating oven to dry moulded pulp products, a process that, while effective, consumed a significant amount of energy and contributed to high Scope 1 emissions.

With rising LNG prices and sustainability becoming a key priority, CBB sought an innovative solution to reduce dependency on LNG without compromising production efficiency.

✓ The Initiative

CBB installed an eco-friendly ventilation system designed to dry moulded pulp using a combination of blowing fans and natural sunlight instead of gas-powered heating. This initiative was a fundamental shift in production methods, allowing for a more energy-efficient drying process while maintaining product quality.

The Outcome

Significant Cost and Emission Reductions

- By implementing the ventilation system, LNG usage decreased by 41%, dropping from 6,482.1 MMBtu in 2023 to 3,848.7 MMBtu in 2024, leading to substantial cost savings by RM126,795.37 and a marked reduction in Scope 1 emissions.

Increased Production Output with Lower Energy Usage

- Despite reducing LNG consumption, the 2024 output for dry moulded pulp products hit 1,478,984 units.
- Highlights the new system's effectiveness in enhancing operational efficiency while reducing carbon emissions.

The success of this initiative demonstrates how innovative solutions can drive both financial and environmental benefits. By reducing its reliance on LNG while improving production efficiency, CBB is actively contributing to KPS Berhad's long-term decarbonisation goals.

Our Outlook:

Sustaining Momentum in Climate Action

Building on the progress made in 2024, KPS Berhad remains steadfast in strengthening its climate action strategies by continuously improving operational efficiency and accelerating decarbonisation activities. With our subsidiary companies playing a key role in emissions reduction, we will refine our targets and progressively extend our Scope 3 coverage to gain a more comprehensive understanding of our carbon footprint.

Moving forward, we will continue to embed sustainability into our business decisions, ensuring that future investments align with our carbon intensity reduction plan. While challenges such as regulatory shifts and evolving stakeholder expectations remain, our structured and measured approach will keep us on track towards reducing carbon intensity and ultimately achieving our long-term climate goals.

ENVIRONMENT KPI

SMALL CHANGES, BIG IMPACT



IMPACT STORY:

CBB's Electricity Conservation Approach

In line with its commitment to reducing Scope 2 emissions, CBB recognised that inefficient air-conditioning use contributed to high electricity consumption and avoidable carbon emissions. With cooling being a major energy draw in manufacturing facilities, optimising temperature control became a key focus area for improving energy efficiency.

✓ The Initiative

CBB set a targeted temperature range of 22°C to 26°C for all air-conditioning units, ensuring efficient cooling while minimising excessive energy use. To support this initiative, an awareness campaign was launched for all staff, educating employees on the importance of maintaining consistent temperature settings for both sustainability and cost efficiency.

ENERGY MANAGEMENT

The Outcome

By the first quarter of 2024, the initiative successfully achieved its objective, with all CBB employees adhering to the new air-conditioning guidelines. Combined with the installation of solar panels, this optimised cooling efficiency initiative reduced electricity consumption and contributed to lowering Scope 2 emissions.

As a result, electricity consumption decreased from 8,012 MWh in 2023 to 5,905 MWh in 2024, a 26% reduction, reinforcing CBB's role in KPS Berhad's broader sustainability strategy.

Electricity Consumption decreased to

2024: 5,905 MWh

2023: 8,012

26% reduction, reinforcing CBB's role in KPS Berhad's broader sustainability strategy.

Our Outlook:

Continuing the Energy Efficiency Journey

In 2024, we expanded data coverage, enhanced monitoring across our subsidiary companies and implemented targeted initiatives to improve energy performance. We will continue refining our energy strategies by investing in efficiency-driven technologies, optimising energy use in manufacturing and reinforcing best practices across all operations.

As energy costs and regulatory expectations evolve, we will maintain a structured and practical approach to energy management. Our focus will be on further integrating RE, expanding automation and driving behavioural change within our workforce to achieve sustained improvements. Steadily advancing our energy efficiency efforts will contribute towards making measurable progress toward its long-term carbon reduction goals.

