



SUSTAINABILITY REPORT

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OVERVIEW

ABOUT THIS REPORT



GRI 2-1, 2-2, 2-3, 2-4, 2-5

The year 2023 marked the sixth year of our sustainability journey, demonstrating our growing commitment towards ESG principles. Sustainability is now an integral part of our business and corporate strategy, with our employees dedication towards improving their environmental stewardship, social responsibility and governance. We are committed to sharing our progress transparently with all our stakeholders.

At GPB, we believe in a comprehensive approach to achieving success. Our Senior Management and employees are collectively invested in our ESG strategy, which involves setting annual goals in critical areas such as certification, safety and community engagement.

We proactively engage with our stakeholders and communities, valuing their input, addressing concerns and diligently addressing issues as they arise. Recognising the potential of sustainable practices within our operations, we are dedicated to fostering better outcomes while continually generating value for all stakeholders. Our unwavering commitment to excellence drives our efforts to optimise the efficiency and effectiveness of our upstream, midstream, and downstream logging and timber activities.

As we strive to enhance profitability through increased yield and output, we acknowledge the importance of aligning our strategies with both short-term objectives and long-term sustainability goals. Thus, we are focused on critical areas that support our comprehensive plans, balancing profitability with our responsibility towards people and the planet.

In line with the United Nations Sustainable Development Goals (UNSDG) Principles, we are driven towards optimally balancing the 5Ps:

People: We prioritise the development of our talent pool and remain committed to supporting local communities by creating job opportunities to improve their livelihoods.

Planet: Safeguarding biodiversity and promoting responsible forestry management is central to our efforts to protect the environment. Steps are being taken to reduce our carbon footprint to join the fight against climate change while promoting a healthier, more sustainable future for our stakeholders.

Partnerships: Through strategic collaborations, we can leverage innovations and imbue solutions to complex challenges. We actively seek partnerships that allow us to share our knowledge and expertise while learning from others.

Prosperity: Involves creating shared value for stakeholders while ensuring the sustainable growth of our business. We are expanding our range of products to tap into new markets that demand quality timber and glass products.

Peace: Ultimately, we aim to promote a harmonious co-existence between humanity and the natural world. We proactively engage with our stakeholders and communities, valuing their input, addressing concerns and diligently addressing issues as they arise.

Our commitment to sustainable forest management is at the heart of our operations. We stringently adhere to the highest national policies and standards, ensuring that our practices consistently prioritise environmental preservation. Through collaboration with diverse organisations and stakeholders, we are confident in our ability to catalyse positive change and build a prosperous and sustainable world for future generations.

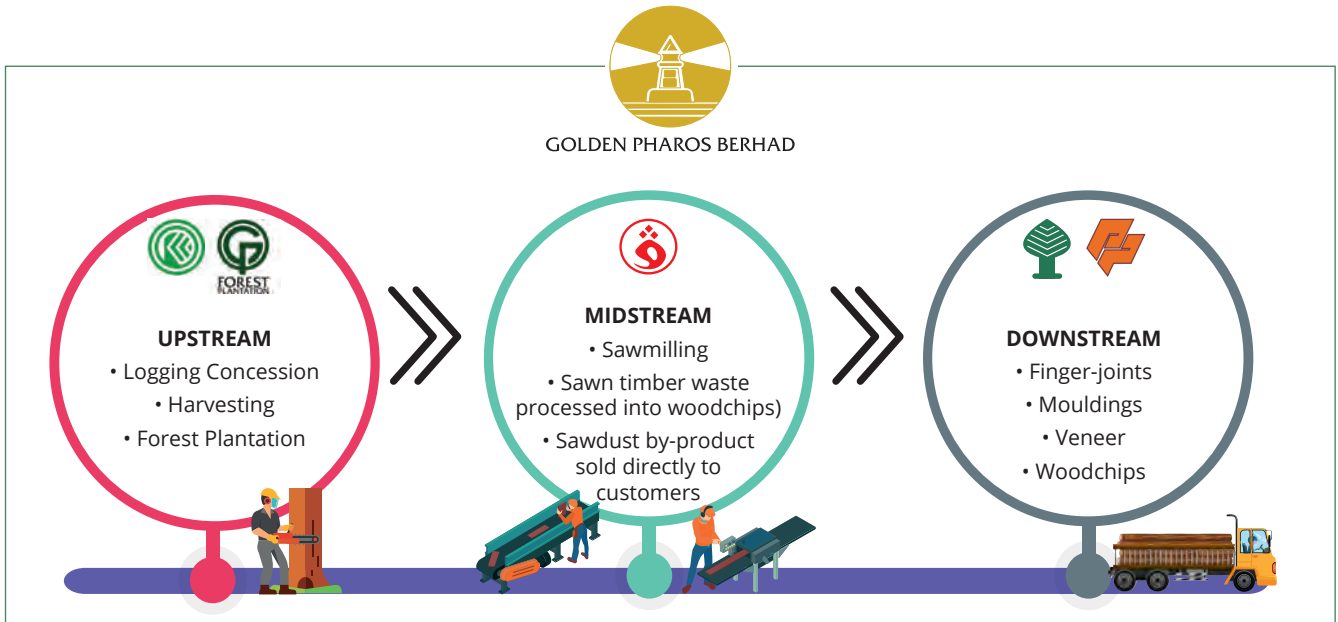
We are exploring potential opportunities to maximise forest value through decarbonisation and embracing a circular economy. Our environmental, social and economic objectives align with prioritising decarbonisation and natural resource conservation. We aim to demonstrate the viability of profitable, sustainable business practices - striking a balance between financial success and environmental stewardship.

Alongside implementing environmental initiatives, we are also cognisant of the socioeconomic dimensions of empowering our people and local communities, encouraging diversity and inclusion and maintaining safe, ethical work environments. With clear ESG and economic objectives guiding us, we can continue shaping a business model that centralises sustainability and resource conservation, setting a precedent in the industries in which we operate.



ZULKIFLI OMAR
Chief Sustainability Officer

OVERVIEW (CONTINUED) ABOUT THIS REPORT



REPORTING BOUNDARY, PERIOD AND SCOPE

The scope of this Sustainability Report (Report) covers data and information on GPB and all subsidiary companies accounted for by the equity method, operating in Malaysia as part of the Group's annual review and updates on corporate sustainability.

Information and data from associate companies and joint ventures outside management control are excluded.

- KUMPULAN PENGURUSAN KAYU KAYAN TRENGGANU SDN BHD (KPKKT)**
Sustainable Forest Management
- PESAKA TRENGGANU BERHAD (PESAKA)**
Sawn Timber
- PESAMA TIMBER CORPORATION SDN BHD (PESAMA)**
Moulding and Finger-joints
- PERMINT PLYWOOD SDN BHD (PPSB)**
Veneer
- GP FOREST PLANTATION SDN BHD (GPFP)**
Forest Plantation
- GOLDEN PHAROS GLASS SDN BHD (GP GLASS)**
Architectural Glass Manufacturing

Please refer to *Who We Are* on page 5, *About GPB* on pages 6 & 7 and *Corporate Structure* on page 10 of this Annual Report 2023.

Reporting period:

1 January to December 2023. The previous published report was released in April 2023, covering the reporting period for 1 January to 31 December 2022.

FRAMEWORK ALIGNMENT

GPB's Sustainability Report 2023 is aligned and prepared according to the following:

- 1
 Bursa Malaysia's Sustainability Reporting Guide, with reference to the FTSE4Good Bursa Malaysia (F4GBM) Index
- 2
 In reference to the Global Reporting Initiative (GRI) Universal Standards 2021
- 3
 United Nations Sustainability Development Goals (UNSDG)

FEEDBACK

We welcome any comments, suggestions or enquiries regarding the content of the Report or the Group's sustainability initiatives and performance for continuous improvement. Please contact:

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The GRI Index on pages 313 to 320 includes qualitative and quantitative data, where relevant, throughout this Report.

Please refer to the Performance Data Table on pages 321 to 322 of this Report.

MESSAGE FROM OUR CEO

THE SUSTAINABLE STEWARD: WE ARE GOLDEN PHAROS BERHAD



MOHD ROSLAN BIN MAMAT

Acting Chief Executive Officer

Golden Pharos Berhad (GPB) has been a leading force in Malaysia's timber industry for nearly six decades. However, our story goes beyond simply harvesting valuable resources. Sustainability is the cornerstone of everything we do.

We began as a small company dedicated to responsible forestry practices. Over the years, we have blossomed into a respected player, understanding that healthy forests are the foundation of our success. We take our role as stewards very seriously, ensuring a delicate balance is maintained within the ecosystem.

Sustainability is woven into the fabric of our operations. We champion Sustainable Forest Management (SFM), a meticulous approach that guarantees only a portion of the forest is harvested at a time, allowing ample opportunity for regrowth. This, combined with our forest plantation projects creates a continuous cycle of harvest and renewal.

Our commitment extends far beyond the trees. We are deeply involved in the welfare of the communities that surround our operations. From creating local job opportunities to funding educational, sports, community and environmental initiatives, we empower the people who share their homes within the forest boundaries reinforcing a sense of pride and connection.

Innovation is another pillar of our success. We embrace technology to minimise waste and enhance efficiency. Our recent initiative involving the installation of rooftop solar panels not only demonstrates our dedication to renewable energy but also heralds a future of sustainable practices.

Transparency and integrity are core values at GPB. We work closely with the Government, ensuring compliance with all regulations. This dedication has earned us a reputation as a reliable and trustworthy partner.

Our vision extends far beyond the bottom line. We recognise that a healthy environment is vital for future generations. By striking a balance between responsible resource utilisation and conservation, we ensure the enduring benefits of these precious ecosystems.

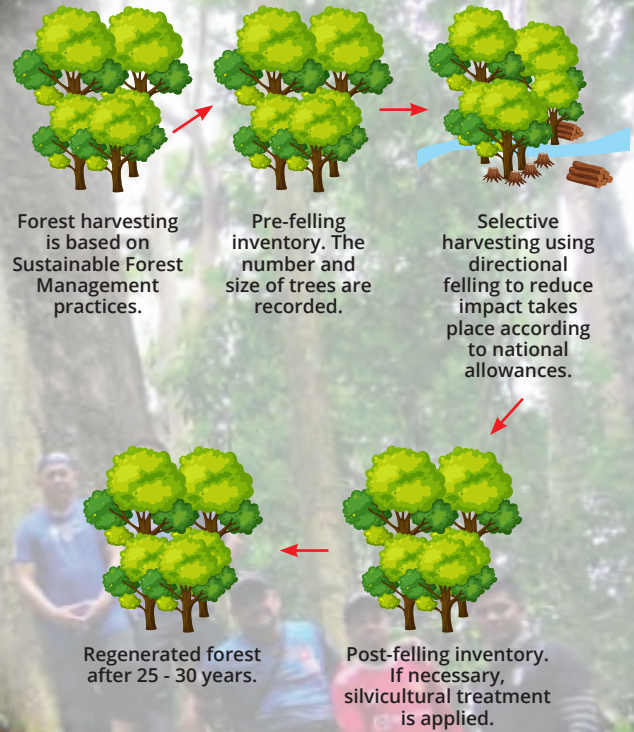
This story concerns timber, responsible stewardship, and a deep respect for the natural world. At GPB, progress and sustainability go hand in hand, paving the way for a brighter future for the forests, our stakeholders and the communities we sustain.

MESSAGE FROM OUR CEO (CONTINUED) THE SUSTAINABLE STEWARDS: WE ARE GOLDEN PHAROS BERHAD

SUSTAINABLE FOREST MANAGEMENT (SFM)



SELECTIVE MANAGEMENT SYSTEM (SMS)



PRE-HARVESTING	n-2 years to n-1 year	Pre-felling forest inventory of 10% sampling intensity using systematic-line plots to determine appropriate cutting regimes (limits).
	n-1 year to n	Tree-marking incorporating directional felling.
HARVESTING	n	Felling all marked trees.
POST-HARVESTING	n + ¼ year to n ½ year	Forest survey to determine fines on trees unfelled, royalty on short logs and tops, and damaged residual stands.
	n + 2 years to n+ 5 years	Post-felling inventory of 10% inventory using systematic-line plots to determine residual stocking and appropriate silvicultural treatments.
	n+10 years	Forest inventory of regenerated forest to determine status of the forest.

*n = the number of trees growing from one diameter class to the next
(Source: Malaysian Timber Council)*

The largest Chengal tree in Malaysia in the Pasir Raja Forest Reserve within the DTC concession area was recognised in the Malaysia Book of Records in 2001.

OUR ENVIRONMENTAL STEWARDSHIP AND ESG INTEGRATION

OUR JOURNEY TAKES ROOT IN THE FOREST

For almost 60 years we have been responsible for developing, managing and harvesting trees in a sustainable manner in the DTC and CFC concession areas on a continuous cycle. Our forests contribute toward clean air, wildlife habitat, recreation, create job opportunities and a sustainable supply of wood for four major sub-sectors with regards to wood-based processed materials and goods:

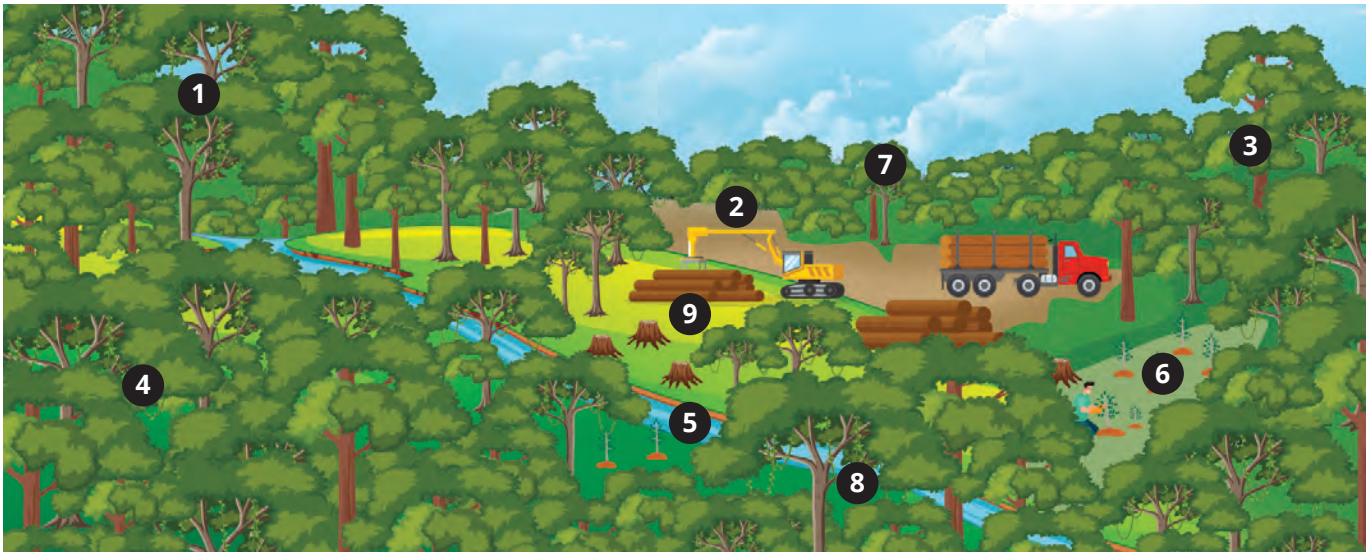
- 1 sawn timber
- 2 veneer
- 3 mouldings and builders' joinery and carpentry (i.e. doors & windows)
- 4 furniture and associated components.

HARVESTING RESPONSIBLY

The Group manages 126,274 ha of forest concession areas using the Selective Management System (SMS). The SMS is in accordance with Sustainable Forest Management (SFM) standards to optimise an economic cut, the sustainability of the forests and minimum cost for forest development. Annually, we harvest approximately 1,900 ha, adhering to the Annual Allowable Cut (AAC) approved by the State Forestry Department.

REFORESTATION

We grow high-quality seedlings in our own nurseries and plant an average of 150,000 seedlings per year. The main objective of forest plantation operations is to create an optimal planting environment that promotes robust growth of the most appropriate tree species while minimising the negative effects of vegetation competition, insect damage and wildlife habitats.



- 1 To ensure the preservation of sensitive species such as eagles and hornbills, we take great care to avoid disturbing their breeding activities.
- 2 We harvest 1,900 ha annually over a total concession area of 126,274 ha.
- 3 We plant an average of 150,000 seedlings annually undertaken by GPF and KPKKT.
- 4 We implement special measures designed to safeguard rare, threatened and endangered species, in accordance with guidelines established by the International Union for Conservation of Nature (IUCN).
- 5 To safeguard the aquatic habitat and mitigate the effects of siltation, we make it a priority to maintain tree buffers along waterways. By leaving these buffers intact, we create a protective barrier that helps to minimise erosion and reduce the risk of sediment runoff into water sources.
- 6 Tree species that are intolerant to shade and have a fast growth rate benefit from open spaces that enable sunlight to reach them. (Succession within Natural Forest)
- 7 The trees absorb carbon dioxide as they grow, while our wood products continue to store carbon throughout their life cycle.
- 8 We use clearcutting to prepare access roads efficiently and safely, with replanting occurring at the end of each compartment's harvesting cycle.
- 9 Upon completing the harvesting process, we deliberately leave tree stumps, branches and scattered live trees to create a diverse habitat for wildlife. These features provide shelter, food and nesting sites, supporting a wide range of species and contributing to the overall health and vitality of the forest ecosystem.

OUR ENVIRONMENTAL STEWARDSHIP AND ESG INTEGRATION (CONTINUED)

WHOLE TREE HARVESTING

Sawn timber is produced using the strongest section of the tree, while the remaining wood fibres are converted into veneer, which is utilised to create engineered wood products (downstream). The woodchips are sold to produce pulp, paper and pellets, whereas shavings and sawdust are used for manufacturing medium-density fibreboard. The bark and other waste materials are used in the boiler to generate steam, a crucial component for powering the factories. At our Harvesting & Sawmilling operations, we are committed to promoting **zero waste**.

THE ADVANTAGES OF WOOD

Wood is a diverse material that boasts a unique character, as no two pieces are identical. Its adaptability makes it an excellent choice for an array of uses and applications. Various timber species can be dried, treated, and processed to create building structures, columns and fittings, as well as superb insulating materials. Wood is renowned for its robustness, making it a popular choice for both indoor and outdoor furniture. In addition, wood components are utilised in a wide range of common products, such as packaging, paper, tissue, paper towels, toothpicks, diapers, and even LCD screens.

ULTIMATE RENEWABLE RESOURCE

As a resource, wood is the ultimate renewable option. By using wood products, we provide an economic incentive for companies like ours to continue growing trees instead of using them for other purposes. With proper management, forests can thrive indefinitely.



- 10 Our sawmills and wood manufacturing operations run as efficiently as possible, which is good for our bottom line and the environment. PESAKA and PPSB have already installed roof-top solar panels and we are assessing another factory for solar-panel installation.
- 11 We provide logs to our own mills while sawn timber and mouldings are sold locally and exported.
- 12 We sell our wood products to distributors, dealers, construction companies, contractors and home improvement stores, and also operate our own distribution business.

- 13 Our wood is purchased by other companies to create a variety of products, including mill work (doors and panels), mouldings, trims and furniture.
- 14 Making wood products requires fewer fossil fuels than it takes to make steel and concrete.
- 15 At our sawmills and manufacturing operations, we promote a **zero-waste** culture through whole tree harvesting and sustainable practices.

OUR ENVIRONMENTAL STEWARDSHIP AND ESG INTEGRATION (CONTINUED)

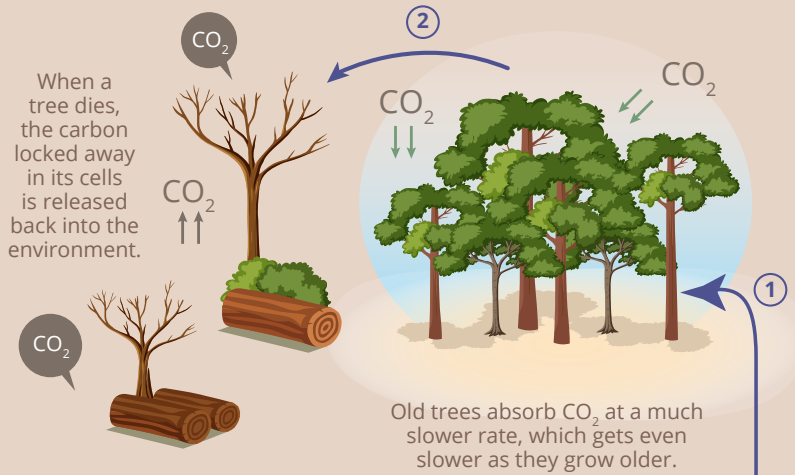
NON-HARVESTED FOREST

FASCINATING FACT!

1 hectare of forest absorbs the same amount of CO₂ as 1 car that has traveled 101,000 kilometers, and a typical car covers 30,000 kilometers per year, then:

the CO₂ absorption of 1 hectare of forest equals that of 3.36 cars per year.

This comparison underscores the significant role that forests play in offsetting carbon emissions from vehicles, highlighting the importance of forest conservation efforts in mitigating climate change.



Forests within GPB's concession areas cover **126,274 ha**
 These forests **absorb CO₂ emissions** equivalent to that produced by **424,281 cars annually**



THE JOURNEY STARTS HERE

As trees live and grow, they absorb CO₂, then store the carbon in their roots, trunks, branches and leaves.

FASCINATING FACT!

The death of a 70 year old tree would return about three tonnes of carbon to the atmosphere.

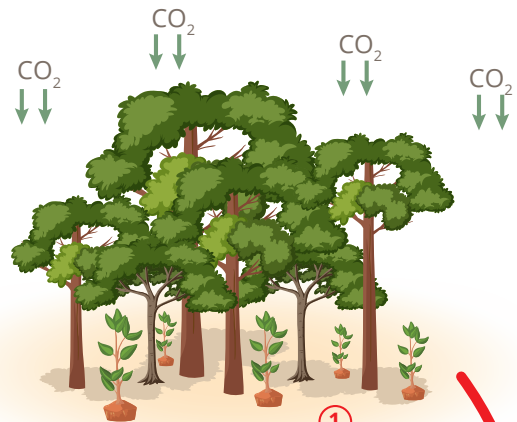


TREES DIES BECAUSE OF...

LIGHTNING STRIKES	FOREST FIRES	DAMAGE CAUSED BY WIND	OLD AGE/ DISEASES
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HARVESTED FOREST

In our reforestation efforts, for every **12 trees harvested within 1 ha**, we ensure the planting of **20 new trees**. This proactive approach not only replenishes the forest but also fosters vital pollination, ensuring the sustainability of fruit trees and ecological balance.



By implementing selective harvesting, the forest canopy becomes more open, enabling an increased amount of sunlight to penetrate the forest floor. This process acts as a catalyst, promoting the growth of the forest. As young trees grow, they absorb CO₂ at a rapid pace.

