



NEW HOONG FATT HOLDINGS BERHAD
Registration No. 199701010213 (425709-K)

SUSTAINABILITY POLICY

Current Review Date: 27 May 2025

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1. Introduction

New Hoong Fatt Holdings Berhad (“NHF” or “the Company”) and its subsidiaries (collectively, “the Group”) are committed to integrating sustainability into all aspects of business operations. The Group recognises that long-term value creation goes beyond financial performance - it also depends on the effective management of economic, environmental, social and governance risks and opportunities. As such, the Group is dedicated to continuously assessing these factors and improving its practices to ensure responsible, resilient, and sustainable business growth.

2. Scope and Application

This Policy applies to the Group’s operations in Malaysia. While the Group’s overseas subsidiaries may be subject to different regulatory frameworks and market conditions, they are encouraged to adopt and align with the principles and practices set out in this Policy wherever practicable.

The Group also expects its suppliers, contractors, and business partners to adhere to the relevant principles of this Policy, as part of a broader commitment to responsible and sustainable business conduct across the value chain.

3. Objectives

The purpose of this Policy is to guide the Group in conducting its business responsibly, with the aim of creating long-term value for its stakeholders and enhancing the Group’s long-term performance and resilience.

4. Guiding Principles

The Group is committed to the following sustainability principles to support long-term value creation and responsible business practices:

4.1 Environmental

- (a) Ensure full compliance with applicable environmental laws and regulations.
- (b) Minimise negative environmental impacts through the following initiatives:
 - Energy Efficiency: Use energy efficiently, adopt energy-efficient technologies and practices, increase the use of renewable energy source, where feasible;

- Emissions Management: Monitor and reduce greenhouse gas emissions (GHG) from operations, logistics, and business travel;
- Waste Management: Ensure the disposal of waste and effluents is conducted safely and in full compliance with applicable regulations;
- Water Usage: Optimise water usage and implement water conservation measures where practicable; and
- Resource Use: Adopt circular economy principles by implementing 3R practices (Reduce, Reuse, Recycle), lean management and other best practices to minimise waste generation, extend material life cycles and optimise raw material usage.

4.2 Social

Employees

- (a) Comply with all applicable labour, safety, and health laws and regulations, including prohibitions on forced labour and child labour.
- (b) Provide a safe and healthy workplace for all employees.
- (c) Create a workplace environment that values diversity, promotes equal opportunities, and ensures that all employees are treated with dignity and respect.
- (d) Support employee development through continuous training and learning opportunities.
- (e) Foster an engaging workplace where employees are informed, involved, and empowered to contribute to the Group's success.
- (f) Foster volunteer opportunities for employees through internal initiatives and participation in external community programs.

Communities

- (a) Promote long-term economic growth by prioritising local employment where feasible.
- (b) Create opportunities to develop skilled local talent through training and collaboration.
- (c) Support local charities and social causes through meaningful contributions and engagement.
- (d) Build constructive relationships with stakeholders, including local communities, industry peers, and government bodies.

- (e) Protect relevant stakeholders' privacy and personal information by instilling proper security safeguards.

4.3 Economic

- (a) Deliver high-quality products that meet stringent quality standards and customer expectations, contributing to long-term success and sustainable growth.
- (b) Comply with all relevant laws and regulations while upholding ethical business practices across all operations.
- (c) Establish and maintain sound corporate governance frameworks and policies to foster long-term business success and maximise shareholder value.
- (d) Improve resource efficiency and reduce operating costs through measures such as effective management of water, waste and energy.
- (e) Integrate sustainable procurement practices where practicable, and support local businesses to strengthen community ties and economic resilience.
- (f) Proactively identify and address sustainability-related risks and opportunities, including those related to climate change, by taking appropriate measures to strengthen both climate and business resilience.
- (g) Disclose sustainability data and performance in accordance with relevant reporting frameworks and requirements.
- (h) Commit to continuous improvement in sustainability performance and actively promote sustainable practices across all operations.

5. Responsibility and Governance Structure

The Board of Directors ("the Board") of the Company bears ultimate accountability for the oversight of sustainability matters of the Group. The Board plays a central role in ensuring that material sustainability risks and opportunities are identified, monitored, and integrated into the Group's overall strategies and business model. It is responsible for setting the tone from the top and ensuring that sustainability remains a key consideration in the Group's decision-making processes.

The Audit and Risk Management Committee (“ARMC”), which reports directly to the Board, is entrusted with the oversight of both risk management and sustainability matters. The ARMC is responsible for reviewing and recommending the Group’s sustainability strategies, policies, and performance indicators. It ensures that the Group’s sustainability-related commitments, including those related to climate change, resource efficiency, human capital, and stakeholder engagement are implemented with rigour and consistency. The ARMC also reviews the Group’s Sustainability Policy, evaluates the effectiveness of sustainability practices, and oversees the preparation of sustainability disclosures. The ARMC meets quarterly to deliberate on key sustainability issues and submits its findings and recommendations to the Board for further consideration.

The NHF Sustainability Working Group is responsible for overseeing the effective implementation of this Policy, including the coordination of initiatives and allocation of necessary resources to achieve its objectives. All employees are expected to support, uphold, and comply with the principles outlined in this Policy as part of their roles and responsibilities.

6. Review and Revision of Policy

This Policy shall be reviewed by the ARMC at least once in every three (3) years or as and when necessary to ensure compliance with prevailing rules, guidelines and best practices. Any amendments made to this Policy shall be subject to the approval of the Board .

This Policy is made available on the website of the Group at www.newhoongfatt.com.my.