

Sustainability Statement FY 2022

Prepared for



Zantat Sdn. Bhd.

17th May 2023

Prepared by



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About This Statement

As a leading producer of high-grade calcium carbonate powder and calcium carbonate dispersion products, Zantat Sdn. Bhd. ("Zantat" or "the Group") is driven to generate reliable, long-term value for our stakeholders. Thus, we are pleased to present our inaugural sustainability statement detailing our initiatives across our business operations, and how we achieve strong environmental, social, governance ("ESG") and economic performance.

Among these initiatives include the development of a three-tiered Sustainability Governance structure to facilitate the management of our sustainability matters. We also conducted a materiality assessment, and implemented a Sustainability Framework delineating our sustainable development agenda. Furthermore, to decarbonise our operations and work towards a low-carbon future, we calculated our Greenhouse Gas ("GHG") emissions and disclosed our direct Scope 1, indirect Scope 2, and other indirect Scope 3 GHG emissions from across our quarrying operations.

Scope and Boundary

The disclosures elaborated in the statement covers the reporting period of 1 January 2022 to 31 December 2022 ("FY 2022"). Where relevant, we have included three years of comparative data to illustrate yearly trends. The data disclosed are from Zantat Sdn. Bhd. and its subsidiaries. Below is the list of entities within the scope of reporting in FY 2022:

- | | | |
|--|---|-----------------------------------|
| <p>1 Zantat Sdn. Bhd.:</p> <ul style="list-style-type: none">• Perak Plant 1• Perak Plant 2• KL Plant | <p>2 Zantat Light C.C. Sdn. Bhd.:</p> <ul style="list-style-type: none">• Perak Quarry 1 | <p>3 Calrock Sdn. Bhd.</p> |
|--|---|-----------------------------------|

Throughout the report, the disclosures for Perak Plant 1, Perak Plant 2 and Perak Quarry 1 may be represented as a whole as "Zantat Perak" unless specifically stated. Disclosures for KL Plant will be represented by "Zantat KL".

Reporting Framework, Guidelines and Standards

This statement was prepared in reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the Global Reporting Initiative ("GRI") standards to ensure meaningful reporting of our ESG matters. The disclosures are aligned with the chosen Sustainable Development Goals (also known as "SDGs" or "UN SDGs"). To prepare our business to respond and address negative climate impacts, Zantat also began the adoption of Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.



Assurance Statement

All data within this statement have been internally reviewed and approved by the Group's senior managers. To continually improve our data collection and analysis processes for future reports, we intend to seek independent verification to ensure the accuracy and integrity of our sustainable disclosures.

Feedback

We value all feedback to improve the relevance of our reporting. Should you have any questions, comments and feedback about our sustainability initiatives or reporting, please direct them to:

Name : Chan Bin Iuan

Position : Chief Executive Officer

Email address : bichan@zantat.com.my

Office address: PT24571 & PT21289, Kaw. Industri Batu Kapur Keramat Pulai,
31300 Kampung Kepayang, Perak, Malaysia.

About Zantat

Established in 1986, Zantat Sdn. Bhd. is one of Malaysia's leading producers of high-grade calcium carbonate powder and calcium carbonate dispersion products today. We have a strong reputation for delivering superior-quality products and excellent service across a variety of industries. Our highly dedicated team with over thirty years of experience and industry knowledge, is at the forefront of this.

Zantat's principal business activity is the production of calcium carbonate, namely ground calcium carbonate ("GCC") and calcium carbonate ("CC") dispersions. The Group engages in the trade of industrial minerals, the production of kaolin dispersion, the processing of ultrafine precipitated calcium carbonate ("PCC") powder, and the sale of limestone quarry products.

Headquartered in Perak, Zantat Sdn. Bhd. has four production plants, three of which are located in Ipoh, Perak and one in Kuala Lumpur.

Zantat Perak Plants

Operations:

Head office, warehouse and production of GCC

Location:

PT24571 & PT21289,
Kaw. Industri Batu Kapur
Keramat Pulai,
31300 Kampung Kepayang,
Perak.

Zantat KL Plant

Operations:

Office, warehouse, production of calcium carbonate and kaolin dispersions, and processing of ultrafine PCC powder

Location:

Lot 1013, Jalan 2/32A,
6 ½ Miles, Kepong Industrial
Area, Jalan Kepong,
52100 Kuala Lumpur

Calrock

Operations:

Office, warehouse and production of GCC

Location:

60, Persiaran Portland,
Tasek Industrial Estate,
31400 Ipoh, Perak

Zantat Light

Operations:

Quarrying and crushing of limestone reserves

Location of Perak Quarry 1:

PT 22565,
Mukim Sg. Raya,
31300 Keramat Pulai, Perak

Calcium carbonate (CaCO_3) is a white calcite mineral that is present in limestone in its natural state. Natural calcium carbonate powder, stearic acid-coated calcium carbonate powder, and calcium carbonate in the pre-dispersed slurry are examples of processed calcium carbonate in the industry.

Both our GCC and PCC products are extensively used in many industries as raw material components for the manufacturing of products such as plastics, gloves, paints and coatings, and rubber products.

Zantat's largest market is India, followed by Malaysia. All remaining Group revenue is generated from sales to customers in 16 other foreign countries including Thailand, Indonesia, the Philippines, Australia, Sri Lanka, Nepal, China, Singapore, Papua New Guinea, Hong Kong, Vietnam, Oman, Taiwan, Fiji, South Korea and Brunei.

Awards & Recognitions



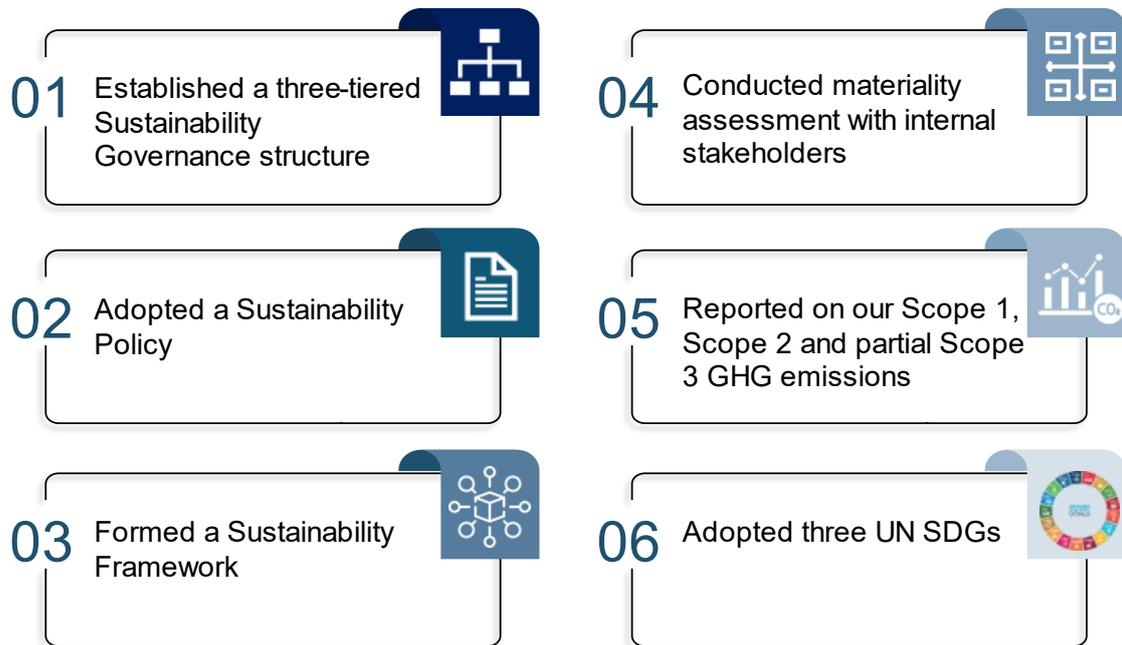
As a testament to our dedication towards excellence and generating long-term sustainable value for our stakeholders, Zantat achieved first place in the *Anugerah Lestari Premis Berasaskan Mineral 2022*, awarded by the Department of Environment Perak.

Brand Awareness

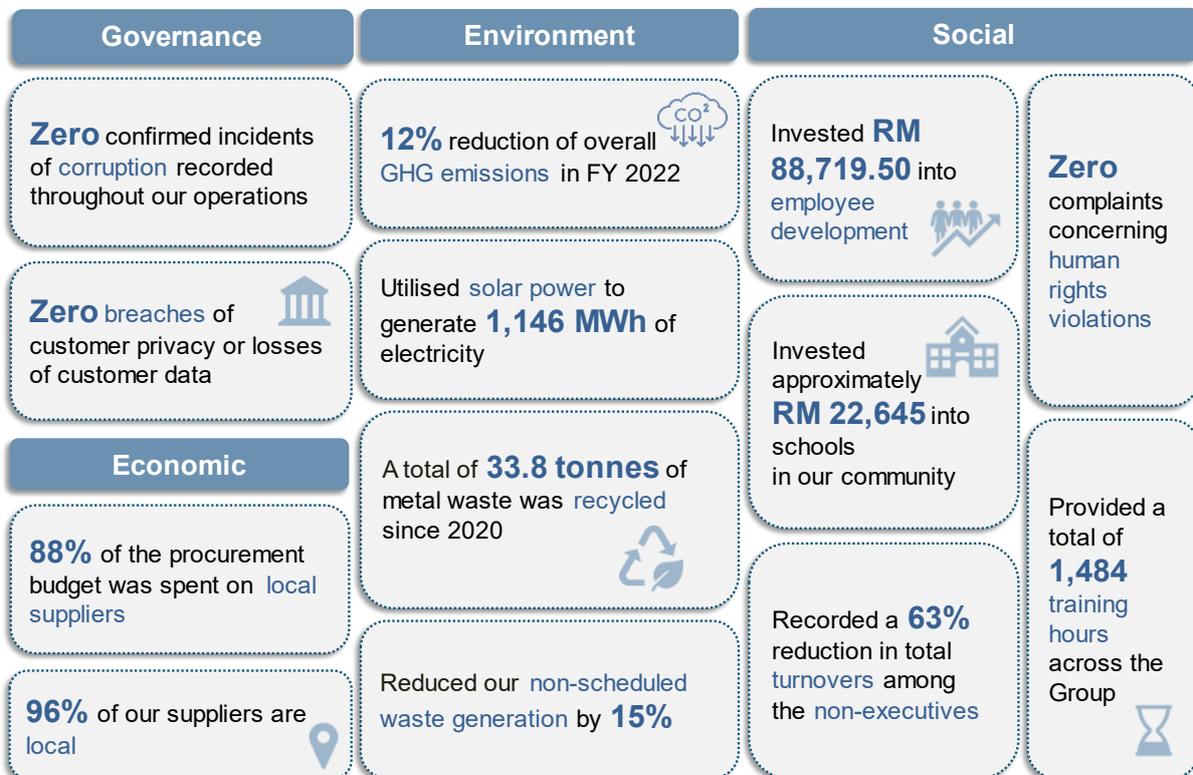
This year, we participated in the Perak Trade Expo 2022 in December to showcase our products and services and demonstrate our expertise to a large and diverse audience, allowing us to increase our brand exposure and awareness. The Group also utilised this as a networking opportunity that could lead to new collaborations and potential sales.



Sustainability Achievements for FY 2022



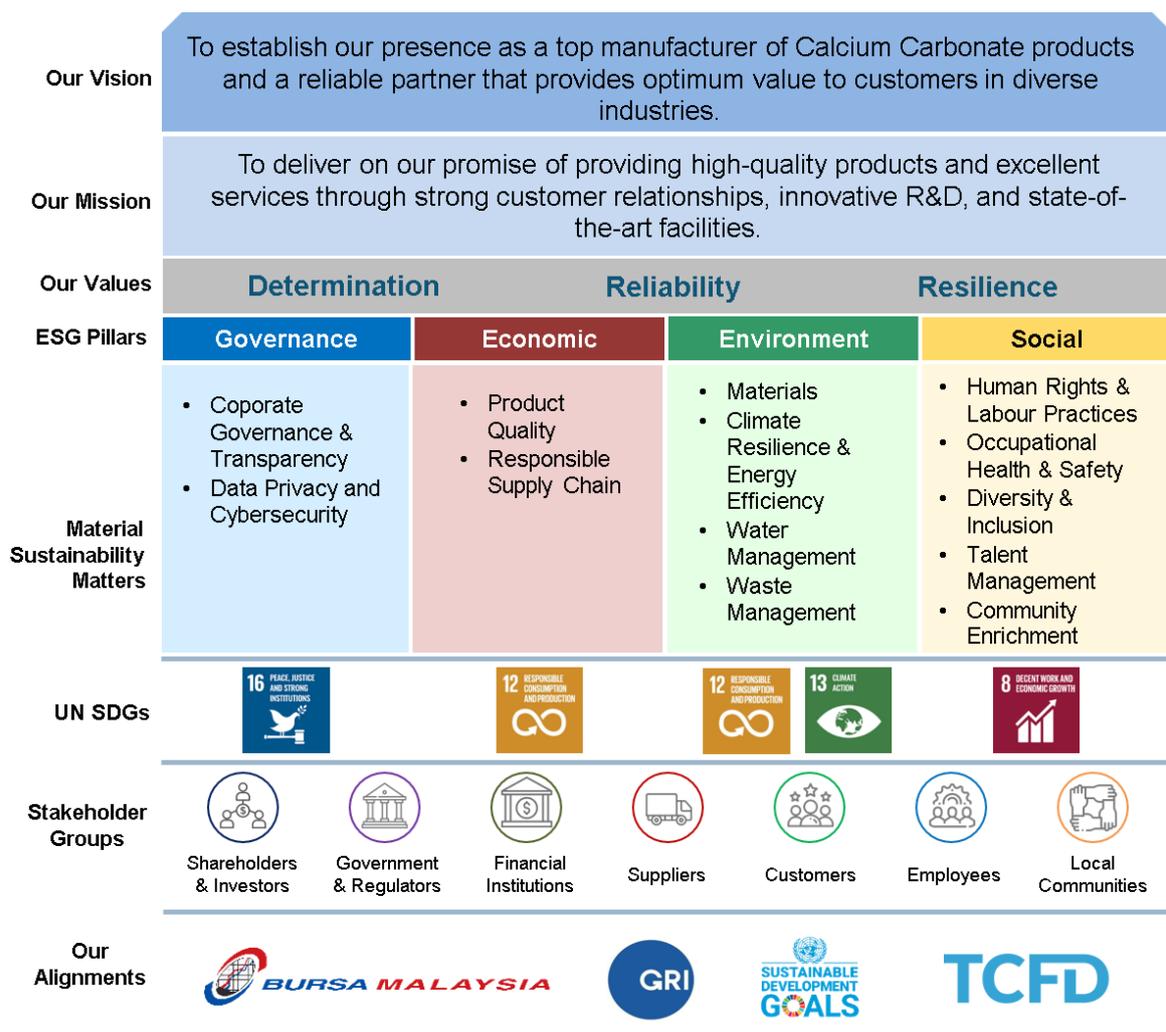
ESG Performance



Our Journey Towards a Sustainable Future

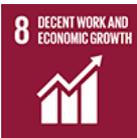
Our Guide, Our Direction

In FY 2022, we developed a Sustainability Framework outlining the broad parameters of our efforts that align with our overall strategy. It serves to define our long-term objectives and initiatives to address significant ESG risks, opportunities, and sustainability issues vital to our business. Founded on four main sustainability pillars: governance, economic, environment, and social sustainability, the framework directs our business decisions.



