

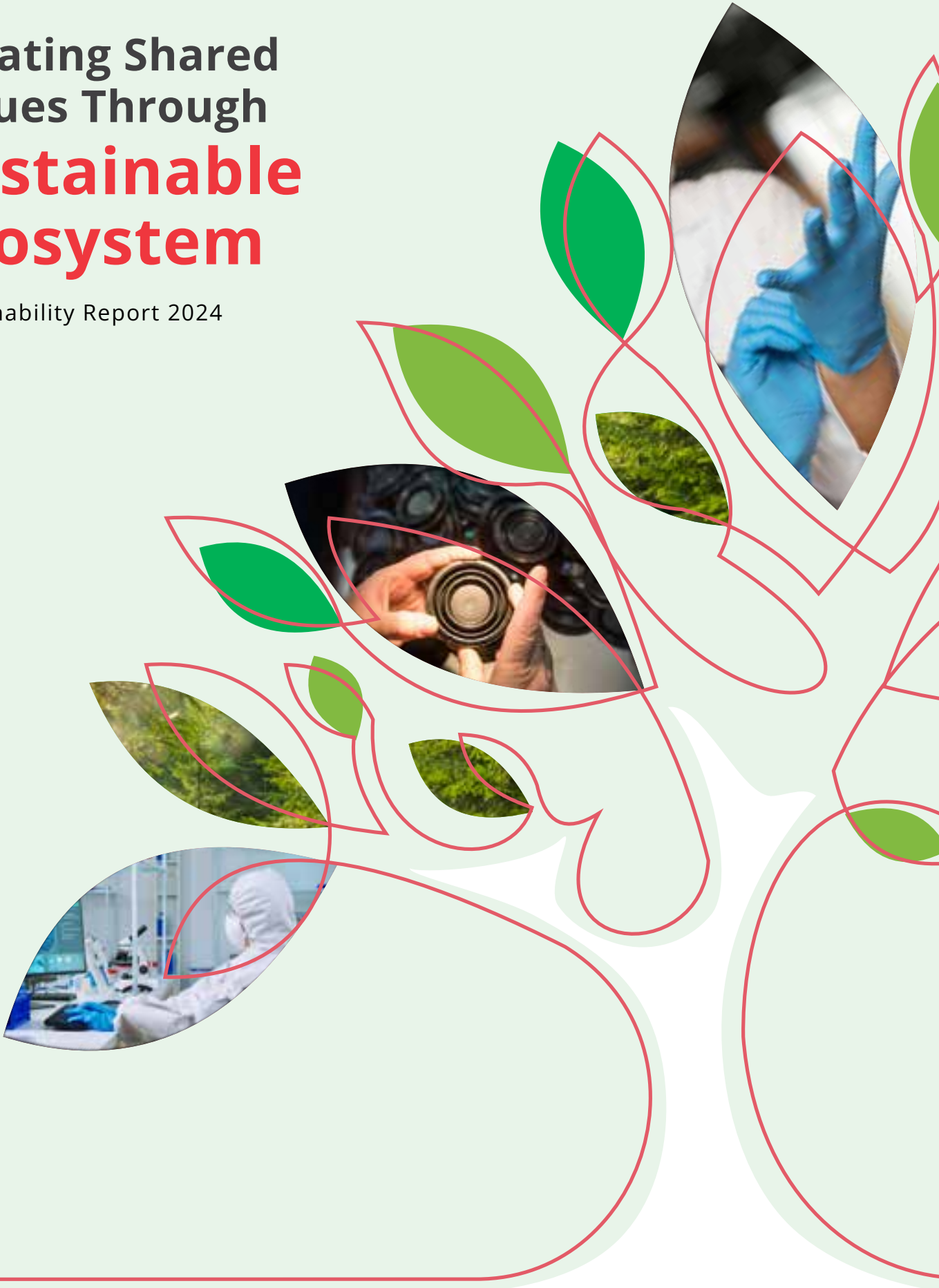


KOSSAN RUBBER INDUSTRIES BHD.  
197901003918 (48166-W)

STRETCHING LIMITS • SINCE 1979

# Creating Shared Values Through **Sustainable Ecosystem**

Sustainability Report 2024



# INSIDE THIS REPORT

## COVER RATIONALE

Creating Shared Values Through

## Sustainable Ecosystem

The cover design incorporates KOSSAN's products within the tree motif, symbolising the Company's role in fostering a sustainable ecosystem. The three product images embedded in the leaves highlight KOSSAN's innovation, expertise and contributions to various industries, reinforcing its commitment to quality and sustainability. The tree, set against a natural wooden texture, represents growth, resilience and harmony with the environment. Green accents emphasise ecological consciousness, while the clean and professional layout reflects KOSSAN's corporate identity and vision for creating shared values.



Scan this QR code to view the online version of Sustainability Report 2024.

# 45<sup>th</sup>

## ANNUAL GENERAL MEETING



### DAY AND DATE:

Thursday, 29 May 2025



### TIME:

10.30 A.M.

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# Basis of This Report

Dear Valued Stakeholders,

**Kossan Rubber Industries Bhd. (“KOSSAN” or “the Group”) is proud to introduce our inaugural annual Sustainability Report (“Report”), reflecting our commitment to economic, environmental, social and governance (“EESG”) best practices, transparency and accountability.**

Offering a comprehensive overview of our sustainability efforts, progress and goals for the financial year ended 31 December 2024 (“FY2024” or “the year”), this Report equips our stakeholders with valuable insights into how we manage climate and environmental risks, social responsibilities and governance frameworks across short, medium and long-term horizons.

By documenting our efforts in this way, we strive to advance towards our goal of being a leader in sustainable manufacturing, recognised for our transparent reporting, responsible stewardship and efforts to drive positive change across our value chain.

## REPORTING SCOPE AND BOUNDARIES

We are one of Southeast Asia’s leading conglomerates and are listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The Group is headquartered in Selangor, Malaysia.

This Report covers our Gloves and Technical Rubber Products (“TRP”) divisions, which form the core of our operations and are both based in Malaysia, where the Group has direct management control. Collectively, these two divisions contributed 94% of the Group’s revenue in FY2024.

This Report also includes comparative historical data where relevant. Key targets and performance indicators have been closely monitored and reported as comprehensively as possible.

## REPORTING PERIOD AND CYCLE

The reporting period for this Report is from 1 January 2024 to 31 December 2024, unless stated otherwise.

## REPORTING FRAMEWORKS

This Report has been prepared in accordance with the following standards and guidelines:

- Bursa Malaysia’s Main Market Listing Requirements, including Enhanced Sustainability Reporting Requirements: Annexure A, Practice Note 9.
- Bursa Malaysia’s Sustainability Reporting Guide (3rd edition).
- Malaysian Code on Corporate Governance (“MCCG”) 2021.
- Global Reporting Initiative (“GRI”) Sustainability Reporting Standards.

Additionally, it is aligned with or references the following:

- International Integrated Reporting Framework (“IIRF”) principles.
- United Nations Sustainable Development Goals (“UN SDGs”).
- Greenhouse Gas Protocol (“GHG Protocol”).
- ESG rating tools, including:
  - FTSE Russell ESG Ratings.
  - Morgan Stanley Capital International (“MSCI”) ESG Rating.
  - S&P Global Corporate Sustainability Assessment (“CSA”).
  - Carbon Disclosure Project (“CDP”) guidance documents.
  - EcoVadis Ratings.

## Basis of This Report (Cont'd)

### ASSURANCE

#### External Assurance

Recognising the value of independent verification in ensuring this Report's accuracy and integrity, we engaged BSI Services Malaysia Sdn Bhd ("BSI") to provide external assurance for our 2024 sustainability disclosures. This was conducted in accordance with ISAE 3000 (Revised) and ISO14064-3:2019 for GHG Statement for Selected Key Performance Indicators ("KPIs").

BSI's Limited Assurance Statement can be found on pages 81 to 82 of our Sustainability Report 2024.

#### Internal Assurance

To uphold the accuracy and integrity of our disclosures, our Internal Audit Department has reviewed selected Bursa Common Sustainability Matter indicators within this Report which are approved by the Audit Committee. These include:

- Anti-Corruption [C1(a), C1(b) & C1(c)]
- Diversity [C3(a) & C3(b)]
- Health and Safety [C5(a), C5(b) & C5(c)]
- Labour Practices and Standards [C6(a), C6(b), C6(c) & C6(d)]
- Water [C9(a)]

### FORWARD-LOOKING STATEMENTS AND DISCLAIMER

This Report contains certain forward-looking statements that are inherently contingent and subject to change due to emerging risks or unforeseen developments. Therefore, these statements do not guarantee or predict the Group's future outcomes. Readers are advised not to place undue reliance on them.




### REPORT AVAILABILITY AND FEEDBACK

This Report, along with our previous Sustainability Statements, is available on our website: [www.kossan.com.my](http://www.kossan.com.my).




As part of our commitment to continuous improvement, we welcome feedback, including comments, questions and suggestions, about this Report. These can be relayed to our Corporate Sustainability ("CS") Department at [sustainability@kossan.com.my](mailto:sustainability@kossan.com.my).

### OUR NAVIGATION ICONS

**Our Capitals**

 Financial Capital	 Intellectual Capital	 Manufactured Capital	 Social and Relationship Capital
 Human Capital	 Natural Capital		

**Our Stakeholders**

 Employees	 Suppliers/Vendors	 Authorities and Regulators	 Local Communities and Society
 Customers	 Shareholders and Investors	 Pressure Groups/ NGOs	



*Highlights key sections within our SR 2024 for easier access to relevant information*



*Guides to more information within our IAR 2024*



*Directs readers to additional resources and disclosures available on our corporate website: <https://kossan.com.my/>*

## Message from Our Leader

### Dear Valued Stakeholders,

2024 was a challenging year as the world grappled with heightened geopolitical tensions, economic uncertainties and the escalating impacts of climate change. Against this complex backdrop, the importance of sustainability and responsible business practices has never been greater.

On this note, it gives me great pleasure to present Kossan Rubber Industries Bhd.'s first standalone sustainability report. This report marks a key milestone in our ongoing sustainability journey, offering comprehensive insights into the numerous sustainability initiatives and programmes we have implemented over the years, their impact and our strategies to further strengthen our leadership in sustainable manufacturing in the years to come.

In reading it, I hope you will gain a deeper understanding of the pivotal role that sustainability plays in our vision and the passion that drives us forward to create positive impact every day.

**Lim Siau Tian (Lawrence)**  
*Sustainability Committee Chairman*



## Message from Our Leader (Cont'd)

### STRENGTHENING OUR FOUNDATIONS FOR SUSTAINABILITY

Our approach to sustainability has evolved considerably over the years. From establishing our sustainability framework and policies the launched of KOSSAN Sustainability Centre of Excellence as a driver of best practice adoption across the Group, we've progressed from viewing sustainability as a compliance requirement to leveraged it as a core driver of innovation and competitiveness.

Our commitment is deeply ingrained in our core values, with a focus on "Creating Shared Values Through Sustainable Ecosystem" through our L.I.V.E 12 Sustainability: Principles. Taking the next step in FY2024, we introduced the KOSSAN Sustainability Strategy and Blueprint: Shaping Transformation 2035 ("KSB 2035"), which aligns key sustainability priorities with actionable commitments to accelerate our impact. With a strong focus on "Building a Resilient and Responsible Value Chain", "Transforming Towards Low Carbon Manufacturing", "Creating a Unified Workplace Culture with Safety, Equality and Respect" and "Delivering Quality and Safe Products with Enhanced Circularity", the blueprint serves as a guiding framework for our sustainability efforts, preparing us to meet the rising demand for responsible manufacturing practices worldwide.

Throughout the rest of this statement, I shall delve deeper into our efforts within each of these pillars, detailing the initiatives we have launched to create shared and sustainable value for our business and stakeholders.

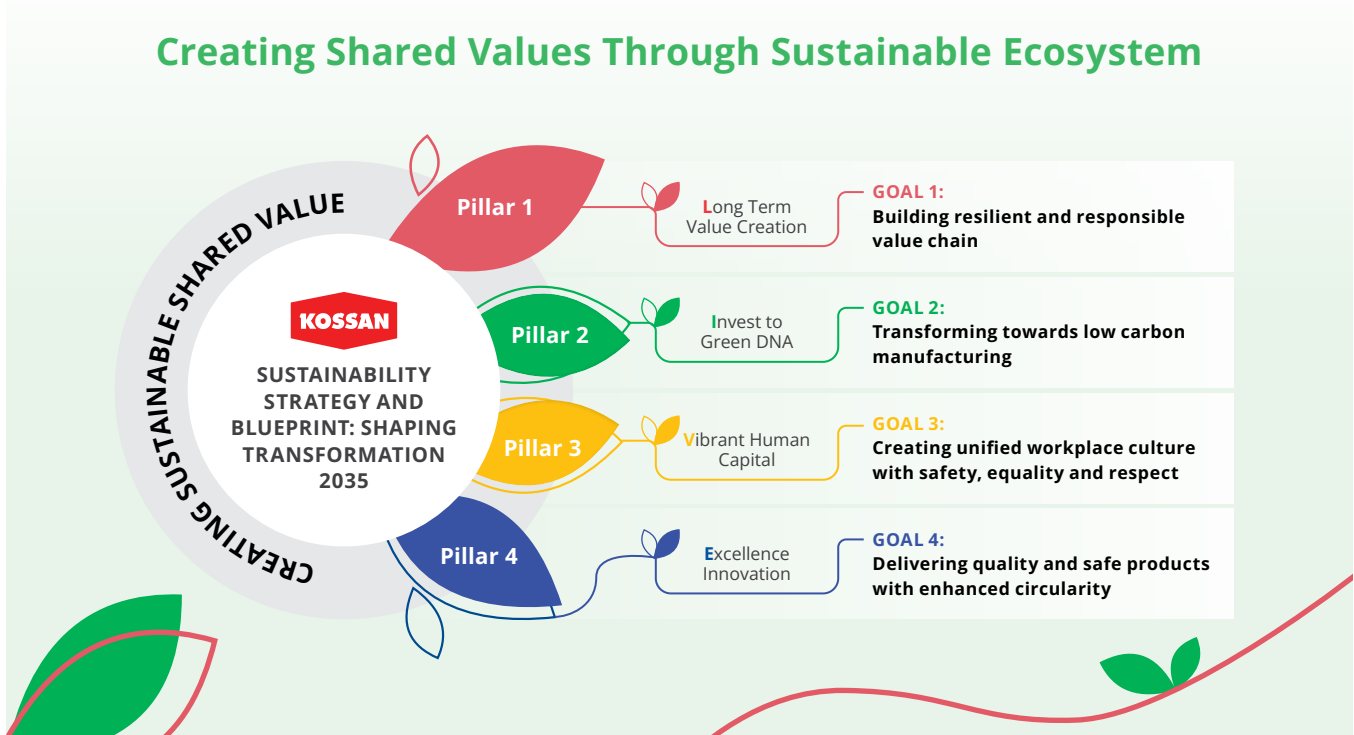
### BUILDING A RESILIENT AND RESPONSIBLE VALUE CHAIN

To create lasting impact, we must first enforce and uphold responsible practices within our operations and across our value chain.

Governance and integrity are key priorities in this regard. Amongst other tools and methods, our zero-tolerance policy against unethical behaviour is reinforced through proactive risk management strategies and enhanced ESG-related governance. Transparent communication of these standards and our policies to employees, suppliers and stakeholders drives accountability across our operations.

Meanwhile, recognising the significance of Scope 3 emissions and the impending implementation of the EU's Carbon Border Adjustment Mechanism ("CBAM"), we are strengthening supply chain resilience through the Greening Value Chain ("GVC") Programme. By equipping suppliers with carbon accounting tools and training, we help them align with the Simplified ESG Disclosure Guide ("SEDG") standards, reinforcing our commitment to sustainable procurement and ESG improvements across the value chain.

These efforts are underscored by our financial strength and stability. By continuously enhancing our operational efficiencies, streamlining our processes and maintaining a robust balance sheet, we are equipped to maximise economic value for our business, creating positive impacts across our value chain.



## Message from Our Leader (Cont'd)

### TRANSFORMING TOWARDS LOW CARBON MANUFACTURING

As a responsible corporate citizen, we are committed to minimising our environmental impact and contributing to global efforts to combat climate change.

Our Environmental Policy guides our efforts to tread lighter on the planet, establishing clear standards and practices that govern our approach to waste and effluent management, energy consumption and emissions reductions. Amongst other initiatives, we are currently taking proactive steps to enhance our emissions monitoring system, reduce our use of materials in our packaging and utilise sustainable material sources and identify innovative recycling solutions to produce products with minimal harm to the environment and biodiversity.

A key milestone in FY2024 was the successful certification of all our natural rubber glove manufacturing facilities in accordance with the Forest Stewardship Council ("FSC") standards, indicating that the inputs used in our gloves come from sustainable sources. This means that we meet the requirements of the European Union Deforestation Regulation ("EUDR"), protecting a vital market for our goods. Additionally, the certification process has enhanced our expertise in sustainable materials – an area in which we plan to invest further time and resources in future.

To build climate resilience, we are investing in low-emission energy sources and sustainable solutions, expanding solar photovoltaic ("PV") panel installations and enhancing energy efficiency across our operations. At the same time, we are strengthening transparency in emissions reporting by equipping employees with the necessary training to support a smooth transition to new reporting frameworks, including the International Financial Reporting Standards ("IFRS") S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

In waste and water management, we continue to implement infrastructure enhancements for collection, sorting, reuse and recycling. Our efforts also include carrying out waste assessments and upgrading our wastewater treatment plants, driving ongoing improvements in this key area of focus.

### CREATING A UNIFIED WORKPLACE CULTURE WITH SAFETY, EQUALITY AND RESPECT

Our people are the backbone of our success and we are dedicated to fostering a safe, inclusive and high-performing workplace culture that empowers them to deliver their best.

In FY2024, we delivered a range of targeted programmes designed to drive the development of digital skills and other key areas of competency. Complementing this, we strive to foster a culture of physical and emotional safety – creating the conditions for our employees to deliver optimal performance and drive innovation.

The upholding of human rights and fair labour practices is another vital area of focus. Our specific commitments include providing decent housing and working conditions to our employees. We adhere to a 60-hour work week with mandatory rest days and conduct regular social compliance audits to ensure compliance. Furthermore, through our Social Accountability Management System and Policy Roadmap, we have established a wide range of policies across the Group covering, amongst others, child labour, forced labour, as well as non-discrimination and anti-harassment in the workplace.

Our commitment extends beyond our business alone. As a founding member of the Responsible Glove Alliance ("RGA"), we collaborate with fellow manufacturers to promote responsible practices and eliminate forced labour across the sector. This includes assessing and auditing our suppliers to detect potential human trafficking and forced labour risks across our supply chain.

As a testament to our efforts, all our glove manufacturing facilities are Worldwide Responsible Accredited Production ("WRAP") GOLD accredited, certifying that we meet globally recognised standards in employment practices, workplace safety, environmental management and legal compliance. Notably, one of our facilities became Malaysia's first recipient of the Platinum WRAP certification during FY2024, placing us among the world's leading ethical manufacturers.

### DELIVERING QUALITY AND SAFE PRODUCTS WITH ENHANCED CIRCULARITY

Innovation is at the heart of our strategy, ensuring we remain competitive in a rapidly evolving market. Through continuous investment in research and development ("R&D"), automation, digitalisation and advanced technologies, we strive to producing high-quality, safe and circular-design products that meet customer needs with minimal environmental impact.

Moreover, as part of our digital transformation, we leverage Industry 4.0 technologies such as Internet of Things ("IoT") and big data analytics to enhance our manufacturing and control processes. At the same time, we continue to strengthen our cybersecurity measures to protect sensitive product information, supported by ongoing employee awareness and training initiatives.

## Message from Our Leader (Cont'd)

### CHARTING OUR SUSTAINABLE FUTURE

The launch of KSB 2035 marks a pivotal step in our journey toward creating greater positive impact and reinforcing our position as a sustainable and responsible manufacturer in the years to come.

While full integration of the blueprint will take time, we are encouraged by the progress achieved across key performance areas in 2024. We also delivered 18,873 training hours focused on safety and health, enhancing awareness and fostering a safer, more responsible workplace.

Beyond adopting sustainable practices, we are moving towards sustainable manufacturing, with efforts underway to integrate sustainable materials into our products and accelerate the development of eco-friendly product lines. This positions us to build a stronger competitive advantage and meet the growing demand from environmentally conscious customers.

Our structured sustainability approach continues to gain external recognition. In the past year, we earned the EcoVadis Bronze Medal, placing us among the top 35% of Malaysian public-listed companies for sustainability management. We also maintained our position in both the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index, further strengthening our appeal to responsible investors. Looking ahead, we are committed to cascading our sustainability ambitions across the value chain. Through our GVC programme, we are supporting vendors in tracking and reducing their Greenhouse Gases ("GHG") emissions, while promoting responsible and compliant business practices.

In the near term, we will conduct a detailed climate risk assessment to identify climate-related physical and transition risks and opportunities. This will align with the IFRS S1 and S2 disclosure standards and the National Sustainability Reporting Framework ("NSRF").

These efforts, alongside others outlined in this report, will be reinforced by a deeper focus on sustainability training and awareness, fostering a culture where every team member is empowered to contribute ideas and drive meaningful change.

### A QUICK ACKNOWLEDGEMENT

As we celebrate this important milestone—our first standalone sustainability report—and reflect with pride on our achievements so far, I am reminded of the invaluable contributions of our stakeholders, who have played a central role in our journey.

In particular, I would like to express my gratitude to our customers for supporting our sustainability efforts, our regulators and authorities for fostering an environment that encourages innovation in sustainability and our suppliers and business partners for their unwavering support through both challenges and successes.

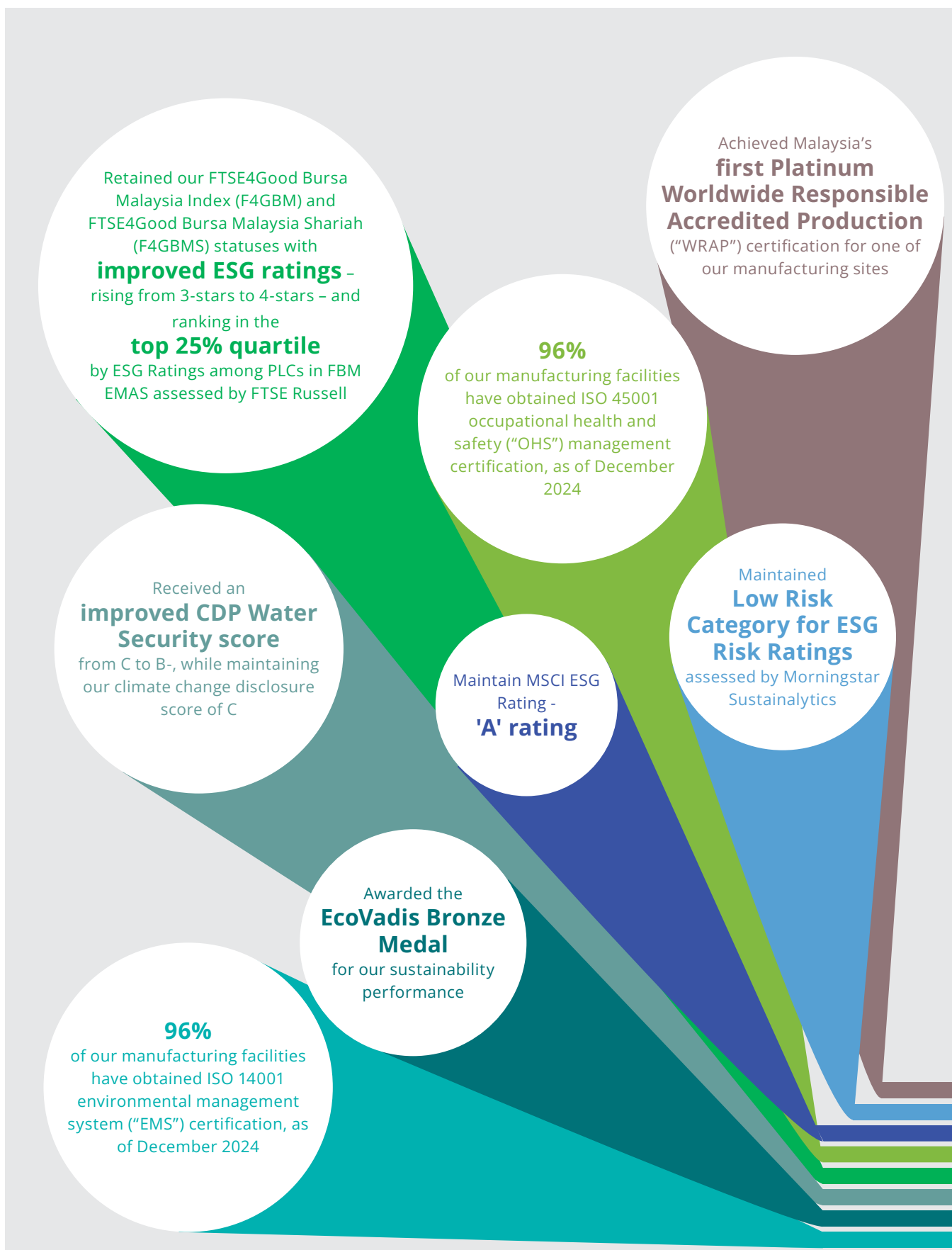
Most of all, however, a special acknowledgement is due to our employees, who have been the brains and heart behind our sustainability journey from Day One. Their dedication has been instrumental in building a stronger, more sustainable KOSSAN.

We look forward to sharing our continued progress with you in the weeks, months and years ahead.

#### **Lim Siau Tian (Lawrence)**

*Sustainability Committee Chairman*

# Sustainability Highlights of the Year



# Our Sustainability Roadmap

Over the past nine years, we have progressively embedded sustainability into our operations, culture and decision-making, enhancing the shared value created for our business, communities we serve and environment we depend on.



**2016 – 2020**

## Laying the Foundation with Compliance-Based Reporting

- Adopted annual sustainability reporting in line with Bursa Malaysia's Sustainability Reporting Guide.
- Developed and adopted the KOSSAN Sustainability Framework.

**2021**

## Strengthening Our Capacity

- Enhanced our data collection and reporting processes, identifying key areas for improvement in our sustainability approach.
- Began tracking carbon emissions data across selected business units and products to improve our sustainability reporting.

**2022**

## Formalising Frameworks and Processes

- Reviewed and enhanced the KOSSAN Sustainability Policy and KOSSAN Sustainability Framework.
- Established the KOSSAN Sustainability Committee ("KSC").
- Identified key focus areas and launched sustainability initiatives based on priority areas and periodic reporting.
- Strengthened employee engagement and optimised our internal sustainability processes.
- Developed a Group-wide carbon accounting mechanism, improving data collection and disclosure of our greenhouse gas ("GHG") emissions across Scopes 1, 2 and 3.

**2023 – 2024**

## Driving Transformation and Business Integration

- Adopted the KOSSAN Sustainability Strategy and Blueprint: Shaping Transformation 2035 to drive EESG efforts for greater impact.
- Established the KOSSAN Sustainability Centre of Excellence ("KSCE") to pool expertise across the Group – including operational sites, our philanthropic arm and corporate functions – to champion best practices, share strategic insights, address sustainability challenges and capitalise on emerging opportunities.
- Enhanced our sustainability reporting mechanisms with improved tracking and monitoring processes.
- Introduced sustainability-related KPIs to incentivise positive impact creation among management-level employees.
- Reassessed our priorities and refined our approach to align with evolving regulations, stakeholder expectations and key improvement areas.

**2025 and Beyond**

## Driving Transformation and Business Integration

**Short-Term Priorities**

- Adopting IFRS S1 (General Requirements for Sustainability-Related Financial Disclosures) and IFRS S2 (Climate-Related Disclosures) to enhance our sustainability reporting and align with global ESG regulatory changes.
- Continuously identifying opportunities and implementing energy efficiency measures, including expanding solar panel installations across our facilities, to advance our climate action journey.
- Investing in internal capacity building and awareness programmes to embed sustainability across all levels of the organisation.
- Strengthening supplier engagement through the Greening Value Chain ("GVC") programme, which empowers our suppliers in ESG adoption, reporting and emissions tracking.
- Accelerating relevant Scope 3 emissions data collection and calculation practices to enhance our carbon footprint management.

**Mid-Term Priorities**

- Progressing toward a 54.6% reduction in Scope 1 and Scope 2 emissions intensity from our 2022 levels through energy efficiency, renewable energy and low-carbon technologies.
- Formally committing to specific climate mitigation plans.
- Driving improvements in sustainable product design to further reduce our environmental impact.

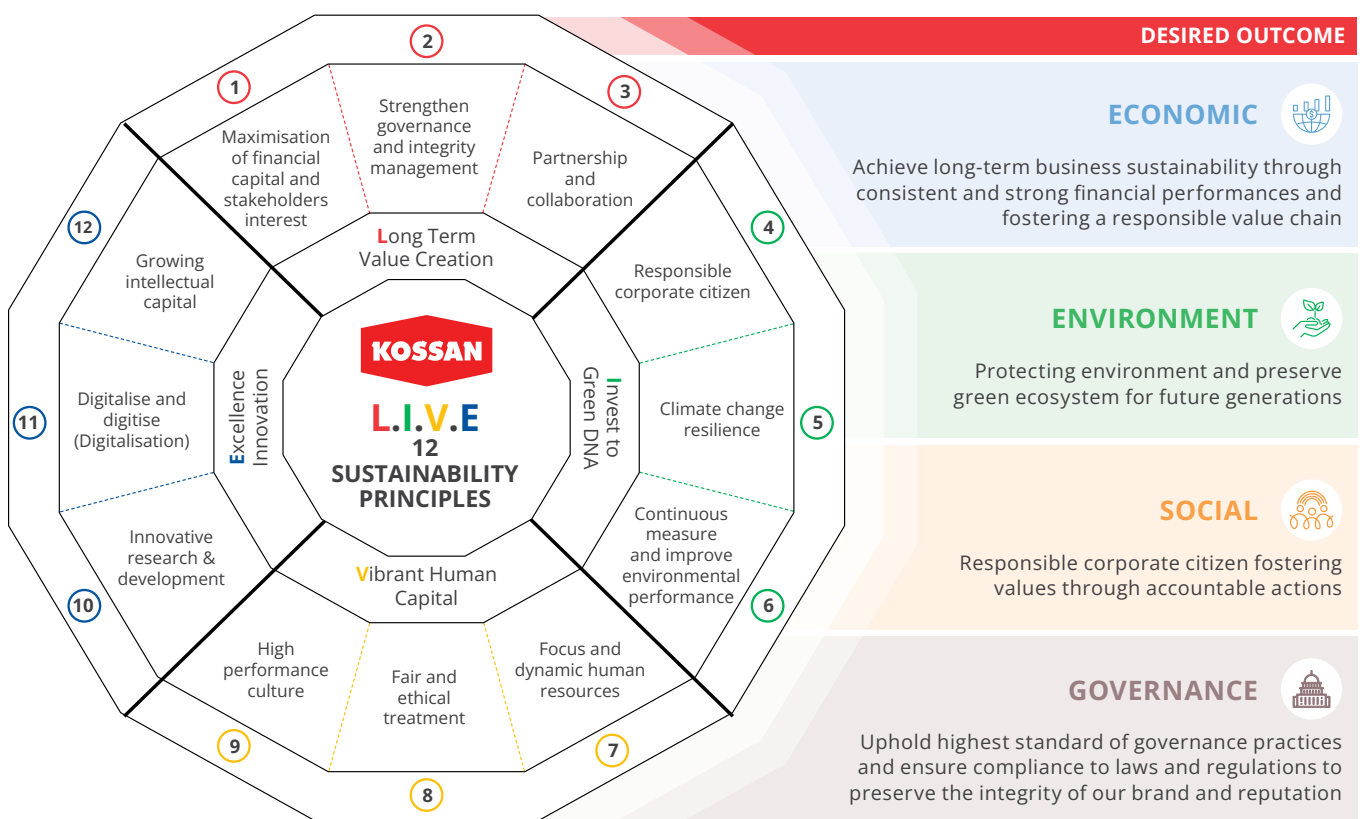
## Our Sustainability Roadmap (Cont'd)

### EMBEDDING SUSTAINABILITY IN OUR BUSINESS PROCESSES

#### Our Sustainability Framework

Our comprehensive Sustainability Framework guides our approach to balancing economic growth, social well-being and environmental responsibility. Rooted in the principle of “Creating Shared Value Through a Sustainable Ecosystem”, this framework is built on our L.I.V.E 12 Sustainability Principles, which drive compliance, maximise impact and uphold our core values.

These principles are grouped into four key pillars, shaped by our business model, geographic presence, EESG trends and stakeholder insights. By linking our strategic objectives to measurable targets, the framework unites our teams under a clear, shared commitment to sustainability, reflected in the four key outcomes we strive to achieve.



As new policies, emerging trends and technological advancements reshape the landscape and as stakeholder expectations evolve, we will continuously refine our Sustainability Framework to stay aligned with these changes. Concurrently, we remain dedicated to accountability, regularly sharing our progress, milestones and challenges through our annual Sustainability Reports.

#### The KOSSAN Sustainability Strategy and Blueprint

As we strive to create sustainable shared value, we continue to advance our sustainability journey through a well-integrated strategy. During the year, we introduced KOSSAN Sustainability Strategy and Blueprint: Shaping Transformation 2035, a framework that strengthens our transition towards sustainable manufacturing while ensuring long-term economic viability.

Aligned with our L.I.V.E 12 Sustainability Principles and the United Nations Sustainable Development Goals (“UN SDGs”), the blueprint guides the integration of economic and ESG factors across our operations, business model and geographical footprint while addressing emerging risks and stakeholder concerns. Each goal is designed to tackle key priorities, shaping a comprehensive triple-bottom-line approach to sustainability management and value creation.