FASCINATING FACT!
 50% of a tree's dry weight is carbon!



The greater the utilisation of timber in construction and other wooden goods, the more carbon will be sequestered during their lifespan, leading to a reduction in our carbon footprint.

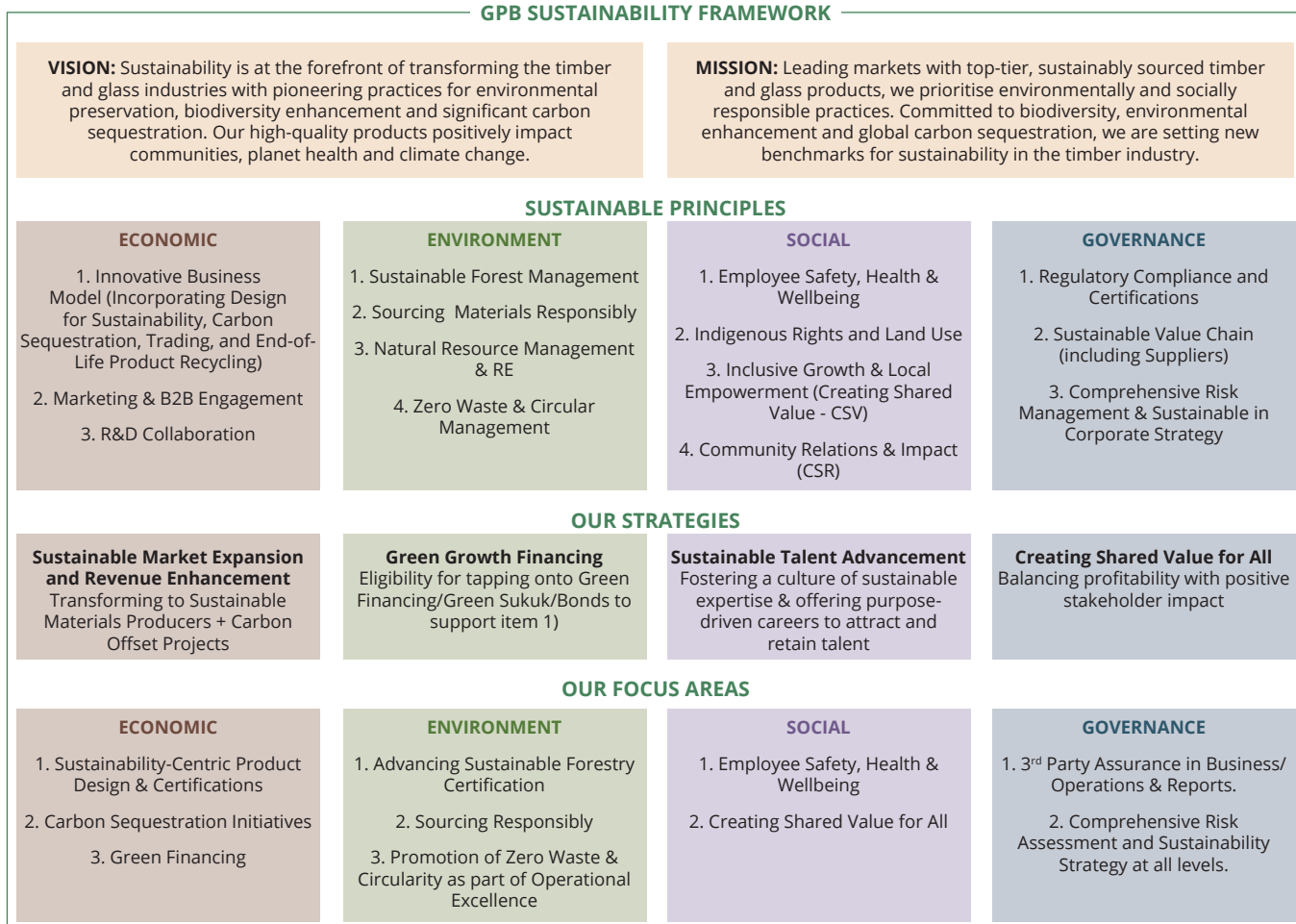
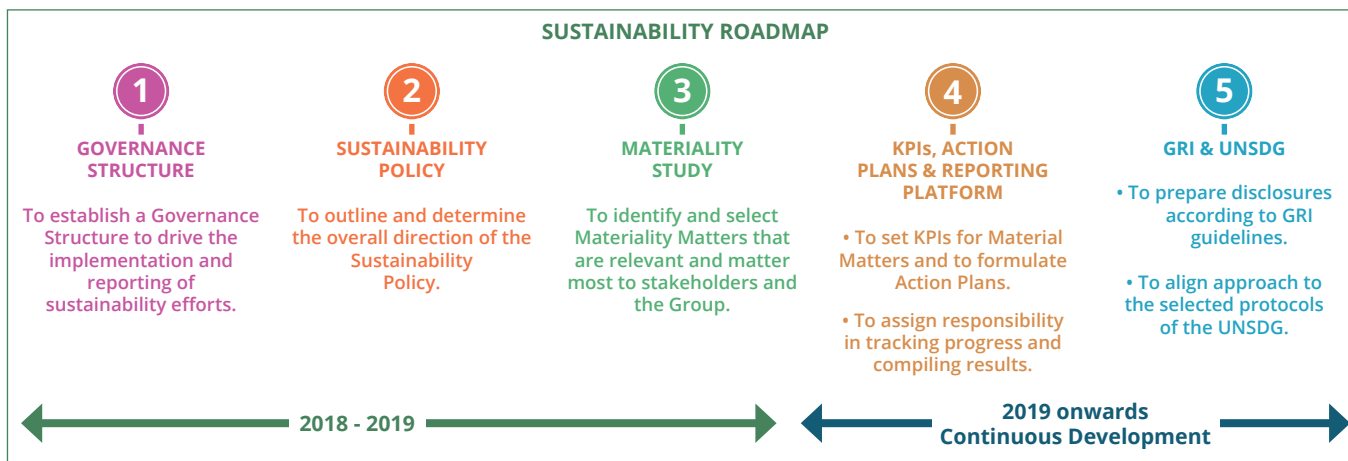
Trees are selectively cut based on Sustainable Forest Management (SFM) practices.

STRATEGISING OUR ESG PRIORITIES



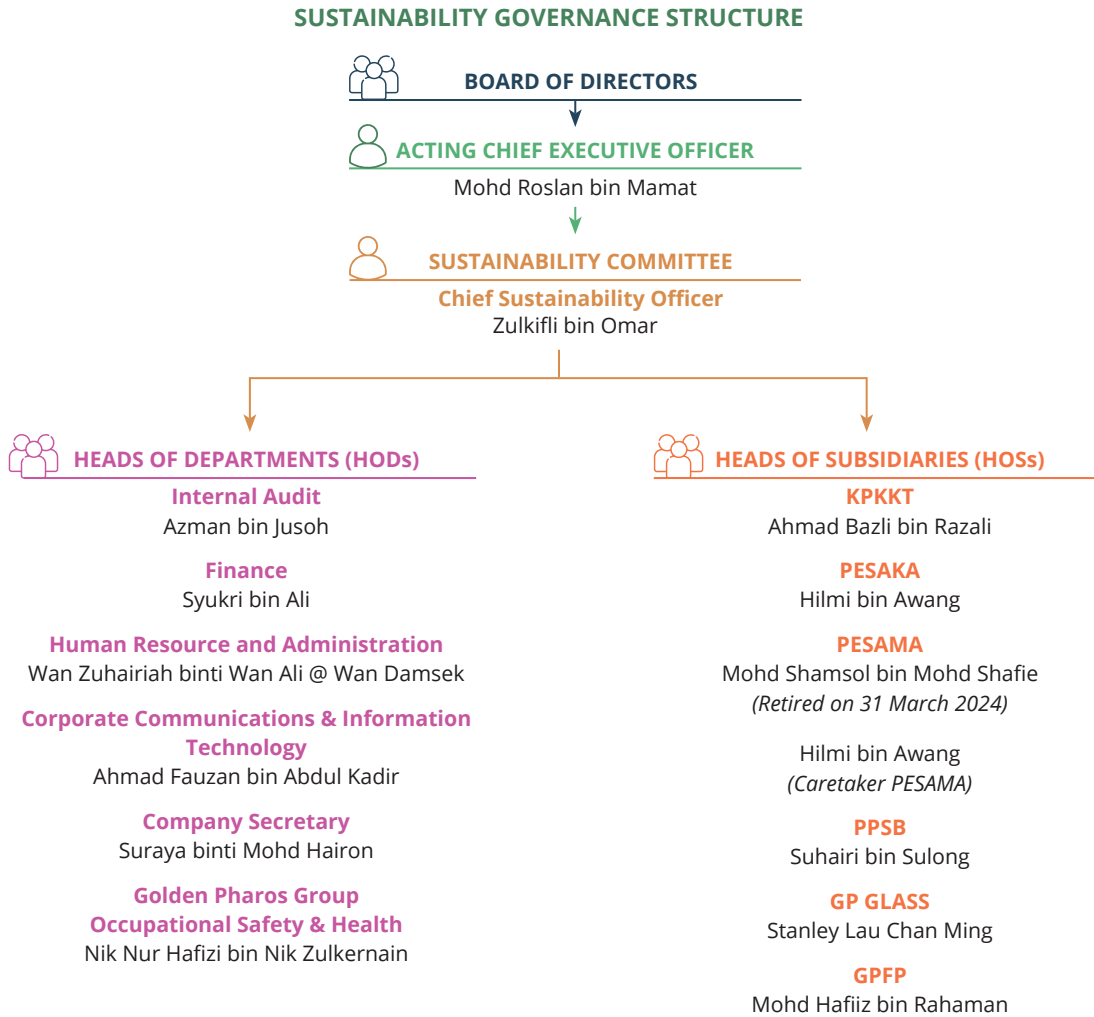
GRI 2-12, 2-13, 2-14, 2-16, 2-22, 2-23, 2-24, 2-26, 2-27, 3-1, 3-2, 201-2, 302-1, 302-2, 303-1 to 303-5, 304-1, 304-3, 304-4, 305-1, 305-2, 306-1 to 306-5

As we stood at the threshold of a pivotal era for sustainability, we at GPB embarked on an ambitious journey. Our roadmap unfurled in 2018, with the establishment of a governance structure that would become the foundation of our sustainability reporting and implementation. We crafted a policy to declare our dedication to navigate the tides of environmental and social responsibility with foresight and integrity.



STRATEGISING OUR ESG PRIORITIES (CONTINUED)

STEERING THE COURSE FOR SUSTAINABILITY



At GPB, effective governance is not just a box to check; it is the engine driving our sustainability agenda. Our Board takes an active role, conducting yearly deep dives into strategy and monitoring progress. This commitment ensures sustainability isn't a siloed effort but a core consideration in every business decision.

The Sustainability Committee (SC), captained by the Chief Sustainability Officer (CSO), leads sustainability efforts. Our CSO drives sustainability strategies and guides the implementation of plans and policies. The SC acts as mission control, overseeing implementation and managing key priorities and targets.

At least once a year, representatives from across the organisation, including HODs and HOSs, attend the annual GPB Corporate Sustainability Workshop. The SC convened a meeting during the workshop to brainstorm on ESG related matters as well as to identify and assess significant ESG risks and opportunities. Recommendations were then tabled to the Board for deliberation and approval. KPIs, targets and action plans were then cascaded to all employees for further action, ensuring GPB's sustainability strategies are met.

STRATEGISING OUR ESG PRIORITIES (CONTINUED)

OUR MATERIAL MATTERS

At the heart of our operations lie the ESG principles. We did not merely identify the most impactful ESG factors, we wove them into the very essence of our business culture. Sustainability is not a peripheral aim; it is the very definition of our growth, the benchmark of success. We implemented programmes and initiatives designed to scrutinise, improve, and, above all, ensure results.

MOST MATERIAL MATTERS FOCUS AREAS



FOCUS AREA 1

CREATING SUSTAINABLE VALUE

Most Material Matters

- Economic & Business Performance
- Eliminating Bribery & Corruption
- Risk Management



FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP

Most Material Matters

- Protecting Land & Biodiversity
- Energy Management
- Emissions & Initiatives to Tackle Climate Change



FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE

Most Material Matters

- Protecting Safety & Health of Workers & Sub-Contractors
- Training, Education & Career Development



FOCUS AREA 4

BUILDING MEANINGFUL SOCIAL INTERACTIONS

Most Material Matters

- Customer Feedback & Satisfaction
- Local Community Engagement

Our start in 2018 marked the beginning of continuous development when we undertook a materiality study. Our aim was to uncover the issues that mattered most to our internal and external stakeholders. With these material aspects identified, we set clear KPIs. These KPIs, tethered to well-considered action plans, held us accountable, ensuring that our trajectory towards our sustainability goals were marked and measured.

STRATEGISING OUR ESG PRIORITIES (CONTINUED)

OUR SUSTAINABILITY POLICY

SUSTAINABILITY POLICY

Golden Pharos Group is committed to upholding the three pillars of sustainability:

Exemplary in Environmental Matters

ENVIRONMENT

Commendable in Economic Matters
ECONOMIC/GOVERNANCE



Praiseworthy in Social Matters
SOCIAL

We intend to sustainably grow the Company for our shareholders, stakeholders, employees and communities we work with in order to manage our biodiversity, human capital and natural resources for the next generation to sustainably carry on.

To lay a robust groundwork for the meticulous oversight and stewardship of the material matters that have been pinpointed, our Sustainability Policy defines how we build measurable objectives and comprehensive Group-wide sustainability initiatives. These pillars are an intricate network of internal protocols, checks and balances, and channels for reporting that facilitate the transparent dissemination of information regarding our sustainability endeavours, focal points, objectives and progress relative to the KPIs. Our internal team and external partners are kept abreast through the detailed disclosures provided in our annual Sustainability Report.

We have aligned our disclosures with the GRI standards and the UNSDG guidelines in our effort to benchmark against international standards. This alignment assures our active participation and contribution to a global symphony of change.

Senior Management, Heads of Departments, Heads of Subsidiaries and employees gathered at the annual Corporate Sustainability Workshop to discuss and develop action plans, set targets and drive improvements in GPB's ESG material matters.



2023 KEY PERFORMANCE INDICATORS (KPIs) AND ACTION PLANS

ECONOMIC

ECONOMIC & BUSINESS PERFORMANCE



#1 Revenue
Annual increase

ACHIEVED

RM89.23million

FY2022: RM70.20 million



#2 PAT
Annual increase

ACHIEVED

RM23.27million

FY2022: RM11.86 million



#3 Dividend
40% of PAT or 30% of EBITDA

NOT ACHIEVED

30% of PAT

22% of EBITDA
FY2022: RM3.89 million
Exceeded by 184%



#4 NAV
Annual increase

ACHIEVED

RM90.10million

FY2022: RM77.93 million

Existing Action Plans from FY2022

- Stock inventory of tree species and volume.
- Installation and commencement of pony saw.
- Reactivation of moulding and finger-joints production lines.

Recommended Plans for FY2024

- Development of new revenue streams.

PAT = Profit After Tax

NAV = Net Asset Value

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation

ELIMINATING BRIBERY & CORRUPTION



#1 Establishment of Organisational Anti-Corruption Plan (OACP): 2021 - 2025

IN PROGRESS

FY2022: In progress



#2 Implementation of Anti-Corruption Pledge (Ikrar Bebas Rasuah (IBR))

COMPLETED AT GROUP LEVEL



#3 Continuation of IGU Awareness

CONTINUOUS

Existing Action Plans from FY2022

- To continue establishment of OACP.
- IBR – to be held in 2023.
- Integrity Seminar – to be included in IBR.
- To continue promotions.

Recommended Plans for FY2024

- To continue establishment of OACP.
- IBR – to be held at subsidiary level.
- Seminar – to be held at subsidiary level.

IGU = Integrity Governance Unit

2023 KEY PERFORMANCE INDICATORS (KPIs) AND ACTION PLANS (CONTINUED)

ECONOMIC

RISK MANAGEMENT



#1 100% Compliance with Approved Risk Management and Action Plans.

ACHIEVED

90.9%

8 Action Plans ahead of time

2 Action Plans on time

1 Action Plan delayed

FY2022: Achieved 87.5%

10 Action Plans ahead of time

4 Action Plans on time

2 Action Plans delayed

Existing Action Plans from FY2022

OPERATIONAL RISK: Disruption in logs supply

- Increase harvesting yields.
- Purchase external logs.
- Implement forest plantation project.

ECONOMIC & SUSTAINABILITY RISK: Business sustainability (timber)

- To pursue suitable downstream business (PESAKA & PESAMA).
- To refurbish existing machines to increase veneer production (PPSB).
- To setup plywood line for plywood production (PPSB).

OPERATIONAL & SUSTAINABILITY RISK: Succession Planning/Competency Gaps

- Talent development.
- Procedures revision.

FINANCIAL RISK: Liquidity Risk

- Cashflow management and fund acquisition planning.

After harvesting, the logs are transported to our sawmilling factory, where they undergo a precise sawn timber process to transform them into high-quality lumber ready for various applications.



The logs harvested from our concession forest are stacked in the stockyard of our sawmilling factory.

2023 KEY PERFORMANCE INDICATORS (KPIs) AND ACTION PLANS (CONTINUED)

ENVIRONMENT

PROTECTING LAND & BIODIVERSITY

**#1 Annual FSC®
Surveillance Audit
(Poaching, HCVF)**

NOT ACHIEVED

FY2022: NOT ACHIEVED

Existing Action Plans from FY2022

- Ensure compliance to new updated standards.
- Workers and villagers are prohibited from wildlife and bird hunting as well as poaching.

**#2 Annual FSC®
Surveillance Audit,
Recertification Every
5 Years**

NOT ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022

- To provide training on certification standards.

Recommended Plans for FY2024

- Recertification in Q3 2024

**#3 Establish
Conservation Area/
HCV Area**

ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022

- Progressive rehabilitation of affected areas.
- Intensive replanting programme after logging.

**#4 Monitor Conservation
Area**

ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022

- Establish conservation areas.
- Closely monitor any endangered or endemic species of flora and fauna found in our area.

ENERGY MANAGEMENT



#1 Installation of Rooftop Solar Panels at PPSB and PESAKA.

PESAKA : COMPLETED

- Installation complete
- Start operation January 2024

PPSB : IN PROGRESS

- To complete by Q2 2024

EMISSIONS & INITIATIVES TO TACKLE CLIMATE CHANGE

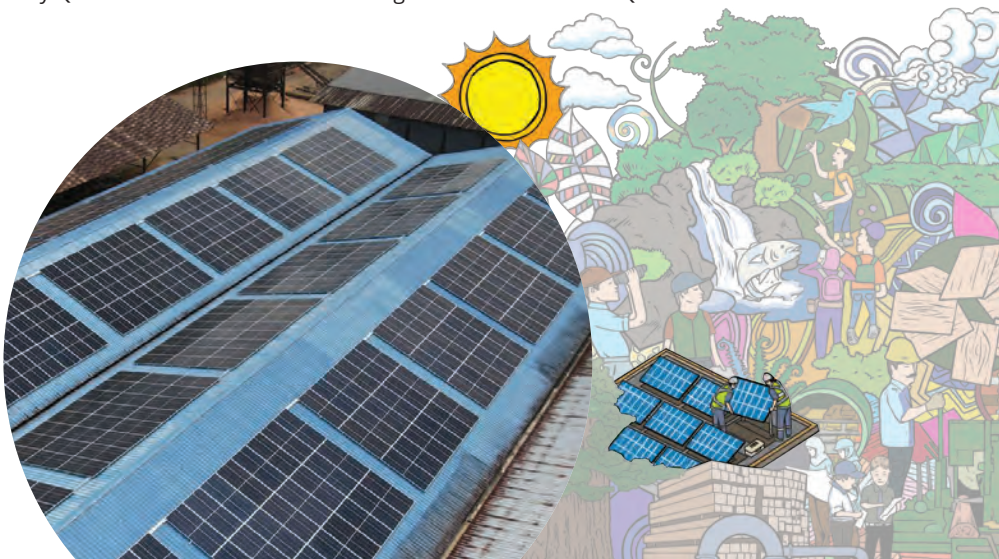


#2 Installation of Rooftop Solar Panels GP Glass

IN PROGRESS

- Targeted to commence in Q4 2024

Efforts to reduce the Group's carbon footprint include the installation of rooftop solar panels at our sawmilling factories.



2023 KEY PERFORMANCE INDICATORS (KPIs) AND ACTION PLANS (CONTINUED)

SOCIAL

PROTECTING THE SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS



**#1 GP Glass:
Maximum 4 Incidents**

**Harvesting & Sawmilling
Maximum 5 Incidents**

ACHIEVED

3 Incidents (GP Glass)

2 Incidents (Harvesting & Sawmilling)

FY2022: NOT ACHIEVED
5 incidents (GP Glass)



**#2 Zero NOP in Compliance
with DOSH**

ACHIEVED

FY2022: ACHIEVED



#3 Zero Deaths

ACHIEVED

FY2022: ACHIEVED



**#4 Minimum 83% of Results
Audited by DOSH**

ACHIEVED 85%

FY2022: ACHIEVED
85%



**#5 Proactive Measures
(Yearly Inspection by OSHWA)**

COMPLETED

FY2022: COMPLETED

Existing Action Plans from FY2022

#1 - #3

- Regular proactive safety inspections, monitoring and control.
- Comply with all related regulations.
- Conduct safety monthly reports to GPGOSH.
- Present monthly safety statistic reports to top management.

#4

- Regular proactive safety inspection, monitoring and control.
- Comply with all related regulations.

#5

- Establish scheduled yearly planning.

Recommended Plans for FY2024

#1 - #4

- Establish scheduled assessment by GPGOSH Committee.
- Establish standardise Safety Procedure.

#5

- Include the planning programme into GPGOSH yearly planning.

NOP = Notice of Prohibition

DOSH = Department of Occupational Safety and Health

OSHWA = Occupational Safety and Health Workplace Assessment

HIRARC = Hazard identification, Risk Assessment and Risk Control

2023 KEY PERFORMANCE INDICATORS (KPIs) AND ACTION PLANS (CONTINUED)

SOCIAL

TRAINING, EDUCATION & CAREER DEVELOPMENT



#1 100% Utilisation of HRD Corp

NOT ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022

- Source training providers registered with HRD Corp.



#2 Training Hours:

(A) 90% of executive-level employees to attend 16 hours of training per year.

(B) 90% of non-executive employees to attend 3 hours of training per year.

ACHIEVED (A): 100%

ACHIEVED (B): 97%

FY2022:

ACHIEVED (A) 96.39%

ACHIEVED (B) 97.28%

Existing Action Plans from FY2022

- Minimum 2 in-house training programmes to be claimed from HRD Corp, minimum 4 hours per company.



