



**ANCOM NYLEX BERHAD**

*(Formerly known as Ancom Berhad)*  
*[Registration No. 196901000122 (8440-M)]*  
*Incorporated in Malaysia*

# **SUSTAINABILITY STATEMENT FY2022**

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# TABLE OF CONTENTS

<b>ABOUT THIS STATEMENT</b>	<b>01</b>
<b>OUR SUSTAINABILITY</b>	<b>02</b>
SUSTAINABILITY GOVERNANCE	03
<b>SUSTAINABILITY PRIORITIES AND MATERIALITY</b>	<b>03</b>
<b>ENGAGING WITH STAKEHOLDERS</b>	<b>06</b>
<b>ECONOMIC</b>	<b>07</b>
MEMBERSHIPS AND ASSOCIATIONS	07
ETHICS AND COMPLIANCE	07
Corruption and Bribery	08
Whistleblowing	08
SUSTAINABLE PROCUREMENT	08
<b>ENVIRONMENT</b>	<b>09</b>
GREEN MATERIALS	09
ENERGY AND CLIMATE	09
Energy Intensity	10
Emissions Intensity	11
CLIMATE CHANGE MANAGEMENT	11
POLLUTION PREVENTION AND CONTROL	12
WATER MANAGEMENT	12
WASTE AND EFFLUENTS MANAGEMENT	13
PREVENTING NOISE POLLUTION	14
BIODIVERSITY, CONSERVATION AND CIRCULAR ECONOMY	14
<b>CARING FOR FAMILIES AND COMMUNITIES</b>	<b>14</b>
<b>CARING FOR OUR PEOPLE</b>	<b>14</b>
A CULTURE THAT MAKES A DIFFERENCE AND MOTIVATES	14
AN INCLUSIVE WORKFORCE	15
Equality in Recruitment	15
Our Workforce At A Glance	15
TRAINING AND DEVELOPMENT	16
RESPECTING HUMAN RIGHTS IN THE WORKPLACE	16
PROMOTING WORKPLACE SAFETY	17
<b>PRODUCT AND SERVICE RESPONSIBILITY</b>	<b>18</b>
STRENGTHENING OUR QUALITY MANAGEMENT SYSTEM	18
CUSTOMER EXPERIENCE	19
SUSTAINABLE OPERATIONS	19
PRIVACY AND SECURITY	19

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

Sustainability is a crucial strategy for Ancom Nylex Berhad ("ANB"). Our continuous improvement initiatives focus on a safe work environment, environmental stewardship, efficiency in resources management and good corporate citizenship.

Over the past years, we have been operationalising our sustainability approach and embedding it in every aspect of operations, from product design and innovation to manufacturing and the supply chain. This Sustainability Statement ("Statement") shares the progress we have made on our sustainability journey.

<b>Reporting period</b>	This Sustainability Statement covers activities in the 2022 financial year (1 June 2021 to 31 May 2022) ("FY2022").
<b>Reporting content</b>	The Statement presents in-depth and transparent balanced disclosures of ANB's material economic, environmental, social and governance issues for the reporting period.
<b>Reporting principles</b>	We defined the statement content using the reporting principles prescribed in the Global Reporting Initiative (GRI) Standards and Bursa Malaysia Securities Berhad's ("Bursa Securities") Sustainability Reporting Guide. The statement also highlights our contributions to the United Nations Sustainable Development Goals (UNSDGs).
<b>Reporting scope and boundary</b>	<p>This Sustainability Statement covers operations in Malaysia and Indonesia. Unless otherwise stated, our social initiatives and governance cover ANB and its subsidiaries. Our environmental initiatives and data cover material issues arising from the principal business activities of the following entities:</p> <ul style="list-style-type: none"> <li>• Ancom Crop Care Sdn. Bhd. ("ACC")</li> <li>• Nylex Specialty Chemicals Sdn. Bhd. ("NSC")</li> <li>• Kumpulan Kesuma Sdn. Bhd. ("Kesuma")</li> <li>• Pengangkutan Cogent Sdn. Bhd. ("PCSB")</li> <li>• PT Nylex Indonesia ("PTNI")</li> <li>• ALB Marine Sdn. Bhd. ("ALB Marine")</li> </ul> <p>We focus on these companies as these are the operations that have started monitoring and collating significant environmental and greenhouse gas data.</p>
<b>References, data and restatement</b>	<p>All references to "ANB", "Group", or "Company" refer to Ancom Nylex Berhad and its subsidiary companies collectively.</p> <p>Where available, data is collected and reported with the aid of existing management control and information systems to ensure the reliability of information flows and the accurate monitoring of sustainability performance. All calculation methodologies and assumptions while reporting indicators are included in the report wherever applicable.</p>
<b>Feedback</b>	<p>This Statement is available to read or download on the Company's website at <a href="http://www.ancomnylex.com">www.ancomnylex.com</a>. Please contact us at the following address if you have additional inquiries or information concerning the Statement or our sustainability progress. We always appreciate hearing from our stakeholders.</p> <p>No 2A, Jalan 13/2, Seksyen 13 46200 Petaling Jaya Selangor Darul Ehsan Malaysia Office : 603 - 7495 5000 Fax : 603 - 7495 5088 Email: <a href="mailto:edlyncheah@ancomnylex.com">edlyncheah@ancomnylex.com</a> Contact person: Edlyn Cheah Designation: Group Corporate Affairs</p>

# SUSTAINABILITY STATEMENT

## OUR SUSTAINABILITY

The future challenges are considerable - climate change, environmental degradation, extreme weather events and water scarcity pose an existential threat to humanity. The COVID-19 pandemic raged through the world throughout 2020 and 2021 with broad disruption of economic activities. Such risks, encompassing climate change to workforce health and safety, have profound implications on businesses. They affect all sectors and challenges, even the most progressive companies.

Sustainability risks are receiving increasing attention from stakeholders such as investors, shareholders, employees, customers and supply chain partners. Monitoring and tackling these risks is topical as they are intrinsically linked to financial performance, organisational resilience and stakeholder trust.

Sustainability means more than just countering risks; we view sustainability as a source of competitive advantage and key to business continuity and success. Closely monitoring global trends and aligning our strategic approach with evolving best practices create shared value for all. Our commitments also position us to better anticipate and react to economic, social, environmental and regulatory changes while helping our customers do the same.

## ANB SUSTAINABILITY PILLARS



The Group also responded to global challenges by contributing to sustainable development through its sustainability practices. A prioritisation exercise identified seven out of the 17 sustainable development goals issued by the United Nations. These goals are areas where we can create the most significant impact as they are relevant to our businesses and the stakeholder universe. This sustainability statement introduces the Group's efforts on each goal.



# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

We integrated our sustainability and corporate responsibility commitments into our business through our purpose, governance structures, business model and sustainability goals. A streamlined sustainability management process design informs the Group about significant economic, environmental and social sustainability issues affecting operations.

Our Board of Directors ("Board") oversees all sustainability initiatives.