## Our Sustainability Roadmap (Cont'd)






In FY2024, we achieved notable progress across our L.I.V.E 12 Sustainability Principles, delivering the following key outcomes.

Legend: Progress Tracking to FY2035		
	Falling short of interim target for more than two years, review and revise targets (if necessary)	
	Falling short of interim target for one year, review current practices	
	Meeting interim targets, maintain performance towards meeting 2035 targets	
Targets by 2035	FY2024 Interim Target	FY2024 Performance
<b>L Goal 1: Building Resilient and Responsible Value Chain</b>		
<b>Principle 1: Maximisation of financial capital and stakeholders interest</b>		
<ul style="list-style-type: none"> <li>Maintain a dividend payout ratio of not less than 30% of the Group's profit after tax and minority interest excluding any exceptional items</li> </ul>	<ul style="list-style-type: none"> <li>Dividend payout ratio of not less than 30% of the Group's profit after tax</li> </ul>	<ul style="list-style-type: none"> <li>RM204.13 million (8 sen per share)</li> </ul>
<b>Principle 2: Strengthen governance and integrity management</b>		
<ul style="list-style-type: none"> <li>Maintain zero corruption and fraud incidents across KOSSAN's operations</li> </ul>	<ul style="list-style-type: none"> <li>Zero corruption and fraud incident</li> </ul>	<ul style="list-style-type: none"> <li>Zero corruption and fraud incident</li> </ul>
<ul style="list-style-type: none"> <li>Maintain zero incidents of non-compliance with applicable laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Zero non-compliance with laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Zero non-compliance with laws and regulations</li> </ul>
<ul style="list-style-type: none"> <li>Maintain zero incidents of violations involving the human rights and trafficking</li> </ul>	<ul style="list-style-type: none"> <li>Zero human rights violation and trafficking incident</li> </ul>	<ul style="list-style-type: none"> <li>Zero human rights violation and trafficking incident</li> </ul>
<ul style="list-style-type: none"> <li>100% of manufacturing sites to be ISO14001 certified</li> </ul>	<ul style="list-style-type: none"> <li>85% of manufacturing sites to be ISO14001 certified</li> </ul>	<ul style="list-style-type: none"> <li>96% of manufacturing sites to be ISO14001 certified</li> </ul>
<ul style="list-style-type: none"> <li>100% of manufacturing sites to be ISO45001 certified</li> </ul>	<ul style="list-style-type: none"> <li>85% of manufacturing sites to be ISO45001 certified</li> </ul>	<ul style="list-style-type: none"> <li>96% of manufacturing sites to be ISO45001 certified</li> </ul>
<b>Principle 3: Partnership and collaboration</b>		
<ul style="list-style-type: none"> <li>All critical Tier 1 suppliers to disclose in accordance with ESG standards and framework where relevant and applicable</li> </ul>	<ul style="list-style-type: none"> <li>To refine current programme to ensure alignment with the goal</li> </ul>	<ul style="list-style-type: none"> <li>In progress. Reevaluated and refined our current programme to ensure alignment with the goal</li> </ul>
<ul style="list-style-type: none"> <li>Maintain customer satisfaction rate of &gt;85%</li> </ul>	<ul style="list-style-type: none"> <li>Maintain customer satisfaction rate above 85%</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction rate: 95%</li> </ul>
<b>I Goal 2: Transforming Towards Low Carbon Manufacturing</b>		
<b>Principle 4: Responsible corporate citizen</b>		
<ul style="list-style-type: none"> <li>Achieve 100% traceability to plantations of natural rubber sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul>	<ul style="list-style-type: none"> <li>In progress laying the groundwork by evaluating industry practices, engaging with suppliers and identifying tools for future assessment and verification</li> </ul>

## Our Sustainability Roadmap (Cont'd)

Targets by 2035	FY2024 Interim Target	FY2024 Performance
<b>Principle 4: Responsible corporate citizen</b>		
<ul style="list-style-type: none"> <li>Achieve 100% natural rubber used are assessed to be deforestation free</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul>	<ul style="list-style-type: none"> <li>In progress laying the groundwork by evaluating industry practices, engaging with suppliers and identifying tools for future assessment and verification</li> </ul>
<ul style="list-style-type: none"> <li>Achieve 100% of packaging inner and carton boxes sourced from recycled materials or FSC paper</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul>	<ul style="list-style-type: none"> <li>Measures are taken to start assessing our current packaging materials and engaging with suppliers to explore sustainable alternatives</li> </ul>
<ul style="list-style-type: none"> <li>Achieve &gt;95% of plastic packaging to be designed for recycling</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul>	<ul style="list-style-type: none"> <li>Measures are taken to start assessing our current packaging materials and engaging with suppliers to explore sustainable alternatives</li> </ul>
<b>Principle 5: Climate change resilience</b>		
<ul style="list-style-type: none"> <li>Achieve science-based target of reducing Scope 1 and Scope 2 emissions intensity by 54.6% from 2022 levels to: Gloves: 0.012 tonnes CO<sub>2</sub>e/1,000 pcs gloves TRP: 1.24tonnes CO<sub>2</sub>e/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Gloves division scope 1 and 2 carbon emission intensity by 8.4% to 0.0238 tonnes CO<sub>2</sub>e/1,000 pcs gloves</li> <li>Reduce TRP division scope 1 and 2 carbon emission intensity by 8.4% to 2.51 tonnes CO<sub>2</sub>e/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>0.023 tonnes CO<sub>2</sub>e/1,000 pcs gloves</li> <li>2.37 tonnes CO<sub>2</sub>e/1,000 kg rubber compounded</li> </ul>
<ul style="list-style-type: none"> <li>Achieve science-based target of reducing Scope 1 and Scope 2 absolute emissions by 54.6% from 2022 levels to 191,391.71 tonnes CO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>Reduce absolute scope 1 and 2 carbon emission by 8.4% to 386,156 tonnes CO<sub>2</sub>e</li> </ul>	<ul style="list-style-type: none"> <li>358,308.3 tonnes CO<sub>2</sub>e</li> </ul>
<ul style="list-style-type: none"> <li>Reduce Gloves division natural gas consumption intensity by 30% from 2022 levels to 0.25 MMBtu/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Gloves division natural gas consumption intensity by 4.6% to 0.34 MMBtu/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>0.31 MMBtu/1,000 pcs gloves</li> </ul>
<ul style="list-style-type: none"> <li>Reduce TRP division natural gas consumption intensity by 25% from 2022 levels to 6.61 MMBtu/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>Reduce TRP division natural gas consumption intensity by 3.9% to 9.09 MMBtu/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>9.54 MMBtu/1,000 kg rubber compounded</li> </ul>
<ul style="list-style-type: none"> <li>Reduce electricity consumption intensity by 25% from 2022 levels to: Gloves: 7.04 kWh/1,000 pcs gloves TRP: 2,142.45 kWh/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Gloves division electricity consumption intensity by 3.86% to 9.04 kWh/1,000 pcs gloves</li> <li>Reduce TRP division electricity consumption intensity by 3.86% to 2,749.63 kWh/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>7.97 kWh/1,000 pcs gloves</li> <li>2,348.67 kWh/1,000 kg rubber compounded</li> </ul>
<ul style="list-style-type: none"> <li>100% of electricity consumption of both Gloves and TRP Divisions' operation from renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>To achieve 8.4% of electricity consumption of both Gloves and TRP Divisions' operation from renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>3.73%</li> </ul>
<b>Principle 6: Continuous measure and improve environment performance</b>		
<ul style="list-style-type: none"> <li>Achieve 100% of waste generated diverted from landfill</li> </ul>	<ul style="list-style-type: none"> <li>To achieve 62% of waste generated diverted from landfill</li> </ul>	<ul style="list-style-type: none"> <li>58.2%</li> </ul>
<ul style="list-style-type: none"> <li>Reduce waste generated intensity by 35% from 2022 levels to: Gloves: 0.4 kg/1,000 pcs gloves TRP: 106.81 kg/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Gloves division waste generated intensity by 5.4% to 0.59 kg/1,000 pcs gloves</li> <li>Reduce TRP division waste generated intensity by 5.4% to 155.69 kg/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>0.55 kg/1,000 pcs gloves</li> <li>155.64 kg/1,000 kg rubber compounded</li> </ul>




## Our Sustainability Roadmap (Cont'd)

Targets by 2035	FY2024 Interim Target	FY2024 Performance
<b>Principle 6: Continuous measure and improve environment performance</b>		
<ul style="list-style-type: none"> <li>Reduce effluents discharge intensity by 25% from 2022 levels to 0.21 m<sup>3</sup>/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>Reduce effluents discharge intensity by 3.9% to 0.26 m<sup>3</sup>/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>0.27 m<sup>3</sup>/1,000 pcs gloves</li> </ul> 
<ul style="list-style-type: none"> <li>Reduce water withdrawal intensity at Gloves Division by 28% from 2022 levels to 0.35 m<sup>3</sup>/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Gloves division water withdrawal intensity by 4.3% to 0.46 m<sup>3</sup>/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>0.45 m<sup>3</sup>/1,000 pcs gloves</li> </ul> 
<ul style="list-style-type: none"> <li>Reduce water withdrawal intensity at TRP Division by 35% from 2022 levels to 10.47 m<sup>3</sup>/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>Reduce TRP Division water withdrawal intensity by 5.4% to 15.26 m<sup>3</sup>/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>14.21 m<sup>3</sup>/1,000 kg rubber compounded</li> </ul> 
<ul style="list-style-type: none"> <li>Reduce water consumption intensity by 35% from 2022 levels to: Gloves: 0.14 m<sup>3</sup>/1,000 pcs gloves TRP: 10.47 m<sup>3</sup>/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Gloves division water consumption intensity at Gloves Division by 5.4% to 0.19 m<sup>3</sup>/1,000 pcs gloves</li> </ul>	<ul style="list-style-type: none"> <li>0.18 m<sup>3</sup>/1,000 pcs gloves</li> </ul> 
	<ul style="list-style-type: none"> <li>Reduce TRP Division water consumption intensity by 5.4% to 15.26 m<sup>3</sup>/1,000 kg rubber compounded</li> </ul>	<ul style="list-style-type: none"> <li>14.21 m<sup>3</sup>/1,000 kg rubber compounded</li> </ul> 





V

### Goal 3: Creating Unified Workplace Culture With Safety, Equality and Respect




**Principle 7: Focus and dynamic human resources**

<ul style="list-style-type: none"> <li>Achieve zero discrimination and harassment case across our operation</li> </ul>	<ul style="list-style-type: none"> <li>Achieve zero discrimination and harassment case across our operation</li> </ul>	<ul style="list-style-type: none"> <li>3 cases</li> </ul> 
<ul style="list-style-type: none"> <li>Achieve 50% female leadership in managerial positions (managerial and above)</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 37% female leadership in managerial positions (managerial and above)</li> </ul>	<ul style="list-style-type: none"> <li>36%</li> </ul> 
<ul style="list-style-type: none"> <li>Achieve turnover rate of &lt;20% for white collar</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul>	<ul style="list-style-type: none"> <li>Currently, the Group monitors attrition rate as a key workforce metric. Efforts are underway to incorporate turnover rate tracking for a more comprehensive understanding of employee retention</li> </ul> 

**Principle 8: Fair and ethical treatment**

<ul style="list-style-type: none"> <li>Maintain zero substantiated complaints concerning human rights violation</li> </ul>	<ul style="list-style-type: none"> <li>Zero substantiated complaints concerning human rights violation</li> </ul>	<ul style="list-style-type: none"> <li>Zero substantiated complaints concerning human rights violation</li> </ul> 
<ul style="list-style-type: none"> <li>Maintain zero reported cases of child labour</li> </ul>	<ul style="list-style-type: none"> <li>Zero reported cases of child labour</li> </ul>	<ul style="list-style-type: none"> <li>Zero reported cases of child labour</li> </ul> 
<ul style="list-style-type: none"> <li>Achieve "A" rating for all selected factories undergo AMFORI BSCI Audit</li> </ul>	<ul style="list-style-type: none"> <li>Factories audited achieved 'A' rating</li> </ul>	<ul style="list-style-type: none"> <li>1 selected Gloves manufacturing site audited achieved 'A' rating</li> </ul> 
<ul style="list-style-type: none"> <li>Maintain WRAP GOLD Certification for 100% of the selected factories</li> </ul>	<ul style="list-style-type: none"> <li>Maintain WRAP Gold Certification for 100% of the selected factories</li> </ul>	<ul style="list-style-type: none"> <li>100% (1 site has been upgrade from WRAP Gold Certification to WRAP Platinum Certification)</li> </ul> 


## Our Sustainability Roadmap (Cont'd)

Targets by 2035	FY2024 Interim Target	FY2024 Performance
<b>Principle 9: High performance culture</b>		
<ul style="list-style-type: none"> <li>Maintain zero fatality across KOSSAN's operations and direct suppliers in Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatality</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatality</li> </ul> 
<ul style="list-style-type: none"> <li>Reducing lost time injuries frequency rate (LTIFR) to &lt;0.4</li> </ul>	<ul style="list-style-type: none"> <li>Reduce LTIFR to 1.31</li> </ul>	<ul style="list-style-type: none"> <li>1.43</li> </ul> 
<ul style="list-style-type: none"> <li>&gt;35 learning and development (L&amp;D) hours per employee</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 21.4 learning and development (L&amp;D) hours per employee</li> </ul>	<ul style="list-style-type: none"> <li>18.2 learning and development (L&amp;D) hours per employee</li> </ul> 


## E

## Goal 4: Delivering Quality and Safe Products with Enhanced Circularity


## Principle 10: Innovative Research &amp; Development

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>Achieve <math>\geq 50\%</math> of R&amp;D projects aimed at optimising operational performance able to be translated into practice</li> </ul> | <ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul> | <ul style="list-style-type: none"> <li>Measures have been taken to lay the groundwork for tracking and measuring the translation of R&amp;D projects</li> </ul>  |
|--|---|---|

## Principle 11: Digitalise and Digitise (Digitalisation)

- |  |   |   |
|--|---|---|
| <ul style="list-style-type: none"> <li>Achieve a 30% reduction in manual labour per million pieces of gloves through IoT adoption, automation-led operations and digitalisation</li> </ul> | <ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul> | <ul style="list-style-type: none"> <li>Evaluating baseline metrics and identifying key areas for automation and digital enhancement to support long-term productivity improvements</li> </ul>  |
|--|---|---|

## Principle 12: Growing Intellectual Capital

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>Achieve 100% sales growth for proprietary products</li> </ul> | <ul style="list-style-type: none"> <li>Not applicable (This target was introduced in FY2024)</li> </ul> | <ul style="list-style-type: none"> <li>Assessed our proprietary product portfolio and formulating growth strategies to support future sales expansion</li> </ul>  |
|--|---|--|

# Sustainability Governance

At KOSSAN, we have put in place a clear sustainability governance framework that outlines the roles and responsibilities of key stakeholders within the Group. By making sustainability a priority at the highest levels, we ensure strong leadership and meaningful, long-term impact.



### Board

- Reviews and approves our sustainability strategy and roadmap.
- Oversees the implementation of our sustainability initiatives and monitors performance against set targets.

### Group MD/CEO

- Leads the development of sustainability strategies, priorities and targets.
- Ensures sustainability considerations are embedded in our decision-making processes.

### KSC (Comprising Executive Directors of the Group)

- Manages our sustainability risks and opportunities.
- Oversees the execution of our sustainability strategies.
- Provides guidance and direction on sustainability-related matters.
- Holds quarterly meetings with the CS Department and KSCE to track our sustainability progress, followed by annual updates to the Board.

### CS Department

- Supports the KSC in integrating sustainability into our business operations by identifying gaps and coordinating remediation measures alongside the KSCE.
- Monitors the progress and implementation of our sustainability initiatives.
- Leads materiality assessments and stakeholder engagements.
- Tracks and evaluates sustainability trends, risks and opportunities.

### KSCE

- Comprises appointed Sustainability Champions – including Heads of Department or designated officers across our business units, corporate functions and CSR unit – who effectively execute, coordinate and accelerate Group-wide sustainability initiatives by:
  - Facilitating sustainability-related communication and data collection.
  - Implementing our sustainability initiatives.
  - Identifying process improvements and driving reengineering efforts aligned with the KOSSAN Sustainability Strategy and Blueprint.
  - Overseeing departmental or business unit sustainability metrics based on the established blueprint.
  - Raising awareness of sustainability matters within respective departments or business units.

# Engaging Our Stakeholders

Our sustainability approach and business strategy are guided by the expectations of our stakeholders and the broader impact of both our operations and external factors, ensuring we address business priorities while responding to evolving economic, environmental and societal challenges. Through active engagement with stakeholders, we gain valuable insights into the impacts of our operations and external influences. These insights drive the development of strategies that create shared value, uphold social responsibility and strengthen our long-term business resilience.



## Engagement Frequency

- As needed
- Ongoing
- Annually



## Customers

### Why They Are Important

Meeting the exacting needs of our customers builds trust, strengthens relationships and ensures the development of purpose-fit solutions that drive our long-term growth.

### Key Areas of Concern

- Product and service quality and timely delivery
- Competitive pricing
- Human rights and fair labour practices
- Sustainability-focused efforts
- Ethical business conduct
- Data privacy

### Engagement Method and Frequency

- Corporate announcements
- Media announcements
- General meetings
- Company website
- Trade shows
- Customer satisfaction survey
- Social compliance audits

### Our Response

- Ensuring high product quality
- Implementing strategic pricing
- Upholding human rights and labour rights across our operations
- Strengthening our ESG practices and expanding their implementation
- Adhering to our Social Compliance Policy and conducting regular compliance audits
- Maintaining zero tolerance for bribery and corruption
- Rigorously protecting customer data

### Link to Material Matters

- Product Quality and Safety
- Ethical Business
- Partnership and Collaboration
- Cyber Security and Data Privacy
- Environmental Compliance
- Combating Climate Change
- Waste Management
- Water and Effluents Management
- Human Rights and Labour Practices
- Workplace Safety



## Employees

### Why They Are Important

Supporting our workforce's well-being and professional development enhances productivity and fosters innovation, thus ensuring sustainable business growth.

### Key Areas of Concern

- Remuneration and benefits
- Career development and training opportunities
- Work-life balance
- Career advancement
- OSH and well-being
- Healthy and conducive workplace environment
- Human rights and fair labour practices

### Engagement Method and Frequency

- Employee engagement survey
- Performance appraisal
- Volunteer programmes
- Recreational events
- Wellness programmes
- Company intranet

### Our Response

- Offering competitive remuneration and benefits
- Providing health and wellness talks and programmes
- Investing in training and upskilling programmes
- Strengthening workplace safety measures
- Enforcing zero tolerance for discrimination based on race, religion, gender, age, disability, culture, social background, caste, sexual orientation, marital status or political beliefs
- Respecting and protecting human rights and labour rights

### Link to Material Matters

- Human Rights and Labour Practices
- Diversity and Inclusivity
- Workplace Safety
- Health and Wellness
- People Development

## Engaging Our Stakeholders (Cont'd)



### Suppliers/Vendors

#### Why They Are Important

Maintaining strong partnerships with our suppliers and vendors ensures a reliable supply of materials and services, enabling smooth operations and our ability to meet customer demands.

#### Key Areas of Concern

- Payment terms
- Contract terms and conditions
- Business continuity
- Product specifications and quality expectations
- Ethical business practices

#### Engagement Method and Frequency

- Meetings and briefings
- Social compliance audits

#### Our Response

- Ensuring our suppliers and vendors align with our business needs and quality expectations
- Clearly communicating our commitment to integrity, labour and human rights, inclusivity, health and safety and environmental protection
- Enforcing our Vendor Code of Conduct through clear communication and accountability
- Supporting our suppliers in their decarbonisation efforts through the GVC programme

#### Link to Material Matters

- Ethical Business
- Partnership and Collaboration
- Product Quality and Safety
- Combating Climate Change
- Human Rights and Labour Practices



### Shareholders and Investors

#### Why They Are Important

Building trust with our shareholders and investors secures essential financial capital, supporting our expansion, stability and sustained business growth.

#### Key Areas of Concern

- Robust financial performance, growth prospects and dividends
- Regulatory compliance
- Sustainability-focused efforts
- Good governance and ethical business conduct
- Human rights and fair labour practices

#### Engagement Method and Frequency

- General meetings
- Financial reporting
- Annual report
- Corporate announcements
- Investor conference and analyst briefings
- Media release and interview
- Company website

#### Our Response

- Providing timely performance updates
- Maintaining a dividend policy that prioritises shareholder value
- Upholding strong governance practices and policies
- Strengthening our ESG practices and expanding their implementation
- Investing in automation and digitalisation to enhance efficiency, reduce costs and achieve economies of scale, driving stronger financial performance and sustainable value creation

#### Link to Material Matters

- Ethical Business
- Product Quality and Safety
- Environmental Compliance
- Combating Climate Change
- Human Rights and Labour Practices
- Workplace Safety
- Diversity and Inclusivity
- Partnership and Collaboration

## Engaging Our Stakeholders (Cont'd)



## Authorities and Regulators

### Why They Are Important

Proactively engaging with the authorities and regulators in our markets of operation helps us stay informed about regulatory changes, allowing us to adapt and mitigate compliance risks.

#### Key Areas of Concern

- Regulatory and government policy compliance
- Sustained economic performance and job creation
- Strong resolve in addressing environmental and labour issues

#### Engagement Method and Frequency

- General meetings
- Industry associations meetings
- Reporting on regulatory requirements and compliance
- Site inspections and visits
- Correspondences

#### Our Response

- Ensuring strict adherence to local and international laws, regulations and standards
- Embedding ESG principles into our business operations and promoting ESG integration across our supply chain

#### Link to Material Matters

- Ethical Business
- Environmental Compliance
- Waste Management
- Water and Effluents Management
- Human Rights and Labour Practices
- Diversity and Inclusivity
- Workplace Safety
- Health and Wellness



## Pressure Groups/NGOs

### Why They Are Important

Collaborating with non-governmental organisations ("NGOs") and advocacy groups provides insights into socioeconomic and environmental trends, helping us develop initiatives that create shared value for society and our business.

#### Key Areas of Concern

- Human rights and fair labour practices
- Managed environmental impacts of our business activities

#### Engagement Method and Frequency

- Correspondences

#### Our Response

- Enforcing zero tolerance for discrimination in areas highlighted by social activists, including race, religion, gender, age, disability, culture, social background, caste, sexual orientation, marital status or political beliefs
- Upholding human rights and labour rights across our operations
- Embedding ESG principles into our business operations and promoting ESG integration across our supply chain
- Maintaining a Zero Cost Recruitment Policy
- Providing access to an independent third-party grievance mechanism

#### Link to Material Matters

- Combating Climate Change
- Human Rights and Labour Practices
- Diversity and Inclusivity
- Workplace Safety
- Partnership and Collaboration



## Local Communities and Society

### Why They Are Important

Investing in local communities through job creation, environmental initiatives and social programmes strengthens our social impact and reinforces our role as a responsible corporate citizen.

#### Key Areas of Concern

- Economic development of local communities, including through employment opportunities
- Managed environmental impacts of our business activities

#### Engagement Method and Frequency

- Corporate social responsibility programmes
- Company website
- Local council meetings

#### Our Response

- Supporting community development through financial aid, charity programmes and strategic sponsorships via Yayasan Kossan
- Creating employment and career development opportunities for Malaysians

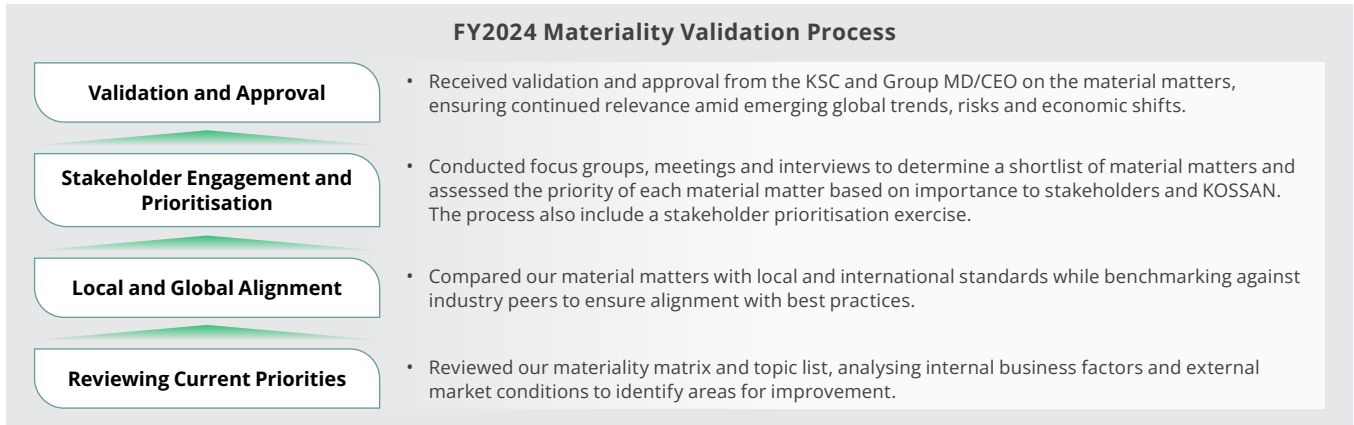
#### Link to Material Matters

- Community Welfare
- Waste Management
- Water and Effluents Management

# Sustainability Material Matters

Our sustainability strategy is guided by key economic, environmental and social factors with the greatest impact on our business, stakeholders and ability to create both financial and non-financial value across the short, medium and long term. By focusing on these material matters, we can maximise value creation while reducing financial, regulatory and reputational risks to our business.

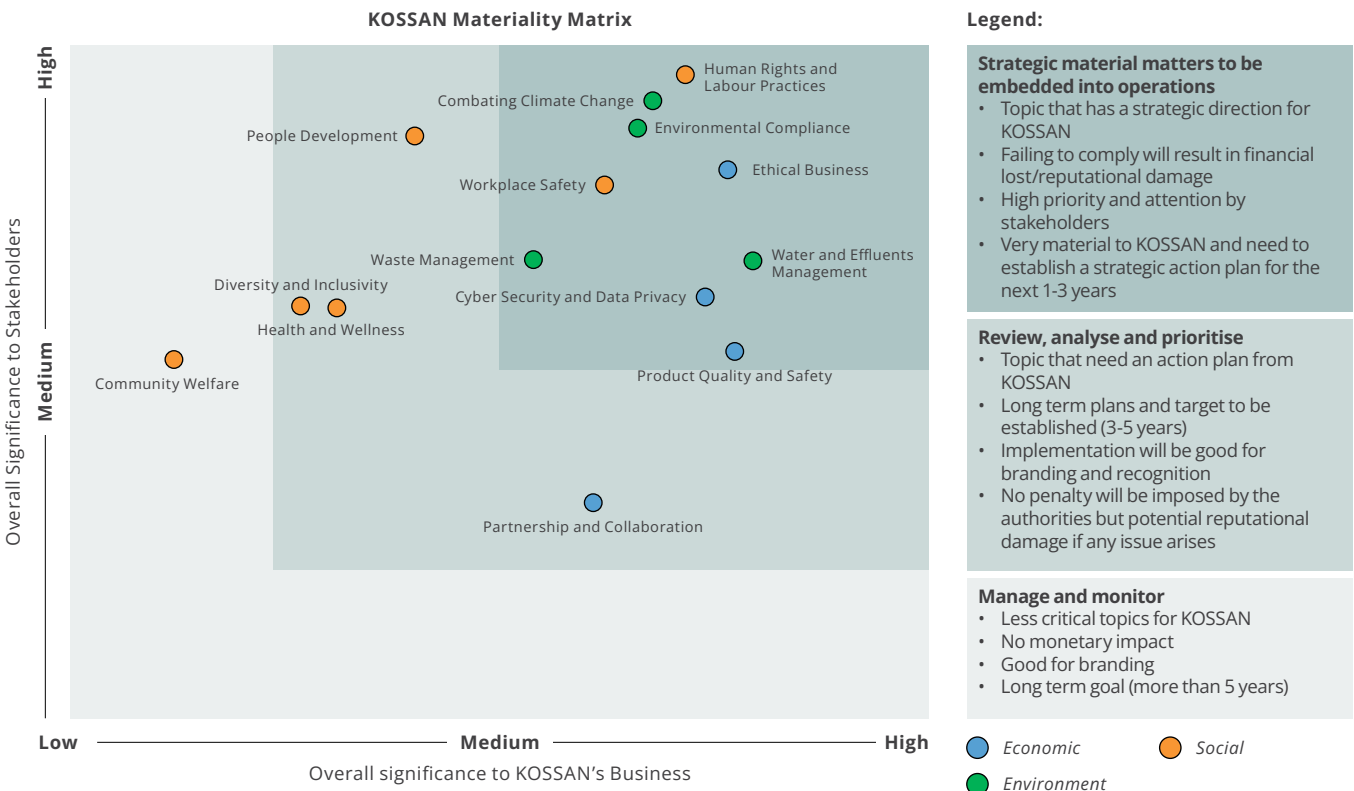
To ensure our material matters remain relevant, we have conducted high-level reviews since our last full materiality assessment in FY2020. In the upcoming year, we will undertake a comprehensive double materiality assessment to provide a more robust evaluation of our sustainability priorities. Guided by Bursa Malaysia’s Sustainability Reporting Guide (3rd edition) and the GRI Standards, the review was conducted in adherence to the following steps:



The review confirmed that our 14 material matters remain aligned with stakeholder priorities, with only minor adjustments to the relative importance of two material matters, as follows:


- **Combating Climate Change:** Positioned slightly higher in FY2024 due to increased regulatory and stakeholder focus on climate action.
- **Environmental Compliance:** Positioned slightly lower in FY2024 to reflect the effectiveness of measures and management system already implemented to drive regulatory compliance

These changes are reflected in our revised materiality matrix below.










## Sustainability Material Matters (Cont'd)

### MANAGING OUR MATERIAL MATTERS



**Legends**

-  Employees
-  Customers
-  Suppliers/Vendors
-  Shareholders and Investors
-  Authorities and Regulators
-  Pressure Groups/ NGOs
-  Local Communities and Society



### Human Rights and Labour Practices

#### Description

Upholding the rights and well-being of all employees and partners, including our migrant workers, per local and international labour laws and best practices.

#### Importance to the Group

Valuing and respecting our workforce's contributions fosters an inclusive, sustainable and supportive workplace culture.

#### Importance to Our Stakeholder Groups

Failure to comply with labour laws and International Bill of Human Rights can lead to regulatory actions, supply chain disruptions and restrictions on market access.

#### Risk

- Violations of labour laws could result in fines, operational disruptions or reputational harm.
- Failure to meet ethical standards may affect our ability to market our products and maintain customer confidence.

#### Opportunity

- Upholding human rights reduces disruptions, strengthens stakeholder relationships and creates long-term value. A strong commitment to human rights also enhances our brand reputation, builds trust with customers and investors, attracts and retains talent by fostering an inclusive workplace and reinforces supply chain responsibility by ensuring fair labor practices across our network.

#### Our Response

- Ensuring fair wages, safe working conditions, equal opportunities and respectful workplace practices for all employees.
- Ensuring compliance with labour regulations and international standards through our dedicated task force, which actively monitors our policies, as well as compliance and regulatory updates.
- Providing training and awareness programmes to keep employees informed about their rights and compliance responsibilities.
- Advocating for ethical labour standards within the industry as an active member of the Responsible Glove Alliance ("RGA").

#### Link to

Stakeholder Groups Affected



Supporting SDGs



### Combating Climate Change

#### Description

Identifying and managing climate-related risks and opportunities across our value chain while actively working to reduce our GHG emissions.

#### Importance to the Group

As a leading conglomerate, we acknowledge our duty to set a benchmark in reducing carbon emissions and contribute to Malaysia's ambition of reaching carbon neutrality by 2050.

#### Importance to Our Stakeholder Groups

With climate change emerging as a pressing global challenge, our climate initiatives significantly influence how customers, shareholders, government authorities and the media evaluate our business and long-term sustainability.

#### Risk

- Inefficiencies in our carbon reduction measures may result in financial setbacks and harm our reputation.
- Failing to adapt to climate-related risks could hinder our ability to meet our business objectives, including future expansion plans.

#### Opportunity

- Taking proactive measures to lower our carbon emissions and prepare for extreme weather events helps create long-term value for both our business and the environment.
- Implementing strong climate mitigation and adaptation strategies ensures our business resilience while achieving significant cost savings.

#### Our Response

- Executing our Climate Mitigation Action Strategy to cut down our carbon emissions.
- Deploying renewable energy solutions across our manufacturing facilities.
- Establishing a comprehensive carbon accounting system and data management framework.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)



### Ethical Business

#### Description

Ensuring high ethical standards across our organisation for everyone we employ and collaborate with.

#### Importance to Us

In an era of heightened scrutiny on corporate conduct, maintaining strong ethical business practices is crucial for sustaining stakeholder trust and protecting our reputation.

#### Importance to Our Stakeholder Groups

Clear ethical guidelines and strong enforcement mechanisms help prevent fraud, corruption and misconduct, safeguarding stakeholder interests while strengthening our sustainability.

#### Risk

- Unethical business conduct can lead to financial losses from penalties and damage our reputation, ultimately impacting our business prospects.

#### Opportunity

- Leading with integrity enhances our reputation as a reliable and responsible organisation, earning the trust of stakeholders.

#### Our Response

- Establishing key policies and guidelines to promote ethical business practices and maintain legal and regulatory compliance.
- Regularly assessing and refining our ethical frameworks to enhance their effectiveness and efficiency.
- Conducting periodic risk evaluations to detect and address potential corruption vulnerabilities within our operations.
- Applying specific control measures to mitigate ethical risks and deter misconduct.
- Offering ongoing training programmes to cultivate ethical awareness among employees and reinforce integrity in our business practices.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



### Environmental Compliance

#### Description

Conducting business in an environmentally responsible manner as part of our long-term environmental stewardship efforts.