Contribution to United Nation Sustainable Development Goals

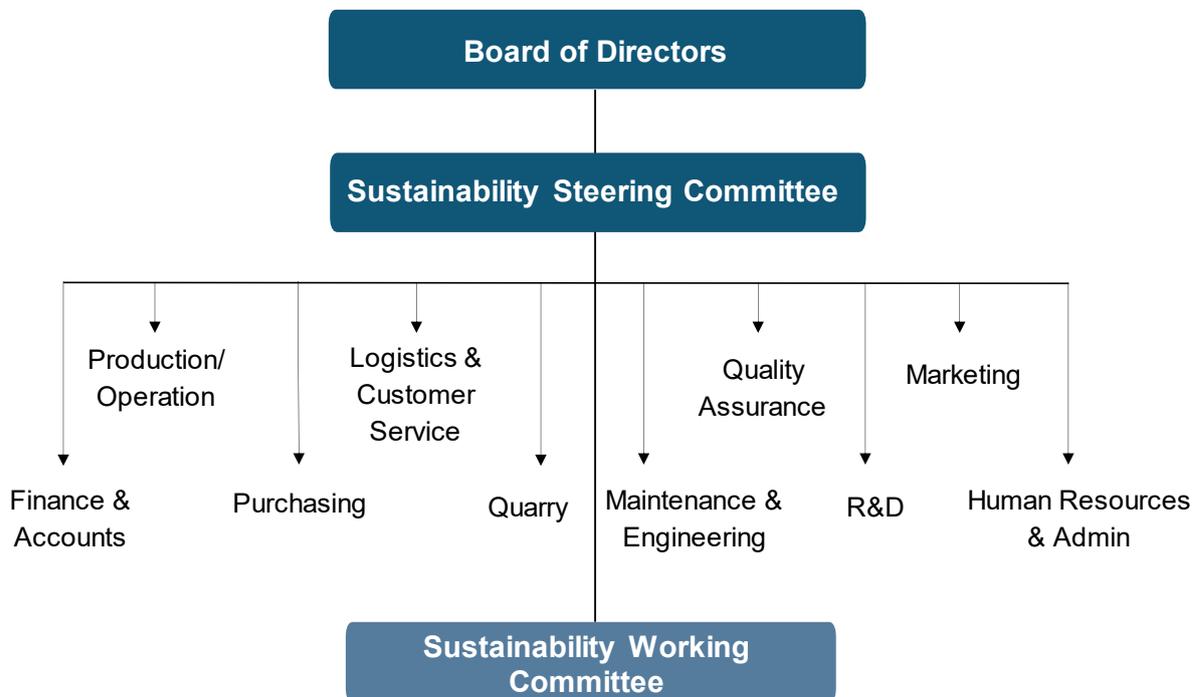
The Group is committed to contributing to the United Nations Sustainable Development Goals (“UN SDGs”) which serve as a universal call to protect the planet, end poverty and ensure peace and prosperity through sustainable development. Intent on playing our part in the effort of developing a prosperous and sustainable global nation, Zantat adopted the three UN SDGs most relevant to our business operations and where we can meaningfully contribute to the national ESG agenda.

SDGs	SDG Targets	Zantat’s Contributions
<p>SDG 8: Decent Work and Economic Growth</p> 	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.</p> <hr/> <p>8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment</p>	<ul style="list-style-type: none"> • Zero fatalities and occupational injuries occurred in FY 2022. • Established a Health and Safety Policy. • Formed Safety, Health and Environment Committees. • Implemented an Equal Employment Policy and equal ratio of salaries between genders. • A labour rights procedure is included in the induction training.
<p>SDG 12: Responsible Consumption and Production</p> 	<p>12.2 By 2030, achieve sustainable management and efficient use of natural resources</p> <hr/> <p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p> <hr/> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> • A portion of the layer pads used in our packaging were sourced from environmentally friendly components such as recycled stearic acid bags. • Recycled wooden pallets were used. • Metal waste was recycled. • Scheduled waste was collected by licenced scheduled waste collectors. • We used recycled Intermediate bulk containers (“IBC”) tanks to store finished goods.
<p>SDG 13: Climate Action</p> 	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <hr/> <p>13.2 Integrate climate change measures into national policies, strategies and planning</p>	<ul style="list-style-type: none"> • Carbon footprint for emissions in production operations was measured for the first time to identify suitable pathways to reduce carbon emissions across the organisation in the future.
<p>SDG 16: Peace, Justice and Strong Institutions</p> 	<p>16.5 Substantially reduce corruption and bribery in all their forms.</p>	<ul style="list-style-type: none"> • Strengthened our Anti-bribery & Corruption Policy and Code of Conduct & Ethics.

Our Leadership and Governance

A sound sustainability governance structure is key to ensuring accountability, discipline and the effective management of our sustainability matters. It also drives the alignment and effective execution of our sustainability strategies beginning at the Board level. Therefore, we established our three-tier sustainability governance in FY 2022, establishing clear functions and responsibilities to ensure competent leadership.

The Board of Directors ("Board") helms the structure and establishes our overarching sustainability direction, with the overall sustainability matters, strategies, and sustainability-related policies and goals under the oversight of the Sustainability Steering Committee ("SSC") which is comprised of representatives from every department. On the operational level, the Sustainability Working Group ("SWG") is responsible for implementing approved sustainability initiatives and supports the SSC.



Roles and Responsibilities

Board of Directors



- Develops the overarching sustainability strategy for the Group
- Approves proposed material sustainability matters and validates the materiality matrix proposed by the SSC.
- Approves sustainability disclosures prepared by the SSC.
- Ensures all ESG-related risks and opportunities are incorporated into the Group's strategy and risk management.

Sustainability Steering Committee



- Reviews the sustainability statement and ensures the disclosures are prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide prior to presenting it to the Board for approval.
- Proposes and advises the Board on the sustainability strategies, policies, and targets that are in line with the Group's overall business strategy for approval.
- Assesses and manages the Group's material sustainability matters, such as corporate governance and transparency, climate resilience and energy efficiency, occupational health and safety and other pertinent risks and opportunities.
- Provides oversight and monitors the implementation of sustainability initiatives and the progress of sustainability strategies approved by the Board.
- Develops communication strategies and mechanisms to engage stakeholders on sustainability and periodically conducts materiality assessments to assess and identify stakeholders' priorities.

Sustainability Working Group



- Assists the SSC in coordinating and implementing the Group's sustainability strategies and initiatives in daily operations and reports their progress and performance to the SSC.
- Compiles and monitors ESG-related data and information for sustainability reporting for the SSC's review and approval.
- Oversees and monitors sustainability trends, climate-related issues and key sustainability risks and opportunities.
- Identifies ESG risks and opportunities relevant to business operations to the SSC based on stakeholders' expectations.

Sustainability Policy

To promote a responsible and resilient corporate culture, we aim to incorporate sustainability initiatives into our operations at our quarry and manufacturing facilities. Therefore, to facilitate these efforts, we developed a Sustainability Policy that represents our efforts and addresses the governance, economic, environmental and social facets of our business activities. The Sustainability Policy will be periodically reviewed to ensure its applicability and efficacy.

Our Sustainability Commitments:



Stakeholder Engagement

Our stakeholders play an integral part in our decision-making process. In FY 2022, we identified seven stakeholder groups that have a significant impact on our operations and are influenced by our activities. The Group strives to constantly engage with our stakeholders to develop a two-way communication flow, encouraging a relationship based on transparency and trust as well as to better understand their expectations and concerns.



Key Stakeholder Groups	Shareholders & Investors Deliver sustainable distributions and achieve capital stability	Government & Regulators Abide by relevant laws and regulations at all times	Financial Institutions Conduct responsible financial management	Customers Deepen relationship through engagement programmes
Key Concerns	<ul style="list-style-type: none"> Strategic direction and business performance Shareholders' returns 	<ul style="list-style-type: none"> Compliance with all local laws and regulations Corporate governance 	<ul style="list-style-type: none"> Financial risk management 	<ul style="list-style-type: none"> Identification of areas for improvement Pricing and product quality Timely service and product delivery
Engagement Methods	<ul style="list-style-type: none"> Annual General Meeting 	<ul style="list-style-type: none"> Periodic dialogue sessions Ad hoc workshops and training 	<ul style="list-style-type: none"> Annual General Meeting 	<ul style="list-style-type: none"> Regular feedback and meetings Ad hoc participation in industry networking events
Our Response	<ul style="list-style-type: none"> Annual auditing 	<ul style="list-style-type: none"> Compliance with latest laws and regulations 	<ul style="list-style-type: none"> Effective communications on business and operational updates 	<ul style="list-style-type: none"> Customer engagement updates



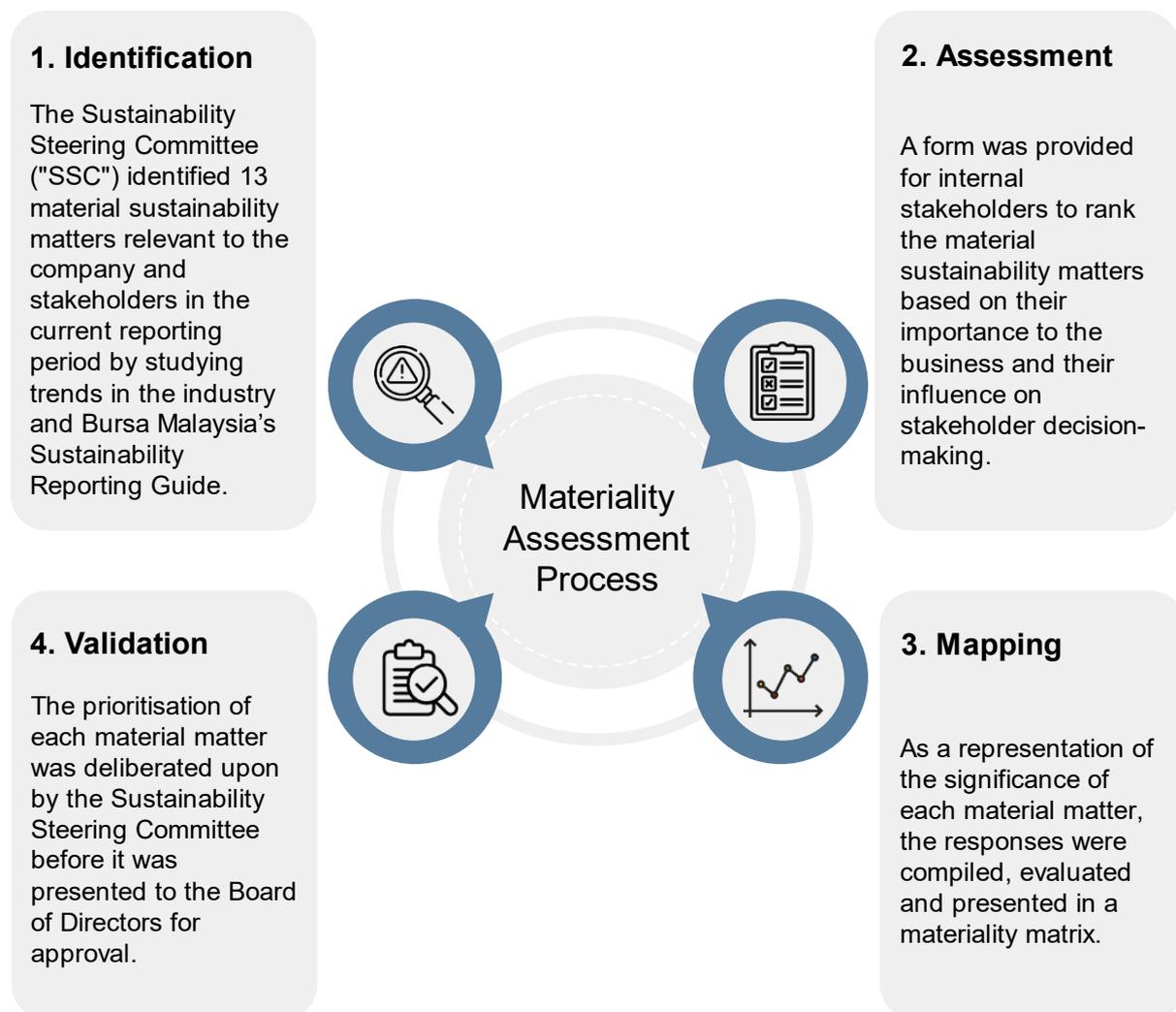
Key Stakeholder Groups	Suppliers Develop good partnerships	Employees Create a conducive workplace	Local Communities Be a responsible corporate citizen
Key Concerns	<ul style="list-style-type: none"> • Safety and health • Anti-bribery and corruption • Cost and value 	<ul style="list-style-type: none"> • Safety and health • Talent development • Employee engagement • Employee well-being • Addressing grievances 	<ul style="list-style-type: none"> • Local social impact of operations • Community involvement
Engagement Methods	<ul style="list-style-type: none"> • Ad hoc supplier meetings • Ad hoc vendor registration briefings/ requirements 	<ul style="list-style-type: none"> • Quarterly town halls • Ongoing training and development • Annual appraisals • Ongoing Whistle-blowing policy 	<ul style="list-style-type: none"> • Ad hoc community engagement programmes
Our Response	<ul style="list-style-type: none"> • Constant and regular engagement • Quality assessment 	<ul style="list-style-type: none"> • Internal communications • Promote safety awareness at the workplace 	<ul style="list-style-type: none"> • Donations