### BOARD OF DIRECTORS

Delegates authority for Management of the Group, including economic, environmental and social sustainability issues

### SUSTAINABILITY COMMITTEE

Driving progress on sustainability-related matters including advancing strategic decision making

### SUSTAINABILITY WORKING GROUP

Coordinating and implementing sustainability action plans

### ALL BUSINESS FUNCTIONS AND EMPLOYEES

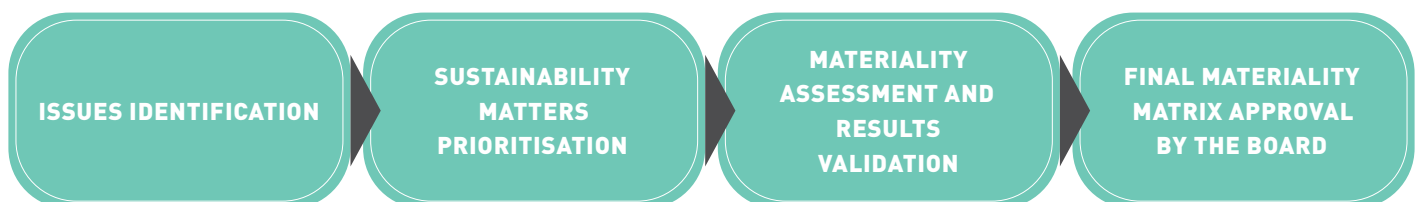
Accountability for business and sustainability results are company-wide

## SUSTAINABILITY PRIORITIES AND MATERIALITY

In FY2021, we conducted a materiality assessment to identify and prioritise the economic, environmental, social and governance areas relevant to ANB and its stakeholders. The review utilised media research, company benchmarking, surveys and expert evaluation in selecting core issues to actively reflect the opinions of internal and external stakeholders on ANB's sustainability management. The result was a compilation of several major issues related to sustainable management activities.

For the 13 significant issues identified, priorities were derived through the quantification of 'stakeholder interest' and 'business impact'. We reviewed stakeholder interest by examining the effectiveness of the impact of business costs, profits, and risks on stakeholders. We considered the relationship between the financial and non-financial impacts of business activities and management policies in terms of business impact.

### OUR MATERIALITY ASSESSMENT PROCESS

















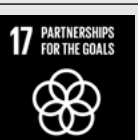


# SUSTAINABILITY STATEMENT

The results inform our sustainability strategy, governance and reporting. This year, we reviewed these materiality results and found that they are still relevant given the similar focus areas. We are committed to assessing the materiality matrix annually to ensure it remains relevant to the Group.



Material Topics	Description	UNSDGs Alignment
<b>Customer Management</b>	Managing relationships with existing and potential customers	
<b>Waste and Effluents Management</b>	Managing waste and effluents from their inception to final disposal	
<b>Economic Impact</b>	Contributing to the advancement of industries and nation to sustain economic growth	

# SUSTAINABILITY STATEMENT

Material Topics	Description	UNSDGs Alignment
<b>Compliance</b>	Conforming to all relevant laws and legislation	 
<b>Workplace Diversity &amp; Inclusion</b>	Enforcing non-discrimination and respecting various characters in the workplace	  
<b>Occupational Safety and Health</b>	Preventing workplace injuries and accidents	 
<b>Products and Services Responsibility</b>	Operating responsibly throughout the supply chain, which focuses on efficiency and sustainability	
<b>Energy Management</b>	Adopting an energy management system to achieve efficiency and for continual improvement of energy consumption performance	
<b>Supplier Management &amp; Procurement Practices</b>	Working closely with supply chain partners to ensure improved quality and reduced costs	 
<b>Carbon and other GHG Emissions</b>	Managing the impacts of climate change through emissions management, adaptation and exploring alternative energy sources	 
<b>Community Engagement and Investment</b>	Aligning our community investment strategy with our business purpose, taking into consideration stakeholders' areas of interests	 
<b>Water Management</b>	Good water management focusing on the reduction of water usage, wastage and loss	 

# SUSTAINABILITY STATEMENT

## ENGAGING WITH STAKEHOLDERS

We are committed to working closely with all stakeholders on our journey towards sustainable growth. Stakeholders are entities or individuals significantly affected by the Group's activities, products and services; and whose actions affect the ability of the Group to successfully implement its strategies and achieve its objectives. Engaging with stakeholders broadens our awareness, obtains technical input and collaborates on building a sustainable business.

As part of our business, we engaged with a wide range of stakeholders throughout the year using formal and informal engagement methods. During the reporting period, we gathered diverse opinions through various communication channels across our stakeholder spectrum. Some collaboration will be necessary to reach the ambitious targets we have set.

The table below summarises the methods of engagement used with each type of stakeholder group.

Stakeholder Group	Methods of Engagement	Frequency of Engagement
<b>Customers</b>	In writing (letters and emails)	As required
	Social events (product launches, cultural events hosted by ANB and customers' events)	Regularly
	Face-to-face meetings	Regularly
	Conferences and seminars	Regularly
<b>Government &amp; Authorities</b>	In writing (letters and emails)	As required
	Social events (product launches, cultural events hosted by ANB and government and authorities' events)	Regularly
	Face-to-face meetings	Regularly
	Conferences and seminars	Regularly
<b>Shareholders &amp; Investors</b>	Social events (product launches, cultural events hosted by ANB and shareholders and investors' events)	Regularly
	Face-to-face meetings	Regularly
	Annual General Meetings	Annually
	Extraordinary General Meetings	As required
	Annual Reports	Annually
	Analyst Briefings	Regularly
	Bursa announcements	As required
<b>Community</b>	Social events (product launches, cultural events hosted by ANB and community events)	Regularly
	CSR programmes	Regularly
<b>Employees</b>	Social events (product launches, cultural events hosted by ANB and employee events)	Regularly
	Internal communication (In writing, townhalls, social events and festival celebrations)	Regularly
<b>Suppliers</b>	In writing (letters and emails)	As required
	Social events (product launches, cultural events hosted by ANB and events hosted by them)	Regularly
	Face-to-face meetings	Regularly
<b>Professional and Certification Bodies</b>	In writing (letters and emails)	As required
	Conferences and seminars	Regularly
	Bursa announcements	As required
<b>Non-Governmental Organisations (NGOs)</b>	In writing (letters and emails)	As required
	Social events (product launches, cultural events hosted by ANB and NGO events)	Regularly
	CSR programmes	Regularly



# SUSTAINABILITY STATEMENT



## ECONOMIC

ANB continued to expand its profitable agrichemical and industrial chemical businesses following the post-pandemic recovery period. ANB is one of the region's most integrated agrichemical players with interests spanning agrichemical and industrial chemicals in Malaysia and the world market.