#### Importance to Us

Environmental compliance helps avoid unnecessary costs, strengthen our brand reputation and meet customer expectations, making it essential to our operational success and sustainability efforts.

#### Importance to Our Stakeholder Groups

Our commitment to environmental responsibility shapes our reputation and regulatory standing, with any shortcomings potentially undermining stakeholder confidence.

#### Risk

- Failure to comply with evolving environmental laws may lead to financial penalties, reputational damage and operational suspensions.

#### Opportunity

- Strengthening our environmental credentials reduces our ecological impact, supports local communities and ecosystems and reinforces our focus on responsible business practices.

#### Our Response

- Implementing stringent environmental policies, procedures and best practices to ensure national, local and industry-specific compliance across all operations.
- Achieving and maintaining ISO 14001 EMS certification standards.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)



### Water and Effluents Management

#### Description

Implementing sustainable water management practices and ensuring the responsible treatment and disposal of effluents across our operations.

#### Importance to Us

A vital resource in our manufacturing processes, water must be used efficiently amid its growing scarcity, making enhanced conservation efforts and integrated recycling solutions essential for our long-term resilience.

#### Importance to Our Stakeholder Groups

Stakeholders increasingly evaluate companies based on their environmental impact, making effective water and effluent management a key aspect of our sustainability strategy.

#### Risk

- Poor water management can lead to unnecessary costs, excessive consumption and increased pressure on already scarce water resources.
- Poor effluent management can lead to contamination of freshwater sources and non-compliance with effluent discharge regulations can result in regulatory penalties and negatively impact the well-being of surrounding communities.

#### Opportunity

- Adopting more efficient water usage practices and cultivating a culture of conservation reduces our operational costs while strengthening our reputation as a conscientious organisation.

#### Our Response

- Implementing water recycling initiatives and encouraging conservation efforts to optimise usage.
- Developing a unified water management strategy across all operations.
- Continuously identifying and adopting alternative water sources to reduce our reliance on municipal supplies.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



### Workplace Safety

#### Description

Reducing employee exposure to workplace hazards and proactively preventing work-related injuries and illnesses.

#### Importance to Us

Ensuring a safe and healthy work environment is essential for protecting our workforce as any lapses in occupational safety can endanger them, damage our reputation and lead to financial setbacks.

#### Importance to Our Stakeholder Groups

Regulatory bodies, government agencies and customers are placing greater emphasis on workplace safety, reinforcing the need for strict adherence to OHS standards.

#### Risk

- Workplace incidents can lead to decreased productivity, legal liabilities and reputational damage.

#### Opportunity

- Cultivating a strong safety culture enhances employee well-being, improves operational efficiency and maintains our reputation as a responsible employer.

#### Our Response

- Implementing a robust set of safety and health policies across all business operations.
- Ensuring strict compliance with all applicable OHS laws.
- Achieving and maintaining ISO 45001 certification standards for our factories' OHS management systems.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)



### Cyber Security and Data Privacy

#### Description

Safeguarding our business, intellectual property and stakeholders' data in an increasingly complex cyber threat landscape.

#### Importance to Us

Effective data storage and management is crucial as we integrate more digital technologies across the Group, ensuring security, efficiency and seamless operations.

#### Importance to Our Stakeholder Groups

As digital systems and remote operations become the norm, cyber security and data privacy have emerged as critical concerns for stakeholders and key criteria in company evaluations.

#### Risk

- A cyber attack or data breach within our systems could result in severe business disruptions and erode stakeholder trust and confidence.

#### Opportunity

- Strengthening our cyber security framework and enhancing our data management practices protects sensitive information and upholds our reputation as a secure, trustworthy organisation.

#### Our Response

- Deploying advanced security solutions such as firewalls and antivirus software.
- Securing our infrastructure by housing equipment in well-protected facilities.
- Implementing sophisticated backup systems to prevent data loss.
- Establishing strict information technology ("IT") security policies and fostering cyber security awareness across the organisation.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



### Product Quality and Safety

#### Description

Delivering safe, high-quality products and solutions that align with market demands and evolving customer expectations worldwide.

#### Importance to Us

Consistently reliable offerings strengthen our position in the industry and enhance our long-term resilience.

#### Importance to Our Stakeholder Groups

Upholding high product quality and safety is crucial for building stakeholder trust as any shortcomings could risk customer safety and damage our reputation.

#### Risk

- Failure to comply with quality and safety regulations may lead to financial penalties, operational disruptions and harm our reputation in key markets.

#### Opportunity

- Adhering to rigorous quality and safety standards strengthens our competitive edge and fosters sustainable business growth.

#### Our Response

- Establishing quality management systems that comply with local, national, industry-specific and international standards, as well as customer expectations.
- Enforcing strict quality control measures throughout every stage of production to ensure product safety, performance and regulatory compliance.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)

**People Development****Description**

Fostering a workplace that supports continuous upskilling and equips employees for personal and career growth.

**Importance to Us**

The strength of our workforce directly influences our organisational efficiency, impacting our competitiveness, customer appeal and ability to attract investments.

**Importance to Our Stakeholder Groups**

Learning and development opportunities are key for attracting job seekers, while strong upskilling programmes help retain employees by supporting their career growth with us.

**Risk**

- A lack of proper training can lead to reduced job performance, workplace injuries and compliance issues, all of which contribute to increased business costs.

**Opportunity**

- Investing in effective learning and development initiatives enhances employee engagement, improves retention rates and attracts top industry talent.

**Our Response**

- Continuously evaluating training needs and delivering tailored learning programmes for specific roles.
- Promoting a culture of lifelong learning that adapts to industry advancements.
- Offering career growth opportunities that enable employees to maximise their potential.

**Link to**

Stakeholder Groups Affected



Supporting SDGs

**Waste Management****Description**

Responsibly managing hazardous and non-hazardous waste across all our business operations.

**Importance to Us**

Waste generated from our production processes directly affects our operational efficiency, regulatory compliance and cost management, influencing both our financial performance and corporate reputation.

**Importance to Our Stakeholder Groups**

Improper waste disposal can damage ecosystems, reduce local communities' quality of life and limit economic opportunities, while growing environmental concerns make sustainability a priority for both new and existing customers.

**Risk**

- Failure to comply with waste management regulations can result in regulatory penalties and negatively impact the well-being of surrounding communities.

**Opportunity**

- Adopting effective waste reduction and resource efficiency strategies enables long-term cost savings while reinforcing our commitment to environmental sustainability.

**Our Response**

- Regularly monitoring our resource consumption and implementing the 4R strategy to enhance our waste management efficiency.
- Establishing a comprehensive waste tracking system to measure performance and maintain compliance with ISO 14001 certification standards.

**Link to**

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)



### Partnership and Collaboration

#### Description

Supporting sustainable local economic growth by building strong partnerships with suppliers, educational institutions, reputable NGOs and community organisations.

#### Importance to Us

Strategic collaborations allow us to adapt to evolving market trends and unlock new growth opportunities.

#### Importance to Our Stakeholder Groups

Fostering open communication and cooperation between our Group and business partners drives innovation and long-term shared success.

#### Risk

- Negative publicity arising from issues such as unethical labour practices, human rights violations or environmental non-compliance within our supply chain can erode our brand reputation, consumer trust and investor confidence.
- A rigid or inefficient value chain may struggle to adapt to market shifts, geopolitical tensions or global crises.

#### Opportunity

- Partnering with like-minded organisations strengthens our value chain and generates lasting benefits across the industry.

#### Our Response

- Promoting internal and external partnerships that uphold strong values and industry best practices.
- Conducting impact assessments and due diligence to ensure responsible engagement with potential partners.
- Enhancing the capabilities of our supply chain partners through targeted capacity-building initiatives.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



### Health and Wellness

#### Description

Prioritising employee health and well-being to inculcate a high-performing workforce.

#### Importance to Us

A strong organisational culture of health wellness drives productivity and sustainable business growth.

#### Importance to Our Stakeholder Groups

Investing in employee health and well-being strengthens our reputation as an employer of choice, making it easier to attract and retain top talent.

#### Risk

- Poorly managed employees' health and wellbeing contribute to productivity inefficiencies, sick day absenteeism and turnover can be substantial over time.

#### Opportunity

- Implementing comprehensive well-being programmes enhances job satisfaction, promotes retention and sustains long-term productivity growth.

#### Our Response

- Offering routine health screenings and wellness initiatives.
- Gathering employee input to evaluate programme effectiveness.
- Proactively identifying and addressing gaps in employee well-being.
- Enhancing access to healthcare resources and facilities.

#### Link to

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)



## Diversity and Inclusivity

## Description

Promoting diversity and inclusion by fostering a culture of acceptance and belonging that drives innovation and value creation.

## Importance to Us

A workforce enriched by diverse backgrounds and experiences brings a broader range of perspectives, strengthening our business strategies to support sustainable growth and long-term success.

## Importance to Our Stakeholder Groups

Stakeholders increasingly view diversity as a key measure of a company's progressiveness and sustainability, while also recognising the need for an environment where employees feel truly valued and included.

## Risk

- Discriminatory employment practices can lead to workplace conflicts, damage professional relationships, negatively impact employee well-being and severely harm our reputation.

## Opportunity

- Actively championing diversity, equity and inclusion strengthens our commitment to fairness and responsibility.

## Our Response

- Regularly assessing our non-discrimination policies to maintain an inclusive, equitable and diverse workplace across race, religion, gender, age, disability, culture, social background, caste, sexual orientation, marital status or political beliefs.

## Link to

Stakeholder Groups Affected



Supporting SDGs



## Community Welfare

## Description

Making a meaningful and lasting impact on the communities we work in by driving sustainable economic development.

## Importance to Us

Voluntary community engagement and support initiatives strengthen our ties with local communities and stakeholders while enhancing employee morale.

## Importance to Our Stakeholder Groups

Development and support programmes contribute to improving the quality of life and creating greater economic opportunities for local communities.

## Risk

- Any actions that negatively impact local communities can severely damage our reputation, hindering our ability to form partnerships, grow our client base and reach our business goals.

## Opportunity

- Strategic planning of community-based initiatives allows us to maximise our contribution to local economic growth and establish a long-term reputation as a responsible and considerate organisation.

## Our Response

- Establishing Yayasan Kossan to lead various initiatives aimed at benefiting local communities.

## Link to

Stakeholder Groups Affected



Supporting SDGs



## Sustainability Material Matters (Cont'd)

### SUPPORTING THE UN SDGs

Our Sustainability Framework is aligned with key UN SDGs, ensuring our efforts drive meaningful impact on global challenges. We place a strong focus on Decent Work and Economic Growth (“SDG 8”), Responsible Consumption and Production (“SDG 12”) and Climate Action (“SDG 13”).

#### Legends

-  Combating Climate Change
-  Environmental Compliance
-  Water and Effluents Management
-  Waste Management
-  Human Rights and Labour Practices
-  Workplace Safety
-  People Development
-  Health and Wellness
-  Diversity and Inclusivity
-  Community Welfare
-  Ethical Business
-  Cyber Security and Data Privacy
-  Product Quality and Safety
-  Partnership and Collaboration

### Creating Value Through Social Engagement



Providing financial assistance to underserved communities through initiatives and programmes driven by Yayasan Kossan.

Linked UN SDGs and Material Matters



1.4



Ensuring the health, safety and overall well-being of our workforce through robust policies that support both physical and mental wellness.

Linked UN SDGs and Material Matters



3.8



Promoting continuous learning through customised employee development programmes at the state-of-the-art KOSSAN Training Centre.

Linked UN SDGs and Material Matters



4.4 4.5



Upholding human rights and fair labour practices while maintaining a safe and supportive work environment.

Linked UN SDGs and Material Matters



8.5 8.7 8.8



Building an inclusive workplace where every individual is valued and respected, with fair recruitment, remuneration and performance evaluation processes.

Linked UN SDGs and Material Matters



10.2 10.3 10.4



Meeting international employment standards to drive positive industry-wide change.

Linked UN SDGs and Material Matters



16.2 16.3

## Sustainability Material Matters (Cont'd)

### Managing Our Environmental Impact



Managing water responsibly through conservation strategies, process optimisation and reduced effluent discharge.

Linked UN SDGs and Material Matters



Advancing energy efficiency by investing in modern production technology and integrating green energy over time.

Linked UN SDGs and Material Matters



Implementing effective waste management practices to enhance circularity and minimise landfill waste.

Linked UN SDGs and Material Matters



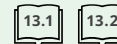
Adopting resource-efficient operations while maintaining strict compliance with environmental regulations.

Linked UN SDGs and Material Matters



Reducing our carbon footprint by leveraging renewable energy, enhancing energy efficiency and rigorously tracking emissions across the Group.

Linked UN SDGs and Material Matters



### Generating Sustainable Economic Value



Cultivating a healthy work culture by upholding human rights, fostering career growth, encouraging innovation and embedding ethical practices across our Group and supply chain.

Linked UN SDGs and Material Matters



Ensuring our products meet international quality and safety standards while enhancing product circularity, creating shared value for our business and customers.

Linked UN SDGs and Material Matters



Strengthening accountability through robust cyber security and data privacy measures while maintaining ethical business practices across all operations.

Linked UN SDGs and Material Matters



Collaborating with customers and suppliers to develop sustainable solutions and accelerate the transition to climate-friendly practices.

Linked UN SDGs and Material Matters



# Our Value Creation Model

## INPUTS



### FINANCIAL CAPITAL

The funds we deploy to run our operations and drive future growth.

- Strong financial track record.
- Effective balance sheet management.
- Net cash position.



### MANUFACTURED CAPITAL

Our physical production infrastructure, including our technologically advanced plants and equipment.

- Fully equipped manufacturing plants across Malaysia.
- Efficient production lines for our gloves, TRP and cleanroom products.



### HUMAN CAPITAL

Our experienced workforce and their competencies, skills and knowledge they use to create value for the Group and our stakeholders.

- Experienced Board and Management with diversified industry and corporate knowledge.
- Ingrained, ISO-compliant processes for workplace safety.
- Comprehensive in-house human rights governance practices.
- Internal training and wellness facilities.
- 108,059 training hours delivered (18.2 per employee on average).



### INTELLECTUAL CAPITAL

Our established systems and processes, intellectual property and collective know-how.

- More than 30 years of glove manufacturing experience.
- Experienced and specialised research and development ("R&D") team trained in advanced analytical and testing techniques.
- In-house R&D Centre and independent testing laboratory.
- In-house Quality Assurance Department.



### SOCIAL AND RELATIONSHIP CAPITAL

The collaborative, trust-based relationships we nurture with our stakeholders.

- Strong, long-term relationships with our customers and suppliers and partnerships with NGOs, schools and other community-based organisations.
- Community-focused work through Yayasan Kossan ("YK").



### NATURAL CAPITAL

The natural resources we use to produce our goods and the processes we have adopted to reduce our environmental impact.

- Natural resources such as energy and fuel, raw materials, water.

## OUR PRODUCTS



## Our Value Creation Model (Cont'd)

## INITIATIVES

## OUTPUTS



- Developing specialised products with higher-margin.
- Exploring new growth opportunities in emerging markets.
- Undertaking strategic cost optimisation initiatives.



- Revenue: RM1.92 billion.
- Profit Before Tax: RM157.32 million.
- Total assets: RM4.11 billion.
- Shareholders' equity: RM3.64 billion.
- Total Dividend payout per share = 8.0 sen. (for FYE 31 December 2024).
  - Interim dividend of 2.0 sen and special dividend of 6.0 sen per share paid on 12 December 2024.



- Leveraging Enterprise Resource Planning ("ERP") systems to drive operational efficiency.
- Accelerating digitalisation through automation of systems and machinery.
- Enhancing data accuracy and compliance across our production activities.



- Increased operational efficiency of our production activities.
- Strengthened process oversight of our manufacturing processes for future streamlining.



- Driving employee learning and development through tailored and role-specific training programmes.
- Delivering impactful programmes to enhance our employees' physical and mental health.
- Safeguarding our employees with comprehensive occupational health and safety measures.
- 358 e-Learning modules available.



- 111 employees promoted, leading to improved workforce competency.
- Reduced attrition rate by 9% to 26%.
- 96% of plants certified with ISO 45001: 2018 for OHS management systems.
- Zero work-related fatalities.



- Digitising and automating our internal processes.
- Building a competitive edge through our patented products and processes.
- Supporting responsible forestry and sustainable sourcing practices aligned with the European Union Deforestation-free Regulation ("EUDR").



- Expanded Low Derma™ range of nitrile gloves, formulated with a patented technology-driven solution to minimise skin sensitivity risks while offering a comprehensive thickness range from 2.4 mils to 8 mils.
- 47 patents filed in 15 countries.
- Forest Stewardship Council ("FSC") Chain of Custody certification across all natural rubber glove manufacturing facilities.



- Promoting responsible practices across the industry via Responsible Glove Alliance ("RGA") membership.
- Conducted community-based engagements through YK.
- Vendor Code of Conduct.



- Upheld human rights and social compliance throughout our value chain.
- 95% customer satisfaction rate.
- RM729,000 invested in community development, impacting 58,683 beneficiaries.



- Group-wide Environmental Management System and Environmental Policy.
- Adopting carbon accounting system to calculate and manage our carbon footprint.
- Implementing energy efficiency initiatives.
- Installed 4.3MWp of solar energy capacity to date.
- Systematic practices across waste, water, energy and emission management.
- Waste water treatment plant.

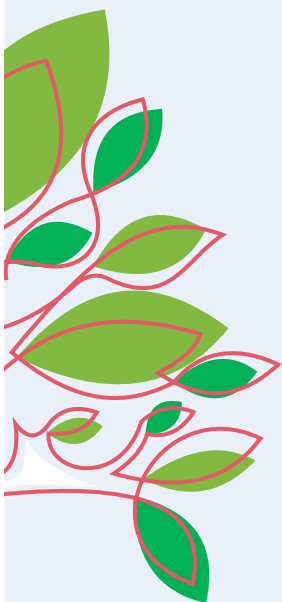


- 96% of plants certified with ISO 14001 for EMS.
- Reduced natural gas, electricity and waste generated intensity in both Gloves and TRP divisions.
- 96% of packaging sourced from recycled or recyclable materials.
- 18.4% of water sourced from reclaimed supplies.
- 58% of waste generated recycled, reused or recovered.
- Reduced waste generated intensity in both Gloves and TRP divisions.

# Ethical Business

**Integrity is the foundation of our business. We hold ourselves to the highest governance standards, operating with honesty, transparency and accountability.**

**By upholding ethical practices, strengthening cyber security, ensuring product quality and safety and building meaningful partnerships, we protect our reputation as a trusted global company while creating lasting economic value beyond our operations to benefit our partners and wider community.**



## Ethical Business

### WHY IT MATTERS

Upholding strong ethical standards builds trust and credibility, strengthening our relationships with our customers, partners and regulators while fostering a positive workplace culture. By operating responsibly, we create lasting value, drive long-term growth and reinforce our reputation as a forward-thinking and responsible organisation.

### OUR COMMITMENT

Leading by example by embedding ethics, integrity, fairness and accountability into every aspect of our business while upholding strong governance and ethical practices to foster transparency and trust.

### OUR APPROACH

#### Instituting Group-wide Codes and Policies

We maintain a zero-tolerance stance towards any form of unethical behaviour across all levels of the organisation. This unwavering commitment to integrity applies not only to our employees – from senior leadership to non-executive personnel – but also to our business associates, including customers, vendors, contractors, subcontractors, consultants, agents, representatives and other intermediaries conducting business with or on behalf of the Group. At the same time, we stay aligned with local, international and industry-specific regulations, proactively addressing gaps to ensure full compliance with evolving standards.

To maintain consistency across our operations, we have established a structured set of ethics and governance-related codes and policies applicable to all business units. These guidelines are clearly communicated to employees, stakeholders and third-party partners. All personnel are expected to fully comprehend and comply with the rules and regulations stipulated within while carrying out their responsibilities. The policies are reviewed and updated periodically to ensure they remain relevant and effective.

#### Corporate Policies

- Anti-Bribery and Corruption ("ABC") Policy
- No Gift Policy
- Whistleblowing Policy and Procedure
- KOSSAN Code of Ethics and Conduct ("KCEC")
- Remuneration Policy for Directors and Senior Management
- Director's Fit and Proper Policy

#### Sustainability Policies

- Group Sustainability Policy
- Environmental Policy
- Safety and Health Policy
- Human rights-related policies (Child Labour Policy, Policy on Forced Labour and Employer Pay Recruitment Policy)
- Vendor Code of Conduct

## Ethical Business (Cont'd)

Our ABC Framework, meanwhile, establishes clear boundaries in relation to bribery and corruption, with a strict prohibition on political donations, the misuse of company resources and no gift practice in our dealings with business partners and suppliers. The framework is further strengthened by our:

### ABC Guidelines

- Which defines ethical expectations for directors, officers and employees to ensure consistent ethical behaviour.

### Gifts, Hospitality and Entertainment ("GHE") Guidelines

- Which provides clear direction on appropriate business practices to address potential risks, prevent conflicts of interest and ensure compliance.

**In FY2024, 100% of our new hires formally acknowledged our ABC Policy, ensuring awareness of our ABC standards from the start of their employment.**

### Providing Training and Awareness

As part of our continuous efforts to uphold ethical business practices, we conduct regular ABC training sessions. During the year under review, presentation-based sessions were conducted to raise awareness among foreign workers and non-executive employees. To ensure clarity and engagement, training materials were translated into the native languages of our team members.

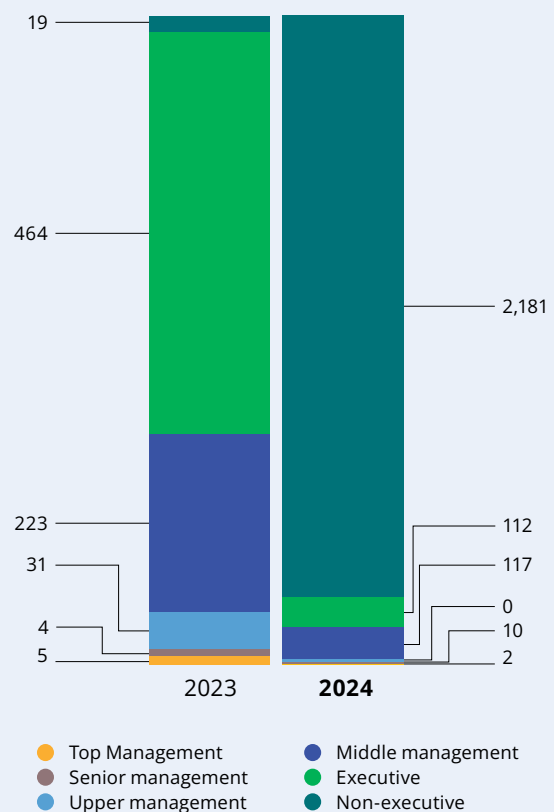
To further enhance awareness, informative ABC posters have been strategically placed in common areas such as rest areas, assembly points, departmental notice boards and canteens across our business units. These posters are also translated into native languages for better accessibility.

The Corporate Legal Department also revised and enhanced the ABC e-learning module, which serves as a mandatory refresher course for all executive-level employees and above. This module reinforces understanding of ABC guidelines and promotes consistent adherence to ethical practices. A mandatory quiz at the end of the module allows us to assess awareness levels and identify areas for improvement. Insights from these assessments are used to refine future training content and address any knowledge gaps.

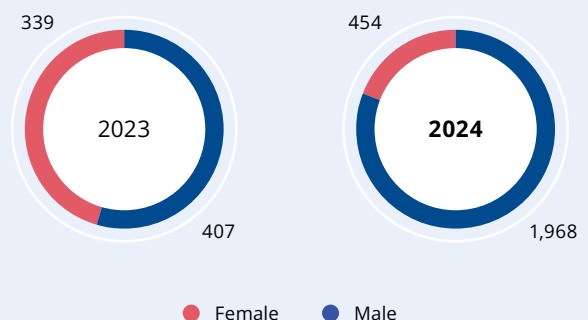
Employees may also refer to the intranet portal's FAQ section for clear guidance on ABC and GHE practices. Additionally, all new joiners are briefed on our ABC policies during their induction, including an overview of the ABC Framework, ABC and GHE Guidelines and expectations for ethical conduct.

In FY2024, a total of 2,422 employees participated in ABC training sessions, with assessments conducted to evaluate their understanding.

**Attendees by Designation Level**



**Attendees by Gender**



## Ethical Business (Cont'd)

### Encouraging Transparency and Whistleblowing

Recognising the importance of transparency and ethical accountability, our whistleblowing channel provides a safe, confidential platform for employees and stakeholders to report concerns relating to fraud, corruption, or other unethical practices or violations of company policy.

All reports are treated with the utmost confidentiality and are thoroughly investigated to ensure that appropriate corrective actions are taken. We also uphold strict non-retaliation measures to protect whistleblowers from any form of discrimination or harassment.

To ensure the continued effectiveness of our framework, periodic reviews of the whistleblowing mechanism and policy are conducted. Any report through the whistleblowing channel will be deliberated in the Whistleblowing Committee meeting for the next course of action.

In FY2024, there were zero bribery and corruption cases reported. However, we received one whistleblowing report concerning an employee grievance. The case was investigated and it was determined that the concerns raised were unsubstantiated.

### Conducting Regular Corruption Risk Assessments

Our Risk Management Department conducts regular corruption risk assessments across our operations to identify potential risks and implement effective controls. Additionally, risk registers from all process owners are consolidated quarterly and presented to the Risk Management Committee for review and necessary action.

**Our FY2024 assessment found that the risk of bribery and corruption within our business remains low, with zero reported cases during the year.**

## OUR PERFORMANCE



	2022	2023	2024
Number of reported cases of bribery or corruption	0	0	<b>0</b>
Number of political contributions made	0	0	<b>0</b>
<b>Percentage of employees who have received training on anti-corruption by employee category</b>			
Executive	N/A	80.15	<b>23.81</b>
Non-executive	N/A	0.38	<b>44.35</b>
Percentage of operations assessed for corruption-related risks	N/A	100	<b>100</b>

## MOVING FORWARD

We will continue to uphold strong governance and ethical practices across the Group by regularly reviewing our policies and implementing enhancements to further strengthen our approach.

# Cyber Security and Data Privacy



## Cyber Security and Data Privacy

### WHY IT MATTERS

Embracing digital technologies and Industrial Revolution ("IR") 4.0 advancements is essential for staying competitive in a rapidly evolving market, driving productivity and efficiency. However, these innovations also introduce cyber threats, making strong security and data privacy measures crucial to protecting our operations and stakeholders.

### OUR COMMITMENT

Adopting industry best practices and enforcing strong governance to enhance our cyber security and data privacy, protecting confidential stakeholder data, intellectual property and our business from potential cyber threats.

### OUR APPROACH

#### Leveraging Expertise and Teamwork

As cyber threats grow more sophisticated, safeguarding data security and privacy requires a well-coordinated effort across specialised teams to identify emerging risks early and implement proactive defence measures.

- At the operational level, our IT team serves as the frontline, using their expertise to build and maintain a robust cyber security infrastructure that protects our critical data, systems, networks and intellectual property.
- From a governance perspective, our Board provides oversight to ensure cyber security risks are effectively managed, supported by the Risk Management Committee, which conducts periodic review of cyber security risks and our overall risk exposure.

#### Building a Strong Policy Framework

We have established a set of IT policies to uphold high standards of cyber security and data protection, ensuring the safe and responsible use of our digital resources. These include:

- Email Usage Policy
- Internet Usage Policy
- Password Management Policy
- Computer and Infrastructure Policy
- IT Security Policy

In FY2024, two new policies were introduced:

#### Remote Access Policy

To support operational efficiency, flexibility and business continuity, we have established a Remote Access Policy with strict requirements and process flows that to controlled access to our corporate network and systems from external locations to prevent unauthorised access, protect sensitive company information and reduce the risk of data breaches. This policy outlines access permissions, time restrictions, permitted/approved devices and acceptable usage practices to ensure a secure and controlled remote access environment to ensure employees, contractors and authorised third parties can securely access necessary resources while safeguarding sensitive company information. Access control is strictly enforced, granting remote access only to authorised personnel based on job roles and business requirements which approved by both Head of Department and Top Management. Secure connections must be established through encrypted Virtual Private Networks (VPNs) or other approved channels to prevent unauthorised data interception. Data protection measures mandate strict controls over the transfer, storage and processing of company data, prohibiting the download or storage of sensitive information on personal or unsecured devices. All monitoring and logging activities are conducted continuously to detect anomalies or security threats, ensuring unauthorised access attempts are identified and mitigated promptly. Lastly, usage guidelines require employees to comply with corporate IT policies, avoid public or unsecured networks, ensure physical device security and report any suspicious activity immediately.

#### External File Sharing Policy

Our External File Sharing Policy establishes guidelines to ensure the secure and responsible sharing of company data with external parties while safeguarding sensitive information from unauthorised access or breaches. Employees requiring external file sharing access for business purposes shall go through an application process that clearly outlines access reasons, duration and must obtain approval by Head of Department and subsequently by Top Management. All file-sharing activities must be conducted exclusively through our dedicated SharePoint platform for external sharing (separate from our internal sharepoint). This platform provides secure access controls, encryption and auditing features to protect company data. Employees are strictly prohibited from using personal cloud storage or unapproved third-party services for sharing business-related files. Access control measures are enforced, granting external parties the least privilege necessary to perform their tasks, with time-limited or role-based permissions wherever possible.

All policies are readily accessible on our intranet portal, with regular updates and reminders to reinforce best practices and ensure compliance. This cultivates a security-conscious culture and equips our teams with the tools to effectively manage cyber risks.

## Cyber Security and Data Privacy (Cont'd)

### Establishing Effective Controls

We have implemented key measures to safeguard our IT environment and digital assets, strengthening our defences against internal and external threats to prevent unauthorised access and data breaches while ensuring the security of critical information.

#### Strengthened Access Controls

- All servers, systems and applications are secured with stringent user credentials and access permissions, granting access only upon proper authentication.
- Access is further restricted based on assigned permissions to minimise potential risks.
- Strong password policies require complex passwords, with mandatory updates every 90 days.
- Multi-Factor Authentication ("MFA") is enforced, adding an extra layer of security beyond usernames and passwords.

#### Protection Against External Threats

- Enterprise-grade firewalls act as the first line of defence against external cyber threats, blocking malicious activities and preventing unauthorised intrusions.
- Network segmentation has been introduced to limit the spread of cyber threats within internal systems.
- All servers are "hardened", restricting access to essential services and blocking unnecessary ones.
- Cloud-based services such as SharePoint can only be accessed within company premises, preventing unauthorised external access.

#### Enhanced Antivirus and Email Security

- All computers and servers are equipped with antivirus endpoints to detect and remove malicious software.
- Email Security Gateway automatically filters out phishing attempts, ransomware, fraud and malware before they reach users' inboxes.
- Embedded security measures actively verify email links before granting access to prevent harmful content from being opened.
- Annual third-party security and penetration assessments are conducted, with proactive enhancements implemented to strengthen our applications, infrastructure and overall cyber resilience.

#### Awareness-Building and Data Backup

- Employees receive regular cyber risk updates through awareness emails, newsletters and internal portal articles, educating them on threats and appropriate responses.
- Critical servers are backed up daily, weekly and monthly, with off-site storage to ensure data recovery in case of a disaster.

#### PDPA Compliance

- We strictly adhere to Malaysia's Personal Data Protection Act ("PDPA") 2010, ensuring that all employees handle personal and confidential information with care.
- Non-disclosure agreements ("NDAs") are required for third-party collaborations to safeguard sensitive data.
- All service agreements include personal data protection clauses to reinforce compliance and security.

During the year under review, Multi-Factor Authentication (MFA) was enforced for all KOSSAN email users. This additional layer of security requires users to verify their identity through multiple authentication methods, significantly reducing the risk of unauthorised access and data breaches. By implementing MFA, we have enhanced the security of our email communications and further safeguarded sensitive company information from potential cyberattacks.

In parallel, we have intensified our proactive cybersecurity measures by increasing the frequency of penetration testing from once every two years to an annual exercise. These regular and comprehensive assessments enable us to detect and address potential vulnerabilities in our IT infrastructure in a timely manner. By conducting these tests more frequently, we aim to continuously strengthen our systems, stay ahead of evolving cyber threats and uphold the integrity of our digital environment.

### OUR PERFORMANCE

	2022	2023	2024
Number of recorded incidents of identified leaks, theft or loss of customer and employee data	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

### MOVING FORWARD

We will expand our cyber security training and engagement programmes to strengthen staff awareness and vigilance while continuously enhancing our infrastructure and adopting best practices to prevent breaches and address emerging cyber threats.

# Product Quality and Safety



## Product Quality and Safety

### WHY IT MATTERS

Upholding strict quality and safety standards across our operations and supply chain enhances our reputation, ensures regulatory compliance and drives sustainable growth.

### OUR COMMITMENT

Prioritising product quality and safety that adheres and aligns to regulatory requirements, industry standards and market expectations while adapting to evolving customer needs to ensure the highest levels of protection, safety and performance.

### OUR APPROACH

#### Complying with International Quality and Safety Standards

Our Quality Management System ("QMS") serves as the foundation for meeting global regulatory requirements, guiding practices across the entire production cycle – from design and sourcing raw materials to developing finished products.

The system defines:

- Sampling plans, testing procedures and acceptance/rejection criteria.
- Detection, segregation and verification tools to maintain product integrity.
- Governance of research and development ("R&D") processes.

