

Sustainability Report

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Sustainability Report (Cont'd)

1. Introduction

1.1. ABOUT THIS REPORT (GRI 2-1)

Zantat Holdings Berhad ("ZHB," or "the Company") and its subsidiaries ("Zantat" or "the Group") are pleased to present this sustainability report ("the Report"), reflecting the company's commitment to creating long-term value for stakeholders. As a leading producer of high-quality calcium carbonate products, Zantat is dedicated to advancing sustainability across environmental, social, and governance ("ESG") dimensions. Over the past year, Zantat has undertaken significant measures to enhance its ESG initiatives, including stricter adherence to reporting standards, alignment with FTSE Russell ESG indicators, and the introduction of its green product line, Earthya, underscoring its commitment to sustainable innovation.

To ensure the effective management of sustainability matters, the Group has maintained a three-tiered Sustainability Governance system and continuously refined its Sustainability Framework to guide its initiatives. This Report highlights Zantat's ongoing efforts to reduce carbon footprint by expanding the scope of emissions calculations and disclosures across Scopes 1, 2, and 3, thereby providing stakeholders with a clearer and more transparent view of its environmental impact and mitigation strategies.

Zantat remains committed to maintaining the highest levels of transparency in its disclosures, objectives, and key performance indicators. Wherever possible, the Group provides three years of data to enhance accuracy and deliver meaningful insights into its sustainability performance. This approach reinforces the company's dedication to accountability and enables stakeholders to track progress effectively over time.

1.2. PERIOD AND CYCLE (GRI 2-3)

This Report provides a comprehensive overview of Zantat Holdings Berhad's sustainability initiatives for the period from 1 January 2024 to 31 December 2024, corresponding to the financial year 2024 (FY2024). It highlights the Group's focus on ESG, corporate governance, internal operations, and business activities.

To support trend analysis and provide historical context, Zantat discloses data from the three most recent years

wherever possible, available, and accurate. Additionally, where necessary, the methodologies and assumptions used in calculations are included to ensure transparency and clarity. For a more in-depth understanding of key aspects, stakeholders are encouraged to refer to the corresponding sections in Zantat's Integrated Annual Report and other relevant sources.

1.3. SCOPE AND BOUNDARIES (GRI 2-2)

This Sustainability Report evaluates Zantat Holdings Berhad's non-financial performance, focusing on key opportunities, risks, and outcomes that influence long-term value creation. It covers Zantat Holdings Berhad and its subsidiaries, including Zantat Sdn. Bhd. Perak plants ("Zantat Perak"), Zantat Sdn. Bhd. Kuala Lumpur plant ("Zantat KL"), Calrock Sdn. Bhd. ("Calrock"), Zantat Light C.C. Sdn. Bhd. ("ZLCC"), and Zaneco Sdn. Bhd. ("Zaneco").

To provide deeper insights, the Group has introduced ESG metrics specific to each subsidiary where feasible. While no significant changes to its structure, ownership, or supply chain occurred during the reporting period, Zantat remains committed to enhancing disclosures and adapting its sustainability approach. Moving forward, Zantat aims to further refine its ESG reporting, reinforcing its dedication to transparency and accountability.

1.4. FRAMEWORKS AND STANDARDS

This Report has been prepared in compliance with Bursa Malaysia's Listing Requirements and is guided by the Bursa Malaysia Sustainability Reporting Guide (3rd Edition). It aligns with the Global Reporting Initiative ("GRI") Standards, incorporating additional GRI metrics this year to enhance disclosure comprehensiveness. The Group has also refined its alignment with the United Nations Sustainable Development Goals ("UN SDGs") and the Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations to provide more robust insights.

In FY2024, FTSE Russell ESG metrics have been integrated into the reporting framework to further strengthen ESG disclosures. Additionally, with the introduction of the National Sustainability Reporting Framework (NSRF), the Group has initiated alignment with International Financial Reporting Standards (IFRS S1 and IFRS S2) as outlined in the NSRF.

Sustainability Report (Cont'd)

1. Introduction (Cont'd)

1.4. FRAMEWORKS AND STANDARDS (CONT'D)

Framework	Definition	Why it Matters	Progress
 <p>Bursa Malaysia Sustainability Report Framework 3rd Edition</p>	<p>Malaysia's Stock Exchange requires publicly listed companies to disclose 22 statistics across 11 common indicators. The common indicators target and cover ESG topics.</p>	<ul style="list-style-type: none"> Ensures compliance with Bursa Malaysia's sustainability standards. Strengthens governance and stakeholder trust in Malaysia. Supports national ESG and economic resilience goals. 	Active
 <p>Global Reporting Initiative (GRI)</p>	<p>An international framework that provides standards for organisations to report on their ESG impacts. It aims to promote transparency, accountability, and sustainability by offering guidelines for companies to disclose their sustainability performance.</p>	<ul style="list-style-type: none"> Aligns ESG disclosures with globally recognised sustainability standards. Enhances transparency and accountability for international stakeholders. Supports benchmarking against global best practices for continuous improvement. 	Active
 <p>United Nation Sustainable Development Goals (UN SDGs)</p>	<p>A set of 17 global goals established by the United Nations in 2015 to address urgent social, economic, and environmental challenges. The goals aim to end poverty, protect the planet, and ensure prosperity for all by 2030. Each goal has specific targets and indicators, focusing on areas such as health, education, gender equality, clean water, climate action, and sustainable economic growth.</p>	<ul style="list-style-type: none"> Aligns sustainability efforts with global priorities for social, environmental, and economic progress. Supports Malaysia's commitment to the UN SDGs through responsible business practices. Drives long-term value creation by addressing key global and local sustainability challenges. 	Active
 <p>Taskforce on Climate-related Financial Disclosure</p>	<p>The Task Force on Climate-related Financial Disclosures (TCFD) provides a global framework to consistently and transparently disclose climate-related financial risks and opportunities. Its recommendations focus on governance, strategy, risk management, and metrics and targets, enabling organisations to integrate climate considerations into decision-making processes.</p>	<ul style="list-style-type: none"> Strengthens climate risk management and disclosure in line with global best practices. Enhances resilience by integrating climate-related risks and opportunities into business strategy. Supports Malaysia's transition to a low-carbon economy and regulatory expectations. 	FY2025
 <p>Science-based Targets initiatives</p>	<p>A global organisation that guides companies in setting GHG emissions reduction targets aligned with the latest climate science and the goals of the Paris Agreement. It provides targets that are specific, measurable, and aligned with limiting global warming to 1.5°C or well below 2°C.</p>	<ul style="list-style-type: none"> Guides Zantat's emission reduction targets with science-based methodologies. Ensures alignment with global climate goals and Malaysia's carbon neutrality commitment. Enhances credibility in decarbonisation efforts for stakeholders and investors. 	FY2025

Sustainability Report (Cont'd)

1. Introduction (Cont'd)

1.5. ASSURANCE READINESS (GRI 2-5)

This Report has been thoroughly reviewed by senior management, Sustainability Steering Committee, and Sustainability Working Group to ensure the utmost accuracy and reliability. It has also been presented to the Board of Directors for their awareness and strategic input. While the Report has not been externally assured, it has been prepared in alignment with industry standards, making it assurance-ready with well-documented methods and reproducible data. These measures further enhance the credibility and precision of Zantat’s sustainability disclosures.

1.6. FEEDBACK

Stakeholders are invited to explore the digital version of the Sustainability Report at <https://www.zantat.com.my/> and share their perspectives on the Group’s sustainability approach. Feedback and suggestions play a crucial role in refining sustainability practices and initiatives. Through open and transparent communication, Zantat aims to better understand stakeholder expectations, address key concerns, and enhance the quality and relevance of Zantat’s ESG disclosures. Collaboration remains central to driving continuous improvement and advancing a shared commitment to a more sustainable future.

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2. About Zantat Holdings Berhad

2.1. THE GROUP BACKGROUND

Established in 1985 as Zantat Sdn. Bhd., the company has grown into a leading player in the calcium carbonate and mineral products industry. Over the decades, Zantat has continuously expanded its capabilities, integrating innovation, sustainability, and responsible business practices into its operations. In 2023, the company transitioned into Zantat Holdings Berhad (ZHB), culminating in a significant milestone on 27 March 2024, when it became a publicly listed company. The listing has enabled Zantat to accelerate two key strategic initiatives: (1) the launch of new downstream product segments and (2) the investment into a new R&D centre to strengthen in-house product development, application testing, and technical support—driving innovation across both its calcium carbonate and bioplastic compound segments. This transformation represents more than financial growth—it underscores Zantat’s commitment to transparency, accountability, and long-term sustainability, reinforcing its position as a responsible corporate entity in the global marketplace.

With five production plants along with two leasehold properties with limestone reserves in Perak, the company serves a diverse customer base across multiple industries. Its products reach approximately 300 customers in key markets such as India and Malaysia, reflecting an expanding global footprint and a steadfast commitment to sustainable business growth.

Subsidiary	Operation	Address
Zantat Sdn Bhd - Perak Plants	Head office, warehouse and production of GCC	PT24571 & PT 21289 Kaw. Industri Batu Kapur Keramat Pulai, 31300 Kampung Kepayang, Perak.

Sustainability Report (Cont'd)

2. About Zantat Holdings Berhad (Cont'd)

2.1. THE GROUP BACKGROUND (CONT'D)

Subsidiary	Operation	Address
Zantat Sdn Bhd - KL Plant	Office, warehouse, production of calcium carbonate and kaolin dispersions, and processing of ultrafine PCC powder	Lot 1013-B, Jalan 2/32A, 6 ½ Miles, Kepong Industrial Area, Jalan Kepong, 52100 Kuala Lumpur.
Calrock Sdn Bhd	Office, warehouse and production of GCC	60, Persiaran Portland, Tasek Industrial Estate, 31400 Ipoh, Perak.
Zantat Light C.C. Sdn Bhd	Quarry, site office and operations of limestone quarry	PT22565, Kaw. Industri Batu Kapur Keramat Pulai, 31300 Kampung Kepayang, Perak.
Zaneco Sdn Bhd	Manufacturer of bioplastic compound	PT24571 & PT 21289 Kaw. Industri Batu Kapur Keramat Pulai, 31300 Kampung Kepayang, Perak.

Zantat's core business focuses on the manufacturing of calcium carbonate products, including Ground Calcium Carbonate ("GCC") and Calcium Carbonate ("CC") dispersions. GCC remains the primary revenue driver, contributing to 82.1% of its revenue in FY2024. In addition to GCC and CC dispersions, the Group also engages in the processing of ultrafine Precipitated Calcium Carbonate ("PCC") powder, trading of industrial minerals, and supplying limestone quarry products, serving industries such as plastics, paints and coatings, glove production, and rubber manufacturing.

Since its introduction in 2020, Zantat's kaolin dispersion has continued to support the synthetic rubber glove industry, reflecting the Group's adaptability in meeting evolving market demands.

A STRATEGIC COMMITMENT TO SUSTAINABILITY

Since its inception, Zantat has prioritised environmental responsibility as a core principle. Looking ahead, sustainability is not just an operational focus but the foundation of its corporate strategy. The Group is integrating sustainable products and processes into its business model to ensure that stewardship remains central to long-term growth. The recent launch of Earthya, an environmentally friendly product innovation, underscores Zantat's commitment to supporting a circular economy. Additionally, the on-site bioconversion centre, currently in its pilot phase, is designed to process food waste naturally using black soldier flies, enhancing waste management and resource efficiency.

To strengthen ESG leadership, Zantat continues to enhance sustainability disclosures, refine its emission accounting framework, and implement targeted environmental initiatives. With its public listing, Zantat has an expanded platform to build stakeholder trust and reaffirm its dedication to responsible growth. Moving forward, Zantat remains committed to leading the mineral production industry in carbon footprint reduction, advancing innovative solutions, and driving progress toward a more sustainable future.



Sustainability Report (Cont'd)

2. About Zantat Holdings Berhad (Cont'd)

2.2. SUSTAINABILITY HIGHLIGHTS

FY2024 marks another milestone in Zantat’s ESG journey, with notable achievements that reflect the Group’s ongoing commitment to sustainability and responsible growth.

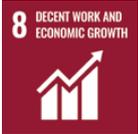
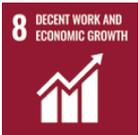
Table 2.2 ESG topics identified by Zantat, aligned with the Materiality Survey.

Material Topics	Definition			
Supply Chain Management (Environment) Supply Chain Management (Social)	Evaluating suppliers based on their environmental practices and ensuring alignment with sustainability goals to promote responsible sourcing.			
	Reviewing and collaborating with suppliers to ensure their operations positively contribute to societal well-being and adhere to ethical practices.			
	Target 1.2 Reduce at least by half the proportion of men, women, and children living in poverty.	Achievement Zantat supports local economic development by allocating 86.9% of its procurement spending to local suppliers, ensuring job creation and economic opportunities in Malaysia.		
Community Engagement and Contribution	Building strong relationships with local communities through initiatives and programs that support social development and address community needs.			
		Target 4.1 Ensure that everyone complete free, equitable and quality primary and secondary education.	Achievement Zantat supported over 148 students from low-income families through education-focused initiatives, including school sponsorships, uniform vouchers, and mentorship programmes. With contributions amounted to RM8,086 and over 30 staff volunteer hours, these efforts reinforced the company’s commitment in promoting equitable access to education and reducing socio-economic barriers.	
		Target 11.6 Reduce the adverse per capita environmental impact of cities, including air quality and waste management.	Achievement Zantat invested RM100,329 in environmental and community initiatives focused on waste management, conservation, and public awareness. The most significant of these was the year-long ‘Greening the Fishing Village’ project in Bagan Pasir Laut, which improved waste infrastructure and living conditions for 150 families. Other initiatives included a tree-planting event at FRIM and the Eco Green Market, which engaged employees in recycling efforts and promoted environmentally responsible practices.	
	Target 17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Achievement Zantat contributed RM12,019 and 97 volunteer hours to support vulnerable groups, benefiting over 300 individuals through donations, health initiatives, and inclusive community programmes. Activities included elderly and orphanage outreach, blood donation drives, fire safety education, and creative engagement for children with learning disabilities.		

Sustainability Report (Cont'd)

2. About Zantat Holdings Berhad (Cont'd)

2.2. SUSTAINABILITY HIGHLIGHTS (CONT'D)

Material Topics	Definition			
Occupational Health and Safety	Ensuring the safety and well-being of employees by adhering to stringent health and safety protocols and fostering a culture of care and prevention.		Target 3.9 Reduce illnesses and deaths caused by hazardous chemicals and air, water, and soil pollution.	Achievement Zantat reduced air pollution by achieving a 4.0% reduction in Particulate Matter (PM ₁₀) levels from FY2022 to FY2024. Additionally, no detectable levels of NO _x and SO _x were found in air emissions.
			Target 8.8 Protect labor rights and promote safe working environments.	Achievement Zantat maintained a zero-fatality workplace in FY2024.
Talent Management	Providing fair and equal opportunities for professional growth through structured training and development programs to enhance skills and career progression.		Target 4.4 Increase the number of youth and adults with relevant skills for employment and entrepreneurship.	Achievement The total training hours at Zantat have increased significantly by 226.2%, from 1,449 hours in FY2022 to 4,726 hours in FY2024.
			Target 8.8 Protect labour rights and promote safe working environments.	Achievement Zantat has initiated a 24-month remediation programme to reimburse its foreign workers for recruitment fees paid to local agents in their home countries. This initiative covers 94 workers from Nepal and Bangladesh, with a total remediation value of RM556,300, and monthly payments scheduled from November 2024 to October 2026.
Diversity and Inclusion	Encouraging and fostering a workplace environment that values varied backgrounds, perspectives, and skills to build a more inclusive organisation.		Target 5.5 Ensure women's full and effective participation in leadership at all levels.	Achievement Zantat has committed to improving gender diversity in leadership roles. In FY2024, women comprised 14% of the Board of Directors and 25% of senior management, with further initiatives planned to increase female representation in leadership positions.
Water Use Management	The efficient and sustainable use of water resources, focusing on conservation, reuse, and reducing water wastage across processes.		Target 6.4 Increase water-use efficiency to ensure sustainable withdrawals.	Achievement In FY2024, Zantat has reduced total water consumption by 10.3%, from 71,094 m ³ (FY2023) to 63,754 m ³ , primarily by cutting groundwater extraction by 27.0% and introducing a rainwater harvesting system at Zantat Perak.