Material Sustainability Matters

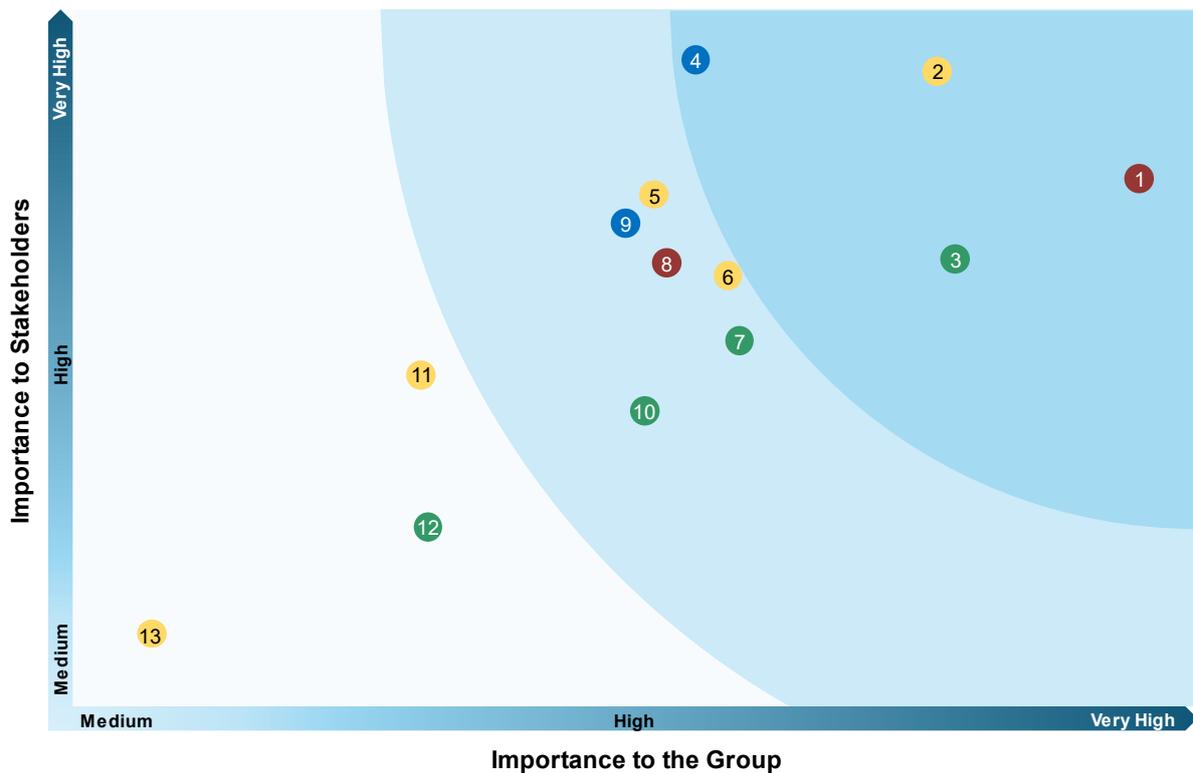
Materiality Assessment

In FY 2022, we embarked on our first material assessment to identify, evaluate and rank our material matters based on their importance to our business and stakeholders. It enables the Board and management to create a solid risk management process that is aligned with our sustainability strategy, as well as identify and mitigate the risks posed by each material matter.

The following infographic details our materiality assessment process.



Materiality Matrix

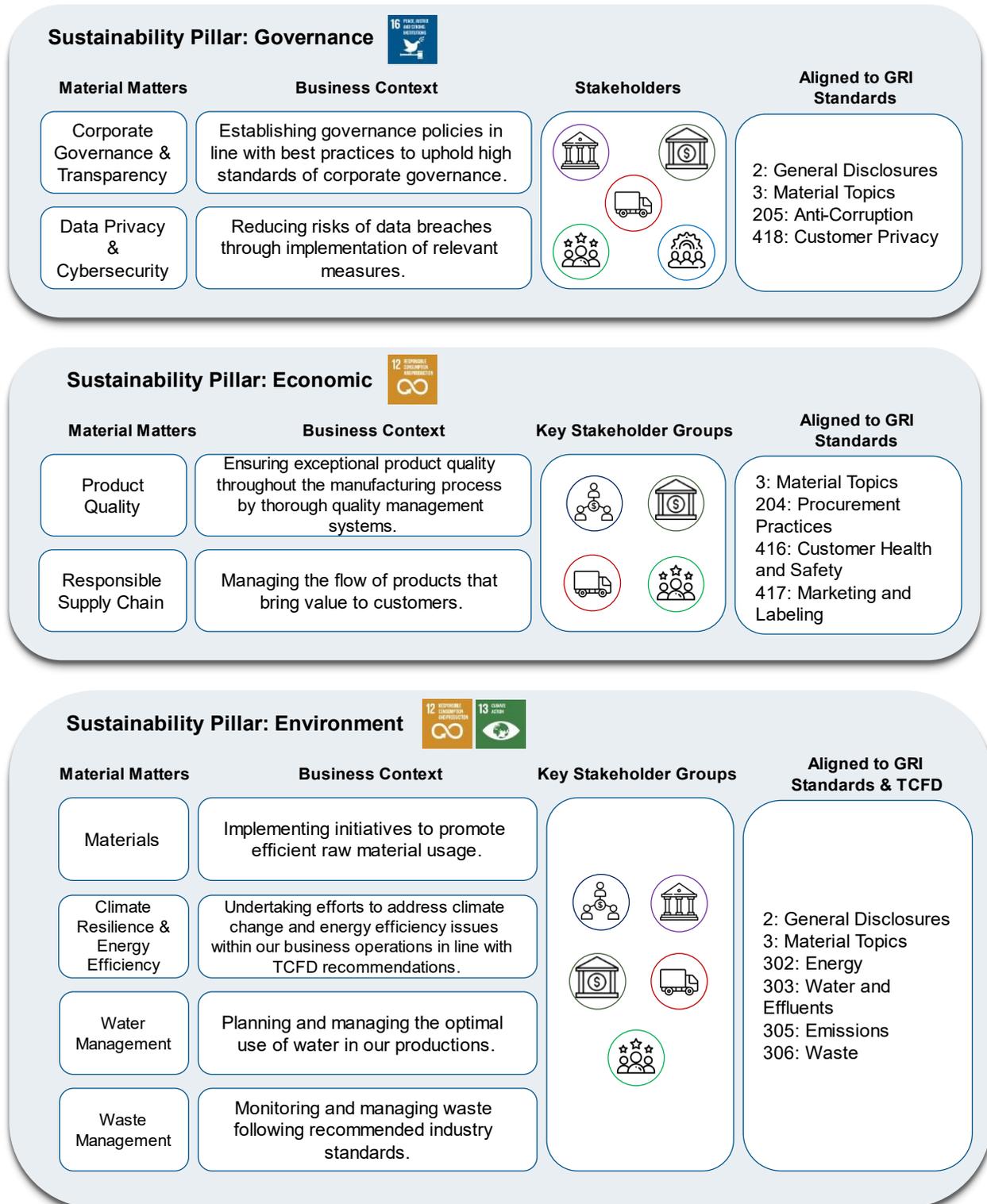


 Governance	 Economic Sustainability	 Environmental Sustainability	 Social Sustainability
<ul style="list-style-type: none"> 4 Corporate Governance & Transparency 9 Data Privacy & Cybersecurity 	<ul style="list-style-type: none"> 1 Product Quality 8 Responsible Supply Chain 	<ul style="list-style-type: none"> 3 Materials 7 Climate Resilience and Energy Efficiency 10 Water Management 12 Waste Management 	<ul style="list-style-type: none"> 2 Occupational Health & Safety 5 Human Rights & Labour Practices 6 Talent Management 11 Diversity & Inclusion 13 Community Enrichment

Product Quality, Occupational Health and Safety, Materials, and Corporate Governance & Transparency were ranked as material sustainability matters of very high importance. These high-priority material matters are associated with our commitment to producing quality calcium carbonate powder and calcium carbonate dispersion products by responsibly sourcing materials and providing a safe and healthy environment for the employees at our quarry and manufacturing facilities. They also highlight Zantat’s responsibility to uphold ethical practices for customers and suppliers alike which is essential to building trust among our stakeholders.

Mapping of Material Matters

We prepared the following illustration to highlight the relationships between our pillars, material matters, respective GRI indicators, TCFD recommendations and stakeholders.



Sustainability Pillar: Social



Material Matters	Business Context	Key Stakeholder Groups	Aligned to GRI Standards
Occupational Health & Safety	Safeguarding employee health and safety by implementation of a safety management system.	   	2: General Disclosures 3: Material Topics 204: Procurement Practices 401: Employment 403: Occupational Health and Safety 404: Training and Education 413: Local Communities
Human Rights & Labour Practices	Protecting basic human rights and providing fair labour conditions in line with international laws.		
Talent Management	Fostering a conducive work environment by encouraging employee career development and growth.		
Diversity & Inclusion	Engaging employees through various activities to enable good rapport between employees.		
Community Enrichment	Promoting the standard of living among local communities through donations.		

ROBUST GOVERNANCE

“We can be counted on to deliver valued customised solutions, leading them towards business sustainability and efficiency.”



Material Sustainability Matters

UN SDG

Corporate Governance and Transparency

Data Privacy and Cybersecurity



At Zantat, we strive to continuously strengthen our governance practices by adhering to sound corporate governance principles. Our commitment to providing our consumers with excellent goods and services is driven by our core values of reliability, determination and resilience.

Corporate Governance and Transparency

Zantat strives to uphold the highest standards of integrity, transparency and accountability in our business operations. We are dedicated to conducting business in compliance with all applicable laws, rules and regulations, including the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the MACC (Amendment) Act 2018, and other applicable local anti-bribery or anti-corruption laws. All employees are expected to abide by applicable laws and regulations.

In order to ensure the operational integrity and longevity of our business, we have developed four ethical policies that serve as an overarching guide. These policies assist us in navigating our long-term sustainability commitments and are listed below:

- ✓ Anti-bribery & Corruption
- ✓ Code of Conduct & Ethics
- ✓ Fit & Proper Policy
- ✓ Whistleblowing Policy

As these policies are still in the early implementation stages, we have yet to communicate them to our employees as well as holding bribery and anti-corruption training sessions in the coming years.

If instances of improper behaviour occur, all staff are encouraged to act according to the procedures outlined in the Whistleblowing Policy. Employees, members of the public and other stakeholders are encouraged to report any misconduct through the internal channel provided.

Zero confirmed incidents
of **corruption** recorded throughout
our operations

Risk Management

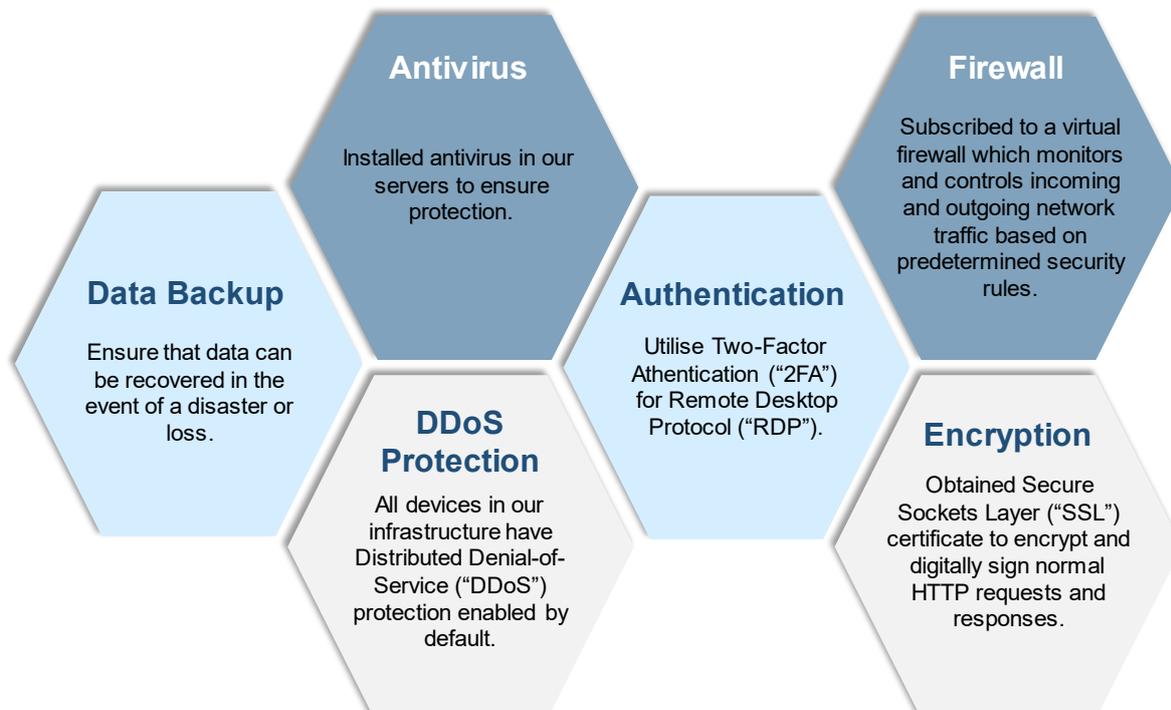
This year, we have identified one significant risk at Perak Plant 2 based on our risk assessment. There is a shortage of skilled and knowledgeable employees who have expertise in optimising the ball mill production system. If left unaddressed, this risk could potentially cause and exacerbate accidents and injuries in the workplace. To mitigate this risk, we engaged with an industry expert to conduct an intensive 5-day training on “Organised Ball Mill Optimisation” for our employees in the Operation, Engineering and Maintenance, Quality Assessment and Sales departments.

Data Privacy and Cybersecurity

We are aware of the potential risks that emerging technology and digital advancements pose. Data breaches and cyberattacks cause business disruption and undermine stakeholder confidence. Therefore, we are dedicated to protecting and securing customers’ personal information according to the Personal Data Protection Act (PDPA) 2010.

To strengthen our security and data privacy, we have also implemented several critical cyber security measures. The Group recorded zero substantiated complaints concerning data and privacy breaches of the Group, our suppliers and customers in FY 2022.

Zero breaches of customer privacy or losses of customer data



ECONOMIC SUSTAINABILITY

“At Zantat, we believe in improving our manufacturing processes with substantial investments into new equipments and technology to produce diverse products for a wider range of industries.”



Material Sustainability Matters

UN SDG

Product Quality

Responsible Supply Chain



The Group understands that improved product quality within a company determines our economic growth. To ensure we sustainably achieve this growth, we strive to incorporate innovation, creativity, and environmental awareness into our business practices. Additionally, we maximise the use of machinery, invest in new equipment and technology and make responsible purchases of products and services.

Product and Operational Quality

In order to maintain our position as a leading producer of calcium carbonate products, maintaining high product quality is especially crucial to ensuring operational excellence and maintaining good consumer relations. To this end, we invested in a variety of machines such as milling machines and air classifiers that are well-suited to facilitating the production process and boosting output. To guide the Group towards the needs of the global market, we intend to expand our research and development activities into new and efficient technology in the near future.

We regularly monitor and manage our operational and product quality to ensure that they meet industry standards. Our plants in Perak including Calrock and KL plant use quality management systems certified with ISO 9001 standards by a qualified third party, and we continually enhance our robust processes to ensure end-to-end product quality.

Quality Control Measures

We employ strict quality control measures to assure that our calcium carbonate powder and calcium carbonate dispersion are of the highest possible quality. Various quality checks are performed on our final products;

Calcium Carbonate Powder



A sample of the final product is taken every two hours from each mill for particle size distribution ("PSD") analysis, brightness test, moisture content test and chemical composition analysis.



Machine parameters are monitored and recorded alongside the sampling process.