#### Operations

Through the implementation of our QMS, we have obtained several international and country-level certifications, including:

- ISO 13485:2016 and European ("EN") ISO 13485:2016
- Medical Device Single Audit Programme ("MDSAP"), covering the United States ("US"), Canada, Australia and Brazil
- ISO 9001:2015
- CE 2797
- UKCA 0086
- MS 2636:2019
- Malaysia MPPHM 2020 and MHMS 2020
- Indonesia Halal Product Assurance System ("HPAS")
- UAE Halal National Mark (UAE.S 2055-4:2014)
- BRCGS CP Issue 4
- MS 2200-2:2013
- MDR (European Union/"EU") 2017/745
- PPER (EU) 2016/425 Module D
- Forest Stewardship Council™ ("FSC") Chain of Custody
- BS EN 681: Pt. 1
- EN 15129, EN 1337-3 and EN 1337-7
- IATF 16949:2016
- Brazil RDC ANVISA n. 67/2009, RDC ANVISA n. 665/2022 – Good Manufacturing Practices, RDC ANVISA n. 551/2021

#### Gloves

Our gloves comply with key country and region-specific product quality and safety standards, including the:

- American Society for Testing and Materials ("ASTM"), US
- EN Standards
- Australia/New Zealand ("AS/NZ") Standards
- Japanese Industrial Standards ("JIS")
- Guobiao ("GB") Standards, (China)
- Brazil INMETRO Certification

They also adhere to regulations governing medical devices and quality management systems, encompassing the:

- US Food and Drug Administration ("FDA") Quality System Regulation ("QSR")
- EU Medical Device Regulation ("MDR") 2017/745
- Canada MDR (SOR/98-282)
- Malaysian Medical Device Act (Act 737)
- Japanese Pharmaceutical Affairs Law ("J-PAL")
- Australian Therapeutic Goods (Medical Devices) Regulations 2002
- United Kingdom ("UK") MDR 2002
- Brazil Good Manufacturing Practices (RDC ANVISA n. 665/2022)

Annual management reviews and internal audits are conducted to assess our QMS' performance and identify improvements, with follow-up assessments ensuring issues are resolved to maintain continuous compliance and improvement.

## Product Quality and Safety (Cont'd)

### Ensuring Effective Quality and Safety Controls

We uphold strict quality and safety standards through rigorous inspection and testing protocols within our QMS. Every product undergoes thorough evaluation before reaching our customers, while our regulatory and quality assurance teams ensure compliance by verifying that all quality, performance and safety requirements are met at every stage of distribution.

#### Raw Material and Packaging Inspection

Quality control begins with a detailed inspection of incoming materials before production to ensure compliance with our requirements:

- Packaging materials are verified against customer-approved artwork.
- Chemicals and raw materials are evaluated to ensure compliance with relevant regulations, including the EU Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") and the Substances of Very High Concern ("SVHC") list.
- Strict handling procedures protect the integrity and safety of materials such as packaging, formers and chemicals.

#### Quality Control Throughout Manufacturing

Once production begins, process monitoring and inspections take place to ensure consistency and adherence to our product specifications:

- In-process inspections and testing are conducted according to detailed quality plans.
- Pre-packing inspections verify that our products align with customer specifications and regulatory requirements.
- Final inspections and testing confirm that finished products meet all quality and safety standards before shipment.

#### Laboratory Testing and Clinical Trials

To validate product safety and performance:

- In-house laboratory testing is conducted using specialised equipment to assess material designs and final product quality, ensuring compliance with international technical quality standards.
- Clinical trials are conducted in accredited external laboratories, incorporating comprehensive risk and impact assessments, obtaining written informed consent from the participants and ensuring oversight by an approved Ethics Committee – per the ethical standards of the World Medical Association's Declaration of Helsinki.

#### Final Quality and Pre-Shipment Checks

Before dispatch, our finished goods undergo a final inspection to ensure they meet our customer requirements, regulatory standards and safety specifications. These pre-shipment checks act as the last safeguard to ensure that only high-quality products reach the market.

#### Reporting, Investigation and Corrective Actions

As part of our efforts to uphold transparency and drive continuous improvement, we maintain reporting channels for product quality and safety concerns.

If an issue arises:

- A cross-functional team investigates the root cause.
- Corrective actions may include product recalls, preventive measures and updates to procedures to prevent recurrence, as detailed below.

##### General Measures

- Implementing risk management for medical devices in accordance with ISO 14971 across all facilities.
- Ensuring compliance with regulatory, safety and performance requirements across various jurisdictions through product and quality system certifications by external certification bodies.
- Executing post-market activities in line with jurisdiction-specific post-market surveillance plans.
- Establishing a dedicated functional team to monitor and address major regulatory updates and trends in key markets, including the US, EU, Canada, UK, China and Malaysia, ensuring compliance and minimising the risk of product recalls.

##### Laboratory Analysis

- Broadening test coverage continuously to identify potential failure risks and ensure comprehensive product evaluation.
- In line with ISO 17025 accreditation to uphold test accuracy, reliability and compliance with international standards.
- Delivering timely test results to enable swift corrective actions and improve product safety.
- Regularly calibrating lab instruments in-house to ensure precision, consistency and reliability in testing.
- Partnering with product development and innovation teams to enhance testing accuracy and reliability.
- Continuously upskilling our lab personnel to enhance testing proficiency and competency.
- Conducting regular internal audits and quality checks to maintain consistency and accuracy in testing processes.
- Strengthening data management through a robust Laboratory Information Management System ("LIMS") to ensure data accuracy, security and traceability.

## Product Quality and Safety (Cont'd)

## Enhancing Product Safety, Quality and Manufacturing Efficiency

Several initiatives have been undertaken to improve our product safety, quality and manufacturing processes.

## Operations

Through the implementation of our QMS, we have obtained several international and country-level certifications, including:

- Optimising process parameters to achieve a higher barrier defect control rate, ensuring superior product integrity.
- Refining our formulations by removing unnecessary additives, such as wax, to enhance glove performance and safety.
- Replacing potential chemical allergens, including Zinc Oxide (ZnO), to comply with evolving safety standards.
- Advancing chemical-resistant gloves in PPE Category III (Type A and Type B) to protect against hazardous chemicals in high-risk environments.
  - Type A offers the highest level of protection.
  - Type B ensures strong resistance to moderate chemical exposure.
- Introducing low endotoxin surgical gloves designed to minimise the risk of harmful endotoxin exposure during surgery.
  - These gloves help prevent complications such as inflammation, fever and infections, ensuring patient safety, particularly in procedures involving implants.
- Expanding the use of our Low Derma™ patented formula nitrile glove, engineered to reduce the risk of Type I and Type IV hypersensitivity while offering superior comfort, durability and a secure fit for diverse medical and industrial applications.

## Manufacturing-level

- Upgrading our machinery hardware, including improving curing oven burners to reduce heat energy consumption in production processes.
- Establishing a centralised analytical lab to support process optimisation, verify raw material quality before production and troubleshoot manufacturing defects through material characterisation, ensuring consistent product excellence.

## Ensuring Accurate Product Labelling

We have established a robust process to ensure our products are marketed and labelled with precision, consistency and full regulatory compliance. This includes:

- A structured system for controlling labelling and packaging artwork, integrating region-specific checklists to streamline accuracy and compliance.
- Continuous internal and external training to keep teams informed of evolving regulatory requirements, with resources readily accessible via SharePoint.
- Rigorous review of our product information and marketing materials by our product management and regulatory teams to uphold compliance and maintain alignment with global standards.

## Committing to Ethical Testing

We do not engage in animal testing unless legally required. In such cases, we ensure that testing is conducted ethically through external laboratories that uphold strict standards. Throughout the process, we closely oversee procedures, promptly addressing any concerns to ensure they align with ethical and humane practices.

## Introducing Innovative Products

Through our commitment to compliance, quality and safety controls, alongside enhanced efficiency protocols, several groundbreaking products were developed in FY2024 to meet evolving industry needs and regulatory standards.

### 16" Low Derma™ Nitrile Glove

Extends protection with enhanced coverage and exceptional durability, making it ideal for demanding environments.

### 9.5" Low Derma™ Nitrile Glove

Enhances grip and safety with a diamond texture, providing superior performance in wet and dry conditions while reducing the risk of Type I and Type IV hypersensitivity.

### FSC 100% Certified Latex Examination and Surgical Gloves

Promotes sustainability, crafted from latex sourced from sustainably managed forests, delivering superior quality with a strong environmental commitment.

## Product Quality and Safety (Cont'd)

### Driving Operational Efficiency Through Digitalisation

Amidst challenging market dynamics, maintaining a strong focus on operational and product excellence is key to sustain our competitive edge and delivering long-term value to stakeholders. In line with this, we have accelerated our digitalisation journey by implementing advanced systems and machinery to enhance efficiency, accuracy and compliance across our operations.

Our approach is centred on harnessing technology to streamline processes, reduce manual intervention and boost productivity across critical business functions. To date, we have developed two in-house digital platforms and digitalised two core areas – lab analysis workflows and maintenance planning – to improve overall manufacturing efficiency.

#### 1 Operation and Performance Monitoring System (“OPMS”)

Our in-house Operation and Performance Monitoring System provides real-time visibility into production performance, order progress and stock movement. By enabling teams to access up-to-date data, identify bottlenecks and monitor downtime, OPMS supports timely, data-driven decision-making. It replaces manual tracking with a centralised digital platform that enhances communication across departments, improves data accuracy and facilitates the generation of insightful reports. These capabilities empower us to optimise resource allocation, increase productivity and maintain excellence in manufacturing operations.

#### 3 Lab Information Management System (“LIMS”)

To improve laboratory efficiency and accuracy, we have adopted a Laboratory Information Management System (“LIMS”) that automates workflows, sample tracking and test result reporting. The system integrates with lab instruments to ensure data integrity and real-time tracking while reducing manual documentation errors. LIMS strengthens regulatory compliance through built-in access controls and audit trails, safeguards sensitive data and enhances product quality through timely and reliable lab analysis.

#### 2 Quality Assurance Inspection System (“QAIS”)

During the year, we have implemented QAIS, a digital platform that streamlines the pre-shipment inspection process and facilitates the issuance of Certificates of Analysis (“COA”).

The QAIS enables us to transition from paper-based records to a centralised system, driving improved data accuracy, traceability and compliance with industry standards. Moreover, the system supports real-time decision-making, reduces the risk of data loss and standardises inspection practices, strengthening our quality assurance processes and driving continuous improvement.

#### 4 Computerised Maintenance Management System (“CMMS”)

Our Computerised Maintenance Management System streamlines asset management and maintenance planning. The system provides real-time tracking of work orders and equipment status, enabling preventive maintenance and timely responses to emerging issues. With centralised task management, automated reporting and role-based access controls, CMMS has improved asset reliability, reduced unplanned downtime and strengthened data security, ultimately contributing to enhanced operational performance.

## Product Quality and Safety (Cont'd)

**Advancing Automation to Drive Productivity and Safety**

We are strategically adopting automated systems across key production processes within our operations. Through this, we aim to minimise dependency on manual labour, improve product consistency and optimise resource utilisation – driving operational efficiency and financial gains.

A key initiative in this journey is the Online Vision Inspection System, which was introduced in 2024 and is slated for wider adoption from 2025. This system automates the detection and segregation of defective gloves directly at the dipping line, improving quality control and reducing the likelihood of defective products being mixed with good ones. By replacing manual segregation, we not only enhance product quality but also improve worker safety by reducing exposure to high-decibel environments.

We have also optimised end-of-line operation through automation, reducing the need for manual handling across the entire process. As a result, we had reduced labour requirements, enhanced workflow efficiency, improved productivity, minimised handling errors and optimised space utilisation within our production facilities. These enhanced packing processes will be set for wider adoption across selected plants from 2025 onwards, further reinforcing our commitment to efficiency, sustainability and innovation in manufacturing.

**OUR PERFORMANCE****Zero incidents**

of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products.

**Zero incidents**

of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling.

**Zero incidents**

of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotions and sponsorships.

**MOVING FORWARD**

As we grow into new markets and deepen connections with existing buyers, maintaining high product quality and safety remains essential. To support this, we will closely monitor changing regulatory requirements, refine our QMS and introduce further quality and safety measures across our production processes.

# Partnership and Collaboration



## Partnership and Collaboration

### WHY IT MATTERS

Collaborating with our business partners and suppliers enhances our access to expertise, resources and diverse perspectives while fostering responsible practices across our supply chain. Likewise, we view customer relationships as partnerships, driving us to better understand their needs and create tailored products and experiences.

### OUR COMMITMENT

Building strong connections internally and externally to foster mutual benefits by facilitating the exchange of best practices, knowledge, insights and tools that enhance our long-term business sustainability.

### OUR APPROACH

#### Improving Customer Engagement and Satisfaction

We take a comprehensive approach to strengthening customer engagement, satisfaction and long-term partnerships, with the ultimate aim of ensuring our offerings stay aligned with evolving market and customer needs.

Focus Area	Initiatives
Customer Collaboration and Engagement	<ul style="list-style-type: none"> <li>Collaborating with customers to gain deep insights into their business challenges and market needs, ensuring our solutions align with their goals.</li> <li>Maintaining active communication through multiple touchpoints – including emails, calls, site visits, exhibitions, trade shows, roadshows and surveys – to gather feedback, enhance product quality, streamline delivery and improve the overall customer experience.</li> </ul>
Product Diversification	<ul style="list-style-type: none"> <li>Expanding our product range with enhanced features such as improved durability, chemical resistance and customisation options to cater the diverse industry needs.</li> </ul>
Regulatory Compliance Support	<ul style="list-style-type: none"> <li>Providing comprehensive guidance on artwork review to ensure compliance with local and international regulations, covering labelling, safety warnings, validated claims, intellectual property, packaging and environmental claims.</li> </ul>
Marketing and Brand Support	<ul style="list-style-type: none"> <li>Supporting Low Derma™ partners with dedicated marketing assistance, including a website, Google Ads, targeted social media promotions and direct sales links.</li> </ul>
Sustainability and ESG Alignment	<ul style="list-style-type: none"> <li>Prioritising ESG best practices to address customer concerns while aligning our business goals with social and environmental responsibility.</li> <li>Upholding rigorous reporting standards to ensure transparent disclosure of our sustainability efforts.</li> </ul>

**In FY2024, we achieved a customer satisfaction rate of 95% through our latest customer satisfaction survey – a 1% improvement from FY2023 across product quality, innovation, services and regulatory compliance – with respondents representing 97% of our total sales.**

## Partnership and Collaboration (Cont'd)

**Meeting Customer Needs Through Innovation**

Innovation, in both products and processes, is key to building stronger customer preference and differentiating ourselves in an increasingly competitive marketplace.

Our customers are seeking specialised products tailored to specific, niche applications. In response, we are developing custom-made, non-sterile examination gloves with unique features designed to meet precise customer requirements. Many of these gloves also incorporate environmentally friendly attributes that are difficult to replicate, offering both performance and sustainability.

We are also working to shorten lead times and boost efficiency – accelerating order processing and delivery through measures such as direct shipments to customer warehouses.

We apply a similar focus on innovation to our sterile surgical gloves, developing products that not only meet but exceed customer expectations while supporting our Own Brand Manufacturing (“OBM”) customers in their efforts.

Ultimately, these efforts help us maintain a strong brand image, entrench long-term customer relationships and build our resilience as an organisation.

**Maximising Value in Our Supply Chain**

Recognising the importance of a responsible and resilient supply chain, we have implemented robust management practices to ensure ethical, sustainable and transparent business operations.

At the core of these efforts is our Vendor Code of Conduct, which sets clear expectations for all suppliers, contractors and service providers. It prohibits forced labour, ensures health and safety compliance, promotes environmental stewardship and enforces ethical business practices, including ABC and adherence to all applicable laws and regulations.

To uphold these standards, we conduct risk-based pre-assessments of new suppliers before entering any contracts, ensuring alignment with our business values, operational requirements and ESG standards. These evaluations help identify potential environmental and social risks early by assessing factors such as recruitment policies, workplace conditions, labour rights, environmental impact and waste management.

We also conduct regular reviews of existing business partners using the same criteria to ensure continued compliance and responsible practices.

For high-risk vendors – identified based on factors such as industry-specific risks, geographical location, past performance and self-assessment responses – we carry out on-site audits. These may include inspections, document reviews and stakeholder interviews to assess critical areas such as fair labour practices, workplace safety, environmental impact and adherence to our Vendor Code of Conduct.

Where gaps are identified, we collaborate with suppliers and vendors to implement corrective and preventive actions (“CAPA”) within a specified timeframe. Non-compliance may result in further review, suspension or termination of business relationships.

Through our evaluation in FY2024, no actual or potential negative environmental or social impacts were observed within our supply chain.

**Advancing Decarbonisation through Strategic Partnerships**

As the business landscape evolves and expectations for sustainability and climate action increase, we are enhancing supply chain resilience and fostering a more sustainable ecosystem. Since FY2023, we introduced the GVC programme, developed by Bank Negara Malaysia (“BNM”) in collaboration with our solution provider and other strategic partners.

The programme:

- Provided suppliers with free training and technical support on climate-related topics.
- Granted access to carbon accounting software to help suppliers measure and manage their emissions.
- Enabled participants to access BNM’s RM2 billion Low-Carbon Transition Facility (“LCTF”), supporting the adoption of climate-friendly technologies and sustainable practices.
- Earned recognition from the Malaysia Book of Records, making us the first glove manufacturer in Malaysia to establish a strategic partnership with the central bank.
- Saw the participation of 34% of our selected SME suppliers, with 70% subsequently adopting GVC’s carbon accounting solution.

## Partnership and Collaboration (Cont'd)

In FY2024, our GVC programme underwent a strategic pause as we focused on reevaluating and refining our approach to ensure stronger alignment with future goals, industry best practices, national plans and stakeholder expectations. Moving forward, our efforts are directed towards developing a more effective and impactful roadmap to drive meaningful sustainability outcomes in the coming years.

### OUR PERFORMANCE



#### Supplier Social and Environmental Assessments

	2023	2024
Number of Existing primary suppliers assessed (based on all active Tier 1 primary suppliers)	88 (100%)	<b>81 (100%)</b>
Number of New primary suppliers assessed (based on all newly onboarded Tier 1 primary suppliers)	0	<b>18 (100%)</b>
Number of Primary suppliers assessed for social and environmental impacts	76 (86%)	<b>34 (42%)</b>
Number of New primary suppliers screened using social and environmental criteria	0	<b>7 (39%)</b>
Number of site audits conducted	37 (42%)	<b>29 (36%)</b>

	2022	2023	2024
Customer satisfaction rate (%)	93	94	<b>95</b>
Number of legal actions, repercussions or penalties relating to anti-competitive behaviour, or violations of antitrust and monopoly legislation	0	0	<b>0</b>
Proportion of spending on local suppliers (%)	56	62	<b>59</b>

### MOVING FORWARD

Trust-driven partnerships will be essential to our growth and resilience in a rapidly evolving business landscape. Closely collaborating with our customers keeps us at the forefront of industry innovation, enabling us to develop solutions that align with their business and sustainability goals, while working with our suppliers will advance responsible practices across our supply chain, ensuring our long-term success.

# Combating Climate Change

**At the core of our ethos is a strong focus on sustainability that drives our efforts to protect Earth's natural resources and ensure global regulatory compliance.**

**This encompasses proactive management of climate change, refinement of our water and effluent management processes and implementation of effective waste management practices.**

**Besides delivering measurable benefits, including improved operational performance and a smaller environmental footprint, these concerted efforts ensure a more resilient future for our business, communities and planet.**



## Combating Climate Change

### WHY IT MATTERS

Our operations depend on a stable environment, reliable raw materials and energy-intensive processes, all of which face growing risks from climate change. By taking proactive steps, we can reduce these threats, enhance business resilience and contribute to global sustainability while reinforcing our reputation as a responsible corporate citizen.

### OUR COMMITMENT

Steadfastly supporting the national agenda for carbon neutrality by 2050 and Malaysia's Nationally Determined Contribution ("NDC") to the Paris Agreement – targeting a 45% reduction in GHG emissions by 2030 – by reducing our Scope 1 and 2 emissions intensity by 54.6% by 2035 and transitioning to low-carbon manufacturing.

### OUR APPROACH

Guided by our Climate Mitigation Action 3S Strategy, we actively spearhead initiatives to reduce our environmental footprint. Our efforts span from enhancing energy efficiency to integrating sustainable practices, all aimed at further curbing our emissions.

#### Maintaining Robust Emission Monitoring and Tracking

Recognising the need for a more sophisticated and effective method to oversee our carbon footprint, we have digitised our emissions monitoring through the adoption of cutting-edge technologies. Today, we are seeing the tangible benefits of this transformation.

Our Carbon Intelligence System has enabled us to adopt an automated calculation process that is in line with the GHG Protocol and incorporates scientifically validated emission factors from trusted sources – including the US Environmental Protection Agency ("EPA"), the UK's Department for Business, Energy and Industrial Strategy ("BEIS"), Australian Department of Industry, Science, Energy and Resources ("DISER") and the Malaysia Energy Information Hub ("MEIH"). This has significantly enhanced the accuracy and efficiency of our emissions calculations.

During the year under review, we accelerated our emissions tracking efforts by expanding our Scope 1 and Scope 3 monitoring capabilities. Notably, we began tracking Scope 1 fugitive emissions across both our Gloves and TRP divisions, ensuring a more comprehensive accounting of our direct greenhouse gas emissions. Additionally, we made significant progress in Scope 3 reporting by initiating the tracking of Scope 3, Category 3 emissions (fuel- and energy-related activities not included in Scope 1 or Scope 2). These advancements mark a crucial step in strengthening our emissions profile completeness, supporting future reduction strategies and driving our alignment with evolving climate-related disclosure expectations.

## Combating Climate Change (Cont'd)

Our ability to pinpoint emission sources across our operations has also been enhanced, enabling targeted actions and optimised resource allocation, while integrated data validation and error detection has significantly reduced inaccuracies in our reports, enhancing their credibility.

### Increasing Our Energy Efficiency

As natural gas and electricity are the main contributors to our emissions, maximising energy efficiency is a key priority in our climate strategy. At the core of this effort are comprehensive energy audits and research across our manufacturing facilities, enabling us to pinpoint high-energy consumption areas and implement targeted optimisations.

To promote responsible energy use, we actively participate in initiatives like Earth Hour and conduct energy awareness training. Additionally, we implement energy-saving practices such as turning off lights during breaks, optimising air-conditioning settings and using digital timers to regulate office and outdoor lighting. Our efforts extend to replacing conventional lighting in our manufacturing plants with energy-efficient LED alternatives.

Our investment in cutting-edge technology has been a pivotal step in enhancing energy efficiency. By integrating automation, advanced sensors and real-time monitoring systems, we have gained the ability to proactively track and manage our energy consumption from the data collected, leading to cost reductions while reinforcing our commitment to sustainability.

A significant initiative in our efficiency journey was the implementation of a high-performance rotary screw compressor alongside a smart compressed air management system. This innovative system analyses historical air consumption patterns to anticipate future demand, delivering measurable improvements in energy efficiency.

#### Other notable efforts include:

- Leveraging simulation-based optimisation to refine our switching operations, effectively minimising energy usage without compromising performance.
- Installing inverters on our chiller system for enhanced temperature control accuracy, reducing unnecessary energy consumption and further optimising our operations.

Alongside these technological upgrades, we continue refining our production processes to enhance energy efficiency through initiatives such as:

- Transitioning to more energy-efficient chiller refrigerants and optimising chiller performance and utilisation rates.
- Adjusting burner gas supply pressure for optimal performance.
- Optimising oven temperatures and air profiles.
- Enhancing thermal oil heater efficiency.
- Identifying and reengineering production lines to remove redundant processes.
- Reconfiguring and realigning equipment to maximise functionality.
- Customising equipment parameters based on plant utilisation rates.
- Running power monitoring on equipment monthly and maintaining them in optimum condition.
- Conducting scheduled inspections to promptly identify potential leaks in our compressor piping, connectors, valves and equipment.
- Restricting maximum operating gas pressure for infrared burner operations.

In addition, we prioritise routine preventive maintenance to ensure that our machinery and equipment remain in peak condition – an essential factor in sustaining energy efficiency across our operations.

Driven by our ongoing energy reduction initiatives, our Gloves division achieved a 3% reduction in electricity consumption intensity and a 3% reduction in natural gas consumption intensity in FY2024. Similarly, our TRP division recorded a 5% decline in electricity consumption intensity and a 6% reduction in natural gas consumption intensity.

### Embracing Renewable Energy

Acknowledging our role in addressing climate change, we remain committed to transitioning towards sustainable energy solutions. Solar energy, a clean and renewable power source, is central to our efforts, helping to significantly reduce GHG emissions and shrink our carbon footprint. As of 31 December 2024, we have a total installed solar capacity of 4.3MWp.

## Combating Climate Change (Cont'd)

Moving forward, we will continue evaluating opportunities to install solar panels at additional sites, recognising this as a crucial step in reducing our reliance on non-renewable energy. By doing so, we aim to further reduce our Scope 2 GHG emissions and strengthen our long-term shift towards environmental sustainability.

**Shifting to Electric Vehicles**

In addition to enhancing energy efficiency and adopting renewable energy, we are also focused on making our vehicle operations more sustainable. As part of this effort, we are progressively replacing our conventional forklifts with electric alternatives across our manufacturing plants. These electric forklifts produce zero emissions during operation, helping us significantly cut our total carbon footprint and contribute to a cleaner environment.

**Giving Back to Nature**

We firmly believe that protecting the environment is as important as enhancing lives. With this in mind, we have harnessed our Low Derma™ Technology to support both human health and environmental conservation. Since 2022, we have implemented #StayLOW, a sustainability initiative under Low Derma™ Technology that serves two key purposes: advancing hand protection innovation while actively contributing to nature conservation.

As our technology continues to enhance the quality and safety of nitrile gloves, we are also taking meaningful steps to restore and protect the environment. Through the #StayLOW programme – a global initiative uniting our partners, glove users and technology teams – we support reforestation and carbon sequestration efforts by funding tree-planting projects. For every 1,000 pairs of Low Derma™ Technology gloves sold, USD 0.05 is contributed to this initiative.

**As of 31 December 2024, the #StayLOW programme has facilitated the cumulative planting of 2,202 trees, which are expected to absorb approximately 437 tCO<sub>2</sub> from the atmosphere annually.**

**OUR PERFORMANCE**

In FY2024, our Group-wide combined Scope 1 and 2 emissions increased by approximately 20%, rising from 298,953.09 tonnes CO<sub>2</sub>e to 358,308.30 tonnes CO<sub>2</sub>e. This increase was primarily driven by higher factory utilisation rates in our Gloves division alongside the inclusion of Scope 1 fugitive emissions from both our TRP and Gloves divisions, which we commenced tracking in FY2024.

Despite increased output levels in 2024, our Gloves division has successfully maintained its emissions intensity at 0.023 tonnes CO<sub>2</sub>e/1,000 pieces. While improvements were achieved in both electricity and natural gas consumption intensity, these gains were offset by the inclusion of fugitive emissions in our accounting and the application of the 2022 Malaysia Electricity Industry Highlights (MEIH) emission factor for Scope 2 calculations. The updated MEIH 2022 factor is higher than the previously used MEIH 2019 factor, contributing to the overall emission profile.

Meanwhile, the Scope 1 and 2 emissions intensity of our Technical Rubber Products (TRP) division improved from 2.46 to 2.37 tonnes CO<sub>2</sub>e/1,000 kg of rubber compounded. This reduction was driven by ongoing energy-saving initiatives focused on natural gas and electricity consumption, along with the tangible benefits of our solar installation, which was implemented in the previous financial year.

**Emissions**

Scope 1	2022			2023			2024		
	Gloves	TRP	Total	Gloves	TRP	Total	Gloves	TRP	Total
Stationary combustion (tCO <sub>2</sub> e) <sup>1</sup>	292,572.26	2,329.61	294,901.87	209,814.46	2,363.04	212,177.50	251,028.24*	2,364.33*	253,392.57*
Mobile combustion (tCO <sub>2</sub> e) <sup>2</sup>	474.36	171.17	645.53	399.92	165.17	565.09	393.49*	159.33*	552.82*
Fugitive emissions (tCO <sub>2</sub> e) <sup>3</sup>	N/A	N/A	N/A	N/A	N/A	N/A	1,103.52*	42.00*	1,145.52*
Scope 1 total (tCO <sub>2</sub> e)	293,046.62	2,500.78	295,547.40	210,214.38	2,528.21	212,742.59	252,525.25*	2,565.66*	255,090.91*

## Combating Climate Change (Cont'd)

Scope 2	2022			2023			2024		
	Gloves	TRP	Total	Gloves	TRP	Total	Gloves	TRP	Total
Purchased electricity (tCO <sub>2</sub> e) <sup>4</sup>	115,116.57	10,903.68	126,020.25	78,013.34*	8,197.16*	86,210.50*	<b>94,741.33*</b>	<b>8,476.06*</b>	<b>103,217.39*</b>
Scopes 1 and 2 total (tCO <sub>2</sub> e)	408,163.19	13,404.46	421,567.65	288,227.72	10,725.37	298,953.09	<b>347,266.58*</b>	<b>11,041.72*</b>	<b>358,308.30*</b>

Scope 3	2022			2023			2024		
	Total (Gloves and TRP)			Total (Gloves and TRP)			Total (Gloves and TRP)		
Fuel and energy-related activities (tCO <sub>2</sub> e) <sup>5</sup>	N/A			N/A			<b>48,502.65*</b>		
Waste generated in operations (tCO <sub>2</sub> e) <sup>6</sup>	N/A			1,826.32			<b>2,010.72*</b>		
Business travel (tCO <sub>2</sub> e) <sup>7</sup>	28.45			70.00			<b>315.18*</b>		
Employee commuting (tCO <sub>2</sub> e) <sup>8</sup>	5,222.04			3,408.66			<b>3,321.91*</b>		
Scope 3 total (tCO <sub>2</sub> e)	5,250.49			5,304.98			<b>54,150.46*</b>		
Scope 1, 2 and 3 total (tCO <sub>2</sub> e)	426,818.14			304,258.07			<b>412,458.76*</b>		

**Note:**

- <sup>1</sup> Encompasses emissions from natural gas and diesel consumption at our production facilities. Emission factors were sourced from the US' EPA and the UK's BEIS.
- <sup>2</sup> Encompasses emissions from our gasoline and diesel consumption and mileage incurred by company vehicles. Emissions factors were sourced from the US' EPA.
- <sup>3</sup> Encompasses emissions from our industrial chillers, air-conditioning and fire suppression equipment. Emission factors were sourced from the United Nations Intergovernmental Panel on Climate Change's ("IPCC") Sixth Assessment Report ("AR6") and the UK's BEIS.
- <sup>4</sup> Accounts for purchased electricity used in our production facilities and hostels. Emissions in FY2022 and FY2023 were calculated using the location-based method, based on the MEIH's 2019 Grid Emission Factors ("GEF"), while emissions in FY2024 were calculated using the location-based method, based on MEIH's 2022 Grid Emission Factors ("GEF").
- <sup>5</sup> Tracking began in FY2024, encompassing the indirect emissions associated with the production, transmission and delivery of fuels and energy consumed by KOSSAN covering natural gas, diesel, gasoline and electricity which are not accounted for in Scope 1 and 2. Emission factors were sourced from UK's BEIS and Australia's DISER.
- <sup>6</sup> Tracking began in FY2023, covering both scheduled and non-scheduled waste. Emission factors used were sourced from the US' EPA and the UK's BEIS.
- <sup>7</sup> Covers all vehicle types except trains. Emission factors were sourced from the US' EPA, the UK's BEIS and France's French Ecological Transition Agency ("ADEME"). However, emissions from air travel by our migrant workers are not accounted for in FY2022 and FY2023.
- <sup>8</sup> Includes all employee commuting activities. Emission factors were sourced from the UK's BEIS.

**Emissions****Scopes 1 and 2 Emissions Intensity**

Gloves (tCO <sub>2</sub> e/1,000 pieces of gloves)			TRP (tCO <sub>2</sub> e/1,000 kg of compounded rubber)		
2022		0.026	2022		2.74
2023		0.023	2023		2.46
<b>2024</b>		<b>0.023*</b>	<b>2024</b>		<b>2.37*</b>

**Energy Consumption<sup>10</sup>****Natural Gas Consumption Intensity**

Gloves (MMBtu/1,000 pieces of gloves)			TRP (MMBtu/1,000 kg of compounded rubber)		
2022		0.36	2022		9.46
2023		0.32	2023		10.18
<b>2024</b>		<b>0.31*</b>	<b>2024</b>		<b>9.54*</b>

## Combating Climate Change (Cont'd)

Energy Consumption<sup>9</sup>

## Purchased Electricity Consumption Intensity

## Gloves (kWh/1,000 pieces of gloves)



## TRP (kWh/1,000 kg of compounded rubber)

**Note:**

<sup>9</sup> Please refer to the Performance Data at pages 83 to 91 for additional data on our energy consumption.

## Solar Energy

	2022			2023			2024		
	Gloves	TRP	Total	Gloves	TRP	Total	Gloves	TRP	Total
Solar energy consumption (kWh)	2,834,791.00	N/A	2,834,791.00	3,849,183.40*	229,000.00*	4,078,183.40*	4,631,180.08*	541,100.00*	5,172,280.08*
Installed capacity (MWp)	3.16	N/A	3.16	3.82	0.48	4.30	3.82	0.48	4.30

	2022	2023	2024
Total Renewable Energy (MWh)	2,834.79	4,078.18	5,172.28*
Total Non-Renewable Energy (MWh)	1,840,592.72	1,286,577.28	1,533,549.40*
Total energy consumption (MWh)	1,843,427.51	1,290,655.46	1,538,721.68*

**Note:**

Data marked with "\*" has been externally assured.

## MOVING FORWARD

We remain committed to strengthening our climate action efforts by enhancing environmental disclosures, including through the adoption of IFRS S1 and S2 in FY2025 and accelerating Scope 3 emissions data collection and calculation. This will provide deeper insights into our climate-related risks and opportunities, enabling us to refine our strategies to mitigate potential disruptions while exploring new growth avenues.

Additionally, we will deploy targeted strategies to reduce Scope 1 and 2 emissions intensity while completing product lifecycle assessments (LCA) on selected products to better understand and mitigate our environmental impact. To drive meaningful progress, we will focus on building internal capacity and awareness, ensuring alignment with our strategic sustainability goals.

