

Sustainability Policy

Seng Fong Holdings Berhad and its subsidiaries

Seng Fong Holdings Berhad (“Seng Fong” or the “Company”) and its subsidiaries (“Seng Fong Group” or the “Group”) are committed to implementing sustainable business practices and initiatives in the areas of Environment, Social, and Governance (“ESG”) to support the Group’s Vision and Mission.

Governance

1. Seng Fong Group is committed to maintaining appropriate systems and processes to facilitate the effective running of its business and operations in alignment with the Group’s Vision and Mission.
2. Seng Fong Group is committed to upholding the highest standards of professionalism, honesty, accountability, business integrity and ethics to our disclosure obligations to shareholders and other stakeholders.
3. Seng Fong Group is committed to maintaining accountability and transparency in corporate governance systems and processes in the businesses and operations.
4. Seng Fong Group is committed to complying with all applicable laws and regulations.
5. Seng Fong Group is committed to maintaining adequate and effective engagement processes with the Group’s key stakeholders to understand the interest of key stakeholders and facilitate the necessary alignment of stakeholders’ interests with the Group’s Vision and Mission.
6. Seng Fong Group maintains a product traceability system in its businesses and operations to safeguard product quality.
7. Seng Fong Group seeks to participate in industry initiatives to enhance the sustainability of the industry. This includes participating in the Malaysian Rubber Board’s discussions towards promoting a sustainable rubber industry in Malaysia, such as in the topics of preventing deforestation, biodiversity protection, and no open burning.

Protection of the Environment

8. Seng Fong Group is committed to complying with all applicable environmental laws and regulations, including Malaysian Rubber Board (Licensing and Permit) Regulations 2014, Environmental Quality Act 1974, Environmental Quality (Clean Air) Regulations 2014, Environmental Quality (Industrial Effluent) Regulations 2009, as well as Environmental Quality (Scheduled Wastes) Regulations 2005, amongst others as applicable.

9. Seng Fong Group is continuously seeking to optimise resources and minimise the negative environmental impacts of the Group's businesses, operations, and products.

9.1 Energy – the Group seeks to:

- optimising energy efficiency and reducing energy consumption where applicable; and
- reducing reliance on energy derived from non-renewable sources.

9.2 Emissions – the Group seeks to:

- minimising the emissions generated from the Group's businesses, operations, and products; and
- working towards reducing the Group's carbon footprint by taking appropriate actions to reduce greenhouse gas emissions related to its business activities, including deploying green energy where possible, in response to the global common goal to tackle climate change.

9.3 Water – the Group seeks to utilise water efficiency and reduce water consumption.

9.4 Pollution – the Group commits to effectively managing and minimising the risks of pollution caused by its businesses and operations.

9.5 Effluent – the Group commits to treating the effluent from the production line and using the treated effluent for processing operations.

9.6 Materials and waste – the Group seeks to:

- minimising the negative environmental and social impacts caused by waste generated from the Group's businesses, operations, and products;
- optimising and supporting waste efficiency and minimising the waste generated from the Group's businesses, operations, and products; and
- optimising the utilisation of materials used in the Group's businesses, operations, and products.

Protecting People and Contributing to Society

10. Seng Fong Group is committed to complying with all applicable laws and regulations governing employment practices including adherence to minimum working age, minimum wage, maximum working hours, minimum rest periods, freedom of association, and right to collective bargaining, minimum workers' accommodation, amongst others.
11. Seng Fong Group will respect the fundamental human rights of all people in its operations, including its stakeholders such as customers and consumers, suppliers, employees and workers of our Group and business associates. In this regard, the Group upholds the principle of:
 - 11.1 Non-discrimination, diversity, and equal employment opportunities – the Group does not discriminate based on race, religion, gender, age, sexual orientation, disabilities, or nationality; the Group embraces diversity and upholds equal opportunities in its employment practices including recruitment and termination, remuneration, training, promotion, and disciplinary actions;
 - 11.2 No child labour and forced labour – the Group does not allow any child labour or forced labour practices in all its businesses and operations and the Group does not work with businesses with known practices of child labour or forced labour; and
 - 11.3 Freedom of association and right to collective bargaining – the Group respects all employees' right to freedom of association and right to collective bargaining in compliance with applicable laws and regulations and the Group shall not violate or prevent the exercise of such rights of its employees.
12. Seng Fong Group is committed to providing our employees with a safe, conducive, and healthy working environment.
13. Seng Fong Group is committed to protecting the Group's cyber security and the safety and privacy of stakeholders' personal data that the Group collects or processes in accordance with applicable laws and regulations.

This Sustainability Policy was reviewed and approved by the Board on 24 May 2023 and is made available for reference on the Company's website at sengfongholdings.com.