



**GUH HOLDINGS BERHAD GROUP  
OF COMPANIES**

**GROUP POLICY & PROCEDURES**

**SUSTAINABILITY POLICY**

# GUH HOLDINGS BERHAD GROUP

## GROUP POLICY & PROCEDURES SUSTAINABILITY POLICY

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## GROUP POLICY & PROCEDURES SUSTAINABILITY POLICY

### 1.0 INTRODUCTION

Sustainability plays an increasingly important role in managing the impact of GUH's operations on governance, environmental, and social matters. GUH recognises that its business cannot be sustained in isolation from the society and environment in which it operates. To enhance GUH's reputation and goodwill, sustainability serves as a framework for managing social and environmental change, including developments in technology, government policies, and evolving consumer expectations. Accordingly, sustainability informs GUH's decision-making to ensure a balanced consideration of economic, environmental, and social impacts.

The objectives of this sustainability policy are to:

- (a) communicate to all employees and customers a commitment to continuously improving environmental, social, and governance (ESG) sustainability;
- (b) enhance awareness of sustainability and its relevance to all employees;
- (c) provide guidance on integrating sustainability practices within GUH;
- (d) foster good sustainability practices; and
- (e) achieve the benefits of sustainability, including cost reduction, improved risk management, differentiation from competitors, and the attraction and retention of talent.

As a result, GUH is positioned to generate long-term returns with a reduced risk profile.

### 2.0 SCOPE

This policy and guidelines shall be applicable to ***all directors and employees*** of **GUH Holdings Berhad Group, its wholly owned subsidiaries and sub-subsidiaries in Malaysia and China.**

### 3.0 DEFINITIONS

- 3.1 **Stakeholders** : A group of people who can affect, or who can be affected by a corporation or its activities. E.g. shareholders, regulators, customer, suppliers, business partners, employees and communities.
- 3.2 **Sustainability** : Adoption and application of environmentally responsible practices, sound social policies and exceptional governance structures in order to minimize risks and volatility and to enhance long-term development impact of corporate activities.

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- 3.3 **Sustainability Policy** : A documented commitment to addressing sustainability in business.

### 4.0 REFERENCE

- 4.1 Bursa Malaysia. *Sustainability Reporting Guide*. 2022
- 4.2 Bursa Malaysia. *Toolkit on Governance, Toolkit on Materiality Assessment, and Toolkit on Stakeholder Engagement*. 2022

### 5.0 EFFECTIVE DATE OF IMPLEMENTATION

This policy and guidelines shall be implemented with **immediate effect** and shall remain in force until such time when a review, in whole or in part, is deemed necessary.

### 6.0 GROUP POLICY & GUIDELINES

#### 6.1 Responsibilities

##### 6.1.1 Board of Directors

- (a) Ensure the integration of GUH's values and stakeholder interests into corporate strategy and risk management.
- (b) Align GUH's sustainability strategy with its corporate strategy and values to ensure a focused and effective approach.
- (c) Ensure that a clearly defined sustainability strategy is established and effectively communicated to stakeholders.
- (d) Embed sustainability elements into existing business practices with a focus on value creation.
- (e) Oversee management of material sustainability issues through robust processes and controls.
- (f) Ultimately responsible for the Company sustainability practices.
- (g) Receive regular updates and measures on management of material sustainability issues.

##### 6.1.2 Risk Management & Sustainability Committee

- (a) Overseeing the management of principal business risks and significant/material environmental, economic, and social (EES) risk.

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- (b) Ensuring resources and processes are in place to enable the company to achieve its sustainability commitments or targets; and
- (c) Approving disclosure statements relating to management of sustainability matters of the company.

### 6.1.3 Chief Executive Officer (CEO) and Top Management

- (a) Carry out sustainability initiatives.
- (b) Align Company targets within action plans and reporting to Board.
- (c) Ensure effective monitoring and measuring of associated impacts of sustainable activities.