#3 Succession Planning

COMPLETED

(key profiling for CEO position)

FY2022: IN PROGRESS

Existing Action Plans from FY2022

- Identify key positions in the company.
- Identify internal employees who can replace key personnel.
- Groom selected employees via training.
- Talent Development Programme (In-Progress).
- Offer retention programme: compensation and benefits, bonus, annual increment and ex-gratia for Hari Raya Aidilfitri and year end.



Training programmes underscores the importance of upskilling employees and embodies the concept of lifelong learning, ensuring that our team remains competitive and proficient in an ever-evolving marketplace.

2023 KEY PERFORMANCE INDICATORS (KPIs) AND ACTION PLANS (CONTINUED)

SOCIAL

CUSTOMER FEEDBACK & SATISFACTION



#1 Customer Satisfaction Index (CSI): 4.0

ACHIEVED

- CSI PESAMA - 4.59
- CSI GP GLASS - 4.0

FY2022: ACHIEVED
CSI – 4.34 (PESAMA)
CSI – 4.1 (GP GLASS)



#2 Improve Process for Handling Complaints (GP Glass)

COMPLETED

FY2022: IN PROGRESS



We value customers' feedback highly as it is crucial for enhancing the quality of our architectural glass panels and elevating our service levels.

LOCAL COMMUNITY ENGAGEMENT



#1 Minimum 3 Engagement Programmes with Internal Stakeholders

EXCEEDED

8 ENGAGEMENT PROGRAMME

FY2022: EXCEEDED
5 Engagement Programmes



#2 Minimum 3 Engagement Programmes with External Stakeholders

EXCEEDED

10 ENGAGEMENT PROGRAMMES

FY2022: EXCEEDED
5 Engagement Programmes



#3 Minimum 3 CSR Programmes

EXCEEDED

5 ENGAGEMENT PROGRAMMES

FY2022: ACHIEVED

Existing Action Plans from FY2022 Example:

- Karnival Sukan Muhibbah 2023.
- GPB Group Hari Raya Celebration
- Bubur Asyura @ KPKKT & PESAMA
- Team Building at Subsidiary Level
- GPB Integrity Day

Existing Action Plans from FY2022 Example:

- Friendly Badminton Match with Manis FM & Terengganu Inc
- Terengganu Inc Challenge Series: XCO Jamborace & Furrace Kenyir 2023
- Participation in Karnival Kerjaya MyFuture Jobs "Outreach Kesejahteraan Pekerjaan Rakyat Negeri Terengganu 2023"
- Beautiful Terengganu Golf Team Challenge 2023.
- Malaysia Wood Expo 2023

Existing Action Plans from FY2022 Example:

- Sepak Takraw League Sponsorship
- Walk with Giants
- Majlis Penyampaian Zakat Wakalah to orphans at Dun Ladang
- Contribution of RM30,000 to Terengganu Aid4Palestine Fund
- Pasca Banjir Aid at Kg Tepus Hulu Dungun



Sustainable Forest Management (SFM) is crucial for sustainable logging practices. Adhering to international standards ensure environmental conservation and responsible resource management.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE

VISION

To become a premier natural resources organisation

OUR VALUE CREATION PROCESS ADHERES TO GOVERNANCE BEST PRACTICES

INPUT CAPITALS

VALUE CREATION PROCESS

STRATEGY

FINANCIAL CAPITAL



Our financial assets including cash generated from our operations and investments, and other sources of funding.

MANUFACTURED CAPITAL



Our concession areas, office buildings and factories, physical assets including machinery and technologies.

INTELLECTUAL CAPITAL



Our established and systematic procedures and processes, expertise and skills, brand value and reputation in the markets and industries we serve.

HUMAN CAPITAL



Our astute leadership, knowledgeable and skilled workforce, competencies, experience and contributions to growth and innovation.

SOCIAL AND RELATIONSHIP CAPITAL



Our long-established commitment with stakeholders including shareholders, the financial community, customers, associates, contractors, suppliers, vendors, authorities and communities.

NATURAL CAPITAL



The natural resources we consume and utilise in our core businesses.

HARVESTING & SAWMILLING



KPKT



PESAMA



PESAKA



GFP

MANUFACTURING



PPSB



GP GLASS

Underpinned by **GPB's Sustainability Framework** to ensure meaningful outcomes to the environment and all stakeholders.

- **FOCUS AREA 1: CREATING SUSTAINABLE VALUE**
- **FOCUS AREA 2: OUR ENVIRONMENTAL STEWARDSHIP**
- **FOCUS AREA 3: DRIVING PERFORMANCE THROUGH PEOPLE**
- **FOCUS AREA 4: BUILDING MEANINGFUL SOCIAL INTERACTIONS**



Key Market Trends Shaping Our Business

- Local Construction Activities
- Climate Change
- Green Development
- Urbanisation
- Automation
- Digitalisation

Key Risks

- OPERATIONAL RISK:** Disruption in Log Supply
- ECONOMIC & BUSINESS RISK:** Business Sustainability (Timber Companies & Glass Manufacturing)
- OPERATIONAL & SUSTAINABILITY RISK:** Succession Planning & Competency Gaps
- FINANCIAL RISK:** Liquidity Risk

Material Matters

- FOCUS AREA 1: CREATING SUSTAINABLE VALUE**
 - Economic & Business Performance
 - Risk Management
 - Eliminating Bribery & Corruption
- FOCUS AREA 2: OUR ENVIRONMENTAL STEWARDSHIP**
 - Protecting Land & Biodiversity
 - Energy Management
 - Emissions & Initiatives to Tackle Climate Change
- FOCUS AREA 3: DRIVING PERFORMANCE THROUGH PEOPLE**
 - Protecting Safety & Health of Workers & Sub-Contractors
 - Training, Education & Career Development
- FOCUS AREA 4: BUILDING MEANINGFUL SOCIAL INTERACTIONS**
 - Customer Feedback & Satisfaction
 - Local Community Engagement

OUR COMPETITIVE ADVANTAGES

CORPORATE STRATEGY

REVITALISING: Our existing goals, costs and structure to optimise performance.

REALIGNING: Strategic Business Plan (SBP) 2021-2023 Improvement to upstream, midstream and downstream criteria.

MISSION

- To improve our results
- To meet our customers' expectations
- To maximise returns to our shareholders
- To promote a green and eco-friendly environment
- To provide our workforce with rewarding employment
- To use our position as an integrated timber producer

CORE VALUES

GEMILANG	DEDIKASI	Employees	Authorities/Regulators
OPTIMIS	EFEKTIF	Local Communities	Vendors
LESTARI	NEKAD	Customers	Media

OUTPUTS	VALUE CREATION	STAKEHOLDERS IMPACTED	ALIGNMENT TO THE UNSDG
<p>OUR PRODUCTS</p> <p>Timber</p>	<p>FINANCIAL CAPITAL</p> <p>Revenue RM89.23 million (FY2022: RM70.20 million)</p> <p>Total Assets RM134.66 million (FY2022: RM111.58 million)</p> <p>Profit After Tax RM23.27 million (FY2022: RM11.86 million)</p> <p>Profit Before Tax RM27.44 million (FY2022: RM15.02 million)</p> <p>Tax Paid RM2.75 million (FY2022: RM3.28 million)</p>		
<p>Veneer</p>	<p>MANUFACTURED CAPITAL</p> <p>Logging 16,624 ht (FY2022: 7,918 ht)</p> <p>Sawn Timber 8,464 tonnes (FY2022: 5,505 tonnes)</p> <p>Woodchips 4,526 mt (FY2022: 5,477 mt)</p> <p>Veneer 1,106 m³ (FY2022: 1,157 m³)</p> <p>Glass 370,932 m² (FY2022: 356,049 m²)</p>		
<p>Mouldings</p>	<p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> • ISO 45001:2018 Occupational Health & Safety Management System • ISO 40001:2015 Environmental Management Systems • Malaysian Timber Certification Scheme (MTCS) • FSC® Certification 		
<p>Woodchips</p>	<p>HUMAN CAPITAL</p> <p>No. of Employees 448 (FY2022: 432)</p> <p>70% Male 30% Female</p> <p>Permanent 295 (FY2022: 298)</p> <p>Contract 153 (FY2022: 134)</p>		
<p>Sawdust</p>	<p>SOCIAL & RELATIONSHIP CAPITAL</p> <p>RM15,000 Nature and Environment</p> <p>RM259,857 Community</p> <p>RM187,318 Sports</p> <p>RM114,750 Education</p> <p>FY2023 TOTAL CSR CONTRIBUTION RM576,925 FY2022: RM120,500</p>		
<p>Quality Architectural Glass Panels</p>	<p>NATURAL CAPITAL</p> <p>Scope 1 (CO₂e mt) 1,070.5 (FY2022: 432.3)</p> <p>Scope 2 (CO₂e mt) 2,463.1 (FY2022: 2,625.2)</p> <p>Scope 3 (CO₂e mt) 428.8 (FY2022: 407.9)</p> <p>Total Scope (CO₂e mt) 3,962.4 (FY2022: 3,465.4)</p> <p>Energy Consumption (MW) 5,344.0 (FY2022: 5,184.6)</p> <p>Water Consumption (m³) 102,703 (FY2022: 101,876)</p> <p>Scheduled Waste (tonnes) 4,532 (FY2022: 15,768)</p>		

RESHAPING: Our outlook by exploring new areas of growth.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)



MOST MATERIAL MATTERS

- Economic & Business Performance
- Eliminating Bribery & Corruption
- Risk Management

GRI 2-15, 2-27, 201 - 207, F4GBM

Once driven primarily by economic output, the timber and glass industries are undergoing a necessary evolution. Creating sustainable value has become the cornerstone of responsible business practices. This extends far beyond mere profit margins; it signifies a commitment to a healthy environment, long-term viability and fostering positive societal impact.

Our “**Focus Area 01: Creating Sustainable Value**” embodies this philosophy. Within this framework, we prioritise three critical material matters: **Economic & Business Performance, Risk Management and Eliminating Bribery & Corruption**. These pillars work in concert to establish a robust foundation for true sustainability.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1

ECONOMIC & BUSINESS PERFORMANCE

Our strong financial performance allows us to invest in responsible forestry practices (timber) and energy-efficient production processes (glass). This holistic approach fosters a multitude of benefits. We ensure business continuity by implementing sustainable practices throughout our value chain, leading to stable financial performance while minimising environmental impact. This virtuous cycle fosters positive societal impact, reinforcing our commitment to responsible business practices.

2

RISK MANAGEMENT

Our proactive risk management approach is a pivotal element of our strategy. It not only safeguards against resource disruption and depletion, ensuring the future-proofing of our operations, but also mitigates operational disruptions and financial risks. This, in turn, leads to long-term cost savings and a more resilient business model. Such a comprehensive approach is instrumental in securing our position as a leader in the industry, providing stakeholders with a sense of security about our future.

3

ELIMINATING BRIBERY & CORRUPTION

Our unwavering commitment to eliminating bribery and corruption is a testament to our dedication to ethical material sourcing, the protection of fragile ecosystems, and the upholding of the highest legal and ethical standards. This commitment, coupled with our ethical conduct and responsible sourcing, serves as a strong foundation for building trust with our customers and stakeholders, thereby enhancing our brand reputation.

Ultimately, by prioritising these interconnected material matters within “Focus Area 01,” we secure our success and contribute to a healthier planet and a more responsible industry, solidifying our position as a leader in the years to come.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING THESE MATERIALITY MATTERS

1 ECONOMIC & BUSINESS PERFORMANCE

ENHANCED OPERATIONAL EXCELLENCE THROUGH NEW KPIS

In a strategic move to augment operational efficiency and overall business performance, the Board has instituted a new suite of Key Performance Indicators (KPIs). These KPIs are meticulously designed to optimise resource utilisation and maximise output across various production metrics. By setting ambitious yet attainable targets, we are positioning the company to not only meet but exceed industry standards.

These KPIs underscore our commitment to transparency, accountability, and continuous improvement. These metrics provide a clear framework for performance evaluation, ensuring that every facet of the operation aligns with our overarching strategic goals.

NEW KPIS OVERVIEW

Higher Base Price for Sale of Timber Compartments

The base price for the sale of timber compartments has been increased to a higher price per hectare basis. This new KPI enables us to maximise the financial value of our timber, ensuring that pricing reflects both market conditions and the quality of the timber in our compartments.

Logging Yield for Log Output

To ensure the sustainability and profitability of our logging operations, the yield for log output has been set at a higher cubic meter (m³) per ha. This measure will aid in optimising the volume of timber we extract relative to the area harvested, promoting more efficient logging practices and resource management.

Sawn timber Recovery Rate

Sawn timber recovery has been quantified on a higher percentage basis of sawn timber processed from the output. This KPI helps identify the efficiency of our sawmilling operations, targeting waste reduction and enhancing output volume.

Veneer Recovery Rate

Similarly, we have raised the KPI for veneer recovery to drive the conversion efficiency from logs. This KPI is critical for evaluating the performance of our processing and driving improvements in production yield.

Glass Yield Efficiency

Likewise, the glass yield will also be expressed in percentage terms, indicating our proficiency in glass production. This KPI measures the ratio of glass output against the raw material processed, encouraging better yield management and reduced wastage.

Our approach to implementing these KPIs involves all relevant departments and training to ensure all team members understand the metrics and their role in achieving them. We will leverage established procedures to monitor these KPIs, enabling real-time decision-making and swift corrective actions when necessary.

By setting these new operational KPIs, we are elevating our standards and reinforcing our competitive edge in the market. Through diligent monitoring and steadfast commitment to these objectives, we are confident we can drive sustainable growth by achieving the set KPIs to deliver better value to our stakeholders.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)

DEPLOYMENT OF SURVEY/MAPPING TEAM

The precision of log volume estimation is crucial for the sustainability and profitability of our timber operations. Recognising this, KPKKT has strategically advanced its resource assessment capabilities by leveraging modern remote sensing methods as well as external geospatial consultants. Our focus is to enhance the accuracy of our timber volume estimation and identify the most valuable compartments within the DTC for licensing and harvesting.

- **Deployment Strategy**

We have engaged a specialised mapping consultant known for their expertise in remote sensing technology. This collaboration aims to refine our surveying techniques to estimate log volumes accurately and assess the terrain of DTC, leading to more informed decision-making in compartment selection.

This advanced mapping and estimation techniques are set to transform how we manage our timber resources. By having a more precise understanding of log volumes and locations, we can better plan our harvesting activities, optimise yields, maintain the health of the forest ecosystem and sustainability of our forests.

KPKKT will integrate these findings into our operational framework, establishing a benchmark for excellence in sustainable forestry practices. We will continue to monitor the effectiveness of these measures and adjust our strategies to ensure they remain aligned with our commitment to economic viability and environmental stewardship.

The strategic deployment of a high-calibre survey/mapping team exemplifies our proactive approach to economic and business performance. By embracing innovation and technological advancement, KPKKT is not only staying ahead of industry trends but also sets them up and ensures our operations are sustainable, efficient and profitable for years to come.



Ensuring compliance with safety standards, regular HSE inspections are vital for safeguarding workplace integrity and employee wellbeing.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)



ENHANCING TREE-MARKING PROCESSES AND LICENSING EFFICIENCY

KPKKT is dedicated to elevating its operational standards, particularly in the crucial area of tree-marking. Our goal is to implement a tree-marking process that is both efficient and precise, thereby ensuring that we can expedite our licensing approvals and maintain the balance between productivity and environmental conservation.

Ramping up our marketing efforts to boost sales of sawn timber, particularly targeting the construction industry. Our promotional activities are focused on highlighting the numerous benefits of wood products.

- **Contractor Engagement and Performance-Based Compensation**

We have significantly improved our tree-marking process by engaging competent contractors. This shift to utilising the expertise of specialised professionals demonstrates our commitment to excellence.

In a transformative move, we have revised our compensation structure for these contractors, moving from a per-hectare basis to a per-tree basis. This new payment model incentivises meticulous attention to detail and aligns contractor interests with our strategic accuracy and efficiency goals. All our contractors and suppliers are local companies.

- **Monitoring and Quality Assurance**

The precision in tree-marking is expected to streamline our licensing process, resulting in faster approval times. By enabling quicker commencements of harvesting operations, we expect to increase our operational pace and provide a clear example of how procedural enhancements can drive business performance.

To maintain the highest standards, KPKKT has instituted a rigorous monitoring system to oversee the work of the contractors. This ensures that tree-marking is performed to our stringent standards and that any deviations is quickly addressed. This ongoing evaluation will help us identify additional improvements and innovations that can further expedite the licensing process without compromising our sustainability commitments.

Through these strategic improvements to the tree-marking process and licensing approvals, KPKKT is advancing its operational capabilities and demonstrating a strong commitment to sustainable forestry practices. These enhancements testify to our belief that economic performance and environmental responsibility can go hand in hand, driving us towards a future where our business thrives in harmony with the natural world.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)

EMPHASISING MIDSTREAM EFFICIENCY FOR ACCELERATED RECOVERY AND PRODUCTION

Our strategic focus in midstream operations aims to expedite recovery times and boost production levels for sawn timber and veneer. By optimising these core areas, we intend to elevate both the quantity and quality of our output, thus strengthening our market position and enhancing profitability.

- **Strategic Actions**

We are upgrading our existing equipment into more efficient machinery to increase the speed and efficiency of our sawmilling processes (Auto Ponysaw) at PESAKA.

By refining our workflows, we aim to reduce downtime and accelerate throughput, ensuring a faster recovery from maintenance and other operational pauses.

Implementing regular maintenance protocols to minimise machinery breakdowns and production interruptions maintains a steady flow of high-quality sawn timber and veneer to the market.

ADVANCING DOWNSTREAM ACTIVITIES FOR EXPANDED PRODUCTION CAPACITY

In the downstream sector, our strategy is centred on expanding our production capabilities and reactivating key production lines. This expansion is designed to meet the growing demand for veneer and plywood products and to reintroduce our high-quality mouldings to the marketplace.

- **Strategic Actions**

The reactivation of our moulding production lines represents a significant step towards diversifying our product offerings and tapping into new market segments.

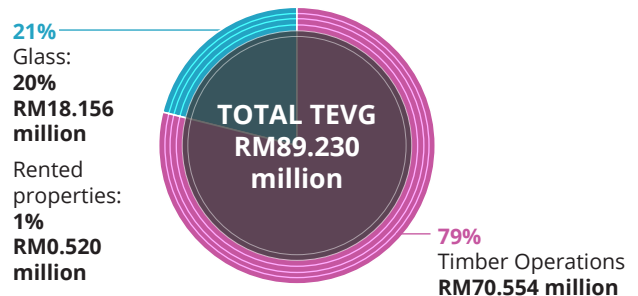
We are committed to training and upskilling our workforce to ensure they are fully equipped to operate new production systems effectively and adhere to the highest standards of quality.

Reinforcement of our midstream activities and improvements in our downstream processes are expected to result in an uptick in production capacity, faster market response times and an expanded range of high-quality timber products. Continuous improvement cycles will be implemented to ensure these strategic enhancements yield the desired economic outcomes and business growth.

BUILDING TRUST THROUGH TRANSPARENCY IN VALUE SHARING

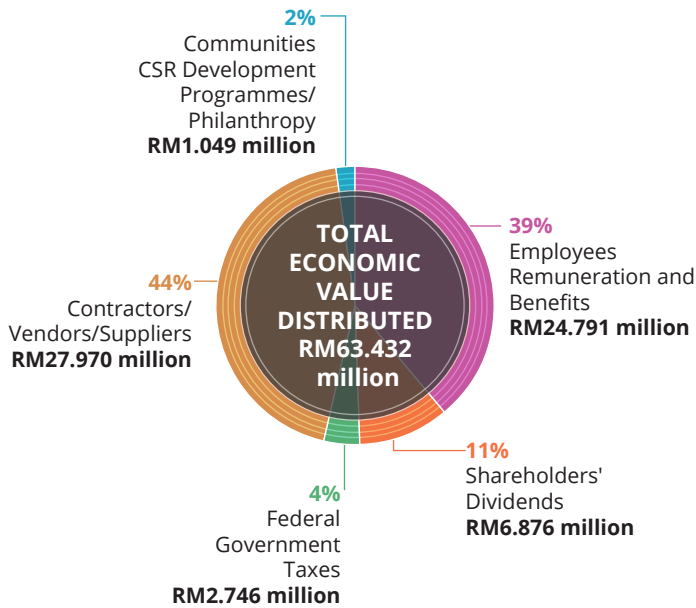
We are committed to transparency in our economic activities and strengthening relationships with all stakeholders.

In FY2023, our timber operations remained the primary revenue driver, contributing approximately 79% (RM70.554 million) of our Total Economic Value Generated (TEVG). Manufactured glass and rented properties made up the remaining 21% (Glass: 20% (RM18.156 million), rented properties: 1% (RM0.520 million)).



FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)

This commitment extends to distributing our Total Economic Value Distributed (TEVD). In FY2023, we distributed approximately RM63.432 million across various stakeholders, as detailed below:



11%

Rewarding Shareholders

We acknowledge the trust and investment placed in us by our shareholders. To demonstrate this appreciation, we distributed 11% of our TEVG as dividends.

6%

Contributing to Society

As a responsible corporate citizen, we are committed to giving back to the communities where we operate. We achieved this by paying 4% of our TEVG to Federal Government taxes, which are vital in funding essential public services and infrastructure for the greater good. Our contribution to society also enhances job creation. Additionally, we dedicated an additional 2% to Community Social Responsibility (CSR) development programmes and philanthropy. These initiatives address social and environmental challenges, fostering a more sustainable future for all.

39%

Investing in Our People

We recognise that our employees are the cornerstone of our success. Therefore, a significant portion (39%) of our TEVG is allocated towards employee remuneration and benefits. This allocation included competitive salaries, comprehensive benefits packages and ongoing training programmes, ensuring a motivated and skilled workforce. Stable and sufficient wages provide households with the purchasing power to stimulate economic activities.

44%

Empowering Our Partners

We operate within a complex ecosystem of partners, including contractors, vendors and suppliers. A significant portion of our TEVG was distributed to this network. This fosters a robust business environment and supports economic activity throughout the supply chain.

By strategically distributing our TEVG, we contributed to a thriving economy and demonstrated our commitment to responsible stakeholder engagement. This transparency not only builds trust with our stakeholders but also allows them to understand the positive impact our business generates.

FOCUS AREA 1

CREATING SUSTAINABLE VALUE (CONTINUED)

2 RISK MANAGEMENT

We recognise that our business environment presents both inherent challenges and exciting opportunities. Logging activities are susceptible to fluctuations in weather patterns, stringent harvesting regulations and evolving industry controls. To navigate this dynamic landscape while maximising value creation, we prioritise a proactive approach to Enterprise Risk Management (ERM).