Sustainability Report (Cont'd)

2. About Zantat Holdings Berhad (Cont'd)

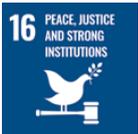
2.2. SUSTAINABILITY HIGHLIGHTS (CONT'D)

Material Topics	Definition	
<p>Energy Management</p> 	<p>The strategic approach to optimising energy consumption, improving efficiency, and exploring renewable energy sources to reduce reliance on conventional energy.</p> <p>Target: 7.3 Double the global rate of improvement in energy efficiency.</p>	<p>Achievement Zantat reduced total energy consumption by 19.4%, from 31,320 MWh (FY2023) to 25,260 MWh (FY2024). This was partly attributed to the upgrade of eight production lines with high-efficiency motors.</p>
<p>Waste Management</p> 	<p>The responsible handling, reduction, and treatment of solid and liquid waste generated from operations to ensure environmental safety and compliance.</p> <p>Target 9.4 Upgrade infrastructure and industries to make them sustainable.</p>	<p>Achievement Zantat launched Earthya™, a 100% compostable bioplastic alternative, with ongoing R&D to improve composting speed.</p>
<p>Waste Management</p> 	<p>Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p>	<p>Achievement Zantat's waste diversion rate increased to 16.9% in FY2024, recovering 91 tonnes of recyclable materials, and launched a pilot bioconversion center using black soldier flies to naturally process food waste.</p>
<p>Human Rights and Labour Practice</p> 	<p>Encompass dignity, equality, fair treatment, safe working conditions, fair wages, and prevention of exploitation, promoting ethical and inclusive standards.</p> <p>Target 10.2 Empower and promote social, economic, and political inclusion.</p>	<p>Achievement Zantat promotes diversity and inclusion within its workforce, ensuring fair employment opportunities across different demographic groups. In FY2024, 60% of executives and 50% of managers were female.</p>
<p>Air and Greenhouse Gas Emissions</p> 	<p>The management of emissions resulting from operations, including air pollutants and greenhouse gases ("GHG"), to minimise environmental impact and comply with regulatory standards.</p> <p>Target 13.2: Integrate climate change measures into policies, strategies, and planning.</p>	<p>Achievement Zantat reduced Scope 1 emissions by 20.9% (from 578 tCO₂e in FY2023 to 457 tCO₂e in FY2024) and increased solar energy contribution to 5.1% of total power usage, supporting Malaysia's goal to cut emissions by 45% by 2030.</p> <p>Achievement Zantat enhanced GHG accounting by including Scope 3 Category 4 emissions, revealing 234 tCO₂e from upstream local transportation.</p>

Sustainability Report (Cont'd)

2. About Zantat Holdings Berhad (Cont'd)

2.2. SUSTAINABILITY HIGHLIGHTS (CONT'D)

Material Topics	Definition	
Biodiversity and Land remediation  	Efforts to protect and enhance ecosystems, focusing on preserving biodiversity and mitigating negative impacts on flora and fauna.	
	Target 14.1 Prevent and significantly reduce marine pollution from land-based activities.	Achievement Earthya™ bags fully compost in 180 days, preventing microplastic accumulation in marine environments.
	Target 15.5 Take urgent action to reduce the degradation of natural habitats and biodiversity loss.	Achievement Zantat's biodiversity assessment identified 160 terrestrial mammalian species, with 0.6% being critically endangered (Manis javanica) and 5.0% endangered. This effort reflects its first step in baselining biodiversity across the operation sites.
Anti-corruption and Whistle-blowing	Implementing policies to prevent corruption and fraud, with mechanisms for secure and anonymous reporting of unethical behaviour.	
Data Privacy and Protection	Safeguarding sensitive data through robust systems and practices that ensure confidentiality and compliance with privacy regulations.	
Corporate Governance 	Adhering to frameworks that ensure transparency, accountability, and ethical practices in all business operations and decision-making processes.	
	Target 16.5 Substantially reduce corruption and bribery in all forms.	Achievement From FY2022 to FY2024, Zantat has zero reported incidents of corruption, human rights violations and discrimination. On top of that, Zantat upheld transparency and accountability in business practices by providing anti-corruption training for all employee categories.
	Target 16.10 Ensure public access to information and protect fundamental freedoms.	Achievement Zantat has integrated data management and security into its Enterprise Risk Management (ERM) framework, ensuring compliance with the Personal Data Protection Act (PDPA) 2010. As of 31 December 2024, Zantat reported zero substantiated complaints, zero cyberattacks, and no data losses for three consecutive years.

Sustainability Report (Cont'd)

2. About Zantat Holdings Berhad (Cont'd)

2.3. JOINT STATEMENT OF LEADERSHIP

DEAR STAKEHOLDERS,

FY2024 was a landmark year for Zantat Holdings Berhad. On 27 March 2024, we proudly marked our transition into a publicly listed company, which is a significant milestone that reflects our long-term vision and deep commitment to transparency, governance, and sustainable growth.

While the year presented challenges due to external pressures, including the abrupt weakening of the USD against the MYR and an abnormal surge in ocean freight rates, we remained adaptable and focused. These headwinds tested our resilience but also sharpened our efforts to improve operational efficiency and strengthen our financial position.

In FY2024, we delivered meaningful progress on our ESG priorities. On the environmental front, we reduced Scope 1 emissions by 20.9%, increased solar energy use to 5.1% of our total energy consumption, and launched Earthya, our environmentally friendly product line. On the social front, we initiated a RM556,300 remediation programme to reimburse recruitment fees paid by 94 foreign workers, reinforcing our commitment to fairness, dignity, and ethical employment.

As we look ahead, our commitment to value creation extends beyond financial performance, no matter the economic cycle.

Thank you for your continued trust and support.

Chan Bin luan
Managing Director and Chief Executive Officer

Sustainability Report (Cont'd)

3. Sustainability Statement

3.1. SUSTAINABILITY GOVERNANCE STRUCTURE

Zantat has embedded sustainability into its corporate governance framework, ensuring that ESG considerations are integral to its strategic decision-making. The governance structure comprises the Board of Directors, the Sustainability Steering Committee, and the Sustainability Working Groups, each plays a critical role in driving sustainability initiatives. This structured approach facilitates both top-down and bottom-up communication, ensuring that sustainability objectives are effectively set, executed, and refined based on operational insights.



Fig 3.1. Sustainability Governance Structure at Zantat, incorporating a top-down and bottom-up approach to ESG integration and management across the entire operation.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.1. SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)



BOARD OF DIRECTORS: STEERING SUSTAINABILITY AT THE HIGHEST LEVEL

At the highest level, the Board of Directors provides strategic leadership and oversight for sustainability efforts across the Group. Its key responsibilities include setting long-term sustainability goals, ensuring alignment with the overall business strategy, and monitoring performance on ESG initiatives. The Board also plays a pivotal role in integrating sustainability considerations into core business operations, reinforcing Zantat's commitment to responsible and ethical business practices.



SUSTAINABILITY STEERING COMMITTEE: THE DRIVING FORCE BEHIND ESG INTEGRATION

The Sustainability Steering Committee ("SSC") serves as the central governance body for Zantat's ESG initiatives, ensuring strategic alignment, oversight, and effective execution across the Group. Acting as the key bridge between the Board of Directors and the Sustainability Working Groups, the SSC plays a pivotal role in advancing Zantat's sustainability agenda. One of its core responsibilities is overseeing the preparation of the sustainability report, ensuring accuracy, completeness, and compliance with disclosure standards.

The committee convenes regularly to assess sustainability performance, evaluate material climate-related risks and opportunities, and refine strategies for long-term resilience and value creation. It also provides recommendations to the Board, monitors the progress of the Sustainability Working Groups, and facilitates the seamless integration of ESG initiatives across business functions. Additionally, the SSC helps shape community engagement strategies, reinforcing Zantat's commitment to social responsibility and stakeholder collaboration. As the backbone of sustainability governance, the SSC ensures a structured and forward-looking approach that supports the Group's strategic objectives.



SUSTAINABILITY WORKING GROUPS: TRANSLATING STRATEGY INTO ACTION

At the operational level, the Sustainability Working Group ("SWG") is responsible for executing day-to-day sustainability initiatives and ensuring the seamless implementation of ESG programs across Zantat. Comprised of representatives from key departments (including Finance, Purchasing, Human Resources, Production, Research & Development, Sales & Marketing, Quality Assurance, and Logistics, Maintenance & Engineering), the SWG ensures sustainability is embedded into every aspect of Zantat. This cross-functional approach enables sustainability initiatives to be integrated across all business functions, fostering a holistic and company-wide commitment to ESG principles.

The SWG is tasked with gathering and monitoring ESG-related data, tracking sustainability performance, and evaluating emerging trends to identify opportunities for continuous improvement. It also plays a proactive role in recognising and mitigating ESG risks, ensuring that sustainability resilience remains a priority at all levels of the organisation.

By fostering continuous communication between the Board, the Steering Committee, and the Working Groups, Zantat maintains a dynamic and responsive sustainability governance structure. The top-down approach ensures clear strategic direction, while bottom-up insights from operational teams enhance decision-making, reinforcing sustainability as a core driver of long-term value creation and success.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.2. SUSTAINABLE VALUE CHAIN CREATION

Creating Sustainable Value for a Resilient Future

Zantat is committed to creating long-term value for all stakeholders by integrating sustainability, innovation, and quality into its core operations. As the Group advances its sustainability journey, it acknowledges that value creation extends beyond financial performance—it encompasses positive environmental and social impact while reinforcing business resilience.

Driving Sustainability Through Innovation

Innovation is a cornerstone of Zantat's sustainability strategy, driving long-term value through research, product advancements, and operational efficiencies. The Group is dedicated to developing solutions that tackle global environmental challenges while delivering meaningful benefits to industries and communities.



Fig 3.2 (Top) Zantat's green and innovative product - Earthya™ compostable garbage bag. Globally certified by TÜV Austria (OK Compost), BPI, and the Australasian Bioplastics Association (ABA) certifications and MyHIJAU Mark

A key milestone in Zantat's sustainability journey is Earthya™, an innovative compostable material developed by its subsidiary, Zaneco, as a sustainable alternative to conventional plastics. Unlike oxo-degradable plastics, which fragment into microplastics that persist in the environment, Earthya™ is designed to fully decompose into natural soil minerals in 180 days under specific conditions, leaving no toxic residues. This distinction is crucial, as the term "biodegradable" is often misused to describe plastics that merely break down into smaller particles rather than truly returning to nature. Earthya™ combines durability for practical applications with the ability to fully compost into non-toxic substances such as water and carbon dioxide, helping to reduce landfill waste and contribute to a healthier ecosystem.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.2. SUSTAINABLE VALUE CHAIN CREATION (CONT'D)

Driving Sustainability Through Innovation (Cont'd)

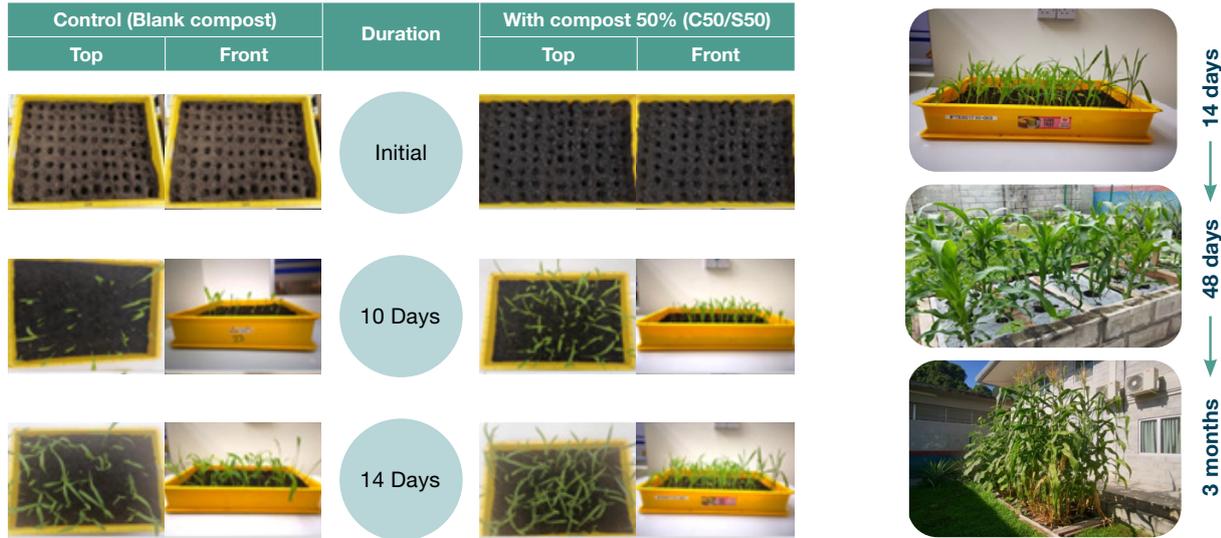


Fig 3.2 (Left) Growth comparison of corn and summer barley after 14 days in compost, with (right) and without (left) Earthya™ enrichment, demonstrating its positive impact on plant growth and soil quality. (Right) Growth of corn barley plants in compost with Earthya™ enrichment over time.

Beyond product innovation, Earthya™’s environmental benefits are rigorously validated. In a controlled study, compost containing fully disintegrated Earthya™ was used to grow corn and summer barley, compared to standard compost. The germinated plant is then transferred to a compost bed to monitor its growth, after 3 months the plants grown in Earthya™-enriched compost exhibited strong, healthy growth, reinforcing its viability as a material that not only reduces waste but also enhances soil health. Additionally, Zantat is exploring partnerships with bioconversion centers that utilise black soldier flies to decompose Earthya™ bags alongside food waste, streamlining organic waste management by eliminating the need for waste separation.

By providing a truly compostable and scalable solution, Earthya™ represents a transformative step toward circular economy practices. As Zantat continues to refine its approach and expand collaborations, the Group remains committed to responsible material innovation—mitigating pollution, promoting resource efficiency, and driving long-term sustainability for both stakeholders and the environment.

3.3. MATERIALITY ASSESSMENT

3.3.1. Inclusivity: Stakeholder Engagement and Zantat's Responses (GRI 2-29)

Zantat’s long-term success is closely tied to the needs, expectations, and concerns of its stakeholders. The Group values a diverse group, including employees, shareholders, investors, customers, suppliers, government and regulatory authorities, local communities, media, and financial institutions, along with all those who have supported its journey. These relationships are fundamental to operating as a responsible and sustainable business.

Stakeholder engagement occurs through various platforms and at different frequencies throughout the year, ensuring Zantat remains attuned to evolving perspectives and expectations. These interactions help identify material issues and align business strategies with sustainability priorities. More importantly, they build trust, foster collaboration, and create long-term value for all parties involved.

To reinforce this approach, Zantat has established clear goals and actions for each stakeholder group, ensuring concerns are actively addressed and insights are integrated into decision-making.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.2. Engagement Methods and Frequency ^(GRI 2-29)

Table 3.2.2 Stakeholder engagement methods, frequency, and responses.

Key Stakeholder Group	Importance to Zantat	
 <p>Employees</p>	<p>Employees are the backbone of Zantat, bringing expertise and dedication that drive innovation, operational excellence, and sustainable growth. Their contributions are essential to upholding industry standards, fostering stakeholder engagement, and delivering long-term value to customers, shareholders, and communities.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> Employee welfare and benefits Training and professional development Occupational health and workplace safety 	<ul style="list-style-type: none"> Employee engagement activities Internal communications Promote safety awareness at the workplace 	<ul style="list-style-type: none"> Ongoing As required Ongoing
Goals		
<ul style="list-style-type: none"> Enhance workplace safety and promote a culture of health and well-being. Provide continuous training and career development opportunities. Foster an inclusive workplace with equal opportunities for all employees. 		
Actions		
<ul style="list-style-type: none"> Increasing channels and frequency of employee engagement and feedback (e.g., employee feedback survey, employee satisfaction survey). Expanding recognition programs to celebrate milestones and contributions of long-serving employees. 		

Key Stakeholder Group	Importance to Zantat	
 <p>Shareholders and Investors</p>	<p>Shareholders and investors are essential to Zantat's growth and expansion, providing the financial resources that fuel innovation and market development. Their trust reinforces the Group's commitment to strong governance, transparency, and responsible business practices, ensuring long-term value creation and stable returns. Through strategic investments and prudent management, Zantat strives to maintain stakeholder confidence while driving sustainable progress.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> Products and services quality Group financial performance Ethics, integrity & governance 	<ul style="list-style-type: none"> Quarterly and Annual reporting Annual General Meeting / Extraordinary General Meetings Updated policies and compliance trainings 	<ul style="list-style-type: none"> Quarterly or annually Annually or as required As required

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat
Shareholders and Investors (Cont'd)	
Goals	
<ul style="list-style-type: none"> • Maintain strong financial performance and sustainable long-term growth. • Ensure transparency and accountability in ESG and governance practices. • Strengthen investor confidence through responsible business strategies and risk management. 	
Actions	
<ul style="list-style-type: none"> • Evaluating and incorporating shareholder inputs into strategic decision-making where viable. • Strengthening Investor Relations function to improve accessibility to overall group strategy and key financial data. 	

Key Stakeholder Group	Importance to Zantat	
 <p>Customers</p>	<p>Customers are at the heart of Zantat’s business, driving sustainable growth and long-term success. Their satisfaction is a priority, and Zantat remains committed to understanding their evolving needs, market trends, and industry developments. By delivering high-quality products and solutions, the Group aims to create meaningful value and foster strong, lasting relationships.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> • Products and services quality • Customer satisfaction • On-time delivery • Pricing and supplies 	<ul style="list-style-type: none"> • Regular feedback and meetings • Ad hoc participation in industry networking events 	<ul style="list-style-type: none"> • As required • As required
Goals		
<ul style="list-style-type: none"> • Deliver high-quality, sustainable, and innovative products. • Ensure reliable supply chains and on-time delivery. • Continuously improve customer service and engagement. 		
Actions		
<ul style="list-style-type: none"> • Continuously investing in R&D, (i.e., testing lab expansion and new equipment) to enhance in-house testing of customer products, optimise performance and deliver customised solutions. • Committing to responsible sourcing, sustainable manufacturing and compliance with environmental and safety standards to align with customer values. 		