### 6.1.4 Management, Head of Departments (HOD), Managers and Equivalent

- (a) Implement policies and procedures, standard operating procedures and business practices in accordance to GUH's corporate strategy.
- (b) Implement training and development programmes to employees and external stakeholders (e.g. customers, suppliers) to enhance sustainability awareness in the Company.
- (c) Develop measures to track performance of sustainability initiatives implemented by the Company, e.g. key performance indicators (KPIs).

### 6.1.5 All Employees

All employees shall support the Company's sustainability objectives, strategies, and procedures by actively embracing GUH's sustainability practices, including participating in Company-organised activities and proactively contributing to sustainability initiatives.

## 6.2 Integrating and Managing Sustainability

6.2.1 Sustainability in business refers to managing a company in a manner that considers its social, economic, and environmental impacts. GUH's sustainability business focus is guided by the impact of its operations on governance, environmental and social matters.

6.2.2 Companies in GUH Group will align their performance and goals with the GUH Group's sustainability matters and practices to achieve long term returns and lower risk profile.

6.2.3 GUH's sustainability matters are set out in *Appendix I*, in accordance with the three (3) dimensions:

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- (a) Governance
- (b) Environmental
- (c) Social

- 6.2.4 All Companies in GUH shall support and align their efforts and initiatives towards GUH's *sustainability matters* as indicated in *Appendix I* and ensure better utilization of resources.
- 6.2.5 Each Company with different business may have different sustainability issues and focus areas where Management will actively identify the issues based on business impact of their operations on the three (3) dimensions as stated in *Appendix I* as well as stakeholders' expectations and corporate strategy.
- 6.2.6 *Sustainability measures* (performance measures) shall be developed by each Company to track the performance of sustainability matters implemented. These performance measures should be agreed upon by the owners and relevant stakeholders.
- 6.2.7 Roles and responsibilities shall be clearly defined within each Company, which include updates to job descriptions and Key Performance Indicators (KPIs).
- 6.2.8 GUH shall seek to improve sustainability reporting and improve its credibility towards stakeholders; further enhance its reputation and value.
- 6.2.9 Effective engagement with stakeholders can contribute to learning and innovation in products and processes and lead to increase market value of GUH.

### 6.3 Group Sustainability Focus Areas

- 6.3.1 To achieve GUH's sustainability objectives, the management of each Division shall consider the sustainability focus areas outlined in *Appendix I*.
- 6.3.2 In response to climate change and evolving market conditions, the management of each Company shall regularly review, monitor, and implement appropriate measures.
- 6.3.3 Focus areas may vary between Companies and should be determined based on factors that influence sustainability performance, including:
- (a) the nature of the business and its environmental and social impacts;
  - (b) available resources to implement sustainability initiatives effectively;
  - (c) the Company's strategic priorities and long-term objectives; and
  - (d) stakeholder expectations and evolving regulatory or market requirements.

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By aligning focus areas with these factors, each Company can ensure that its sustainability efforts generate meaningful social, environmental, and economic outcomes.

- 6.3.4 Management of all Companies shall proactively consider the future direction of social contributions and corporate responsibilities to drive excellence in sustainability development.

### 7.0 PROCEDURES NOT COVERED UNDER POLICY

In the event that:

- (a) a procedure relating to Sustainability which is not included in this manual; or
- (b) an employee has a query relating to the procedure under this policy; or
- (c) a company procedure not covered under this policy,

the matter should be referred in the first instance to the General Manager or Division Head, who may thereafter refer to the Managing Director for guidance, if required.