Our robust ERM framework underpins our risk management strategy. It facilitates a comprehensive approach through:

- Systematic Risk Identification and Classification:**
 We employ a systematic and meticulous process to identify potential risks across all facets of our operations. Each risk is then meticulously categorised based on its potential severity, ensuring us to focus our resource in mitigating the most significant threats.
- Development of Tailored Mitigation Strategies:**
 Once risks are identified and categorised, we outline key controls to minimise their potential impact. We further establish comprehensive Risk Action Plans (RAPs) that detail specific actions to mitigate the most pressing risks, emphasising a proactive approach to safeguarding stakeholder value.

In FY2023, through our diligent application of the ERM framework, we identified 31 potential risks. We prioritised and developed comprehensive RAPs for the four most critical risks, demonstrating our commitment to proactive risk management. These key risks include:



By proactively identifying, classifying and mitigating risks through our comprehensive ERM framework, we create a more secure and predictable operating environment. This allows us to capitalise on emerging opportunities and navigate challenges with greater agility, ultimately contributing to GPB's sustainable growth and long-term success.

FOCUS AREA 1

CREATING SUSTAINABLE VALUE (CONTINUED)

The following breakdown of the four most critical risks we identified, along with their key controls and corresponding risk action plans (RAPs):

NO.	RISK RATING (COMPANY)	TOP 4 RISKS OF GPB GROUP & 2 SHARED RISKS WITH TI GROUP	SUMMARY OF KEY CONTROLS (KC)	KEY STRATEGIES & RISK ACTION PLANS (RAP)
#1	Timber subsidiaries KPKKT & GPF	OPERATIONAL RISK	<ol style="list-style-type: none"> 1. Increase harvesting yields. 2. Purchase external logs. 3. Establish forest plantation. 	<ol style="list-style-type: none"> 1. Increase harvesting yields <ol style="list-style-type: none"> (a) Strengthening Tree-Marking process. (b) Identifying compartments with high-value species via the deployment of Survey/Mapping Team. (c) Improving Felling Technique. (d) Selecting competent harvesting contractors. 2. New strategy: Purchase external logs <ol style="list-style-type: none"> (a) To explore and survey potential suppliers for external logs purchase. (b) To study and find the best pricing and suitable logs for our sawmills and plywood factory from the relevant suppliers. (c) To engage and evaluate potential contractors. (d) To conduct a costing and sensitivity study on the purchase of external logs, including from our tendered areas, to assess its feasibility. (e) To initiate purchasing selected external logs which can increase revenue and profitability. 3. To implement forest plantation projects <ol style="list-style-type: none"> (a) Compartment 66 - first compartment Completed planting 40,120 trees. (b) Compartment 65 - second compartment planting stage: 209,182 trees (c) Compartment 64A - third compartment planting stage: 15,010 trees (d) Compartment 46 - fourth compartment harvesting & stacking stage
		<p>Disruption in Log Supply</p> <p>The disruption in the supply of logs would affect sawmilling and veneer production.</p> <p>Continuous and consistent log supply by KPKKT for sawmilling and veneer is critical as midstream companies PESAKA, PESAMA and PPSB could not fulfil their customers' demands or cover their operating costs.</p>		
#2	Timber subsidiaries PESAKA, PESAMA and PPSB	ECONOMIC & BUSINESS RISK	<ol style="list-style-type: none"> 1. To pursue suitable downstream business 2. To refurbish existing machines to increase veneer production 3. To set up plywood line for plywood production 	<ol style="list-style-type: none"> 1. To pursue suitable downstream business <ol style="list-style-type: none"> (a) To set up a moulding line at PESAMA. (b) To set up a finger-joints line at PESAMA. (c) To set up an automated production line at PESAKA. 2. To refurbish existing machines to increase veneer production <ol style="list-style-type: none"> (a) To refurbish Roller Dryer for veneer production. (b) To refurbish Continuous Dryer for veneer production. (c) To refurbish existing boiler. 3. To set up plywood line for plywood production <ol style="list-style-type: none"> (a) To explore suitable supplier for a new second boiler. (b) To refurbish plywood line machines. (c) To hire manpower for plywood line.
		<p>Business Sustainability (Timber companies)</p> <p>The future business sustainability of GPB is at risk due to the Group's dependence on its upstream log operations to support its midstream business of sawmilling and veneer. Increasing environmental concerns over logging operations and potential opportunities to preserve forests in exchange for carbon credits pose a risk to future operations.</p>		

FOCUS AREA 1

CREATING SUSTAINABLE VALUE (CONTINUED)

NO.	RISK RATING (COMPANY)	TOP 4 RISKS OF GPB GROUP & 2 SHARED RISKS WITH TI GROUP	SUMMARY OF KEY CONTROLS (KC)	KEY STRATEGIES & RISK ACTION PLANS (RAP)
#3	GPB Group	OPERATIONAL & SUSTAINABILITY RISK	<ol style="list-style-type: none"> 1. Recruitment/Promotion process improvement. 2. Talent development. 3. Procedures revision. 	<ol style="list-style-type: none"> 1. Recruitment/Promotion process improvement To update the existing recruitment and promotion policy and procedures. 2. Talent Development (a) To assess and identify staff who can become successors for key positions in the Group. (b) To undertake key profiling for each position. 3. Procedures revision To conduct awareness and training sessions on the revised SOPs to improve employees' knowledge and application techniques on work processes and procedures.
		<p>Succession Planning & Competency Gaps</p> <p>Succession Planning is crucial for maintaining leadership and operational management continuity in case of the sudden or extended absence of any key employee or senior management member. Without such a plan, business activities can be disrupted and achieving expected business growth and strategic direction can be challenging.</p> <p>Competency Gaps occur when there is a difference between the current and required competency levels of staff, operators, or workers as identified by their immediate superiors. Inability to meet management's expectations in this regard may lead to difficulty executing tasks correctly and efficiently. These gaps arise from differences in skills, knowledge, or experience compared to what management expects. As a result, staff may struggle to understand job requirements, industry norms, or lack experience in the related field, ultimately negatively impacting work productivity.</p>		
#4	GPB Group	FINANCIAL RISK	Cash flow management and fund acquisition planning.	<ol style="list-style-type: none"> 1. Cash flow management and fund acquisition planning (a) Logging compartments tendered out in FY2023 as a backup plan to address shortfalls in Group's cashflow. (b) Utilised banking facilities to fulfill immediate financial obligations. (c) Monitoring monthly repayments on long outstanding debts owed by Prestige Doors Ltd to GPB and GPFPP. (d) Fund acquisition planning. (e) Addressed overdue loan payments by PPSB with SME Bank.
		<p>Liquidity Risk</p> <p>It is important for GPB Group to have adequate current assets to meet present or short-term financial obligations. Poor liquidity management will lead to difficulty of the organisation in meeting daily financial demands and may affect Company operations.</p>		

Please refer to the Statement of Risk Management and Internal Control in the Annual Report 2023.

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)

PRIORITISING CYBERSECURITY IN A DIGITAL WORLD

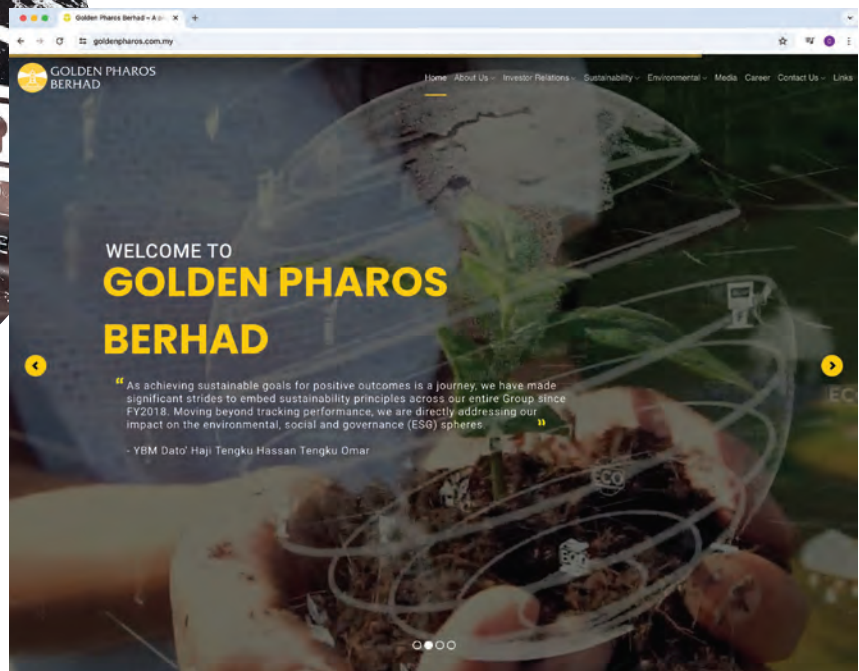
In today's increasingly digital world, cybersecurity has become paramount. We recognise this criticality and prioritise the protection of our digital environment through a continuous improvement programme. Regularly implementing robust new security measures, we strengthen our defences against potential cyber threats for a more secure and resilient digital infrastructure. This ongoing commitment ensures our data's confidentiality, integrity and availability, minimising disruption and safeguarding critical operations.

By prioritising both proactive risk mitigation and continuous improvement in cybersecurity, we demonstrate our unwavering commitment to responsible business practices and safeguarding the Group's businesses. Cultivating a risk awareness and preparedness culture, ultimately contributes to long-term value creation for all our stakeholders.

RISK MANAGEMENT IS A CONTINUOUS JOURNEY

While FY2023 saw the successful implementation of mitigation plans for identified critical risks, our commitment to risk management extends beyond this initial phase. We have established a rigorous system of continuous monitoring to ensure the long-term effectiveness of these plans. This proactive approach allows us to adapt and refine our mitigation strategies as needed, safeguarding stakeholder value by proactively addressing potential threats that may evolve over time.

Our revamped website is now live with enhanced security features and an upgraded back end system, ensuring a safer and more reliable user experience.



FOCUS AREA 1

CREATING SUSTAINABLE VALUE [CONTINUED]

3 ELIMINATING BRIBERY & CORRUPTION

BUILDING TRUST THROUGH INTEGRITY FOR SUSTAINABLE SUCCESS

- Employee Confidence:**
 A culture of transparency builds trust and confidence within our workforce, creating a more engaged and motivated work environment.
- Enhanced Reputation:**
 Adherence to ethical practices strengthens our reputation with external stakeholders, including customers, investors and regulators.
- Cost Efficiency:**
 By minimising the risk of misconduct and promoting responsible decision-making, we promote operational efficiency and cost savings.

UPHOLDING THE HIGHEST ETHICAL STANDARDS

We have a zero-tolerance policy for all forms of bribery and corruption. Our commitment to ethical conduct is demonstrably evidenced by our strict adherence to the MACC Act 2009, established by the Malaysian Anti-Corruption Commission (MACC).

We regularly update employees on existing policies to ensure that they are informed and equipped to uphold these high standards. Furthermore, we have established a dedicated Integrity and Governance Unit (IGU). This unit plays a critical role in overseeing all integrity-related activities and managing potential complaints. The IGU operates with the utmost transparency, reporting to the MACC and the Board of Directors semi-annually.

By prioritising accountability, transparency and ethics, we earn the trust of our stakeholders, operational efficiency is stimulated and GPB is better positioned for long-term growth and prosperity.

In FY2023, 21.4% (96) of our employees attended training on anti-bribery and corruption related matters.

THE 4 CORE FUNCTIONS OF THE IGU

- 1 Complaint Management
- 2 Investigation & Verification
- 3 Strengthening Integrity
- 4 Governance

THE 5 TRUST PRINCIPLES OF IGU ARE:

- T Top Level Commitment
- R Risk Assessment
- U Undertake Control Measures
- S Systematic Review, Monitoring and Enforcement
- T Training and Communication

POLICIES FOR CORPORATE GOVERNANCE

- 1 Code of Conduct and Whistleblowing Policy
- 2 Corporate Social Responsibility (CSR) Policy
- 3 Forest Protection Policy
- 4 Occupational Health and Safety Policy
- 5 Code of Business Ethics (COBE) Policy

FOCUS AREA 1 CREATING SUSTAINABLE VALUE (CONTINUED)

GPB INTEGRITY DAY 2023, FOSTERING A CULTURE OF INTEGRITY



INTEGRITY DAY - COMMITMENT TO ETHICAL EXCELLENCE

On 7 June 2023, GPB proudly observed Integrity Day, a significant event that embodied our dedication to corporate ethics and governance. The day marked a gathering of the Group's key personnel and reaffirmation of our collective commitment to upholding the highest standards of integrity across all levels of our organisation.

PLEDGING AGAINST CORRUPTION

The day was marked by a series of key events, starting with an Anti-Corruption Pledge taken by all Heads of Subsidiaries. This solemn pledge was a powerful testament to our unified stance against corruption, reinforcing our zero-tolerance policy and ensuring that our business practices remain transparent and above reproach.

EDUCATING AND ENGAGING

A highlight of Integrity Day was the Integrity Talk delivered by an official from Suruhanjaya Pencegahan Rasuah Malaysia (SPRM). This insightful session served to enlighten and inspire, providing valuable perspectives on the critical role of integrity in sustaining business and building trust in today's competitive landscape.

CREATIVE AWARENESS INITIATIVES

Emphasising creativity as a conduit for spreading awareness, GPB Group hosted a Short Video Competition. This initiative not only encouraged artistic expression but also fostered a deeper understanding of integrity principles among our employees, making ethics an engaging subject for all.

INFORMATION DISSEMINATION

Furthering our efforts, IGU awareness was seamlessly integrated into the company's cultural fabric through strategic communication via emails and visually compelling posters. These were thoughtfully included in the GPB Calendar, serving as constant reminders of our integrity ethos.

ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP) AND THE CERTIFICATION OF INTEGRITY OFFICERS

Looking to the future, GPB has set a new target for 2024 with the development of the Organisational Anti-Corruption Plan (OACP). This ambitious project will be undertaken with the active participation of our Integrity Officers (IOs), who will concurrently engage in the Certification of Integrity Officers (CeIO) programme. The invaluable knowledge and expertise garnered from this programme will be channelled into crafting a comprehensive and robust OACP tailored to fortify GPB's ethical framework.

As we progress, we remain steadfast in our mission to embed integrity in the very DNA of our corporate identity, ensuring that GPB continues to lead with integrity at the forefront of all we do.

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP



MOST MATERIAL MATTERS

- Protecting Land & Biodiversity
- Energy Management
- Emissions & Initiatives to Tackle Climate Change

GRI 2-23, 2-24, 2-25, 2-27, 202-2, 204-1, 301 - 308, F4GBM

Our Environmental Stewardship

reflects a deep understanding of the environmental impact inherent in the timber, timber-related products, and glass manufacturing industries. Unsustainable practices in forestry can lead to habitat loss, biodiversity decline and land use disruption. Furthermore, energy-intensive processes significantly contribute to greenhouse gas (GHG) emissions, leading to climate change impact.

To address these challenges head-on, we proactively focused on three critical material matters: **Protecting Land and Biodiversity, Energy Management, and Emissions & Initiatives to Tackle Climate Change.** These interconnected areas form the basis of our business sustainability and environmental strategy.

By prioritising these material matters, we go beyond mere compliance with regulations. Our commitment fosters a culture of sustainability, delivering numerous benefits that include reduced environmental impact, a strengthened brand reputation and improved resource efficiency.

Our “Focus Area 02: Our Environmental Stewardship”

embodies this philosophy. This proactive approach to environmental stewardship allows us to solidify our role as responsible environmental stewards, paving the way for a sustainable future for our industry and the planet that we all share.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS



1 PROTECTING LAND & BIODIVERSITY

Protecting land, biodiversity, and wildlife is critical for our timber-related operations. Healthy forests are essential for long-term timber supply, and unsustainable practices like clear-cutting can lead to deforestation, limiting our access to raw materials. Sustainable forestry practices, such as selective logging and replanting, ensure a healthy and renewable timber source. Healthy forests provide vital ecosystem services, including carbon sequestration, water filtration and soil erosion prevention, which benefit our operations indirectly by fostering a conducive environment.

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Moreover, prioritising land and wildlife protection makes strong business sense. Consumers increasingly favour companies committed to sustainability, enhancing brand reputation and attracting environmentally conscious customers. Stricter environmental regulations mean proactive protection can help avoid fines or operational restrictions, ensuring compliance and business sustainability. Protecting these elements transcends mere environmental stewardship as it represents a strategic business decision that fosters long-term success.

2

ENERGY MANAGEMENT

Our production processes are energy-intensive, leading to high fossil fuels based electricity and fuel bills. We can reduce energy consumption by implementing energy-efficient technologies and processes, translating directly to lower operating costs. This translates to improved profitability and a stronger financial position.

Much of our energy comes from fossil fuels, which contribute to GHG emissions and climate change. By effectively managing our energy consumption, we can decrease our carbon footprint and lessen our overall environmental impact. This aligns with growing consumer demand for sustainability and strengthens our brand reputation as an environmentally responsible company.

Energy efficiency often goes hand in hand with improved resource utilisation. For example, optimising kiln temperatures in glass production can reduce energy consumption and minimise glass waste. This translates to a more efficient use of raw materials, lowering overall production costs and minimising waste.

In essence, by prioritising energy management, we achieve a win-win situation. We reduce costs, minimise our environmental impact and improve resource efficiency, all of which contribute to a more sustainable and profitable future for the company.

3

EMISSIONS & INITIATIVES TO TACKLE CLIMATE CHANGE

Managing emissions and tackling climate change are not simply environmental goals as they are fundamental to our long-term success. As environmental regulations concerning GHG become stricter, proactive company like us are better positioned to comply and avoid potential fines or production restrictions. This ensures operational continuity and protects us bottom line.

Furthermore, the timber industry relies heavily on healthy forests. These forests act as vital carbon sinks, absorbing significant amounts of carbon dioxide. Deforestation and unsustainable practices associated with climate change ultimately harm the very resource base upon which we depend. Conversely, we contribute to mitigating climate change by managing our GHG emissions and promoting sustainable forestry. This encourages a healthy and resilient source of raw materials for the future, safeguarding our core business.

The impact extends beyond our industry. Climate change poses a significant threat to communities and ecosystems worldwide. By managing GHG emissions, we demonstrate social responsibility and contribute to a more sustainable future for everyone. This aligns with our values and fosters long-term stability for the Group.

By prioritising these interconnected material matters within "Focus Area 02," we create a ripple effect. We secure long-term success by ensuring operational efficiency, environmental responsibility and brand reputation. This allows us to contribute to a healthier planet through reduced emissions and sustainable practices while shaping a more responsible industry by setting a positive example for our peers. Ultimately, this focus positions us as leaders in the years to come, recognised for our commitment to a sustainable future.

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING THESE MATERIALITY MATTERS

1 PROTECTING LAND & BIODIVERSITY

FOREST MANAGEMENT PLAN

GPB prioritises responsible forestry practices that ensure the long-term health of our forests and the biodiversity that we harbour. The Group's comprehensive Forest Management Plan (FMP) 2008-2037 serves as a strategic framework, outlining strategic goals.

- **Sustainable Timber Harvesting**

The FMP establishes a framework for harvesting practices that minimises environmental impact while ensuring a reliable, long-term timber supply to meet our operational needs.

FOREST PROTECTION MEASURES

PROTECTION AGAINST/FOR	MEASURES
ENCROACHMENT, PESTS AND DISEASE OUTBREAKS, FIRE, POLLUTION	<ul style="list-style-type: none"> • Demarcation and control of boundaries • Improving in nursery practice and forest hygiene • Securing buffer zones • Training in fire-fighting skills
SOIL AND PEAT MANAGEMENT	<ul style="list-style-type: none"> • Reducing destruction of vegetation and peat • Good soil management practices • Monitoring logging areas to prevent soil erosion
WATER RESOURCES	<ul style="list-style-type: none"> • Buffer zones around rivers and streams • Careful tree felling to avoid trees falling into rivers • No felling activities on rainy and windy days



We implement rigorous protection measures to safeguard our water resources during logging activities, mainly focusing on preserving rivers and streams. By establishing buffer zones with vegetation strips left untouched around water bodies, we maintain natural barriers, preventing sediment, pollutants and debris from entering the waterways.

These zones help stabilise the banks, filter out pollutants before they reach the water, and maintain the ecological integrity of the habitats within and around the streams and rivers.

Our tree felling practices are carefully planned and executed to ensure that trees do not fall into rivers and streams, thus preventing blockages and reducing the risk of flooding. This meticulous approach protects the aquatic ecosystems and minimises soil erosion and the subsequent sedimentation that can degrade water quality.

Through these strategic actions, we uphold our commitment to preserving water quality and ensuring the sustainability of natural resources vital for the environment and the communities that depend on them. These measures reflect our holistic approach to environmental stewardship and responsible resource management.

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

*** Biodiversity Conservation**

Safeguarding native flora and fauna is paramount. The plan mandates regular biodiversity assessments to identify threatened or endangered species and their critical habitats.

Based on these assessments, the FMP designates and protects High Conservation Value Areas (HCVA) - crucial sanctuaries for biodiversity. Currently, our FMP safeguards an estimated HCVA of 525 ha at DTC and 7 ha at Cherul Forest Concession (CFC).

• IUCN Red List

Our forest areas provide habitats to several endangered tree and wildlife species listed on the International Union for Conservation of Nature (IUCN) Red List and National Conservation List, per the Wildlife Protection Act of 2010.

