



DXN HOLDINGS BHD.

Registration No.: 199501033918 (363120-V)

SUSTAINABILITY POLICY

VERSION	:	1.0
APPROVED BY	:	BOARD OF DIRECTORS
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1. INTRODUCTION

- 1.1 The purpose of this Sustainability Policy (“**Policy**”) is to establish the objectives and commitment of DXN Holdings Bhd. (“**DXN**” or “**the Company**”) and its subsidiaries (“**the Group**” or “**We**” or “**DXN Group**”) to promote Economic, Environment and Social (“**EES**”) sustainability principles.
- 1.2 The Group aspires to continually improve the integration of sustainability into our business environment and create long term value for all our stakeholders throughout our operations.
- 1.3 DXN’s commitment to sustainability starts from the Board of Directors (“**Board**”) and the Executive Committee supported by the Sustainability Officer and the Sustainability Working Committee (“**SWC**”) and thereafter, is reinforced at every level within the Group.

2. OBJECTIVES

- 2.1 This Policy intends to achieve the following objectives:
 - (a) To comply with, and exceed where applicable, all applicable legislation, laws, regulations and codes of practice in all of our operations;
 - (b) To consider sustainability issues and principles, integrate and implement these considerations into all our business decisions including strategies, policies and procedures;
 - (c) **To provide the best quality product to our customers while preserving the environment;**
 - (d) To foster awareness and appreciation of EES principles and adoption of sustainable practices within the Group and the communities where the Group operates;
 - (e) To promote environmental responsible attitudes and behaviour in our employees and encourage suppliers, customers and other business partners to adopt similar practices;
 - (f) To contribute to the wellbeing of local communities, communicating openly and sincerely with them and pursuing good neighbourly relations; and
 - (g) To review, report, and to strive to improve the Group’s sustainability performance.



2.2 The Group endeavours to review its processes to align with these objectives.

3. SCOPE

3.1 This Policy applies to the business activities and operations of the Group and include associated parties such as employees, customers, suppliers and business partners who are engaged with the Group's activities or provide products and services to the Group.

3.2 In order to operate in a sustainably manner, we focus our activities in key impact areas and define the following areas of focus:

(A) Economics

While ensuring effective corporate governance compliance, we are committed to pursue business operation in a long-term sustainable manner that create values to our stakeholders.

We aim:

- (1) To be the trusted brand that offers high quality yet affordably priced products;
- (2) To uphold ethical business conduct and maintain sound governance system; and
- (3) To promote human well-being, quality of life and equality without threatening the ecosystem's sustainability.

(B) Environment

We are cognisant of our responsibility in protecting the environment, conserving biodiversity, and maximise our resources while minimising the environmental impact.

We aim:

- (1) To embrace responsible energy and resource management in day-to-day operation, which include adoption of carbon reduction strategies, use of green technologies and instilling environmentally sustainable practices, where practicable;
- (2) To comply with national laws and regulations related to environment;
- (3) To innovate and promote responsible product design, packaging, use and disposal of products;



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- (4) To raise awareness on sustainable and responsible environment conduct within the Group and stakeholders; and
- (5) To adopt integrated approach of land use planning and conserve biodiversity.

(C) Social

We endeavour in complying with human rights, labour, legal and regulatory requirements, to protect and support the communities where we operate. We recognise the global reach of our business operations and public accountability.

We operate worldwide and with that, all our employees, customers, members, distributors, and other stakeholders aspire:

- (1) To embrace diversity, inclusivity, gender equality and an environment free of discrimination and harassment;
- (2) To continuously cultivate and nourish talent through trainings, development and implementation of policies;
- (3) Recognise human rights, respect cultures and values in dealings with employees and communities of our operations;
- (4) To provide and maintain a healthy and safe working environment;
- (5) To enable appropriate/adequate controls for business continuity and emergency responses for our operations and communities; and
- (6) To continuously support and contribute to the social, economic and development of the local communities.

4. QUANTIFIABLE TARGETS AND METRICS AND REPORTING

- 4.1 The Executive Committee, working in concert with the Sustainability Officer and the SWC, will set a short, medium and long-term targets and metrics for our sustainability efforts. These targets and metrics will measure, track and report the achievement of our sustainability goals and targets.
- 4.2 The SWC will discuss with the Executive Committee on the quantifiable targets and metrics and its progress to-date towards achieving business sustainability for subsequent endorsement by the Executive Committee and Board of DXN on a bi-annual basis or more frequently as the need arises.



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- 4.3 The Executive Committee and / or the Board may improve one or more aspects of the targets and metrics and measure the same accordingly.

5. **DISCLOSURE**

- 5.1 Reporting and disclosures will be included in a sustainability reporting, corporate governance report and corporate governance overview statement of DXN's Annual Report. These reporting may include a summary of this Policy, a narrative on the Group's management of material economic, environmental and social risks and opportunities and the progress of implementation of various sustainability initiatives towards achieving the Group's sustainability objectives.

6. **POLICY GOVERNANCE**

- 6.1 Any requirement for modifications and/or amendments shall be deliberated and any recommendation for revision shall be highlighted by the Executive Committee to the Board for approval.
- 6.2 This Policy shall be reviewed as and when necessary in accordance with the needs of the Group by the Board in association with the Executive Committee and shall thereafter be shared with the stakeholders through the corporate website and other channels as appropriate.