**APPENDIX I  
GROUP SUSTAINABILITY FOCUS AREAS**

Sustainability Dimension	Sustainability Matters	Sustainability Measures	Benefits / Outcomes
<b>Governance</b>	Anti-Corruption	<ul style="list-style-type: none"> <li>Percentage of employees who have received training on anti-corruption by employee category</li> <li>Percentage of operations assessed for corruption-related risks</li> <li>Confirmed incidents of corruption and action taken</li> </ul>	<ul style="list-style-type: none"> <li>Reduces legal and reputational risks; strengthens corporate integrity and stakeholder trust.</li> </ul>
	Supply Chain Management (Procurement Practices)	<ul style="list-style-type: none"> <li>Proportion of spending on local suppliers</li> <li>Number of suppliers being reviewed annually</li> <li>Number of new suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Promotes responsible sourcing; improves supply chain resilience and cost efficiency.</li> </ul>
	Data Privacy & Security	<ul style="list-style-type: none"> <li>Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data</li> <li>Total number of Personal Data Protection Act (PDPA) trainings conducted</li> </ul>	<ul style="list-style-type: none"> <li>Protects sensitive information; reduces risk of data breaches; builds customer trust.</li> </ul>
<b>Environmental</b>	Energy Management	<ul style="list-style-type: none"> <li>Total energy consumption by area of operations</li> <li>Total energy consumption per output unit</li> <li>Total energy consumption by type of energy source</li> <li>Percentage of energy from renewable sources</li> <li>Energy intensity</li> <li>Total savings in electricity bill (MYR) due to usage of renewable energy (wind, solar, water, etc)</li> <li>Amount of investment in energy-efficient technologies</li> </ul>	<ul style="list-style-type: none"> <li>Lowers operational costs; reduces carbon footprint; enhances efficiency.</li> </ul>
	Water	<ul style="list-style-type: none"> <li>Total volume of water used</li> <li>Water consumption per unit of production</li> <li>Water recycling/reuse rate</li> <li>Percentage reduction in water pollutants</li> <li>Wastewater treatment</li> </ul>	<ul style="list-style-type: none"> <li>Optimizes water use; ensures regulatory compliance; reduces environmental impact.</li> </ul>
	Waste Management	<ul style="list-style-type: none"> <li>Total weight of waste generated</li> <li>Total weight of waste diverted from disposal</li> <li>Total weight of waste diverted to disposal</li> <li>Total waste generation per unit of output</li> <li>Total amount of recycled waste</li> <li>Percentage of waste recycled or reused</li> <li>Number of sustainability practices (waste management) implemented</li> </ul>	<ul style="list-style-type: none"> <li>Minimizes waste and environmental liability; supports circular economy initiatives.</li> </ul>
	Emissions Management	<ul style="list-style-type: none"> <li>Scope 1 - Tonnes of CO<sub>2</sub>e produced by company vehicles &amp; machinery owned by the company</li> <li>Scope 2 - Indirect GHG emissions arising from the generation of purchased electricity consumed in terms of tCO<sub>2</sub>e, currency and kWh</li> <li>Scope 3 - Tonnes of CO<sub>2</sub>e produced by employees commute</li> <li>Scope 3 - Tonnes of CO<sub>2</sub>e produced by Business Travel</li> <li>Scope 3 - Tonnes of CO<sub>2</sub>e produced from purchase of goods &amp; services</li> </ul>	<ul style="list-style-type: none"> <li>Reduces carbon emissions; ensures compliance with environmental regulations; improves sustainability profile.</li> </ul>