From KPKKT's Public Summary on The Sustainable Forest Management (SFM) of DTC & CFC, Malaysia (Version 2020), the following are lists of species found in our concession areas:

List of Unique and Rare Flora Species of Special Conservation Interest in DTC

- *Scaphochlamys atroviridis*
- *Vatica havilandii*
- *Dipterocarpus sarawakensis*
- *Shorea collina*
- *Neobalanocarpus heimii*



Endemic Plants in Jerangau PRF, DTC



Neobalanocarpus heimii
Chengal



Dipterocarpus sarawakensis
Keruing Sarawak



Rafflesia spp.
Bunga Pakma

*Note: Endemic to Terengganu
Combined lists of FRIM (2009) and WWF-Malaysia (1998)*

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Mammal Species in Jerangau PRF, DTC

Common Name	Scientific Name Status	Protection IUCN	Status CITES
Large Indian civet	Viverra zibetha	TP	NT III
Malay civet	Viverra zibetha	TP	LC NL
Malayan porcupine	Hystrix brachyura	P	LC III
Pig-tailed macaque	Macaca nemestrina	P	VU II
Long-tailed macaque	Macaca fascicularis	P	LC II
Banded langur	Presbytis femoralis	P	NT II
White handed gibbon	Hylobates lar	TP	EN II
Common barking deer	Muntiacus muntjak	P	LC NL
Lesser Mouse deer	Tragulus javanicus	P	DD NL
Wild pig	Sus scrofa	P	LC NL
Malayan tapir	Tapirus indicus	TP	EN I
Asian elephant	Elephas maximus	P	EN I
Smooth otter	Lutra perspicillata	TP	VU NL
Malayan sun bear	Helarctos malayanus	P	VU I
Asiatic wild dog	Cuon alpinus	TP	EN I
Leopard cat	Prionailurus bengalensis	TP	LC I
Leopard	Panthera pardus	TP	NT I
Asiatic Golden cat	Catopuma temminckii*	TP	NT II
Malayan tiger	Panthera tigris jacksoni	TP	EN I

Malayan Tapir



Malay Civet

Note:

EN – Endangered, VU- Vulnerable,
TP- Totally Protected, LC – Least Concern,
P-Protected, NT - Near threatened,
DD - Data deficient, NL- Not listed

Avifauna Species within DTC

No	Species common Name/Family	P	IUCN	Forest reserve
Phasianidae				
1	Ferruginous Partridge	TP	NT	Jengai
2	Malaysian Peacock Pheasant	TP	VU	Jengai, Besul
3	Great Argus	TP	NT	Jengai
Accipitridae				
4	Lesser Fish Eagle	TP	NT	Jengai, Besul
5	Grey-headed Fish Eagle	TP	NT	Jengai
Psittacidae				
6	Blue-rumped Parrot	TP	NT	Jengai, Besul
Cuculidae				
7	Short-toed Coucal	TP	VU	Besul
8	Chestnut-bellied Malkoha	TP	NT	Jengai
9	Black-bellied Malkoha	TP	NT	Besul
Trogonidae				
10	Scarlet-rumped Trogon	TP	NT	Jengai
Alcedinidae				
11	Rufous-collared Kingfisher	TP	NT	Jengai



FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Avifauna Species within DTC (continued)

No	Species common Name/Family	P	IUCN	Forest reserve
Bucerotidae				
12	Black Hornbill	TP	NT	Jengai, Besul
13	Great Hornbill	TP	NT	Jengai
14	Rhinoceros Hornbill	TP	NT	Jengai
15	Helmeted Hornbill	TP	NT	Jengai
16	White-crowned Hornbill	TP	NT	Jengai, Besul
17	Wrinkled Hornbill	TP	NT	Jengai
Megalaimidae				
18	Red-crowned Barbet	TP	NT	Jengai
19	Red-throated Barbet	TP	NT	Jengai
20	Yellow-crowned Barbet	TP	NT	Jengai, Besul
Picidae				
21	White-bellied Woodpecker			Jengai, Besul
22	Olive-backed Woodpecker	TP	NT	Near border of Cp. J37/B3
23	Great Slaty Woodpecker	TP	VU	Jengai, Besul
Eurylaimidae				
24	Green Broadbill	TP	NT	Jengai, Besul
25	Black-and-yellow Broadbill	TP	NT	Jengai, Besul
Pittidae				
26	Garnet Pitta	TP	NT	Jengai
Aegithinidae				
27	Green Iora	TP	NT	Jengai, Besul
Campephagidae				
28	Fiery Minivet	TP	NT	Jengai, Besul
Corvidae				
29	Crested Jay	TP	NT	Jengai
30	Black Magpie	TP	NT	Jengai, Besul
Pycnonotidae				
31	Black-and-White Bulbul	TP	NT	Jengai
32	Grey-bellied Bulbul	TP	NT	Jengai, Besul
33	Puff-backed Bulbul	TP	NT	Jengai, Besul
34	Buff-vented Bulbul	TP	NT	Jengai, Besul
35	Streaked Bulbul	TP	NT	Jengai, Besul
Timaliidae				
36	Brown Fulvetta	TP	NT	Jengai, Besul
37	Black-throated Babbler	TP	NT	Jengai
38	Chestnut-rumped Babbler	TP	NT	Jengai, Besul
39	Fluffy-backed Tit-Babbler	TP	NT	Jengai, Besul
40	Sooty-capped Babbler	TP	NT	Besul
41	White-chested Babbler	TP	NT	Jengai, near border of Cp. J37/B3 (Sg. Jengai)
42	Striped Wren-babbler/ Kenopia	TP	NT	Jengai
Chloropsidae				
43	Lesser Green Leafbird	TP	NT	Jengai, Besul



18



22

Note:

EN - Endangered, VU - Vulnerable,
TP - Totally Protected, LC - Least Concern,
P - Protected, NT - Near threatened,
DD - Data deficient, NL - Not listed

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Wildlife in CFC

- Elephant • Porcupine • Tapir • Tiger • Otter • Hornbill
- Gibbon • Mousedeer • Barking deer • Mountain Goat
- Malayan Sun Bear

Elephant



Kelah



Hornbill



Tiger



Tapah



Kelisa Putih

Threatened and Endangered Fauna Species in DTC

No	Fauna Species	Common Name	IUCN	CITES
1	Arctictis binturong	Binturong	VU	III
2	Bos gaurus	Gaur	VU	I
3	Bucerotidae spp.	Hornbill	VU/NT/LC	-
4	Callosciurus prevostii	Prevost's Squirrel	-	II
5	Cervidae	Deer	(Jadual 2-WWF -Malaysia 1998	-
6	Dicerorhinus sumatrensis	Sumatran Rhinoceros	CR	I
7	Elephas maximus	Asian Elephant	EN	I
8	Helarctos malayanus	Malayan Sun Bear	VU	I
9	Herpestes brachyurus	Short-tailed Mongoose	-	-
10	Hylabates lar	White-handed Gibbon	EN	II
11	Macaca fascicularis	Long-tailed Macaque	-	II
12	Macaca nemestrina	Pig-tailed Macaque	-	II
13	Martes falvigula	Yellow-throated Marten	-	III
14	Nycteris javanica	Javan Slit-faced Bat	VU	-
15	Nycticebus caucang	Slow Loris	VU	I
16	Paguma larvata	Masked Palm Civet	-	III
17	Panther tigris jacksonii	Malayan Tiger	EN	I
18	Panther pardus	Leopard, Panther	-	I



6

Note:

EN – Endangered, VU- Vulnerable, TP- Totally Protected, LC – Least Concern, P-Protected, NT - Near threatened, DD - Data deficient, NL- Not listed CR - Critically Endangered

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Threatened and Endangered Fauna Species in DTC (continued)

No	Fauna Species	Common Name	IUCN	CITES
19	Petaurista petaurista	Red Giant Flying Squirrel	-	-
20	Erthizontidae	Porcupine	-	III
21	Prionailurus bengalensis	Leopard Cat	-	I
22	Presbytis melalophos	Banded Leaf Monkey	EN	-
23	Ratufa affinis	Cream-coloured Gaint Squirrel	-	II
24	Ratufa bicolor	Black Giant Squirrel	-	II
25	Cervus unicolor	Sambar Deer	VU	-
26	Sus scrofa	Wild Pig	-	-
27	Tadarida johorensis	Northern Free-tailed Bat	VU	-
28	Tapirus indicus	Malayan Tapir	EN	I
29	Trachypithecus obscurus	Dusky Leaf Monkey	-	II
30	Tragulus javanicus	Lesser Mousedeer	-	III
31	Tupaia glis	Malayan Treeshrew	-	II
32	Tupaia minor	Lesser Treeshrew	-	II
33	Viverra zangalla	Malayan Civet	-	-

Note:

EN - Endangered, VU- Vulnerable,
TP- Totally Protected, LC - Least Concern,
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WILDLIFE PROTECTION

The Group is committed to conservation efforts and takes a proactive approach by collaborating with non-governmental organisations (NGOs) such as the World Wide Fund for Nature (WWF) and the Department of Wildlife and National Parks (PERHILITAN). Our joint efforts involve identifying and monitoring threatened and endangered mammal species.

Tranquillity at Sungai Ulu Paka, Dungun. A picturesque scene capturing the serene beauty of nature, with the calm river reflecting large trees and clear skies.



Kelulut beehive colonies that is commonly found amongst the trees in our forest concession areas.



FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

- o **Endangered Species**
19 mammal species and 176 birds species that inhabit our forest concession areas were identified.

Mammals:

- Tapirs (*Tapirus indicus*) **a**
- Tigers (*Panthera tigris*) **b**
- Leopard (*Panthera pardus*)
- Clouded Leopard (*Neofelis nebulosa*)
- Leopard Cat (*Prionailurus bengalensis*)
- Asian Golden Cat/Asiatic Golden Cat/ Temminck's Golden Cat (*Pardofelis temminckii*)
- Marbled Cat (*Pardofelis marmorata*) **c**
- White Handed Gibbon (*Hylobates Lar*)
- Asian Elephant (*Elephas Maximus*) **d**
- Asiatic Wild Dog (*Cuon Alpinus*)

Birds:

- Hornbills (*Family bucerotidae*) **e**
- Malayan Peacock-pheasant/Crested Peacock-pheasant (*Polyplectron malacense*)



"Towards maintaining biodiversity"

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

- Climate Change Mitigation**
 Recognising the vital role of forests in carbon sequestration, the FMP incorporates strategies promoting healthy forest growth. This maximises carbon absorption, contributing to a more sustainable global climate. We plant more than 30,000 saplings of various species, such as Meranti Rambai Daun, Meranti Tembaga, Kapur (which are listed under the IUCN Red List), annually, as part of our replanting programme.
- Environmental Stewardship**
 The FMP fosters a comprehensive approach to environmental protection. This includes measures to prevent soil erosion, minimise water pollution and ensure responsible waste management throughout our forestry operations.
- Rotational Harvesting Cycle**
 We practice a sustainable forestry management approach with a 30-year rotational cycle. This ensures ample time for trees to mature before we reaccess the concession area for harvesting, promoting long-term forest health and resource regeneration.



GFPF is a vital component of GPB's forest preservation initiatives. GFPF is actively involved in the planting, transplanting, thinning and conservation of forests and timber tracts, as well as operating forest tree nurseries.

Through its commendable efforts, GFPF significantly contributes to the Group's commitment to sustainable forestry and responsible land use practices, ensuring a healthier and greener future for generations to come.

In FY2023, tree saplings were planted at Ladang Hutan GFPF, Jerangau in support of the Greening Malaysia programme, 100 million Tree-Planting Campaign 2021-2025 under the auspices of the Energy and Natural Resources Ministry with cooperation from the Forestry Department of Peninsular Malaysia, State Forest Departments, Forest Research Institute of Malaysia and State Governments.



FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Aerial view captures the stark contrast between a withered, aged chengal tree canopy and a thriving, verdant counterpart in our concession areas. Our enduring commitment ensures trees are cared for until their final stages, enhancing the sustainability of our forest environments.

UPHOLDING SUSTAINABILITY THROUGH RIGOROUS FOREST MANAGEMENT CERTIFICATION

We acknowledge the vital role that forests play in maintaining ecological balance and environmental wellbeing. To ensure our operations adhere to the highest international standards, we rigorously follow the SFM. The SFM incorporates the stringent requirements of both the Forest Stewardship Council® (FSC®) and Malaysian Criteria and Indicators (MC&I) for Forest Management Certification (Natural Forest).

What is Sustainable Forest Management (SFM)?

- 1 Determination of an annual working area to meet the Annual Allowable Cut (AAC) imposed by the State Forestry Department.
- 2 Selective felling operations to minimise unnecessary damage to the environment.
To reduce the impact of logging activities on biodiversity, we practice Reduced Impact Logging (RIL) and avoid ground cutting of slip roads by using existing forest roads cleared during the first 30-year rotation of timber harvesting (KPKKT is into the second rotation).
- 3 Proper boundary demarcation to prevent accidental encroachment beyond the annual working area.
- 4 Efficient timber haulage and transportation to minimise forest damage.
- 5 Tree-marking to identify logging selection.
- 6 Area rehabilitation and timber stand improvement to assess and regenerate forests.
A post-felling inventory operation is conducted several years after the completion of logging to assess the regeneration status of the residual timber stand and decide on the appropriate timber stand improvement (TSI) operations for rehabilitation. The most common TSI operation is open-area planting using fast-growing indigenous species from the nursery, which KPKKT maintains in the Jengai PRF, covering an area of 0.56 ha and capable of accommodating 40,000 tree seedlings at any one time.

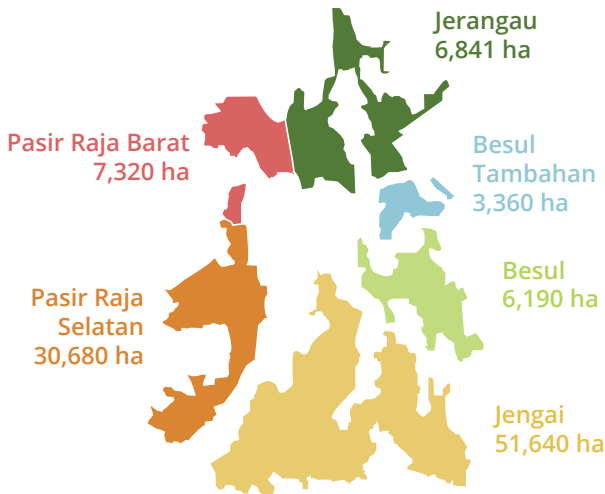
FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Our dedication to SFM principles is evidenced through our accreditation with the SCS-FSC® Interim Standard for Forest Management Certification in Malaysia Version 5.0.2014. Awarded by the independent auditing body Scientific Certification Systems (SCS), this certification signifies the responsible management practices employed throughout our forestry operations.

Since its initial issuance in 2008, we have maintained this prestigious certification, a testament to our ongoing adherence to SFM principles. For FSC®, the current validity period has reached its conclusion in early 2024, and we have proactively engaged in the recertification process. This ensures the continuous alignment of our practices with the evolving standards for sustainable forest management.

Adhering to these stringent SFM practices and maintaining FSC® certification, we provide stakeholders with verifiable assurance. They can be confident that our timber products are sourced responsibly, minimising environmental impact while preserving precious ecosystems for future generations. This commitment to sustainability leadership positions us as a trusted partner and industry leader within the forestry sector.

PERMANENT RESERVED FORESTS (PRF) AT DTC



FOREST MANAGEMENT AREAS

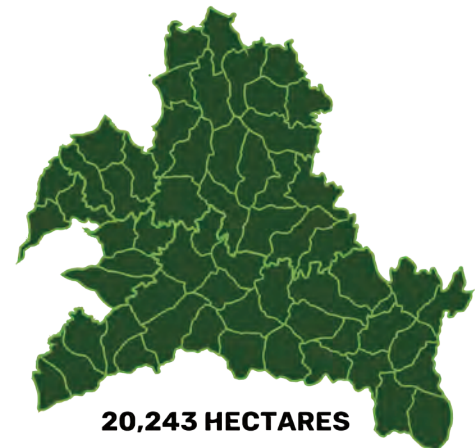
Dungun Timber Complex (DTC)
106,031 ha
 6 Areas within DTC

Cherul Forest Concession (CFC), Kemaman
20,243 ha
 Part of Cherul PRF

TOTAL
126,274 ha

PRF = Permanent Reserved Forest

CHERUL FOREST CONCESSION



Nestled within the captivating landscapes of the DTC lies the majestic Chemerong Waterfall, a true gem of Malaysia. This natural wonder beckons adventurers with its exhilarating hiking trails, notably the Chemerong-Berembun-Langsir (CBL) track.

Embarking on a 27-kilometer journey from the Chemerong Tropical Forest, hikers are treated to a scenic trek that unfolds over two hours, leading them to the first checkpoint – the awe-inspiring Chemerong Waterfall. Here, amid the lush greenery, the sight of water cascading down, plummeting 1,214 feet (370 meters), and pounding against the rugged rocks below is nothing short of mesmerizing.

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

2

ENERGY MANAGEMENT

Our commitment to responsible environmental stewardship extends beyond sustainable forestry practices. We are actively embracing renewable energy solutions to minimise our environmental footprint and create a more sustainable future. This dedication is evident in our progress on solar photovoltaic (PV) installations at two key facilities: PESAKA and PPSB.



PESAKA TRENGGANU BERHAD (PESAKA)

- Achieved a major milestone by successfully completing the solar PV installation.
- PESAKA's Solar PV System was fully operational commencing 25 January 2024.

PERMINT PLYWOOD SDN BHD (PPSB)

- The solar PV installation at PPSB was also completed.
- Currently, are awaiting approval from the Sustainable Energy Development Authority (SEDA). Once approved, we will proceed with the license application from Suruhanjaya Tenaga Malaysia (STM).
- We expect the PPSB Solar PV System to be operational by the end of the second quarter of 2024.

GP GLASS SDN BHD (GP GLASS)

- The Board has approved the PV installation at GP Glass in the first quarter of 2024.
- Currently in the midst of applying for the license from the authority.
- We are targeting to commence in the fourth quarter of 2024.

These solar PV installations represent a leap forward in our energy management strategy. By harnessing clean and renewable solar power, we aim to achieve several key objectives:

REDUCED RELIANCE ON FOSSIL FUELS

Transitioning to solar energy will significantly decrease our dependence on conventional fossil fuels. This not only translates to lower energy costs but also minimises our greenhouse gas emissions, contributing to a cleaner and more sustainable future.

ENVIRONMENTAL RESPONSIBILITY

Solar power is a clean and renewable energy source. By embracing this technology, we are committed to environmental stewardship and contributing towards to a healthier planet for future generations.

ENHANCED EFFICIENCY AND COST SAVINGS

Efficient energy use is paramount for long-term business success. Solar PV installations will not only reduce our reliance on the grid but also generate cost savings through lower electricity bills. This results in a more sustainable and financially responsible future for our Group.

Installing these solar PV systems marks a significant step forward in our commitment to environmental stewardship. We look forward to the positive impact they will generate, not only on our energy consumption and costs but also on the environment as a whole. This initiative serves as a testament to our ongoing pursuit of innovative solutions that contribute to a more sustainable future for our industry and the planet.

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

ENERGY CONSUMPTION (MW)

	2023		2022	
	ELECTRICITY (MW)	FUEL (KILOLITRES)	ELECTRICITY (MW)	FUEL (KILOLITRES)
GPB	36.3	10.2	25.3	7.7
KPKKT	58.2	59.3	51.3	7.5
PESAKA	285.6	2.0	231.7	10.2
PESAMA	358.9	9.6	186.9	10.1
PPSB	191.9	0.6	241.3	1.8
GP GLASS	3,041.9	34.5	3,436.5	51.5
GPPF	-	6.6	-	1.8
Total	3,972.8	122.8	4,173.0	90.6
Conversion		1,371.2		1,011.6
Total (MW)	5,344.0		5,184.6	

Conversion of kilolitres to MW with [unitconverters.net/energy](https://www.unitconverters.net/energy)

ENERGY INTENSITY

	ENERGY CONSUMPTION 2023 (MW)	UNIT OF PRODUCTION 2023	INTENSITY RATIO 2023	ENERGY CONSUMPTION 2022 (MW)	UNIT OF PRODUCTION 2022	INTENSITY RATIO 2022
GPB ¹	150.2	89.23	1.68	111.3	70.20	1.59
KPKKT ²	720.3	16,624	0.04	135.0	7,918	0.02
PESAKA ³	307.9	6,358	0.05	345.6	3,782	0.09
PESAMA ³	466.1	2,106	0.22	299.7	1,723	0.17
PPSB ⁴	198.6	1,106	0.18	261.4	1,157	0.23
GP GLASS ⁵	3,427.4	370,932	0.01	4,011.5	356,049	0.01
GPPF ⁶	73.7	119.6	0.62	20.1	130.7	0.15

¹RM million in revenue

³metric tonnes of sawn timber

⁵square meters of glass

²hoppus tonnes of logs

⁴cubic metres of veneer

⁶1,000 of trees planted

GHG EMISSIONS

SCOPE	EMISSIONS SOURCE	FUEL TYPE	GHG EMISSIONS CONSUMPTION 2023	CO ₂ e (mt) 2023	CO ₂ e (mt) 2022
GPB					
1	Mobile Combustion	Petrol	9,779 litres	23.4	18.4
2	Purchased Electricity	Various	36,283 kWh	22.5	21.8
3	Employee Commuting	Petrol	10,508 litres	25.1	25.3
3	Business Travel	Various	11,098 km	1.3	5.1
TOTAL: GPB				72.3	70.6

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

GHG EMISSIONS (CONTINUED)

SCOPE	EMISSIONS SOURCE	FUEL TYPE	GHG EMISSIONS CONSUMPTION 2023	CO ₂ e (mt) 2023	CO ₂ e (mt) 2022
KPKKT					
1	Mobile Combustion	Petrol	17,259 litres	41.2	5.9
		Diesel	42,061 litres	111.0	13.2
2	Purchased Electricity	Various	58,166 kWh	36.1	31.8
3	Employee Commuting	Petrol	37,546 litres	89.7	115.0
3	Business Travel	Various	-	-	0.9
TOTAL: KPKKT				278.0	166.8
PESAMA					
1	Stationary Combustion	Wood Waste	33 mt	60.4	38.4
	Mobile Combustion	Petrol	3,881 litres	9.3	22.2
		Diesel	5,764 litres	15.2	2.3
2	Purchased Electricity	Various	358,888 kWh	222.5	115.9
3	Employee Commuting	Petrol	28,506 litres	68.1	32.3
3	Business Travel	Various	55,118km	6.3	2.6
TOTAL: PESAMA				381.8	213.7
PESAKA					
1	Mobile Combustion	Petrol	1,434 litres	3.4	19.6
		Diesel	533 litres	1.4	5.3
2	Purchased Electricity	Various	285,581 kWh	177.1	143.7
3	Employee Commuting	Petrol	30,149 litres	72.1	74.6
3	Business Travel	Various	-	-	2.0
TOTAL: PESAKA				254.0	245.2
PPSB					
1	Stationary Combustion	Wood Pallet	382.4 mt	699.8	164.7
	Mobile Combustion	Petrol	568 litres	1.4	3.8
		Diesel	-	-	0.6
2	Purchased Electricity	Various	191,885 kWh	119.0	149.6
3	Employee Commuting	Petrol	42,411 litres	101.4	86.0
3	Business Travel	Various	-	-	0.4
TOTAL: PPSB				921.6	405.1

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

GHG EMISSIONS (CONTINUED)

SCOPE	EMISSIONS SOURCE	FUEL TYPE	GHG EMISSIONS CONSUMPTION 2023	CO ₂ e (MT) 2023	CO ₂ e (MT) 2022
GP GLASS					
1	Mobile Combustion	Petrol	14,418 litres	34.5	25.3
		Diesel	20,039 litres	52.9	107.9
2	Purchased Electricity	Various	3,041,784 kWh	1,885.9	2,130.6
3	Employee Commuting	Petrol	16,931 litres	40.5	42.8
3	Business Travel	Various	10,019 km	1.2	2.8
TOTAL: GP GLASS				2,015.0	2,309.4
GPPF					
1	Mobile Combustion	Petrol	3,248 litres	7.8	1.6
		Diesel	3,351 litres	8.8	3.1
2	Purchased Electricity	Various	-	-	31.8
3	Employee Commuting	Petrol	7,499 litres	17.9	15.6
3	Business Travel	Various	45,412 km	5.2	2.5
TOTAL: GPPF				39.7	54.6

Group			
Scope 1 Sub-total		1,070.5	432.3
Scope 2 Sub-total		2,463.1	2,625.2
Scope 3 Sub total		428.8	407.9
GRAND TOTAL		3,962.4	3,465.4

Conversion of wood waste to CO₂e x 1.83 kg (Source: www.engineeringtoolbox.com)

Conversion of diesel to CO₂e: litre x 2.64 kg (Source: www.ecoscore.be)

Conversion of petrol to CO₂e: litre x 2.39 kg (Source: www.ecoscore.be)

Conversion of electricity to CO₂e (Malaysia): kWh x 0.62 kg (Source: www.worldbenchmarkingalliance.org)

Rationale for conversion references:

- o Ecoscore offers a more accurate conversion rate than other US-based references as Malaysia's diesel and petrol sources are either from Europe or Asia. In any case, the difference in conversion rates between Ecoscore and US-based converters are marginal and in the second decimal point
- o The conversion rate for electricity generation varies according to the types of power generators in each specific country. World Benchmarking Alliance has estimated that Malaysia's unique mix of power generation sources will emit 0.62 kg of CO₂e by 2023 from 0.59 in 2017 after taking into consideration the development of new power plants during the 5-year 2018-2022 period. As such, we have opted to use 0.62 kg (2023) as the emissions factor.