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat	
 Government and Regulatory Authorities	<p>Government and regulatory authorities play a critical role in ensuring a structured and compliant business environment for Zantat. Their oversight upholds legal and industry standards, promoting transparency, fair competition, and responsible business practices. By maintaining strict regulatory compliance, Zantat safeguards its operations, reinforces stakeholder trust, and supports long-term growth and stability within the industry.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> Regulatory compliance Workplace safety Environmental impact 	<ul style="list-style-type: none"> Periodic meetings On-site inspections Ad-hoc workshops and training 	<ul style="list-style-type: none"> Ongoing Ongoing Ongoing
Goals		
<ul style="list-style-type: none"> Ensure full compliance with all regulatory and environmental standards. Maintain transparent communication and proactive engagement with authorities. Support national sustainability and economic development initiatives. 		
Actions		
<ul style="list-style-type: none"> Regularly monitoring and adapting to legal and regulatory changes through dedicated internal teams (e.g., safety and health committees, ISO officers, sustainability committee and working group members) and collaboration with external consultants to ensure full compliance with regulatory standards. 		

Key Stakeholder Group	Importance to Zantat	
 Local Community	<p>The local community represents the social and economic environment in which Zantat operates, providing the workforce, infrastructure, and market support essential to its business. Their well-being and development contribute to a stable and sustainable operating landscape, fostering long-term business resilience and positive stakeholder relationships.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> Job creation Community development and enrichment Environment impact and compliance 	<ul style="list-style-type: none"> Local hiring Community programs 	<ul style="list-style-type: none"> Ongoing As required

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat
Local Community (Cont'd)	
Goals	
<ul style="list-style-type: none"> • Create job opportunities and support local economic growth. • Engage in community development programs and social initiatives. • Minimise environmental impact and promote sustainable practices. 	
Actions	
<ul style="list-style-type: none"> • Prioritising local hiring and collaborating with local suppliers and businesses to drive economic growth. • Strengthening CSR efforts by involving in philanthropy donations, community health and well-being initiatives, Environmental and Community Engagement Initiatives. 	

Key Stakeholder Group	Importance to Zantat	
 Suppliers	<p>Suppliers are a vital part of Zantat's supply chain, delivering the raw materials, equipment, and services essential for efficient operations. Their reliability and quality directly influence production capabilities, cost efficiency, and customer satisfaction, making them key to maintaining business continuity and competitiveness.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> • On-time payment • Business continuity • Procurement ethics • Products and services quality 	<ul style="list-style-type: none"> • Negotiations with suppliers/ business partners • Periodic meetings 	<ul style="list-style-type: none"> • As required • As required
Goals		
<ul style="list-style-type: none"> • Build long-term, transparent, and ethical partnerships. • Promote sustainability and responsible sourcing in the supply chain. • Ensure fair and timely payments for goods and services. 		
Actions		
<ul style="list-style-type: none"> • Identifying and developing alternative suppliers for key raw materials (e.g., limestone ores) to reduce disruption risks. • Conducting annual supplier performance survey (i.e., by circulating supplier evaluation form) to assess product and/or service quality and ESG compliances. 		

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat	
 Financial Institutions	<p>Financial institutions play a crucial role in Zantat's operations, providing the capital, banking services, and financial infrastructure needed to support growth and investment initiatives. Their role in facilitating funding, managing financial risks, and ensuring liquidity enables the Group to expand its business, enhance operational efficiency, and navigate market fluctuations with stability and confidence.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> Financial risk management 	<ul style="list-style-type: none"> Effective communications on business and operational updates Annual General Meeting 	<ul style="list-style-type: none"> Ongoing Annually
Goals		
<ul style="list-style-type: none"> Maintain strong financial stability and responsible risk management. Ensure transparency and compliance in financial reporting. Strengthen relationships to facilitate sustainable financing and investment opportunities. 		
Actions		
<ul style="list-style-type: none"> Ensuring sound financial management, responsible risk mitigation, and compliance with banking and regulatory requirements. Utilising ESG-linked financing (e.g., green loans) and government incentives (e.g., HRDF training grants). 		

Key Stakeholder Group	Importance to Zantat	
 Media	<p>The media plays a vital role in communicating Zantat's business developments, sustainability efforts, and corporate values to the public and stakeholders. Through accurate and responsible reporting, it helps shape corporate reputation, enhance brand visibility, and foster transparency. This engagement is essential for maintaining trust and strong relationships with investors, customers, and the broader community.</p>	
Key Interests	Engagement Methods	Engagement Frequency
<ul style="list-style-type: none"> Prioritise transparent communication about business performance, ESG efforts, and community impact programs 	<ul style="list-style-type: none"> Identify traditional and digital media outlets pertinent to target audience and industry Organise media events such as press conferences or product launches Utilise multimedia content like photos and videos to enrich storytelling Assess the impact of media engagement strategies through analytics Modify approaches based on received feedback and analysed data 	<ul style="list-style-type: none"> As required As required As required As required Ongoing

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

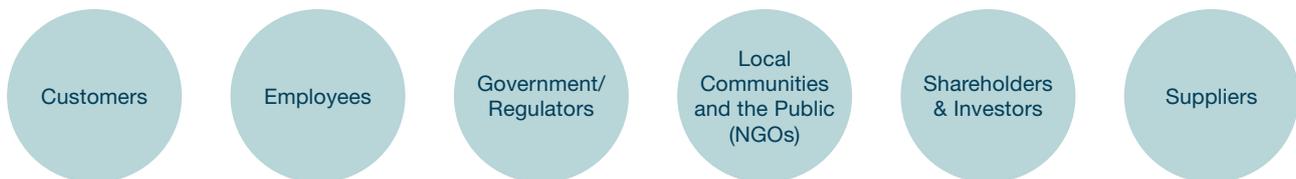
3.3.2. Engagement Methods and Frequency (Cont'd)

Key Stakeholder Group	Importance to Zantat
Media (Cont'd)	
Goals	
<ul style="list-style-type: none"> • Increase brand visibility and credibility through strategic media engagement. • Strengthen stakeholder trust by communicating sustainability initiatives transparently. • Position Zantat as an industry leader in responsible manufacturing and innovation. 	
Actions	
<ul style="list-style-type: none"> • Leveraging social media platforms (i.e., Zantat's Facebook and Instagram accounts) to provide consistent updates on the Group's developments, sustainability initiatives and corporate achievements. 	

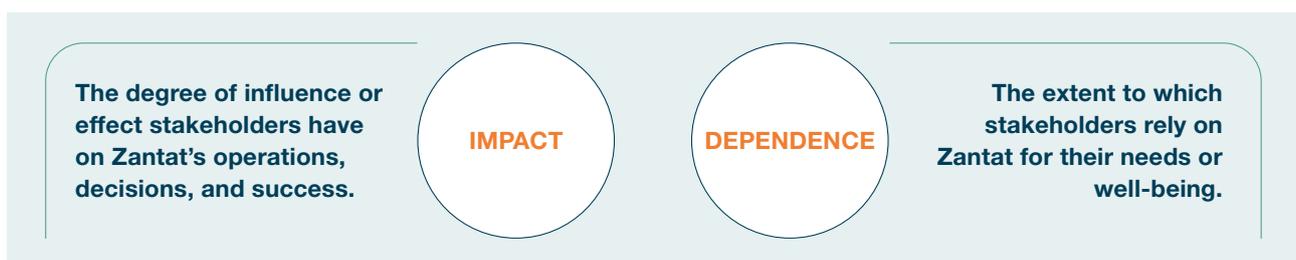
3.3.3. Materiality Matrix (GRI 3-1, 3-2, 3-3)

Stakeholder Mapping

Stakeholders are essential to Zantat's long-term success and sustainability. As key contributors to the value chain, they provide insights, resources, and support that drive sustainable growth and maintain a competitive edge. Recognizing their critical role, Zantat refreshed its materiality assessment in FY2024, building on the stakeholder mapping previously conducted during the FY2023 materiality survey. This exercise was carried out in collaboration with senior management and the Board of Directors, and it reaffirmed the importance of regularly engaging with its key stakeholder groups:



Using the Bursa Malaysia Stakeholder Prioritisation Matrix toolkit (2022), the assessment focused on two key dimensions:



Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.3. Materiality Matrix (Cont'd)

Stakeholder Mapping (Cont'd)

Each dimension was evaluated through five structured questions, with responses numerically analysed, averaged across respondents, and converted into percentages for a clear and actionable overview. The results identified Shareholders & Investors, Employees, and Suppliers as the top three most critical stakeholder groups. These insights were integrated into the updated Materiality Matrix assessment, ensuring strategic focus remains on areas of highest stakeholder importance and organisational impact.

Zantat is committed to refreshing the materiality assessment at least once every three years to ensure its sustainability strategy remains relevant, inclusive, and responsive to evolving expectations.

Materiality: Identification and Surveying

To identify and prioritise sustainability topics most relevant to Zantat's stakeholders and operations, the Group analysed common ESG topics across Malaysia and peer industries. This assessment led to the development of 15 ESG topics (see Section 2.2 for detailed definitions of ESG topics), categorised into 6 environmental, 6 social, and 3 governance areas. Internal discussions ensured alignment and understanding, followed by a materiality survey distributed to internal and external stakeholders through email, social media platforms, and face-to-face engagements.

Conducted in December 2024, the survey included weekly follow-ups to track response rates and address incomplete submissions. It provided detailed definitions for each ESG topic, a score rating scale (1 to 10) to assess perceived importance, and an awareness rating scale (1 to 3) to gauge stakeholders' familiarity with Zantat's initiatives. The results incorporated stakeholder impact and dependence scores drawn from the previous stakeholder mapping exercise, ensuring that findings aligned with stakeholder insights.

To address potential communication gaps, Zantat implemented an awareness-based weighting approach. Rather than diminishing the perspectives of less-informed stakeholders, this method ensured accuracy and realism in the results. By assigning greater weighting to those with a deeper understanding of sustainability initiatives, the Group captured key priorities while also identifying areas where communication and engagement need improvement. By integrating awareness ratings with insights from stakeholder mapping, Zantat ensured that the weighted ESG topics reflected the most relevant issues for both stakeholders and business operations.

Materiality Analysis and Validation

During the survey period, Zantat gathered 105 responses, which were systematically analysed, categorised into internal and external stakeholder groups, and integrated into the materiality matrix. The findings provided critical insights into stakeholder priorities, with the most material and high-priority ESG topics—positioned in the top-right quadrant of the matrix—identified as Occupational Health and Safety, Anti-Corruption and Whistleblowing Policies, and Human Rights and Labour Practices. These results highlight a collective focus on fostering a safe, ethical, and secure operational environment.

While some topics may currently fall into the lower-priority areas of the matrix, this does not imply that Zantat overlooks them. Zantat considers all ESG topics important and is actively working with external consultants to manage them in alignment with business needs and strategic priorities. As Zantat's ESG journey evolves, even topics not identified as high priority may receive greater focus in response to emerging risks, stakeholder expectations, or business developments.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.3. Materiality Matrix (Cont'd)

Materiality analysis and validation (Cont'd)

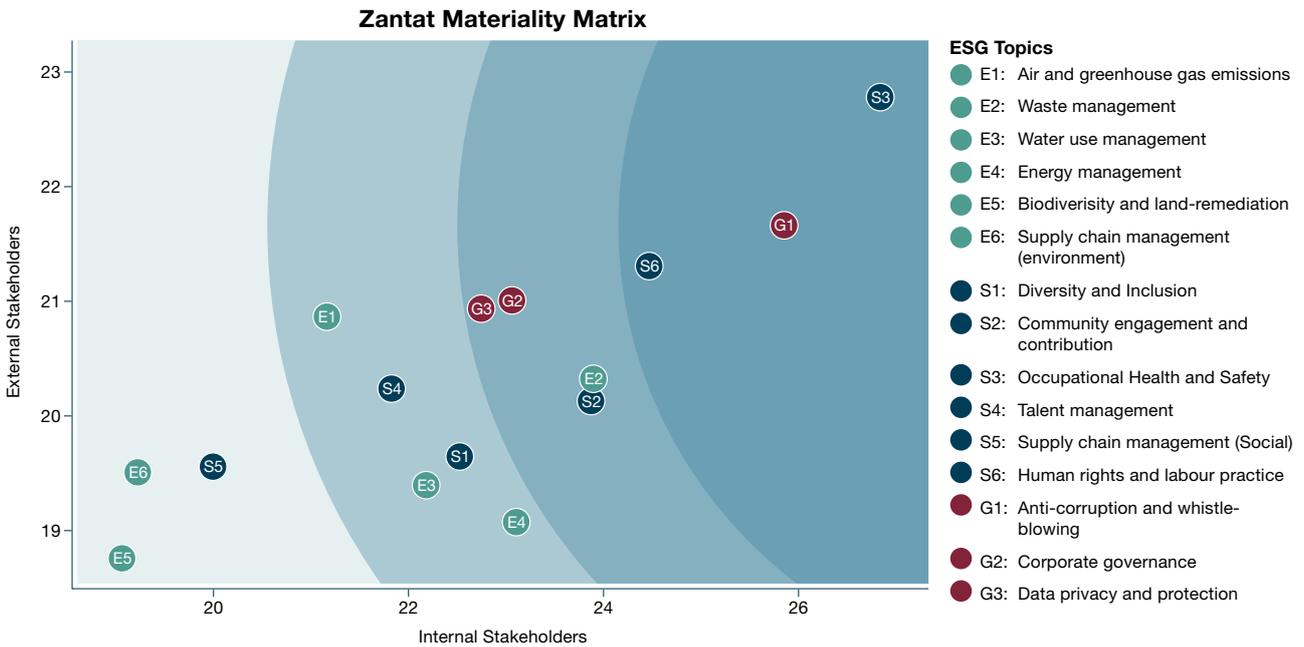


Fig 3.3.3 Materiality survey results, where Zantat collected 105 responses from internal and external stakeholders for 15 material topics. Topics located at the top right regions are the high-priority areas for both stakeholder groups.

The results of the materiality survey were presented to the Sustainability Steering Committee, Sustainability Working Groups, and Board of Directors for validation and strategic deliberation. These insights serve as a foundational reference for resource allocation, ESG initiative prioritisation, and sustainability strategy refinement to better align with stakeholder expectations. Additionally, they support cross-functional collaboration and the seamless integration of ESG considerations into Zantat’s broader vision for sustainable growth.

Zantat sincerely thanks all participants of the materiality survey for their invaluable contributions. Stakeholder voices and insights are instrumental in guiding the Group's sustainability journey, refining strategies to align with evolving needs and expectations. Their feedback empowers Zantat to navigate the challenges of sustainable development while remaining committed to its core values of reliability, determination, and resilience. Together, the Group and its stakeholders will continue building a stronger foundation for sustainability, ensuring long-term value creation and maintaining its role as a trusted partner in responsible growth.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.3. Materiality Matrix (Cont'd)

Materiality and Risk Management

Zantat adopts the ISO 31000:2018 Risk Management Guidelines to strengthen preparedness and resilience by systematically identifying and managing potential risks across the organisation. Zantat's Enterprise Risk Management ("ERM") framework integrates sustainability and climate-related risks alongside corporate and operational risks, ensuring a comprehensive approach to risk management. Risk assessments are conducted and monitored by designated risk owners, the Risk, Integrity, and Compliance Department, and the Board Risk and Sustainability Committee to ensure alignment with its risk appetite.

Zantat is continuously enhancing its Risk and Opportunities analysis, with ongoing discussions within the Sustainability Steering Committee (SSC) to further integrate ESG considerations. As part of this commitment, the Group is systematically identifying and assessing the risks and opportunities associated with each ESG topic. Looking ahead, the goal is to broaden the analysis beyond standard ESG considerations, equipping the organisation with deeper insights to proactively manage risks, uncover new opportunities, and drive sustainable growth in an evolving landscape.

Table 3.3.3 Analysis of Risks and Opportunities (R&O) for ESG Material Matters.

Material Matters	Risks	Opportunities
Air and Greenhouse Gas Emission	Failure to comply with climate-related regulations results in financial penalties.	Positioning in low-carbon markets capitalises on sustainability trends and compliance requirements.
Waste Management	Poor waste handling leading to regulatory fines and reputational damage.	Resource efficiency and recycling initiatives reduce operational costs and improve environmental impact.
Water Use Management	Irresponsible use of water can cause reputational damage and reduce operational efficiency.	Proactive water management can reduce costs, enhance compliance with environmental regulations, and strengthen resilience against water-related risks.
Energy Management	Inefficient energy usage increases operational costs, exposes the Group to regulatory penalties, and risks reputational damage among sustainability-focused stakeholders.	Enhanced energy management achieves cost efficiencies through optimised energy use, attracts sustainability-conscious investors, and advances innovation in renewable energy integration.
Supply Chain Management	Disruptions in supply chain causing production halts and higher costs.	Exploring supplier diversification enhances resilience and cost savings.
Diversity and Inclusion	Failure to prioritise diversity and inclusion can lead to talent retention challenges, reputational damage, and reduced competitiveness in a globally diverse market.	Embracing diversity and inclusion can enhance organisational innovation, improve decision-making through diverse perspectives, and strengthen employer branding to attract top talent.