Each pallet of goods is given a lot number with a sample kept in the laboratory for at least six months for future reference

Calcium Carbonate Dispersion



Samples retained every two hours from each milling for in-process inspection (PSD Analysis, Total Solid Content, Viscosity and pH).



Each packaging of goods is given a lot number with a sample retained in laboratory for future reference for at least six months.

In the event that a sample does not pass our quality inspection, the corresponding batch will be marked, set aside and sold as a lower-grade product. The factory plant operator will then immediately take corrective action, which may include adjusting the controls of the affected production line.

Product Safety

Zantat believes that product safety is of the utmost importance. As both GCC and PCC are extensively used in a variety of industries as raw materials to manufacture goods such as plastics, gloves, paints and coatings, and rubber products, we are also cognisant of our responsibility to minimise our products' potential risk towards health and safety.

In FY 2022, 100% of our products produced at the Zantat Perak Plants and Zantat KL Plant were assessed for improvement in terms of their potential health and safety impacts. These efforts help us identify systematic efforts to address the health and safety risks our products may pose. Additionally, our product management systems have been certified with the following quality assurances:

Zantat Perak Plants

- Hazard Analysis Critical Control Point ("HACCP")
- Halal Certification
- Good Manufacturing Practice ("GMP")

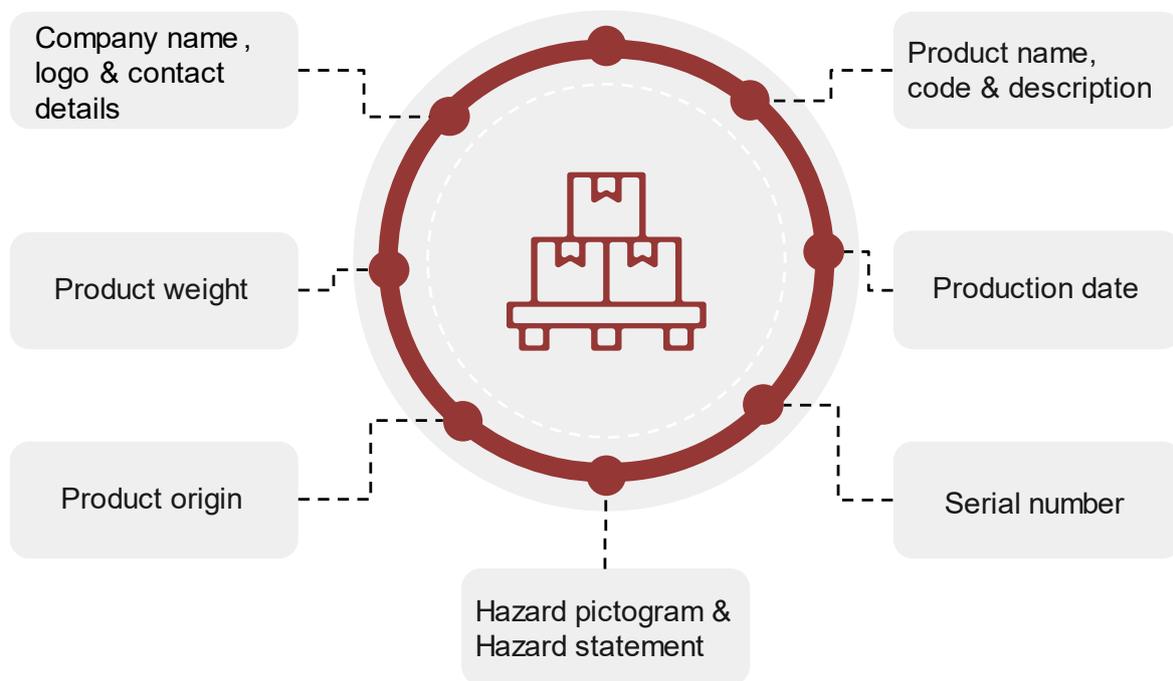
Zantat KL Plant

- Halal Certification

The Group recorded zero incidents of health and safety breaches within the reporting period.

Product Information and Labelling

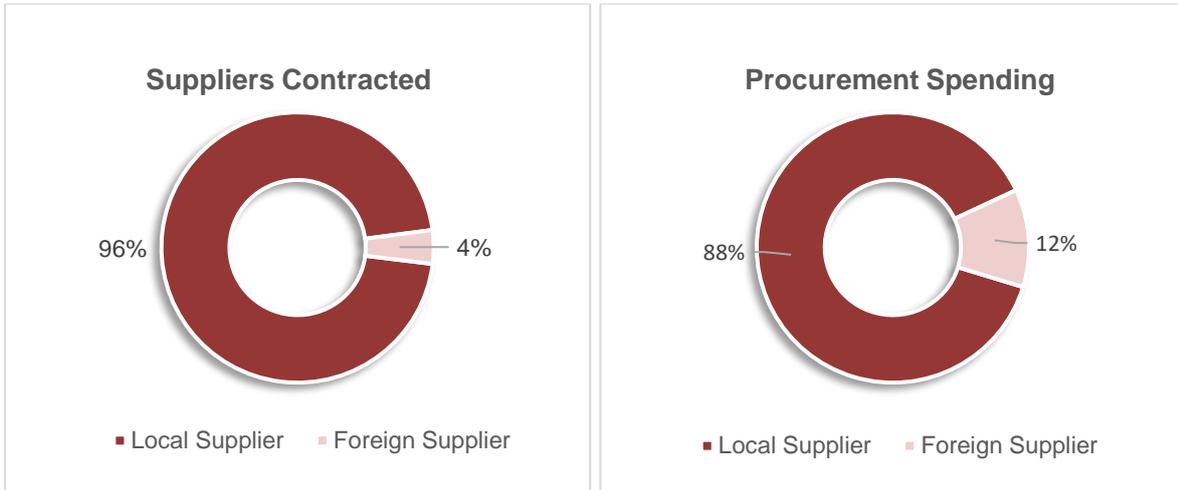
Consequently, we abide by the Occupational Safety and Health (Classification, Labelling and Safety Data Sheet of Hazardous Chemicals) Regulations 2013 ("CLASS Regulations") when providing information on our products to reduce the possibility of accidents occurring and to provide a safe and healthy working environment. In 2022, 100% of our product categories were covered by and assessed for compliance with the CLASS Regulations. Additionally, our products are accompanied by product documentation such as Safety Data Sheets ("SDS"), which provide a thorough explanation of the physical and chemical characteristics of our products, and Technical Data Sheets ("TDS"), which provide a variety of product-related details such as product composition, recommended methods of use, operational requirements, typical applications, warnings, and pictures. A stock card with relevant information will be attached together with the finished goods:



There were zero incidents of non-compliance due to product information and labelling recorded in FY 2022 during internal audits.

Responsible Supply Chain

Zantat makes every effort to select local suppliers whenever possible due to the advantages offered by investing in local procurement. By sourcing our materials locally, we promote socio-economic growth, contribute to lower transportation-related GHG emissions and maintain tighter control over the quality of deliveries.



Note: The pie charts depict data aggregated from Zantat Perak Plants, Zantat KL Plant, Calrock and Perak Quarry 1.

96% of our suppliers are **local**

88% of the procurement budget was spent on **local suppliers**

At our manufacturing facility, we mainly use our local procurement to acquire goods and services such as mineral and chemical supplies, packaging materials, spare parts and factory upkeep. We also procure goods and services such as weighbridge repair, printing paper and laser ink cartridges locally at Zantat Light. Only 12% of the procurement expenditure is allocated to foreign suppliers due to the lack of local options, especially for lab equipment, certain factory upkeep services, spare parts and training.

Our suppliers are assessed using a Supplier Evaluation Form which is a questionnaire provided to the suppliers before they are given a contract to work with Zantat. Overall, we value quality, cost and the types of services provided when selecting a supplier and expect our suppliers to fully adhere to all of our requirements.



ENVIRONMENTAL SUSTAINABILITY

“As part of our environmental stewardship, we manage our environmental impacts to align with the aspirations of Net Zero 2050”



Material Sustainability Matters

UN SDG

Materials

Climate Resilience & Energy Efficiency

Water Management

Waste Management



At Zantat, we are aware of our climate risks and the significance of reducing our environmental impact. As part of our goals for climate resilience, we seek to enforce decarbonisation activities across our operations and ensure that we adhere to relevant environmental laws and stay informed of current environmental developments.

This year, we embarked on our TCFD journey and began reporting on our Scope 1, Scope 2, and partial Scope 3 emissions. To continuously improve our environmental management approach, we benchmarked against best practices and industry standards. As a result of our commitment to environmental management excellence, both Zantat Perak and Zantat KL were certified with the ISO 14001:2015 standard. We also implemented a set of environmental mainstreaming tools as part of the Department of Environment’s (“DOE’s”) directive at Zantat Perak and Zantat KL.

Zantat’s group-wide Environmental Policy serves as the primary guiding principle on how we address important operational aspects and covers environmental performance monitoring, waste and water management, air quality monitoring, and environmental compliance.

Materials Stewardship

As a leading producer of calcium carbonate products, our business operations are heavily dependent on natural resources. It is through monitoring the type and quantity of materials used that we understand the effects our operations have on the availability of these resources, which allows us to develop initiatives that optimise their use while achieving sustainable business growth.

Raw Materials

We obtain limestone from our own reserves in Perak where the quarrying process is executed by a third-party contractor. To produce quality GCC, the Group also purchases limestone with high levels of pure calcium carbonate content and whiteness or brightness, which differs from the type of limestone used as aggregate in road works and construction.



Limestone is the raw material used to produce natural calcium carbonate powder (“GCC” or “uncoated GCC”). This limestone is crushed and ground into particles of various sizes to produce GCC. Meanwhile, coated GCC is produced by spraying uncoated GCC with a layer of stearic acid.

For the manufacture of CC dispersions at Zantat KL, the main materials utilised in our operations are GCC, PCC and Kaolin which are used to produce GCC dispersion, PCC dispersion and Kaolin dispersion respectively. Our PCC powder is imported from China while kaolin powder is sourced from Malaysia, Indonesia and China. As such, we strive to use these raw materials in a sustainable manner.



GCC represents ground limestone in powdered form.



PCC is a form of calcium carbonate that is obtained through a series of chemical processes to produce PCC particles that are of a specific size and shape.



Kaolin is a hydrated aluminosilicate and is found naturally as a clay.

The following table depicts the total weight of materials used to produce Zantat’s primary products according to their manufacturing facilities.

Subsidiary	Raw Material	Unit	2020	2021	2022
Zantat Perak & Calrock	Limestone	Tonnes	217,236	207,940	189,185
	GCC	Tonnes	6,387	6,389	6,817
Zantat KL	PCC	Tonnes	4,903	4,391	3,721
	Kaolin	Tonnes	354	838	589
	Chemicals	kg	163,205	162,875	138,882
Zantat Perak	Stearic Acid	Tonnes	2,076	1,869	1,660

Note: Limestone raw material consists of aggregated data from Zantat Perak and Calrock

Overall, we have decreased our use of raw materials from 2020 to 2022 due to lower production and sales. However, in 2022, our GCC use increased by 6.7% since the previous year, attributed to increased demand for GCC to produce GCC dispersion.

Subsidiary	Associated Process Material	Unit	2020	2021	2022
Zantat KL	Bead	KG	6,075	5,425	4,650
Zantat Perak	Grinding Aid	UN	18	12	7

Packaging materials

Packaging plays a critical role in the safe distribution of goods. At Zantat, the packaging used for our calcium carbonate powder are 25 kg paper bags, 50 kg polypropylene bags, as well as 500 kg, 1 tonne, 1.25 tonne and 1.30 tonne jumbo bags. Meanwhile, metal drums, intermediate bulk container (“IBC”) tanks and bulk tankers are used to store the CC dispersion.

Generally, reusable packaging has been identified as one of the key factors in minimising environmental impacts in various strategies aimed at lowering the consumption of virgin materials, carbon footprint, and energy use. In 2022, we implemented several initiatives to promote reuse and recycling throughout our business operations. At Zantat Perak, we used recycled wooden pallets and a portion of stearic acid packaging bags as layering pads in our products for local customers. We also recycle IBC tanks to store finished goods that are ready to be loaded into tanker lorries at Zantat KL.

Subsidiary	Packaging Material	Unit	2020	2021	2022
Zantat Perak, Zantat KL & Calrock	Paper Bag	Piece	5,722,996	5,718,781	5,273,832
	Wooden Pallet	Unit	98,450	95,284	88,404
Zantat Perak & Calrock	Jumbo Bag	Piece	47,746	38,807	34,262
	Stretch Film	Piece	10,920	5,694	2,850
Zantat KL & Calrock	Plastic/ PP Woven Bag	Piece	258,462	247,154	160,948
Zantat Perak	Layer Pad	Piece	55,027	47,696	39,430
	Top Sheet	Piece	22,500	56,110	67,568
	Stretch Film (AWM)	Piece	355	1,958	2,256
Zantat KL	Plastic Pallet	Unit	501	729	881
	Metal Drum	Unit	2,311	1,682	902
Calrock	Soft Rope	kg	225	232	271

Note: 1- Aggregated data from Zantat Perak, Zantat KL and Calrock for Paper Bag & Wooden Pallet. 2- For Jumbo Bag and Stretch Film, data was aggregated from Zantat Perak & Calrock. 3- Data for Plastic/PP Woven Bag was aggregated from Zantat KL & Calrock.

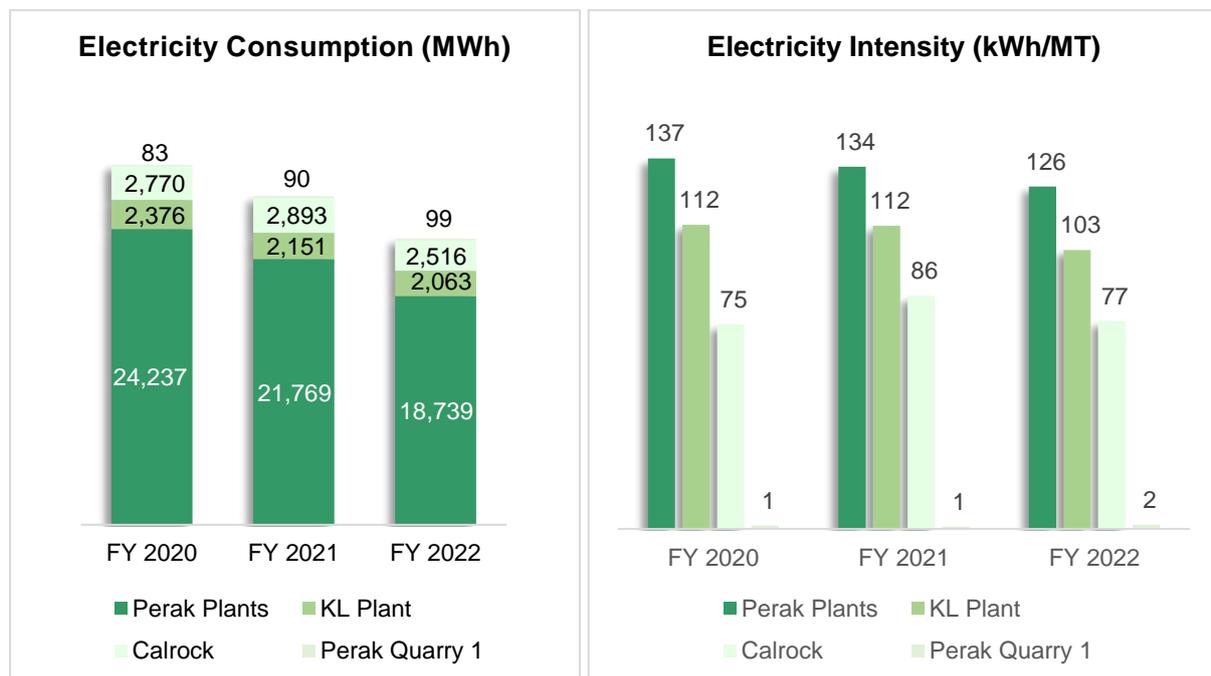
Climate Resilience & Energy Efficiency

Climate change is conceivably the biggest challenge to sustainable development. As a resource intensive business in the extractive industry, Zantat is dedicated to adapting to climate change and fulfilling our part to lessen our carbon footprint and promote a low-carbon future for all. This begins with understanding and better managing our carbon footprint. Further, we conduct Ambient Air Quality Monitoring to assess our environmental impact and to meet the regulatory requirement by the DOE.