GUIDELINES FOR QUANTIFYING GHG EMISSIONS

Intergovernmental Panel on Climate Change (IPCC)

GHG Protocol

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

EMISSIONS INTENSITY

	EMISSIONS 2023 (CO ₂ e)	UNIT OF PRODUCTION 2023	INTENSITY RATIO 2023	EMISSIONS 2022 (CO ₂ e)	UNIT OF PRODUCTION 2022	INTENSITY RATIO 2022
GPB ¹	72.3	89.23	0.81	70.6	70.20	1.01
KPKKT ²	278.0	16,624	0.02	166.8	7,918	0.02
PESAKA ³	254.0	6,358	0.04	245.2	3,782	0.06
PESAMA ³	381.8	2,106	0.18	213.7	1,723	0.12
PPSB ⁴	921.6	1,106	0.83	405.1	1,157	0.35
GP GLASS ⁵	2,015.0	370,932	0.01	2,309.4	356,049	0.01
GPPF ⁶	39.7	119.6	0.33	54.6	130.7	0.42

¹RM million in revenue

³metric tonnes of sawn timber

⁵square metres of glass

²hoppus tonnes of logs

⁴cubic metres of veneer

⁶hectares of trees planted

WATER CONSUMPTION (m³)

	2023	2022
GPB	1,000	862
KPKKT	6,632	5,983
PESAKA	13,646	12,505
PESAMA	59,917	50,789
PPSB	3,564	4,987
GP GLASS	17,944	26,750
TOTAL	102,703	101,876

WATER USAGE INTENSITY

	WATER CONSUMPTION 2023 (m ³)	UNIT OF PRODUCTION 2023	INTENSITY RATIO 2023	WATER CONSUMPTION 2022 (m ³)	UNIT OF PRODUCTION 2022	INTENSITY RATIO 2022
GPB ¹	1,000	89.23	11.20	862	70.20	12.28
KPKKT ²	6,632	16,624	0.40	5,983	7,918	0.76
PESAKA ³	13,646	6,358	2.15	12,505	3,782	3.31
PESAMA ³	59,917	2,106	28.45	50,789	1,723	29.48
PPSB ⁴	3,564	1,106	3.22	4,987	1,157	4.31
GP GLASS ⁵	17,944	370,932	0.05	26,750	356,049	0.08

¹RM million in revenue

³metric tonnes of sawn timber

⁵square metres of glass

²hoppus tonnes of logs

⁴cubic metres of veneer

⁶hectares of trees planted

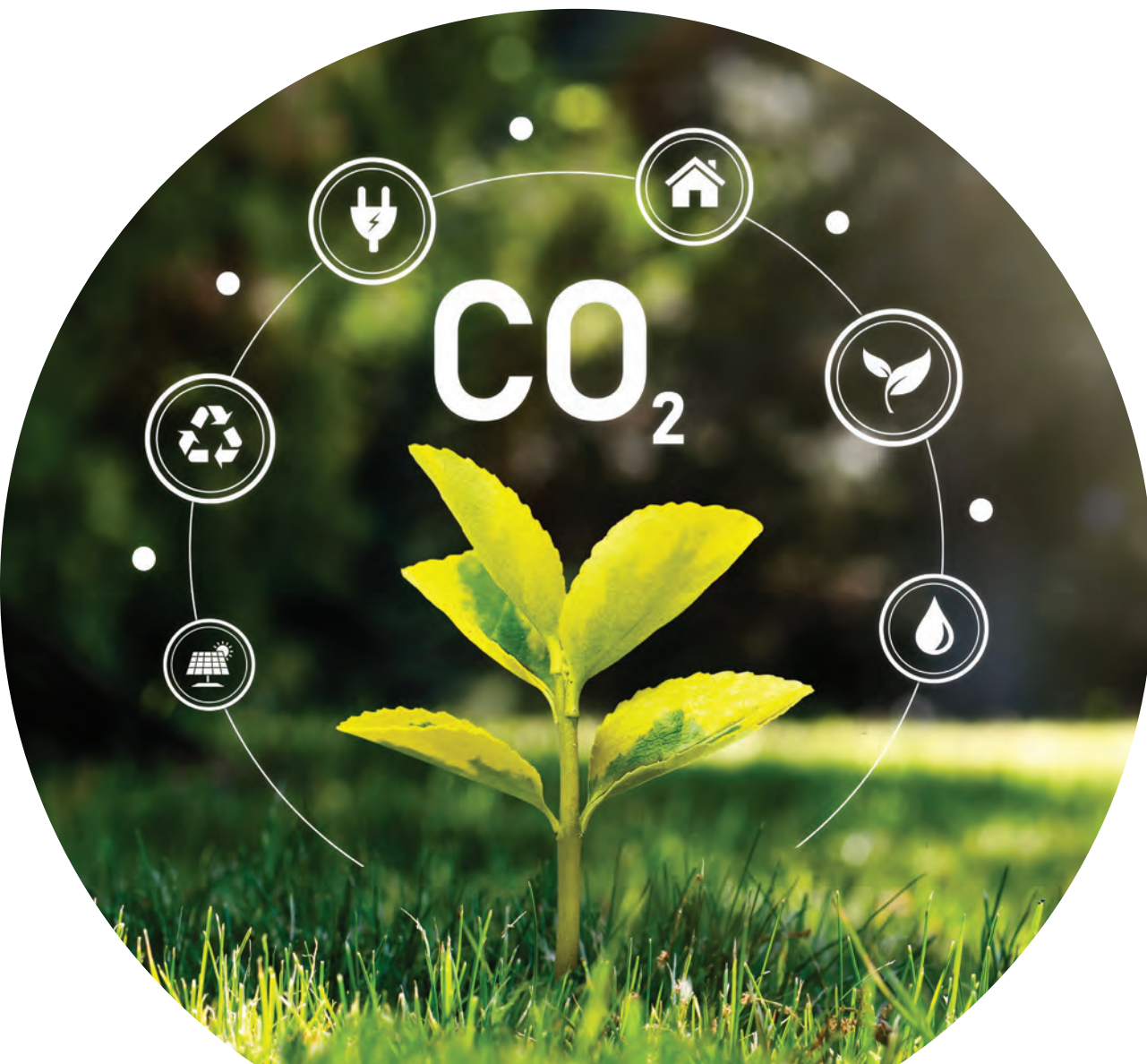
FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

3 EMISSIONS AND INITIATIVES TO TACKLE CLIMATE CHANGE

CARBON MANAGEMENT STRATEGY

We recognise the critical challenge of climate change with the increasing frequency of extreme weather events. In 2023, we took a leap forward in carbon management. We refined our strategy, ensuring it aligned with best practices and addressed our needs. This strategic foundation became the springboard for establishing a comprehensive emissions baseline. We did not just focus on the low-hanging fruit – both Scope 1 (direct emissions from our operations) and Scope 2 (indirect emissions from purchased electricity) were rigorously tracked and quantified.



Demonstrating a commitment to transparency, we extended our analysis even further. We gained a holistic understanding of our carbon footprint by proactively including select sources within Scope 3 (indirect emissions from our value chain), such as business travel, employee commuting, customers and vendors. This data-driven approach provides the foundation for developing and implementing effective emissions reduction strategies in the coming years.










FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

INVENTORY OF EMISSION SOURCES







STATIONARY COMBUSTION - INVENTORY

 PESAMA Equipment: Heat Boiler Type of Fuel: Wood Waste	 PPSB Equipment: Steam Boiler Type of Fuel: Wood Waste & Veneer Equipment: Dryer Type of Fuel: Wood Pallet <i>* Not operated/used in 2023</i>
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MOBILE COMBUSTION - INVENTORY

 GPB Type of Fuel: Petrol Motor Vehicles: 5 Type of Fuel: Diesel Motor Vehicles: 1	 PESAKA Type of Fuel: Petrol Motor Vehicles: 5 Type of Fuel: Diesel Motor Vehicles: 3 Lorries: 2 Forklifts: 9 Others*: 4
 PESAMA Type of Fuel: Petrol Motor Vehicles: 4 Type of Fuel: Diesel Motor Vehicles: 2 Lorries: 1 Forklifts: 5 Others*: 3	 GP GLASS Type of Fuel: Petrol Motor Vehicles: 6 Type of Fuel: Diesel Motor Vehicles: 0 Lorries: 5 Forklifts: 4
 PPSB Type of Fuel: Diesel Motor Vehicles: 1 Others*: 1	 GPFP Type of Fuel: Diesel Motor Vehicles: 3
 KPKKT Type of Fuel: Petrol Motor Vehicles: 3 Type of Fuel: Diesel Motor Vehicles: 22 Lorries: 1 Others*: 8	TOTAL Type of Fuel: Petrol Motor Vehicles: 23 Type of Fuel: Diesel Motor Vehicles: 32 Lorries: 9 Forklifts: 18 Others*: 16

REFRIGERANTS - INVENTORY

 GPB	Refrigerants	No. of Units
	R22	8
	R23	2
	R32	9
	R410A	7
<hr/>		
 KPKKT/ GPFP	R22	7
	R32	20
	R410A	-
	R33	1
<hr/>		
 PESAMA	R22	24
	R32	3
	R410A	5
	RAS-24SKPX	4
	RAS-24NKPX	1
	RAS-13SKPX	1
	RAS-13SKPX	1
	IP24	1
<hr/>		
 PESAKA	R22	9
	R32	10
<hr/>		
 PPSB	R32	9
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 GP GLASS	R22	28
	R32	11
	R410A	6

NUMBER OF UNITS ACCORDING TO TYPE OF REFRIGERANTS

R22	76
R23	2
R32	62
R410A	18
Others	8

* Backhoe, log loader, motograder, forklift, cutting machine

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

GPB's commitment to reducing its carbon footprint goes beyond mere measurement. We are actively implementing a multi-pronged approach that includes reactive and proactive measures.

- **Reactive Measures**

Throughout FY2023, we continuously optimised equipment usage, maintained our vehicle fleet effectively and transitioned to environmentally friendly refrigerants. In addition, we prioritised minimising electricity consumption in our administrative offices. These efforts represent a practical and immediate approach to reducing our emissions.

- **Proactive Measures**

Looking ahead, we have undertaken significant proactive measures for long-term sustainability. The installation of solar photovoltaic (PV) panels is the start of our transition to renewable energy, which will significantly reduce our reliance on the national electricity grid and our overall carbon footprint.

Beyond operational changes and renewable energy, we are exploring innovative solutions to combat climate change. Our vast forest concession areas hold immense potential as carbon sinks, naturally absorbing and storing atmospheric carbon dioxide. We are exploring the possibility of entering the carbon offset market, leveraging this natural resource to mitigate climate change impacts. By harnessing this potential, we aim to become a part of the solution.

By implementing a comprehensive strategy that combines data analysis, operational improvements, renewable energy adoption, and exploration of carbon offset opportunities, GPB demonstrates a strong commitment to environmental stewardship in 2023. We are confident that these actions will significantly reduce our environmental impact and contribute to a more sustainable future for future generations.

Transitioning to solar power is a key component of our carbon reduction strategies, aimed at reducing our reliance on the national electricity grid.



We are scrutinising areas within our sawmilling manufacturing operations to identify opportunities for conserving energy and fuel, thereby driving down GHG emissions.

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

MANAGING CLIMATE CHANGE

We are continuously focused on minimising our environmental footprint through a comprehensive strategy prioritising pollution prevention and resource conservation.

- **Preventing Pollution at the Source**

We recognise the potential environmental impact of our glass manufacturing operations at our subsidiary company, GP Glass and have implemented stringent anti-pollution SOPs. These procedures govern various SOPs in the manufacturing process and water treatment that utilise chemicals. Beyond simply reacting to spills, these SOPs are designed to prevent spillage altogether.

Complementing these procedural safeguards, GP Glass operates its own wastewater treatment plant. This critical facility ensures that any effluent released meets stringent standards, minimising the risk of ground water contamination. Furthermore, GP Glass conducts regular sampling and analysis of its effluent discharge, providing ongoing monitoring and assurance of environmental responsibility.

Another key priority is the responsible disposal of solid waste. We appoint qualified third-party contractors to ensure the safe and compliant disposal of all solid waste generated from our operations and activities.

ADHERENCE TO ANTI-POLLUTION REGULATIONS














Environmental Quality (Industrial Effluents)
Regulations 2009


Aerial perspective of our forest concession area. Through careful stewardship, we ensure the preservation of biodiversity and the long-term health of our forests, fostering environmental sustainability for future generations.

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

SCHEDULED WASTE DISPOSAL

	PESAMA
	Spent lubricating oil (SW305) 100 kg* FY2022: 200 kg
	Disposal Method * Half the volume was reused for sawmill operations
	PESAKA
	Spent lubricating oil (SW305) 196 kg* FY2022: 177 kg
	Disposal Method * Total volume was reused for sawmill operations.
	Disposed containers, bags or equipment (SW409) - FY2022: 150 kg
	Disposal Method Competent Contractor
	Contaminated rags, gloves, plastics, papers, filters (SW410) 266 kg FY2022: 85 kg
	Disposal Method Competent Contractor
	KPKKT
	Spent lubricating oil (SW305) 300 kg* FY2022: -
	Contaminated rags, gloves, plastics, papers, filters (SW410) 50 kg FY2022: -

	GP GLASS
	Contaminated rags, gloves, plastics, papers, filters (SW410) 337 kg FY2022: 191 kg
	Disposed containers, bags or equipment (SW409) 81 kg FY2022: 60.5 kg
	Residual oil (SW315) 125 kg FY2022: 312 kg
	Metal/Brine/Soap sludge containing metals such as chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium and beryllium (SW204) 2,948 kg FY2022: 1,700 kg
	Disposal Method Competent Contractor
	Total glass cutoff sent to recycled 523,000 kg FY2022: -
	Total glass purchased 5,860,290 kg FY2022: -
	Total glass sold 4,706,258 kg FY2022: -

FOCUS AREA 2 OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

- Conserving Resources for a Sustainable Future**

Our dedication to responsible forest management practices fosters a deep appreciation for resource conservation. We understand that natural resources are finite, so we prioritise efficient and responsible resource utilisation across all our operations.

CONSERVATION INITIATIVES TOWARDS A CIRCULAR ECONOMY

Recycling paper, plastic, aluminium cans and glass.

Increasing the use of video and voice conferencing.

Turning off power to all electrical appliances and lights during non-working hours.



Annual Report is now primarily disseminated in a digital format, accessible via a QR code.

Our glass manufacturing operations prioritise purchasing only the necessary raw materials, including chemicals and packaging materials. In FY2023, GP Glass purchased 5,860.3 mt of glass, of which 4,706.3 mt of processed glass was sold and 0.5 mt of glass cutlets was sent for recycling.

Our involvement in the entire wood-based product value chain minimises the need to purchase additional raw materials for our timber operations.

In efforts to reducing our electricity and water consumption, employee awareness campaigns are critical in promoting responsible resource use within our facilities. Furthermore, we are actively exploring the implementation of an activity-based energy optimisation management system.

- Promoting a Circular Economy**

GPB subsidiaries, PESAKA and PPSB, actively adopt a circular economy approach to minimise waste generation. This involves innovative initiatives to utilise production by-products, including sawdust and woodchips. These materials are supplied to third-party manufacturers, extending their life cycle and preventing them from becoming waste. A total of 4,526 tonnes of recycled woodchips derived from PESAKA's and PESAMA's operations were sold to a third-party manufacturer.

By prioritising pollution prevention and resource conservation, GPB demonstrates a strong commitment to environmental stewardship. These comprehensive strategies ensure responsible operations and contribute to a more sustainable future for future generations.



Sawdust and other by-products are supplied to third parties to extend their life cycle.

FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE



MOST MATERIAL MATTERS

- Protecting Safety & Health of Workers & Sub-Contractors
- Training, Education & Career Development

GRI 2-7, 2-8, 2-19, 2-20, 2-21 401 – 410, F4GBM

Within the competitive landscape of the timber and glass manufacturing industries, operational excellence hinges on a highly skilled and safety-conscious workforce.

Occupational safety and health, as well as upskilling and reskilling development, are inextricably linked. We prioritise a culture that fosters wellbeing through robust safety measures and ongoing training. This commitment to employee health and continuous learning empowers our workforce, creating a foundation for a successful and sustainable future in the timber and glass manufacturing industries.

Our “**Focus Area 03: Driving Performance Through People**” embodies this philosophy. Within this framework, we prioritise two critical material matters: **Protecting the Safety & Health of Workers & Subcontractors and Training, Education & Career Development.**

This synergistic approach paves the way for a resilient future for both our people and our businesses.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1

PROTECTING THE SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS

In the timber and glass manufacturing industries, where heavy machinery and potentially hazardous materials are common place, prioritising the safety and health of workers and subcontractors is an ethical responsibility and a critical business imperative.

- **Compliance and Risk Mitigation**
The timber and glass manufacturing industries have specific safety regulations. By actively addressing safety, we ensure compliance and minimise the risk of legal ramifications.
- **Enhanced Worker Morale and Engagement**
Employees who feel valued and protected are more engaged and motivated. Prioritising safety reinforces our commitment to their wellbeing, leading to a more positive and productive work environment.

FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE [CONTINUED]

- Attracting and Retaining Top Talent**
 A strong safety record and commitment to employee wellbeing can be a significant differentiator in a competitive industry vying for skilled workers. It attracts and retains top talent, crucial for innovation and long-term success.
- Reduced Costs and Increased Productivity**
 Accidents and ill health can lead to costly downtime, production delays and higher turnover of workers. A robust safety culture minimises these risks, leading to a more productive and efficient work environment.

2

TRAINING, EDUCATION & CAREER DEVELOPMENT

Investing in our people through these focus areas is essential for business continuity and career advancement.

- Keeping Pace with Technological Advancements**
 The timber and glass manufacturing industries are constantly evolving with new technologies and equipment. Investing in training ensures our workforce is equipped with the necessary skills to operate safely and effectively.
- Building a Culture of Continuous Improvement**
 A skilled and adaptable workforce can identify and implement improvements in processes and techniques. This breeds a culture of innovation and continuous improvement, leading to increased efficiency and product quality.

- Employee Satisfaction and Retention**
 Providing growth opportunities through education and career development programmes demonstrate our investment in our employees' future. This instils a sense of loyalty and satisfaction, reducing turnover and promoting long-term employee retention. There were no complaints of human rights violations during the year in review.
- Developing Future Leaders**
 By investing in our workforce, we cultivate a talent pool equipped with the necessary skills and experience to assume future leadership roles within the Group. This ensures long-term stability and organisational continuity.

By addressing these two material matters, we create a win-win situation for our employees and businesses in the competitive timber and glass industry.



In-House Training on Employment Law for Managers, led by Tuan Mansor bin Ibrahim. Equipping managers with essential knowledge and skills, this session aimed to enhance organisational compliance and inculcate a culture of legal awareness and responsibility.

FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING THESE MATERIALITY MATTERS

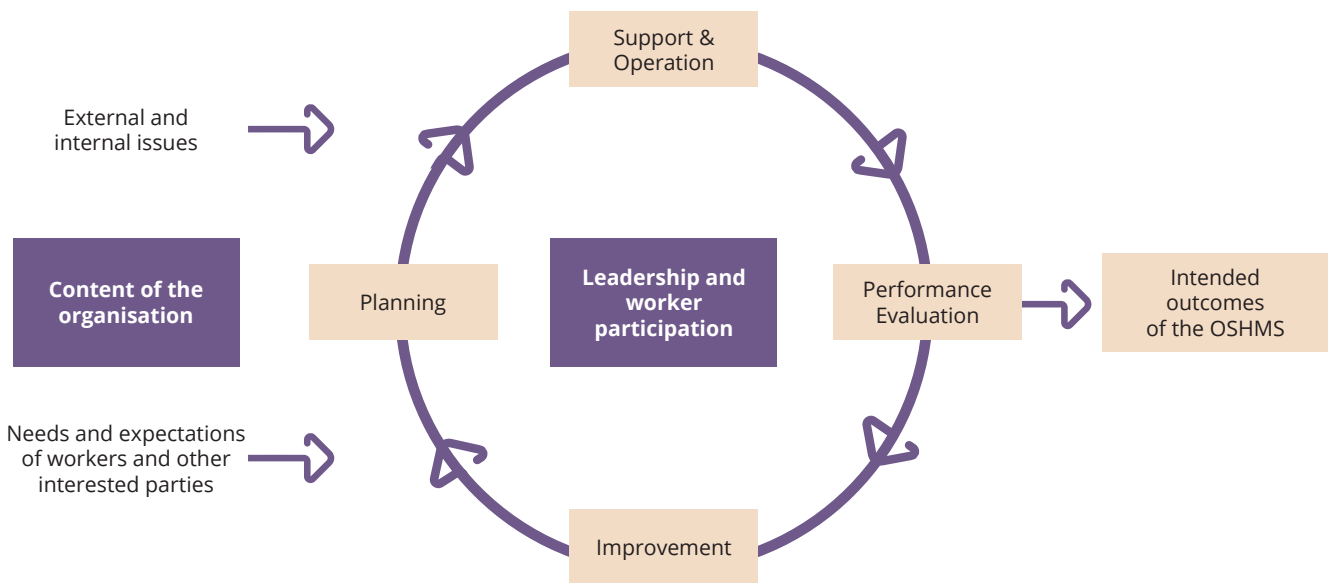
1 PROTECTING THE SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS

The Group's timber harvesting, wood production and glass manufacturing operations come with inherent risks. As a responsible and ethical organisation, we prioritise the safety and health of our employees and business partners who work in our operational areas. We have implemented various measures to ensure their well-being, including regular safety training, providing personal protective equipment, and ensuring compliance with safety regulations and industry best practices.