Sustainability Report (Cont'd)

3. Sustainability Statement (Cont'd)

3.3. MATERIALITY ASSESSMENT (CONT'D)

3.3.3. Materiality Matrix (Cont'd)

Materiality and Risk Management (Cont'd)

Material Matters	Risks	Opportunities
Community contribution	Lack of CSR initiatives damaging corporate reputation	Community investment and engagement strengthen local partnerships and brand loyalty
Customer Satisfaction	Poor customer service reducing loyalty and revenue	Regular customer engagement enables continuous service improvement and loyalty
Occupational Health & Safety	Workplace accidents and injuries causing legal and productivity losses	A strong safety culture improves employee well-being and operational efficiency
Talent Management	Talent shortages impacting operational efficiency	Investing in employee training and retention programs fosters a skilled workforce
Human Rights & Compliance	Non-compliance with labour laws leading to reputational and legal risks	Ensuring fair labour practices strengthens employer branding and regulatory compliance
Anti-corruption and Whistleblowing procedure	Corruption (including bribery, preferential procurement, or other inappropriate relationship) leading to legal challenges and reputational image	Implementing strong anti-corruption measures and whistleblowing procedures can enhance corporate transparency, build stakeholder trust, and mitigate legal and financial risks.
Cybersecurity & Data Protection (PDPA)	Cyber threats, including customer data breaches, can result in reputational damage	Implementing robust cybersecurity measures enhances trust and protects critical data
Economic Performance	Weak financial performance affecting investment and business continuity	Maintaining strong financial management enhances investor confidence and long-term value
Political & Regulatory Risks	Unstable political environment leading to regulatory and tax uncertainties	Strengthening relationships with government stakeholders can create policy influence opportunities
Operational Efficiency	Rising labour and material costs affecting profitability	Lean process improvements and automation enhance operational efficiency and cost savings
Technology & Innovation	Failure to adopt latest technology reduces competitiveness	Investment in R&D, automation, and digital transformation enhances market positioning
Market Competition	Intense competition leading to loss of market share	Product differentiation, pricing strategies, and innovation create competitive advantages
Financial Planning & Stability	Poor financial strategy leading to cash flow constraints	Diversified revenue streams and investment planning enhance financial security and resilience

Sustainability Report (Cont'd)

4. Impact: Current Performance

4.1. ENVIRONMENTAL INDICATORS

4.1.1. Energy Management (GRI 302-1, 302-3, 302-4)

Overview

Energy management is central to operational efficiency, cost optimisation, and environmental responsibility. Given the energy-intensive nature of calcium carbonate production, Zantat is committed to reducing reliance on conventional energy sources and accelerating the transition toward sustainable alternatives.

By investing in renewable energy and enhancing process efficiencies through industrial automation, the Group aims to lower carbon emissions, reduce operational costs, and drive long-term sustainability. These initiatives align with Zantat's broader sustainability goals, ensuring resilience while meeting the evolving expectations of stakeholders and regulatory bodies.

Performance

In FY2024, Zantat achieved a 19.4% reduction in total energy consumption from 31,320 MWh in FY2023 to 25,260 MWh. This result was driven by a 20.2% decrease in electricity usage and a 27.1% reduction in diesel consumption, effectively offsetting a slight increase in petrol usage.

At the same time, solar energy generation increased by 2.5%, reaching 1,292 MWh in FY2024 compared to 1,261 MWh in FY2023. This growth highlights Zantat's ongoing commitment to integrating renewable energy, reinforcing its efforts to enhance sustainability and operational efficiency.

UN SDGs

7 AFFORDABLE AND
CLEAN ENERGY



Sustainability Report (Cont'd)

4. Impact: Current Performance

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.1. Energy Management (Cont'd)

Performance (Cont'd)

Zantat Energy Consumption

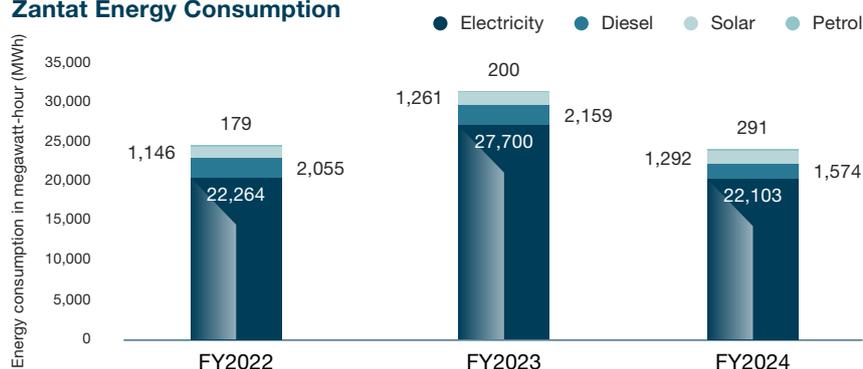


Fig 4.1.1a Energy consumption at Zantat from FY2022 to FY2024, broken down into electricity, diesel, solar, and petrol consumption.

Beyond absolute reductions, Zantat also monitor energy consumption per revenue generated. This indicator has fluctuated across the years, with a 2.5% decrease recorded in FY2024 compared to FY2023. However, this revenue-based intensity metric does not accurately reflect Zantat’s energy efficiency, as its operations rely heavily on manhours to run machinery. As such, energy consumption per operating hour serves as a more representative metric of operational energy performance. In this regard, Zantat demonstrated strong progress, achieving a 13.3% reduction from 45 MW in FY2022 to 39 MW in FY2024. This improvement highlights the effectiveness of the Group’s energy management strategies in enhancing operational efficiency and sustainability.

Table 4.1.1 The Group’s energy consumption from FY2022 to FY2024, broken down into absolute electricity, petrol, and diesel consumption. Intensity-based metrics are categorised into energy consumption per revenue and energy consumption per operating hours.

Indicator Type	Measurement	Unit	FY2022	FY2023	FY2024	
Absolute	Total energy consumption	MWh	25,644	31,320	25,260	
	Revenue	RM'million	113.0	122.8	101.9	
	Operation hours ¹	Hours'000	518.4	597.7	602.6	
	Non-renewable Energy Consumption					
	Electricity	MWh	22,264	27,700	22,103	
	Total Petrol consumption ^{2,3}	MWh	179	200	291	
	Total Petrol consumption ^{2,3}	L	19,706	22,015	32,067	
	Total Diesel consumption ^{2,3}	MWh	2,055	2,159	1,574	
	Total Diesel consumption ^{2,3}	L	208,584	219,117	159,710	
	• Diesel (Forklifts and wheel loaders)	L	206,447	217,000	156,388	
	• Diesel (Motor vehicles)	L	2,137	2,117	3,322	
	Renewable Energy Generation and Consumption					
Solar panels	MWh	1,146	1,261	1,292		
Intensity	Total energy consumed per thousand operating hours	MW	45	48	39	
	Total energy consumed per million revenue	MWh / RM'million	207	236	230	

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.1. Energy Management (Cont'd)

Performance (Cont'd)

Notes:

1. Total number of hours worked (only include labour hours) is used as a proxy for operation hours. We aim to improve accuracy in next reporting cycle by using machine run time.
2. Zantat's diesel and petrol consumption primarily comes from Euro5 B10 (comprising 90% petroleum-based fuel and 10% biofuel) and Ron95 E5 (95% petroleum-based fuel and 5% biofuel). To accurately account for petroleum-based fossil emissions, the Group applied DEFRA (2023) emission factors for "Diesel (100% mineral diesel)" and "Petrol (100% mineral diesel)".
3. For biogenic emissions, Zantat utilised "Biodiesel ME" for the biofuel portion of diesel and "Bioethanol" for petrol. According to DEFRA (2023), CO₂ emissions from biofuels are considered net zero, as the CO₂ released during combustion is fully reabsorbed during the biofuel's growth cycle. This approach ensures a comprehensive and accurate assessment of fuel-related emissions.

Initiatives

In FY2024, Zantat took additional steps to enhance energy efficiency, particularly at its Perak plants. For instance, the Group replaced 44 units of IE2 electric motors with high-efficiency IE3 models across all machinery, investing approximately RM0.6 million to reduce electricity consumption and minimise energy wastage.

Additionally, Zantat accelerated the renewable energy transition in FY2024, investing RM1.4 million to expand solar panel capacity by approximately 850 kWp at the Perak plants. This initiative not only increased the share of renewable energy in the Group's energy mix but also contributed to reducing its carbon footprint.



Fig 4.1.1b Upgrading to high-efficiency electric motors at Zantat Perak plant.



Fig 4.1.1c Expansion of solar panel capacity by 850 kWp.

Looking ahead, Zantat has set a goal to expand additional solar capacity by 2 MWp (which includes the recently installed 850 kWp at the Perak plants) by 2026. The Group is actively exploring options and engaging in strategic discussions to bring this plan to fruition. These efforts are expected to significantly enhance renewable energy capacity, reinforcing Zantat's commitment to sustainability and carbon reduction.

Building on these advancements, Zantat is also taking steps to reduce reliance on fossil fuels in other areas. To further cut diesel consumption, the Group has launched a pilot project to test an electric vehicle ("EV") forklift on-site, aligning with the growing trend of EV adoption in Malaysia. This initiative underscores Zantat's commitment to integrating cleaner energy alternatives across its operations.

Looking ahead, Zantat is also exploring opportunities to replace more diesel-powered equipment with electric alternatives, reinforcing its dedication to sustainable energy solutions and emissions reduction across all operational areas by balancing energy efficiency improvements with the adoption of renewable energy.



Fig 4.1.1d Pilot testing of one EV forklift at Zantat.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.2. Water Use Management (GRI 303-3, 303-5)

Overview

Water use management remains a key pillar of Zantat’s sustainability and operational strategy. As water plays a vital role in production processes, the Group emphasises responsible usage through recycling efforts and robust wastewater treatment practices. By optimising consumption and ensuring compliance with environmental standards, Zantat minimises its impact while maintaining operational efficiency. This approach also underscores a long-term commitment to preserving water resources for the communities it serves and future generations.



Performance

In FY2024, the Group achieved a 10.3% reduction in total water consumption, decreasing from 71,094 m³ in FY2023 to 63,754 m³. This milestone was largely driven by a 27.0% decrease in groundwater usage, reinforcing ongoing efforts to enhance water efficiency.

Among the intensity ratios tracked, Zantat considers water consumption per operating hour to be the most accurate reflection of water efficiency, as the Group’s operations are primarily driven by machinery and production activities. Water consumption per thousand operating hour decreased by 10.9% (from 119 m³ in FY2023 to 106 m³ in FY2024), which was largely driven by reduced operation and efficient water usage practices.

Zantat Water Consumption

● Groundwater ● Surface water ● Third-party water

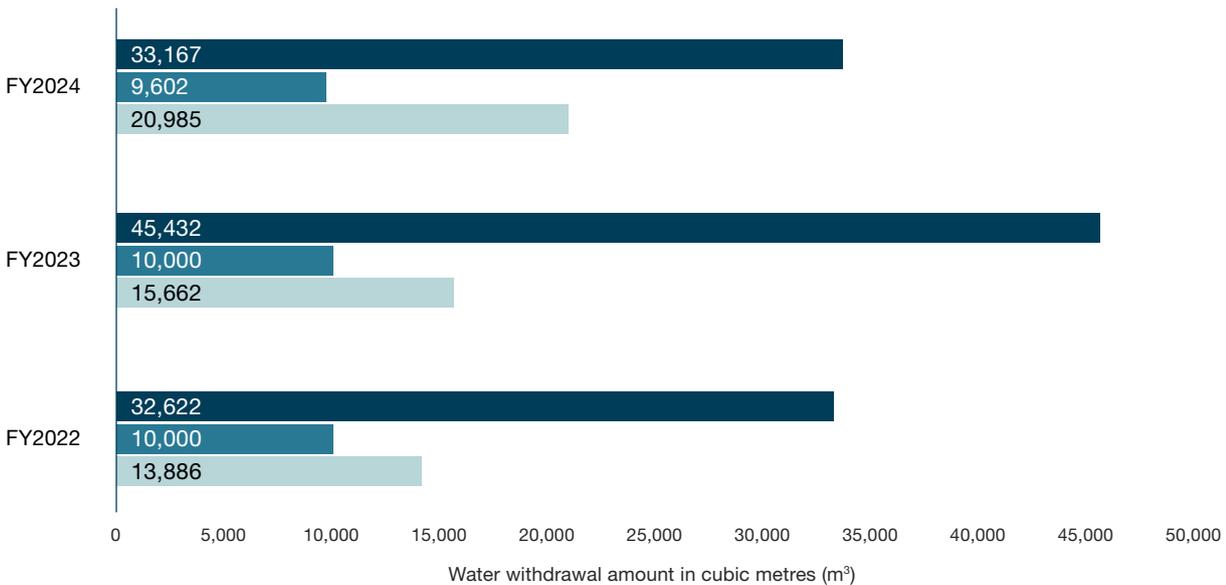


Fig 4.1.2 Water consumption at Zantat based on the different water withdrawal sources: Groundwater, surface water, and third-party water. Operations do not use sea water or produced water.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.2. Water Use Management (Cont'd)

Performance (Cont'd)

At Zantat Perak, the rainwater harvesting system at the hostel has become part of the Group's water conservation strategy. Recognising its potential, Zantat is exploring ways to expand or enhance the system to further reduce reliance on groundwater. These efforts align with the broader goal of responsible water resource management and long-term sustainability.

The Group's water use management approach is guided by Aqueduct 4 (World Resources Institute, 2025), an internationally recognised water risk assessment framework. According to this assessment, Zantat's operational sites in Perak and Kuala Lumpur are classified as having a low water risk of less than 10%, indicating that less than 10% of available renewable water resources are withdrawn. This framework simplifies hydrological data into clear indicators of water-related risks, including baseline water stress, which measures the ratio of total water demand to available surface and groundwater supplies. The results confirm that water scarcity does not pose an immediate risk to operations. However, the Group remains committed to ongoing improvements in water efficiency and conservation, ensuring that its practices remain resilient and responsible in the face of evolving environmental challenges.

Table 4.1.2. Total water consumption from FY2022 to FY2024, broken down into absolute and intensity-based water consumption.

Indicator Type	Measurement	Unit	FY2022	FY2023	FY2024
Absolute	Total water consumption	m ³	56,508	71,094	63,754
	• Third-party water	m ³	13,886	15,662	20,985
	• Surface water	m ³	10,000	10,000	9,602
	• Groundwater ¹	m ³	32,622	45,432	33,167
	• Sea water	m ³	0	0	0
	• Produced water	m ³	0	0	0
Intensity	Total water consumed per million revenue	m ³ / RM'million	500	579	626
	Total water consumed per thousand operating hours	m ³ / hours'000	109	119	106

Note:

- Restatement of information: FY2022 and FY2023 groundwater consumption did not account for Zantat Perak due to the lack of water meters. Calculations used an average water consumption per production output (0.22 m³ / MT) to estimate and reconstruct water consumption in FY2022 and FY2023.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.3. Waste Management (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Overview

Waste management is an integral part of Zantat's commitment to environmental stewardship and resource efficiency. The Group focuses on minimising waste generation through responsible material usage, recycling initiatives, and proper disposal methods in full compliance with regulatory standards.

By repurposing by-products, optimising raw material consumption, and working with licensed waste management partners, Zantat effectively reduces its environmental footprint while enhancing operational efficiency. To Zantat, waste management is an ongoing process of improvement and innovation.



Performance

Over the past three years, total scheduled and non-scheduled waste has fluctuated due to operational demands. However, in FY2024, the Group achieved a 1.6% reduction, decreasing from 549 tonnes in FY2023 to 540 tonnes, as efforts to refine ESG data tracking captured a broader range of waste sources.

Similarly, intensity-based waste indicators have varied over the years, reflecting the dynamic nature of waste management challenges. While this remains an area for continuous improvement, Zantat is actively increasing waste diversion from disposal. In FY2024, 16.9% of total waste—including metals and plastics—was successfully diverted.

Scheduled waste management showed notable progress, with a 27.3% reduction in FY2024 compared to FY2022. This achievement reflects strict compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. All scheduled waste is safely managed and collected by licensed contractors accredited by the Department of Environment (DOE). 100% of this waste is disposed of offsite at external recycling and recovery facilities.

The scheduled waste generated comes exclusively from Zantat's Perak and KL plants and includes:

<p>SW204: Metal Hydroxide - Calcium (sludge from industrial effluent treatment systems)</p>	<p>SW305: Spent lubricating oil</p>	<p>SW306: Spent hydraulic oil</p>
<p>SW408: Contaminated soil, debris, or materials from chemical or oil spill cleanups</p>	<p>SW409: Rags, plastics, papers, or filters contaminated with scheduled waste</p>	<p>SW410: Disposed containers, bags, or equipment contaminated with chemicals, pesticides, mineral oil, or scheduled waste</p>

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.3. Waste Management (Cont'd)

Performance (Cont'd)

Table 4.1.3 Summary of absolute and intensity-based waste management indicators for FY2022 to FY2024, including total scheduled and non-scheduled waste, waste directed to and diverted from disposal, and waste intensity metrics. "NA" means Not Available.

