



SCIENTEX PACKAGING (AYER KEROH) BERHAD
(Formerly known as DAIBOCHI BERHAD)

ENVIRONMENTAL POLICY

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BACKGROUND

It is Scientex Packaging (Ayer Keroh) Berhad (formerly known as Daibochi Berhad) group of companies' ("SPAK") commitment to play a pivotal role in contributing positively to the protection of environment through our business conduct and operations. Our objective has always been focused on sustaining the environment by improving energy efficiency and effectively managing waste across SPAK's operations. Measures and initiatives are always at the forefront of our mind in bringing positive impact to the environment and limiting any adverse consequences resulting from our operations.

SPAK will endeavour to manage waste, energy, biodiversity, resources utilised and comply with existing environmental laws and regulations, and wherever possible, to carry out initiatives that may better position SPAK in the landscape of sustainability.

APPLICATION

This Policy covers all our operations including our manufacturing plants and site operations. This Policy also applies to all SPAK's employees, contractors, suppliers and to any other person who is notified that this Policy applies to them.

COMMITMENTS TO THE ENVIRONMENT

This Policy aims to integrate the concept of sustainability into all SPAK's activities and to establish and promote sound environmental practices in its operations.

SPAK has an overall responsibility for the following:

- To achieve sound environmental practices across our entire operations;
- To comply with all relevant laws and regulations;
- To openly communicate our policies and practices to interested parties;
- To ensure that adequate resources are made available to enable SPAK to achieve its environmental objectives and targets and that this Policy is adhered to; and
- To monitor and record our environmental impacts on a regular basis and compare our performance with our policies, objectives and targets.

To this end, in addition to achieving environmental compliance, SPAK is committed to taking the following actions on several environmental fronts:

A. Energy and Emissions

SPAK is committed to responsible energy utilisation and to minimise emission contribution in its efforts to reduce its carbon footprint and limit global warming. To the best of our abilities and circumstantial

elements, SPAK intends to reduce the impacts of climate change with the following key commitments:

- Reducing inefficient energy consumption where possible;
- Integrating energy efficiency considerations into all facilities, operations and services;
- Developing and implementing efficient technologies, processes and systems that can improve related energy and emissions performance;
- Complying with legal requirements and integrating industry best practices into operations and services;
- Incorporating elements of energy efficiency and other environmental impacts into SPAK's procurement policies and procedures; and
- Advocating awareness on energy efficiency and carbon footprint reduction among stakeholders.

B. Waste

Waste is a common by-product from SPAK's operations. By and large, SPAK understands the importance of managing waste properly to avoid harming the environment and the community it operates in through the following commitments:

- Minimising our waste generation where possible;
- Practising responsible waste management practices through efforts in prevention, reduction, reuse, recycling and recovery of waste;
- Maintaining waste management standards that meet or exceed applicable legal requirements and integrate industry best practices into its operations and services;
- Identifying the impact of waste from SPAK's business activities and set targets to continually improve SPAK's waste management performance; and
- Engaging with stakeholders in order to promote awareness on good waste management practices and minimise waste generation.

C. Resource Utilisation

To produce high quality products and services, SPAK utilises natural and man-made materials from various sources that may have an impact to the environment. Hence, SPAK commits to proper utilisation of materials and other resources by:

- Practising responsible material utilisation where materials for our operations are consumed efficiently and effectively;
- Incorporating environmental impact prevention considerations in our procurement process and encourage the use of recycled or up-cycled materials;
- Encouraging the development of sustainable products in support of responsible resource utilisation;
- Optimising usage of water resources through effective conservation efforts and efficient utilisation process; and
- Engaging in innovation and collective action to preserve and protect water resources to ensure continuous and adequate access to a safe water supply.

D. Biodiversity

SPAK operates in various locations and encroaches surrounding environments and areas. To reduce the impact of its operations, SPAK is committed to the following:

- Minimising environmental impacts on biodiversity and the surrounding areas in which SPAK operates thereby conserving the environment where SPAK operates;
- Integrating the management of natural capital and biodiversity into our environmental management plans; and
- Highlighting and raising awareness of the importance of biodiversity protection and conservation through training, internal and external education.

MONITORING

To ensure a strong environmental related performance, our progress against these objectives will be monitored through a number of mediums including:

- Periodic Management review of any associated environmental procedures;
- Regular internal audits of environmental procedures;
- Monitoring of environmental objectives and associated key performance indicators/ targets; and
- Regular Management meetings.

REPORTING OF VIOLATIONS

All parties are encouraged and expected to report incidents of non-compliance. Any violations of this Policy may be reported to the superior or Head of Department or any other suitable Management representatives of SPAK. For anyone reporting a violation, the individual shall, to the extent legally permissible, have the right to remain anonymous.

Alternatively, serious violations may also be reported via SPAK whistleblowing procedures where any party can submit reports confidentially and anonymously, where legally permitted. SPAK has a non-retaliatory Whistleblowing Policy and assures that there are no adverse consequences for any party who, in good faith, alerts Management of possible violations of this Policy.

COMMUNICATION

This Policy is available for access on SPAK's website.

GUIDANCE AND ASSISTANCE

If there are any questions or uncertainties regarding this Policy, please contact the superior or the relevant Head of Department for further guidance and consultation.

REVIEW OF POLICY

This Policy can be modified and amended by the Board of Directors of SPAK (“Board”) from time to time as it deems necessary. Modifications and amendments may be initiated as necessary in order to ensure compliance with laws and regulations and/ or to accommodate organisational and business developments within SPAK. The Policy shall be made effective upon the approval of the Board and after the same is made publicly available.

This Environmental Policy has been approved by the Board on 22 June 2021 and updated with the new name of the Company with effect from 30 December 2021.