We firmly believe that the safety of our employees and partners is of utmost importance, and we will continue to strive to create a safe and healthy work environment for everyone involved in our operations.

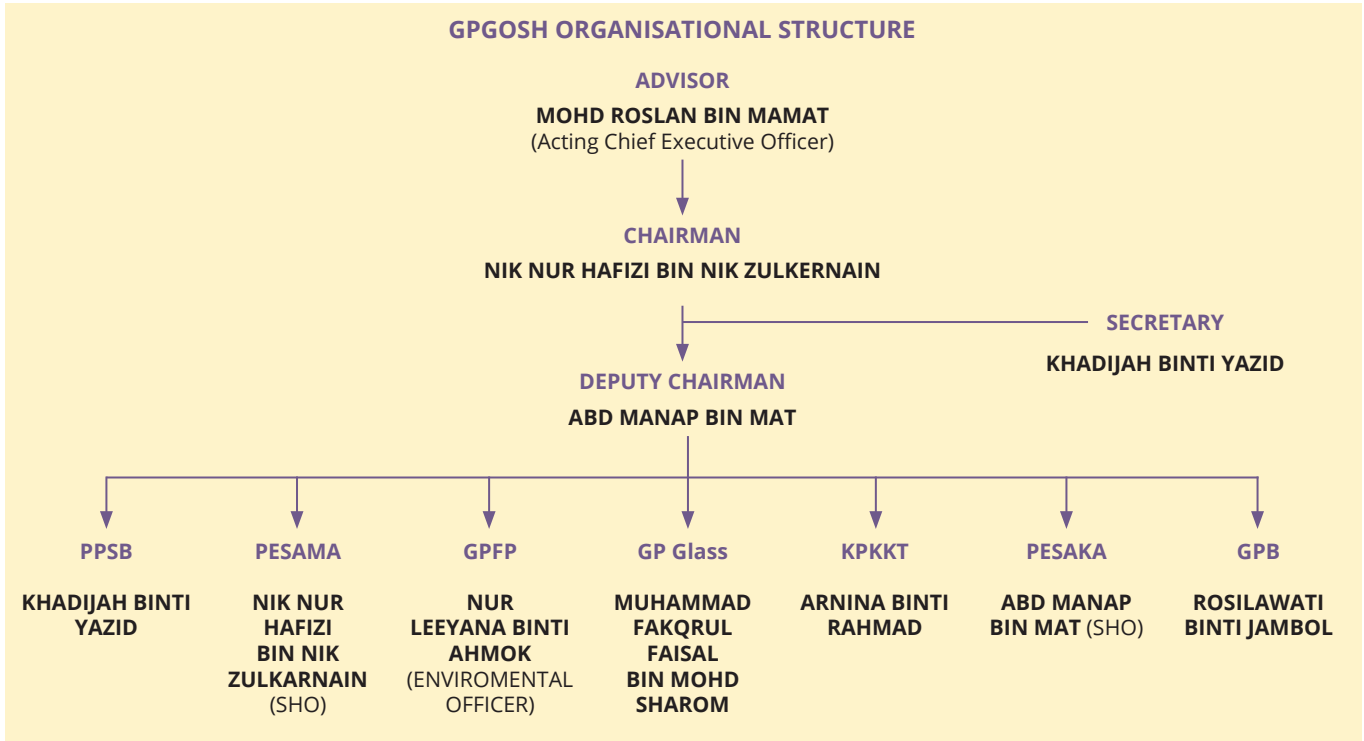
- Comprehensive Occupational Safety and Health (OSH) Framework**
 We take the safety of our personnel very seriously. We have implemented a comprehensive framework to ensure the safety of everyone involved in our operations. This framework outlines stringent procedures for every aspect of our work, from equipment handling to emergency response, to ensure consistent safety practices are always followed.

SCOPE OF OSH MANAGEMENT SYSTEM (OSHMS)



More importantly, we have developed the Golden Pharos Group Occupational Safety & Health (GPGOSH) Organisational Structure that is essential for the effective management of all related awareness, activities and incidents. This structure serves as a guide for our management team to ensure that all processes and procedures are being followed correctly and that all issues are resolved in a timely and efficient manner. The GPGOSH is designed to provide a clear chain of command, allowing for effective communication and the quick resolution of any incidents that may arise. Our management team is committed to overseeing all related activities and ensuring that all incidents are managed appropriately to maintain a safe and secure work environment for all our employees.

FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)



The OSH framework, managed by the GPGOSH, is regularly reviewed and updated to remain relevant and effective.

In addition to the OSH framework, we are committed to complying with all OSH laws and regulations. This includes keeping abreast with any changes to legislation and making the necessary adjustments to our policies and procedures accordingly.

RELEVANT OSH LAWS AND REGULATIONS

Occupational Safety and Health Act 1994 (OSHA 1994)

Factories and Machinery Act 1967 (FMA 1967)

As safety is a top priority in any workplace, and we are committed to maintaining the highest standards of safety and security. The OSH framework and safety audits form part of our efforts to ensure that our employees work in a safe and secure environment.

- **Proactive Hazard Identification and Mitigation**

Our systematic and comprehensive approach to hazard management involves actively identifying and assessing potential risks across all areas of operations, including but not limited to equipment, processes and environmental factors.

To achieve this, we rely on established guidelines that are regularly reviewed and updated to ensure they reflect the latest industry standards and best practices. We conduct routine safety audits to identify and mitigate potential hazards that could pose a risk to our employees. These routine audits and inspections are done by the Safety & Health Officer, while external audits will be conducted by the Department of OSH officer to identify even the most subtle risks. Once identified, we take immediate steps to mitigate any potential hazards to ensure the safety of everyone in our organisation. During FY2023, we conducted an internal audit led by our OSH personnel.

FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

OSH PROCESSES

- 1 Hazard reporting
- 2 Stop work and evacuation from any hazardous situation
- 3 Corrective actions
- 4 Continuous improvements

SAFETY MEASURES

- 1 Regular toolbox meetings/safety briefings to workers before commencement of work
- 2 The operating units conducts periodic training sessions for workers on SOPs, OSH and sustainability
- 3 Safety and warning signs are regularly updated
- 4 The Safety and Health Officer (SHO) conducts an annual Compliance and Sustainability Audit for all operating units to ensure compliance with all regulatory requirements and the Group's OSH Policy

Our commitment to hazard management underscores our unwavering dedication to safety, excellence, and responsible corporate citizenship.

- **Culture of Safety**

At our workplace, safety is a top priority, and we go above and beyond the standard regulations to ensure a safe and secure environment for all employees. We firmly believe that a nurturing and productive work environment is built on the foundation of employee wellbeing. To achieve this, we provide comprehensive and ongoing training programmes that enable our employees and contract workers to gain a deep understanding of and commitment to our occupational health and safety (OSH) policies and procedures.

Through our awareness programmes, we ensure that everyone is aware of the potential hazards and risks involved in their work and equipped with the necessary knowledge and skills to mitigate them. By promoting a culture of safety, we foster a sense of responsibility and accountability among all stakeholders, ensuring that everyone works together to promote a safe and secure workplace.

Our commitment to OSH policies and procedures extends beyond mere compliance with regulations. We are dedicated to providing a safe and healthy work environment for everyone, and we believe that this can only be achieved through continuous training, awareness, and collaboration.

OSH STATISTICS



Injury Rate (IR)

8.3
FY2022: 20.0



Loss Time Injury Frequency Rate (LTIFR)

6.3
FY2022: 13.6

We are committed to promoting a culture of wellbeing that ensures all workers can operate in an environment free from harm. Our focus on safety empowers our workforce and contributes to increased productivity and efficiency, ultimately positioning us for long-term success in the timber and glass manufacturing industries. All employees underwent OSH training in FY2023.

FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE [CONTINUED]

2

TRAINING, EDUCATION & CAREER DEVELOPMENT

At GPB, we place great importance on cultivating an environment that encourages continuous learning and development. We recognise that in today's fast-paced and ever-changing world, a skilled and adaptable workforce is essential for our organisation's success and long-term sustainability. As such, we are committed to providing our employees with opportunities to enhance their knowledge, skills, and abilities, which will enable them to stay ahead of the curve and contribute to the growth and success of our Group.

- **Comprehensive Training Programmes**

We take great pride in offering our employees a comprehensive suite of training programs that are thoughtfully designed to enable them to hone their expertise and expand their skill set. By participating in our training programmes, our employees can stay up-to-date with the latest industry trends and best practices, and cultivate essential soft skills that are fundamental to thriving in the modern workplace. Our training programmes are structured in a way that is engaging, interactive and informative, providing our employees with the opportunity to learn from experienced professionals and engage in hands-on activities that reinforce their learning.

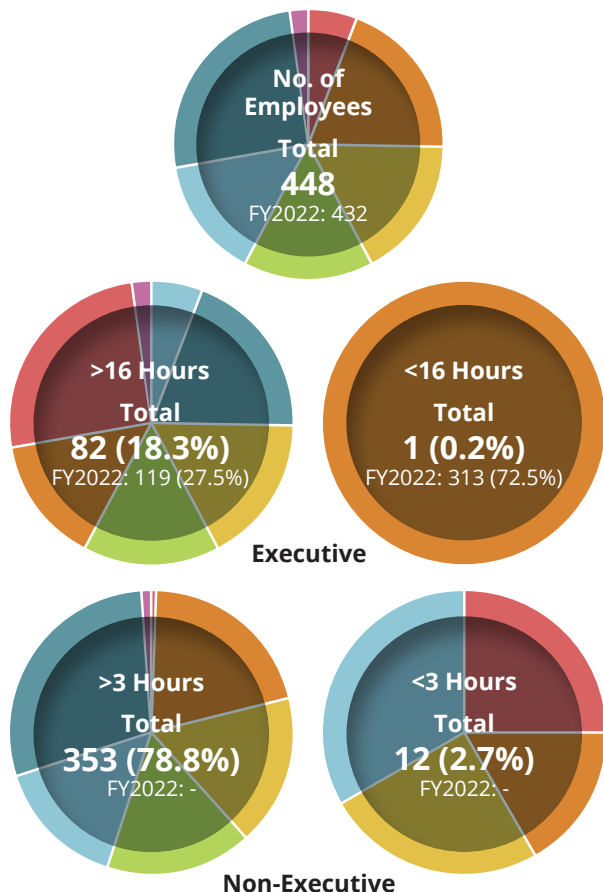


Ensuring a safe working environment is paramount. Through comprehensive employee training in safety protocols and procedures, we prioritise the wellbeing of our people. Investing in their knowledge equips them to handle any situation with confidence, reinforcing a culture of safety and preparedness across our organisation.

FOCUS AREA 3

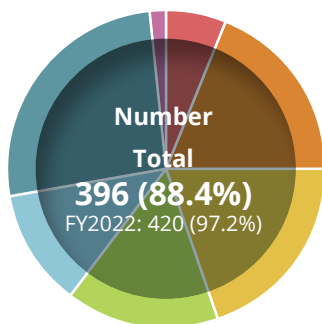
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

EMPLOYEE TRAINING 2023



No. of Employees	Executive		Non-Executive	
	>16 hours	<16 hours	>3 hours	<3 hours
● GPB 27 FY2022: 27	22 FY2022: 22	- FY2022: 5	2 FY2022: -	3 FY2022: -
● KPKKT 87 FY2022:79	11 FY2022: 42	1 FY2022: 37	73 FY2022: -	2 FY2022: -
● PESAMA 76 FY2022: 83	12 FY2022: 11	- FY2022: 72	61 FY2022: -	3 FY2022: -
● PESAKA 69 FY2022: 66	10 FY2022:11	- FY2022: 55	59 FY2022:-	- FY2022: -
● PPSB 65 FY2022: 51	8 FY2022: 8	- FY2022: 43	53 FY2022: -	4 FY2022: -
● GP GLASS 115 FY2022: 119	13 FY2022: 18	- FY2022: 101	102 FY2022: -	- FY2022: -
● GPFP 9 FY2022: 7	6 FY2022: 7	- FY2022: -	3 FY2022: -	- FY2022: -

EMPLOYEE PERFORMANCE REVIEW



Number	
● GPB	27 FY2022: 26
● KPKKT	67 FY2022:79
● PESAMA	72 FY2022: 83
● PESAKA	55 FY2022: 66
● PPSB	60 FY2022: 50
● GP GLASS	110 FY2022: 110
● GPFP	5 FY2022: 6

FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

- **Career Development Opportunities**

As our employees are our greatest asset, and we are dedicated to ensuring that they have the tools support they need to achieve their career goals. We offer various programmes and initiatives to support career growth and development.

In addition, we regularly post job openings on our internal job board, providing employees with the chance to advance within the Group. We also encourage employees to work with their supervisors to identify their career aspirations and develop personalised development plans that align with their goals. By providing these opportunities and resources, we aim to help our employees succeed and thrive in their careers.

- **Focus on Lifelong Learning**

We encourage a culture of lifelong learning by offering opportunities for professional development outside of formal training programmes. This may include supporting attendance at conferences, workshops, and industry events. Additionally, we may provide resources for online learning platforms and professional certifications.

We firmly believe that investing in our employees' professional growth not only benefits them but also enhances our organisational performance and overall competitiveness.



Staying ahead and being safe by equipping our employees with OSH training to ensure readiness for any workplace emergency.

FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)



Our employees enthusiastically engage in a wide array of environmental and community programmes organised by the Group. Apart from specially curated training, we encourage employee volunteerism as their active involvement reinforces our dedication to social responsibility. We prioritise acknowledging and celebrating their contributions, understanding that employee recognition is paramount to fostering a culture of positivity, motivation, and wellbeing within GPB.

FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)



By adhering to the Group's policies regulations and guidelines we cultivate a conducive workplace environment where everyone can thrive.

EMPLOYMENT POLICIES, REGULATIONS AND GUIDELINES

- 1 Freedom of Association Policy.
- 2 Minimum Wages & Leave Pay Policies in Malaysia.
- 3 Foreign Workers Recruitment Guidelines & Procedures In Malaysia.

KEY HIGHLIGHTS AND COMMITMENT TO POLICIES AND GUIDELINES FOR EMPLOYMENT

- 1 No recruitment fee policy.
- 2 No retention of employee/worker passports.
- 3 Paying workers statutory minimum wage.
- 4 Robust grievance mechanisms and procedures.
- 5 No discrimination of workers and procedures for worker recruitment processes.

EMPLOYEE COMPENSATION AND BENEFITS

MARRIAGE LEAVE



3 working days
for first legal marriage.

PARENTAL LEAVE



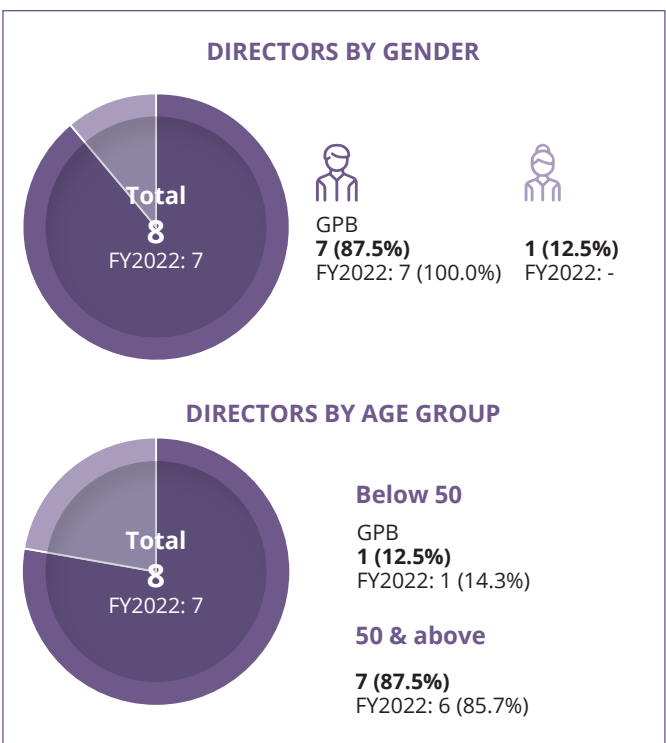
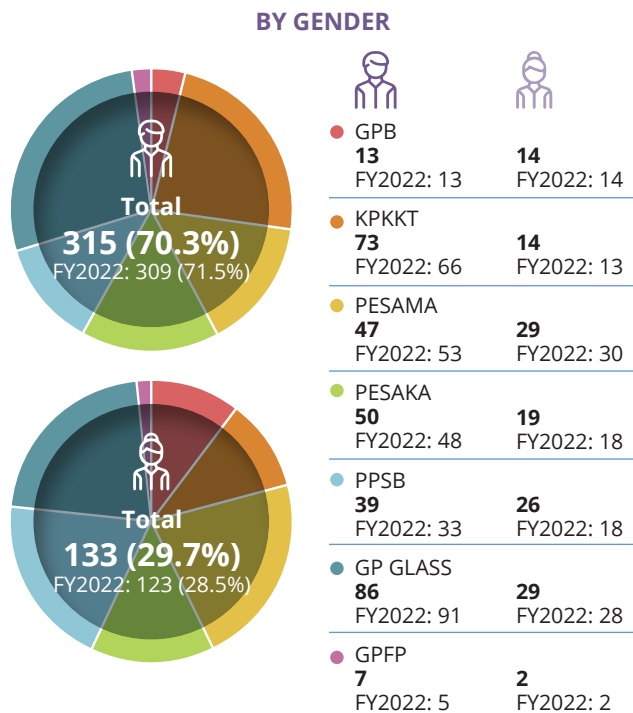
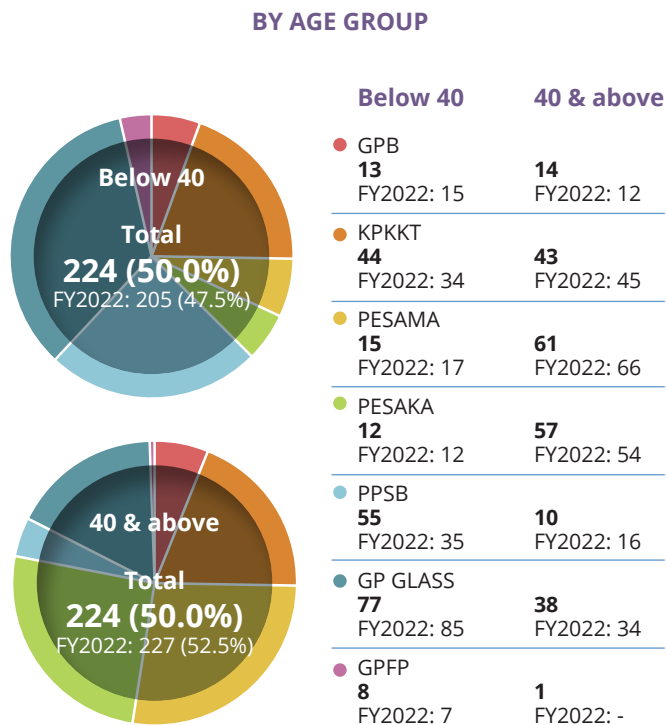
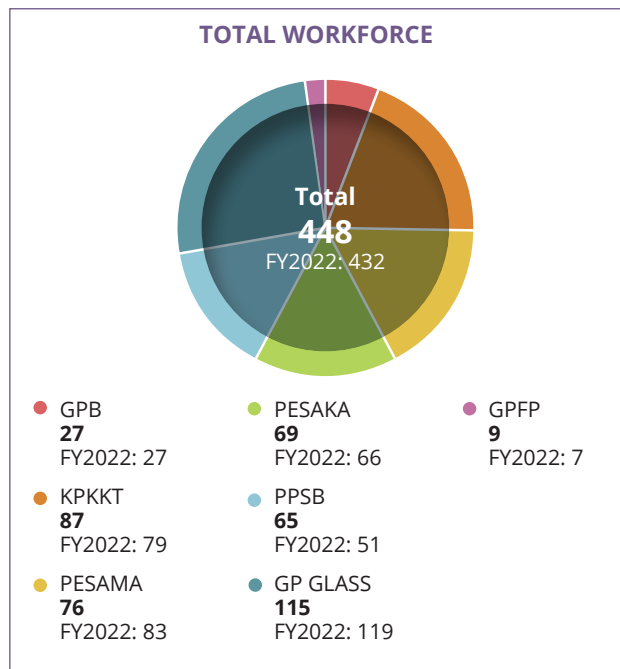
98 working days
maternity leave.



7 consecutive days of
paternity leave.