Indicator Type	Measurement	Unit	FY2022	FY2023	FY2024
Absolute	Total scheduled and non-scheduled waste	Tonne	424	549	540
	• Directed to disposal	Tonne	NA	NA	449
	• Diverted from disposal	Tonne	NA	NA	91
	Total Non-Scheduled Waste:	Tonne	391	526	516
	• Directed to disposal	Tonne	NA	NA	425
	• Diverted from disposal	Tonne	NA	NA	91
	Total Scheduled Waste:	Tonne	33	23	24
	• Directed to disposal	Tonne	33	23	24
	• Diverted from disposal	Tonne	0	0	0
Intensity	Total waste per million revenue	Tonne / RM'million	3.8	4.5	5.3
	Total waste per thousand operating hours	Tonne / hours'000	0.8	0.9	0.9

Initiatives

As part of Zantat's commitment to environmental responsibility and sustainable waste management, Zantat has launched an onsite bioconversion centre, currently in its pilot phase, to process food waste using black soldier fly larvae ("BSFL"). This initiative aligns with the company's circular economy practices and has demonstrated promising results.

BSFL provide a fast, natural, and efficient solution for breaking down organic waste, rapidly converting food waste into nutrient-rich compost. Compared to traditional composting methods, this process generates minimal odor and significantly reduces greenhouse gas emissions. Beyond waste reduction, this project highlights the synergy between green product innovation and waste management.

Beyond bioconversion, Zantat continues to explore ways to enhance waste tracking, increase waste diversion, and strengthen recycling efforts. By collaborating with licensed local waste collectors, the Group ensures responsible waste management while also supporting the local economy.

Recognising that waste management is an ongoing process, Zantat remains committed to continuous improvement. Each step forward reinforces its dedication to sustainability, contributing to a greener and more resource-efficient future.



Fig 4.1.3 Zantat's BSFL pilot project to reduce organic waste and carbon emissions. (Left) The food waste is being fed to the BSFL on a monthly basis; (Right) Zantat employees mixing food waste with enzymes to catalyze BSFL feeding process and break down of organic matters.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.4. Air Pollution Management (GRI 305-7)

Overview

Air quality is a key focus at Zantat, reflecting the Group’s commitment to minimising environmental impact while maintaining high operational standards. As part of its responsible industrial practices, Zantat implements strict air pollution control measures, including dust suppression systems, emission filters, and continuous air quality monitoring.

By actively reducing particulate matter and harmful emissions, the Group ensures compliance with regulatory standards while contributing to healthier communities and a cleaner environment. This approach aligns with a broader vision—one where industrial progress and environmental stewardship work together to support a sustainable future.



Performance

Each year, Zantat engages an external Health, Safety, and Environmental ("HSE") consultancy firm specialising in air quality assessments, industrial hygiene monitoring, and compliance services. Air pollution assessments are conducted at four sampling points for the Group over two consecutive days, ensuring a comprehensive evaluation of emissions. Samples are tested in laboratories that adhere to United States Environmental Protection Agency (USEPA), Intersociety Committee, and American Society for Testing and Materials (ASTM) standards, maintaining the highest levels of accuracy and compliance.

Zantat strictly adheres to regulatory requirements set by the Department of Environment (DOE) and OSHA Malaysia and remains fully compliant with the New Malaysia Ambient Air Quality Standard (2020). The Group monitors key air pollutants, including nitrogen oxides (NO_x), sulphur oxides (SO_x), Particulate Matter (PM₁₀), and fine Particulate Matter (PM_{2.5}) across its subsidiaries. The latest assessment confirms that all monitored air pollutants remain within required safety standards, with no detectable levels of NO_x and SO_x and a 3.9% reduction in PM₁₀ and 8.0% reduction in PM_{2.5} levels in FY2024 compared to FY2022. These results reflect ongoing efforts to maintain effective emission control and environmental compliance.

Looking ahead, Zantat is exploring new strategies to enhance air quality management, particularly improving dust and emissions control at quarry sites. As environmental initiatives continue to evolve, the Group remains dedicated to minimising its impact and ensuring cleaner air for the communities it operates in.

Table 4.1.4. Major air pollutant emissions generated by and detected in operations from FY2022 to FY2024. "ND" means Not Detected, "ppm" means part per million.

Entity	Measurement	Unit	FY2022	FY2023	FY2024	Guideline*
Zantat			ND	ND	ND	
• Zantat Perak	Nitrogen oxides (NO _x)	ppm	ND	ND	ND	280
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	
Zantat			ND	ND	ND	
• Zantat Perak	Sulphur oxides (SO _x)	ppm	ND	ND	ND	80
• Zantat KL			ND	ND	ND	
• Calrock			ND	ND	ND	

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.4. Air Pollution Management (Cont'd)

Performance (Cont'd)

Entity	Measurement	Unit	FY2022	FY2023	FY2024	Guideline*
Zantat			51	54	49	
• Zantat Perak	Particulate Matter-10 Micron (PM ₁₀)	µg/m ³	44	47	49	100
• Zantat KL			NA	NA	46	
• Calrock			57	60	51	
Zantat			25	25	23	
• Zantat Perak	Particulate Matter- 2.5 Micron (PM _{2.5})	µg/m ³	26	25	26	35
• Zantat KL			NA	NA	24	
• Calrock			24	24	18	

Note:

*Safety guideline is based on the New Malaysia Ambient Air Quality Standard (2020), where Zantat's air pollutant concentrations are all within the guideline.

4.1.5. Biodiversity and Land Remediation (GRI 304-4)

Overview

Biodiversity plays a fundamental role in ensuring ecosystem stability, resource availability, and long-term environmental resilience. With increasing global attention on biodiversity, particularly following the 16th Conference of the Parties on Biodiversity (COP16), its integration into Zantat's sustainability strategy has become more relevant.

As a calcium carbonate manufacturer, Zantat's operations interact with surrounding ecosystems. This year, the Group is taking initial steps to incorporate biodiversity considerations into its sustainability framework, aiming to raise awareness and encourage broad stakeholder engagement on this critical issue.

UN SDGs



Performance

Loss of biodiversity is a growing global challenge, with many species facing extinction. The International Union for Conservation of Nature (IUCN) Red List serves as a critical resource, evaluating the conservation status of species and categorising them from Least Concern (LC) to Critically Endangered (CR) and Extinct (EX). Recognising its importance, Zantat has initiated its first biodiversity assessment using the IUCN Red List to identify potential interactions between operational sites and species of conservation concern. This marks an important step in understanding and mitigating Zantat's ecological footprint.

Zantat recognises that effective biodiversity conservation requires long-term planning, strategic collaboration, and data-driven action. To support this, the Group is exploring ways to enhance its biodiversity-related disclosures through improved data collection, engagement with environmental experts, and reference to best practices. Zantat's long-term objective is to gradually align with the Taskforce on Nature-related Financial Disclosures (TNFD) and Malaysia's National Policy on Biological Diversity (2022–2030), while also referencing the Kunming-Montreal Global Biodiversity Framework. Zantat is taking a practical and measured approach—focused on understanding its ecological impact and contributing meaningfully to biodiversity preservation in ways that are operationally feasible and aligned with broader sustainability commitments.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.5. Biodiversity and Land Remediation (Cont'd)

Key Actions:

- Utilising IUCN Red List spatial data to assess the proximity of endangered species to limestone extraction sites.
- Employing Geographic Information System (GIS) tools, such as QGIS, to overlay operational footprints with known species distribution ranges.
- Focusing on red-listed terrestrial mammals in the initial assessment, with plans to expand coverage to additional species categories in future reporting cycles.

Through these efforts, Zantat aims to enhance biodiversity management, strengthen environmental responsibility, and ensure a data-driven approach to conservation within its operations.

CR: Sunda pangolin (*Manis javanica*)



EN: Otter civet (*Cynogale bennettii*)

EN: Lar gibbon (*Hylobates lar*)



EN: Southern pig-tailed macaque (*Macaca nemestrina*)



EN: Large flying fox (*Pteropus vampyrus*)

- Critically Endangered (CR)
- Endangered (EN)
- Vulnerable (VU)
- Near Threatened (NT)
- Least Concern (LC)

MAMMAL DISTRIBUTION AT ZANTAT'S OPERATION SITES BY CONSERVATION STATUS

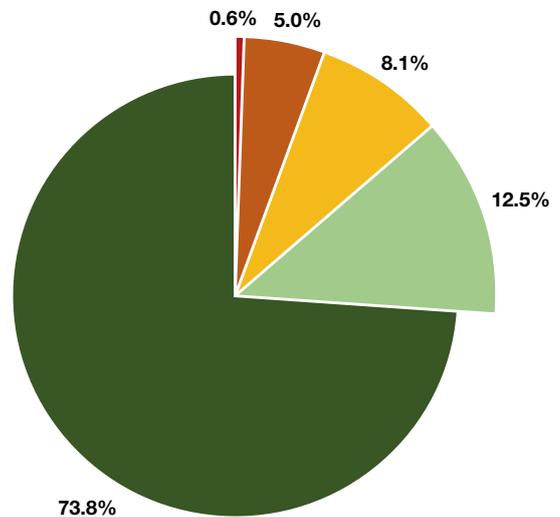


Fig 4.1.5 Mammal distribution at Zantat's operation sites by conservation status, based on the IUCN Red List assessment using QGIS.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.5. Biodiversity and Land Remediation (Cont'd)

Table 4.1.5 IUCN Red List Critically Endangered (CR) and Endangered (EN) mammalian species identified in Zantat's operational sites, classified by their Kingdom, Phylum, Class, Order, Family, Genus, and species.

IUCN category	Still present?	Kingdom	Phylum	Class	Order	Family	Genus and Species
CR	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PHOLIDOTA	MANIDAE	<i>Manis javanica</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	CARNIVORA	VIVERRIDAE	<i>Cynogale bennettii</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	HYLOBATIDAE	<i>Hylobates lar</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	CERCOPITHECIDAE	<i>Macaca nemestrina</i>
EN	Extinct	ANIMALIA	CHORDATA	MAMMALIA	CARNIVORA	FELIDAE	<i>Panthera tigris</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	CHIROPTERA	PTEROPODIDAE	<i>Pteropus vampyrus</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	CERCOPITHECIDAE	<i>Trachypithecus obscurus</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	HYLOBATIDAE	<i>Symphalangus syndactylus</i>
EN	Extant (resident)	ANIMALIA	CHORDATA	MAMMALIA	PRIMATES	LORISIDAE	<i>Nycticebus coucang</i>

Zantat's recent assessment identified 160 mammalian species within the range of Zantat's operational sites, classified under various IUCN risk categories. Among them, one species, the Sunda Pangolin (*Manis javanica*), is Critically Endangered (0.6%), with 8 Endangered (5.0%), 13 Vulnerable (8.1%), 20 Near Threatened (12.5%), and 118 Least Concern (73.8%). While most species fall into the Least Concern category, the presence of a Critically Endangered species highlights the need for careful environmental management.

Historical records from the IUCN Red List indicate that the Malayan Tiger (*Panthera tigris*), once present in the region, is no longer sighted, reflecting a changing biodiversity landscape. This underscores the importance of proactive biodiversity management to prevent further losses.

To build on this initial understanding, Zantat is working to improve biodiversity data collection and awareness. The Group is exploring the use of citizen science through iNaturalist, enabling employees to document and identify species at operational sites. This initiative will enhance engagement, generate valuable biodiversity data, and support long-term sustainability efforts.

As biodiversity management evolves, Zantat remains committed to refining its approach, enhancing disclosures, and aligning with global and national sustainability frameworks. These efforts will ensure that operations continue to support environmental stewardship and responsible growth.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.6. Emissions Accounting (GRI 305-1, 305-2, 305-3, 305-4, 305-5)

Overview

At Zantat, emission accounting and reduction are key priorities in addressing climate change. As a responsible corporate citizen, the Group is committed to aligning with international climate science and national carbon reduction targets, ensuring that its sustainability strategy remains relevant, ambitious, and impactful.

This year, Zantat took a significant step forward by enhancing emission accounting methods, expanding reporting scope, and integrating globally recognized standards to improve accuracy and transparency in carbon disclosures.

The urgency of climate action is clear. According to the Intergovernmental Panel on Climate Change (IPCC, 2022), global carbon emissions reached 59 gigatonnes of CO₂ equivalent (GtCO₂-eq) per year in 2019, with the remaining carbon budget for limiting warming to 1.5°C estimated at 500 GtCO₂-eq. At the current rate, the world has less than 10 years to meet the 1.5°C target or approximately 20 years to remain within 2.0°C.

Understanding these challenges, Zantat is taking proactive steps to track, report, and manage emissions more effectively, reinforcing its commitment to climate action and sustainable growth.

Performance: Methods

In line with Malaysia's COP28 commitment to reduce GHG emissions by 45% by 2030 and achieve carbon neutrality by 2050, Zantat is refining its carbon management strategy. To further enhance its approach, the Group is exploring Science-Based Targets Initiative (SBTi) alignment, ensuring its goals reflect climate science and industry best practices.

Zantat has adopted the GHG Protocol, using DEFRA (2023) emission factors to ensure consistent, accurate, and comparable carbon disclosures. This year, the Group expanded its emission inventory to better account for methane (CH₄) and nitrous oxide (N₂O), recognising their higher global warming potential (GWP100 of 27.9 and 273, respectively) compared to CO₂.

The Group has also enhanced Scope 1 and 2 emissions tracking and expanded Scope 3 accounting beyond business travel and employee commuting to include purchased goods and services across all subsidiaries. By continuously improving its tracking systems, aligning with international standards, and supporting global and national climate goals, Zantat is reinforcing its commitment to a low-carbon future and corporate climate responsibility.

Performance: Scope 1 and Scope 2

Zantat remains committed to reducing emissions and enhancing operational efficiency, aligning with global and national decarbonization goals. Over the past three years, Scope 1 emissions have followed a downward trend, with a 16.5% reduction from FY2022 and a 20.9% decrease from FY2023. This progress was driven by reduced production, 100% replacement of critical machinery with high-efficiency electric motors in Zantat Perak plant 1 (see section 4.1.1) and reducing reliance on non-renewable energy fuels. While petrol consumption increased slightly due to operational demands, this was offset by a 23.4% reduction in diesel consumption compared to FY2022, reflecting a shift toward energy-efficient operations.

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Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.6. Emissions Accounting (Cont'd)

Performance: Scope 1 and Scope 2 (Cont'd)

Scope 2 emissions also saw a 21.3% reduction from FY2023, supported by continuous ESG improvements and increased solar power generation. In FY2022, solar energy accounted for 4.5% of total power consumption, rising to 5.1% in FY2024, helping the Group avoid 999.8 tonnes of carbon emissions.

Looking ahead, Zantat plans to scale solar capacity to 2 MWp across its Perak and Calrock plants by FY2026, further reducing grid electricity reliance and reinforcing its commitment to a low-carbon future.

Performance: Scope 3

In FY2024, Scope 3 emissions totaled 406.3 tonnes of CO₂e, reflecting an expanded measurement scope rather than an actual increase. A key addition was Category 4 (Upstream Transportation and Distribution), capturing emissions from local sourcing by lorries. With 86.9% of purchases from local suppliers, this category provides a clearer view of domestic transportation emissions despite data availability challenges.

Business travel (Category 6) showed mixed trends—air travel emissions increased due to market expansion, while ground transportation emissions dropped 30.8% through optimized planning and increased digital collaboration. Employee commuting (Category 7) rose slightly from 93.3 tCO₂e in FY2023 to 97.9 tCO₂e in FY2024, reflecting minor commuting-related increases.

Currently, emission calculations use global datasets like DEFRA and IPCC EFDB, though they may not fully capture Zantat's production-specific emissions. To improve accuracy, the company is exploring a product-level carbon footprint assessment, enabling targeted reduction strategies.

Looking ahead, Zantat plans to engage suppliers, enhance material sourcing transparency, and implement science-based decarbonization strategies. By refining emissions data and strengthening carbon accounting, the company continues to drive responsible emissions management and sustainability leadership.

Table 4.1.6 Scope 1, 2, and 3 emissions at Zantat from financial year (FY) 2022 to FY2024, accounting for three major GHGs where applicable, which are carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). All measurements are in tonnes of carbon dioxide-equivalent (tCO₂e).