# Environmental Compliance



## Environmental Compliance

### WHY IT MATTERS

Our manufacturing processes affect ecosystems and natural resources across land, water, air and soil. Following environmental regulations and ethical practices helps reduce pollution, conserve resources and support sustainable operations, protecting the planet for future generations and strengthening our reputation as a responsible manufacturer.

### OUR COMMITMENT

Adhering to all relevant local and national environmental standards while embedding good industry practices into every facet of our operations to meet established benchmarks for environmental protection and sustainability.

### OUR APPROACH

#### Holistically Ensuring Environmental Compliance

Our comprehensive strategy, anchored by our Group-wide EMS Framework, ensures we meet the standards set by Malaysia's Department of Environment ("DOE") and other international benchmarks. Aligned with the ISO 14001 standard's Plan-Do-Check-Act model, the framework integrates six interlocking components that work in unison to effectively manage and minimise our environmental impact.



## KOSSAN Environment Management Framework

1

### Group-wide Environmental Policy

Our Environmental Policy is integrated throughout our organisation, empowering every employee to actively contribute to our shared sustainability goals and targets. It is communicated to all employees, vendors and stakeholders and defines best practices in key areas such as:

- Proactive environmental protection.
- Responsible consumption of natural resources and energy.
- Strategic management of emissions and waste.
- Accurate measurement and monitoring of environmental indicators.
- Transparent reporting and resolution of environmental issues.
- Fostering an environmentally conscious culture.

## Environmental Compliance (Cont'd)

**2 Clear Environmental Objectives and Targets**

Leveraging regular environmental data assessments and performance reviews, we establish clearly defined objectives and targets to drive continuous improvement. Dedicated Environmental Departments at each plant closely monitor progress and relay comprehensive reports directly to plant management, who, in turn, ensure that detailed insights are promptly communicated to Group Top Management.

**3 Experienced Environmental Competent Persons**

Our factories are supported by licensed competent persons who oversee the effective management of industrial effluents, hazardous waste and air pollutants in strict adherence to DOE regulations.

- Our industrial effluent competent person continuously monitors real-time data to ensure our discharge quality consistently meets local standards.
- Our hazardous waste competent person meticulously oversees our disposal processes to ensure both safety and full regulatory compliance.
- Our scrubber operation competent person has the necessary skills and knowledge to operate and monitor our air pollution control system and its performance, ensuring compliance with the Environmental Quality Act 1974 and Environmental Quality (Clean Air) Regulations 2014.

**4 Comprehensive Environmental Assessments**

We routinely conduct Environmental Aspect and Significant Impact ("EASI") assessments to uncover potential challenges and evaluate the environmental impacts of our operations. The insights gained from these assessments drive our mitigation strategies and enable us to establish targeted improvement goals.

**5 Environmental Audits**

We conduct both internal and external audits regularly to ensure compliance with all applicable laws, regulations and internationally recognised standards. In FY2024, we completed 28 external audits and 50 internal audits, promptly implementing corrective measures to address any identified gaps.

**6 Regular Environmental Training and Awareness**

We sustain a dynamic schedule of training and engagement initiatives designed to keep our staff abreast of the latest industry standards while enhancing our collaboration with regulatory bodies and industry associations. These include:

**Training**

- Chemical Safety Management and Spillage Control (including drills)
- Scheduled Waste Management
- Industrial Effluents Treatment System
- Training on awareness, legal and other requirements of ISO 14001
- Internal auditing training for ISO 14001
- ISO 14001 Aspect Impact Risk Assessment
- ISO 14971:2019 Risk Management for Medical Device Requirement
- Environmental, Safety and Health management system awareness for operators

**Certification Courses**

- Environmental Certified Professionals in the Operation of Industrial Effluent Treatment Systems
- Environmental Certified Professionals in Sewage Treatment Plant Operations
- Environmental Certified Professionals in Scrubber Operations

## Environmental Compliance (Cont'd)

Complementing this robust framework, our employees follow clearly defined standard operating procedures ("SOP") and work instructions ("WI") that detail the responsible handling and management of effluents, chemicals and hazardous waste. This approach safeguards employee well-being while upholding stringent standards for compliance and environmental protection.

### Monitoring Our Environmental Footprint

Through advanced data analytics, we assess our performance, pinpoint improvement opportunities and drive initiatives to minimise our environmental footprint.

As part of our ongoing evolution, we are transitioning from a standalone system to a fully integrated digital monitoring solution. This upgrade, along with refined maintenance tracking tools, enables swift corrective actions and the identification of process improvements. Further to this, we have deployed a cloud-based platform to continuously evaluate various environmental metrics.

At the operational level, regular inspections help us detect potential leakage points, with proactive measures in place to prevent spills and stagnant liquids.

### OUR PERFORMANCE

In FY2024, we maintained our record of

**Zero incidents** of non-compliance with environmental laws and regulations.

**96%**

of our manufacturing sites have obtained ISO 14001 certification as of December 2024, highlighting our ongoing progress towards environmental excellence and sustainable practices.

### MOVING FORWARD

We remain dedicated to environmental stewardship and continuous improvement, with a key focus on achieving 100% ISO 14001 certification across all our factories. Concurrently, we will rigorously monitor our operations to uphold sustainable practices that create long-term value.

# Water and Effluents Management



## Water and Effluents Management

### WHY IT MATTERS

As water scarcity worsens due to climate change, responsible water and effluent management is essential for safeguarding human health, securing clean water access and protecting aquatic ecosystems. Within our operations, manufacturing especially, this approach plays a vital role in ensuring our sustainability, regulatory compliance and maintaining our corporate reputation.

### OUR COMMITMENT

Prioritising effective water and effluent management under our Climate Mitigation 3S Strategy, aiming to improve our water footprint, minimise environmental impact and support access to clean water and sanitation for both people and environment.

### OUR APPROACH

#### Advancing Our Water Conservation Efforts

Water conservation is a key pillar of our sustainable manufacturing strategy. Recognising the long-term value of effective water management, we have adopted Integrated Water Resources Management ("IWRM") – a holistic approach designed to optimise water efficiency, minimise waste and enhance long-term water security.

As part of our IWRM strategy, we have implemented various water conservation initiatives across our operations, including optimising plant processes and introducing an automated dosing system, which ensures precise chemical and water dosing which reduced water consumption.

To reduce our reliance on freshwater sources, we actively reuse tank water in our manufacturing processes and repurpose treated water from our wastewater treatment plant for various applications, including latex waste treatment and general housekeeping.

Beyond operational measures, we foster a culture of water conservation through training and educational programmes, equipping our employees with practical strategies to adopt sustainable water practices in their daily routines.

#### Minimising Reliance on Municipal Water Sources

Since FY2021, we have steadily increased our use of reclaimed water, reinforcing our commitment to responsible water management and supporting national water security. Currently, 81.6% of our total water consumption is derived from municipal sources, while 18.4% comes from reclaimed water.

As part of our commitment to responsible water management and long-term environmental sustainability, we are actively implementing initiatives to reduce reliance on municipal water sources. This includes exploring in-process water reuse by transferring water between production stages to extend its usability and lower overall consumption. Additionally, we are evaluating wastewater recycling solutions in alignment with Selangor's Zero Discharge Policy, supporting efforts to minimise

water waste and promote a circular approach to water usage. These initiatives reflect our continued focus on optimising resource efficiency and mitigating environmental impact.

#### Enhancing Water Efficiency

Efficient water management is a crucial component of our effort to sustainable manufacturing. We continuously evaluate our production processes and implement innovative solutions to optimise water use and improve efficiency. Regular monitoring of water withdrawal and consumption intensity is conducted to aid us better in identifying opportunities for improvement and our operational teams conducts scheduled inspections to detect and address leaks before they escalate. Meanwhile, to further prevent water loss and enhance system performance, we proactively identify and repair underground pipe leaks as soon as they are detected, minimising disruptions and ensuring more resilient water supply across our operations.

During the year, we enhanced our monitoring capabilities by strategically installing additional flow meters in key areas, including high-consumption zones like production area, to track precise water usage data, enabling more targeted efficiency strategies. To complement these efforts, we have integrated magnetic flow meters into our real-time monitoring system. These advanced tools enhance accuracy by delivering data on flow rate, dosing and pressure, helping us optimise water use while maintaining operational efficiency.

#### Managing Water-related Risks

In our efforts to ensure water security across our operations, we have implemented proactive measures to mitigate potential risks. Using scientific tools such as the Aqueduct Water Risk Atlas by the World Resources Institute ("WRI"), we systematically assess water-related risks and develop strategic measures to address them. These insights also support our efforts to strategically locate our operations in regions with lower water stress, ensuring long-term water security and enhancing operational resilience.

Our latest assessment, conducted in FY2024, confirms that all our operations remain in low to medium-water-risk areas. However, as an added precaution, reservoir tanks have been installed at key locations to ensure a stable water supply during disruptions, with further buffer storage tanks planned for added resilience. Additionally, our main water storage tanks are equipped with an automatic water level control system, which optimises pump operations based on real-time water levels, along with an alarm system that alerts us when water levels are low.

## Water and Effluents Management (Cont'd)

To provide protection against flood-related risks, our facilities are built at elevated levels. As part of our emergency preparedness strategy, we maintain mobile and portable generators for immediate deployment, while employees undergo comprehensive flood response training to enhance their crisis management capabilities.

We implemented the following key measures in FY2024 to strengthen our emergency preparedness and response capabilities:

- Installed flood water level indicators to enable real-time monitoring and early detection of rising water levels, allowing for prompt action to mitigate potential risks.
- Upgraded part of our company fleet to four-wheel drive vehicles, ensuring better mobility and access during emergencies, particularly in flood-prone areas.
- Established an Emergency Response Plan Standard Operating Procedure ("SOP"), providing clear protocols and responsibilities to ensure a coordinated and efficient emergency response.

### Ensuring Responsible Effluent Management

Acknowledging the potential impacts of the processes used within our operations, we stringently uphold responsible wastewater management practices, ensuring that our effluent is appropriately treated and discharged. Our wastewater treatment processes comply with Malaysia's Environmental Quality (Industrial Effluent) Regulations 2009 (Standard B), as well as all other applicable jurisdictional requirements across our operations.

Guided by our EMS Framework and ISO 14001 standards, we conduct routine monitoring to maintain discharge quality. Licensed competent persons and our dedicated internal teams oversee wastewater treatment using real-time data, while daily wastewater analysis is carried out at our onsite laboratory. Key parameters, including temperature, pH levels, biological oxygen demand ("BOD"), chemical oxygen demand ("COD"), total suspended solids ("TSS"), ammoniacal nitrogen and free chlorine, are continuously monitored, with any deviations promptly identified and addressed to ensure compliance. To further strengthen oversight, we engage third-party laboratories for weekly analyses, adding an extra layer of quality assurance.

We have implemented several improvements to our wastewater treatment systems to enhance efficiency and environmental compliance. Our Dissolved Air Flotation ("DAF") system has been upgraded to improve solid-supernatant separation, effectively lowering COD concentrations and enhancing overall water quality.

In enhancing sludge management performance, we have installed screw press alongside our existing filter press to improve dewatering efficiency. Moreover, our cooling towers have been upgraded to maintain optimal discharge temperatures, ensuring better operational performance and environmental sustainability.

During the year, we carried out several initiatives to further strengthen our wastewater management capabilities:

- Established a centralised wastewater treatment plant laboratory at one of our plants to enhance our in-house testing capabilities.
- Channelled approximately RM4 million to redesign and upgrade existing wastewater treatment plants across various sites, ensuring improved efficiency, compliance and sustainability.
- Set up a central laboratory for parameters requiring more sophisticated instruments, such as BOD and Oil & Grease ("O&G") analysis, using high-precision equipment like spectrophotometers for greater accuracy.
- Invested in an analytical lab at our Research & Development Centre, incorporating advanced instruments such as Inductively Coupled Plasma Mass Spectrometry ("ICP-MS") for enhanced analytical capabilities.

Through these continuous improvements, we consistently adhere to the Standard B discharge quality requirements as defined by the Environmental Quality (Industrial Effluent) Regulations 2009, meeting all the necessary parameters, including those relating to BOD, COD and TSS.

### OUR PERFORMANCE

#### Water Consumption

During the year under review, our total water consumption rose to 2.827 million m<sup>3</sup>, marking a 32% increase from 2.139 million m<sup>3</sup> in FY2023.

This increase was primarily driven by higher output from our Gloves division. Despite implementing various water conservation initiatives, the division's water consumption intensity saw a slight increase from 0.17 m<sup>3</sup>/1,000 pieces of gloves to 0.18 m<sup>3</sup>/1,000 pieces, largely due to a shift in product mix. In contrast, the TRP division improved its water consumption intensity by 12%, reducing from 16.24 m<sup>3</sup>/1,000 kg of rubber compounded to 14.21 m<sup>3</sup>/1,000 kg, with this improvement to enhanced operational efficiency and increased output.

## Water and Effluents Management (Cont'd)

	2022			2023			2024		
	Gloves	TRP	Total	Gloves	TRP	Total	Gloves	TRP	Total
Water consumption (m <sup>3</sup> ) <sup>10</sup>	3,273,230.25	78,851.28	3,352,081.53	2,068,439.07	70,896.12	2,139,335.19	<b>2,760,718.84</b>	<b>66,277.50</b>	<b>2,826,996.34</b>

## Water Consumption Intensity

	2022	2023	2024
Gloves (m <sup>3</sup> /1,000 pieces of gloves)	0.21	0.17	<b>0.18</b>
TRP (m <sup>3</sup> /1,000 kg of compounded rubber)	16.13	16.24	<b>14.21</b>

## Notes:

<sup>10</sup> Covers both production facilities and hostels across both divisions.

## Water Withdrawal

In FY2024, we recorded total water withdrawal of 6.908 million m<sup>3</sup>, with municipal sources comprising approximately 81.6% and 18.4% stemming from reclaimed water sources. This marks a 24% increase compared to the 5.582 million m<sup>3</sup> in water withdrawn in FY2023 and is largely attributable to the production lines of the Gloves division operating at a higher capacity.

## Water Discharge

In FY2024, our total water discharge increased by approximately 19%, from 3.442 million m<sup>3</sup> to 4.081 million m<sup>3</sup>, due to the increased utilisation rate of the production lines of our Gloves division.

	2022		2023		2024	
	Gloves	TRP	Gloves	TRP	Gloves	TRP
<b>By destination (m<sup>3</sup>)</b>						
Surface water	4,254,787.46	-	3,442,221.36	-	<b>3,922,271.96</b>	-
Subsurface/well	-	-	-	-	-	-
Beneficial/other use	-	-	-	-	-	-
Ocean	-	-	-	-	-	-
Off-site water treatment	-	-	-	-	<b>159,060.00</b>	-
<b>By level of treatment (m<sup>3</sup>)</b>						
Discharged to a third party without treatment	-	-	-	-	-	-
Discharged to the natural environment without treatment	-	-	-	-	-	-
Primary treatment only	-	-	-	-	-	-
Secondary treatment	3,658,074.96	-	3,095,560.56	-	<b>3,656,616.96</b>	-
Tertiary treatment	596,712.50	-	346,660.80	-	<b>424,715.00</b>	-
	4,254,787.46	-	3,442,221.36	-	<b>4,081,331.96</b>	-

## Discharged Treated Water Intensity

	2022	2023	2024
Gloves (m <sup>3</sup> /1,000 pieces of gloves)	0.271	0.275	<b>0.266</b>
TRP (m <sup>3</sup> /1,000 kg of compounded rubber)	-	-	-

## MOVING FORWARD

We will continue to prioritise reducing our dependence on municipal water sources, raising employee awareness of water-saving strategies and exploring water recycling opportunities. At the same time, we are dedicated to improving water efficiency across our production processes and enhancing the effectiveness of our wastewater treatment facilities.

# Waste Management



## Waste Management

### WHY IT MATTERS

As a manufacturing entity, efficient waste management and resource conservation are crucial for reducing landfill impacts, such as land contamination and carbon emissions, while ensuring regulatory compliance. Embracing sustainable waste practices also supports the circular economy, mitigates climate risks and enhances our long-term operational resilience.

### OUR COMMITMENT

Minimising waste from our production processes, addressing landfill-related challenges and enhancing circularity across our operations, per our Climate Mitigation 3S Strategy and regulations by Malaysia's DOE.

### OUR APPROACH

Our waste management strategy is anchored in a comprehensive Group-level EMS Framework, which is aligned with ISO 14001 standards. By integrating reengineering, reduction, recycling and reuse into our core practices, we prioritise minimising waste generation at its source while ensuring structured, responsible waste handling.

### Enhancing Waste Tracking and Segregation

To improve waste monitoring and management, we utilise computer-generated weighing chits to track waste generation, analyse trends and identify areas for improvement. Our waste is categorised into two primary types:

#### Scheduled waste

- Which mainly consists of latex lumps and sludge, both by-products of wastewater treatment.

#### Non-scheduled waste

- Which includes general waste, food waste, paper packaging, plastics, rubber dust, rejected gloves and broken formers.

We focus on enhancing segregation and labelling at the source, ensuring a clear distinction between scheduled and non-scheduled waste while further categorising them into specific classifications for more efficient handling.

To prevent contamination, scheduled waste is securely stored in designated areas away from manufacturing and office spaces. Additionally, colour-coded recycle bins are placed across all facilities, serving as a visual prompt to encourage recycling in daily routines and promote responsible waste disposal.

In reinforcing best practices, we conduct regular training and awareness programmes on waste identification, handling and management, including recycling education. SOPs and WIs provide clear guidance, with annual refresher sessions ensuring continued focus on responsible waste management.

### Ensuring Compliance and Environmental Responsibility

Given the nature of our manufacturing processes, scheduled waste generation is unavoidable and requires strict oversight. To ensure compliance with Malaysia's Environmental Quality (Scheduled Wastes) Regulations 2005, licensed competent persons are appointed at each operational site to supervise waste handling and its safe disposal through authorised collectors.

Transparency remains a key priority and all scheduled waste data is reported through the DOE's Electronic Scheduled Waste Information System ("eSWIS") portal, ensuring regulatory adherence and accountability.

Further to this, we conduct both internal and external environmental compliance audits, which include a thorough review of our waste management practices. These regular assessments enable us to evaluate the effectiveness of our control systems and identify opportunities for improvement.

### Repurposing Waste for New Applications

We adopt a circular approach to waste management to maximise resource efficiency and reduce waste.

First and foremost, 96% of our packaging materials are sourced from recycled or recyclable materials, with ongoing efforts to explore alternatives, including FSC-certified materials.

Within our TRP division, rejected gloves are repurposed into eco shoes, while acid waste from production processes is reused for cleaning formers and as a pH adjuster in our wastewater treatment plant. We also recycle scrapped gloves and rubber scrap through specific vendors and send latex lumps – which is classified as scheduled waste – for recovery treatment by third parties, giving them a second life. Additionally, we encourage everyday circular practices

## Waste Management (Cont'd)

by utilising recycled paper for internal purposes and repurposing functional spare parts of our equipment.

Meanwhile, reusable plastic waste is collected and returned to suppliers for repurposing, contributing to a closed-loop system. At the same time, we continue to integrate eco-friendly packaging solutions, reducing plastic use and supporting deforestation prevention efforts.

### Innovating for Smarter Waste Reduction

Throughout the year, we continued to adopt new technologies and enhance processes to reduce waste, improve resource efficiency and lower our environmental impact.

In the Gloves Division, we upgraded our wastewater treatment processes to minimise sludge generation, effectively reducing scheduled waste. We also replaced ash-based spill kits with reusable cotton rag spill kits, significantly cutting down incineration waste.

In the TRP Division, we replaced manual adhesive coating with automated coating machines, reducing chemical use and improving operational efficiency. We also installed a reclaimer machine to recycle chemicals generated by the division and introduced a drying process for moist waste prior to disposal—further optimising waste management.

Automation remains a key focus area. An automated dosing system was introduced on the production line to ensure accurate chemical dispensing at fixed intervals, enhancing efficiency, reducing resource usage and lowering labour dependency and costs.

To optimise material consumption, we closely monitor the use of key inputs across our operations—including latex and nitrile in the Gloves Division and natural rubber, synthetic rubber and metal components in the TRP Division.

Additionally, we progressively digitised our documentation processes to minimise paper usage and support more sustainable operations.

## OUR PERFORMANCE

### Waste Generation

In FY2024, we recorded zero incidents of non-compliance related to waste management, with no waste imported or exported.

Through stringent monitoring and mitigation measures, our Gloves division total waste generation declined by 2% in FY2024 to 8,495.23 MT, down from 8,692.05 MT in FY2023, despite higher production output. This reduction was achieved even with the recommissioning of old factories and production line upgrades, which typically generate excess materials during trial runs. Our Gloves division also saw a notable decrease in waste intensity, from 0.70 kg/1,000 pieces of gloves to 0.55 kg/1,000 pieces of gloves, reflecting the success of our waste minimisation and resources optimisation initiatives.

Our TRP Division also recorded strong progress, achieving a 12.7% reduction in total waste – from 831.01 MT in FY2023 to 725.69 MT in FY2024. Waste intensity improved by 18.2%, dropping from 190.33 kg/1,000 kg of rubber compounded to 155.64 kg/1,000 kg rubber compounded, driven by greater operational efficiency and reduced production byproducts.

Overall, 58.2% of the waste generated in FY2024 was managed through recycling, reuse, or recovery processes, compared to 57.7% in FY2023. The slight increase reflects our ongoing commitment, though constrained by non-recyclable waste from factory recommissioning and production line upgrades—such as construction debris and obsolete equipment.

We remain focused on minimising waste through improved segregation, enhanced resource recovery and continuous improvements to our waste management practices.

	2022		2023		2024	
	Gloves	TRP	Gloves	TRP	Gloves	TRP
Scheduled waste generated (MT)	6,722.72	7.22	5,036.93	19.89	<b>5,292.54</b>	<b>12.97</b>
Non-scheduled waste generated (MT)	2,984.22	797.21	3,655.12	811.12	<b>3,202.69</b>	<b>712.72</b>
Total waste generated (MT)	9,706.94	804.43	8,692.05	831.01	<b>8,495.23</b>	<b>725.69</b>

## Waste Management (Cont'd)

## Waste Generation Intensity

	2022	2023	2024
Gloves (kg/1,000 pieces of gloves)	0.62	0.70	<b>0.55</b>
TRP (kg/1,000 kg of compounded rubber)	164.58	190.33	<b>155.64</b>

## Waste Disposal

	2022		2023		2024	
	Gloves	TRP	Gloves	TRP	Gloves	TRP
Waste disposal through incineration (with or without energy recovery), landfilling or other disposal methods (MT)	2,941.60	565.56	3,200.28	825.98	<b>3,139.39</b>	<b>717.26</b>
Waste recycled, recovered or reused (MT)	6,765.34	238.87	5,491.77	5.03	<b>5,355.84</b>	<b>8.43</b>
Total waste disposed (MT)	9,706.94	804.43	8,692.05	831.01	<b>8,495.23</b>	<b>725.69</b>

## Resource Consumption

## Gloves Division

The increase of latex consumption intensity in the Gloves division during the year was due to a change in our product mix, which featured a greater proportion of specialised products which require greater latex input.

	2022	2023	2024
Compounded Latex consumption intensity (MT/1,000 pieces of gloves)	0.010	0.014	<b>0.016</b>
Compounded Nitrile consumption intensity (MT/1,000 pieces of gloves)	0.008	0.011	<b>0.011</b>

## TRP Division

The increase in natural rubber and synthetic rubber consumption intensity in the TRP division from 461.87 kg/1,000 kg rubber compounded to 488.17 kg/1,000 kg rubber compounded, alongside the decrease of metal component consumption intensity, is similarly attributable to the change in our product mix.

	2022	2023	2024
Natural rubber and synthetic rubber consumption intensity (MT/1,000 kg of compounded rubber)	424.90	461.87	<b>488.17</b>
Metal components consumption intensity (MT/1,000 kg of compounded rubber)	816.00	776.73	<b>535.66</b>

## MOVING FORWARD

We remain committed to strengthening our waste management practices and maximising resource efficiency as we work towards our goal of diverting 100% of waste from landfills by 2035 and reducing waste intensity by 35% from 2022 levels.

To achieve this, we will continue to implement targeted waste reduction initiatives and explore innovative recycling solutions that enhance our sustainable manufacturing practices and address evolving waste management challenges.

# Human Rights and Labour Practices

**Recognising our people as our most valuable asset, we cultivate a dynamic environment that champions human rights, fair labour practices, workplace safety, professional development, holistic health and inclusivity.**

**Beyond our organisation, we advance community welfare through sustainable development projects that deliver lasting benefits to society and the environment.**

**These integrated practices enhance our performance by boosting employee engagement and productivity while generating positive ripple effects that enrich the communities we serve and protect our natural surroundings.**



## Human Rights and Labour Practices

### WHY IT MATTERS

Respecting human rights and upholding fair labour practices not only safeguard our workforce's dignity and enhance workplace safety but also boost employee satisfaction, loyalty and productivity. These outcomes are essential for our sustainability and long-term success, besides building stakeholder trust and reinforcing our organisational reputation.

### OUR COMMITMENT

Advancing our efforts to tackle human rights risks across our operations and supply chain, simultaneously enabling a fair, sustainable and inclusive workplace for all in line with established international standards.

### OUR APPROACH

#### Ensuring Strong Social Compliance Oversight

Our strategy for safeguarding human rights – built on an integrated social governance model led by our Executive Directors and supported by key internal stakeholders throughout the Group – empowers us to make informed choices and implement robust policies that deliver sustained value for both our workforce and business.

#### Executive Directors

- Provide the strategic direction for our social compliance efforts and continuously assess their performance.
- Oversee the rollout of essential social compliance strategies and policies.

#### Social Compliance ("SC") Department

- Implement and manage social compliance strategies and key policies throughout the Group.
- Perform internal audits and operational evaluations and manage external audit programmes.
- Suggest improvements and establish corrective measures.

#### Social Risk Task Force (comprising key internal stakeholders)

- Track global trends and regulatory changes.
- Evaluate social compliance risks and pinpoint areas for enhancement in collaboration with pertinent stakeholders.

#### Social Committee (consisting of management representatives, key departmental personnel and worker delegates at each operational site)

- Implement action plans.
- Facilitate effective communication between management and employees.
- Consistently monitor site-level human rights and labour practices to ensure alignment with all applicable laws, regulations and standards.

## Human Rights and Labour Practices (Cont'd)

### Upholding Ethical Labour Standards

We recognise our responsibility to uphold ethical labour practices and the trust placed in us by our stakeholders. Our comprehensive Social Accountability Management System and Policy Roadmap, which is aligned with the following key local and international frameworks, ensures our labour practices meet the expectations of both internal and external stakeholders.

Malaysian Laws	Global Standards	International Principles
<ul style="list-style-type: none"> <li>• Employment Act 1955, including the 2022 amendment</li> <li>• Trade Unions Act 1959</li> <li>• Industrial Relations Act 1967, including the 2020 amendment</li> <li>• Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019</li> </ul>	<ul style="list-style-type: none"> <li>• SA8000® Standard</li> <li>• ISO 26000</li> <li>• ISO 20400</li> <li>• International Labour Organisation's ("ILO") 11 forced labour indicators</li> </ul>	<ul style="list-style-type: none"> <li>• Ethical Initiative Trading ("ETI") Base Code</li> <li>• Amfori Business Social Compliance Initiative ("BSCI") Code of Conduct</li> <li>• WRAP's 12 Principles</li> <li>• Sedex Members Ethical Trade Audit ("SMETA") Guidelines</li> <li>• UN Guiding Principles on Business and Human Rights</li> <li>• Responsible Business Alliance's ("RBA") Code of Conduct</li> </ul>

The system and roadmap does this by articulating clear standards that guide our actions across operations, reinforcing our commitment to:

• Reject debt bondage and exploitative recruitment.	• Prioritise occupational health and safety.
• Safeguard freedom of association and uphold collective bargaining rights.	• Prohibit forced labour, bonded labour, modern slavery and child labour.
• Enforce reasonable working hours.	

To prevent the employment of individuals under 18, we have also instituted a rigorous verification process outlined in our Recruitment Policy.

Our system and roadmap are operationalised through the following key policies:

KOSSAN Code of Ethics and Conduct ("KCEC")	Policy on Forced Labour and Modern Slavery	Child Labour and Young Worker Policy	Child Labour and Young Worker Remediation Procedure
Employer Pay Recruitment Policy (Zero Fee Recruitment)	Freedom of Association Policy	Policy on the Right of Workers to Hold Their Own Passport	Policy on Deduction from Wages
Occupational Safety and Health Policy	Environmental Policy	Policy Against Workplace Harassment and Discrimination	Sexual Harassment Policy
Prevention of Abuse Policy	Grievance Procedure	Recruitment Agency Code of Conduct	Vendor Code of Conduct

## Human Rights and Labour Practices (Cont'd)

To ensure accessibility and awareness, these policies – along with our Employee Handbook – have been translated into the native languages of our workforce. They are distributed to all employees, introduced through onboarding programmes and awareness sessions and made permanently available on our intranet portal.

#### **Ensuring Responsible Recruitment Practices**

We firmly uphold fair and ethical recruitment practices to minimise the risk of human trafficking. In line with our Employer Pay Recruitment Policy (Zero Fee Recruitment), we cover all costs associated with the employment of migrant workers, including passport fees and travel expenses. We also conduct rigorous due diligence audits on recruitment agents to ensure that workers are not burdened with recruitment fees, travel costs or other pre-employment expenses, reinforcing our commitment to responsible hiring practices.

Our process begins by collecting proposals from licensed recruitment agencies certified in ethical human capital practices, which are then evaluated through a joint due diligence review with an independent auditor that examines their recruitment methods, legal compliance, cost structures, relevant certifications, track record and grievance resolution mechanisms. Further to this, all recruitment partners must sign an agreement to comply with our Recruitment Agency Code of Conduct.

As part of this process, representatives from our Human Resource Department (“HRD”) and SC Department, together with independent auditors, visit source countries where translators and legal advisors facilitate communication with candidates and brief new hires on employment contracts, our Employer Pay Recruitment Policy (Zero Fee Recruitment) and social compliance standards. Multiple-stage interviews ensure that no recruitment fees are charged, with immediate corrective measures taken if any fees are discovered.

#### **Standing Against Forced Labour and Modern Slavery**

We take a resolute stance against forced labour by enforcing a strict zero-tolerance policy throughout our operations and supply chain, reinforced by our Vendor Code of Conduct, Policy on Forced Labour and Modern Slavery and Employer Pay Recruitment Policy (Zero Fee Recruitment).

Our practices ensure that migrant workers retain full control over their personal documents and belongings, have access to secure storage in our hostels and can resign without repercussions or repatriation costs – all while complying with the notice periods set forth by the Malaysian Employment Act 1955 during significant operational changes. Furthermore, we communicate clear and transparent employment terms in the workers’ native languages to fully articulate their rights and responsibilities.

**In FY2024, we recorded 0 substantiated complaints concerning human rights violations.**

#### **Prohibiting Child Labour**

We categorically disallow the employment of child labour and young workers under the ages of 15 and 18 respectively across our operations and value chain. This position is clearly set out in our Child Labour and Young Worker Policy and Vendor Code of Conduct. Any instance of non-compliance within our supply chain is treated as a Zero Tolerance Item, requiring the responsible supplier or subcontractor to take immediate corrective action. Failure to comply may result in an order being placed on hold or cancelled.

To uphold this policy, our HRD and recruitment agents verify the age of every candidate during the hiring process. If a worker under 18 is identified – whether due to oversight, misrepresentation, false documentation or other reasons – our Child Labour Remediation Procedure and Young Worker Remediation Procedure are promptly activated. The individual is removed from all work activities and placed in a secure environment while we establish contact with their parents or guardians. During this time, we provide essential support including food, safe accommodation and ongoing communication to understand their needs.

The remediation process is tailored according to the child’s nationality. For Malaysian nationals, we aim to reunite them with their parents or legal guardians or consult the relevant authorities – such as the Department of Social Welfare (“JKM”) – to determine the appropriate course of action. For foreign nationals, we liaise with the respective embassy while ensuring the child’s safety throughout. As part of our responsible remediation approach, we provide a stipend equivalent to their prior earnings or the local minimum wage – whichever is higher – until repatriation is completed.

Beyond immediate response, we continue to monitor the child’s progress, ensuring they remain in school and have access to necessary support. This includes financial assistance for education and related needs, reinforcing our commitment to eliminating child labour while safeguarding the long-term welfare and development of any affected child.

**In FY2024, we maintain our record of 0 reported cases of child labour**

## Human Rights and Labour Practices (Cont'd)

**Providing Reasonable Working Hours**

In compliance with Malaysia's Employment Act 1955 and international standards, we provide our employees with reasonable working hours while keeping overtime below statutory limits. We adhere to a 60-hour work week that includes a mandatory rest day, with any overtime work performed voluntarily and compensated at the designated rate.

To enhance workforce planning and efficiency, we pre-plan work schedules, allowing departments to effectively manage outputs while preventing excessive working hours beyond the set limits. Additionally, to maintain transparency and regulatory compliance, we use purpose-built digital tools to track and regulate working hours. Our HRD monitors weekly hours at each facility while our SC Department reviews monthly reports to ensure alignment with the 11 ILO forced labour indicators.

**Upholding the Right to Freedom of Association and Collective Bargaining**

We acknowledge our employees' fundamental right to join any association and to freely form, support or participate in trade unions in line with Malaysia's Trade Unions Act 1959 and the Industrial Relations Act 1967, without interference or coercion.

To nurture an inclusive workplace, every plant elects worker representatives who mirror our diverse workforce and ensure all nationalities are represented. These representatives convene quarterly with the Social Committee, creating a direct channel for sharing employee needs, concerns and feedback with Senior Management.