Energy Management

The use of fossil-fuel-based energy sources such as petrol and diesel is among the main causes of GHG emissions which consequently lead to climate change and global warming. This year, we have started to monitor our electricity and fuel use to understand our energy footprint. In this section, the energy management data from Zantat Perak is reported separately as Perak Plants (Plant 1 and Plant 2) and Perak Quarry 1.

Our total procured electricity consumption recorded a steady decline over the past three years, with a 13% decrease in absolute consumption from FY 2021 to FY 2022. This can be attributed to the decrease in production output due to lower sales. We have reduced our electricity intensity by 5%, 8% and 11% at Zantat Perak Plants, Zantat KL Plant and Calrock respectively.



Note: The graph shows data from Zantat Perak Plants, Zantat KL Plant, Calrock and Perak Quarry 1.

Note: The graph shows data from Zantat Perak Plants, Zantat KL Plant, Calrock and Perak Quarry 1.

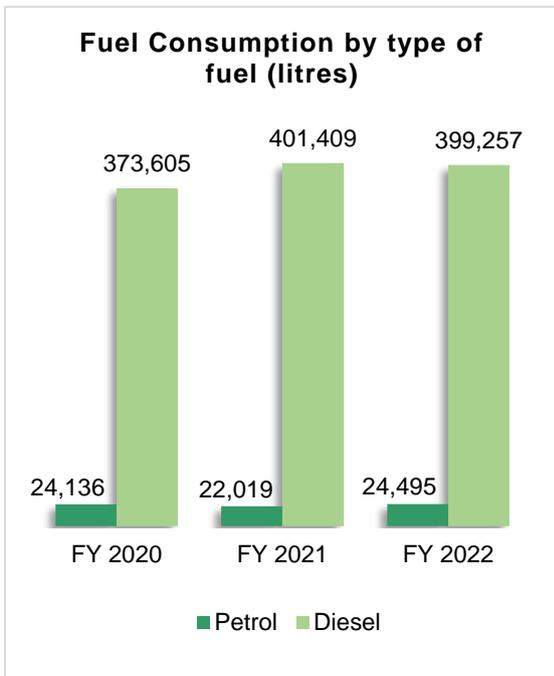
We installed solar panels at our Zantat Perak Plants in 2021, reflecting our journey in exploring renewable energy technologies to improve our energy efficiency.

This year,
1,146
 MWh of
 electricity was
 generated by our
 solar panels

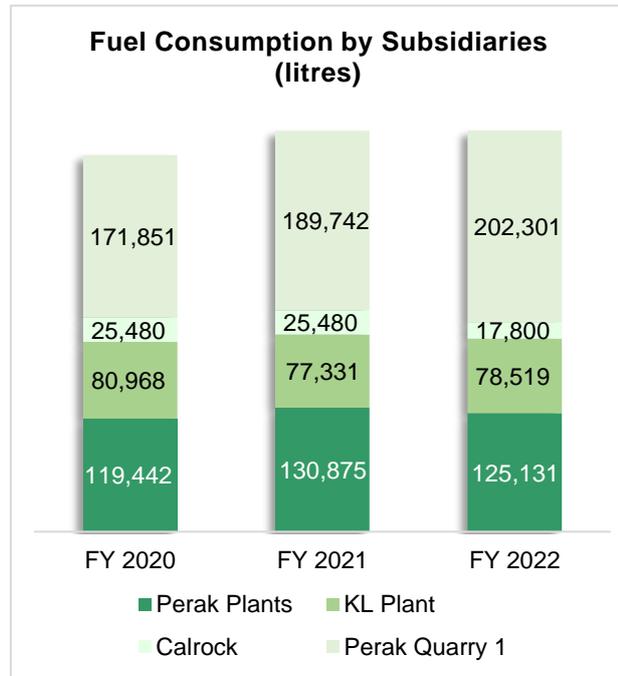


The PV system has a capacity of 1,000 kWp

We use petrol and diesel in our business operations. Diesel is largely used as fuel for lorries, forklifts, wheel loaders and excavators. Since 2020, our fuel consumption increased slightly before stabilising in the following year, with our total fuel consumption only decreasing by 324 litres from 2021 to 2022. This signals the Group's transition to operations as usual after the COVID-19 pandemic in 2020.



Note: The graph shows aggregated data from Zantat Perak Plants, Zantat KL Plant, Calrock and Perak Quarry 1.



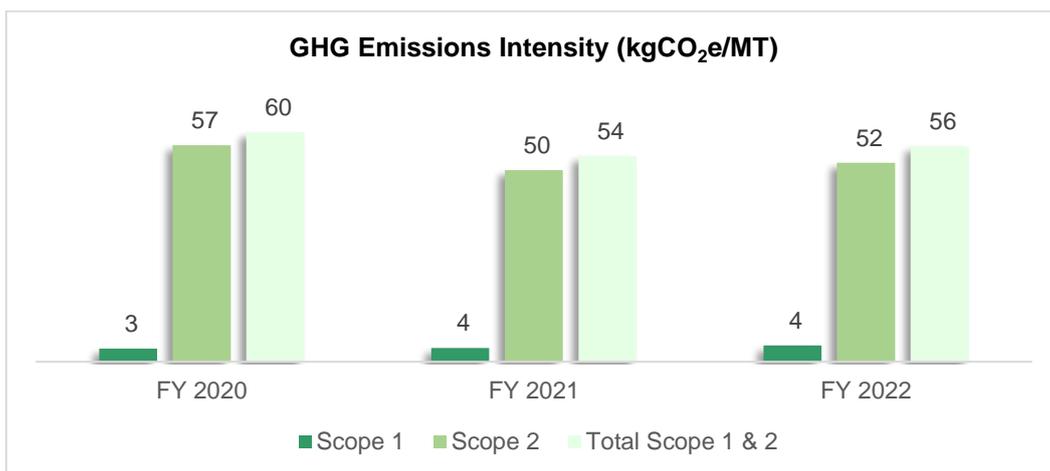
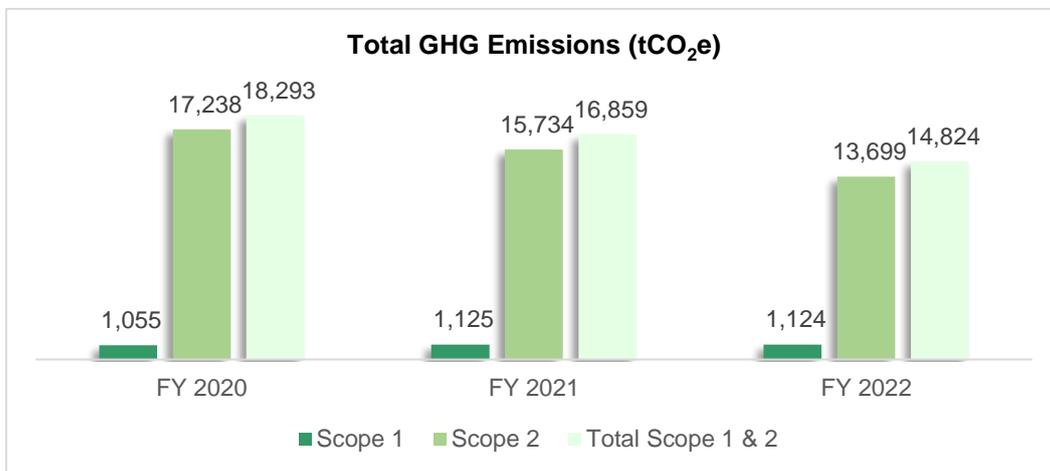
Note: The graph shows data from Zantat Perak Plants, Zantat KL Plant, Calrock and Perak Quarry 1.

GHG Emissions Management

Zantat strives to manage a verifiable inventory of our overall GHG emissions, allowing us to track and monitor the sources and tailor suitable reduction strategies to our operations to minimise emissions. We have disclosed our emissions under Scope 1¹, Scope 2² and partial Scope 3 as required under the recommendations of the TCFD.

Scope 1 emissions from our operations are direct emissions resulting from the combustion of petrol and diesel. Scope 2 emissions are indirect greenhouse gas emissions that are produced as a result of consuming purchased electricity. In FY 2022, we recorded an overall reduction of 2,035 tCO₂e (12%) from FY 2021 which was largely due to a reduction in electricity usage at Zantat operations. However, our GHG emissions intensity increased slightly (5%) from FY 2021 to FY 2022. We will continue to look for opportunities to improve the effectiveness of our emissions reduction measures.

12% reduction of overall GHG emissions in FY 2022

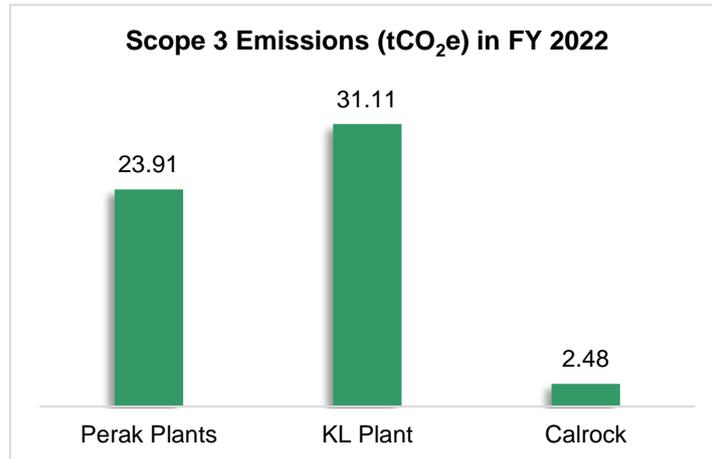


Note: The graphs show aggregated data from Zantat Perak Plants, Zantat KL Plant, Calrock and Perak Quarry 1.

¹ Emissions from carbon fuel sources have been calculated using emissions factors from the 2006 Intergovernmental Panel on Climate Change (“IPCC”) Guidelines for National Greenhouse Gas Inventories.

² The emission factor from the 2017 CDM Electricity Baseline for Malaysia by the Malaysian Green Technology Corporation was used to calculate emissions generated from grid electricity consumption in Peninsular Malaysia.

Scope 3 emissions are not directly produced by Zantat or our activities but are indirectly produced along our value chain. In 2022, we have measured and disclosed part of our Scope 3 GHG emissions which includes business-related travel via non-company-owned vehicles based on fuel consumption.



Note: The data was sourced from Zantat Perak Plants, Zantat KL Plant, and Calrock.

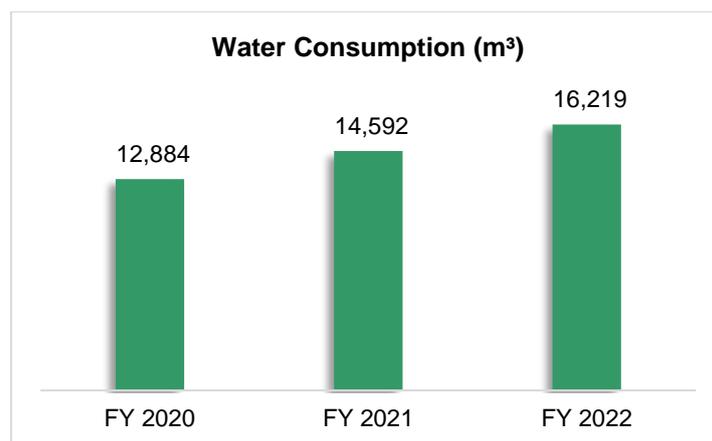
Zantat KL contributed a significant portion of our Scope 3 emissions, followed by Zantat Perak and Calrock. Zantat Perak and Zantat KL implemented initiatives to optimise business travel, such as providing a company car, mileage and toll claims and a travel allowance for business travel. Furthermore, bicycles were provided to foreign workers as a commute option that emits significantly less GHG emissions in comparison to motor vehicles.

Water Management

Compared to our energy use, our business operations utilise water and implement water management on a lesser scale. Nevertheless, Zantat recognises that access to safe drinking water is a fundamental human right and strives to ensure our water consumption does not deprive nearby communities of a clean and adequate water source. Zantat KL procures water from a third-party municipal water source, whereas Zantat Perak Plants draws from groundwater for our washing and operational purposes.

Zantat Light abstracts water from the river located next to our temporary occupation land (“TOL”) which is used to wash the raw limestones extracted from Perak Quarry 1. No chemical is used in the washing process. The wastewater is conveyed through a concrete-lined siltation pond (20ft x 10ft x 4ft) with a capacity of 42m³, allowing for the settlement of silt or clay particles before the clear overflow is discharged back into the river. The concrete siltation pond is desilted every two weeks to maintain its function and capacity, and the desilted materials are dried and used as backfilling for maintenance of the quarry access road.

In our manufacturing processes at Zantat KL, water is added to GCC or PCC to create CC dispersion. Since FY 2020, there has been a year-on-year increase in water consumption at Zantat KL and Calrock operations. This may be attributed to the increased production of CC dispersion from 2020 to 2022.