Measurement	Greenhouse Gas	FY2022	FY2023	FY2024
		Unit: tCO ₂ e		
Total Scope 1 Emissions ¹	CO ₂ , CH ₄ and N ₂ O	547.3	577.8	457.0
	CO ₂	537.2	567.2	449.1
	CH ₄ and N ₂ O	10.1	10.6	7.9
• Petrol	CO ₂ , CH ₄ and N ₂ O	44.1	49.2	71.7
	CO ₂	43.8	48.9	71.3
	CH ₄ and N ₂ O	0.3	0.3	0.4
• Diesel	CO ₂ , CH ₄ and N ₂ O	503.2	528.6	385.3
	CO ₂	493.4	518.3	377.8
	CH ₄ and N ₂ O	9.8	10.3	7.5
Total Scope 1 Emissions per million revenue ²	CO ₂ , CH ₄ and N ₂ O	4.8	4.7	4.5

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.1. ENVIRONMENTAL INDICATORS (CONT'D)

4.1.6. Emissions Accounting (Cont'd)

Performance: Scope 3 (Cont'd)

Measurement	Greenhouse Gas	FY2022	FY2023	FY2024
		Unit: tCO ₂ e		
Total Scope 2 Emissions³	CO₂, CH₄ and N₂O	16,344.8	20,463.8	16,108.0
• Electricity	CO ₂ , CH ₄ and N ₂ O	17,231.9	21,440.1	17,107.8
• Solar panels	CO ₂ , CH ₄ and N ₂ O	-887.1	-976.3	-999.8
Total Scope 2 Emissions per million revenue ²	CO ₂ , CH ₄ and N ₂ O	144.6	166.6	158.1
Total Scope 2 Emissions per MWh solar panel generation ²	CO ₂ , CH ₄ and N ₂ O	14.3	16.2	12.5
Total Scope 3 Emissions⁴	CO₂, CH₄ and N₂O	>0.0575	147.6	406.3
Scope 3 Category 4 Upstream Transportation and Distribution (Local sourcing by lorries) ⁵	CO ₂ , CH ₄ and N ₂ O	NA	NA	233.9
Scope 3 Category 6 Business travel (Air)	CO ₂ , CH ₄ and N ₂ O	0.0575	19.2	50.2
	CO ₂	NA	19.1	50.0
	CH ₄ and N ₂ O	NA	0.1	0.2
Scope 3 Category 6 Business travel (Ground)	CO ₂ , CH ₄ and N ₂ O	NA	35.1	24.3
	CO ₂	NA	34.8	24.1
	CH ₄ and N ₂ O	NA	0.3	0.2
Scope 3 Category 7 Employee commuting	CO ₂ , CH ₄ and N ₂ O	NA	93.3	97.9
	CO ₂	NA	92.6	97.2
	CH ₄ and N ₂ O	NA	0.7	0.7
Total Scope 3 Emissions per million revenue ²	CO ₂ , CH ₄ and N ₂ O	NA	1.2	4.0

Notes:

- Zantat's diesel and petrol consumption primarily comes from Euro5 B10 (90% petroleum-based, 10% biofuel) and Ron95 E5 (95% petroleum-based, 5% biofuel). To ensure accurate accounting, petroleum-based fossil emissions are calculated using DEFRA (2023) factors for "Diesel (100% mineral diesel)" and "Petrol (100% mineral diesel)". For biogenic emissions, Zantat applies DEFRA's "Biodiesel ME" and "Bioethanol" factors, where CO₂ emissions are considered net zero due to full absorption during biofuel growth.
- Intensity-based indicators, where the units are all in tCO₂e per unit specified in the "Measurement"
- For Scope 2 emissions, Zantat adopts the location-based method, as its operations rely solely on the local power grid in Peninsular Malaysia. The grid emission factor used for calculations is 0.774 Gg CO₂e/GWh, based on the latest data from Suruhanjaya Tenaga (2024).
- Scope 3 emissions from business travel and ground transport are calculated using UK emission factors, as Malaysia serves as a regional hub with no country-specific alternatives. Air travel emissions are assessed accordingly. For ground transportation, calculations cover multiple travel modes, including Average Car (petrol), Local Bus, National Rail, Regular Taxi (including Grab), and Passenger Ferry. Emission factors for fuel combustion (e.g., CO₂ per litre of petrol or diesel) are based on physical fuel properties, making Scope 1 emission factors a practical and accurate approximation for both owned and non-owned vehicles.
- For upstream transportation emissions, Zantat applies the DEFRA (2023) factor for Heavy Goods Vehicles (HGV, all diesel) – Articulated (>33 tonnes), which is 0.07447 kgCO₂e/km/tonne of material transported. This ensures comprehensive accounting of emissions associated with logistics and supply chain activities.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS

4.2.1. Community Engagement and Contribution (GRI 201-1a(ii))

Overview

Zantat prioritises programs that address critical community needs, focusing on education, healthcare, and environmental sustainability to ensure resources are directed where they create the most impact. Through active engagement with local stakeholders, the Group identifies key areas for support and designs initiatives that empower communities while fostering self-sufficiency.

Collaboration is central to Zantat's approach, working with non-profit organisations, government agencies, and industry partners to maximise outreach and effectiveness. By continuously evaluating program outcomes, the Group refines its community investment strategies, driving social well-being and creating lasting positive change.

Performance

In FY2024, Zantat's monetary donations rose 5.3 times, from RM22,645 in FY2022 to RM120,434. The Group has also begun tracking workforce participation in community activities, recording 179 instances of employee involvement this year. Additionally, contributions are estimated to have benefited at least 677 members of the local community.

Table 4.2.1 Contribution to and impacts on local community and society. "NA" means Not Available.

Community Contribution	FY2022	FY2023	FY2024
Total amount (RM) invested in the community	22,645	34,303	120,434
Cumulative number of employees involved in community contribution¹	NA	NA	179
Total number of beneficiaries (people) from Zantat's investment	NA	NA	677

Notes:

1. This count reflects the cumulative number of participations in different events, which may include repeated participation from employees.

UN SDGS



Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.1. Community Engagement and Contribution (Cont'd)

EDUCATIONAL FOCUSED INITIATIVES

In FY2024, Zantat contributed RM8,086 in financial and in-kind sponsorships to support students from low-income families in primary and secondary education. Beyond monetary support, employees volunteered 28 hours to mentor and assist students, reinforcing a hands-on commitment to nurturing local talent and bridging educational inequalities. This initiative reflects Zantat's dedication to investing in future generations and expanding access to learning opportunities.

SPONSORSHIP PROGRAM LAMBAIAN KASIH TAHUN 6

In January 2024, Zantat contributed RM1,000 to the 'Lambaian Kasih Tahun 6' program at SK Sg Raia, supporting Year 6 students as they transition to secondary school. This initiative aligns with the Group's commitment to positively impacting local communities, particularly underprivileged groups.

The program provided students with an opportunity to celebrate their achievements and approach the next stage of their education with confidence and optimism. Through this sponsorship, an estimated 78 students benefited, gaining both a memorable experience and the encouragement to continue their academic journeys with enthusiasm.

BACK TO SCHOOL 3.0

In June 2024, for the third consecutive year, Zantat supported students from low-income families through its Back-to-School Programme. This initiative provided vouchers for new school uniforms, ensuring that students could begin the school term with confidence and dignity.

Five Zantat employees coordinated with multiple school visits to facilitate the smooth distribution of vouchers.

As part of the 2024 initiative, 40 vouchers were distributed—20 each to students from SK Sg Raia and SJKC Phui Ying in Simpang Pulai—amounting to RM4,086.

Zantat team had the opportunity to visit the schools and personally distribute the vouchers, creating a meaningful and inspiring experience for both the students and those involved. This initiative reflects the Group's ongoing commitment to education support and community engagement.

FOSTER SCHOOL

In December 2024, Zantat introduced a new initiative to support students from lower-income families, providing RM100 vouchers to 30 students, totaling RM3,000. This effort aimed to help families manage school-related expenses while ensuring students had the necessary supplies for the upcoming academic year.

Through a partnership with Hari-Hari Store, students could redeem their vouchers for essential school items, reducing financial strain on their families. Two Zantat staff members facilitated the distribution process, ensuring an efficient and seamless experience for recipients.



Fig. 4.2.1a(i) Group photo with SJKC Phui Ying's students who received the vouchers from Back-to-School Programme.



Fig 4.2.1a(ii) Group photo with SK Sg Raia's students who received the vouchers from Back-to-School Programme.



Fig 4.2.1a(iii) (Left) Group photo with students who received a RM100 voucher to purchase school supplies. (Right) The Zantat KL team delivered speeches and words of encouragement to the students before distributing the vouchers.



Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.1. Community Engagement and Contribution (Cont'd)

PHILANTHROPIC INITIATIVES

Zantat contributed RM12,020 in donations, including essential supplies and financial assistance, to orphanages and elderly care homes. Employees further demonstrated their commitment by dedicating 97 volunteer hours to these efforts.

This initiative focuses on enhancing the quality of life for vulnerable groups by improving living conditions and ensuring they receive the care and support they need. Through these contributions, Zantat continues to uphold its commitment to social responsibility and community well-being.

DONATION AT RUMAH KEBAJIKAN KANAK-KANAK CACAT ("RKKKC")

In January 2024, Zantat organised a series of Corporate Social Responsibility ("CSR") activities at RKKKC, a special care orphanage that provides a home for handicapped orphans.

A team of seven staff members from Zantat Perak volunteered to enhance living conditions at the facility, focusing on practical improvements and essential support.

As part of this initiative, Zantat provided essential items requested by the orphanage, repaired a malfunctioning washing machine, and replaced old lamps to improve lighting and safety for residents. The total contribution for this event amounted to RM3,274.

Through these efforts, an estimated 50 residents benefited, with improvements aimed at addressing specific day-to-day challenges faced by the facility. While modest in scale, the initiative was designed to provide practical value and respond directly to community needs.

MAJLIS BERBUKA PUASA BERSAMA PERTUBUHAN BAITUL MUBAROQAH

On April 2, 2024, Zantat organised a Buka Puasa event at Pusat Baitul Al-Mubaroqah as part of its CSR initiatives during the fasting month. The event provided a meaningful opportunity to break fast together and bring joy to the orphaned children at the centre.

A team of seven staff members from Zantat Perak volunteered to coordinate the event, ensuring a memorable evening that blended tradition with thoughtful gestures. The programme was designed to foster genuine connection and shared celebration with the local community.



Fig 4.2.1b(i) (Top) Group photo with RKKKC during Zantat's visit for donation and assistance with maintenance. (Bottom) Zantat team helped to repair and replace the old lamps for RKKKC.



Fig 4.2.1b(ii) Zantat team and members at Pusat Baitul Al-Mubaroqah gathered to break the fast together during the Buka Puasa event.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.1. Community Engagement and Contribution (Cont'd)

PHILANTHROPIC INITIATIVES (CONT'D)

MAJLIS BERBUKA PUASA BERSAMA PERTUBUHAN BAITUL MUBAROQAH (CONT'D)

The Buka Puasa event featured a catered dinner and birthday cakes, creating a warm and joyful atmosphere for the children. In addition to celebrating their birthdays, Zantat provided stationery gifts and Hari Raya hampers to both the children and orphanage staff as tokens of support and appreciation.

With a total contribution of RM1,423, the initiative benefited at least 30 individuals, in creating a memorable experience for the children while acknowledging the caregivers who support them year-round.

BARBER AT OLD FOLKS HOME (PERTUBUHAN KEBAJIKAN RUMAH WARGA EMAS GEMILANG)

On 25 July 2024, Zantat KL team visited Pertubuhan Kebajikan Rumah Warga Emas Gemilang, an elderly care home, to support the well-being and quality of life of its residents.

As part of this initiative, 10 Zantat staff members volunteered their time to provide barber services and meals to the elderly. In addition to meeting practical needs, the team spent time speaking with residents and sharing stories—offering companionship and emotional connection.

With a total contribution of RM1,902, this initiative benefited at least 40 senior citizens, addressing immediate needs while creating a sense of connection and care.

Beyond providing barber services and meals, Zantat staff members engaged in meaningful conversations and companionship, fostering an atmosphere of warmth and respect. By combining practical support with personal interaction, the Group aimed to make a positive and lasting impact on the residents' lives, reinforcing its commitment to community care and social responsibility.



Fig 4.2.1c(i) Zantat staff members sharing moments of joy and connection with senior residents at Pertubuhan Kebajikan Rumah Warga Emas Gemilang during a community outreach visit.

BOMBA OPEN DAY

On 26 May 2024, Zantat collaborated with the Simpang Pulai Fire and Rescue Station to host a Bomba Open Day, aimed at enhancing fire safety awareness among employees and their families. Coordinated by 15 Zantat staff members, the event featured hands-on fire safety training, interactive demonstrations, and practical drills led by Bomba officers. With an estimated 60 attendees, participants gained valuable emergency response skills in an engaging and informative setting.



Fig 4.2.1c(ii) (Left) Zantat employees brought their families to the fire safety awareness program, fostering community engagement and learning vital safety measures. (Right) A Bomba officer explained the equipment stored in the fire truck and its uses during emergencies.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.1. Community Engagement and Contribution (Cont'd)

PHILANTHROPIC INITIATIVES (CONT'D)

BOMBA OPEN DAY (CONT'D)

The program provided insights into firefighting responsibilities and practical experience in fire response techniques. Through fire drill demonstrations and safety protocols, attendees learned how to properly use firefighting equipment and respond effectively to emergencies.

By combining educational activities with family-friendly engagement, this initiative not only equipped employees and their families with crucial fire safety knowledge but also strengthened community ties and promoted a culture of preparedness and safety awareness. Beyond workplace safety, the event reinforced Zantat's commitment to employee well-being and community engagement through proactive fire prevention and emergency readiness initiatives.

PROGRAM DERMA DARAH 3.0 AND 4.0

On 29 June 2024, Zantat organised Program Derma Darah 3.0 in collaboration with Hospital Raja Permaisuri Bainun and Aeon Mall Station 18, reinforcing its commitment to this annual blood donation initiative. With an investment of RM507, five Zantat staff members volunteered to coordinate the event, which attracted blood donation from 39 individuals. The program was actively promoted to attract wider participation, ensuring a meaningful contribution to local healthcare needs. As a gesture of appreciation, Zantat provided hampers and gifts to all donors and partners, recognising their support in making this life-saving initiative a success.

Building on its commitment to health and community well-being, Zantat organised Program Derma Darah 4.0 on 19 October 2024, in partnership with Hospital Raja Permaisuri Bainun, this time at Aeon Mall Kinta City. With an investment of RM709 and the support of five Zantat staff members, the event attracted blood donation from 67 individuals.

As in previous years, the initiative was widely promoted, encouraging employee participation and broader community engagement. Donors received goody bags as a token of appreciation, while hampers were presented to Hospital Raja Permaisuri Bainun and Aeon Kinta City Mall in recognition of their continued support.



Fig 4.2.1d (Left) The Zantat CSR team presented hampers to Hospital Raja Permaisuri Bainun and Aeon Mall Station 18 in recognition of their continued support for the Blood Donation Programme. (Right) Donors received the goody bags prepared by Zantat and expressed their commitment to supporting the program annually.

BATIK ART PROGRAMME

In October 2024, Zantat, in collaboration with Persatuan Dyslexia Malaysia HQ, organised the Batik Art Programme with a sponsorship of RM3,320. The event brought together employees and orphans for a batik-making activity aimed at fostering creativity and strengthening social connections.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.1. Community Engagement and Contribution (Cont'd)

PHILANTHROPIC INITIATIVES (CONT'D)

BATIK ART PROGRAMME (CONT'D)

The half-day programme provided a platform for 40 children to express themselves through traditional batik-making. The session was filled with colour, laughter, and meaningful connection, as Zantat KL team members worked side by side with the children, proudly displaying their completed artwork by the end of the day.



Fig 4.2.1e(i) The event involved over 40 children, dedicating a half-day to fostering creativity and team bonding.

ENVIRONMENTAL AND COMMUNITY ENGAGEMENT INITIATIVES

As part of its sustainability commitment, Zantat introduced several initiatives in 2024 to promote responsible waste management, environmental protection, and community well-being with a total contribution of RM100,330 in financial and in-kind sponsorships.

Bagan Pasir Laut Revitalisation Project

As one of Zantat's most notable CSR and environmental initiatives in 2024, the 'Greening the Fishing Village' project in Bagan Pasir Laut marked a year-long commitment to revitalising a coastal community facing environmental degradation. With a total contribution of RM94,778, the initiative benefited 150 families and involved the participation of over 30 Zantat employees throughout the year.

The initiative was launched to address severe waste management in the village which had led to rubbish accumulation in waterways, foul odours, and a decline in overall living conditions. These issues had also contributed to the gradual outmigration of younger residents, leaving behind an ageing population.

Planned since beginning of the year, the programme introduced a series of waste management infrastructure upgrades to build long-term waste management capabilities and promote sustainable habits among the villagers:

- Installation of waste sorting stations in key areas
- Introduction of eco-friendly motorbikes for garbage collection
- Completion of a waste segregation and recycling centre at the village entrance by mid-year

The project also included multiple hands-on clean-up efforts, where Zantat employees, local villagers, and students worked together to collect ocean waste near the fishing village. Recyclable and non-recyclable bins were placed throughout the area to encourage proper disposal and environmental awareness.