**Respecting Freedom of Movement**

We fully uphold our employees' right to move freely without any imposed restrictions. Employees can leave their workplace or hostel during non-working hours without needing prior permission. Moreover, we place no limitations on migrant workers who wish to return to their home countries, be it before or after fulfilling their contracts.

**Providing Decent Housing**

Our migrant workers' accommodations fully meet Malaysia's Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. Our hostels are outfitted with amenities designed to enhance comfort and quality of life – including laundromats, canteens or kitchens, prayer rooms and recreational facilities – ensuring easy access to daily necessities.

**Instituting Grievance Mechanisms**

Recognising that open communication is vital to a positive working environment, our externally managed Suara Kami helpline provides employees with multiple reporting channels – including text message, social media messenger, WhatsApp and phone – in various languages. It enables them to raise concerns about unfair treatment, unethical practices, harassment or workplace safety, ensuring they feel safe, supported and empowered to speak up.

Complementing this, our Management By Walking Around ("MBWA") programme enables HRD representatives to visit our facilities bi-weekly, engaging directly with employees to gather valuable insights, which are compiled and reviewed by our Corporate HRD and SC Department to drive effective corrective action.

In FY2024, Suara Kami recorded 42 grievances related to hostel conditions, discrimination, verbal abuse, repatriation, safety hazards and other concerns, with 95% of cases resolved and 5% pending verification of actions taken.

**Promoting Human Rights Awareness**

During the year, we offered a variety of training programmes to foster a deep understanding of human rights and social compliance within our workforce:

Training workshops on the 11 ILO forced labour indicators and Malaysia's Employment Act 1955 for manager-level employees across the Group, totalling

**641**  
training hours.

Awareness sessions on WRAP 12's Principles for 476 employees, totalling

**1,434**  
training hours.

Externally provided training on human rights, totalling

**322**  
training hours.

Awareness training sessions on our social compliance-related policies and commitments, industrial relations framework, grievance mechanism, WRAP's 12 Principles and amendments to the Employment Act 1955, delivered to 1,168 employees over

**3,085**  
total training hours.

Annual roadshow briefings covering our external grievance hotline, the 11 ILO forced labour indicators and the Employment Act 1955, reaching 617 employees with

**2,965**  
total training hours.

## Human Rights and Labour Practices (Cont'd)

Additionally, we developed and distributed posters across the Group to reinforce our stance against harassment and discrimination, ensuring that our employees remain informed and compliant.

### Conducting Social Compliance Audits

Our SC Department routinely undertakes proactive internal audits to ensure ongoing adherence to our standards, identify potential risks and enhance our procedures and policies. These reviews not only mitigate risks but also prepare us for external audits required by local and industry regulations.

In FY2024, we conducted 19 internal audits while our operations underwent 24 external audits – covering 100% of our glove operations through SMETA, WRAP and customer audit programmes.

### Driving Change through the RGA

As one of the seven founding members of the RGA, launched in March 2022, we collaborate with fellow glove suppliers and buyers to tackle forced labour risks within our industry. Our membership commitments include:

### RGA Membership Commitments

<b>Code of Conduct</b>	<ul style="list-style-type: none"> <li>Adhering to the Freely Chosen Employment principles set out in the RGA’s Code of Conduct, which aligns with the 11 ILO forced labour indicators and categorically prohibits forced, bonded (including debt bondage) or indentured labour, as well as involuntary prison labour, slavery and human trafficking.</li> </ul>
<b>Continuous Improvement</b>	<ul style="list-style-type: none"> <li>Engaging in ongoing improvement initiatives by conducting regular assessments and social compliance activities and implementing timely corrective actions.</li> </ul>
<b>Cascading Commitments</b>	<ul style="list-style-type: none"> <li>Ensuring that these commitments extend throughout our supply chain by requiring both immediate and next-tier suppliers to adopt and enforce the Freely Chosen Employment standards, with measures in place to monitor their compliance.</li> </ul>
<b>Transparency and Accountability</b>	<ul style="list-style-type: none"> <li>Maintaining a commitment to openness and accountability, reinforcing ethical practices across our entire operation.</li> </ul>

During the year, we contributed to industry dialogue as a panellist at the Annual RGA Conference 2024, sharing insights on collective efforts to promote ethical recruitment and shared responsibility in addressing forced labour across the rubber industry value chain.

### OUR PERFORMANCE



During the year, 88% of our glove manufacturing plants maintained their WRAP Gold certifications, while the remaining 12% successfully upgraded to WRAP Platinum certification, reflecting our commitment to responsible and high-quality manufacturing practices. Additionally, one glove manufacturing site undergoing an amfori BSCI audit achieved an “A” rating.

	2022	2023	2024
Number of substantiated complaints concerning human rights violations (no.)	0	0	0

### MOVING FORWARD

Building on our ongoing efforts to enhance human rights and social compliance, we will continue to actively contribute as an RGA member. Our primary focus is to establish robust, industry-wide standards in collaboration with key stakeholders – including buyers, manufacturers and international labour rights organisations – to enhance the sustainability of the glove manufacturing supply chain and ensure the industry’s long-term vitality.

# Workplace Safety



## Workplace Safety

### WHY IT MATTERS

Ensuring a safe and healthy work environment safeguards our employees' well-being, reduces the risk of accidents and keeps our business operations running smoothly. Moreover, cultivating a culture of care and accountability allows us to meet our ethical and legal obligations to our employees, customers and communities while bolstering our reputation as a socially responsible organisation.

### OUR COMMITMENT

Prioritising safety at every level and empowering every employee to identify hazards, implement preventive measures and promote safe practices.

### OUR APPROACH

#### Driving Cohesive OSH Efforts

Our approach to maintaining a safe workplace is built on our comprehensive Occupational Safety and Health (OSH) Management System, which incorporates policies and procedures aligned with ISO 45001 standards and all regulatory requirements. This framework is driven by a skilled team operating within an organised structure that ensures accountability at every level, with our Corporate Safety, Health and Environment ("CSHE") unit playing a pivotal role.

Reporting directly to the Group MD/CEO, the CSHE unit sets safety and health objectives, launches targeted initiatives, conducts risk assessments and ensures compliance with local OSH standards. In addition, the CSHE unit oversees the Safety, Health and Environment ("SHE") Committees across our business units – each chaired by Senior Management and composed of safety officers and departmental representatives – to develop workplace-specific safety measures and routinely review the performance of all safety and health programmes.



## Workplace Safety (Cont'd)

Our OHS framework outlines clear processes and best practices in these key areas.

### Group-wide Safety & Health Policy



Our Group-wide Safety and Health Policy safeguards the well-being of everyone within our organisation – including employees, suppliers, vendors and contractors – by defining clear practices and expectations for maintaining safe workplaces.

The policy empowers us to implement preventive measures to reduce injuries, health hazards and property damage risk, foster proactive safety awareness through transparent communication, comply with all OSH rules and regulations, continuously monitor safety indicators and conduct comprehensive investigations with appropriate remediation or compensation for any incidents.

Serving as a guiding framework that encourages individuals to take responsibility for their safety and that of their colleagues, this policy is communicated to all stakeholders to ensure everyone is informed and equipped to support our focus on safety and health.

### Safety & Health Officers



Our framework is supported by certified safety and health officers who manage safety operations at all our sites, ensuring strict adherence to local regulations set by Malaysia's Department of Safety and Health ("DOSH") and industry standards.

These dedicated officers are tasked to develop and implement safe procedures and systems, conduct regular workplace inspections, perform comprehensive risk assessments and formulate mitigation plans in response to identified issues. Additionally, they recommend corrective actions and policy adjustments to our management, analyse patterns in incidents, near-misses and occupational health issues and lead extensive training programmes to equip employees with the necessary skills for safe operations.

In the event of a safety incident, they promptly investigate per DOSH protocols, share detailed findings with both Senior Management and DOSH and swiftly implement measures to address and prevent future occurrences.

### Safety & Health Objectives and Targets



We establish comprehensive safety and health objectives and targets designed to prevent fatalities, reduce workplace accidents and mitigate the risk of occupational diseases. These goals are developed in line with our Group-wide Safety and Health Policy and informed by the outcomes of our safety and health assessments and audits.

### Safety & Health Audits



In FY2024, all our operational sites underwent a total of 70 comprehensive internal audits to ensure strict adherence to our established safety protocols and procedures. Additionally, 49 external audits were conducted by DOSH, our clients and reputable third-party certification bodies, further validating our ongoing improvements and accountability in safety and health and reinforcing our reputation as a responsible industry leader.

### Emergency Readiness



To enhance our emergency preparedness, we invested in firefighting training and conducted comprehensive emergency evacuation drills in FY2024, further strengthening the capabilities of our dedicated Emergency Response Team ("ERT"), which leads our response to any unforeseen incidents across our operational sites.

## Workplace Safety (Cont'd)

### Safety & Health Assessments

We conduct regular safety and health assessments to identify potential workplace hazards and guide the implementation of measures to prevent or minimise these hazards and mitigate associated risks.

Our systematic approach, based on our Hazard Identification, Risk Assessment and Risk Control ("HIRARC") procedure and aligned with DOSH guidelines, begins by breaking down work activities into individual tasks and identifying the risks inherent in each one. These risks are then evaluated, assigned a risk rating based on likelihood and severity and managed with appropriate control measures that are regularly reviewed and updated. All assessment results are comprehensively documented to ensure a consistent understanding of safety and health issues across the Group.

In addition, we perform ergonomics risk assessments ("ERAs") to identify potential ergonomics hazards, such as musculoskeletal disorders in production areas and implement control measures that are continuously evaluated for improvement.

### Safety & Health Training and Awareness

We regularly organise safety and health training sessions and workshops to boost employee awareness and strengthen their skills in first aid and emergency response. Our efforts to strengthen workplace safety include the following:

- Targeted training for high-risk activities such as chemical handling, fire safety management, cutting, grinding, welding and working at height – equipping team members to handle hazardous materials, work safely in potentially dangerous environments and respond effectively to emergencies.
- Implementation of HIRARC methodologies, alongside training on personal protective equipment ("PPE"), basic firefighting and *Organisasi Keselamatan Kebakaran* ("OKK"), reinforcing proper PPE use and delivering critical fire safety knowledge.
- Ongoing learning through annual refresher courses on the OHS Management System, ISO 45001 and other related standards, supported by weekly safety toolbox briefings to keep on-site workers updated on potential hazards.
- Clear and consistent communication of safety information, with the CSHE team distributing regular safety newsletters via our intranet and displaying multilingual hazard signage and posters throughout our facilities.

In FY2024, 3,134 employees participated in safety and health training, totalling 18,873 training hours.

### Instituting Safety & Health Controls

We have established a broad range of safety and health controls designed to identify and reduce unsafe practices in the workplace. For instance, our Work Unit Management System ("WUMS") mandates that the person in charge of each department conducts regular safety inspections, while detailed SOPs and WIs specify the steps each employee must follow to perform tasks safely, including the mandatory use of PPE during working hours.

To address noise-related risks, we conduct noise testing at our factories, carry out annual audiometric tests for employees, provide hearing conservation training and implement risk controls through our Hearing Conservation Programme, which raises awareness of the effects of prolonged noise exposure and the importance of protective measures.

Additionally, we ensure hazardous chemicals and waste are properly labelled, stored in designated areas marked with appropriate cautionary signs and handled according to clear protocols in the event of spillages or leakages, with our ERT ready to act swiftly.

## Workplace Safety (Cont'd)

**Enhancing Comprehensive Safety Reporting**

All work-related safety and health incidents are thoroughly investigated and reported following standard procedures. Investigations are led by the relevant process owner, with support from the business unit's SHE Committee and corrective actions – based on the hierarchy of controls (elimination, substitution, engineering controls, administrative controls and PPE) – are implemented and monitored to prevent recurrence.

Each incident is reported to CSHE monthly for departmental review. In addition, we compile monthly Safety Health Observation Reports ("SHORs") and Safety Health Equipment Reports ("SHQRs"), which evaluate our Group-wide performance against safety regulations and standards. Insights from these reports drive continuous improvements and support the safe operation of equipment across our departments and operational sites.

**Elevating Standards across Our Business Partners**

As our business partners' safety and health performance plays a critical role in shaping our organisation's reputation, we take our responsibility to reflect our standards throughout the supply chain seriously. Our approach includes:

- Requiring vendors and suppliers to strictly adhere to our Vendor Code of Conduct, which defines clear ethical standards and HSE protocols.
- Mandating that vendors and suppliers secure the necessary work permits and conduct job hazard analysis before starting work at our facilities.
- Providing vendors and suppliers with detailed safety and health SOPs that outline best practices.
- Conducting thorough toolbox briefings to address site-specific safety risks and hazards.

**OUR PERFORMANCE****96%**

of our manufacturing facilities have obtained ISO 45001 certifications as of December 2024.

We maintained our safety record with

**Zero fatalities** among both employees and non-employees in FY2024.

	2022		2023		2024	
	Employees	Suppliers/ Vendors/ Contractors	Employees	Suppliers/ Vendors/ Contractors	Employees	Suppliers/ Vendors/ Contractors
Number of work-related fatalities	0	0	0	0	0	0
Fatality rate (%)	0	0	0	0	0	0
DOSH work-related recordable cases, including fatalities (no.)	30	0	17	0	24	0
Lost time injury frequency rate ("LTIFR")	1.48	0	1.07	0	1.43	0
Percentage of employees covered for LTIFR (%)	100	100	100	100	100	100
Number of employees trained on health and safety standards	N/A	N/A	2,374	N/A	3,134	N/A

**MOVING FORWARD**

We will continue to strengthen our safety and health performance by enhancing our protocols, improving our training and promoting a safety-first culture across all levels. Our goal is to reduce our LTIFR to below 0.4 by 2035 and achieve and maintain full compliance with ISO 45001 standards, thus reinforcing our position in workplace safety within the manufacturing sector.

# People Development



## People Development

### WHY IT MATTERS

Investing in continuous learning, mentorship and skill development empowers our workforce to stay agile in an evolving market. In this way, we foster adaptability and innovation, in turn driving long-term growth and ensuring the sustained success of our business.

### OUR COMMITMENT

Cultivating talent through purposeful training, mentorship and career development, equipping our people to achieve their aspirations while shaping future leaders who will advance our vision.

### OUR APPROACH

#### Ensuring Continuous Growth

We cultivate a learning-focused environment by providing engaging, accessible and diverse training opportunities that help our employees develop new skills and expand their knowledge. At the heart of this effort is the KOSSAN Training Centre, an in-house facility designed to support professional growth through specialised programmes covering technical expertise, leadership development and more.

Run by the Group Learning and Development Department, the centre delivers hands-on training, interactive workshops and knowledge-sharing sessions that are tailored to different roles and departments, ensuring employees stay prepared for the evolving demands of a rapidly changing industry. Additionally, workshops on topics such as mitigating unconscious biases support efforts to build a responsible and inclusive workplace.

#### Enhancing Factory Workforce Capability

We promote continuous learning on the production floor through structured, practical training in production management. Key programmes include KOSSAN On-Job Training ("KOJT") and One-Point Lessons ("OPL"), built around the 5W1H (what, who, when, where, why and how) framework to deliver clear, hands-on guidance that supports task accuracy and confidence.

In 2024, we enhanced our in-house OJT modules by shifting from classroom-based instruction to a more practical, floor-based approach. This transition provides our employees with direct exposure to real-world scenarios, strengthening their technical proficiency and problem-solving skills in dynamic environments.

To ensure training is aligned with operational needs, our Group Learning and Development ("L&D") Department developed a training matrix that defines required competencies for each role based on daily responsibilities, enabling targeted skill-building and ensuring our employees are equipped to perform efficiently.

We also introduced the New Joiner Learning Plan ("NJLP") during the year – a buddy system offering hands-on coaching for new employees across both functional and technical areas. This approach encourages collaborative learning and smooth integration into the workplace.

By embedding practical learning into daily operations, we bridge the gap between knowledge and action, reduce onboarding time and foster a proactive, problem-solving culture that strengthens our overall workforce capability.

#### Digitalising Learning and Development

Our eLearning Library supports continuous development by allowing employees to learn anytime, anywhere, at their own pace. In 2024, we expanded our digital learning offerings to enhance flexibility and accessibility, increasing the number of e-learning modules from 270 in 2023 to 358.

The library now provides a comprehensive range of role-specific training, covering operational, technical and functional skills, cybersecurity, anti-bribery and corruption, environmental and social compliance, workplace safety, human rights, labour practices, waste management and our policies.

#### Supporting Career Growth and Progression

Beyond role-specific training, we offer fair and accessible opportunities for employees to grow within the organisation. Biannual performance reviews facilitate open conversations about career goals, enabling Senior Management to identify development pathways that align with individual strengths and interests.

## People Development (Cont'd)

To further support progression, we provide sponsorship and subsidies for employees to pursue industry-recognised certifications. These programmes strengthen our technical capabilities, ensure regulatory compliance and enhance our contributions to operational excellence.

Key certifications include:

• Authorised Entrant and Standby Person for Confined Space ("AESP")	• Authorised Gas Tester and Entry Supervisor for Confined Space Refresher ("AGTES-R")
• Certified Environmental Professional in Scrubber Operation ("CePSO")	• Certified Environmental Professional in the Operation of Industrial Effluent Treatment System – Physical-Chemical Processes ("CePIETSO")
• Certified Environmental Professional in Sewage Treatment Plant Operation ("CePSTPO")	• Certified Environmental Professional in Scheduled Waste Management ("CePSWAM")

By supporting professional certification, we enable our employees to deepen their expertise, pursue career advancement and contribute meaningfully to our sustainability and safety objectives.

## OUR PERFORMANCE



In FY2024, 111 employees were promoted across the Group, reflecting our focus on internal talent development and career progression. This emphasis on capacity building reinforces our commitment to growing talent from within. For more information on our employment practices and performance evaluations, please read the Diversity and Inclusivity section of this report on pages 73 to 76.

We recorded a decrease in total training hours from 122,392 man-hours in FY2023 to 108,059 in FY2024. This reduction aligns with our strategic shift towards more practical, hands-on learning through enhanced in-house OJT modules and expanded e-learning content. By moving away from traditional classroom sessions, we aim to strengthen our real-world capabilities and increase training effectiveness.

## Total Training Hours By

## Employee category (hours)

	2022	2023	2024
Top management	N/A	248	327
Senior management	N/A	33	348
Upper management	N/A	303	647
Middle management	N/A	20,972	15,246
Executive	N/A	38,851	31,587
Non-executive	N/A	61,985	59,904
Total	127,736	122,392	108,059
Average training hours per employee (hours)	18.9	20.9	18.2

## Gender (hours; %)

	2022	2023	2024
Male	N/A	72,781; 59	76,204; 71
Female	N/A	49,611; 41	31,855; 29

## People Development (Cont'd)

**Theme (hours)**

	2022	2023	2024
Anti-bribery and corruption	N/A	903	<b>2,382</b>
Environmental	N/A	6,170	<b>4,627</b>
Human rights and labour practices	N/A	11,882	<b>11,733</b>
Soft skills, professional certifications and others	N/A	9,540	<b>5,630</b>
Quality	N/A	4,818	<b>8,358</b>
Technical and functional	N/A	75,040	<b>56,456</b>
Safety and health	N/A	14,039	<b>18,873</b>

**Type (hours)**

	2022	2023	2024
e-Learning	N/A	2,715	<b>7,692</b>
On-the-job training	N/A	36,697	<b>41,596</b>
Classroom/virtual	N/A	82,980	<b>58,771</b>

**MOVING FORWARD**

As the industry evolves, workforce capability remains key to maintaining competitiveness. To that end, we are strengthening our training approach by enhancing our technical skills, expanding mentorship and leadership development and placing greater emphasis on soft skills such as communication, problem-solving and adaptability. By developing well-rounded talent, we aim to build a resilient workforce equipped to meet future challenges.

# Health and Wellness



## Health and Wellness

### WHY IT MATTERS

A healthy workforce boosts productivity, reduces absenteeism and lowers healthcare costs, strengthening our overall efficiency and performance. At the same time, employees who feel supported are more engaged, loyal and committed to a positive workplace culture, driving higher retention and long-term organisational stability.

### OUR COMMITMENT

Adopting a holistic approach to employee health and well-being by offering screenings, wellness workshops, fitness activities and awareness programmes that support physical, mental and social well-being.

### OUR APPROACH

#### Providing Comprehensive Medical Support

We prioritise employee health by ensuring easy access to on-site medical care. In collaboration with ASP Medical Group, the KOSSAN Wellness Centre serves as our in-house outpatient clinic, offering a range of medical services to address employee health concerns. Conveniently located near all our plants, the centre provides shuttle services for migrant workers needing medical attention.

Additionally, each operational site is equipped with a first-aid room to handle urgent medical needs promptly, while annual medical check-ups and audiometry tests are provided to employees based on job roles and in adherence to statutory health and safety requirements. These screenings help employees understand their health status, identify potential risks and receive personalised recommendations to support their well-being and reduce the likelihood of chronic illnesses.

Employees are also covered under group personal accident and group hospitalisation and surgical insurance, ensuring financial protection in the event of workplace incidents or medical issues. To further minimise risks, we provide PPE, face masks and self-test kits across our operational sites.

#### Streamlining Healthcare Management

Our healthcare mobile app, launched in FY2023, marks a significant step in improving employee well-being. Serving as a centralised platform for healthcare services, the app allows employees to easily access their medical records and claim history, request guarantee letters, consult doctors online and locate nearby panel clinics and hospitals. With a 24/7 helpdesk, employees can receive immediate general enquiries support.

#### Providing Comprehensive Health Programmes

We emphasise prevention over cure by regularly reviewing outpatient medical records across our subsidiaries. These insights guide the development of customised awareness initiatives, physical activities and webinars that educate employees on the importance of healthy habits.

Complementing these efforts, our Workplace Health programme offers a range of tailored initiatives, including educational workshops, fitness challenges and wellness seminars. By providing the necessary knowledge, resources and support, we empower our employees to prioritise their well-being and thrive both personally and professionally.

In FY2024, we conducted the following series of health-focused activities.

#### Health and Preventive Care

##### Healthy You Day – Health Screening and Wellness Fair



- Offered free health screenings including basic health checks, vision tests and bone density scans.
- Wellness booths provided healthy snacks, probiotic drinks and interactive activities such as balance games, fitness assessments and a gratitude wall to promote physical and mental well-being.

## Health and Wellness (Cont'd)

### Free HPV Vaccination Programme



- Provided complimentary Human Papillomavirus (HPV) vaccinations to employees and their family members, supporting cervical cancer prevention and reinforcing our long-term wellness commitment.

### Health Talk and Spine Check



- Covered posture correction, ergonomics, preventive measures and stretching and included spinal screening with one-on-one posture evaluations.

### Deskercises



- Introduced desk-based exercises to counter prolonged sitting, aimed at improving posture, reducing stiffness and enhancing physical comfort during work hours.
- Provided guided stretching and movement routines to promote energy, flexibility and physical engagement throughout the workday.

### SOCISO Health Screening (HSP 3.0)

- Working with Malaysia Social Security Organisation to offers free health screenings for employees and to promote the early detection of Non-Communicable Diseases (NCDs).

## Webinars and Knowledge Sharing

### Physical Health and Preventive Care

- High Blood Pressure Awareness: Risks, early detection and lifestyle management.
- Osteoarthritis of the Knee: Symptoms, treatment and mobility care.
- Injury Around the Knee: Prevention and rehab strategies.
- Managing Diabetes: Prevention, management and healthy living tips.

### Mental Health and Well-Being

- Stress Management with a Healthy Lifestyle: Techniques for resilience and balance.
- Life After Critical Illness: Post-recovery adaptation, lifestyle change and financial planning.

## Health and Wellness (Cont'd)

**Community Health**

- Dengue Awareness and Prevention: Identification, prevention and reducing outbreak risk.

**Physical Fitness and Active Lifestyle****Badminton Friendly Match**

- Organised a friendly tournament to promote fitness, encourage social interaction and build camaraderie.

**Zumba Classes**

- Offered weekly instructor-led sessions that combined physical activity with team bonding to reduce stress and improve fitness.

**Step Challenge**

- Promoted daily physical activity and teamwork through a step-tracking competition where participants set personal goals and competed for prizes.

**Promoting Mental and Physical Well-Being**

Recognising the importance of mental health, we introduced initiatives to support employees' emotional, psychological and physical well-being:

- Shared a mental health awareness post on our internal portal, emphasising self-care and providing hotline contacts for support.
- Held mental health talks in partnership with the Malaysian Mental Health Association ("MMHA"), focusing on stress management, emotional awareness and resilience.
- Equipped our new corporate office with a gym and swimming pool to promote physical well-being and encourage an active lifestyle.

## Health and Wellness (Cont'd)

### Creating a Family-friendly and Considerate Workplace

We recognise the challenges employees face in balancing work with family responsibilities, including parenting, elder care and other personal commitments. At a basic level, employees are entitled to essential leave benefits such as annual leave, marriage leave and maternity/paternity leave.

Understanding the difficulties expectant mothers may experience in the later stages of pregnancy, we have designated reserved parking spaces near facility entrances for easier access to the workplace while reducing physical strain. To further support new mothers, we have set up lactation rooms across our operational sites, providing a private and comfortable space for breastfeeding or expressing milk, ensuring they can return to full-time work without compromising infant care.

Additionally, in times of loss, we offer bereavement benefits to the immediate family members of deceased employees, helping to ease financial burdens and provide stability during a difficult time.

**In FY2024, we sustained our 100% return-to-work rate for employees who took parental leave, a record we have maintained since 2022.**

### OUR PERFORMANCE



Parental Leave						
	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Total number of employees entitled to parental leave	1,191	611	1,025	548	<b>1,110</b>	<b>587</b>
Total number of employees who took parental leave	121	111	122	76	<b>73</b>	<b>70</b>
Total number of employees who returned to work in the reporting period after the end of parental leave	121	111	122	76	<b>73</b>	<b>70</b>
Return to work and retention rates of employees who took parental leave (%)	100	100	100	100	<b>100</b>	<b>100</b>

### MOVING FORWARD

We will continue taking a proactive approach to employee health and well-being that goes beyond regulatory compliance, focusing on preventive care, mental health and physical wellness.

Key priorities for the near future include:

- Expanding access to health screenings, vaccination programmes and digital healthcare solutions.
- Enhancing support for mental and emotional well-being through wellness talks and stress management workshops.
- Strengthening resources for expectant mothers and employees facing unique challenges.
- Promoting physical activity through fitness challenges, interactive sessions and sports events.

By prioritising holistic wellness, we aim to build a healthier, more engaged and productive workforce.

# Diversity and Inclusivity



## Diversity and Inclusivity

### WHY IT MATTERS

Creating a workplace where everyone feels valued, respected and supported allows people to perform at their best, bringing fresh ideas and new ways of thinking. This helps us stay innovative, respond to changing markets and better meet customer needs.

### OUR COMMITMENT

Maintaining a zero-tolerance approach to discrimination based on personal characteristics and ensuring everyone is supported and given the opportunity to reach their full professional potential across all aspects of our work.

### OUR APPROACH

#### Building a Strong Policy Foundation

We strive to create workplaces where everyone is treated fairly and respectfully, ensuring that differences in background, identity and belief – such as race, religion, gender, age, disability, culture, social origin, caste, sexual orientation, marital status and political opinions – are valued.

Our approach is shaped by the KCEC and our Employee Handbook, which establish clear expectations for ethical behaviour. Specifically, the Prohibition of Workplace Harassment and Discrimination Policy and Prevention of Abuse Policy strengthen our zero-tolerance stance by defining unacceptable conduct, protecting the rights and dignity of employees, contractors and visitors and outlining proper channels for reporting concerns.

In this way, we ensure that every employee understands their rights and responsibilities in fostering a respectful and professional workplace while reinforcing our focus on accountability, transparency and mutual respect across the Group.

#### Ensuring Fair and Structured Performance Evaluations

To ensure all employees have an equal chance to progress in their careers, we have introduced standardised evaluation criteria across all departments and levels within the Group. These criteria assess various aspects of performance, including job-specific skills, KPIs and behavioural records, with regular reviews to maintain alignment with our organisational goals and values.

This structured approach also enhances consistency and transparency, reduces the risk of bias or subjectivity and fosters a culture of fairness, leading to higher employee satisfaction and retention.

### Upholding Zero Tolerance for Harassment and Discrimination

We enforce a zero-tolerance policy for all forms of harassment and unfair treatment, regardless of time or place. Our Policy Against Workplace Harassment and Discrimination and Sexual Harassment Policy clearly outline expected conduct and disciplinary procedures. These are accessible to all employees through the Employee Handbook and company intranet. To reinforce awareness, posters communicating our stance are displayed across all Group locations.

In FY2024, we conducted training sessions at all operational sites focused on identifying and addressing abuse, inappropriate language and harassment, with specific emphasis on sexual harassment. A total of 3,347 employees participated, contributing to 3,468 hours of training.

During the year, we reviewed six reported cases related to harassment and discrimination—comprising three allegations of sexual harassment and three allegations of discriminatory behavior. All cases were handled in accordance with our established industrial relations procedures, beginning with a formal domestic inquiry conducted by an impartial panel.

Both the complainants and the individuals named in the allegations were informed, given the opportunity to be represented and allowed to present relevant information and evidence. The panel assessed each case impartially before determining the appropriate outcomes.

Outcomes of the domestic inquiries were as follows:

- In the three sexual harassment cases, the individuals against whom complaints were made were found to have violated company policy, resulting in termination of employment.
- The remaining three discrimination cases were closed due to insufficient evidence. Complainants received formal explanations and were offered counselling support.

Remedial support was extended to all affected individuals, including those involved in unresolved cases. This support included access to counselling services, emotional care and ongoing monitoring by supervisors to ensure wellbeing. Complainants were also advised of their right to pursue further action with the relevant authorities, if necessary.

Follow-up assessments indicated positive recovery among the majority of those impacted, reaffirming the Company's commitment to a safe, respectful and inclusive workplace.

## Diversity and Inclusivity (Cont'd)

### Promoting Fair Employment Practices and Equitable Pay

Our employment framework prioritises fairness in every stage of employment, starting with a recruitment process that assesses candidates solely on their skills, experience and suitability for the role. Additionally, salary packages are offered equally to male and female employees, ensuring consistency in pay practices.

Beyond equitable salaries, we provide a comprehensive range of benefits to enhance employees' quality of life and meet diverse needs. Competitive remuneration, healthcare coverage and professional development opportunities create a supportive environment where employees can grow both personally and professionally.

Our pay structure fully complies with local labour laws, ensuring all employees receive at least the minimum wage. Wages, benefits and statutory deductions are itemised on payslips, while employment contracts, provided in employees' native languages, transparently outline their remuneration details. Salary packages and employment terms are mutually agreed upon.

An internal salary structure based on job roles and designations guides all business units, ensuring consistency and alignment across the Group. To maintain market competitiveness, we regularly benchmark our remuneration packages against industry standards and local regulations.

This structured approach is complemented by a performance-based reward system, where bonuses and salary adjustments are directly linked to the achievement of individual KPIs. Performance is assessed through a comprehensive review process that includes self-assessments, superior evaluations and input from Senior Management, ensuring fair recognition and reinforcing a culture of merit and continuous improvement.

Beyond financial rewards, career development opportunities are available to all permanent employees, regardless of gender. Ethical labour practices are also strictly observed, with no salary deductions, withholdings or monetary penalties imposed for misconduct. Besides that, employees earning below RM4,000 per month receive overtime pay in line with Malaysian labour laws, while those working on rest days are granted replacement leave to support work-life balance.

Demonstrating our commitment to fair and equitable compensation practices, we maintained a consistent ratio of 1:1 standard entry wage by gender in relation to the local minimum wage. Additionally, we record 1:1.09 ratio in basic salary and remuneration for male and female employees, with female employees earning slightly higher on average across all job grades. This reflects our commitment to merit-based rewards, ensuring that compensation is structured based on skills, experience and performance while fostering a diverse and inclusive workforce.

## OUR PERFORMANCE



Our attrition rate decreased from 35% in FY2023 to 26% in FY2024, reflecting ongoing efforts to improve career development, employee well-being and workplace culture.

### Board Diversity

	2022	2023	2024
<b>Gender</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Male	7; 78	7; 78	<b>7; 78</b>
Female	2; 22	2; 22	<b>2; 22</b>
<b>Age group</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Baby boomers <sup>1</sup>	3; 33	3; 33	<b>3; 33</b>
Generation X <sup>2</sup>	5; 56	5; 56	<b>5; 56</b>
Generation Y <sup>3</sup>	1; 11	1; 11	<b>1; 11</b>
<b>Ethnicity</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Malay	1; 11	1; 11	<b>1; 11</b>
Chinese	7; 78	7; 78	<b>7; 78</b>
Indian	1; 11	1; 11	<b>1; 11</b>

**Note:**

<sup>1</sup> Baby boomers - Born between 1945 to 1960.

<sup>2</sup> Generation X - Born between 1961 to 1980.

<sup>3</sup> Generation Y - Born between 1981 to 1995.

<sup>4</sup> Generation Z - Born after 1995.

## Diversity and Inclusivity (Cont'd)

## Workforce Diversity

	2022	2023	2024
Total employees	6,758	5,848	5,930
<b>Gender</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Male	5,345; 79	4,527; 77	4,649; 78
Female	1,413; 21	1,321; 23	1,281; 22
<b>Age group</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Baby boomers	22; <1	19; <1	17; <1
Generation X	842; 12	696; 12	647; 11
Generation Y	3,819; 57	3,213; 55	3,073; 52
Generation Z	2,075; 31	1,920; 33	2,193; 37
<b>Ethnicity<sup>5</sup></b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Malay	2,257; 66	1,970; 65	2,200; 68
Chinese	622; 18	535; 18	531; 16
Indian	510; 15	490; 16	471; 15
Others	25; 1	27; 1	40; 1
<b>Nationality</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Malaysian	3,414; 51	3,022; 52	3,242; 55
Non-Malaysian	3,344; 49	2,826; 48	2,688; 45

<sup>5</sup> Only covers Malaysian hires.