### MEMBERSHIPS AND ASSOCIATIONS

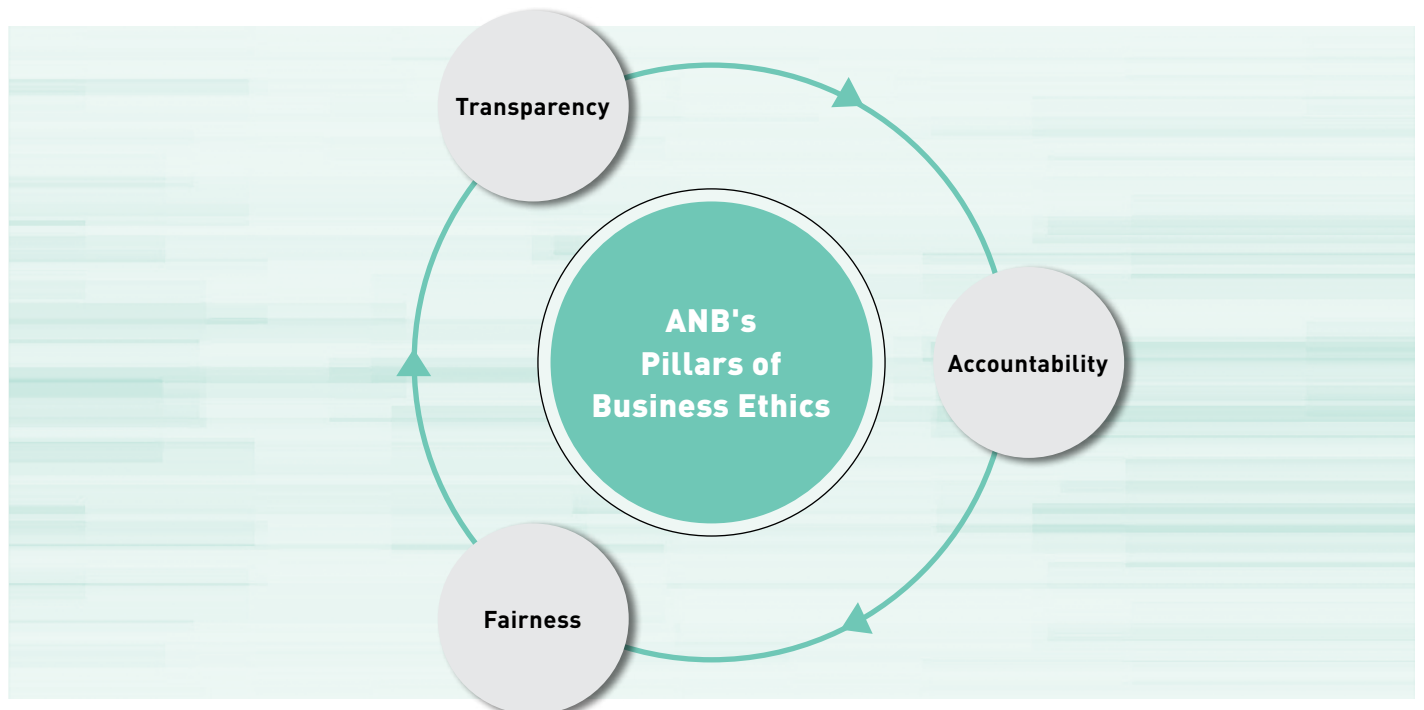
Our role as a responsible organisation goes beyond our boundaries as we advocate sustainability through various channels and associations. Different stakeholder groups, such as business, government, academia and civil society, bring a unique outlook and expertise. When assimilated, they can lead to a much broader development impact.

ANB is a member of the following industry associations:

- Chemical Industries Council of Malaysia (CICM)
- Institut Kimia Malaysia
- Federation of Malaysian Manufacturers (FMM) Selangor:
  - Sub Committee Customs & Logistics
  - Shah Alam Regional Committee
- Malaysia Pest Management Association
- Outdoor Advertising Association Malaysia

### ETHICS AND COMPLIANCE

Compliance management is one of the drivers of enhancing performance and strategies. We have established an internal audit mechanism to ensure there are no gaps or breaches. Promoting transparency is an effective way of monitoring the good practices followed in critical areas such as the environment, health and safety, compliance, human resource, product responsibility and social responsibility. Being ethical involves more than merely complying with laws and regulations.



# SUSTAINABILITY STATEMENT

## CORRUPTION AND BRIBERY

We introduced our Anti-Bribery & Anti-Corruption Policy on 1 June 2020. It applies to all our operating locations and subsidiaries and extends to all our employees, suppliers and business partners. Training, communication and internal audits support the policy implementation. The management continuously reminds employees that it does not condone acts of bribery or corruption in our business dealings.

## WHISTLEBLOWING

Our robust grievance framework provides all stakeholders access to the grievance redressal mechanism. This framework addresses every concern and brings them to the attention of ANB's management if necessary. We treat all reports with the strictest confidence and investigate each promptly.

Reports may be made to the Head of the Integrity Unit and copied to the Company Secretary and Chairman of the Audit Committee through the whistleblower channel on the company's website. The reporter's identity is confidential, and the Company does not allow retaliation against such an employee. Reports must be made in good faith based on legitimate and reasonable grounds at the time without necessitating hard evidence.

## SUSTAINABLE PROCUREMENT

At ANB, we highly emphasise serving our customers sustainably and responsibly. The partnerships built with our supply chain partners, sub-contractors and vendors are integral to our success in this area.

We have integrated environmental, social and financial business practices into our supply chain life cycle. We consider suppliers' materials selection, quality, treatment of workers and general sustainable practices along with more formal certification, such as:

- ✓ ISO 9001:2015 Quality Management Systems, including safety requirements
- ✓ Safety Management Standards
- ✓ ISO 14001:2015 Environmental Management System

The Group's Supplier Code of Conduct reinforces how we work together on business ethics, health and safety and the environment. At a minimum, business partners must adhere to all applicable laws, regulations, codes and statutory requirements and respect our values. All supply chain and business partners must also cooperate with the Group in all ESG matters and strive to advance good practices in this area.

At ANB, we have common practice to source locally-based suppliers, as local procurement creates value for local communities. Across all our subsidiary companies, the majority of suppliers are locally based. However, some operations require niche raw materials. We seek foreign suppliers when these materials are unavailable locally.

# SUSTAINABILITY STATEMENT



## ENVIRONMENT

The planet faces significant challenges, from climate change, water quality and availability, to accumulating wastes in our environment. We recognise these challenges and confront them. We have set goals to reduce resource use, minimise carbon emissions and improve our operations' environmental profile. While we have a long way to go, committing to the desired result is the beginning of the journey, and we are excited to achieve our goals. Our ambition is to be among the benchmarks in operational eco-efficiency in the industry.

