



MUAR BAN LEE GROUP BERHAD

Company No. 200601033829 (753588-P)
(Incorporated in Malaysia)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) POLICY

1.0 INTRODUCTION

Muar Ban Lee Group Berhad (“the Company”) believes that introducing environmental, social and corporate governance (“ESG”) considerations in its business decisions is essential to creating value for its stakeholders and to developing a more sustainable long term strategy for the company. With a vision of creating enduring policies, procedures and practices, the Company will work closely with management to build businesses with a sustainable future. The Company will make constant effort to increase research and development spending, to invest in education and training of its employees, to implement an ethical set of policies and procedures and to develop plans that take environmental and social issues into consideration. Hence, the Company’s commitment towards environmental, social and corporate governance issues is strong and hands-on, and its effort a small but important step towards a more sustainable society.

2.0 ENVIRONMENTAL POLICY

The Company recognises that its activities have an impact on the environment and its policy is to limit this impact as far as possible. The Company is committed to ensuring that its business is environmentally responsible, energy efficient and puts its best efforts to achieve continuous improvements.

The Company recognises that its key environmental impacts are the:

- (a) emission of waste materials; and
- (b) use of energy, water, manufactured products and natural resources.

To address key issues of environmental concern and minimise its environmental impact, the Company is committed to:

- (a) Reduce the production of and recycle waste;
- (b) efficiently use energy, water, manufactured products, and natural resources (e.g., Installation of Solar panel); and
- (c) centralize monitoring of the electricity usage of all offices to identify energy waste.

The Company has developed internal communication processes aimed at promoting environmental awareness and improving staff education and involvement. The Company is considering this policy in all relevant decisions including procurement of supplies and incorporating specific environmental requirements into its contracts with appropriate suppliers. Furthermore, the Company is monitoring, reviewing and publicly reporting on its environmental performance.

3.0 SOCIAL POLICY

The Company aims to ensure proper labour and working conditions, to safeguard the health and safety of the employees and to promote the social development of the communities in which operates. In particular, the Company:

- (a) is fully committed to equal opportunities and diversity and values its people for their skills, experience and potential regardless of gender, sexual, orientation, age, race, colour, ethnic origin, religion or disability;
- (b) believes in recruiting, developing and retaining the best talent from the widest pool in order to promote a stimulating, rewarding and inclusive environment where everyone's contribution is recognised, valued and respected;
- (c) supports and respects the protection of internationally proclaimed human rights;
- (d) does not use directly or indirectly forced labour or child labour and provides the elimination of discrimination in respect of employment and occupation.
- (e) allows consultative work-place structure and associations which provide employees with an opportunity to present their view to management;
- (f) assesses the health and safety risks arising from work activities and take appropriate actions to eliminate or reduce related risks;
- (g) is committed to consider requests from any employee for non standard working arrangements within reason (i.e. maternity/paternity/ parental leave); and
- (h) encourages contributions of its employees to charities organizations.

The Company aims to create for its people a harmonious working environment and wishes to maintain the highest standards of integrity with everyone with whom it deals. The Company continues to encourage a culture that values meritocracy, openness, fairness and transparency. All the managers and employees are responsible for the promotion and advancement of this policy and any behavior that transgresses this policy is not tolerated. These values apply to all of the Company processes relating to employment, training, development, performance management and rewards.

4.0 GOVERNANCE POLICY

The Company is fully committed to:

- (a) comply with all applicable laws and promote international best practice, including those laws and international best practice standards intended to prevent extortion, bribery and financial crime;
- (b) exhibit honesty, integrity, fairness and respect in all its business dealings;
- (c) deal with regulators in an open and co-operative manner;
- (d) prohibit all employees from making or receiving gifts of substance in the course of business;
- (e) prohibit contributions to political parties or political candidates, where these could constitute conflicts of interest;
- (f) prohibit the making of payments as improper inducement to confer preferential treatment;
- (g) use information received from its principals in the best interests of the business relationship and not for personal financial gain by any employee;
- (h) clearly define responsibilities, procedure and controls;
- (i) promote transparency and accountability grounded in sound business ethics;
- (j) identify conflicts of interest and avoid or report them in line with its agreements with stakeholders and industry best practices;

- (k) properly record, report and review financial and tax information;
- (l) use effective systems of internal control and risk management covering all significant issues, including environmental, social and ethical issues;
- (m) make every effort to meet stakeholders' expectations, facilitate their access to information and provide them with clear and transparent information based on regular and value-added reporting;
- (n) implement a social and environmental management system which enables effective identification, management and monitoring of any risks and provides a framework for action; and
- (o) adhere to a policy of long-term responsible investing.

5.0 REVIEW

This ESG policy is to be reviewed by the Board as required.