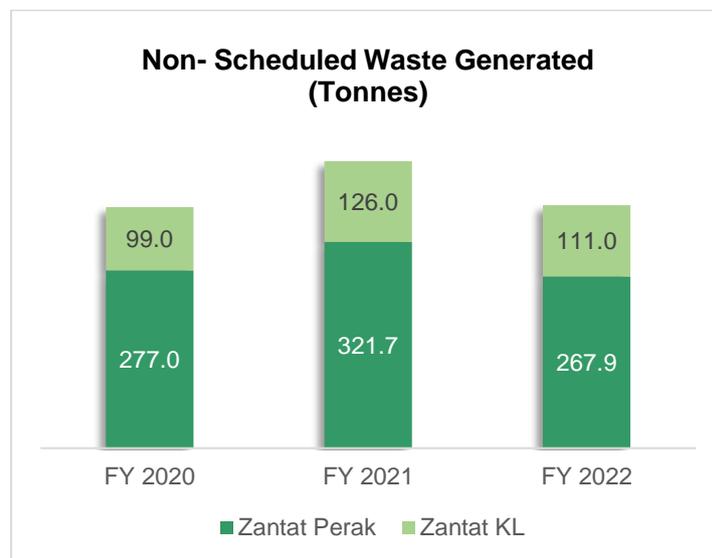
Note: Aggregated data from Zantat KL Plant and Calrock.

Waste Management

Waste generated during the manufacturing process has the potential to pollute the environment if not properly handled. Illegally disposed waste will contaminate the soil and surface water. To this end, we record our domestic waste, metal waste and scheduled waste (“SW”) to ensure compliance with legal requirements. Our scheduled waste is managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 enforced by the DOE.

Apart from metal waste, our domestic waste is transported to the landfills approved by the local authority. For the past three years, Zantat has recycled a total of 33.8 tonnes of metal waste through a third-party metal recycler, successfully diverting them from landfill. At Calrock, pallet waste is collected by a waste management service twice a month.

A total of **33.8 tonnes** of metal waste was recycled since 2020

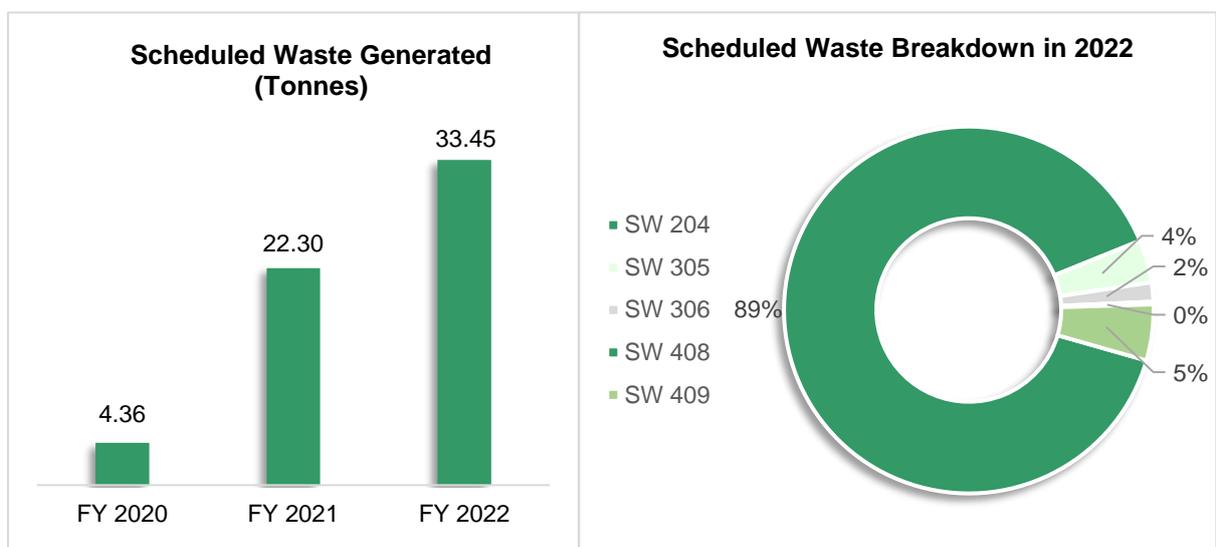


Note: Only non-scheduled waste generated in Zantat Perak and Zantat KL is included. Zantat KL waste data is based on the approximation of transportation capacity and trips.

Overall non-scheduled waste generation at Zantat decreased by 15% from 2021 to 2022. The majority of non-hazardous wastes were broken paper and jumbo bags, wrapping sheets and strips, wooden pallets, and office and hostel waste.

Scheduled waste at Zantat is responsibly disposed of via collection from DOE licenced scheduled waste contractors. Zantat KL disposes its SW204, SW409 and SW408 waste via third-party scheduled waste contractors and ensures that waste is managed in line with contractual and legislative obligations.

SW Code	Description
SW204	Sludges containing one or several metals including chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium and beryllium
SW305	Spent lubricating oil
SW306	Spent hydraulic oil
SW408	Contaminated soil, debris or matter resulting from the cleaning-up of a chemical spill, mineral oil spill, or scheduled waste
SW409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled waste



Note: The graphs under Scheduled Waste are comprised of aggregated data from Zantat Perak Plants and Zantat KL Plant.

The amount of scheduled waste generated increased yearly from 2020 to 2022, with a 50% spike from 2021 to 2022. The majority of scheduled waste produced was SW204, comprising 89% of the total scheduled waste generated, which is categorised as sludge containing one or several metals.

SOCIAL SUSTAINABILITY

“At Zantat, we foster a thriving, diverse and skilled workforce by supporting employee safety and health, diversity and inclusion, and capacity building.”



Material Sustainability Matters	UN SDG
Occupational Health & Safety	
Human Rights & Labour Practices	
Talent Management	
Diversity & Inclusion	
Community Enrichment	

Our people are central to Zantat's business strategy. Hence, we strive to cultivate a safe, healthy, diverse, and inclusive working environment for our employees, workers, contractors, and suppliers. We are also dedicated to improving the living standards of local communities by promoting inclusive and sustainable economic growth, productive employment and, most importantly, decent work for all.

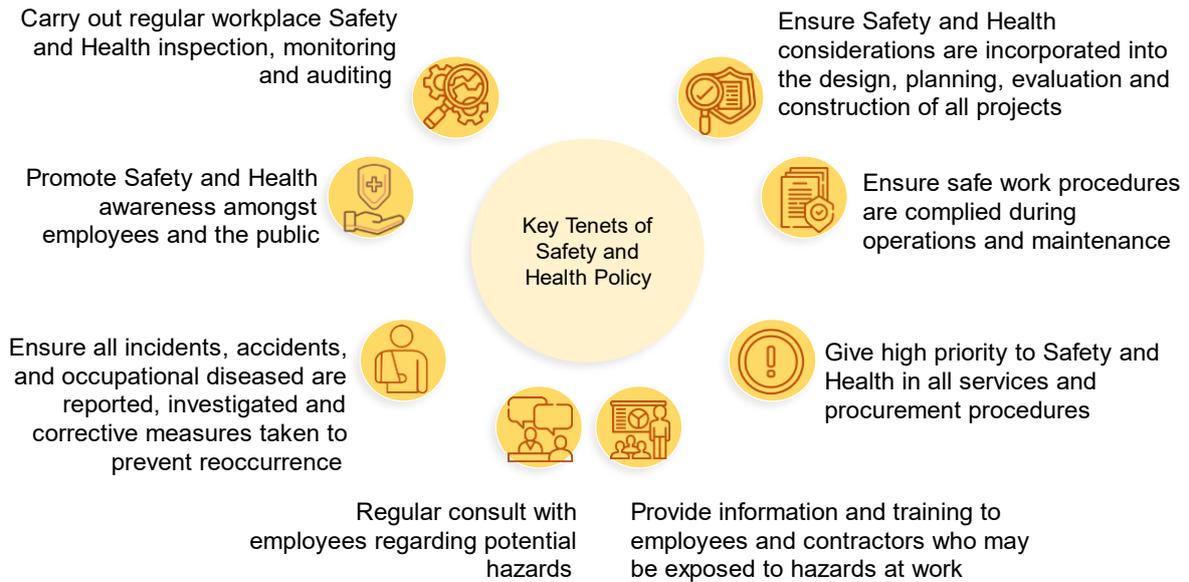
Occupational Health and Safety

Occupational Health and Safety (“OHS”) is an integral aspect of our business operations, as the well-being of our workforce is critical to our operational success and efficiency. The good health of our employees leads to a robust business, one capable of delivering long-term value to our stakeholders.

To this end, Zantat diligently works to mitigate occupational injuries and illnesses in our workplace by implementing robust OHS management, fostering a working culture that encourages employees to identify potential hazards and empowers them to work in unison to remove these hazards from the workplace environment.

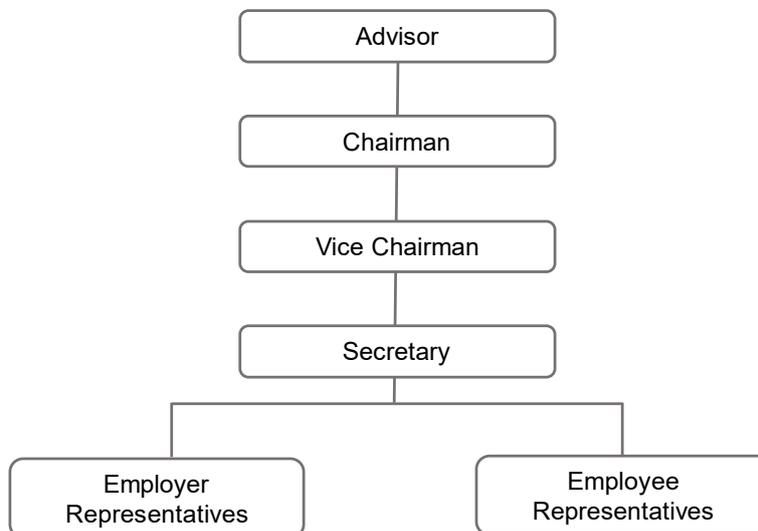
Health and Safety Management

We strive to achieve outstanding health and safety performance by establishing an effective Safety and Health Policy that outlines our commitments to maintaining a safe working environment. The Policy is communicated to employees during the safety and health meetings, weekly production meetings and via notice board, briefings and safety and health meeting minutes.



To ensure effective safety monitoring, we established a Safety, Health and Environment (“SHE”) Committee comprising employer and worker representatives. Members of the SHE meet quarterly to develop and initiate recommended plans of action to ensure robust OHS management. The outcome of the discussions is recorded within the meeting minutes and shared with employees via email.

Safety, Health and Environment Committee



We also have an Emergency Response Team (“ERT”) at Zantat to ensure proper prevention, mitigation and recovery steps are taken in the case of emergencies. The ERT comprises the firefighting, rescue and first-aid teams. Moreover, the Group also developed Safe Operating Procedures for operating machinery and industrial vehicles, and when working at great heights.

We ensure full compliance with the legislative requirements set out by the Occupational Health and Safety Act 1994. Additionally, we adhere to the regulations, codes of practice and guidelines enforced by the Department of Occupational Safety and Health (“DOSH”) under the Ministry of Human Resources Malaysia, as well as the Factories and Machinery Act 1967. 100% of our employees are covered by our occupational health and safety system.



We aim to align our management approach with ISO 45001:2018 45001:2018 (Occupational Health and Safety Management Systems) and obtain certification by end of 2023

Safety Risks

We are proactive in identifying and eliminating workplace hazards via the Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) assessment to continuously improve our OHS system. All work activities are evaluated using the HIRARC guidelines set by the Department of Occupational Safety and Health to identify all potential hazards, their potential circumstances and severity. It allows us to plan, introduce and monitor preventive measures that ensure these risks are adequately controlled.

Zantat also practises effective preventive and corrective procedures such as identifying and analysing the root cause of any non-conformity based on relevant laws and legislation and OHS requirements. These procedures were designed based on data obtained from the Group’s OHS Management System performance monitoring, measurements, audits and management reviews. To address all instances of identified non-conformances, Zantat implements immediate control measures via the Immediate Corrective Action Required (“ICAR”).

Personal Protective Equipment (“PPE”)

To prevent any workplace incidents, all employees and workers are provided with PPE such as safety helmets, protective gloves, safety footwear and high-visibility clothing as required by the Factories and Machinery Act 1967 and the Occupational Health and Safety Act 1994. Other safety initiatives including:

- Registration of the Pressure Vessel (Air Receiver Tank) with *Jabatan Keselamatan dan Kesihatan Pekerjaan* (“JKKP”)
- Obtained *Permit Mesin Tekanan* (“PMT”) certificate as required by DOSH
- Obtained *Perakuan Pendaftaran Angkutan* (“PPA”) certificate for our machinery issued by JKKP.

Chemicals

A Chemical Health Risk Assessment (“CHRA”) and Chemical Exposure Monitoring (“CEM”) is conducted to ensure safe and responsible use of hazardous chemicals in our plants.

CHRA	CEM
To assess the processing, handling, storage, and disposal of chemicals and the risks associated with these chemicals on our employees’ health	To measure the level of hazardous chemicals exposed to employees and workers which helps the Group implement the necessary control measures and evaluate chemical exposure levels to meet regulatory requirements

We also have a Hazardous Chemical Register in place which lists all the hazardous chemicals stored, handled or used during our milling processes. The safety data sheets of the hazardous chemicals are also included with the register.

Additionally, the Group has a Local Exhaust Ventilation (“LEV”) system in place at Zantat Perak Plants which is equipment used to control exposure to hazardous chemicals. It is periodically inspected, tested and monitored in line with requirements set by the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 to ensure the effectiveness and efficiency of the LEV.

Noise

Zantat is cognisant of the long-term adverse effects associated with noise exposure at the workplace. As such, we have carried out a noise risk assessment (Boundary Noise Monitoring) as required by the Occupational Safety and Health (Noise Exposure) Regulations 2019. This assessment was conducted by a registered noise risk assessor (“NRA”) to monitor, control and reduce excessive noise levels at the workplace.

To control noise levels, Zantat implemented the following initiatives:

- i. Personal hearing protectors to reduce excessive noise as well as training on its use are provided to all employees as recommended by the NRA.
- ii. As recommended by the NRA, the workers in charge of performing tasks at the powder mixing areas will be rotated out to perform other tasks.
- iii. Hearing protection zone warning signages are displayed at the mixing powder areas.
- iv. Audiometric testing is provided to all the operation workers annually.

Furthermore, an annual health screening session was also carried out for our employees to ensure their well-being and identify any health risks.

Health and Safety Training

Our operational staffs are required to attend health and safety training to ensure that they are well-equipped with updated OHS knowledge to manage hazards and prevent workplace incidents. In FY 2022, 138 out of 196 of our employees at Zantat received health and safety training. We provided 12 safety and health awareness programmes for our employees at Zantat Perak and five health and safety programmes for our employees at Zantat KL, covering various topics such as:

Zantat Perak	Zantat KL
<ul style="list-style-type: none">➤ PPE training for production and delivery team➤ Forklift safety➤ Protection against noise➤ Proper chemicals handling➤ Fire drill➤ Emergency response plan➤ Mass toolbox meetings	<ul style="list-style-type: none">➤ Forklift Safety➤ Cardiopulmonary Resuscitation (“CPR”)➤ Fire drill➤ 6S awareness and implementation➤ Medical Surveillance

2022 OHS Performance

Total man-hours worked:

478,800 hours

*aggregated data from Zantat Perak, Zantat KL and Calrock

ZERO fatalities in workforce, lost-time injuries and work-related illnesses across our facilities

All incidences of serious injury, occupational disease, fatality or injury causing incapacity of more than 4 days will be reported to DOSH via the Notification of Occupational Accident (JKKP 6) form.

