

# **CHEMLITE INNOVATION BERHAD**

Company No. 202401021849(1567698-V)  
(Incorporated in Malaysia)

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## **SUSTAINABILITY POLICY**

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<b>CHEMLITE INNOVATION BERHAD</b>	Doc. No:	POL-005
<b>TITLE: SUSTAINABILITY POLICY</b>	Eff. Date:	17 FEBRUARY 2025

## 1. Introduction

As the modern resource company, Chemlite has been at the forefront of Malaysia's metal surface finishing treatment industry for over decades. At Chemlite, we hold true to a set of core values embodied in the acronym SHIELD: Safety, Holistic, Integrity, Environment, Lean, Diversity and Inclusiveness. These values are not just words on paper; they are the guiding principles that underpin every facet of our operations, reflecting our unwavering dedication to sustainability.

With each action we take, we remain acutely aware of our responsibility to protect the environment, enhance the well-being of communities, and foster economic growth, reflecting our commitment. The purpose of this Sustainable Policy document is to formalize and communicate the organization's commitment to sustainable practices, outlining its values, goals, and strategies to minimize negative impacts on the environment, society, and the economy while maximizing positive contributions. Our sustainability policy serves as both our roadmap and our promise to uphold these values and principles, ensuring that every decision and action we undertake aligns with our vision for a sustainable and resilient future.

## 2. Objectives

The objective of our sustainability policy at Chemlite, a dedicated integrated metal surface finishing treatment company, is to serve as a foundational commitment to responsible and sustainable practises. Our foremost aims are to:

- To minimise the environmental impact of metal surface finishing treatment operations;
- To prioritise the safety and well-being of our workforce and the communities where we operate, upholding fair labour practices and fostering diversity and inclusiveness; and
- To maintain financial viability, support local economies, and invest in innovations that enhance the efficiency and sustainability of our processes.

Through compliance, accountability, stakeholder engagement, and transparent communication, we are dedicated to achieving these objectives, continually improving our sustainability performance, and contributing positively to the environment, society, and the economy.

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### 3. Scope

This Policy delineates Chemlite's commitment to sustainability, covering, its subsidiaries, and joint ventures. All business associates, such as agents, contractors, suppliers, and vendors, are required to comply with this policy. Serving as a framework for ethical and responsible sourcing and procurement practices, this policy articulates the expected conduct from Chemlite, its suppliers, and business associate in making ethical decisions during sourcing and procurement activities.

This policy makes reference to, and shall be read together with, Chemlite's others established policies and procedures.

### 4. Policy Requirement

The Policy Requirement section of our Sustainability Policy serves as the cornerstone of our commitment to responsible and ethical practices. In this section, we outline the fundamental policies, standards, and guidelines that govern our approach to sustainability. These requirements not only reflect our dedication to sustainable operations but also provide a framework for ensuring our actions align with the highest ethical and environmental standards.

#### 4.1 Environmental Sustainability

Sustainability is integral to Chemlite's operations. Our commitment to environmental preservation is central to this focus. In this section of sustainability policy, we outline our comprehensive approach to environmental responsibility, considering various important aspects.

##### 4.1.1 Waste Management

Applying proper waste management solutions to reduce waste and improve resource efficiency during the operations. In handling hazardous waste materials, maintaining the highest standards of safety and environmental protection. Also implementing efficient and environmentally responsible waste collection and transportation methods, prioritising the reduction of greenhouse gas emissions, energy consumption, and pollution.

##### 4.1.2 Water Management

Implementing measures to reduce water consumption across all our operations, with a focus on optimizing processes and reducing water. Also responsibly source water for operations, ensuring that it is obtained in accordance with local laws and regulations, while respecting the needs of local communities and ecosystems.

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#### **4.1.3 Reducing Energy Usage**

Reducing energy consumption across all aspects of operations by continuously seeking innovative solutions to improve energy efficiency and optimize energy use. Developing an evolving strategy to reduce energy use, look into eco-friendly technology, and put it into practice, or adhere to global energy usage regulations.

#### **4.1.4 Chemical Management**

Using non-hazardous and ecologically friendly chemicals whenever possible to responsibly manage the chemicals used in operations. Conducting extensive risk analyses on each chemical utilized in the operations to find any potential risks to human health and the environment.

Following strict guidelines for the safe handling and storage of chemicals to avoid spills, leaks and contamination, Robust labeling and containment protocols will be implemented.

We also establishing comprehensive emergency response strategies to handle chemical related events quickly and successfully, limiting environmental damage and people danger.

### **4.2 Social Sustainability**

Social sustainability is focused on the development of programs and processes that promote social interaction and cultural enrichment. It emphasizes protecting the vulnerable, respecting social diversity and ensuring that Chemlite put priority on social capital. We outline our comprehensive approach to social responsibility, considering various important aspects.