### ANB'S ENVIRONMENTAL ASPIRATIONS

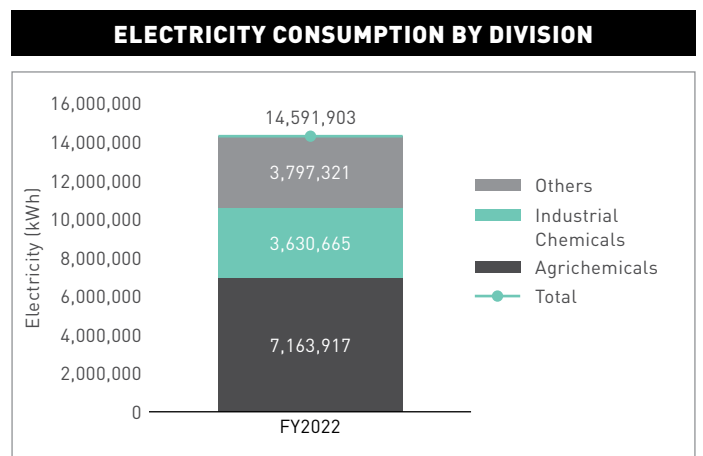
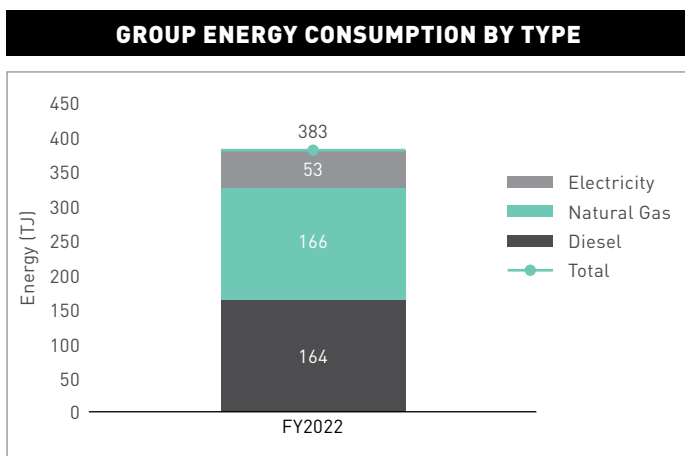
- 1 Comply with the environmental legislation, regulations and requirements set by local authorities based on the Environmental Quality Act 1974.
- 2 Continually reduce the contribution of environmental pollution during the manufacturing process, product storage and product transportation in aspects of air pollution emissions, scheduled waste management and industrial effluent treatment systems.
- 3 Provide employees with training, information and instructions to raise environmental awareness and encourage a self-regulation culture among employees.

### GREEN MATERIALS

ACC's absorption tank uses green materials such as activated carbon, sand and gravel to absorb dimethylamine and other chemicals. This filtration system also reduces the Chemical Oxygen Demand ("COD") content applied in the waste system.

### ENERGY AND CLIMATE

Primarily, ANB consumes energy for its manufacturing processes and research and development activities. We use direct and indirect energy sources in our operations. The graph below provides a snapshot of our direct and indirect energy consumption in FY2022.



Our approach to energy-saving primarily focuses on reducing our direct and indirect energy consumption. Several initiatives over the past few years have helped reduce our energy consumption, such as replacing existing equipment with new, energy-efficient models and installing energy-saving devices in existing equipment. We have also significantly strengthened our energy efficiency monitoring efforts in the past two years. As we progress, we hope to integrate more renewable energy sources into our operations, specifically solar and other hybrid sources.

# SUSTAINABILITY STATEMENT

ANB is considering investing in a Biogas Power Plant. Biogas is a renewable source of energy. When displacing fossil fuels, biogas creates further emission reductions. Biogas systems use anaerobic digestion to recycle these organic materials, turning them into biogas, which contains both energy (gas), and valuable soil products (liquids and solids). After biogas is captured, it can produce heat and electricity for use in engines, microturbines, and fuel cells. Biogas can also be upgraded into biomethane, also called renewable natural gas or RNG, and injected into natural gas pipelines or used as a vehicle fuel. Using stored biogas limits the amount of methane released into the atmosphere and reduces dependence on fossil fuels.

## OUR SALIENT ENERGY-SAVING INITIATIVES

- Educating and instilling good habits for conscious usage among all employees
- Replacing incandescent light bulbs with energy-saving compact fluorescent or LED alternatives
- Installing inverters and modulators for machinery motors
- Employing timers and sensors lighting at some regions of our plants
- Exploring solar energy options
- Tracking energy consumption (electricity and natural gas)
- Checking the boiler's efficiency regularly

ANB supports and aligns its commitment with Malaysia's intention to unconditionally reduce economy-wide carbon intensity as per the Nationally Determined Contribution (NDC). This commitment aims to achieve a 45% carbon intensity reduction against the country's Gross Domestic Product (GDP) by 2030 compared to 2005. We remain focused on addressing opportunities in climate adaptation, resilience and mitigation. All companies within the Group work closely toward achieving this goal. We also work closely across our industries and beyond. ANB continues to collaborate and engage with consumers, non-profit organisations, regulatory bodies and industry peers to advance progress globally.

## WHAT ARE WE DOING TO REDUCE OUR CARBON FOOTPRINT?

- Alam Sekitar Malaysia Sdn. Bhd. performs quarterly stack gas emission tests according to the Environmental Quality Act, 1974 ("EQA"). ACC sets a target to achieve 0% black smoke from its boiler stack and has detected no stack emission to date
- Installing gas detectors for monitoring and data analysis
- Improving boiler efficiency through temperature control and chemicals used
- ACC uses natural gas as fuel for its boiler system. Most boilers release greenhouse gases such as carbon dioxide or nitrogen oxide; however, natural gas is considered the most environmentally-friendly fossil fuel
- Working closely with machinery suppliers on improvement and innovation
- Timely maintenance and servicing of machinery and vehicles
- Recycling NO<sub>x</sub> gas for Nitric Acid recovery
- Improving fuel combustion
- Investment in Biogas Projects

## ENERGY INTENSITY

Total operational energy is a poor energy efficiency indicator as product volume fluctuates yearly. One would expect the energy to rise as the output increases.

Energy intensity is a better measure of the energy efficiency of our manufacturing plants. As ANB operations are varied, different units are used for each process, as presented.

Company	Unit	FY2022
ACC	GJ per tonne of product	<b>3.21</b>
PCSB	Litres of diesel per km travelled	<b>0.54</b>
Kesuma	MJ per unit of sales (RM,000)	<b>27.68</b>
NSC	kWh per kg of product	<b>0.16</b>
PTNI	MJ per metre of product	<b>5.68</b>
ALB Marine	Litres of diesel per nautical mile travelled	<b>38.00</b>

# SUSTAINABILITY STATEMENT

## EMISSIONS INTENSITY

Similarly, total operational emissions are a poor indicator of emissions efficiency as product volume fluctuates yearly. As the output increases, one would expect the carbon emissions to increase accordingly.

Emissions intensity, or carbon intensity, is a better measure of the emissions efficiency of our manufacturing plants. As ANB operations are varied, different units are used for each process, as presented below.

Company	Unit	FY2022
ACC	CO <sub>2</sub> ekg per tonne of product	<b>249.52</b>
PCSB	CO <sub>2</sub> ekg per km travelled	<b>1.43</b>
Kesuma	CO <sub>2</sub> ekg per unit of sales (RM,000)	<b>3.99</b>
NSC	CO <sub>2</sub> ekg per kg of product	<b>0.10</b>
PTNI	CO <sub>2</sub> ekg per metre of product	<b>0.59</b>
ALB Marine	CO <sub>2</sub> etonnnes per nautical mile travelled	<b>0.12</b>

## CLIMATE CHANGE MANAGEMENT

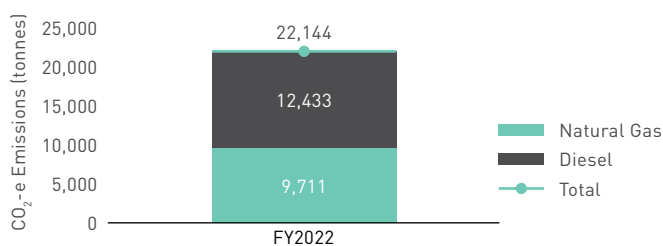
ANB is committed to mitigating its climate change risks. Climate change presents devastating effects and associated short and long-term business risks. Our group commitment to addressing this issue includes avoiding the impact of climate change by improving operational efficiency. Our climate change strategy includes working with employees and supply chain partners on energy-saving processes and a complete climate change risk assessment.