Human Rights and Labour Practices

Protecting the rights of our employees is key to providing a safe working environment where they can thrive. Zantat is committed to supporting the key tenets of the United Nations Universal Declaration of Human Rights (“UDHR”) and implementing its principles within our business conduct. Therefore, we promote the fundamental human rights of all people, equal rights and freedom, and have zero tolerance for child, compulsory and forced labour.

Labour Relations

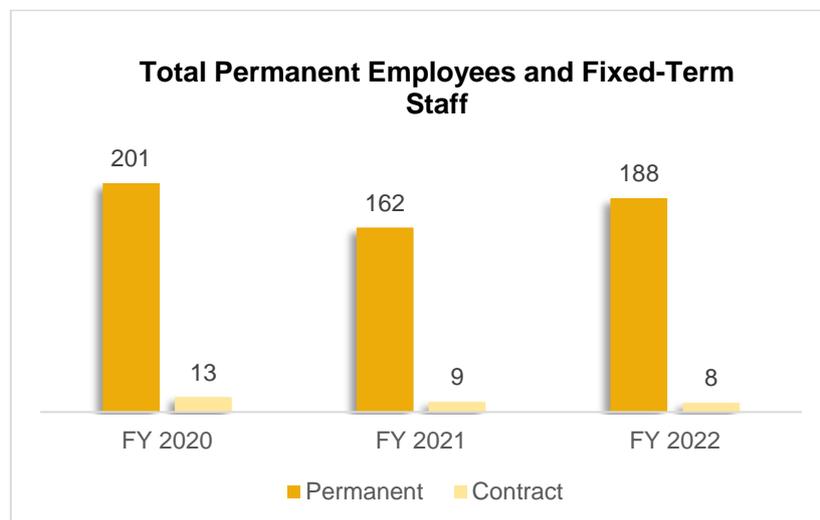
The Group adheres to all applicable labour laws and requirements per the Employment Act 1955 and complies with the Minimum Wage Order 2022. We also implemented diversity recruitment practices to provide fair and equal employment opportunities. In FY 2022, we received zero complaints concerning human rights violations.

With regard to operational changes that can potentially cause a sustainable change in our employees' daily schedules, we provide a minimum of one week's notice in advance. This allows the Group to maintain employee satisfaction and creates an opportunity to discuss any significant operational changes.

Parental Leave

In FY2022, a total of 37 female employees were eligible for parental leave at Zantat. We recorded three employees taking parental leave at Zantat Perak with 100% return to work rate.

Permanent Employees and Contractors

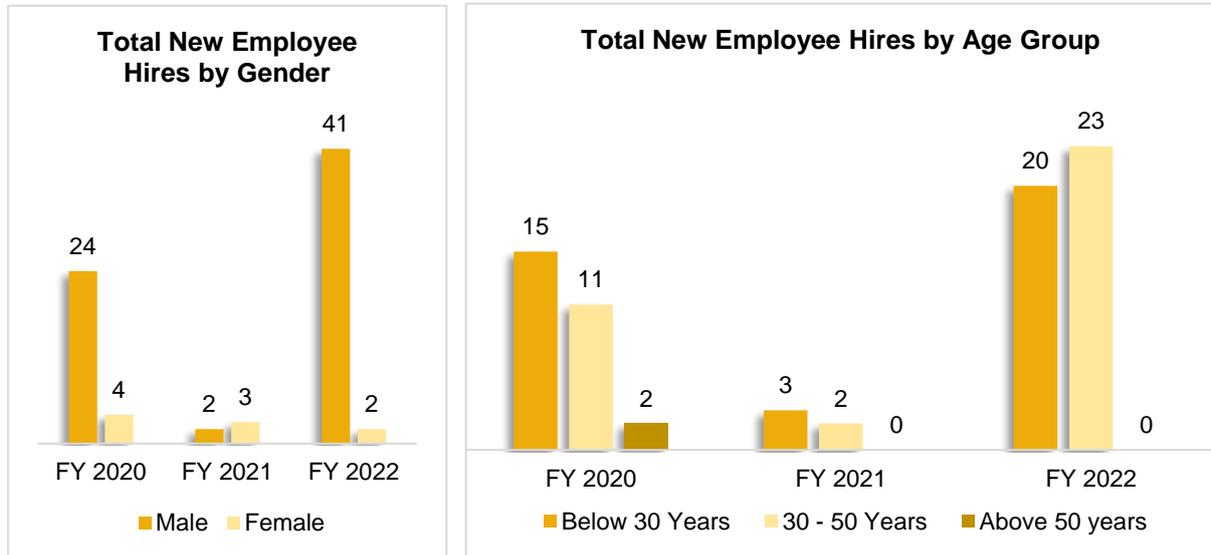


Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

At Zantat, our workforce is comprised of permanent employees and fixed-term staff. In FY 2022, 4% of our employees were hired under fixed-term contracts.

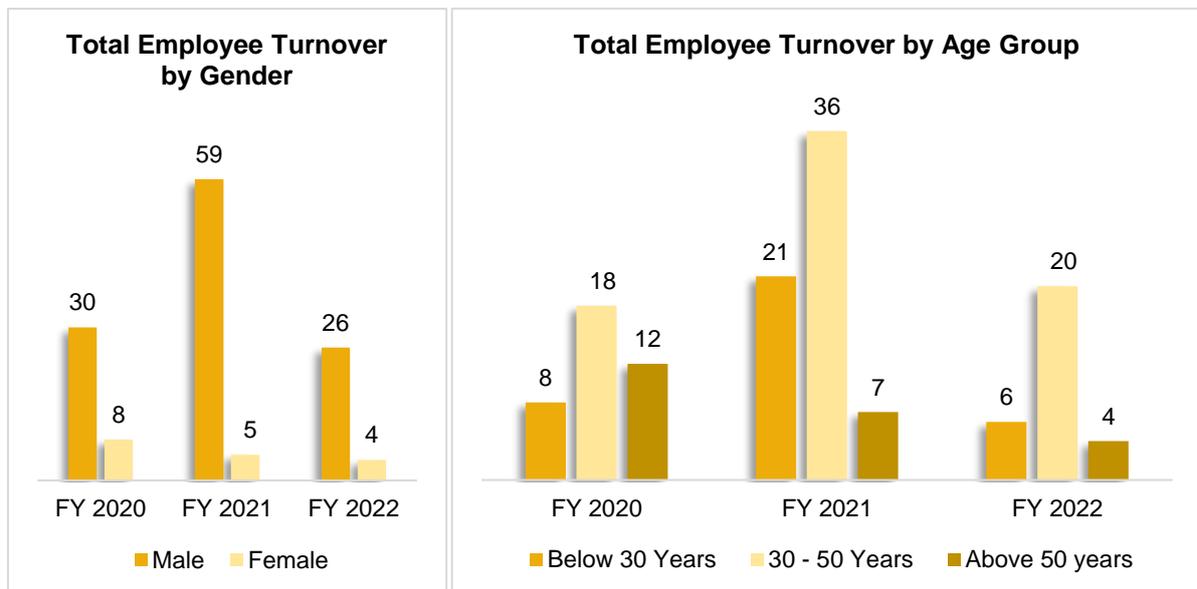
Employee Hiring and Turnover

We strive to provide equal employment opportunities by ensuring all candidates are evaluated solely by their qualifications, skills, and experience required for the offered position. In FY 2022, we hired 43 new candidates at Zantat and recorded 30 total turnovers.



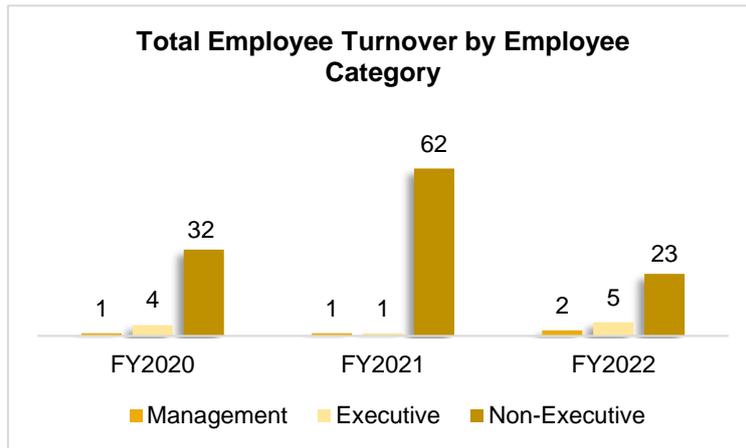
Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

In FY 2022, the majority of employees hired were men. In addition, the majority of our new hires were between the ages of 30 and 50, followed by those under 30. This is due to the physical demands and safety hazards associated with heavy machinery handling.



Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

Male employees and those under the age of 30–50 years old accounted for the highest turnover rate for FY 2022. This corresponds with the high proportion of new hires within this gender and age group.



Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

We have also recorded the total employee turnover by age group. For the last three consecutive years, the highest turnovers recorded were among non-executives as the majority of our workforce being comprised of non-executives. In FY 2022, we recorded a 63% reduction in total turnover among the non-executives. We will continuously strengthen our employee recruitment and retention strategies to retain experienced and skilled employees.

Talent Management

The Group believes that holistic human capital development is the key to our business' success. Therefore, it is imperative that we recruit, retain, and foster a talented workforce. To accomplish this, we commit to providing high-quality employment with numerous opportunities for advancement, as well as fair compensation and benefits, professional learning and development, and employer branding.

We benchmark our salary structure against the average industry income to ensure that we provide salaries that are above the Malaysian government's minimum wage and also above average. We also provide competitive benefits packages to increase our employees' job performance and productivity.

- Group Personal Accident ("PA") insurance
- Group hospitalisation insurance
- Prescription eyewear
- Dental allowance
- Panel clinic providing accessible medical care and a range of medical services

Employee Engagement

Employee engagement is a vital aspect of shaping a high-performing, innovative workforce. It is through continuous engagement that we become acquainted with the needs of our employees, allowing us to develop a holistic approach that meets and exceeds these expectations. We aim to leverage this knowledge to create a safe, comfortable and positive working environment that promotes productivity and fosters a collaborative culture that allows team members and management to communicate effectively.

Performance appraisal

We conduct annual performance appraisals to assess and gauge the overall growth of our employees. Performance bonuses and annual increments are also provided as incentives to encourage our employees to perform to their full potential.

Entity/ Subsidiary	Percentage of employees received performance review in 2022
Zantat Perak	98%
Zantat KL	94%
Calrock	45%

Our Employee Engagement Initiatives

Zantat Perak and Zantat KL

We hold weekly Head of Department ("HOD") meetings with Top Management to remain updated on each department's work progress, and a town hall meeting in which Top Management updated all employees on current organisational goals, performance, plans and employee contributions and achievements. At Zantat KL, a meeting for each department and a committee meeting with all department staff, the safety team and the Enterprise Resource Planning ("ERP") team were held. The Zanstar Committee also conducted a meeting with committee members where they planned CSR programmes, festival decorations and the 6S programme.

Festival celebrations were included as an engagement activity at Zantat Perak. These entertaining activities work to build team spirit and enhance teamwork by improving interpersonal relationships among our employees while also reducing stress and boosting employee morale. This year, we enjoyed a joint Chinese New Year celebration with Calrock, organising a lion dance and lucky draw with the annual CNY lunch attended by all our employees. In the spirit of other important festivals such as Hari Raya and Christmas, we decorated our offices. Zantat KL also held a gift exchange activity on Christmas Eve in celebration of Christmas for all employees.



Employee Training

Zantat is cognisant of the importance of cultivating a skilled and dynamic workforce in maintaining a professional competitive edge, achieving sustainable growth, and allowing us to weather rapid changes in market trends. Therefore, we are committed to the continual improvement of our people and work to provide them ample opportunity to develop new skills and enhance their professional knowledge. In FY 2022, we provided 18 new training programmes for our employees at Zantat Perak, 8 programmes at Zantat KL and three at Calrock. These training programmes covered various areas relating to safety, technical skills, management and soft skills. In total, we invested RM 88,719.50 into employee development during the reporting year.



Invested a total of **RM 88,719.50** into employee development in FY2022

Zantat Perak: Total training programmes: 18 Amount invested: RM 61,222.00	Zantat KL: Total training programmes: 8 Amount invested: RM 27,497.50	Calrock: Total training programmes: 3
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Entity/ Subsidiary	Area of training	Training programmes
Zantat Perak	Safety	ALM102 – Webinar Radiation Safety and Emergency Management Training
		ALM100 – Webinar Radiation Safety Awareness Training
		Safe Forklift Driving & Attitude Training
		Conference and Exhibition on Occupational Safety and Health (“COSH”) 2022
		Understanding Chemical Health Risk Assessment (“CHRA”) Implementation at Workplace
		Perak Organization of Safety, Health and Environment (“POSHE”) Conference & Exhibition 2022
	Technical	Fundamental to Fourier Transform Infrared (“FTIR”) with spectrum processing and analysis
		How to Effectively Respond and Mitigate Soilage and Accidental Release of Scheduled Waste or Chemicals Used in Environmental Facilities
		Exemplar Global Quality Management System (ISO9001) Lead Auditor
		<i>Seminar Pematuhan Akta Kualiti Alam Sekeliling 1974</i>
	Management	Management Consulting Certification Workshop
		6S (5S Safety) Principles & Implementation
		Federation of Malaysian Manufacturers (“FMM”) Seminar on All About Leave and Hours of Work Related to the EA (Amendment) 2022
		FMM Webinar Understanding Proposed Amendments to the Employment Act 1955
		MIDA_MPMA Conference on Government Assistance
	Soft skills	Self-Mastery Workshop
		Workplace Motivation Workshop (Bahasa)
		Problem Solving Workshop