Fig 4.2.1e(ii) (Top) The engagement involved over 30 staff members, spanning multiple days due to the extensive scope of participation. (Bottom) Mr. Chan Hup Ooi, founder of Zantat Sdn Bhd, delivering a speech to Bagan Pasir Laut community on the revitalization project.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.1. Community Engagement and Contribution (Cont'd)

ENVIRONMENTAL AND COMMUNITY ENGAGEMENT INITIATIVES (CONT'D)

Tree Planting at Forest Research Institute Malaysia ("FRIM"), Kepong

On August 2024, Zantat KL team partnered with FRIM to carry out a tree-planting initiative aimed at promoting environmental awareness and community education.

The activity brought together 20 employees and their family members, who spent half a day planting 20 trees within the FRIM Forest grounds utilising a contribution of RM5,300.

The initiative served both as a hands-on conservation effort and an opportunity to engage participants in environmental dialogue. Information about local tree species, biodiversity, and the role of reforestation was shared during the event to encourage a deeper appreciation for nature.



Fig 4.2.1f(i) (Left) Zantat KL team with members of Forest Research Institute Malaysia (FRIM). (Right) Zantat KL employee planting a tree at FRIM Forest.

Eco Green Market with MDBG

In collaboration with Majlis Daerah Batu Gajah ("MDBG"), Zantat Perak hosted an Eco Green Market recycling event to promote responsible waste management among employees. On the event day, MDBG stationed a recycling truck at Zantat Perak, where staff and workers brought recyclables from home to be properly disposed of. Items collected included paper, plastic, aluminium tins, old metals, used cooking oil, and e-waste. The event successfully gathered 214 e-waste items, 76 kg of used cooking oil, and 610 kg of other recyclables, reinforcing responsible disposal practices and environmental sustainability.



Fig 4.2.1f(ii) (Left) Zantat KL team with members of Majlis Daerah Batu Gajah (MDBG), (Right) Eco Green Market booth run by MDBG with support from 10 Zantat employee volunteers.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.2. Board and Employee Diversity (GRI 405-1)

Overview

Zantat is dedicated to achieving gender equity, starting with its Board of Directors. To ensure fair representation, ZHB has established a Board Diversity Policy, aiming for a minimum of 30% women’s representation at the Board level. The Board currently has three (3) female Board members, representing 1/3 of the Board members.

In FY2024, Zantat implemented initiatives to foster mutual respect, celebrated cultural events, commemorated International Women's Day, and introduced inclusivity training programs. The Group’s commitment to an inclusive workplace is reinforced by policies, grievance mechanisms, and a Human Rights Policy. By prioritising diversity, equity, and inclusion, Zantat fosters an environment where all employees can thrive, recognising that diverse perspectives drive innovation and long-term success.



Performance

Zantat's workforce increased gradually, reflecting its continued and sustainable expansion. Zantat's workforce expansion reflects its business growth and operational scaling to meet market demands. In FY2022, the Group employed 187 individuals, increasing by 12.8% to 211 employees in FY2023. In FY2024, the workforce grew further to 216 employees, marking a 2.4% increase. While the growth rate moderated, the continued expansion underscores Zantat’s commitment to sustainable workforce management. Over the three years from FY2022 to FY2024, the workforce expanded by 15.5%, reinforcing the Group’s role as a stable employer in the manufacturing sector. This growth aligns with Zantat’s sustainability goals, focusing on job creation, economic contribution, and responsible workforce planning. The Group remains committed to employee development, fair labor practices, and maintaining a safe and inclusive work environment.

Beyond overall workforce growth, Zantat values diversity across its employee base. In FY2022, Malaysians comprised 52.4% of the workforce, while Nepalese and Bangladeshi employees accounted for 33.2% and 14.4%, respectively. By FY2023, the Malaysian workforce grew to 47.8% (101 employees), with Nepalese and Bangladeshi representation rising to 35.6% (75 employees) and 16.6% (35 employees). In FY2024, the trend continued, with Malaysians at 47.7% (103 employees), Nepalese at 37.5% (81 employees), and Bangladeshi representation at 14.8% (32 employees).



Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.2. Board and Employee Diversity (Cont'd)

Table 4.2.2a Diversity at Zantat, categorised by the age groups: less than 30 years old (<30), 30 to 50 years old (30-50), and more than 50 years old (>50); and gender group: male and female.

Category	Age	FY2022		FY2023		FY2024	
Board of Directors	<30	0	0%	0	0%	0	0%
	30-50	1	100%	4	57%	4	57%
	>50	0	0%	3	43%	3	43%
	Total	1	100%	7	100%	7	100%
Senior Management	<30	0	0%	0	0%	0	0%
	30-50	3	75%	3	75%	3	75%
	>50	1	25%	1	25%	1	25%
	Total	4	100%	4	100%	4	100%
Manager	<30	1	5%	1	6%	0	0%
	30-50	10	56%	9	53%	15	68%
	>50	7	39%	7	41%	7	32%
	Total	18	100%	17	100%	22	100%
Executive	<30	6	16%	8	18%	8	18%
	30-50	29	79%	36	80%	36	80%
	>50	2	5%	1	2%	1	2%
	Total	37	100%	45	100%	45	100%
Non-executive	<30	45	35%	42	29%	39	27%
	30-50	72	56%	90	62%	95	65%
	>50	11	9%	13	9%	11	8%
	Total	128	100%	145	100%	145	100%
Grand Total (excluding Board of Directors)		187		211		216	

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.2. Board and Employee Diversity (Cont'd)

Category	Gender	FY2022		FY2023		FY2024	
Board of Directors	Male	0	0%	6	86%	6	86%
	Female	1	100%	1	14%	1	14%
	Total	1	100%	7	100%	7	100%
Senior Management	Male	3	75%	3	75%	3	75%
	Female	1	25%	1	25%	1	25%
	Total	4	100%	4	100%	4	100%
Manager	Male	9	50%	8	47%	11	50%
	Female	9	50%	9	53%	11	50%
	Total	18	100%	17	100%	22	100%
Executive	Male	15	41%	19	42%	18	40%
	Female	22	59%	26	58%	27	60%
	Total	37	100%	45	100%	45	100%
Non-executive	Male	122	95%	139	96%	140	97%
	Female	6	5%	6	4%	5	3%
	Total	128	100%	145	100%	145	100%
Grand Total (excluding Board of Directors)		187		211		216	

Note: Restated information for FY2022 and FY2023: Senior Management revised to exclude Non-executive Directors.

4.2.3. Occupational Health and Safety (403-2, 403-5, 403-6, 403-9)

Overview

Zantat's Health and Safety Policy reinforces its commitment to a safe and healthy work environment through robust measures at all workforce levels. Its Occupational Health and Safety Management Systems ("OHSMS") align with the Occupational Safety and Health Act 1994 and ISO 45001:2018, ensuring compliance with international best practices.

Each division and location have an Environment, Safety, and Health ("ESH") Committee responsible for hazard identification, incident review, compliance monitoring, and safety training. These committees meet quarterly, with additional meetings for urgent matters. Starting in 2025, regular meetings will commence with Senior Management support, and the Chief Operating Officer ("COO") will serve as committee president, actively participating in all safety discussions.

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Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.3. Occupational Health and Safety (Cont'd)

Performance

Zantat conducts annual hazard assessments at its KL and Perak plants implementing preventive measures for effective risk control. The Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process is reviewed annually, while an online reporting form accessible via QR simplifies hazard reporting.

Operations at Calrock and Zaneco align with Zantat Perak's safety standards, while third-party providers oversee hazard management at ZLCC. In FY2024, safety initiatives included permit-to-work systems for high-risk activities, safety bulletins, and Automated External Defibrillator ("AED") installations.

Health and safety training covering ISO 45001:2018 awareness is provided to all employees, covering emergency response, hazard management, and general health awareness. While training programmes covering chemical handling, fire safety, forklift use are provided to operation personnel—ensuring employees are prepared for both day-to-day risks and high-impact incidents. HIRARC training was also introduced to strengthen risk identification and mitigation capabilities.

Table 4.2.3a Zantat's approach to strengthening health and safety standards in the workplace.

Health and Safety training	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	187	211	216

The OSH-C Program reinforces compliance with Occupational Safety and Health Act amendments, promoting accountability at all levels. To strengthen emergency response readiness, Zantat collaborated with local fire authorities to conduct fire drills and specialised safety training. Additionally, HIRARC training was introduced to enhance risk assessment capabilities, empowering employees to identify, evaluate, and control hazards in their work environment.



Fig 4.2.3 (Left): Fire Drill training - Medic team providing treatment to the victim; (Right): Safe Forklift Driving & Attitude Training.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.3. Occupational Health and Safety (Cont'd)

Performance (Cont'd)

These efforts contribute to a safer workplace, minimise operational disruptions while supporting regulatory compliance, strengthen internal safety culture, and reduce potential disruptions. Through ongoing initiatives, Zantat remains dedicated to upholding the highest safety standards, ensuring a secure and resilient work environment that prioritizes both employee welfare and sustainable operations.

Promotion of Worker Health and Well-being

In FY2024, targeted health and safety training programs were conducted across operational sites to enhance hazard awareness and emergency preparedness, including:

- Occupational Noise Exposure Training (KL Plant) – Addressing risks of prolonged noise exposure and equipping employees with preventive strategies to protect hearing health.
- AED & CPR Training (KL, Perak, and Calrock Plants) – Providing employees with critical life-saving skills for effective medical emergency response.

These proactive measures reinforce Zantat's workplace health management approach. Training effectiveness is monitored through employee feedback, with continuous improvements made to enhance learning outcomes.

Work-related Injuries

In FY2024, a total of 602,640 hours were recorded across operations at Zantat KL Plant, Perak Plant, and Calrock, marking a slight increase compared to 597,663 hours in 2023. There were no fatalities reported due to work-related injuries or illnesses. However, one recordable work-related injury and one case of work-related ill health were reported during the year.

As a result, the Group's Lost Time Injury Rate ("LTIR") increased to 0.66, from 0.33 in FY2023. This rise was influenced by the additional case of work-related ill health and increase in total working hours, which affects the LTIR calculation. While the number of incidents remained low, the extended manhours and inclusion of the new case contributed to the higher rate.

Looking ahead, Zantat remains committed to strengthening its safety culture by enhancing employee training, implementing proactive health measures, and reinforcing risk control practices. These efforts aim to minimise workplace risks, ensure swift response to incidents, and further reduce lost time in future operations.

Table 4.2.3b The Group safety records are categorised into the total manhours worked, fatalities, injuries, and lost time incident rate.

Incidents and Fatalities	FY2022	FY2023	FY2024
Total number of hours worked (labour hour)¹	518,423	597,663	602,640
Number of fatalities as a result of work-related injury	0	0	0
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related injuries¹	0	1	1
Number of cases of recordable work-related ill health	0	0	1
Lost time injury rate (LTIR)^{1,2}	0	0.33	0.66

Notes:

1. Restated Information for FY2023: The number of cases of recordable work-related injuries and the LTIR for FY2023 were initially reported incorrectly. After a review, the data has been updated, with calculations adjusted to reflect the accurate number of injuries and LTIR for the year.
2. LTIR calculated based on the standardised value of 200,000 hours worked.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.3. Occupational Health and Safety (Cont'd)

Occupational Health Services

Zantat provides occupational health services, including FOMEMA health screenings, to identify potential health risks early and ensure regulatory compliance.

To protect employees from hazardous noise exposure, the Group conducts audiometric screenings, monitoring and safeguarding hearing health. Additionally, employees have access to a panel clinic, ensuring timely medical support and reinforcing a safe and supportive work environment.

Zantat upholds Occupational Health and Safety ("OHS") standard, reinforcing its commitment to workplace safety and employee well-being. This standard applies to all employees, including those at quarry sites, production facilities, and office locations, as well as contractors and third parties, ensuring compliance with consistent health and safety standards.

By aligning with ISO 45001, Zantat enhances safety protocols across its operations, fosters a culture of accountability, and strengthens compliance among workers and partners. This milestone reflects the Group's dedication to reducing workplace hazards and integrating sustainability into health and safety management, further improving resilience and operational efficiency.

4.2.4. Talent Management (GRI 401-1)

Overview

Zantat upholds high labour standards, ensuring fair treatment, respect, and ethical responsibility in the workplace. The Group prioritises equitable wages, safe working conditions, and career development opportunities, fostering a supportive and empowering environment for its workforce.

By adhering to best labour practices, Zantat cultivates a culture of integrity and accountability, enhancing employee satisfaction and productivity. This commitment not only benefits employees but also reinforces the Group's reputation as a trusted and socially responsible organisation.

Performance

In FY2024, Zantat dedicated 4,726 hours to employee training, reinforcing its commitment to continuous learning and professional development. Training programs covered soft skills, technical competencies, and core expertise, with the gradual incorporation of ESG topics. Currently, ESG training is provided to senior management, with plans to expand it to all employees to ensure a comprehensive integration of sustainable practices across the organisation.

Zantat's workforce has steadily grown over the past three years. In FY2022, 41 new employees joined, bringing the total workforce to 187. This momentum accelerated in FY2023, with 43 additional hires, followed by 26 more in FY2024. Over this period, Zantat on boarded 110 new employees, reflecting a 15.5% workforce growth, balancing business expansion with operational efficiency. In terms of employee turnover, Zantat recorded a voluntary turnover rate of 10.2% in FY2024, exactly in line with industry expectations.

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Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.4. Talent Management (Cont'd)

Table 4.2.4 Overview of the employee turnover, workforce composition, and training hours on career development and learning strategies provided to the workforce from FY2022 to FY2024.

Labour practice and standards	FY2022	FY2023	FY2024
Total number of employees	187	211	216
New hire	41	43	26
Employee turnover	15	19	22
Employee Turnover Rate (%)	8.0%	9.0%	10.2%
Permanent staff	187	211	216
Contract staff	0	0	0
Total annual training hours	1,449	4,494	4,726
Average training hours per year per employee	8	21	22
Total training hours per employee category			
• Senior Management	84	175	260
• Manager	441	889	758
• Executive	483	1,884	1,500
• Non-executive	441	1,546	2,208
Total training hours by gender:			
• Male	868	2,621	3,583
• Female	581	1,873	1,143

Talent Acquisition and Onboarding

Zantat prioritises attracting and recruiting talent to build a sustainable and future-ready workforce. Candidates are selected based on skills, experience, and role suitability, ensuring alignment with the Group's values, culture, and vision. A fair and unbiased recruitment process enhances employer branding, strengthens market reputation, and fosters a committed workforce that drives organisational performance.

As part of its strategic workforce expansion, Zantat actively participates in career fairs and industry forums to recruit fresh talent, ensuring a skilled and diverse team that supports long-term growth. This initiative aligns with the Group's commitment to sustainable business practices and ESG objectives, reinforcing its role as a responsible and forward-thinking employer.

Upskilling and Reskilling

Zantat is committed to developing a highly skilled, adaptable, and agile workforce capable of thriving in an evolving business landscape driven by technological advancements and emerging trends.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.4. Talent Management (Cont'd)

Upskilling and Reskilling (Cont'd)

To achieve this, the Group implements the 70-20-10 learning model, ensuring a balanced approach to employee development:



This structured framework provides employees with practical, hands-on experience, complemented by professional guidance and structured learning opportunities, enabling them to grow in their roles and contribute meaningfully to Zantat's long-term success.

Strategic Training & Development Initiatives

Zantat prioritises continuous skill development by conducting regular Training Needs Analyses (TNA) to assess skill gaps and career aspirations. This proactive approach ensures that training initiatives remain relevant, effective, and aligned with both individual and organisational goals.

In FY2024, Zantat continued to invest in diverse training and development programs, utilising both physical and online learning platforms to provide employees with flexible professional growth opportunities. Key training programs include:

- Corporate Induction Program – Providing management, executives, and non-executives with a strong foundation for their roles.
- Leadership Development Programs – Enhancing leadership capabilities and strategic decision-making for middle and senior management.
- Technical Upskilling Programs – Delivering job-specific technical training to maintain industry proficiency.
- Industry Webinars & Expert Talks – Featuring subject-matter experts to share valuable insights and best practices.
- Professional Certification Programs – Supporting employees in obtaining specialised qualifications to advance their expertise.
- Curated In-House Training – Covering areas such as IT, soft skills, and emotional intelligence to develop well-rounded competencies.

By integrating these initiatives into its Talent Development Strategy, Zantat equips employees with the knowledge, skills, and leadership qualities needed to drive long-term success, while fostering a culture of lifelong learning and professional excellence.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.4. Talent Management (Cont'd)

Performance Management, Compensation, and Review Process

Zantat is committed to cultivating a high-performance culture driven by accountability, collaboration, and shared success. The Group's systematic performance review process enables employees to maximise their potential and contribute to organisational growth.

Each year begins with goal-setting discussions, ensuring individual objectives align with the Group's priorities. At year-end, comprehensive performance reviews are conducted, incorporating self-assessments, feedback sessions, competency evaluations, and coaching to support continuous improvement. Supervisors provide direct feedback, while HR oversees the process to maintain consistency, fairness, and adherence to company standards.

Employee Rewards and Benefits

Zantat values exceptional employee contributions and celebrates achievements through a structured recognition program. Employees demonstrating outstanding performance, high-quality results, and alignment with the Group's values are rewarded with bonuses, promotions, and public recognition during annual events.