We have integrated climate-related risk management into the company-wide risk scorecard. It is part of the foundation in formulating our business strategy and deciding on future R&D and investments in technology.

<b>Consolidation method in calculating the carbon footprint</b>	Operational
<b>The organisational boundary in calculating the carbon footprint</b>	Accounts for 100% of GHG emissions where ANB has the authority to implement operational policies

### GROUP SCOPE 1 EMISSIONS

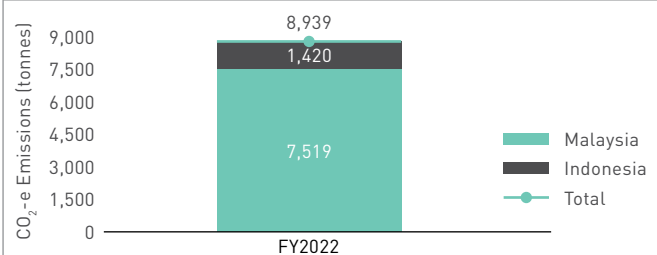
Our factories, vessel and fleet of vehicles use diesel. PTNI and ACC also consume significant amounts of natural gas. CO<sub>2</sub> emissions from the consumption of fuel were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.



### GROUP SCOPE 2 EMISSIONS

All operations consume electricity. CO<sub>2</sub> emissions from electricity use:

- In Malaysia, were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.
- In Indonesia, were derived using the Java-Bali Emission Factor in the Government Electricity Supply Business Plan (RUPTL) 2019.



# SUSTAINABILITY STATEMENT

## POLLUTION PREVENTION AND CONTROL

Increasingly, pollution is responsible for harming all life.

### ANB is committed to addressing pollution by:

- Identifying resources and the generation of all types of waste
- Avoiding their impact and improving efficiency
- Examining our water and energy performance
- Reducing or eliminating pollution at its source
- Modifying production, maintenance and facility processes, materials substitution, conservation, recycling and reusing materials where applicable

## WATER MANAGEMENT

Sustainable water use and consumption are at the core of sustainable development and critical for our processes and the ecosystem in which we thrive. Water is also at the heart of adaptation to climate change, serving as a crucial link between the climate system, human society and the environment. Reducing water consumption during manufacturing and the entire value chain is our duty.

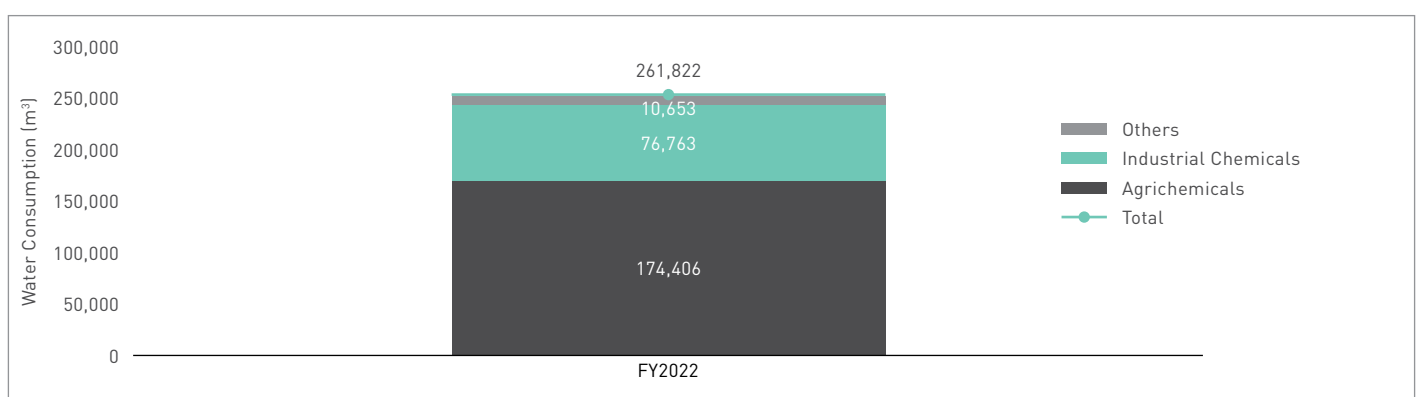
Across the Group, we regularly monitor our water consumption and integrate steps to reduce water usage in our action plans to improve productivity across each plant. As presented below, we have undertaken various other initiatives across our manufacturing plants to decrease water demand.

### WATER CONSERVATION MEASURES

OUR GOAL: At ANB, our principle for water consumption is REDUCE and REUSE



### WATER CONSUMPTION BY DIVISION



# SUSTAINABILITY STATEMENT

## WASTE AND EFFLUENTS MANAGEMENT

The industrial chemical industry is inherently prone to generating high volumes of hazardous waste during manufacturing and use. We strictly adhere to all laws and regulations in disposing and handling our waste. We also seek to reduce waste generation at our companies by making our processes more efficient.

Hazardous wastes are packed, labelled and stored in designated areas. The Group has appointed a licensed contractor to handle and dispose of this type of waste in accordance with Department of Environment (DOE) regulations.

We send all non-hazardous waste to authorised recyclers for disposal. We work closely with Alam Flora Environmental Solution to understand the proper collection, recovery and treatment of recyclables such as cardboard, paper, plastic and glass. Kesuma donated all its recyclable wastes to recyclable waste collectors as part of its corporate social responsibility initiatives.

We reuse as much as possible. Our sophisticated environmental reporting system - the Online Environmental Reporting (OER) module - systematically records and reports waste generation and disposal.

## CHEMICAL OXYGEN DEMAND ("COD") TREATMENT WITH OZONE

COD measures the capacity of water to consume oxygen during the decomposition of organic matter. It is the amount of oxygen required to oxidise the organic matter present in a quantity of water.

COD analysis indirectly measures water pollutants and is an essential parameter in water quality analysis, helping reduce risk to humans and the environment.

Generally, COD concentrations are high in wastewater since not all organic materials are biodegradable. The typical COD range for chemical process wastewaters is 200 – 40 000 mg/L, whereas domestic wastewaters range from 100 to 450 mg/L.

Ozonation is an efficient treatment to reduce the amounts of micropollutants released. ACC's ozonation system consists of an ozone generator and reactor. Bubbling ozone into the treated water reduces the COD discharged into the water. The generator uses oxygen to generate ozone and supply it into wastewater using a nano bubbling pump.

## ELECTRODIALYSIS

Electrodialysis is a process controlled by an electric field gradient that allows the separation of minerals from feed water solutions. It is a suitable technology for treating water with a higher tendency for fouling or variable feed quality. The waste produced is dumped into a wastewater pond.

## BIPOLAR MEMBRANE

We utilise bipolar membrane electrodialysis that simultaneously removes and recovers boron from wastewater. A two-cell electrodialysis unit, utilising two electrodes, establishes an electrical potential between the membrane stack-ends. This potential provokes the ions to move through the membranes.

## RECOVERING CHEMICALS

ACC refurbished its old reactor and reused NO<sub>x</sub> holding tank to minimise pressure released due to failure of the reactor's safety valve or high concentrations of Nitric Acid in the system. This refurbishment reduces pressure and the gas NO<sub>x</sub> scrubbing process later in the towers.