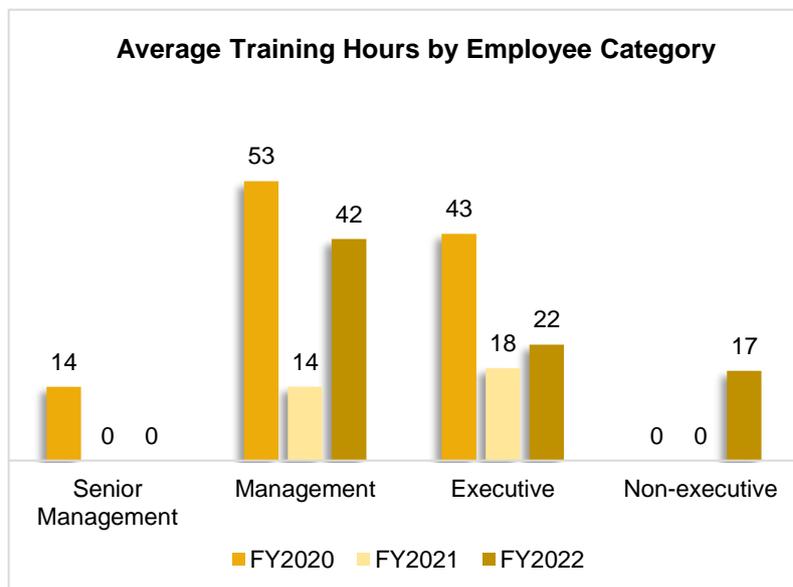
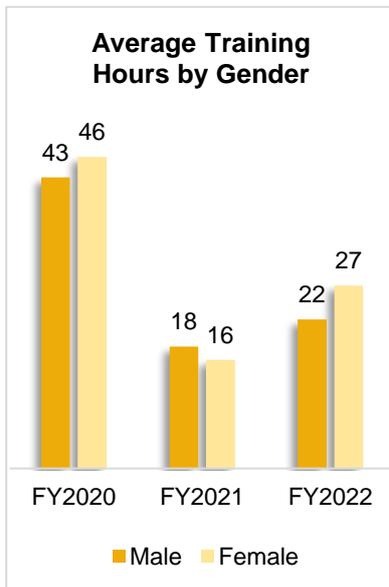
Entity/ Subsidiary	Area of training	Training programmes
Zantat KL	Safety	Safe Forklift Driving & Attitude Training
	Technical	<i>Seminar Orang Yang Berwibawa ("OYB") Siri 1-2022 Ke Arah Pematuhan Yang Berterusan</i>
		<i>Pematuhan Akta Kualiti Alam Sekeliling 1974 Siri II : Buangan Terjadual - Jom Ambil Tahu & Patuh 2022</i>
		Waste Minimization A Risk-Based Environmental Aspects & Impacts Approach Training
	Management	FMM Webinar Understanding Proposed Amendments to the Employment Act 1955
Mastering the Principles of Deferred Taxation		
Financial Instruments Reporting Essentials		
Soft skills	Self-Mastery Workshop	
Calrock	Safety	Management Consulting Certification ("MCC") Workshop
	Management	6S Training
	Soft skills	Self-Mastery Workshop

Training Performance

This year, we provided a total of 1,484 training hours across the Group, with 68% of the training hours contributed by training sessions conducted at Zantat Perak. The breakdown of the training performance at Zantat Perak, Zantat KL and Calrock is disclosed below.



Zantat Perak



Zantat KL

Total training hours:
434 hours



Total training hours
for men:
175 hours



Total training hours
for women:
259 hours

Total training hours by employee category:

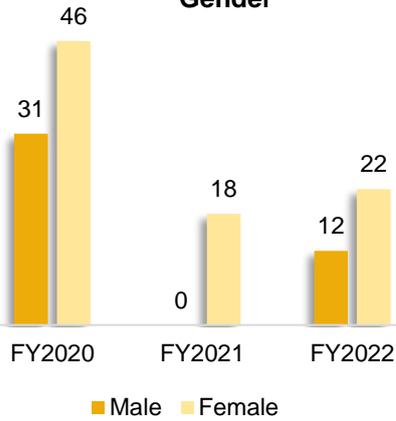
Senior Management
84 hours

Management
147 hours

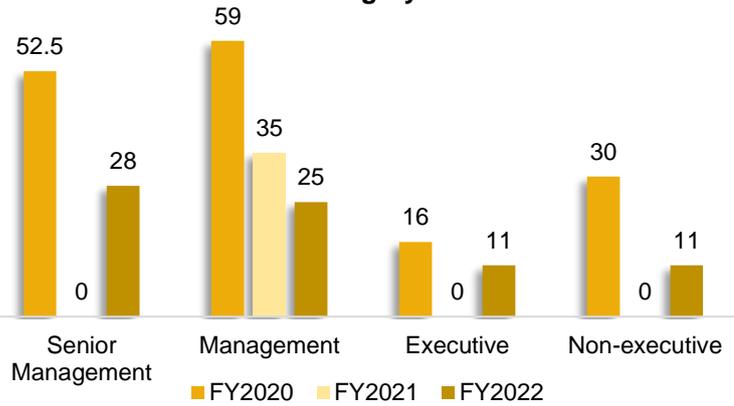
Executive
91 hours

Non-Executive
112 hours

Average Training Hours by Gender



Average Training Hours by Employee Category



Calrock

Total training hours:
35 hours



Total training hours
for men:
14 hours



Total training hours
for women:
21 hours

Total training hours by employee category:

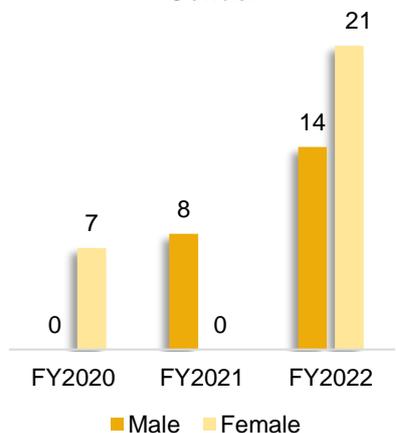
Senior Management
-

Management
-

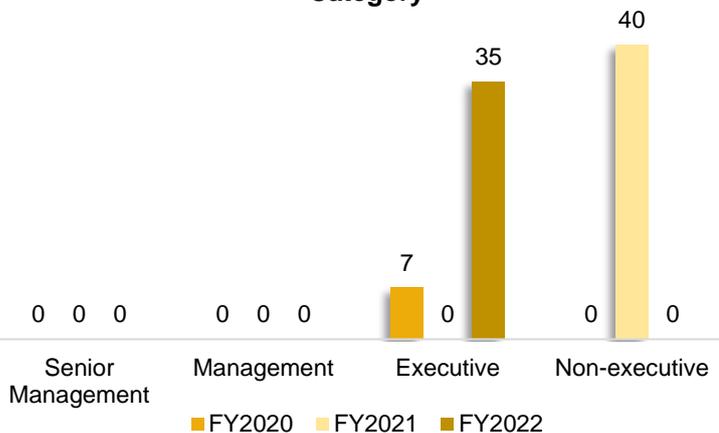
Executive
35 hours

Non-Executive
-

Average Training Hours by Gender



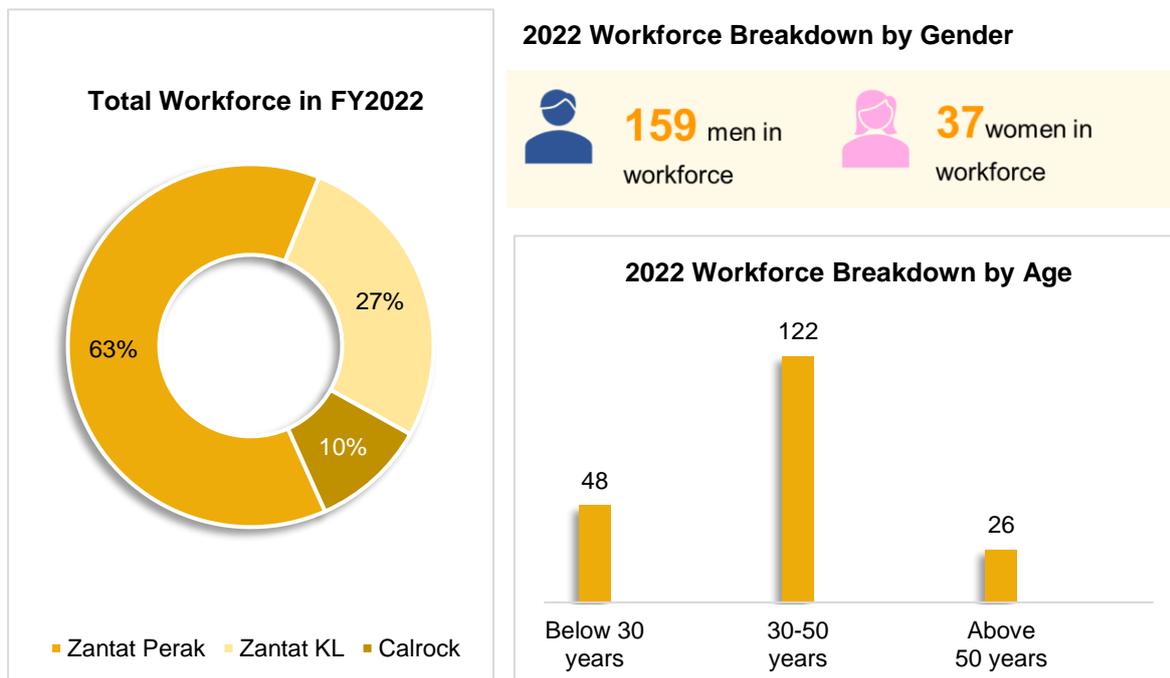
Average Training Hours by Employee Category



Diversity and Inclusion

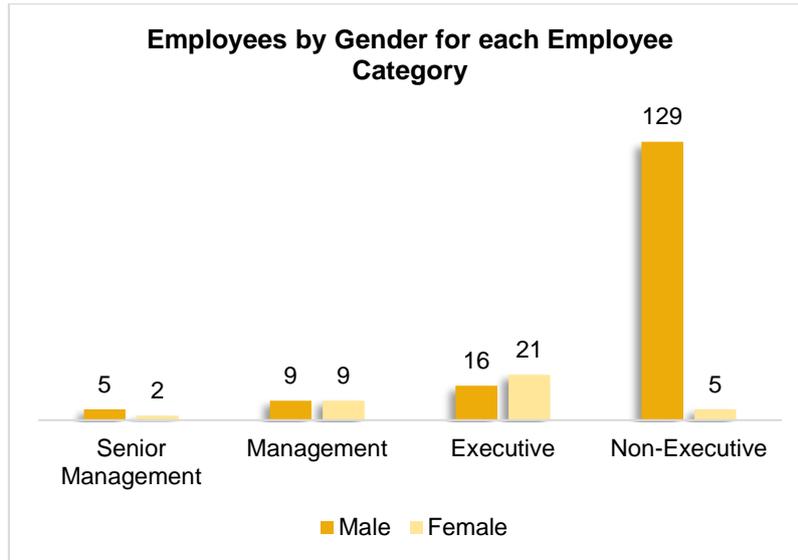
The Group endeavors to cultivate a workplace culture that values diversity and aims to foster a dynamic environment by harnessing a diverse pool of talents. This will allow the Group to leverage a broad range of skillsets and expertise for innovative problem-solving while creating a fair and equal working environment. We prohibit any type of discrimination, harassment or violence against our employees regardless of gender, racial or ethnic characteristics, and such policies are communicated to our employees via the Code of Conduct and Ethics. In FY 2022, we recorded zero cases of discrimination within Zantat.

In FY 2022, women comprised 17% of the Board of Directors. 63% of the Group's 196 employees were from Zantat Perak. During this reporting period, 159 men and 37 women accounted for our total workforce.



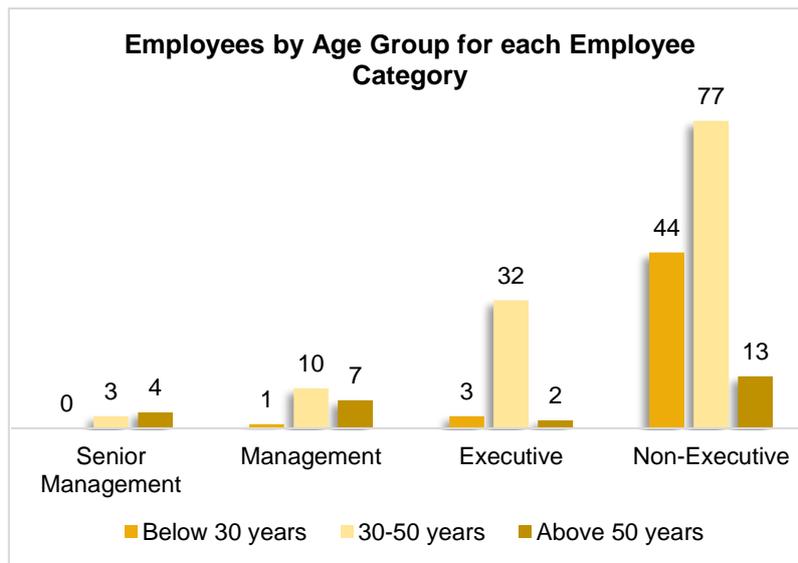
Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

At Zantat, a majority of our employees are men (81%) and most of our employees are also within the age group of 30-50 years old (62%). This is attributed to the intensive manual labour and safety concerns that arise from our daily operations. A detailed breakdown of employee diversity by age and gender for each employee category is as below.



Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

96% of our non-executive employees are men. We have equal representation of women at the management level (50%) and higher representation at the executive level (57%).



Note: Graph shows aggregated data from Zantat Perak, Zantat KL and Calrock

The majority of our employees at the management, executive, and non-executive levels are between the ages of 30 and 50. At the level of senior management, however, there are a greater number of employees aged 50 or older. In addition, 57% of our non-executive employees are between 30 and 50 years old, followed by 33% who are under 30 years of age. Similarly, the 30- to 50-year-old age group accounts for 86% of executive-level positions.

56% of management-level employees are between the ages of 30 and 50, while 39% of management-level employees are older than 50. In contrast, the majority of senior management (57%) is over 50 years old.

Community Relations

Zantat recognises its responsibility to contribute to the socioeconomic development and well-being of the surrounding communities in which it operates. To strengthen our relationship with the local community, we commit to enhancing our Corporate Social Responsibility (“CSR”) initiatives aimed at making a meaningful impact and helping our communities to thrive. In FY 2022, we invested approximately RM 22,645 for schools in our community.

Back to School Programme

In March 2022, Zantat Perak donated uniforms and sportswear worth RM 2,651 to Ipoh, Perak's SJK (C) Phui Ying Simpang Pulai and SK Sungai Raia.

The donation was provided for students from families with a Bottom 40% (“B40”) Malaysia household income.

This programme benefited 22 SJK (C) Phui Ying students and 18 students from Sungai Raia



Engaging, Enabling and Empowering Youth for Social Innovations



Zantat Perak sponsored approximately RM 19,994 for the Form 6 students of SMK Kampung Pasir Puteh in Ipoh, Perak. This programme was organised in collaboration with Claurus Consulting Sdn Bhd for the Global Innovation Management Institute (“GIMI”) Impact Programme.

20 Form 6 pupils from B40 families were aided by this programme.

Determining the Future

Zantat is motivated to build on our current ESG achievements and embrace opportunities to reduce negative environmental impacts through responsible and sustainable resource management. Building on the insights we obtained from our inaugural materiality assessment and employing our new sustainability policy as a compass, we plan to enhance and broaden the scope of our ESG efforts to create a future that is both equitable and sustainable.

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