To support employee well-being and professional growth, Zantat offers a comprehensive benefits package designed to ensure fairness, inclusivity, and industry alignment:

- HR Policies and Guidelines – Clear policies, outlined in the Staff Handbook, Internal Operating Standards, and Guidelines, provide employees with transparent information on rights, responsibilities, and benefits.
- Code of Conduct – A strict Code of Conduct & Ethics Policy ensures all employees uphold professional integrity and ethical standards.
- Compensation and Benefits – Competitive packages include:
- Leave options: Annual leave, sick/medical leave, compassionate leave, marriage leave, maternity/paternity leave and examination leave.
- Insurance: Medical and security coverage.
- Career Development: Allowances and professional growth opportunities.
- Exclusive Benefits for Full-Time Employees – Additional perks include medical coverage, insurance, and career development allowances.
- Salary and Review Policy – Salaries are based on job responsibilities, qualifications, and experience, with regular reviews to maintain market competitiveness.
- Employee Engagement Activities – A variety of initiatives foster team spirit, collaboration, and workplace engagement.

Through these programs, Zantat ensures a motivated, engaged, and high-performing workforce, reinforcing its commitment to employee satisfaction and long-term organisational success.

Ethical Recruitment and Workforce Well-being

In recent years, the issue of unethical recruitment practices has gained attention across Malaysia's industrial sectors, where many foreign workers have historically been burdened with high recruitment fees paid to agents in their home countries. These fees often lead to financial hardship and raise concerns about fair labour practices. Recognising the importance of upholding ethical recruitment standards and aligning with global expectations—including those outlined by the International Labour Organisation (ILO) —Zantat has proactively taken steps to address this challenge.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.4. Talent Management (Cont'd)

Ethical Recruitment and Workforce Well-being (Cont'd)

In FY2024, Zantat launched a 24-month remediation programme to reimburse its foreign workers for recruitment fees incurred prior to employment. The initiative benefits 94 workers from Nepal and Bangladesh, with a total remediation value of RM556,300. Monthly payments will be made from November 2024 to October 2026.

This voluntary initiative goes beyond regulatory compliance and reflects Zantat's commitment to fair employment, worker dignity, and responsible talent management. By embedding ethical recruitment into its workforce strategy, Zantat demonstrates its alignment with international labour standards and reinforces its position as a responsible and inclusive employer.

Employee Activities

In FY2024, Zantat reinforced teamwork, resilience, and camaraderie through a series of engaging employee events. A key highlight was the team building event, held on 13 July 2024, where teams from Perak and KL plants came together for a dynamic team-building experience. Zantat employees also enjoyed a day of interactive challenges designed to emphasise Zantat's core values of being Reliable, Determined, and Resilient as a corporate team-building event. Beyond boosting team morale, these events showcase the Group's commitment to its employees.



Fig 4.2.4a Zantat's Perak and KL teams participating in a team-building event, strengthening teamwork, resilience, and unity through engaging challenges that reinforced the company's core values.



Fig 4.2.4b Zantat KL (Left), Zantat Perak and Calrock (Right) teams participating in Bowling Tournaments, fostering teamwork, camaraderie, and unforgettable memories through friendly competition.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.4. Talent Management (Cont'd)

Growth, Feedback, and Engagement

Zantat values employee feedback and fosters an engaging workplace through initiatives, including the annual Employee Engagement Survey and Suggestion Box. In FY2024, 103 local employees participated in the survey, which helped Zantat identify key areas for improvement. To address concerns, focus group discussions will be introduced to refine practices and align responses with employee needs.

Professional growth remains a priority, with regular performance and career development reviews conducted across all employment levels. To further strengthen engagement, Zantat launched workplace initiatives, including:



These efforts reinforce open communication, career development, and a positive workplace culture, ensuring employees feel valued and supported.

4.2.5. Supply Chain Management (GRI 204-1, 308-1, 414-1)

Overview

Zantat upholds fair and transparent procurement practices, ensuring that suppliers align with its social and environmental values. A structured assessment process is followed to select reputable and responsible suppliers, based on key criteria. The procurement process includes:

- Supplier Registration and Declaration
- Supplier Screening (Pre-qualification assessment, risk due diligence)
- Contract Terms and Conditions Award
- Annual Supplier Performance Assessment



This approach ensures that only high-quality suppliers are selected, supporting sustainable operations and long-term business growth.

Performance

Suppliers must also comply with Zantat's External Party Code of Conduct & Ethics. Prioritising local sourcing, Zantat supports the local economy while reducing its carbon footprint. In FY2024, 86.9% of procurement spending (RM31,324,614) was directed to local suppliers. The Group has also introduced a supplier sustainability survey for new suppliers and aims to expand the initiative into annual ESG assessments for all existing and future suppliers to ensure alignment with sustainability standards.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.2.5. Supply Chain Management (Cont'd)

Performance (Cont'd)

Table 4.2.5 Zantat's supply chain management, measured in proportion spending in local suppliers from FY2022 to FY2024.

Supply chain management	FY2022	FY2023	FY2024
Proportion of spending on local suppliers	NA	92.8%	86.9%

4.3. GOVERNANCE INDICATORS

4.3.1. Anti-corruption and Whistle-blowing (GRI 205-1, 205-2, 205-3)

Overview

The Board and senior management are committed to conducting business with integrity, guided by Zantat's Code of Conduct & Ethics ("CoCE"). The CoCE outlines core principles and ethical guidelines for all employees, including Directors, ensuring accountability and responsible decision-making.

Zantat enforces a zero-tolerance policy on corruption, as outlined in its Anti-Bribery & Corruption ("ABC") Policy, which is regularly reviewed to align with the Malaysian Anti-Corruption Commission (MACC) Act 2009. Additionally, the Group remains dedicated to upholding strong governance practices, reinforcing its commitment to transparency, compliance, and ethical business operations.

UN SDGs



Performance

As of 31 December 2024, Zantat has successfully maintained zero major incidents across its business operations for three consecutive years, reflecting its strong commitment to safety, compliance, and operational excellence.

Table 4.3.1 Overview of the corruption incidents and assessments.

Corruption-related incidents and assessment	FY2022	FY2023	FY2024
Number of confirmed corruption incidents, where employees were dismissed or contracts with business partners were dismissed	0	0	0
Percentage of operations assessed for corruption-related risks	0	0	0

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.2. SOCIAL INDICATORS (CONT'D)

4.3.1. Anti-corruption and Whistle-blowing (Cont'd)

Anti-Bribery and Corruption Training

All employees are required to complete yearly refresher training, while all new employees are required to undergo induction program which includes comprehensive training on the Group's CoCE, ABC Policy, and related procedures. In FY2024, ABC training was conducted on specific dates to reinforce awareness across the workforce:

- All local employees: 4 December 2024
- Zantat Perak foreign workers: 18 November 2024
- Calrock foreign workers: 22 November 2024
- Zantat KL foreign workers: 20 December 2024



Fig 4.3.1 Zantat conducted ABC training every year for staff to reinforce ethical business practices and compliance with anti-bribery regulations.

Trainings serve to ensure employees fully understand and comply with the Group's policies, which includes an assessment to verify employee's comprehension with a minimum passing score of 70%.

Zantat also ensures that suppliers adhere to ethical standards by requiring them to sign a declaration of compliance with the External Party Code of Conduct & Ethics and the ABC Policy before commencing any business engagements.

The Group has implemented a Whistleblowing Policy, providing employees and external stakeholders with a confidential channel to report any improprieties. Reports can be submitted through email, telephone, or mail, ensuring accessibility for all stakeholders. To further enhance transparency and awareness, the Group has made the CoCE, ABC Policy, and Whistleblowing Policy available on corporate website and internal platforms. By embedding these measures, Zantat remains steadfast in fostering a culture of integrity, accountability, and good governance.

Table 4.3.1 Internal and external ABC training at Zantat from FY2022 to FY2024.

Employee Category	FY2022	FY2023	FY2024
Senior Management	0%	3%	3%
Manager	0%	8%	10%
Executive	0%	21%	21%
Non-executive	0%	68%	66%

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.3. GOVERNANCE INDICATORS (CONT'D)

4.3.2. Human Rights (GRI 406-1, 408-1, 409-1, 411-1)

Overview

Zantat upholds the United Nations Global Compact (UNGC) Ten Principles and the Universal Declaration of Human Rights, reinforcing its dedication to ethical and responsible business conduct. The Group also ensures full compliance with Malaysian labour laws, including the Employment Act 1955 and the Trade Union Act 1959.

Aligned with its Employee Handbook, Zantat prioritises fairness, sincerity, and respect for human rights, maintaining high corporate ethics across diverse cultural, moral, and legal frameworks in the global business landscape.

UN SDGs



Performance

Zantat strictly adheres to Malaysian Labour Law, prohibiting child labour across all operations and aligning with global human rights standards. The CoCE and External Party Code of Conduct & Ethics outline expectations on human rights, fair labour practices, and workplace ethics, emphasizing:

Zero tolerance for child and forced labour

Fair treatment, free from discrimination and harassment

Respect for freedom of association and collective bargaining

Robust grievance mechanisms

These principles are reflected in both the CoCE and the "Corporate Ethics and Human Rights" clause in the Employee Handbook, which are publicly available to ensure transparency and accountability.

Zantat is unaware of any suppliers engaging in child labour but remains prepared to take immediate corrective action if necessary. Employees are informed of grievance handling and whistleblowing policies, allowing them to report violations confidentially and without retaliation.

In FY2024, the Group proactively improved workers' accommodations, conducting regular inspections and engagement sessions in line with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. No grievances related to living or working conditions were reported.

Zantat remains committed to upholding human rights and continues to strive for zero substantiated complaints on human rights violations.

Sustainability Report (Cont'd)

4. Impact: Current Performance (Cont'd)

4.3. GOVERNANCE INDICATORS (CONT'D)

4.3.2. Human Rights (Cont'd)

Table 4.3.2 Overview of human rights, child labour, forced labour, and discrimination incidents at Zantat.

Human rights and Ethical practices		FY2022	FY2023	FY2024
Human rights violations	Number of substantiated complaints concerning human rights violations	0	0	0
Child labour	Number of children aged below 17 years engaged in child labour	0	0	0
Forced labour	Number of substantiated complaints concerning forced labour	0	0	0
Discrimination	Number of substantiated complaints concerning discrimination	0	0	0

4.3.3. Data Privacy and Protection (GRI 418-1)

Overview

Zantat prioritises data privacy to safeguard the trust of clients, employees, and stakeholders. In an increasingly digital landscape, the Group ensures strict compliance with data protection policies and implements robust security measures to protect personal and sensitive information.

Through regular audits, employee training, and secure data management practices, Zantat maintains responsible and confidential information handling. This commitment not only ensures regulatory compliance but also reinforces the Group's integrity and transparency in all business interactions.

UN SDGs



Performance

Zantat is committed to enhancing its cybersecurity framework, ensuring compliance with the Personal Data Protection Act (PDPA) 2010 and alignment with General Data Protection Regulation (GDPR) best practices. Cybersecurity considerations are embedded in operational processes to ensure compliance across all regions, reinforcing responsible data governance and stakeholder trust.

Data management and security are integrated into Zantat's Enterprise Risk Management (ERM) framework, ensuring a structured and resilient approach to data privacy and security controls. Regular policy reviews uphold regulatory compliance and industry best practices. Personal data is collected lawfully, with proper consent and restricted access, while data retention and disposal follow Section 10 of the PDPA 2010, ensuring secure handling.

As of 31 December 2024, Zantat reported zero substantiated complaints on privacy breaches, zero cyberattacks, and no customer data losses for three consecutive years. This reflects the Group's ongoing commitment to maintaining robust data security and privacy protection.

Table 4.3.3 Overview of complaints and incidents of data privacy breaches from FY2022 to FY2024.

Data Privacy-related complaints and incidents	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0
Total number of incidents of cyber attacks	0	0	0

Sustainability Report (Cont'd)

5. Bursa Malaysia Common Indicators Summary

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00	3.00	3.00
Management	Percentage	0.00	8.00	10.00
Executive	Percentage	0.00	21.00	21.00
Non-executive	Percentage	0.00	68.00	66.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	22,645.00	34,303.00	120,434.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	677
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	75.00	75.00	75.00
Senior Management Above 50	Percentage	25.00	25.00	25.00
Management Under 30	Percentage	6.00	6.00	0.00
Management Between 30-50	Percentage	56.00	53.00	68.00
Management Above 50	Percentage	39.00	41.00	32.00
Executive Under 30	Percentage	16.00	18.00	18.00
Executive Between 30-50	Percentage	78.00	80.00	80.00
Executive Above 50	Percentage	5.00	2.00	2.00
Non-executive Under 30	Percentage	35.00	29.00	27.00
Non-executive Between 30-50	Percentage	56.00	62.00	66.00
Non-executive Above 50	Percentage	9.00	9.00	8.00
Gender Group by Employee Category				
Senior Management Male	Percentage	75.00	75.00	75.00
Senior Management Female	Percentage	25.00	25.00	25.00
Management Male	Percentage	50.00	47.00	50.00
Management Female	Percentage	50.00	53.00	50.00
Executive Male	Percentage	41.00	42.00	40.00
Executive Female	Percentage	59.00	58.00	60.00
Non-executive Male	Percentage	95.00	96.00	97.00
Non-executive Female	Percentage	5.00	4.00	3.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	0.00	86.00	86.00
Female	Percentage	100.00	14.00	14.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	100.00	57.00	57.00
Above 50	Percentage	0.00	43.00	43.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	23,410	28,961	23,395
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0

Sustainability Report (Cont'd)

5. Bursa Malaysia Common Indicators Summary (Cont'd)

Indicator	Measurement Unit	2022	2023	2024
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.33	0.66
Bursa C5(c) Number of employees trained on health and safety standards	Number	187	211	216
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	84	175	260
Management	Hours	441	889	758
Executive	Hours	483	1,884	1,500
Non-executive	Hours	441	1,546	2,208
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	0	0	0
Management	Number	1	1	1
Executive	Number	2	6	3
Non-executive	Number	12	12	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	92.80	86.90
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	56.508000	71.094000	63.754000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	424.00	549.00	540.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	91.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	449.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	547.30	577.80	457.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	16,344.80	20,463.80	16,108.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.06	147.60	406.30

Sustainability Report (Cont'd)

6. Global Reporting Initiative (GRI) Summary

Table 6 Overview of all the GRI requirements that have been complied with at Zantat.

Statement of Use The Group has reported with reference to GRI Standards for the period from 1st January 2024 to 31st December 2024.

GRI 1 used GRI 1: Foundation 2021

General disclosures:

Section number

GRI 2: General Disclosures 2021

2-1 Organisational details	1.1
2-2 Entities included in the organisation's sustainability reporting	1.3
2-3 Reporting period, frequency and contact point	1.2
2-5 External assurance	1.5
2-29 Approach to stakeholder engagement	3.3.1 & 3.3.2

GRI 3: Material Topics 2021

3-1 Process to determine material topics	3.3.3
3-2 List of material topics	3.3.3
3-3 Management of material topics	3.3.3

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed	4.2.1
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GRI 204: Procurement Practices 2016

204-1 Proportion of spending on local suppliers	4.2.5
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GRI 205: Anti-corruption 2016

205-1 Operations assessed for risks related to corruption	4.3.1
205-2 Communication and training about anti-corruption policies and procedures	4.3.1
205-3 Confirmed incidents of corruption and actions taken	4.3.1

GRI 302: Energy 2016

302-1 Energy consumption within the organisation	4.1.1
302-3 Energy intensity	4.1.1
302-4 Reduction of energy consumption	4.1.1

GRI 303: Water and Effluents 2018

303-3 Water withdrawal	4.1.2
303-5 Water consumption	4.1.2

GRI 304: Biodiversity 2016

304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	4.1.5
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Sustainability Report (Cont'd)

6. Global Reporting Initiative (GRI) Summary (Cont'd)

General disclosures:	Section number
GRI 305: Emission 2016	
305-1 Direct (Scope 1) GHG emissions	4.1.6
305-2 Energy indirect (Scope 2) GHG emissions	4.1.6
305-3 Other indirect (Scope 3) GHG emissions	4.1.6
305-4 GHG emissions intensity	4.1.6
305-5 Reduction of GHG emissions	4.1.6
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	4.1.4
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	4.1.3
306-2 Management of significant waste related impacts	4.1.3
306-3 Waste generated	4.1.3
306-4 Waste diverted from disposal	4.1.3
306-5 Waste directed to disposal	4.1.3
GRI 401: Employment 2016	
401-1 New Employee hires and employee turnover	4.2.4
GRI 403: Occupational Health and Safety 2018	
403-2 Hazard identification, risk assessment, and incident investigation	4.2.3
403-5 Worker training on occupational health and safety	4.2.3
403-6 Promotion of worker health	4.2.3
403-9 Work-related injuries	4.2.3
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	4.2.4
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	4.2.2
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	4.3.2
GRI 408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labour	4.3.2
GRI 409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	4.3.2

Sustainability Report (Cont'd)

6. Global Reporting Initiative (GRI) Summary (Cont'd)

General disclosures:	Section number
GRI 411: Rights of Indigenous Peoples 2016	
411-1 Incidents of violations involving rights of indigenous peoples	4.3.2
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3.3

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