**APPENDIX I**  
**GROUP SUSTAINABILITY FOCUS AREAS (Continued)**

Sustainability Dimension	Sustainability Matters	Sustainability Measures	Benefits / Outcomes
<b>Environmental</b>	Environmental Compliance	<ul style="list-style-type: none"> <li>Number of environmental non-compliance incidents</li> <li>Total amount of fines or penalties related to environmental non-compliance</li> <li>Percentage of operations audited for environmental compliance</li> <li>Number of climate-awareness training sessions held for employees</li> <li>Publication of annual sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>Avoids fines and legal penalties; strengthens corporate reputation.</li> </ul>
	Biodiversity	<ul style="list-style-type: none"> <li>Number of biodiversity initiatives or partnerships formed</li> <li>Percentage of projects with biodiversity assessments</li> <li>Number of initiatives to protect local ecosystems and species</li> <li>Number of partnerships focused on sustainable initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Supports ecosystem preservation; enhances corporate social responsibility and stakeholder goodwill.</li> </ul>
	Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> <li>Number of innovative sustainable solutions implemented</li> </ul>	<ul style="list-style-type: none"> <li>Drives adoption of sustainable technologies; increases competitiveness and efficiency.</li> </ul>
<b>Social</b>	Community/ Society	<ul style="list-style-type: none"> <li>Total amount invested in the community where the target beneficiaries are external to the list</li> <li>Total number of beneficiaries of the investment in communities</li> <li>Total number of projects and initiatives</li> <li>Total number of voluntary hours</li> </ul>	<ul style="list-style-type: none"> <li>Builds goodwill; strengthens social license to operate; improves brand reputation.</li> </ul>
	Diversity (All Employees)	<ul style="list-style-type: none"> <li>Number of employees: age group by employee category</li> <li>Number of employees: gender by employee category</li> <li>Number of employees by ethnicity</li> </ul>	<ul style="list-style-type: none"> <li>Fosters inclusive culture; attracts and retains talent; enhances innovation and decision-making.</li> </ul>
	Diversity (New Hires)	<ul style="list-style-type: none"> <li>Number of new employee hires</li> </ul>	
	Diversity (Turnover)	<ul style="list-style-type: none"> <li>Number of employee turnover</li> </ul>	
	Diversity (Disability)	<ul style="list-style-type: none"> <li>Number of employees with disability</li> </ul>	
	Diversity (Training)	<ul style="list-style-type: none"> <li>Number of Trainings conducted</li> <li>Number of board members and employees who have received training on discrimination and harassment in the workplace</li> </ul>	
	Diversity (Directors)	<ul style="list-style-type: none"> <li>Number of directors: by gender</li> <li>Number of directors: by age group</li> </ul>	
Health and Safety (Occupational Health and Safety)	<ul style="list-style-type: none"> <li>Total number of work-related fatalities</li> <li>Total number of work-related accidents</li> <li>Lost time incident rate ("LTIR")</li> <li>Average number of hours worked per employee</li> <li>Number of absence days during the year</li> <li>Total amount of fines/penalties relating to workplace health and safety for the financial year</li> <li>Total number of injuries</li> <li>Total amount spent on employee safety &amp; health</li> <li>Frequency of surveying the work areas per year</li> <li>Total number of OHS management system / processes used by the company</li> <li>Total number of external verification/Assessment done for health, safety &amp; well-being</li> </ul>	<ul style="list-style-type: none"> <li>Reduces workplace accidents; improves employee well-being; ensures regulatory compliance.</li> </ul>	

**APPENDIX I**  
**GROUP SUSTAINABILITY FOCUS AREAS (Continued)**

Sustainability Dimension	Sustainability Matters	Sustainability Measures	Benefits / Outcomes
<b>Social</b>	Employee Health and Safety Programme	<ul style="list-style-type: none"> <li>• Total number of employees trained on health and safety standards</li> </ul>	<ul style="list-style-type: none"> <li>• Promotes proactive health measures; increases morale and productivity.</li> </ul>
	Training and Staff Development	<ul style="list-style-type: none"> <li>• Total hours of training by employee category</li> <li>• Average amount spent per Full-Time Equivalent (FTE) on training &amp; development</li> </ul>	<ul style="list-style-type: none"> <li>• Enhances skills and performance; supports succession planning and retention.</li> </ul>
	Human Rights	<ul style="list-style-type: none"> <li>• Total number of substantiated complaints concerning human rights violations</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures fair treatment; mitigates legal and reputational risks; strengthens ethical culture.</li> </ul>
	Labour Practices and Standards (Labour Management and Relationship)	<ul style="list-style-type: none"> <li>• Number of employees that are contractors or temporary staff</li> <li>• Total number of employee turnover by employee category</li> <li>• Job satisfaction rates</li> <li>• Employee performance appraisal</li> <li>• Initiatives carried out under employee support programs</li> <li>• Total amount (MYR) allocated for employee benefits</li> <li>• Percentage of employees receiving fair wages</li> <li>• Compliance rate with labour standards</li> </ul>	<ul style="list-style-type: none"> <li>• Improves employee relations; minimizes disputes; ensures compliance with labor laws.</li> </ul>