ACC's Dimethylamine (DMA) Recovery System recovers DMA from the waste. This recovery system prevents anyone from coming into contact with it as it can be harmful.

ACC also installed a Methyl Chloride Blow Down Tank to minimise methyl chloride released into the air.

# SUSTAINABILITY STATEMENT

## PREVENTING NOISE POLLUTION

We regulate occupational noise in the workplace and take proactive measures to protect employees from excessive exposure by providing earplugs and soundproofing the affected areas. We also conduct annual employee audiometric hearing tests.

Noise from plant machinery could also affect the surrounding environment. We implement monitoring activities at our sites, and the results show that all noise levels are within the Department of Occupational Safety and Health limits.

## BIODIVERSITY, CONSERVATION AND CIRCULAR ECONOMY

ACC's Bipolar Membrane and Electrodialysis system eliminates waste discharged into the river. The system contributes to a circular economy by processing this waste into caustic (NaOH) and hydrochloric acid (HCL). Promoting a circular economy minimises raw material costs for herbicides, pesticides, fungicides and insecticides.



## CARING FOR FAMILIES AND COMMUNITIES

Our people-centric approach starts with employees' understanding of community concerns. We strive for meaningful action to make a positive difference in people's lives through volunteering or donations.

ANB, via Majlis Sukan Negara, encourages the development of Malaysian sporting talents by providing funding and sponsorships to the Serdang Badminton Club and the New Vision Badminton Academy totalling RM290,000 during the financial year. The Group's individual sponsorships also helped five (5) independent badminton players, Soong Joo Ven, Wong Tien Ci, Boon Xin Yuan, Lim Khim Wah and Sonia Cheah as they continued to develop their sporting career.

Our commitments extend to local communities; we strive to be a good neighbour through active engagement and responsible business practices. We seek input and feedback from our communities and seek opportunities to offer our time and resources. This approach ensures we support the growth and success of areas while positively affecting the lives of the people and communities where we operate.

For example, in December 2021 when most states in Malaysia were hit by one of the country's worst floods, ANB volunteers came forward to deliver necessities to flood victims using the Group's four-wheel drive (4WD) vehicles.

PTNI has extended various contributions and philanthropy to its local community throughout the years. In FY2022, PTNI donated IDR3,600,000 to Sumengko Village residents each month and IDR11,500,000 worth of social hampers to these villagers. PTNI also gave IDR20,000,000 to residents whose livelihoods had been affected by the Merapi volcano eruption.



## CARING FOR OUR PEOPLE

We recognise that our people affect our ability to execute our sustainability agenda. Creating attractive, inclusive and sustainable workplaces is our ultimate goal where employees are motivated, engaged and deliver results.

## A CULTURE THAT MAKES A DIFFERENCE AND MOTIVATES

ANB's culture is based on the Company's purpose to break barriers to well-being. Characterised by an inclusive working environment, employees can develop and feel challenged in their daily work. Courage, a will to change and engagement distinguish leadership. The Management practices an open-door policy which is even more critical since the pandemic with people scattered and working remotely.



# SUSTAINABILITY STATEMENT

## AN INCLUSIVE WORKFORCE

All employees are treated with dignity and respect and have equal opportunities to develop. We work systematically to prevent discrimination concerning gender, ethnicity, religion, disability, age or other grounds for discrimination protected by law. The Code of Conduct and Ethics stipulate these terms.

### OUR DIVERSITY AND INCLUSION ASPIRATION

"To build a workplace culture which provides an equal playing ground for all, prioritising individual merit regardless of social constructs such as age, ethnicity, gender, marital status or other considerations unrelated to work performance."

Targets	Progress
To have 50/50 gender equality	Not achieved (28%)
To have 30% female Board of Directors in the next 10 years (2032)	0%
30% female key senior management by 2027	21%
To receive zero discrimination reports	Achieved

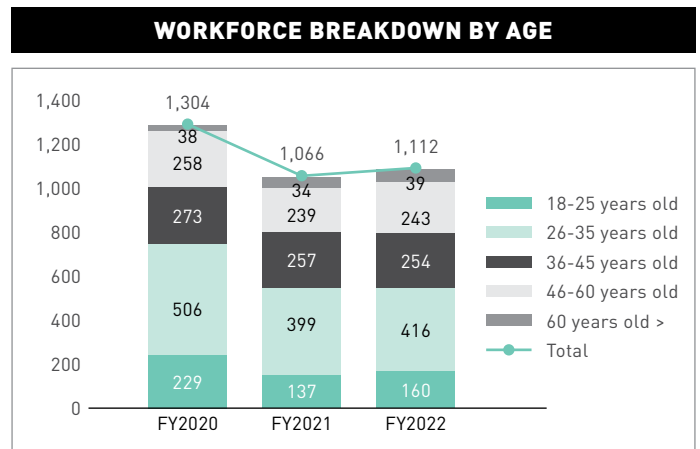
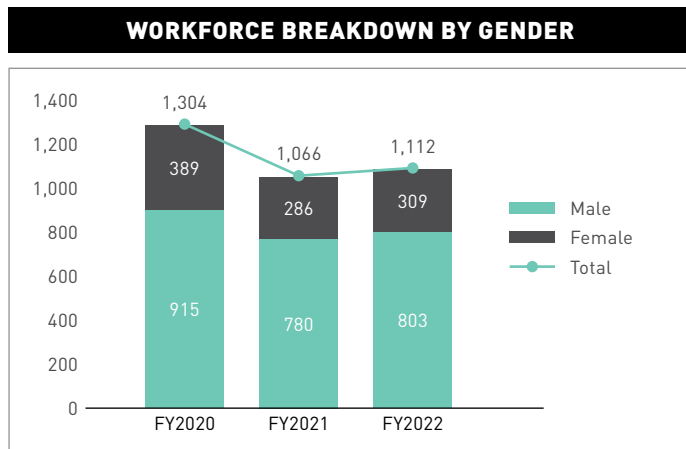
The Group's formal Diversity Policy encourages an inclusive culture by reminding employees of their rights and responsibilities concerning fairness, equity and respect.

We advocate diversity, inclusion and non-discrimination in everything that we do. ANB is male-dominated as it operates in the production, transportation and logistics industries. However, we are transparent in our hiring process and do not discriminate against candidates during recruitment and subsequent employment.

### EQUALITY IN RECRUITMENT

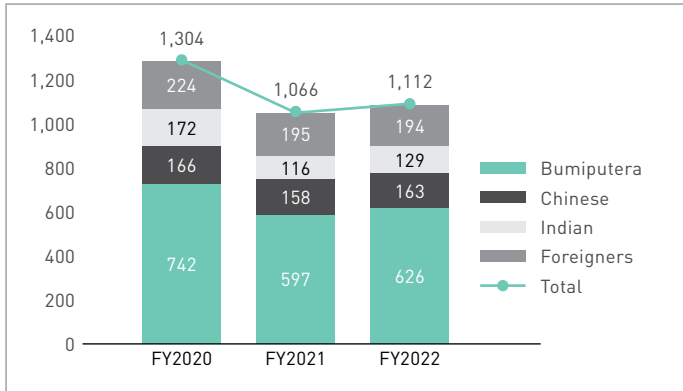
We adhere to local labour laws during recruitment and prefer hiring locally. However, diverse talent and expertise are essential for a Group with an ever-expanding international customer base. When these talents and expertise are unavailable locally, we look internationally. ANB does not discriminate in its hiring process.