	2022	2023	2024
<b>Job category<sup>6</sup></b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Top management	11; <1	10; <1	9; <1
Senior management	6; <1	5; <1	5; <1
Upper management	25; <1	24; <1	33; <1
Middle management	355; 5	311; 5	322; 5
Executive	635; 9	557; 10	643; 11
Non-executive	5,726; 85	4,941; 84	4,918; 83
<b>Leadership breakdown by gender<sup>7</sup></b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Male	264; 66	223; 64	238; 64
Female	133; 34	127; 36	131; 36

<sup>6</sup> 100% of our Top Management and Senior Management team members are Malaysian.

<sup>7</sup> Applicable only to manager-level positions and above.

	2022	2023	2024
<b>Permanent employees by gender</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Male	2,071; 61	1,754; 59	1,982; 63
Female	1,307; 39	1,214; 41	1,174; 37
<b>Temporary employees by gender</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Male	3,274; 97	2,773; 96	2,665; 96
Female	106; 3	107; 4	109; 4
<b>Permanent employees by nationality</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Malaysian	3,378; 100	2,968; 100	3,156; 100
Non-Malaysian	0; 0	0; 0	0; 0
<b>Temporary employees by nationality</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Malaysian	36; 1	54; 2	86; 3
Non-Malaysian	3,344; 99	2,826; 98	2,688; 97

## Diversity and Inclusivity (Cont'd)

## New hire breakdown by

	2022	2023	2024
<b>Gender</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Male	1,005; 59	915; 69	<b>1,187; 74</b>
Female	687; 41	411; 31	<b>413; 26</b>
<b>Age group</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Baby boomers <sup>1</sup>	4; <1	1; <1	<b>0; 0</b>
Generation X <sup>2</sup>	67; 4	34; 3	<b>34; 2</b>
Generation Y <sup>3</sup>	517; 31	451; 34	<b>505; 32</b>
Generation Z <sup>4</sup>	1,104; 65	840; 63	<b>1,061; 66</b>
<b>Nationality</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Malaysian	1,655; 98	1,012; 76	<b>1,313; 82</b>
Non-Malaysian	37; 2	314; 24	<b>287; 18</b>
<b>Job category</b>	<b>Headcount/%</b>	<b>Headcount/%</b>	<b>Headcount/%</b>
Executive and above	498; 29	129; 10	<b>266; 17</b>
Non-executive	1,194; 71	1,197; 90	<b>1,334; 83</b>

## Attrition by

	2022	2023	2024
Attrition rate (%)	39	35	<b>26</b>
<b>Gender</b>	<b>%</b>	<b>%</b>	<b>%</b>
Male	71	78	<b>70</b>
Female	29	22	<b>30</b>
<b>Age group</b>	<b>%</b>	<b>%</b>	<b>%</b>
Baby boomers	<1	<1	<1
Generation X	6	8	<b>5</b>
Generation Y	42	47	<b>42</b>
Generation Z	52	45	<b>52</b>
<b>Nationality</b>	<b>%</b>	<b>%</b>	<b>%</b>
Malaysian	72	63	<b>72</b>
Non-Malaysian	28	37	<b>28</b>
<b>Job category</b>	<b>%</b>	<b>%</b>	<b>%</b>
Executive and above	10	12	<b>12</b>
Non-executive	90	88	<b>88</b>

## MOVING FORWARD

As a socially responsible organisation, we are committed to fostering a fair, respectful and inclusive workplace where all employees feel safe, valued and protected. Guided by our Policy Against Workplace Harassment and Discrimination, we will continue to support initiatives that strengthen a culture of equity and belonging.

To drive meaningful progress by 2035, we have set the following targets:

- Achieve zero cases of discrimination and harassment across our operations.
- Increase female representation in managerial roles (manager and above) to 50%.
- Maintain a white-collar turnover rate below 20% to support long-term talent retention.

Through these goals, we aim to build a diverse, inclusive and high-performing workforce.

# Community Welfare



## Community Welfare

### WHY IT MATTERS

Supporting the well-being of local communities within our areas of operation strengthens the social fabric and creates a more stable and sustainable environment for everyone. By building positive relationships and addressing local needs, we can foster trust, enhance resilience and create lasting benefits for our people, planet and business.

### OUR COMMITMENT

Advancing community growth by expanding access to education, improving the well-being of disadvantaged groups, promoting environmental conservation and fostering the development of arts and culture.

### OUR APPROACH

#### Creating Meaningful Connections

Recognising that long-term sustainability depends on creating and adding value for our staff, stakeholders and society, we launched Project Smile in 2013 to foster strong relationships within our internal and external community. The initiative has supported communities in need, promoted environmental sustainability and strengthened connections within our workplace and beyond, leaving a lasting positive impact. During the year, Project Smile delivered the following impactful activities.



#### Exploring Nature's Wonders with Padmasambhava Children Loving Association

- Welcomed children from the Padmasambhava Children Loving Association, Klang, for an educational visit to the Forest Research Institute Malaysia (FRIM) in Kepong, Selangor.
- Guided by forest experts, the children participated in interactive sessions, learning about diverse ecosystems, plant species and their roles in the environment.



Children from the Padmasambhava Children Loving Association enjoying an educational visit at FRIM.

#### Learning Beyond Boundaries: A Day of Discovery at Petrosains, KLCC

- Hosted children from House of Love, Guardian Angel Home and Destiny Children Home at Petrosains, Kuala Lumpur Convention Centre ("KLCC"), where they explored scientific and technological concepts through interactive exhibits and hands-on activities, blending education with entertainment.



Group photo with the kids at Petrosains, KLCC.

#### Strengthening Bonds and Enhancing Sustainability: A Memorable Experience in the Jewel of Kedah, Langkawi

- As part of our Project Smile CSR initiative, we partnered with Jabatan Hutan Langkawi to plant 100 trees at Gunung Raya, supporting reforestation and environmental conservation efforts, while the Amazing Race team-building challenge at Taman Lagenda Langkawi strengthened creativity, problem-solving skills and teamwork through structured activities.



Our Project Smile volunteers involved in the tree-planting event.

## Community Welfare (Cont'd)

### Bolstering Our Community Support

Our community outreach efforts are carried out through Yayasan Kossan ("YK"), a foundation set up to fund and support philanthropic initiatives in four key areas: medical aid, arts and culture, education and environmental conservation. Guided by the vision of 'Making Life Better for All', YK prioritises providing direct aid to the needy or underprivileged within our communities.



Throughout the year, YK implemented 56 initiatives across its four focus areas, with key initiatives outlined below.

#### Medical

Collected **280 blood packs** in collaboration with National Blood Centre to support medical needs.



**Sponsored two computers and a printer** for Klinik Kesihatan Bandar Botanic to improve service efficiency amid an increase in patients.

**Provided financial assistance** ranging from RM500 to RM1,000 to help five beneficiaries with medical expenses.

Organised the **YK Health and Safety Carnival 2024**, a two-day event with more than 750 visitors, 96 volunteers and 40 exhibitors, offering health screenings, safety demonstrations, educational activities and a kid's section with fun activities.



#### Art & Culture

**Festive giveaways** to underserved communities during Chinese New Year, Hari Raya, Deepavali and Christmas.

In partnership with Bengkel Daya Klang, 81 volunteers prepared and distributed 1,000 packs of **bubur lambuk**, a Ramadan tradition of giving, to public healthcare workers, police stations and fire departments in Klang, while at Sekolah Kebangsaan ("SK") Sungai Serdang, 95 participants cooked and shared 1,500 packs with students and local villagers.



## Community Welfare (Cont'd)



## Education

Refreshed and brightened learning spaces at four schools – Tabika Perpaduan Taman Sri Putri, SK Tambak Jawa, SK Klang and Sekolah Jenis Kebangsaan Cina (“SJK(C)”) Sungai Buloh – by **mural paintings**, creating a more engaging environment.

Sponsored 26 newspaper sets for 174 days through the **Let’s Read – Sin Chew Daily** programme to encourage reading among students at SJK (C) Pui Ying.

Supported students from 14 schools with uniforms, bags, shoes and stationery through the **YK Kids Get Ready for School 2024** programme to prepare for the new term.

Refurbished classrooms at three schools with new tables, chairs and paint through the **YK Bright Classroom 2024** programme, improving learning conditions for 2,113 students.

Supplied smart systems, tables and chairs to three schools – SK Sungai Udang, Sekolah Jenis Kebangsaan Tamil (“SJK (T)”) and SK Bukit Kapar – through the **YK Smart Classroom** programme, benefiting more than 5,000 students through improved and technology-enabled interactive learning.

Organised two **“Learning Beyond Boundaries”** projects for indigenous students from SK Pulau Indah, including a visit to Petrosains and a batik canting workshop for kindergartens.



Group photo with 10 YK volunteers and 35 indigenous students from SK Pulau Indah at the one-day field-trip to Petrosains, KLCC.



## Environment

Collaborated with the Turtles Conservation Society of Malaysia and the Marine Conservation and Research Organisation Malaysia (“PULIHARA”) to adopt 100 terrapins, 30 terrapin nests, six turtles, three turtle nests and eight corals for **wildlife conservation**.

Organised **tree planting sessions** at Free Tree Society Bangsar and Taman Tugu, Kuala Lumpur, where 60 volunteers gained hands-on experience in propagation, composting and greenhouse management.



Volunteers were taught on how to make compost and the correct techniques for plant propagation.

Partnered with Universiti Teknologi Petronas for the first stage of a **mangrove revival project**, where 49 volunteers planted 150 mangroves in Kampung Tanjung Kepah, Lekir, Perak, with a long-term goal of reaching 1,000 trees, of which 80% have survived.

Donated pet food and essential supplies to **support animal rescue centres**.

Engaged 39 volunteers in a **beach cleaning** effort at Pantai Remis, Jeram, Selangor, collecting 241.81 kg of waste from coastal areas.



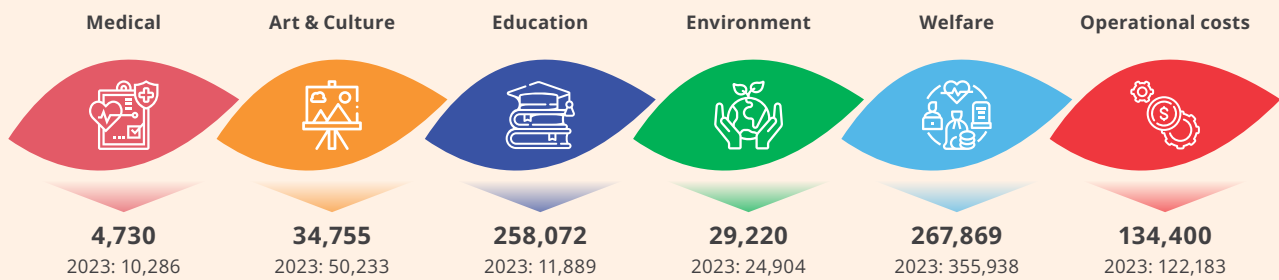
Group photo of 35 enthusiastic YK volunteers and staff from the Majlis Perbandaran Kuala Selangor at Pantai Remis.

## Community Welfare (Cont'd)

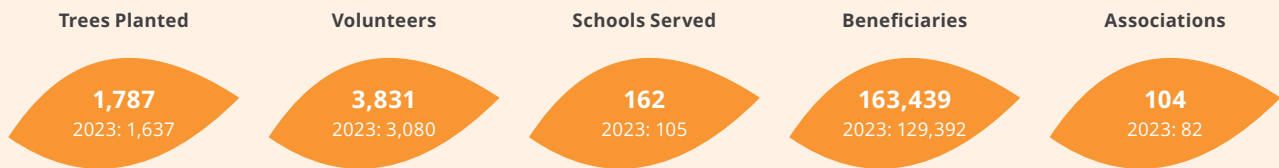
### OUR PERFORMANCE

In FY2024, YK organised 56 events and contributed approximately RM729,000, collectively benefiting 58,683 individuals. The allocation of funds for FY2024 is as follows.

#### Breakdown of investment in FY2024 (RM)



#### Contributions to date (no.)



	2022	2023	2024
Total number of beneficiaries of the investment in communities (no.)	30,371	21,368	<b>58,683</b>
Total amount invested in the community where the target beneficiaries are external to the listed issuer (RM)	757,264	575,433	<b>729,046</b>
Total YK events held (no.)	43	50	<b>56</b>



More information on YK projects, events and programmes is available at <https://yayasankossan.com.my/>.

### MOVING FORWARD

We will continue advancing Project Smile by deepening community engagement and fostering meaningful connections through education, volunteerism and employee-driven CSR efforts. Concurrently, YK will expand its CSR initiatives to improve access to education and healthcare, support local communities and drive environmental conservation by strengthening existing programmes – collectively broadening our impact and reaching more people in need.

# Statement of Independent Assurance



## INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Kossan Rubber Industries Bhd

Holds Statement No.: SRA 820251

The British Standards Institution (**BSI**) has conducted a limited assurance engagement on the sustainability information (described in the "Scope") in the Kossan Sustainability Statement 2024 of Kossan Rubber Industries Bhd.

### Scope

The scope of engagement agreed upon with Kossan Rubber Industries includes the following:

The assurance covers the information of the following subject matters in the Kossan Sustainability Statement for the year of 2024.

- Emission Management
- Energy Management

The selected information is reported in accordance with Global Reporting Initiative (GRI) Standards and Bursa Malaysia Sustainability Reporting Guide (3rd edition).

### Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying sustainability information is not prepared, in all material respects, in accordance with Global Reporting Initiative (GRI) Standards and Bursa Malaysia Sustainability Reporting Guide (3rd edition)

### Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised) and ISO 14064-3:2019 for GHG statement. Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a top-level review of issues raised by external parties that could be relevant Kossan Rubber Industries Bhd policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers and staffs on Kossan Rubber Industries Bhd approach to stakeholder engagement. However, we had no direct contact with external stakeholders.

## Statement of Independent Assurance (Cont'd)

- interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- document review of relevant systems, policies, and procedures where available.
- review of supporting evidence for claims made in the reports.
- visit of the Kossan's Headquarters to confirm the data collection processes, record management and practices.

**Responsibility**

Kossan Rubber Industries Bhd is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

**Independence, Quality Control and Competence**

BSI is independent to Kossan Rubber Industries Bhd and has no financial interest in the operation of Kossan Rubber Industries Bhd other than for the assurance of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Kossan Rubber Industries Bhd only for the purposes of verifying its statements relating to the Scope above.

This independent assurance opinion statement is prepared on the basis of review by BSI of information presented to it by Kossan Rubber Industries Bhd. In making this independent assurance opinion statement, BSI has assumed that all information provided to it by Kossan Rubber Industries Bhd is true, accurate and complete. BSI accepts no liability to any third party who places reliance on this statement.

BSI applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021-1:2015 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.


BSI is a leading global standards and assessment body founded in 1901. The BSI assurance team has extensive experience in conducting verification over environmental, social and governance (ESG), GHG inventory and management systems and processes.

Issue Date: 2<sup>nd</sup> April 2025

For and on behalf of BSI:



Shaiful Rahman, Lead Assurer



Evelyn Chye, Managing Director BSI Malaysia

BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia

## Performance Data

Indicator	Unit of Measurement	2022	2023	2024
<b>Emissions</b>				
<b>GHG Emissions</b>				
<b>Scope 1</b>				
Company Stationary Combustion (Glove Division)	tonnes CO <sub>2</sub> e	292,572.26	209,814.46	251,028.24*
	tonnes CO <sub>2</sub>	292,271.70	209,577.14	250,713.40*
	tonnes CH <sub>4</sub>	5.51	3.95	4.73*
	tonnes N <sub>2</sub> O	0.55	0.40	0.47*
Company Mobile Combustion (Glove Division)	tonnes CO <sub>2</sub> e	474.36	399.92	393.49*
	tonnes CO <sub>2</sub>	471.63	397.88	391.34*
	tonnes CH <sub>4</sub>	0.02	0.01	0.02*
	tonnes N <sub>2</sub> O	0.10	0.01	0.01*
Fugitive Emissions (Glove Division)	tonnes CO <sub>2</sub> e	N/A	N/A	1,103.52*
	tonnes CO <sub>2</sub>	N/A	N/A	-*
	tonnes CH <sub>4</sub>	N/A	N/A	-*
	tonnes N <sub>2</sub> O	N/A	N/A	-*
Company Stationary Combustion (TRP Division)	tonnes CO <sub>2</sub> e	2,329.61	2,363.04	2,364.33*
	tonnes CO <sub>2</sub>	2,327.20	2,360.36	2,361.03*
	tonnes CH <sub>4</sub>	0.04	0.04	0.04*
	tonnes N <sub>2</sub> O	0.00	0.00	0.00*
Company Mobile Combustion (TRP Division)	tonnes CO <sub>2</sub> e	171.17	165.17	159.33*
	tonnes CO <sub>2</sub>	170.65	164.79	158.95*
	tonnes CH <sub>4</sub>	0.01	0.00	0.00*
	tonnes N <sub>2</sub> O	0.00	0.00	0.00*
Fugitive Emissions (TRP Division)	tonnes CO <sub>2</sub> e	N/A	N/A	42.00*
	tonnes CO <sub>2</sub>	N/A	N/A	-*
	tonnes CH <sub>4</sub>	N/A	N/A	-*
	tonnes N <sub>2</sub> O	N/A	N/A	-*
Total Scope 1	tonnes CO <sub>2</sub> e	295,547.40	212,742.59	255,090.91*
	tonnes CO <sub>2</sub>	295,241.18	212,500.17	253,624.72*
	tonnes CH <sub>4</sub>	5.58	4.00	4.79*
	tonnes N <sub>2</sub> O	0.65	0.41	0.48*
<b>Scope 2</b>				
Purchased Electricity (Glove Division)	tonnes CO <sub>2</sub> e	115,116.57	78,013.34*	94,741.33*
	tonnes CO <sub>2</sub>	115,116.57	78,013.34	94,741.33*
Purchased Electricity (TRP Division)	tonnes CO <sub>2</sub> e	10,903.68	8,197.16*	8,476.06*
	tonnes CO <sub>2</sub>	10,903.68	8,197.16	8,476.06*
Total Scope 2	tonnes CO <sub>2</sub> e	126,020.25	86,210.50*	103,217.39*
	tonnes CO <sub>2</sub>	126,020.25	86,210.50	103,217.39*
<b>Scope 3</b>				
Business Travel	tonnes CO <sub>2</sub> e	28.45	70.00	315.18*
Employee Commuting	tonnes CO <sub>2</sub> e	5,222.04	3,408.66	3,321.91*
Waste Generated in Operations	tonnes CO <sub>2</sub> e	N/A	1,826.32	2,010.72*
Fuel and Energy Related Activities	tonnes CO <sub>2</sub> e	N/A	N/A	48,502.65*
Total Scope 3	tonnes CO <sub>2</sub> e	5,250.49	5,304.98	54,150.46*
Total GHG Emissions (Scope 1 and 2)	tonnes CO <sub>2</sub> e	421,567.65	298,953.09	358,308.30*
	tonnes CO <sub>2</sub>	421,261.43	298,710.67	356,842.11*
	tonnes CH <sub>4</sub>	5.58	4.00	4.79*
	tonnes N <sub>2</sub> O	0.65	0.41	0.48*
Total GHG Emissions (Scope 1, 2 and 3)	tonnes CO <sub>2</sub> e	426,818.14	304,258.07	412,458.76*
Scope 1 and 2 Intensity (Gloves Division)	tonnes CO <sub>2</sub> e/1,000 pcs gloves	0.026	0.023	0.023*
Scope 1 and 2 Intensity (TRP Division)	tonnes CO <sub>2</sub> e/1,000 kg rubber compounded	2.74	2.46	2.37*

## Section 6: OTHER INFORMATION

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022	2023	2024
<b>GHG Emissions Avoidance</b>				
<b>Scope 2</b>				
Renewable Energy	tonnes CO <sub>2</sub> e	2,148.77	3,091.26*	3,920.59*
	tonnes CO <sub>2</sub>	2,148.77	3,091.26*	3,920.59*
Scope 2 Subtotal	tonnes CO <sub>2</sub> e	2,148.77	3,091.26*	3,920.59*
	tonnes CO <sub>2</sub>	2,148.77	3,091.26*	3,920.59*
<b>Carbon Absorption</b>				
Number of Trees Planted in StayLow Programme	tonnes CO <sub>2</sub> e	64.45	223.03	436.96
	tonnes CO <sub>2</sub>	64.45	223.03	436.96
Total Emissions Trees Planted Absorb	tonnes CO <sub>2</sub> e	64.45	223.03	436.96
Total GHG Emissions Avoidance	tonnes CO <sub>2</sub> e	2,213.22	3,314.29	4,357.55
<b>Energy</b>				
<b>Purchased Electricity Consumption</b>				
Gloves Division	kWh	147,585,356.12	102,919,973.99*	122,404,823.10*
	GJ	531,307.28	370,511.91*	440,657.36*
TRP Division	kWh	13,979,073.41	10,814,188.86*	10,950,985.93*
	GJ	50,324.66	38,931.08 *	39,423.55*
Total Purchased Electricity Consumption	kWh	161,564,429.53	113,734,162.85*	133,355,809.03*
	GJ	581,631.95	409,442.99*	480,080.91*
Electricity Consumption Intensity (Gloves Division)	kWh/1,000 pcs gloves	9.40	8.23	7.97*
Electricity Consumption Intensity (TRP Division)	kWh/1,000 kg rubber compounded	2,860.03	2,476.84	2,348.67*
<b>Renewable Energy Consumption - Solar Energy</b>				
Electric Generated (Gloves Division)	kWh	2,834,791.00	3,849,183.40*	4,631,180.08*
	GJ	10,205.25	13,857.06*	16,672.25*
Installed Capacity (Gloves Division)	MWp	3.16	3.82	3.82
Electric Generated (TRP Division)	kWh	-	229,000.00*	541,100.00*
	GJ	-	824.40*	1,947.96*
Installed Capacity (TRP Division)	MWp	-	0.48	0.48
Total Renewable Energy Consumption - Solar Energy	kWh	2,834,791.00	4,078,183.40*	5,172,280.08*
	GJ	10,205.25	14,681.46*	18,620.21*
Installed Capacity	MWp	3.16	4.30	4.30
Renewable Energy Consumption Intensity (Gloves Division)	kWh/1,000 pcs gloves	0.18	0.31*	0.30*
Renewable Energy Consumption Intensity (TRP Division)	kWh/1,000 kg rubber compounded	-	52.45*	116.05*
<b>Total Electricity Consumption</b>				
Gloves Division	kWh	150,420,147.12	106,769,157.39*	127,036,003.18*
	GJ	541,512.53	384,368.97*	457,329.61*
TRP Division	kWh	13,979,073.41	11,043,188.86*	11,492,085.93*
	GJ	50,324.66	39,755.48*	41,371.51*
Total Electricity Consumption	kWh	164,399,220.53	117,812,346.25*	138,528,089.11*
	GJ	591,837.19	424,124.45*	498,701.12*
% of Renewable Energy from Total Electricity Consumption	%	1.72	3.46	3.73
<b>Fuel Consumption</b>				
<b>Diesel</b>				
Gloves Division	litre	159,591.24	146,400.36	135,952.17*
	GJ	6,110.75	5,605.67	5,205.61*
TRP Division	litre	44,127.96	45,774.76	44,924.45*
	GJ	1,689.66	1,752.72	1,720.16*
Total Diesel Consumption	litre	203,719.20	192,175.12	180,876.62*
	GJ	7,800.41	7,358.39	6,925.77*
Diesel Consumption Intensity (Gloves Division)	litre/1,000 pcs gloves	0.01	0.01	0.02*
Diesel Consumption Intensity (TRP Division)	litre/1,000 kg rubber compounded	9.03	10.48	19.27*

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022	2023	2024
<b>Gasoline</b>				
Gloves Division	litre	29,673.66	14,576.39	24,777.57*
	Gj	994.25	488.40	830.20*
TRP Division	litre	23,013.58	18,335.16	16,326.06*
	Gj	771.09	614.34	547.02*
Total Gasoline Consumption	litre	52,687.24	32,911.55	41,103.63*
	Gj	1,765.34	1,102.73	1,377.22*
Gasoline Consumption Intensity (Gloves Division)	litre/1,000 pcs gloves	0.002	0.001	0.002*
Gasoline Consumption Intensity (TRP Division)	litre/1,000 kg rubber compounded	4.71	4.20	3.50*
<b>Natural Gas</b>				
Gloves Division	MMBtu	5,673,536.40	3,949,260.71*	4,725,092.27*
	Gj	5,986,148.26	4,166,864.98*	4,985,444.85*
TRP Division	MMBtu	46,240.03	44,459.40*	44,497.30*
	Gj	48,787.86	46,909.11*	46,949.10*
Total Natural Gas Consumption	MMBtu	5,719,776.43	3,993,720.11*	4,769,589.57*
	Gj	6,034,936.12	4,213,774.09*	5,032,393.96*
Natural Gas Consumption Intensity (Gloves Division)	MMBtu/1,000 pcs gloves	0.36	0.32	0.31*
Natural Gas Consumption Intensity (TRP Division)	MMBtu/1,000 kg rubber compounded	9.46	10.18	9.54*
<b>Total Energy Consumption</b>				
Total Renewable Energy	Gj	10,205.25	14,681.46*	18,620.21*
Total Non-Renewable	Gj	6,626,133.80	4,631,678.19	5,520,777.85*
Total Energy Consumption	Gj	6,636,339.05	4,646,359.65	5,539,398.06*
<b>Waste</b>				
<b>Waste Disposal Through Incineration (With or Without Energy Recovery), Landfilling Or Other Disposal Methods</b>				
Gloves Division	MT	2,941.60	3,200.28	3,139.39
TRP Division	MT	565.56	825.98	717.26
Total Waste Disposed	MT	3,507.16	4,026.26	3,856.65
<b>Waste Reused / Recycled / Other recovery process</b>				
Gloves Division	MT	6,765.34	5,491.77	5,355.84
TRP Division	MT	238.87	5.03	8.43
Total Waste Reused / Recycled / Other recovery process	MT	7,004.21	5,496.80	5,364.27
<b>Waste Generated</b>				
Gloves Division	MT	9,706.94	8,692.05	8,495.23
TRP Division	MT	804.43	831.01	725.69
Total Waste Generated	MT	10,511.37	9,523.06	9,220.92
Overall Waste Generated Intensity (Gloves Division)	kg/1,000 pcs gloves	0.62	0.70	0.55
Overall Waste Generated Intensity (TRP Division)	kg/1,000 kg rubber compounded	164.58	190.33	155.64
<b>Scheduled Waste</b>				
Gloves Division	MT	6,722.72	5,036.93	5,292.54
TRP Division	MT	7.22	19.89	12.97
Total Scheduled Waste	MT	6,729.94	5,056.82	5,305.51
Schedule Waste Generated Intensity (Gloves Division)	kg/1,000 pcs gloves	0.43	0.40	0.34
Schedule Waste Generated Intensity (TRP Division)	kg/1,000 kg rubber compounded	1.48	4.56	2.78
<b>Non-Scheduled Waste</b>				
Gloves Division	MT	2,984.22	3,655.12	3,202.69
TRP Division	MT	797.21	811.12	712.72
Total Non-Scheduled Waste	MT	3,781.43	4,466.24	3,915.41
Non-schedule Waste Generated Intensity (Gloves Division)	kg/1,000 pcs gloves	0.19	0.29	0.21
Non-schedule Waste Generated Intensity (TRP Division)	kg/1,000 kg rubber compounded	163.10	185.78	152.86

## Section 6: OTHER INFORMATION

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022	2023	2024
<b>Raw Materials</b>				
<b>Gloves Division</b>				
Compounded Latex Consumption	MT	30,263.75	35,032.00	43,959.00
Compounded Nitrile Consumption	MT	97,389.55	113,118.00	137,959.00
Total Gloves Division Raw Materials Consumption	MT	127,653.30	148,150.00	181,918.00
Compounded Latex Consumption Intensity	MT/1,000 pcs gloves	0.010	0.014	0.016
Compounded Nitrile Consumption Intensity	MT/1,000 pcs gloves	0.008	0.011	0.011
<b>TRP Division</b>				
Natural Rubber	KG	1,154,300.00	1,150,130.00	1,308,501.00
Synthetic Rubber	KG	922,492.00	866,452.00	967,652.00
Other Rubber Compound	KG	384,948.00	130,499.00	216,356.00
Metal Components	KG	3,988,365.31	3,391,307.01	2,497,593.12
Total TRP Division Raw Materials Consumption	KG	6,450,105.31	5,538,388.01	4,990,102.12
NR and Synthetic Rubber Consumption Intensity	KG/1,000 kg rubber compounded	424.90	461.87	488.17
Total Rubber Consumption Intensity	KG/1,000 kg rubber compounded	503.66	491.76	534.57
Metal Components consumption Intensity	KG/1,000 kg rubber compounded	816.00	776.73	535.66
<b>Water</b>				
<b>Municipal Water Withdrawal</b>				
Gloves Division	m <sup>3</sup>	6,389,017.00	4,758,411.43	5,568,273.80
TRP Division	m <sup>3</sup>	78,851.28	70,896.12	66,277.50
Total Municipal Water Withdrawal	m <sup>3</sup>	6,467,868.28	4,829,307.55	5,634,551.30
<b>Reclaimed Water Withdrawal</b>				
Gloves Division	m <sup>3</sup>	1,139,000.71	752,249.00	1,273,777.00
TRP Division	m <sup>3</sup>	-	-	-
Total Reclaimed Water Withdrawal	m <sup>3</sup>	1,139,000.71	752,249.00	1,273,777.00
<b>Water Withdrawal</b>				
Gloves Division	m <sup>3</sup>	7,528,017.71	5,510,660.43	6,842,050.80
TRP Division	m <sup>3</sup>	78,851.28	70,896.12	66,277.50
Total Water Withdrawal	m <sup>3</sup>	7,606,868.99	5,581,556.55	6,908,328.30
Water Withdrawal Intensity (Gloves Division)	m <sup>3</sup> /1,000 pcs gloves	0.48	0.44	0.45
Water Withdrawal Intensity (TRP Division)	m <sup>3</sup> /1,000 kg rubber compounded	16.13	16.24	14.21
<b>Treated Water Discharged (By destination)</b>				
<b>Gloves Division</b>				
Surface water	m <sup>3</sup>	4,254,787.46	3,442,221.36	3,922,271.96
Subsurface / well	m <sup>3</sup>	-	-	-
Beneficial / other use	m <sup>3</sup>	-	-	-
Ocean	m <sup>3</sup>	-	-	-
Off-site water treatment	m <sup>3</sup>	-	-	159,060.00
Total Treated Water Discharged (Glove Division)	m <sup>3</sup>	4,254,787.46	3,442,221.36	4,081,331.96
Water Discharged Intensity (Gloves Division)	m <sup>3</sup> /1,000 pcs gloves	0.27	0.28	0.27
<b>TRP Division</b>				
Surface water	m <sup>3</sup>	-	-	-
Subsurface / well	m <sup>3</sup>	-	-	-
Beneficial / other use	m <sup>3</sup>	-	-	-
Ocean	m <sup>3</sup>	-	-	-
Off-site water treatment	m <sup>3</sup>	-	-	-
Total Treated Water Discharged (TRP Division)	m <sup>3</sup>	-	-	-
Water Discharged Intensity (TRP Division)	m <sup>3</sup> /1,000 kg rubber compounded	-	-	-
Total Treated Water Discharged	m <sup>3</sup>	4,254,787.46	3,442,221.36	4,081,331.96

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022	2023	2024			
<b>Treated Water Discharged (By level of treatment)</b>							
<b>Gloves Division</b>							
Discharge to a third party without treatment	m <sup>3</sup>	-	-	-			
Discharge to the natural environment without treatment	m <sup>3</sup>	-	-	-			
Primary Treatment only	m <sup>3</sup>	-	-	-			
Secondary Treatment	m <sup>3</sup>	3,658,074.96	3,095,560.56	3,656,616.96			
Tertiary Treatment	m <sup>3</sup>	596,712.50	346,660.80	424,715.00			
Total Treated Water Discharged	m <sup>3</sup>	4,254,787.46	3,442,221.36	4,081,331.96			
Water Discharged Intensity (Gloves Division)	m <sup>3</sup> /1,000 kg rubber compounded	0.27	0.28	0.27			
<b>TRP Division</b>							
Discharge to a third party without treatment	m <sup>3</sup>	-	-	-			
Discharge to the natural environment without treatment	m <sup>3</sup>	-	-	-			
Primary Treatment only	m <sup>3</sup>	-	-	-			
Secondary Treatment	m <sup>3</sup>	-	-	-			
Tertiary Treatment	m <sup>3</sup>	-	-	-			
Total Treated Water Discharged	m <sup>3</sup>	-	-	-			
Water Discharged Intensity (TRP Division)	m <sup>3</sup> /1,000 kg rubber compounded	-	-	-			
Total Treated Water Discharged	m <sup>3</sup>	4,254,787.46	3,442,221.36	4,081,331.96			
<b>Raw Water Consumption</b>							
Gloves Division	m <sup>3</sup>	3,273,230.25	2,068,439.07	2,760,718.84			
TRP Division	m <sup>3</sup>	78,851.28	70,896.12	66,277.50			
Total Water Consumption	m <sup>3</sup>	3,352,081.53	2,139,335.19	2,826,996.34			
Water Consumption Intensity (Gloves Division)	m <sup>3</sup> /1,000 pcs gloves	0.21	0.17	0.18			
Water Consumption Intensity (TRP Division)	m <sup>3</sup> /1,000 kg rubber compounded	16.13	16.24	14.21			
<b>Effluents</b>							
Temperature (Average)		Min	Max	Min	Max	Min	Max
Compliance limit	mg/L	-	40	-	40	-	40
Gloves Division	mg/L	32.64		32.43		30.04	
TRP Division	mg/L	-		-		-	
Quality of water discharged (BOD) - Biochemical Oxygen Demand (Average)		Min	Max	Min	Max	Min	Max
Standard B Compliance limit	mg/L	20.00	50.00	20.00	50.00	20.00	50.00
Gloves Division	mg/L	23.05		19.63		34.75	
TRP Division	mg/L	-		-		-	
Quality of water discharged (COD) - Chemical Oxygen Demand (Average)		Min	Max	Min	Max	Min	Max
Standard B Compliance limit	mg/L	80.00	200.00	80.00	200.00	80.00	200.00
Gloves Division	mg/L	114.07		97.50		79.01	
TRP Division	mg/L	-		-		-	
Quality of water discharged (TSS) - Total Suspended Solids (Average)		Min	Max	Min	Max	Min	Max
Standard B Compliance limit	mg/L	50.00	100.00	50.00	100.00	50.00	100.00
Gloves Division	mg/L	18.31		16.86		9.96	
TRP Division	mg/L	-		-		-	
<b>Board Diversity</b>							
<b>Gender</b>							
Male	Headcount	7	78%	7	78%	7	78%
Female	Headcount	2	22%	2	22%	2	22%
Total	Headcount	9	100%	9	100%	9	100%
<b>Age Generation</b>							
Generation Z, Born After 1995	Headcount	0	0%	0	0%	0	0%
Generation Y, Born 1981-1995	Headcount	1	11%	1	11%	1	11%
Generation X, Born 1961-1980	Headcount	5	56%	5	56%	5	56%
Baby Boomers, Born 1945-1960	Headcount	3	33%	3	33%	3	33%
Total	Headcount	9	100%	9	100%	9	100%

