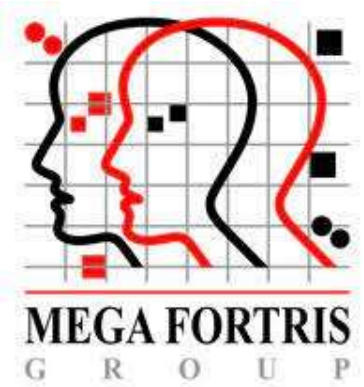


MEGA FORTRIS BERHAD

SUSTAINABILITY POLICY

SCOPE OF POLICY

This Policy Statement applies to all operations of the Mega Fortris Group, its Subsidiaries, and Companies over which it exercises management control. This Policy is applicable to all business dealings and trading activities undertaken with the Mega Fortris Group.

COMMITMENT STATEMENT

At Mega Fortris Group, we believe that sustainable practices are essential to protect the environment, ensure social responsibility, and achieve long-term economic success. Our commitment to sustainability is integrated into all aspects of our operations, including:

1. ENVIRONMENT SUSTAINABILITY

1.1 Conserving energy and reducing greenhouse gas emissions.

1.1.1 Using an energy audit to create a baseline energy consumption so that improvements are measured against this baseline with trends identified and managed.

1.1.2 Phasing out inefficient lighting and legacy equipment that is electricity heavy and introducing energy efficient lighting and equipment.

1.1.3 Expanding on current installed solar photovoltaic capacity, while accessing additional potential renewable energy resources.

1.2 Minimizing waste and promoting recycling and composting.

1.2.1 Focusing on the supply chain circular economy by implementing a waste management program that includes recycling, repurposing and composting.

1.2.2 Reducing waste and by-product creation by designing and manufacturing improved mould designs and products.

1.2.3 Using eco-friendly packaging materials and reducing packaging waste.

1.2.4 Internal awareness campaigns and training to discourage the use of single use plastics, and to encourage reusable containers and utensils, while digitizing

communications and circulations and reducing unnecessary paper consumption.

1.2.5 Including ASTM-D-5511 certified additives into product to enhance the biodegradability of our products.

1.2.6 Mandating a minimum inclusion of 30% recycled plastic in the manufacturing of our plastic seals.

1.3 Sourcing sustainable materials and reducing our use of non-renewable resources.

1.3.1 Dedicate resources and budget to develop, test and include in production, resins that meet international standards (EN13432 and ASTM-D-5511).

1.3.2 Focusing on the sourcing of materials from sustainable sources and reducing our reliance on fossil fuel-based resins and virgin plastic materials.

1.4 Monitoring and reducing our water consumption.

1.4.1 Conducting a water audit to identify the baseline with which to identify areas for improvement and measure these improvements.

1.4.2 Implementing water saving measures such as low-flow taps and toilets, rainwater harvesting and usage.

2. SOCIAL AND ECONOMIC SUSTAINABILITY

2.1 Providing a safe and healthy work environment.

2.1.1 Provide all workers with adequate protective equipment and tools.

2.1.2 Provide regular training on occupational health and safety practices and policies.

2.2 Respecting human rights and promoting fair labour practices.

2.2.1 Prohibit the use of forced or human trafficking or child labour.

2.2.2 Ensure there are no restrictions on workers' freedom of movement.

2.2.3 Ensure all workers are paid a wage equal to or exceeding the legal minimum wage and are covered for work-related illness and injuries.

2.2.4 Recognizes the seriousness of sexual harassment and considers it as a grave offense. Implement strict guidelines to address this issue, which are detailed in our HR Policy.

2.3 Supporting diversity, equality and inclusion in our workforce and in the communities we serve.

2.3.1 Promote workplace fairness and equal opportunities. Every aspect of employment, including hiring, compensation, training access, advancement, termination, and retirement will be determined solely on the basis of business necessities, job prerequisites, and individual qualifications.

2.3.2 Empower the employees and the local communities. Promote economic growth and prosperity through job creation, upgrading of skills, access to education and overall enhancement of livelihood.

2.4 Promoting sustainable supply chain practices with suppliers and vendors.

2.4.1 Promote ethical practices throughout our supply chain. We expect our suppliers and business partners to adhere to human rights and responsible business practices.

2.4.2 Maintain a supplier code of conduct that outlines the specific requirements and standards to meet.

3. GOVERNANCE AND COMPLIANCE

3.1 Complying with all relevant laws and regulations, as well as industry standards and best practices.

3.1.1 The company is certified by ISO and holds ISO 9001, ISO 14001, and ISO 17712 accreditations.

3.1.2 Develop comprehensive policies and procedures that outline the commitment to compliance and provide clear guidance to employees.

3.2 Maintaining transparent and ethical business practices, including responsible financial management.

3.2.1 Conduct business in an honest and ethical manner and comply with applicable laws and regulations.

3.2.2 Conduct basic due diligence on suppliers and partners to ensure they meet ethical standards and comply with relevant laws and regulations.

3.2.3 Establish channels for employees and stakeholders to report any unethical behaviour or concerns confidentially and without fear of reprisal.

3.3 Promoting accountability and integrity across all aspects of our business.

3.3.1 Establish internal controls and processes to monitor and prevent unethical behaviour, such as regular audits, checks, and balances.

3.3.2 Maintain a code of conduct under Employee Handbook that outlines the values, principles, and standards of behaviour expected from everyone within the organization.

At Mega Fortris, we recognize that sustainability is critical to our long-term success and to the well-being of our planet and society. We are committed to implementing sustainable practices across our operations and promoting sustainability throughout our industry. We will continually review and update this policy to ensure that we are meeting our goals and staying at the forefront of sustainable business practices.

Policy updated on 31 January 2024