### OUR WORKFORCE AT A GLANCE

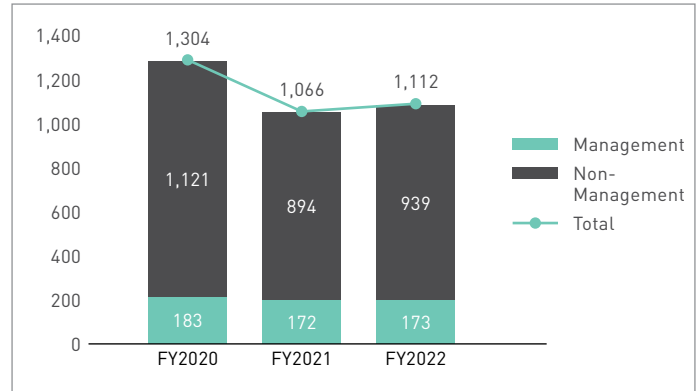


# SUSTAINABILITY STATEMENT

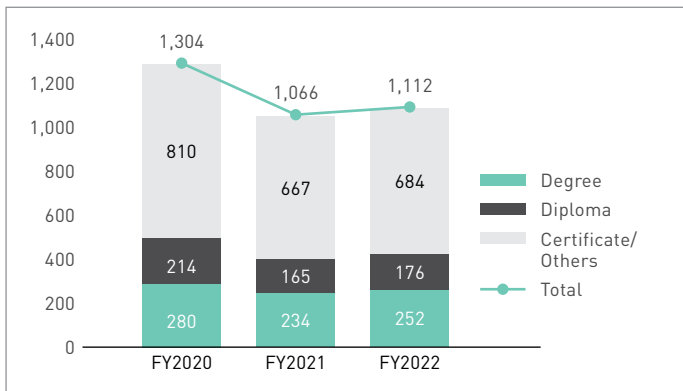
## WORKFORCE BREAKDOWN BY ETHNICITY



## WORKFORCE BREAKDOWN BY EMPLOYMENT TYPE



## WORKFORCE BREAKDOWN BY EDUCATION



We offer attractive benefits and remuneration packages to attract and retain our talents, including medical coverage, insurance benefits, hospitalisation, surgery and various allowances.

### TRAINING AND DEVELOPMENT

Due to the dynamic nature of our business, innovation in all we do is crucial to our operations. The Group offers multiple learning and development opportunities to our employees. The process starts by identifying learning needs at:

- A personal level by employees themselves; and
- The human resource department and functional heads at an organisational level.

Based on the specific requirements, an annual training calendar is finalised and delivered through internal and external experts. Our training programmes comprise several technical, soft skills and leadership aspects.

### OUR TRAINING AT A GLANCE

Indicator	FY2022	FY2021	FY2020
Investment in training (RM)	<b>273,294</b>	233,973	265,862
Training Hours (hours)	<b>2,022</b>	1,011	2,380
No. of Training Programmes	<b>71</b>	73	72

### RESPECTING HUMAN RIGHTS IN THE WORKPLACE

#### ANB'S CORE HUMAN RIGHTS PRINCIPLES

- Conducts ethical and sustainable business
- Respects human rights throughout operations and extended value chain
- Follows international human rights instruments, including the Universal Declaration of Human Rights
- Adheres to all applicable employment and human rights laws where operations are based

We summarise our human rights policy in the Code of Conduct and Ethics. All associates review and receive annual awareness briefings on this code during their induction.

# SUSTAINABILITY STATEMENT

Committed to aligning our conduct with the United Nations Guiding Principles on Business and Human Rights, we have implemented human rights screening, training and monitoring of internal operations.

We adhere to all applicable employment and human rights regulations where operations are based. Suppliers and contractors are required to do the same and must at least follow our Principles on Labour Practices and Human Rights.

<b>Child Labour</b>	We abide by the Malaysian Employment Act 1955 and the Children and Young Persons (Employment) Act 1966, prohibiting individuals below 15 years old from being employed.
<b>Right to be Treated Fairly</b>	We treat everyone fairly with regards to working hours, fair wages, overtime pay and access to grievance mechanisms.
<b>Freedom of Association and Right to Collective Bargaining</b>	Every employee is free to join a union of their choice. The Group is committed to supporting and working closely with workforce representation to improve employees' welfare.
<b>Equal Employment Opportunity</b>	As an equal opportunity employer, we ensure that no employees receive less favourable treatment and are committed to providing an inclusive work environment.

## ANB'S HUMAN RIGHTS RECORD

NO

- instances of non-compliance or violations of the Group's labour standards during this financial year

NO

- incidents or risks of child, forced or compulsory labour reported

NO

- violations of human rights involving the rights of indigenous people at any time in ANB's history

## PROMOTING WORKPLACE SAFETY

The safety of our employees, facilities and the communities where we operate is a priority rooted in our values. It is a core part of how our regional teams live and work daily. ANB's robust management system, reflected in its safety policies, risk assessment framework, incident review and audit systems, ensures the safety of all personnel and processes. We closely monitor safety performance parameters and set improvement goals for incident rates.

ANB's health and safety practices apply to all contractors and other stakeholders on our premises. The management is committed to continuous improvement and compliance with OSHA 1994, FMA 1967, EQA 1974 and other applicable acts, legislation, orders, rules, practices, and other requirements to which the Group subscribes.

The Board and Management devise and oversee the implementation of environmental, health and safety programmes and oversight of Environmental, Health and Safety (EHS) risks. We present each company's Safety and Health Committee composition in the table below.