ENVIRONMENT KPI

WASTE REDUCTION

DRIVING CIRCULAR ECONOMY PRACTICES



IMPACT STORY 1

CBB Turning Waste into Pulp Products (Waste Prevention: From Waste to Product)

In carton manufacturing, significant amounts of trim waste and rejected cartons are typically discarded, contributing to unnecessary landfill waste and increasing material costs. Additionally, the process of pulp production relies heavily on municipal water, further straining external resources. To address this, CBB sought a way to transform its waste into a valuable resource while reducing raw material dependency.

✓ The Initiative

CBB implemented an incremental innovative process that converts carton trim waste into pulp products. Integrating this method into daily operations enabled the company to achieve a 100% success rate in repurposing what would have been waste into a key raw material.

Carton Production Waste Reduced to:



Integrating waste prevention strategies into its operations, CBB has successfully reduced waste generated from paper and carton production. By embedding these strategies into daily operations, CBB minimises landfill waste while unlocking opportunities for resource efficiency and cost savings.

The Outcome

Reusing trim carton waste and rejected cartons, CBB effectively **reduced its raw material costs**. Instead of purchasing Pro Pulp at RM0.65 per kilogramme from suppliers, the company optimises its own discarded materials, reducing landfill waste while maximising available resources.

To achieve target below 13%
of rejection rate for setting waste



Not Achieved:
17.75%

In 2023, CBB fell short of meeting its targeted KPI due to the ongoing upgrades of the corrugator machine



SOCIAL COMMITMENT



SOCIAL KPI

CAREER GROWTH THROUGH STRUCTURED PROMOTION PATHWAYS

Career advancement opportunities are the key drivers in employee engagement and retention. Without clear pathways for professional growth, employees may feel unmotivated, leading to higher turnover rates. To address this, CBB sought to establish a transparent promotion structure for non-executive employees.

✓ The Initiative

CBB set an annual target to promote at least **five non-executive employees** based on merit and performance. The selection process involved a rigorous evaluation of employees' achievements, leadership potential, and contributions to the company's strategic goals. This initiative was designed to foster a culture of excellence, encouraging employees to strive for career progression while ensuring that leadership roles were filled with individuals well-versed in the company's values and operations.



SOCIAL KPI

HIRING FROM LOCAL COMMUNITIES

CBB prioritising local hiring supports the development of the local economy by creating job opportunities for qualified candidates within Malaysian operations, present challenges in attracting sufficient local candidates. In such cases, the Group employs foreign workers to meet workforce demand while ensuring compliance with regulatory requirements and fair employment standards



Highlight

The Group maintains a **zero-tolerance** policy towards discrimination based on race, religion, gender, age, disability, or nationality.

SOCIAL KPI

FOSTERING THROUGH TEAM BUILDING

To promote cross-functional and cross-company engagement, CBB participated KPS Group Teambuilding 2024 at Johor which was designed to enhance teamwork, strengthen relationships and trust and boost collaborations. The event featured various sports activities, including futsal, netball, and badminton, providing an opportunity for employees to bond outside their daily work routines



The Outcome

The success of the team-building event was evident in the enthusiasm and active participation of employees. It provided a platform for networking and camaraderie, augmenting a shared corporate culture and sense of unity across all subsidiary companies. KPS Berhad is dedicated to cultivating initiatives that strengthen teamwork and ensure employees remain engaged, motivated, and aligned with the company's collective vision.

SOCIAL KPI

STRENGTHENING AWARENESS, UPHOLDING HUMAN RIGHTS

In 2024, CBB conducting a human rights awareness programme. This initiative focused on educating employees about child labour and forced labour issues, ensuring that ethical employment practices remain prioritized across all operations

The programme emphasised the importance of creating a safe, inclusive, and respectful working environment that upholds dignity for all employees. Discussions covered key areas such as workplace safety, non-discrimination, fair treatment, and initiatives for health and wellness.

Beyond compliance, the awareness session highlighted how training, skill development, and access to diverse opportunities contribute to inclusiveness and professional growth. These principles align with CBB's broader business commitments, affirming its dedication to safe working conditions, fair compensation, privacy protection, and employee development



END OF REPORT



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