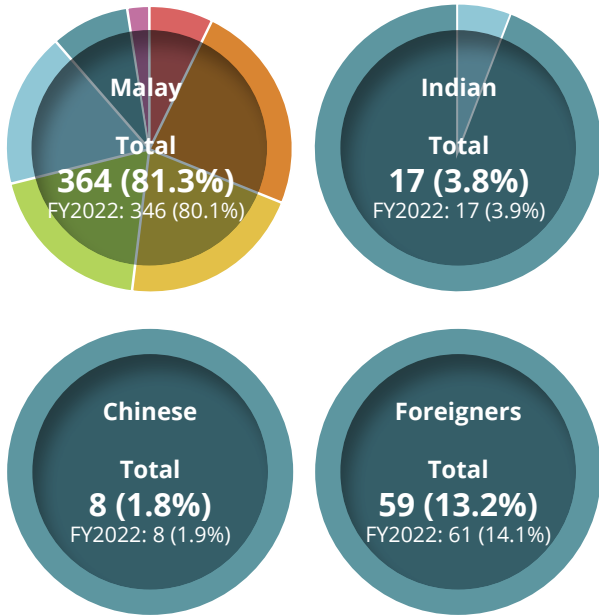
FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

BREAKDOWN OF EMPLOYEES



FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE [CONTINUED]

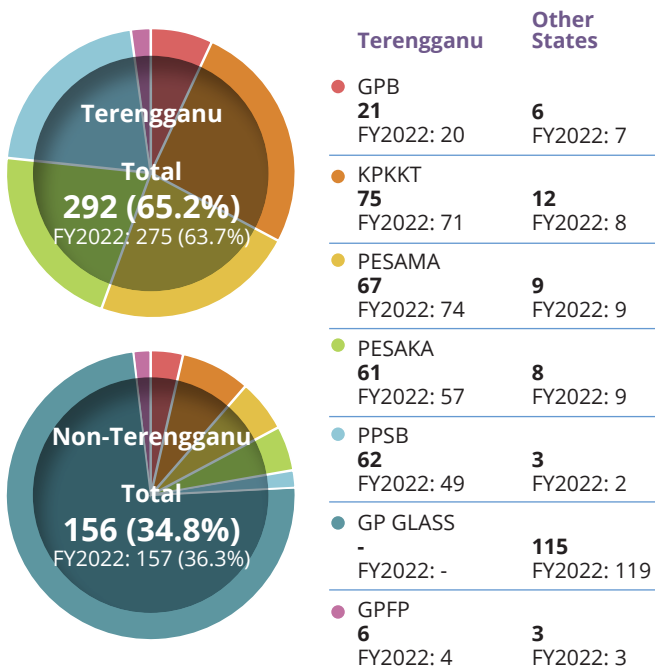
BREAKDOWN OF EMPLOYEES



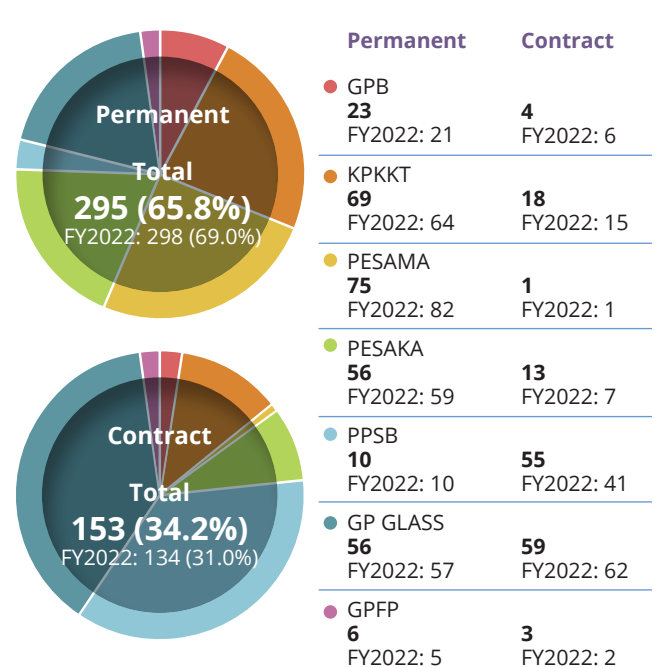
BY RACE/NATIONALITY

	Malay	Chinese	Indian	Foreigners
● GPB	27	-	-	-
FY2022:	27	FY2022: -	FY2022: -	FY2022: -
● KPKKT	87	-	-	-
FY2022:	79	FY2022: -	FY2022: -	FY2022: -
● PESAMA	76	-	-	-
FY2022:	83	FY2022: -	FY2022: -	FY2022: -
● PESAKA	69	-	-	-
FY2022:	66	FY2022: -	FY2022: -	FY2022: -
● PPSB	64	-	1	-
FY2022:	50	FY2022: -	FY2022: 1	FY2022: -
● GP GLASS	32	8	16	59
FY2022:	34	FY2022: 8	FY2022: 16	FY2022: 61
● GPPF	9	-	-	-
FY2022:	7	FY2022: -	FY2022: -	FY2022: -

BY REGION



BY EMPLOYMENT TYPE

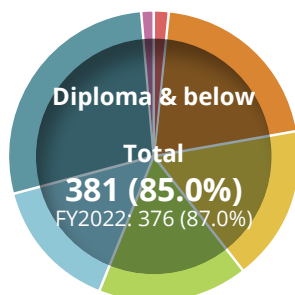
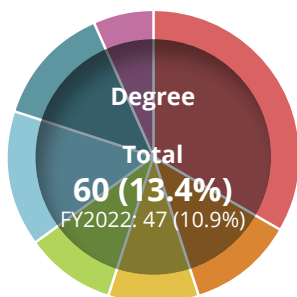
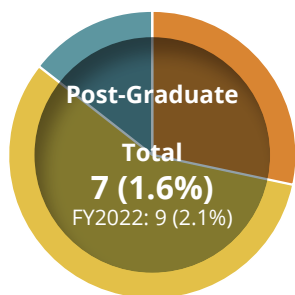


FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

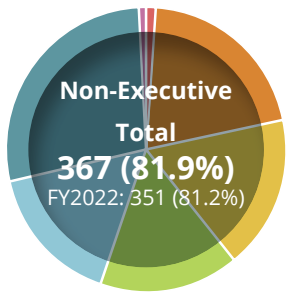
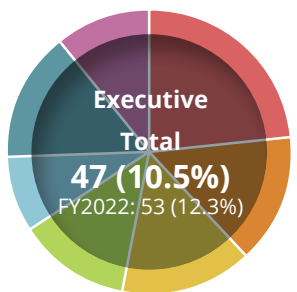
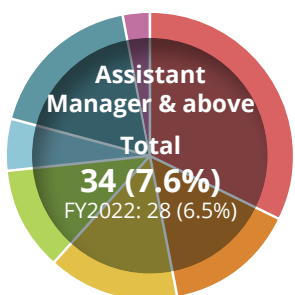
BREAKDOWN OF EMPLOYEES

BY QUALIFICATION



	Post-Graduate	Degree	Diploma & below
● GPB	-	20	7
	FY2022: 3	FY2022: 15	FY2022: 9
● KPKKT	2	7	78
	FY2022: 2	FY2022: 7	FY2022: 70
● PESAMA	4	6	66
	FY2022: 3	FY2022: 6	FY2022: 74
● PESAKA	-	6	63
	FY2022: -	FY2022: 5	FY2022: 61
● PPSB	-	9	56
	FY2022: -	FY2022: 6	FY2022: 45
● GP GLASS	1	8	106
	FY2022: -	FY2022: 5	FY2022: 114
● GPPF	-	4	5
	FY2022: 1	FY2022: 3	FY2022: 3

BY JOB LEVEL

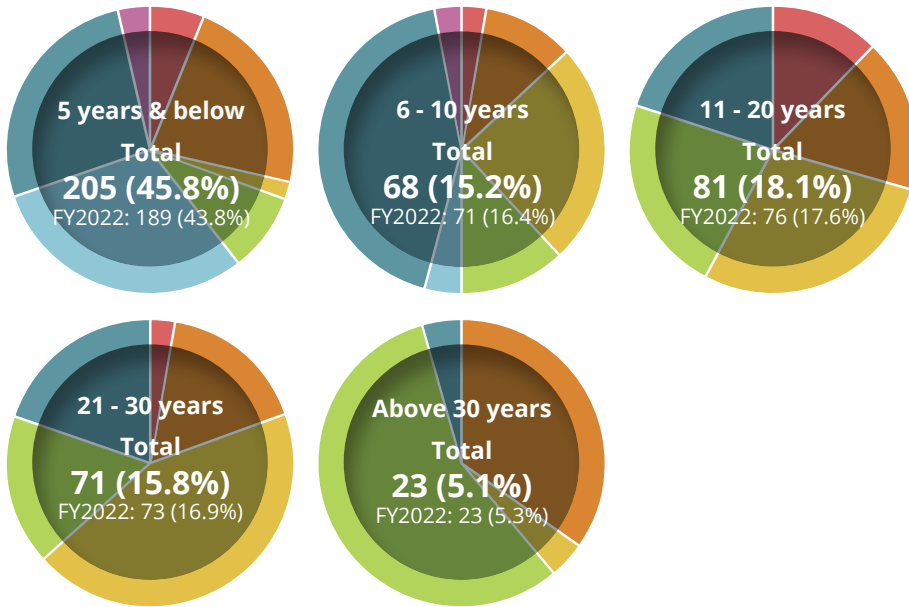


	Assistant Manager & Above	Executive	Non-Executive
● GPB	11	11	5
	FY2022: 10	FY2022: 12	FY2022: 5
● KPKKT	5	7	75
	FY2022: 4	FY2022: 6	FY2022: 69
● PESAMA	5	7	64
	FY2022: 3	FY2022: 10	FY2022: 70
● PESAKA	4	6	59
	FY2022: 3	FY2022: 8	FY2022: 55
● PPSB	2	4	59
	FY2022: 1	FY2022: 7	FY2022: 43
● GP GLASS	6	7	102
	FY2022: 6	FY2022: 6	FY2022: 107
● GPPF	1	5	3
	FY2022: 1	FY2022: 4	FY2022: 2

FOCUS AREA 3 DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

BREAKDOWN OF EMPLOYEES

BY YEARS OF SERVICE



	5 years & below	6 - 10 years	11 - 20 years	21 - 30 years	Above 30 years
● GPB 13	2	10	2	-	-
● KPKKT 46	7	14	12	8	-
● PESAMA 4	17	23	31	1	-
● PESAKA 18	8	18	12	13	-
● PPSB 62	3	-	-	-	-
● GP GLASS 55	29	16	14	1	-
● GPFP 7	2	-	-	-	-

FOCUS AREA 4

BUILDING MEANINGFUL SOCIAL INTERACTIONS



MOST MATERIAL MATTERS

- Customer Feedback & Satisfaction
- Local Community Engagement

GRI 2-28, 2-29, 203-1, 203-2, 411, 413-414, 416-418, F4GBM

In today's world, **Building Meaningful Social Interactions** is the key to success. This is an essential aspect in the timber and glass manufacturing industries, where trust and understanding with customers and the local community is required.

This Material Matters have been identified: **Customer Feedback and sanctification and Community Engagement.** Our **"Focus Area 04: Building Meaningful Social Interactions"** embodies this philosophy. By prioritising these two areas, we can create a foundation for strong social interactions that benefit our business and the communities we serve.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1 CUSTOMER FEEDBACK AND SATISFACTION

- **Building Trust and Loyalty**
We take an active approach by responding to any customer feedback promptly. Satisfied customers are integral to the success of our business, and therefore, we strive to exceed their expectations.
- **Improving Product Development**
Gathering customer feedback is necessary for producing high quality products in the timber and glass manufacturing industries. This valuable insight into our customers' needs and preferences allows us to develop products tailored to their requirements. By incorporating this feedback throughout the product development process, we can stay ahead of the curve and offer functional, effective products that resonate with our target audience.

2 COMMUNITY ENGAGEMENT

- **Social License to Operate**
The timber and glass manufacturing industries rely heavily on natural resources and directly impacts the environment. Engaging with the local community goes beyond good public relations as it is critical to our responsible business practices.

Proactive engagement encourages open communication. Addressing community concerns early on prevents disruptions like protests or legal challenges that can significantly impact our operation.
- **Access to Talent and Resources**
Engaged communities are more likely to view our Group favourably, positioning us as an attractive employer. As a result, we would have a wider talent pool to recruit from, and potential partnerships with local organisations can provide valuable resources.

FOCUS AREA 4 BUILDING MEANINGFUL SOCIAL INTERACTIONS [CONTINUED]

STRATEGIC APPROACHES TO ADDRESSING MATERIALITY MATTERS

1 ANNUAL SURVEY AND CUSTOMER FEEDBACK
We intend to conduct a new materiality matters survey in FY2024, in line with the enhanced requirements of Common Indicators and Sector-Specific Indicators of Bursa Malaysia Sustainability Reporting Guide, 3rd Edition. The previous survey was conducted in FY2018.

We are committed to exceeding our customers' expectations and providing exceptional service. Valuing their feedback and addressing concerns at any time, annual surveys are conducted to better understand their needs and improve our products and services.

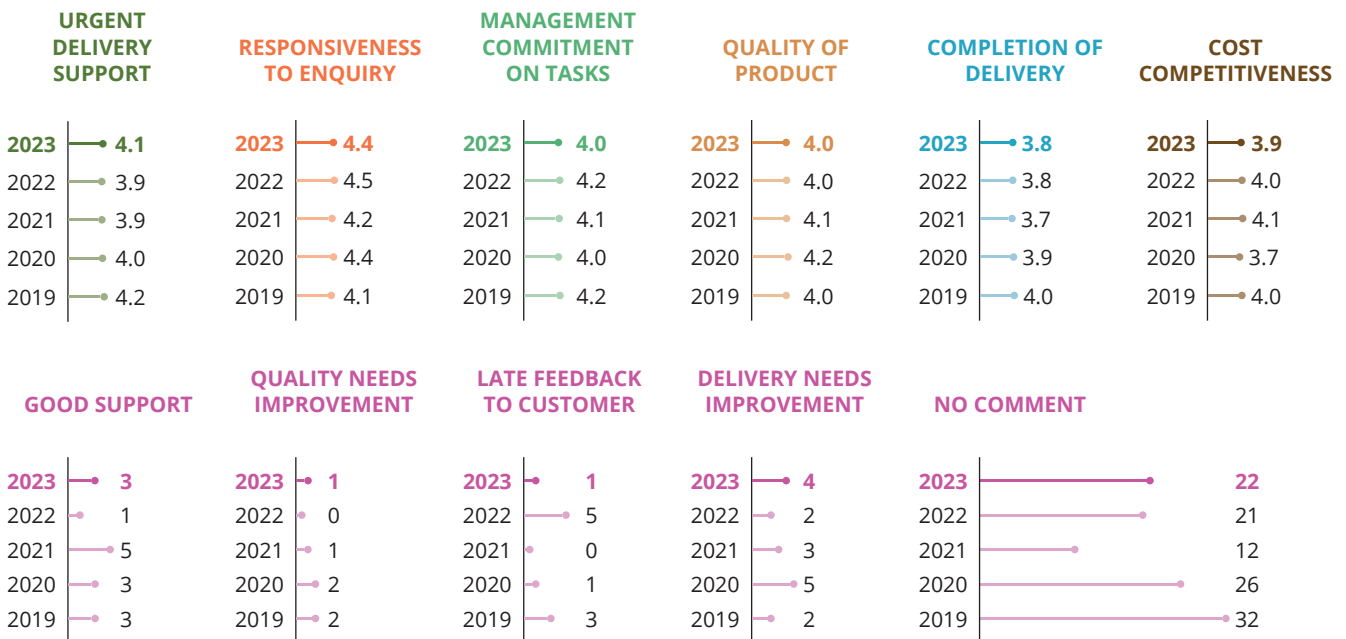
As issues can arise from time to time. We promptly, fairly and transparently resolve any issues following established guidelines and procedures. We also take our customers' privacy seriously and adhere to the Personal Data Protection Act 2010 (PDPA).

In summary, our customers are our priority and we are dedicated to ensuring their needs are always at the forefront by providing them with the best possible service.

**PESAMA
CUSTOMER
FEEDBACK
SURVEY RESULTS**







GP GLASS CUSTOMER FEEDBACK SURVEY RESULTS



FOCUS AREA 4






BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	MATERIALITY SUSTAINABILITY AREAS	HOW WE ENGAGE
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Financial and Economic Performance. • Updates on Business Performance. • Sustainable Future Business Opportunities. • Sustainable Shareholder Value. 	<ul style="list-style-type: none"> • Annual General Meeting. • Annual Report and Sustainability Report. • Announcement of Quarterly Results. • Website. • Networking Sessions.
 <p>Employees</p>	<ul style="list-style-type: none"> • Training and Career Development. • Diverse and Inclusive Workplace. • Health, Safety and Environment. • Code of Conduct. • Code of Business Ethics. • Employee Satisfaction. • Employee Engagement. 	<ul style="list-style-type: none"> • Talent Development Programmes. • Induction Exercise for New Employees. • Town Hall Meetings. • Employee Wellbeing, Health and Safety. • Circulation of Human Resource Policies. • Training and e-Learning. • Events.
 <p>Customers</p>	<ul style="list-style-type: none"> • Product Pricing. • Marketing and Promotions. • Delivery Service. • Quality Products. • Customers' Satisfaction. 	<ul style="list-style-type: none"> • Periodic project meetings and site visits. • Website/Social Media Platforms. • Customer Feedback Surveys. • Events/Roadshows.
 <p>Local Communities</p>	<ul style="list-style-type: none"> • Community Engagement. • Life-improvement Programmes. • Environmental and Social Impacts. • Corporate Social Responsibility (CSR). 	<ul style="list-style-type: none"> • Sponsorship of community service events. • Social and environmental initiatives. • <i>Zakat</i> and donations.

FOCUS AREA 4 BUILDING MEANINGFUL SOCIAL INTERACTIONS [CONTINUED]

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	MATERIALITY SUSTAINABILITY AREAS	HOW WE ENGAGE
 Authorities/Regulators	<ul style="list-style-type: none"> • Compliance with requirements set by government agencies or other regulatory authorities. • Compliance with Bursa Securities' MMLR Securities Commission, Companies Commission of Malaysia and other reporting guidelines. • Policies are aligned with areas of national interests including initiatives. 	<ul style="list-style-type: none"> • Discussions and meetings with regulatory authorities. • Public consultation with local authorities. • Site inspections. • Seminars, briefings and training. • Audit exercise.
 Vendors	<ul style="list-style-type: none"> • Product and service quality, service scope and payment schedule. • Clear procurement policies and practices. 	<ul style="list-style-type: none"> • Vendor/supplier registration. • Procurement policies. • Performance evaluation.
 Certification Bodies	<ul style="list-style-type: none"> • Adherence to International Organization for Standardization (ISO), Forest Stewardship Council (FSC®) and Chain of Custody (CoC) Certification. • Compliance to requirements set by regulatory authorities. • GP Glass – ISO 9001:2015. • PPSB - Programme for the Endorsement of Forest Certification (PEFC). 	<ul style="list-style-type: none"> • On-site inspections. • Regular meetings. • Submission of regulatory documentation. • Internal and external audit exercises.
 Media	<ul style="list-style-type: none"> • Brand positioning, image and credibility rating. • Business performance and growth. • Ethical business conduct and regulatory compliance. 	<ul style="list-style-type: none"> • Media interviews, briefing sessions and press conferences. • Press releases.
 Students	<ul style="list-style-type: none"> • Priming young individuals/students to be industry-ready. 	<ul style="list-style-type: none"> • Internship and industry placement.

FOCUS AREA 4

BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

2 LOCAL COMMUNITY ENGAGEMENT

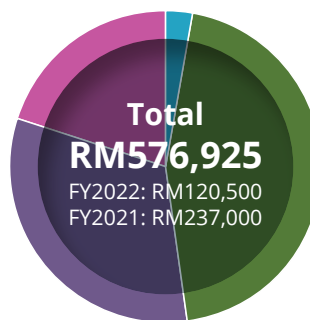
EXTRACT FROM CSR POLICY

 NATURE AND ENVIRONMENT	 COMMUNITY	 SPORTS	 EDUCATION
<p>Forestry Management, logging, sawn timber and plantations are the Group's main business activities.</p>	<p>To comply with the 10 FSC® certification principles, GPB shall contribute to maintaining or enhancing the social and economic wellbeing of local communities affected by our operations.</p>	<p>To support and create public awareness of healthy lifestyles among its employees. The FSC® certification also stresses that GPB shall maintain or enhance the social wellbeing of workers.</p>	<p>To support any educational activities and purposes in order to create awareness among the public, which relates to nature and the environment, and complies with the categories above.</p>

The CSR Policy is available on GPB's website: <https://goldenpharos.com.my/policies/>

- Investing in Our Future**
 The Group's CSR Policy extends far beyond mere financial contributions. We dedicate substantial resources (0.5% of revenue or 10% of PBT) to community development projects, reflecting our profound commitment to making a meaningful impact on society.

BREAKDOWN OF CSR CONTRIBUTION



- **(3%) RM15,000**
Nature and Environment Initiatives
- **(45%) RM259,857**
Community Programmes
- **(32%) RM187,318**
Sports
- **(20%) RM114,750**
Education

FOCUS AREA 4

BUILDING MEANINGFUL SOCIAL INTERACTIONS [CONTINUED]

- Collaboration for Impact**
 We partner with local committees and NGOs to design programmes that truly address the needs of the communities we serve.
- Respecting Human Rights**
 We uphold the rights of all our employees, permanent and contractual, adhering to the Universal Declaration of Human Rights. This includes protecting the rights of indigenous (*Orang Asal*) communities residing near our concessions areas.
- Sustainable Forestry Practices**
 We are committed to Free, Prior, and Informed Consent (FPIC) for any development on land with Orang Asal legal, communal or customary rights.
- Maintaining Open Communication**
 Our subsidiaries actively participate in the Joint Consultative Committee to address potential land ownership conflicts, ensuring a constructive dialogue with the Orang Asal community.



- 22 November 2023 - Zulkifli Omar from GPB faced off against Hafifi from Terengganu Inc in a badminton singles tournament at the Pesta Sukan Muhibbah Kumpulan Golden Pharos. Held at the Maecon Sport Centre in Marang the event featured eight contingents from Golden Pharos Group and invited teams from JPNT and Terengganu Inc.
- 8 May 2023 - All smiles at the entrance of GPB's Hari Raya Open House, former GPB Chairman Dato' Tengku Hassan bin Tengku Omar, former CEO Dr. Mohd Zaki bin Hamzah, and Head of KPKKT Ahmad Bazli bin Razali joined several attendees in welcoming guests.





Statement of Assurance

To the Shareholders and Stakeholders of Golden Pharos Berhad,

I, Saifuddin bin Othman, in my capacity as the Audit Committee Chairman of Golden Pharos Berhad, hereby provide this Statement of Assurance to confirm that the selected aspects of this Sustainability Report have been subjected to an internal review by the Internal Audit Department of our company.

Our commitment to transparency and accountability is central to our corporate values, and we recognise the significance of accurate and reliable sustainability reporting. As part of our efforts to ensure the integrity of our 2023 Annual Report, we have conducted an internal review of the Sustainability Report included therein.

The internal review process of the Sustainability Report comprised the following key steps:

1. Scope Definition

We acknowledge the 11 sustainability indicators by Bursa Malaysia. However, our review is limited to the following areas only:

- a. Fuel consumption from stationery combustion
- b. Fuel consumption from mobile combustion, i.e. company-owned vehicles
- c. Electricity consumption (owned and managed assets)
- d. Electricity consumption (leased assets)
- e. Health and Safety Data
- f. Injury Rate
- g. Incident Rate
- h. Employment

2. Data Collection and Verification

We collected data relevant to our sustainability performance, which was subsequently subjected to thorough validation and verification processes to ensure accuracy and reliability.

3. Alignment with Reporting Standards

The selected aspects under review in the Sustainability Report align with reporting frameworks and standards, including Bursa Malaysia's Main Market Listing Requirements (MMLR), Bursa Malaysia Sustainability Reporting Guidelines (3rd Edition), FTSE4Good Bursa Malaysia Index (F4GBM) criteria, the Global Reporting Initiative (GRI) Standards, and the UN Sustainable Development Goals (UNSDGs).

However, we only express an assurance conclusion on some of the information included in the 2023 Sustainability Report.

4. Review and Verification

Our Internal Audit team, consisting of experienced professionals, conducted a comprehensive review and verification of the Sustainability Report to confirm its adherence to our sustainability objectives and the accuracy of the reported data.

5. The Management's Responsibility

The Management of the Company was responsible for:

- The preparation of the information in accordance with the criteria detailed in the standards and guidelines; and
- Designing, implementing and maintaining internal control over information relevant to the preparation of the information free from material misstatement, whether due to fraud or error.

6. Publication and Accessibility

The final version of the Sustainability Report, after internal review and confirmation, was included in our 2023 Annual Report and made accessible to all stakeholders, including shareholders, investors, customers, and the public, through various communication channels.

I hereby certify that the Sustainability Report within our 2023 Annual Report has been reviewed by our Internal Audit Department, ensuring adherence to the standards of transparency, accuracy and compliance with reporting regulations.

Sincerely,



Saifuddin bin Othman
Chairman of Audit Committee
Golden Phares Berhad
21 April 2024