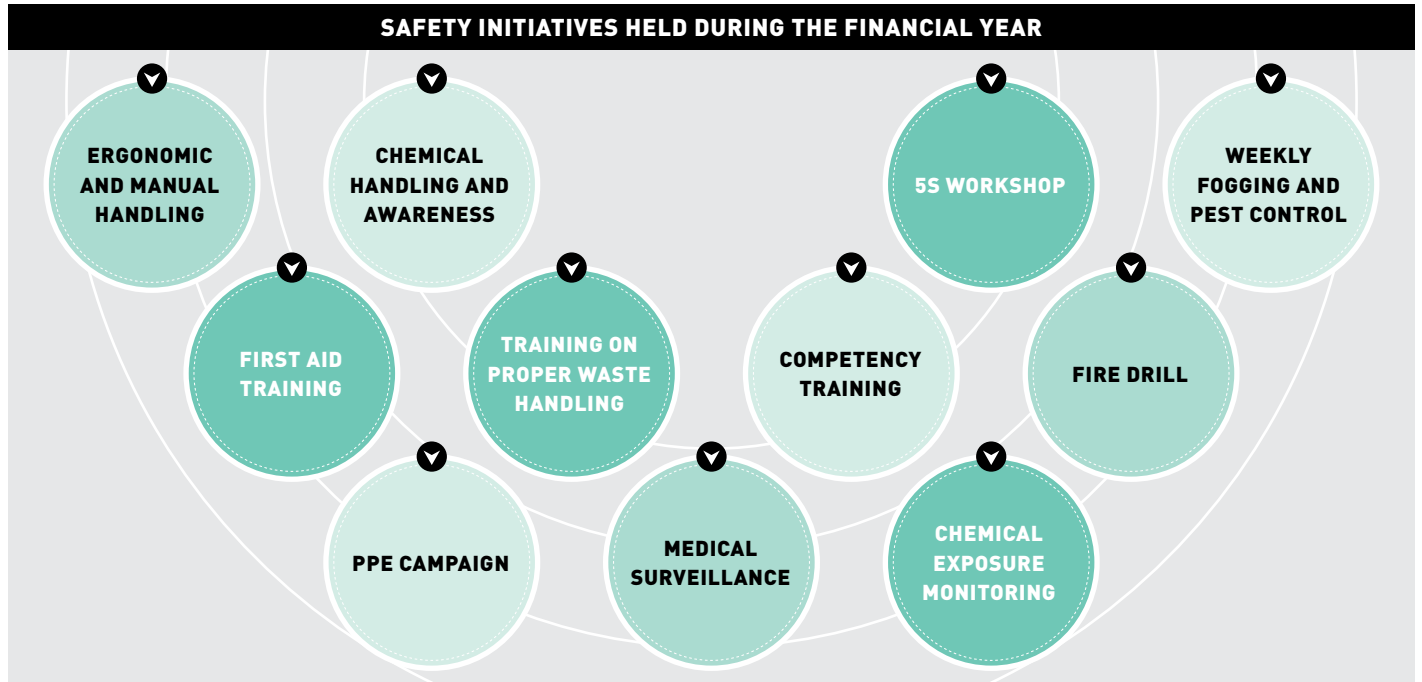
## SAFETY AND HEALTH COMMITTEE COMPOSITION

Company	Chairman	Secretary	Employer Representatives	Employee Representatives
ACC	1	1	6	6
NSC	1	1	6	6
Kesuma	1	1	2	2
PCSB	1	2	0	8
PTNI	1	1	N/A	6

# SUSTAINABILITY STATEMENT

## OUR SAFETY GOALS AND PROGRESS

We continue to educate and encourage every workforce member to embrace safety as a value. Safety and occupational health is a mandatory induction module. Periodic workshops also enhance safety awareness and knowledge among employees and contractors. ANB also delivered various safety training, including chemical safety and conducted safety shower and eyewash drills.



The Safety, Health and Environment Committees of each company meet at least quarterly to discuss matters raised by the Management and unions regarding improving the safety, health and environmental situation of the Group. Relevant subsidiaries, such as ACC, are subject to safety and environment audits every six months.



## PRODUCT AND SERVICE RESPONSIBILITY

ANB achieves growth by focusing on efficiency and quality, yielding higher customer satisfaction levels, improved profitability and minimal waste. We also make rapid adjustments for innovations and product adaptations to provide the best service to customers and consumers. Digitalisation, innovation, global economies of scale and knowledge sharing increase production, supply chain, logistics and distribution efficiency.

### STRENGTHENING OUR QUALITY MANAGEMENT SYSTEM

ANB aims to become an industry leader that leads in customer satisfaction by providing the best products and services through superb quality management. ANB has established a competitive quality management system based on ISO 9001:2005. For example, at PTNI, this management system sets the quality improvement for each department in the company.

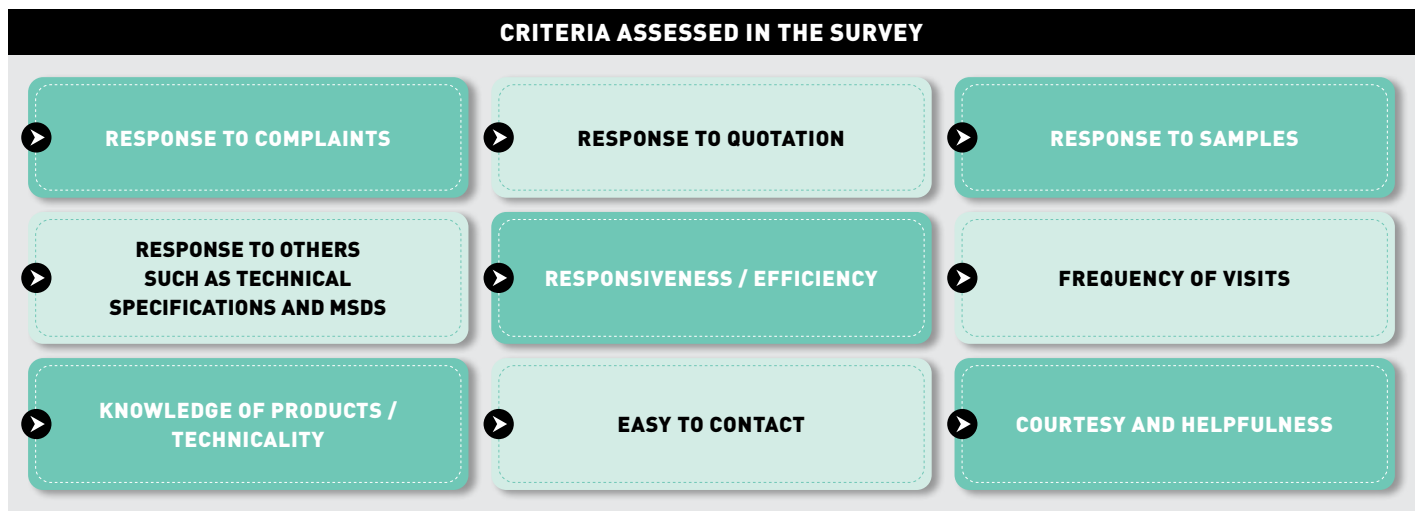
# SUSTAINABILITY STATEMENT

## CUSTOMER EXPERIENCE

A customer-centred approach is central to our customer experience and underpins our growth plans. Delivering excellent customer experiences and creating value-adding relationships build competitive advantage and increase customer lifecycle value.

Throughout FY2022, we have focused on initiatives that will support our customer-centric focus and launched projects to contribute to our goal of building strong customer relationships.

We measure customer satisfaction at the division level by gathering feedback from all business areas. For example, some companies conduct an annual survey to gauge satisfaction levels over a wide range of criteria.



## SUSTAINABLE OPERATIONS

We focus on operating our agrichemical active ingredients manufacturing facilities as efficiently as possible. Most of the environmental impact in our agricultural value chain occurs upstream, beginning on the farms where feedstocks are grown. ACC manufactures, formulates and markets a wide range of herbicides, pesticides, fungicides, insecticides and rodenticides like MSMA, Diuron, Bromacil, Glyphosate, 2,4D, Glufosinate Ammonium and Brodifacoum. We also manage the impact downstream in our value chains, such as environmental impacts related to product packaging and transportation.

## PRIVACY AND SECURITY

New technology brings new challenges; the threat of cybercrime has become more acute. Exponential growth in digital data characterises the internet age. Our data-protection efforts include 24/7 monitoring, a vulnerability assessment, employee education, regular drills and phishing tests and close cooperation with the government and industry partners.

We protect the right to privacy of our employees, customers, suppliers and business partners in line with the Personal Data Protection Act 2010 (PDPA).

We received no significant reports of data leakage, misuse or other non-compliance during the financial year.