



WEIDA (M) BHD.
Registration No. 200001002142 (504747-W)
(Incorporated in Malaysia)

Business Sustainability Policy

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Business Sustainability Policy

1.0 Introduction

Sustainability generally refers to the adoption and application of environmentally responsible practices, sound social policies and proper governance structures in order to minimise risks and volatility and to enhance the long-term development impact of corporate activities.

Sustainability in business therefore means managing a company in a way that takes into account the social, economic and environmental aspects that can be referred to as the “triple bottom line” or “People, Environment, Profit”. Sustainability is about obtaining a good balance of these three (3) aspects.

Weida (M) Bhd. (“our Company or Weida”) are focused on being responsible to stakeholders, not just shareholders, as stakeholders do also have a significant impact on the value of our Company as we do recognise the increasing benefits of sustainability (e.g. better cost optimisation in the long run, enhanced risk management, increased ability to attract and retain talent).

2.0 Policy Statement

Managing ethics and social responsibility is just as important as paying attention to the profits and growth of Weida. In addition, we do recognise and embrace the concept of *sustainability*, which plays a pivotal role within society and in today’s rapidly changing business environment.

In line with Malaysian Code on Corporate Governance 2017 (‘MCCG’), although not compulsory, our Board of Directors (“the Board”) is taking the initiative to comply and practice, ensuring our Company’s strategies promote sustainability via the following sustainability principles to provide positive impact towards our Company’s sustainability development:

- a) Responsibly source and efficiently manage all materials and resources of our Company which shall include identifying opportunities for risk reduction associated with the processes and chemicals used in our Company’s plants, our products, and waste disposal. We do also take a holistic view of our manufacturing process cycle, from raw materials input, manufacturing processes, and through to packaging, so as to determine the impact of suppliers and end users on the environment through our Company’s products;
- b) Continuously invest in our people to provide them with relevant skills to thrive in a constantly changing business environment;
- c) Support the communities in which our Company operates and those impacted upon by our Company’s activities. This includes pollution prevention with emphasis on source reduction, reuse and recycling, and continuous adoption of cleaner technologies and processes as they become feasible, in promoting a green environment;
- d) Improving our business processes towards international best practices on health, safety and environment;

- e) Continuous enhancement of all business processes, including areas which are not subject to regulations; and
- f) Managing our businesses in an ethical manner.

In addition to our Company's sustainability principles, Weida ensures its commitments are clearly set out through a number of policy documents such as Health and Safety Policy, Employees' Handbook and Whistle-Blowing Policies and Procedures.

3.0 Objectives and Benefits

The objectives and benefits of this Business Sustainability Policy are as follows:

a) Enhance risk management and brand protection

To adapt to societal conditions, needs and decrease the cost of access to capital through effectively managed governance, legal, social, environmental, economic and other risks, and to embed sustainable practices that are able to enhance our Company's reputation and build goodwill with public and non-governmental organisations.

b) Increase employee engagement

In meeting increasing competition for talent, sustainability is an important social value in attracting and retaining employees, as well as fostering greater productivity, due to society's increasing emphasis on the value of sustainability.

c) Increase cost savings

Increased cost savings through areas such as reduced energy use and raw material wastage, and other measures such as better waste disposal methods.

d) Improve access to capital

Financial institutions are increasingly incorporating social and environmental criteria into their assessment of projects and general lending. When making decisions about where to place their money, investors are looking for indicators of sustainable management in our Company in response to pressure from their own stakeholders to finance more environmentally and socially acceptable projects and businesses.

e) Identify new business opportunities

Engaging stakeholders and drawing feedback from a diverse audience can be a rich source of ideas for new products, processes and markets. Demand for more energy or resource efficient products is driving innovation, and companies that are more responsive would have better market

opportunities.

With increasing focus on labour and environmental issues in global supply chains, a company certified to developed-world environmental and social standards, for example, may be a more attractive supplier to customers in advanced countries. Sustainable practices therefore increases global opportunities.

f) Differentiate from competitors

Our Company thrives and excels through its four (4) core competencies in its pursuance of a balanced and sustainable growth where we are differentiated from our competitors for each core competency as follows:

- i) Manufacturing of building materials for infrastructure development in water, drainage and other construction sectors;
- ii) Environmental one-stop engineering solutions in rainwater harvesting, water and wastewater treatments, rural water and draining infrastructure, stormwater management and renewable energy;
- iii) Construction of telecommunication infrastructure, water infrastructure, hospitals and their maintenance; and
- iv) Property development focusing on quality and sustainable living.

g) Engage communities positively

Good sustainability practices helps build “social capital”. And improved community understanding of our Company, its objectives and our people helps build stronger links with society via goodwill created through sound sustainability practices.

h) Comply with laws and regulations

There is increasing regulation related to employment and environmental management. Maintaining and improving relations with governments and regulatory stakeholders could support our Company’s reputation, especially when expanding our operations overseas. Strong management of sustainability will help our Company in maintaining required licenses to operate, through enhanced trust arising from continuous demonstration of responsibility over time.

4.0 Areas of Sustainable Development

Sustainability is increasingly being used as a framework by businesses to help manage changes related to environment and social issues, including new technology, government policies, consumer demand; and to make decisions that balance economic, social and environmental impacts.

To create a better social environment, our Company has identified the following areas of sustainable development:

a) Products, Services and Solutions

In collaboration with Weida's customers and partners, our Company contributes to the development of a sustainable future for society by creating solutions and technologies to solve social and environmental problems, thus enhancing quality of life.

b) Workplaces and Local Communities

As an established and growing Company, Weida provides opportunities for dialogue, a comfortable working environment, and a place for growth to all employees who share its business philosophy and in its pursuance of a balanced and sustainable growth.

Weida respects diverse cultures and values, and contributes to the development of local communities with particular focus on local issues.

c) Supply Chain

Weida understands the impact of its business activities on the environment and society, and works with our suppliers to promote socially responsible procurement.

d) Multi-Stakeholder Cooperation

Weida works with governments, industry bodies, institutions of higher learning, civil society, employees, consumers, investors, non-governmental organisations, and specialists to develop proposals for public policy where our expertise is applicable.

e) Human Resources and Innovation

Weida fosters a collaborative culture to maximize the expertise and abilities of all employees. Our Company also provides opportunities for career development to create professionals who bring about beneficial changes in society and who come up with innovative solutions in building a better world.

f) Environment

Towards achieving a sustainable society, Weida strives to develop its business through the creation of environmental value. To this end, Weida addresses environmental challenges through its business activities and expands its environmental initiatives based on collaboration with stakeholders.

5.0 Disclosure of Our Company's Sustainability Strategies and Activities

Our Company shall be transparent in its efforts to support long-term sustainable development of its operations. Our Company shall include its sustainability strategies and activities in its annual report, a copy of which must be reviewed and approved by the Board before it is published in the Company's corporate website at www.weida.com.my