#### **4.2.1 Occupational Health & Safety**

As outlined in the Health, Safety, Security and Environment (HSSE) policy, Chemlite is committed to integrate quality, health, safety, security and environment consideration into corporate strategy. Chemlite will ensure a workplace that is both safe and conducive to well-being, while adhering to relevant health and safety regulations and internal standards. Additionally, Chemlite establishes and sustains a secure, healthy, and productive work environment through collaboration with employees. This involves identifying and rectifying potential risks related to accidents, injuries, and health effects.

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#### **4.2.2 Harassment Free Workplace**

Maintaining a workplace that is free from discrimination or harassment whether physical, verbal, or psychological based on race, sex, color, national or social origin, religion, age, disability, sexual orientation, marital status, gender identification or expression, political opinion or any other protected by applicable law.

Every instance of harassment reported will be thoroughly and fairly investigated. Those found guilty of participating in harassment will face disciplinary measures, including termination.

#### **4.2.3 Diversity and Equal Opportunity**

Promoting diversity, equal opportunity, and the necessity to consider the rights of women and minorities, as well as the special care aid and assistance to people with disabilities that go along with it. We seek to establish the ideal workplace where individuals of all ages and genders, from all races, cultures, religions, and socioeconomic backgrounds may join to successfully work as a team.

#### **4.2.4 No Child Labor**

Respect for children's rights and prohibition on child labor. We prohibit hiring individuals under the age of 18.

#### **4.2.5 No Forced Labor**

We strictly prohibit all forms of forced labor, including modern-day slavery, indentured labor, bonded labor, military labor, and any type of human trafficking. Employers are prohibited from withholding any property, identity documents, or travel papers, unless allowed by law, and cannot deduct any amount from an employee's pay.

#### **4.2.6 Freedom of Association**

Respecting and recognizing employees' right to freedom of association and collective bargaining. We uphold the employees' freedom to join, form, or not join a labor union without interference, fear of retaliation, intimidation, or harassment.

#### **4.2.7 Respecting Rights for Indigenous People and Local Communities**

Ensuring continual respect for the rights of indigenous peoples and local communities throughout our business operations. Prior to engaging in any activities that could impact the rights of indigenous peoples and local communities, we conduct careful observation and strictly adhere to the outcomes.

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### **4.3 Governance Sustainability**

Governance sustainability is becoming more essential in gaining the confidence of investors, other stakeholders, and the public. Chemlite recognizes the importance of governance sustainability and incorporating it into all functions and processes which include strategic planning, accountability, sustainable planning, and development. we outline our comprehensive approach to governance responsibility, considering various important aspects.

#### **4.3.1 Business Integrity**

Upholding the highest possible standards of morality and ethics in all our operations, communications, and transactions. In every interaction and decision-making procedure, we anticipate the utmost honesty, transparency, and fairness from all employees, contractors, and stakeholders.

#### **4.3.2 Anti Bribery & Corruption**

All anti-bribery and anti-corruption laws and rules in Malaysia, such as the Malaysian Anti-Corruption Commission Act 2009 are fully followed by us. We abide by Chemlite's Anti-Bribery & Corruption Policy in keeping with our dedication to sustainability.

Regarding appropriate behavior and the identification of potential bribery and corruption concerns particular to the Malaysian context, we clearly define our expectations and rules for all workers and stakeholders. In complete accordance with Malaysian law protections, we provide systems for reporting suspected cases of bribery or corruption, including anonymous reporting channels to protect whistleblowers.

#### **4.3.3 Cybersecurity & Data Privacy**

Protecting the privacy and confidentiality of the data we receive from our clients, vendors, business partners, and staff. To manage data in compliance with high standards of data privacy, Chemlite's Personal Data Protection Policy lays out guiding principles. Threat detection solutions are constantly updated and upgraded to combat any form of intrusion or cybersecurity incident in the near future.

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#### **4.3.4 Code of Conduct**

Providing all employees with guidance and insight into the highest principles of professionalism and ethics in business activity. The Code of Conduct for Chemlite is followed by all workers. Our dedication to upholding a Code of Conduct is a continual effort, and we routinely examine and improve our policies and processes to stay abreast of changing moral and legal requirements.

#### **4.3.5 Stakeholder Engagement**

Focusing on gaining the trust of stakeholders and understanding their demands to make sure that our business operations align with their expectations and interests. Actively promote an environment of open and honest communication with all parties involved, giving them a platform to voice their opinions, pose queries, and offer feedback on our operations. Our accountability for resolving stakeholder complaints is upheld by maintaining transparency in reporting on stakeholder engagement activities and results.

### **5. Reports and Disclosures**

Chemlite shall set long-term and short-term targets for its sustainability efforts. The targets would be along with metrics for measurement, tracking and reporting. The Company shall integrate the metrics into the Company's performance management as part of the sustainability strategy.

The Company shall compile reports on sustainability performance on a periodic basis and disclose the results to the public.

### **6. Periodic Review**

This policy shall be reviewed from time to time by the Board when deem necessary. We will revise the Policy to encompass any new developments as well that reinforce our commitment to upholding best practices in the areas of ESG.