## Section 6: OTHER INFORMATION

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022		2023		2024		
<b>Ethnicity (Local Only)</b>								
Malay	Headcount	1	11%	1	11%	1	11%	
Chinese	Headcount	7	78%	7	78%	7	78%	
Indian	Headcount	1	11%	1	11%	1	11%	
Others	Headcount	-	0%	-	0%	-	0%	
Total	Headcount	9	100%	9	100%	9	100%	
<b>Workforce Profile</b>								
<b>Employee Count</b>								
Total	Headcount	6,758	-	5,848	-	5,930	-	
<b>Leadership Breakdown by Gender (Manager-Level and Above)</b>								
Male	Headcount	264	66%	223	64%	238	64%	
Female	Headcount	133	34%	127	36%	131	36%	
Total	Headcount	397	100%	350	100%	369	100%	
<b>Employee Diversity Profile</b>								
<b>Job Category</b>								
Top Management	Headcount	11	<1%	10	<1%	9	<1%	
Senior Management	Headcount	6	<1%	5	<1%	5	<1%	
Upper Management	Headcount	25	<1%	24	<1%	33	<1%	
Middle Management	Headcount	355	5%	311	5%	322	5%	
Executive	Headcount	635	9%	557	10%	643	11%	
Non-Executive	Headcount	5,726	85%	4,941	84%	4,918	83%	
Total	Headcount	6,758	100%	5,848	100%	5,930	100%	
<b>Gender</b>								
Male	Headcount	5,345	79%	4,527	77%	4,649	78%	
Female	Headcount	1,413	21%	1,321	23%	1,281	22%	
Total	Headcount	6,758	100%	5,848	100%	5,930	100%	
<b>Age Generation</b>								
Generation Z, Born After 1995	Headcount	2,075	31%	1,920	33%	2,193	37%	
Generation Y, Born 1981-1995	Headcount	3,819	57%	3,213	55%	3,073	52%	
Generation X, Born 1961-1980	Headcount	842	12%	696	12%	647	11%	
Baby Boomers, Born 1945-1960	Headcount	22	<1%	19	<1%	17	<1%	
Total	Headcount	6,758	100%	5,848	100%	5,930	100%	
<b>Nationality</b>								
Malaysian	Headcount	3,414	51%	3,022	52%	3,242	55%	
Non-Malaysian	Headcount	3,344	49%	2,826	48%	2,688	45%	
Total	Headcount	6,758	100%	5,848	100%	5,930	100%	
<b>Ethnicity (Local Only)</b>								
Malay	Headcount	2,257	66%	1,970	65%	2,200	68%	
Chinese	Headcount	622	18%	535	18%	531	16%	
Indian	Headcount	510	15%	490	16%	471	15%	
Others	Headcount	25	1%	27	1%	40	1%	
Total	Headcount	3,414	100%	3,022	100%	3,242	100%	
<b>Women by Job Category</b>								
Top Management	Headcount	-	0%	-	0%	-	0%	
Senior Management	Headcount	1	<1%	1	<1%	1	<1%	
Upper Management	Headcount	2	<1%	2	<1%	6	<1%	
Middle Management	Headcount	133	9%	124	9%	124	10%	
Executive	Headcount	287	20%	277	21%	302	24%	
Non-Executive	Headcount	990	70%	917	69%	848	66%	
Total	Headcount	1,413	100%	1,321	100%	1,281	100%	

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022	2023	2024			
<b>Employee Diversity by Employment Type</b>							
<b>Gender</b>							
Permanent	Male	2,071	31%	1,754	30%	1,982	33%
	Female	1,307	19%	1,214	21%	1,174	20%
Contract	Male	3,274	48%	2,773	47%	2,665	45%
	Female	106	2%	107	2%	109	2%
Total		6,758	100%	5,848	100%	5,930	100%
<b>Nationality</b>							
Permanent	Malaysian	3,378	50%	2,968	51%	3,156	53%
	Non-Malaysian	-	0%	-	0%	-	0%
Contract	Malaysian	36	1%	54	1%	86	1%
	Non-Malaysian	3,344	49%	2,826	48%	2,688	46%
Total		6,758	100%	5,848	100%	5,930	100%
<b>New Hire Profile</b>							
<b>New Hire</b>							
Total	Headcount	1,692	25%	1,326	23%	1,600	27%
<b>New Hire Diversity</b>							
<b>Job Category</b>							
Top Management	Headcount	2	<1%	1	<1%	-	0%
Senior Management	Headcount	5	<1%	-	0%	-	0%
Upper Management	Headcount	66	4%	5	<1%	5	<1%
Middle Management	Headcount	165	10%	24	2%	55	3%
Executive	Headcount	260	15%	99	7%	206	13%
Non-Executive	Headcount	1,194	71%	1,197	90%	1,334	83%
Total	Headcount	1,692	100%	1,326	100%	1,600	100%
<b>Gender</b>							
Male	Headcount	1,005	59%	915	69%	1,187	74%
Female	Headcount	687	41%	411	31%	413	26%
Total	Headcount	1,692	100%	1,326	100%	1,600	100%
<b>Age Generation</b>							
Generation Z, Born After 1995	Headcount	1,104	65%	840	63%	1,061	66%
Generation Y, Born 1981-1995	Headcount	517	31%	451	34%	505	32%
Generation X, Born 1961-1980	Headcount	67	4%	34	3%	34	2%
Baby Boomers, Born 1945-1960	Headcount	4	<1%	1	<1%	-	0%
Total	Headcount	1,692	100%	1,326	100%	1,600	100%
<b>Nationality</b>							
Malaysian	Headcount	1,655	98%	1,012	76%	1,313	82%
Non-Malaysian	Headcount	37	2%	314	24%	287	18%
Total	Headcount	1,692	100%	1,326	100%	1,600	100%
<b>Ethnicity (Local Only)</b>							
Malay	Headcount	1,186	72%	653	65%	921	70%
Chinese	Headcount	120	7%	59	6%	80	6%
Indian	Headcount	335	20%	288	28%	281	22%
Others	Headcount	14	1%	12	1%	31	2%
Total	Headcount	1,655	100%	1,012	100%	1,313	100%
<b>Employee Attrition</b>							
<b>Employee Count</b>							
Attrition Rate	Headcount	2,820	38.90%	2,218	35.24%	1,518	25.78%
<b>Job Category</b>							
Top Management	Headcount	-	0%	3	<1%	-	0%
Senior Management	Headcount	-	0%	1	<1%	-	0%
Upper Management	Headcount	6	<1%	8	<1%	4	<1%
Middle Management	Headcount	65	2%	77	3%	49	3%
Executive	Headcount	202	7%	182	8%	125	8%
Non-Executive	Headcount	2,547	90%	1,947	88%	1,340	88%
Total	Headcount	2,820	100%	2,218	100%	1,518	100%

## Section 6: OTHER INFORMATION

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022		2023		2024	
<b>Gender</b>							
Male	Headcount	2,007	71%	1,719	78%	1,064	70%
Female	Headcount	813	29%	499	22%	454	30%
Total	Headcount	2,820	100%	2,218	100%	1,518	100%
<b>Age Generation</b>							
Generation Z, Born After 1995	Headcount	1,470	52%	993	45%	793	52%
Generation Y, Born 1981-1995	Headcount	1,184	42%	1,041	47%	642	42%
Generation X, Born 1961-1980	Headcount	160	6%	180	8%	82	5%
Baby Boomers, Born 1945-1960	Headcount	6	<1%	4	<1%	1	<1%
Total	Headcount	2,820	100%	2,218	100%	1,518	100%
<b>Nationality</b>							
Malaysian	Headcount	2,033	72%	1,403	63%	1,095	72%
Non-Malaysian	Headcount	787	28%	815	37%	423	28%
Total	Headcount	2,820	100%	2,218	100%	1,518	100%
<b>People and Development</b>							
<b>Training Hours</b>							
Total Training Hours	Hours	127,736		122,392		108,059	
Average Training Hours Per Employee	Hours	18.90		20.90		18.22	
<b>Total Training Hours - Gender</b>							
Male	Hours	N/A	N/A	72,781	59%	76,204	71%
Female	Hours	N/A	N/A	49,611	41%	31,855	29%
Total	Hours	N/A	N/A	122,392	100%	108,059	100%
<b>Average Training Hours - Gender</b>							
Male	Hours	N/A	N/A	16.1	-	16.4	-
Female	Hours	N/A	N/A	37.6	-	24.9	-
<b>Total Training Hours - Employee Category</b>							
Top Management	Hours	N/A	N/A	248	<1%	327	<1%
Senior Management	Hours	N/A	N/A	33	<1%	348	<1%
Upper Management	Hours	N/A	N/A	303	<1%	647	1%
Middle Management	Hours	N/A	N/A	20,972	17%	15,246	14%
Executive	Hours	N/A	N/A	38,851	32%	31,587	29%
Non-Executive	Hours	N/A	N/A	61,985	51%	59,904	55%
Total	Hours	N/A	N/A	122,392	100%	108,059	100%
<b>Average Training Hours - Employee Category</b>							
Top Management	Headcount	N/A	N/A	24.8	N/A	36.3	N/A
Senior Management	Headcount	N/A	N/A	6.5	N/A	69.6	N/A
Upper Management	Headcount	N/A	N/A	12.6	N/A	19.6	N/A
Middle Management	Headcount	N/A	N/A	67.4	N/A	47.3	N/A
Executive	Headcount	N/A	N/A	69.8	N/A	49.1	N/A
Non-Executive	Headcount	N/A	N/A	12.5	N/A	12.2	N/A
<b>Total Training Hours - Type</b>							
E-Learning	Hours	N/A	N/A	2,715	2%	7,692	7%
On-Job Training	Hours	N/A	N/A	36,697	30%	41,596	39%
Classroom / Virtual	Hours	N/A	N/A	82,980	68%	58,771	54%
Total	Hours	N/A	N/A	122,392	100%	108,059	100%
<b>Total Training Hours - Theme</b>							
Anti-Bribery and Corruptions	Hours	N/A	N/A	903	1%	2,382	2%
Environmental	Hours	N/A	N/A	6,170	5%	4,627	4%
Human Right and Labour Practice	Hours	N/A	N/A	11,882	10%	11,733	11%
Soft Skill, Professional Certification and Others	Hours	N/A	N/A	9,540	8%	5,630	5%
Quality	Hours	N/A	N/A	4,818	4%	8,358	8%
Technical and Functional	Hours	N/A	N/A	75,040	61%	56,456	52%
Workplace Safety	Hours	N/A	N/A	14,039	11%	18,873	17%
Total	Hours	N/A	N/A	122,392	100%	108,059	100%

## Performance Data (Cont'd)

Indicator	Unit of Measurement	2022	2023	2024			
<b>Parental Leave</b>							
<b>Total Number of Employee Entitled</b>							
Male		1,191	66%	1,025	65%	1,110	65%
Female		611	34%	548	35%	587	35%
Total		1,802	100%	1,573	100%	1,697	100%
<b>Total Number of Employee Applied</b>							
Male		121	52%	122	62%	73	51%
Female		111	48%	76	38%	70	49%
Total		232	100%	198	100%	143	100%
<b>Total Number of Employee Returned in Reporting Period After Leave End</b>							
Male		121	52%	122	62%	73	51%
Female		111	48%	76	38%	70	49%
Total		232	100%	198	100%	143	100%
<b>Returned and Retention Rate of Employee Applied</b>							
Male		121	52%	122	62%	73	51%
Female		111	48%	76	38%	70	49%
Total		232	100%	198	100%	143	100%
<b>Occupational Accident / Illness</b>							
<b>Employees</b>							
Number of Fatality Case due to workplace accident		-	-	-			
Fatality Rate due to workplace accident		-	-	-			
Percentage of employees covered for LTIFR (%)		100%	100%	100%			
Lost-Time Injury Frequency Rate (LTIFR) (number/a million hours worked)		1.48	1.07	1.43			
The number of high-consequence work-related injuries (Including fatalities)		30	17	24			
Fatality due to Workplace Illness		-	-	-			
Workplace Illness Frequency Rate		1.57	-	1.85			
The number of high-consequence workplace illness (Including fatalities)		11	-	31			
<b>Non-Employees (Suppliers / Vendors / Contractors)</b>							
Number of Fatality Case due to workplace accident		-	-	-			
Fatality Rate due to workplace accident		-	-	-			
Percentage of employees covered for LTIFR (%)		100%	100%	100%			
Lost-Time Injury Frequency Rate (LTIFR) (number/a million hours worked)		-	-	-			
The number of high-consequence work-related injuries (Including fatalities)		-	-	-			
Fatality due to Workplace Illness		-	-	-			
Workplace Illness Frequency Rate		-	-	-			
The number of high-consequence workplace illness (Including fatalities)		-	-	-			

**Notes:**

- The data and information provided have been prepared to the best of our ability in ensuring completeness, accuracy and reliability.
- "N/A" indicates data not available.
- "-" indicates 0.
- Figures stated may not add up due to rounding figure.
- \*\*" indicates that the data have been subject to external assurance.
- Scope 1 Stationary Combustion emissions cover emissions from natural gas and diesel consumption at our production facilities, with the emission factors used sourced from UK BEIS and US EPA.
- Scope 1 Mobile Combustion emissions cover emissions from gasoline and diesel consumption and emissions from the mileage incurred by company vehicles. The emission factors used are obtained from US EPA.
- Scope 1 Fugitive emissions encompasses emissions from our industrial chillers, air-conditioning and fire suppression equipment. Emission factors were sourced from the United Nations Intergovernmental Panel on Climate Change's ("IPCC") Sixth Assessment Report ("AR6") and the UK's BEIS.
- Scope 2 accounts for purchased electricity used in our production facilities and hostels. Emissions in FY2022 and FY2023 were calculated using the location-based method,

based on the MEIH's 2019 Grid Emission Factors ("GEF"), while emissions in FY2024 were calculated using the location-based method, based on MEIH's 2022 Grid Emission Factors ("GEF").

- Scope 3 fuel and energy-related activities encompasses the indirect emissions associated with the production, transmission and delivery of fuels and energy consumed by KOSSAN covering natural gas, diesel, gasoline and electricity which are not accounted for in Scope 1 and 2. Emission factors were sourced from UK's BEIS and Australia's DISER. Tracking commenced in FY2024.
- Scope 3 waste generated in operation covering both scheduled and non-scheduled waste and was only tracked starting FY2023. Emission factors used were sourced from the US' EPA and the UK's BEIS.
- Scope 3 Business Travel covers all vehicle types except trains. Emission factors were sourced from the US' EPA, the UK's BEIS and France's French Ecological Transition Agency ("ADEME"). However, emissions from air travel by our migrant workers are not accounted for FY2022 and FY2023.
- Scope 3 Employee Commuting emissions cover all employee commuting activities, with the emission factor used sourced from UK BEIS.
- Water withdrawal and consumption data covers the production facilities and hostels of both divisions.

## Performance Data Table from Bursa Malaysia's ESG Reporting Platform

Indicator	Measurement Unit	2023	2024
<b>Bursa (Labour practices and standards)</b>			
Bursa C6(a) Total hours of training by employee category			
Executive	Hours	60,407	48,155
Non-executive	Hours	61,985	59,904
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	49.00	47.00
Bursa C6(c) Total number of employee turnover by employee category			
Executive	Number	271	178
Non-executive	Number	1,947	1,340
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Executive	Percentage	80.15	23.81
Non-executive	Percentage	0.38	44.35
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	212,742.59	255,090.91
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	86,210.50	103,217.39
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	5,304.98	54,150.46
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	1,290,655.46	1,538,721.68
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	2,139.335190	2,826.996340
<b>Bursa (Health and safety)</b>			
Bursa C5(a) Number of workrelated fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.07	1.43
Bursa C5(c) Number of employees trained on health and safety standards	Number	2,374	3,134
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	9,523.06	9,220.92
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	5,496.80	5,364.27
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4,026.26	3,856.65
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	62.00	59.00

Internal assurance

External assurance

No assurance

(\*)Restated

## Performance Data Table from Bursa Malaysia's ESG Reporting Platform (Cont'd)

Indicator	Measurement Unit	2023	2024
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Executive Generation Z, Born After 1995	Percentage	1.66	2.68
Executive Generation Y, Born 1981-1995	Percentage	8.57	9.34
Executive Generation X, Born 1961-1980	Percentage	5.03	4.82
Executive Baby Boomers, Born 1945-1960	Percentage	0.26	0.22
Non-executive Generation Z, Born After 1995	Percentage	31.17	34.30
Non-executive Generation Y, Born 1981-1995	Percentage	46.37	42.48
Non-executive Generation X, Born 1961-1980	Percentage	6.87	6.09
Non-executive Baby Boomers, Born 1945-1960	Percentage	0.07	0.07
Gender Group by Employee Category			
Executive Male	Percentage	8.60	9.77
Executive Female	Percentage	6.91	7.30
Non-executive Male	Percentage	68.81	68.63
Non-executive Female	Percentage	15.68	14.30
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	78.00	78.00
Female	Percentage	22.00	22.00
Generation Z, Born After 1995	Percentage	0.00	0.00
Generation Y, Born 1981-1995	Percentage	11.00	11.00
Generation X, Born 1961-1980	Percentage	56.00	56.00
Baby Boomers, Born 1945-1960	Percentage	33.00	33.00
<b>Bursa (Community/Society)</b>			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	575,000.00	729,046.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	21,368	58,683

Internal assurance

External assurance

No assurance

(\*)Restated

# Global Reporting Initiative (GRI) Content Index

<b>Standard of Use</b>	KOSSAN RUBBER INDUSTRIES BHD has been prepared in accordance to the GRI Standards for the financial year period 1 January 2024 - 31 December 2024
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

						Omission			
GRI Standards	Disclosure Title	Bursa Ref No.	Bursa Indicators	SDGs	Reason	Explanation	Externally Assured (Y/N)	Location of this SR2024	
<b>General Disclosures</b>									
<b>GRI 2: General Disclosures 2021</b>									
<b>The organisation and its reporting practices</b>									
2-1	Organisational details	-	-					IAR2024 Pg. 4, 6	
2-2	Entities included in the organisation's sustainability reporting	-	-					Pg. 1	
2-3	Reporting period, frequency and contact point	-	-					Pg. 1	
2-4	Restatements of information	-	-		Not applicable	There is no revised of information from previous report.		N/A	
2-5	External assurance	-	-					Pg. 18-25	
<b>Activities and workers</b>									
2-6	Activities, value chain and other business relationships	-	-					IAR2024 Pg. 4, 8	
2-7	Employees	-	-	8				Pg. 88-89	
2-8	Workers who are not employees	-	-		Not applicable	There are no workers who are not employees and whose work is controlled by KOSSAN.		N/A	
<b>Governance</b>									
2-9	Governance structure and composition	-	-					Pg. 14 IAR2024 Pg. 42-43	
2-10	Nomination and selection of the highest governance body	-	-					IAR2024 Pg. 45	
2-11	Chair of the highest governance body	-	-					Pg. 14 IAR2024 Pg. 42	
2-12	Role of the highest governance body in overseeing the management of impacts	-	-					Pg. 14	
2-13	Delegation of responsibility for managing impacts	-	-					Pg. 14 IAR2024 Pg. 42	
2-14	Role of the highest governance body in sustainability reporting	-	-					Pg. 14	
2-15	Conflicts of interest	-	-					IAR2024 Pg. 43	
2-16	Communication of critical concerns	-	-					Pg. 15-17	
2-17	Collective knowledge of the highest governance body	-	-					IAR2024 Pg. 36-40, 45	
2-18	Evaluation of the performance of the highest governance body	-	-					IAR2024 Pg. 46	
2-19	Remuneration policies	-	-					IAR2024 Pg. 46	
2-20	Process to determine remuneration	-	-					IAR2024 Pg. 46	
2-21	Annual total compensation ratio	-	-		Information unavailable	Data were not collected		N/A	
<b>Strategies, policies and practices</b>									
2-22	Statement on sustainable development strategy	-	-					Pg. 4-6	
2-23	Policy commitments	-	-					Pg. 9	
2-24	Embedding policy commitments	-	-					Pg. 10-13	
2-25	Processes to remediate negative impacts	-	-	16				Pg. 60 IAR2024 Pg. 44	
2-26	Mechanisms for seeking advice and raising concerns	-	-					Pg. 14	
2-27	Compliance with laws and regulations	-	-					Pg. 10	
2-28	Membership associations	-	-					Pg. 61	
<b>Stakeholder Engagement</b>									
2-29	Approach to stakeholder engagement	-	-	16				Pg. 15-17	
2-30	Collective bargaining agreements	-	-	8				Pg. 60	

## Global Reporting Initiative (GRI) Content Index (Cont'd)

GRI Standards	Disclosure Title	Bursa Ref No.	Bursa Indicators	SDGs	Omission		Externally Assured (Y/N)	Location of this SR2024
					Reason	Explanation		
<b>Material Topics</b>								
<b>GRI 3: Material Topics 2021</b>								
3-1	Process to determine material topics	-	-					Pg. 18
3-2	List of material topics	-	-					Pg. 18-25
<b>Economic / Governance</b>								
<b>Ethical Business</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	8, 16			N	Pg. 30
<b>GRI 205: Anti-Corruption 2016</b>								
205-1	Operations assessed for risk related to corruption	C1 (b)	Percentage of operations assessed for corruption-related risks				N	Pg. 32
205-2	Communication and training about anti-corruption policies and procedures	C1 (a)	Percentage of employees who have received training on anticorruption by employee category	8, 16			N	Pg. 31-32
205-3	Confirmed incidents of corruption and actions taken	C1 (c)	Confirmed incidents of corruption and action taken				N	Pg. 32
<b>GRI 415: Public Policy 2016</b>								
415-1	Political contributions	-	-	8, 16			N	Pg. 32
<b>Cyber Security and Data Privacy</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics			16			N	Pg. 33-34
<b>GRI 418: Customer Privacy 2016</b>								
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	16			N	Pg. 34
<b>Product Quality and Safety</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics			9			N	Pg. 35
<b>GRI 416: Customer Health and Safety 2016</b>								
416-1	Assessment of the health and safety impacts of product and service categories	S3 (a)	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement				N	Pg. 36-37
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	S3 (b)	Total number of incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of products and services within the reporting period	9			N	Pg. 39
-	-	S3 (c)	Number of recalls issued and total units recalled for health and safety reasons				N	Pg. 36
<b>GRI 417: Marketing and Labelling 2016</b>								
417-1	Requirements for product and service information and labeling	-	-				N	Pg. 37
417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	9			N	Pg. 39
417-3	Incidents of non-compliance concerning marketing communications	-	-				N	Pg. 39
<b>Partnership and Collaboration</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics			8, 16, 17			N	Pg. 40
<b>GRI 204: Procurement Practices 2016</b>								
204-1	Proportion of spending on local suppliers	C7 (a)	Proportion of spending on local suppliers	8, 16, 17			N	Pg. 42
<b>GRI 206: Anti-Competitive Behaviour 2016</b>								
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	-	-	8, 16, 17			N	Pg. 42

## Section 6: OTHER INFORMATION

## Global Reporting Initiative (GRI) Content Index (Cont'd)

GRI Standards	Disclosure Title	Bursa Ref No.	Bursa Indicators	SDGs	Omission		Externally Assured (Y/N)	Location of this SR2024
					Reason	Explanation		
<b>GRI 308: Supplier Environmental Assessment 2016</b>								
308-1	New suppliers that were screened using environmental criteria	S6 (a)	Percentage of new suppliers that were screened using environmental criteria	8, 16, 17			N	Pg. 42
		S6 (b)	Number of suppliers assessed for environmental impacts				N	Pg. 42
<b>GRI 308: Supplier Environmental Assessment 2016</b>								
308-2	Negative environmental impacts in the supply chain and actions taken	-	-	8, 16, 17			N	Pg. 41
<b>GRI 414: Supplier Social Assessment 2016</b>								
414-1	New suppliers that were screened using social criteria	S7 (a)	Percentage of new suppliers that were screened using social criteria	8, 16, 17			N	Pg. 42
		S7 (b)	Number of suppliers assessed for social impacts				N	Pg. 42
414-2	Negative social impacts in the supply chain and actions taken	-	-				N	Pg. 41
<b>Environment</b>								
<b>Environmental Compliance</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	12			N	Pg. 48
<b>Climate Change</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	7, 12, 13			Y	Pg. 43
<b>GRI 302: Energy 2016</b>								
302-1	Management of material topics	-	-				Y	Pg. 47
302-2	Energy consumption within the organisation	C4 (a)	Falling short of interim target for one year, review current practices				Y	Pg. 46
302-3	Energy intensity	-	-				Y	Pg. 46-47
302-4	Reduction of energy consumption	-	-	7, 12, 13			Y	Pg. 47
302-5	Reductions in energy requirements of products and services	-	-		Not applicable	Products sold by KOSSAN do not consume energy during the use phase	N/A	N/A
<b>GRI 305: Emissions 2016</b>								
305-1	Direct (Scope 1) GHG emissions	C11 (a)	Scope 1 emissions in tonnes of CO <sub>2</sub> e				Y	Pg. 45
305-2	Energy indirect (Scope 2) GHG emissions	C11 (b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e				Y	Pg. 46
305-3	Other indirect (Scope 3) GHG emissions	C11 (c)	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)				Y	Pg. 46
305-4	GHG emissions intensity	-	-				Y	Pg. 46
305-5	Reduction of GHG emissions	-	-	7, 12, 13			Y	Pg. 84
305-6	Emissions of ozone-depleting substances (ODS)	-	-		Not applicable	KOSSAN does not emit a material amount of these emissions through our business process.	N	N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	S4 (a)	Amount of air emissions of pollutants and particulate matter		Not applicable	KOSSAN does not emit a material amount of these emissions through our business process.	N	N/A
<b>Waste Management</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	12			N	Pg. 54

## Global Reporting Initiative (GRI) Content Index (Cont'd)

GRI Standards	Disclosure Title	Bursa Ref No.	Bursa Indicators	SDGs	Omission		Externally Assured (Y/N)	Location of this SR2024
					Reason	Explanation		
<b>GRI 301: Materials 2016</b>								
301-1	Materials used by weight or volume	S5 (a)	Total weight or volume of materials that are used to produce and package products and services				N	Pg. 86
301-2	Recycled input materials used	-	-	12			N	Pg. 54-55
301-3	Reclaimed products and their packaging materials	-	-				N	Pg. 54-55
<b>GRI 306: Waste 2020</b>								
306-1	Waste generation and significant waste-related impacts	-	-	12			N	Pg. 54-55
306-2	Management of significant waste-related impacts	-	-				N	Pg. 54-55
306-3	Waste generated		Total waste generated and a breakdown of the following:				N	Pg. 55
306-4	Waste diverted from disposal		(i) total waste diverted from disposal	11, 12			N	Pg. 56
306-5	Waste directed to disposal	C10 (a)	(ii) total waste directed to disposal				N	Pg. 56
<b>Water and Effluents Management</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	6, 12			N	Pg. 51
<b>GRI 303: Water and effluent 2018</b>								
303-1	Interactions with water as shared resource	-	-				N	Pg. 51
303-2	Management of water discharge-related impacts	S8(a)	Total volume of water (effluent) discharge over the reporting period				N	Pg. 52
303-3	Water withdrawal	-	-	6, 12			N	Pg. 53
303-4	Water discharge	S8 (a)	Total volume of water (effluent) discharge over the reporting period				N	Pg. 53
303-5	Water consumption	C9 (a)	Total volume of water used				N	Pg. 51
<b>Social</b>								
<b>Human Rights and Labor Practice</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	8, 10, 16			N	Pg. 57
<b>GRI 402: Labor / Management Relations 2016</b>								
402-1	Minimum notice periods regarding operational changes	-	-	8, 10, 16			N	Pg. 59
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>								
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	-	8, 10, 16			N	Pg. 60
<b>GRI 408: Child Labor 2016</b>								
408-1	Operations and suppliers at significant risk for incidents of child labor	-	-	8, 10, 16			N	Pg. 59
<b>GRI 409: Forced or Compulsory Labor 2016</b>								
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	-	8, 10, 16			N	Pg. 59
<b>GRI 410: Security Practices 2016</b>								
410-1	Security personnel trained in human rights policies or procedures	-	-	8, 10, 16	Information unavailable	Steps are being taken to include the information in the next Report	N	N/A
<b>GRI 411: Rights of Indigenous Peoples 2016</b>								
411-1	Incidents of violations involving rights of indigenous peoples	-	-	8, 10, 16	Not Applicable	None of KOSSAN current operating sites are located in or near indigenous land	N	N/A
		C6 (d)	Number of substantiated complaints concerning human rights violations				N	Pg. 59

## Section 6: OTHER INFORMATION

## Global Reporting Initiative (GRI) Content Index (Cont'd)

GRI Standards	Disclosure Title	Bursa Ref No.	Bursa Indicators	SDGs	Omission		Externally Assured (Y/N)	Location
					Reason	Explanation		
<b>Workplace Safety</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	3, 8			N	Pg. 62
<b>GRI 403: Occupational Health and Safety 2018</b>								
403-1	Occupational health and safety management system	-	-				N	Pg. 62
403-2	Hazard identification, risk assessment and incident investigation	-	-				N	Pg. 64
403-3	Occupational health services	-	-				N	Pg. 63-64
403-4	Worker participation, consultation and communication on occupational health and safety	-	-				N	Pg. 63-64
403-5	Worker training on occupational health and safety	C5 (c)	Number of employees trained on health and safety standards	3, 8			N	Pg. 64
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	-				N	Pg. 63-64
403-8	Workers covered by an occupational health and safety management system	-	-				N	Pg. 65
403-9	Work-related injuries	C5 (a)	Number of work-related fatalities				N	Pg. 65
		C5 (b)	Lost time incident rate				N	Pg. 65
403-10	Work-related ill health	-	-				N	Pg. 91
<b>People Development</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	4			N	Pg. 66
<b>GRI 404: Training and Education 2016</b>								
404-1	Average hours of training per year per employee	C5 (c)	Number of employees trained on health and safety standards				N	Pg. 67
		C6 (a)	Total hours of training by employee category				N	
404-2	Programs for upgrading employee skills and transition assistance programs	-	-	4			N	Pg. 66
404-3	Percentage of employees receiving regular performance and career development reviews	-	-				N	Pg. 67,74
<b>Health and Wellness</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	3, 8			N	Pg. 69
<b>GRI 401: Employment 2016</b>								
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	-	3, 8			N	Pg. 69
401-3	Parental leave	-	-				N	Pg. 72
<b>GRI 403: Occupational Health and Safety 2018</b>								
403-6	Promotion of worker health	-	-	3, 8			N	Pg. 69-71
<b>Diversity and Inclusivity</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	10			N	Pg. 73
<b>GRI 202: Market Presence 2016</b>								
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	-	10			N	Pg. 74
202-2	Proportion of senior management hired from the local community	-	-				N	Pg. 75
<b>GRI 401: Employment 2016</b>								
401-1	New employee hires and employee turnover	C6 (c)	Total number of employee turnover by employee category	10			N	Pg. 76
		C6 (b)	Percentage of employees that are contractors or temporary staff				N	Pg. 75

## Global Reporting Initiative (GRI) Content Index (Cont'd)


GRI Standards	Disclosure Title	Bursa Ref No.	Bursa Indicators	SDGs	Omission		Externally Assured (Y/N)	Location
					Reason	Explanation		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>								
405-1	Diversity of governance bodies and employees	C3 (a)	Percentage of employees by gender and age group, for each employee category	10			N	Pg. 75
		C3 (b)	Percentage of directors by gender and age group				N	Pg. 74
405-2	Ratio of basic salary and remuneration of women and men	-	-				N	Pg. 74
<b>GRI 406: Non-Discrimination 2016</b>								
406-1	Incidents of discrimination and corrective actions taken	-	-	10			N	Pg. 73-74
<b>Community Welfare</b>								
<b>GRI 3: Material Topics 2021</b>								
3-3	Management of material topics	-	-	1, 4			N	Pg. 77
<b>GRI 413: Local Communities 2016</b>								
413-1	Operations with local community engagement, impact assessments and development programs	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	1, 4			N	Pg. 77-80
		C2 (b)	Total number of beneficiaries of the investment in communities				N	Pg. 77-80
413-2	Operations with significant actual and potential negative impacts on local communities	-	-				N	Pg. 77-80





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