



DXN HOLDINGS BHD.

Registration No.: 199501033918 (363120-V)

ENVIRONMENTAL AND ENERGY POLICY

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POLICY OWNER : (i) SAFETY, HEALTH & ENVIRONMENT (SHE) DEPARTMENT
(ii) GROUP SUSTAINABILITY DEPARTMENT

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1. DEFINITION

For the purpose of this Policy, the following definitions and interpretations shall be applied in this Policy: -

Associates	<p>An external party with whom the Group has established, or plans to establish some form of business relationship. This includes vendor, suppliers, contractors, sub-contractors, consultants, agents, outsourcing providers, representatives and other intermediaries who are performing work or services for or on behalf of the Group.</p> <p>Associate (in relation to a person) is defined in the MACC Act to mean the following: -</p> <ul style="list-style-type: none">(a) any person who is a nominee or an employee of such person;(b) any person who manages the affairs of such person;(c) any organisation of which such person, or any nominee of his, is a partner, or a person in charge or in control of, or has a controlling interest in, its business or affairs;(d) any corporation within the meaning of but not limited to the Companies Act 2016 [Act 777], of which such person, or any nominee of his, is a director or is in charge or in control of its business or affairs, or in which such person, alone or together with any nominee of his, has or have a controlling interest, or shares to the total value of not less than thirty per centum of the total issued capital of the corporation; or(e) the trustee of any trust, where:-<ul style="list-style-type: none">(i) the trust has been created by such person; or(ii) the total value of the assets contributed by such person to the trust at any time, whether before or after the creation of the trust, amounts, at any time, to not less than twenty per centum of the total value of the assets of the trust. <p>Notwithstanding the above definitions, DXN distributors are independent distributors and the relationship between DXN and its independent distributors shall in no way fall within above definition of Associates.</p>
Board	Board of Directors of DXN
Company or DXN	DXN Holdings Bhd.
Directors	Directors of DXN including independent and non-independent directors and executive and non-executive directors.

Employees	All individuals directly employed by DXN whether on permanent, contractual or temporary basis.
GFD	Group Finance Department of DXN
GGRM	Group Governance and Risk Management department of DXN
GHR	Group Human Resources of DXN
Group or DXN Group	DXN and subsidiaries, collectively
KSM	Key Senior Management of DXN. A person, who in the opinion of DXN, is one who generally holds highest level of management responsibility and decision-making authority within the Group and must include a person who is primarily responsible for the business operations of the Company's core business and principal subsidiaries. Essentially, KSM is a member of the C-Suite or persons as identified as KSM
Operational area PIC	Refers to the head of the operational area allocated responsibility for ensuring compliance with a specific obligation.
BRC	Board Risk Committee of DXN
Third Parties	Any individuals or organisation that an associate may come into contact with during engagement with DXN and includes actual and potential clients, customers, suppliers, vendors, business contacts, agents, advisors, government and public bodies including their advisors, representative and officials.
OSH	Occupational Safety and Health
SHE Department	Safety, Health and Environment Department
OSH Officer	A competent person who responsible for ensuring compliance with occupational health and safety guidelines in Group's workplace and operations.

2. INTRODUCTION

- 2.1 DXN Group is committed to conducting its business activities lawfully and consistently with its Environmental and Energy Policy.
- 2.2 DXN Group adopts a structured approach to managing its environmental impact, is committed to preventing pollution and adheres to all applicable environmental legislation.
- 2.3 DXN Group strives for continuous improvement and aims to enhance our overall environmental performance globally.

3. PURPOSE

- 3.1 The purpose of this policy is to set out the Group's approach to achieving its environmental objectives, including its responsibilities. Thus, the Group has developed this Environmental & Energy Policy (hereinafter referred to as 'this Policy').

4. SCOPE

- 4.1 This Policy applies to DXN's Board of Directors (Executive or Non-Executive) and all employees regardless of their positions or grade including permanent and contractual employees of the Group.
- 4.2 This Policy is also applicable to DXN's external stakeholders including members, distributors, vendors, contractors, sub-contractors, suppliers, customers, clients, consultants, governments, and local communities. These stakeholders apply to contribute to DXN's business contribution and supply chain.
- 4.3 This Policy shall outline the key commitments of DXN's environmental and energy commitment in accordance with the following categories:
 - 4.3.1 Environmental Commitments
 - 4.3.2 Energy and Emissions Commitments
 - 4.3.3 Water and Wastewater Commitments
 - 4.3.4 Waste Management Commitments

5. ROLES AND RESPONSIBILITIES

- 5.1 This Policy promotes a culture of accountability and as such every employee has an important role to perform in establishing and maintaining an environmentally responsible culture and process.
- 5.2 The Head of Safety, Health and Environment has overall responsibility for this Policy and shall oversee the day-to-day administration and implementation of this Policy with assistance from the Group Sustainability Department.
- 5.3 While all employees should adhere to the policy’s obligations relevant to their position, certain individuals and groups have specific responsibilities that they are expected to undertake with respect to this Policy. These key responsibilities are outlined below:

Role	Description
Board	<ul style="list-style-type: none"> • Provide overall oversight. • Approve and adopt this Policy. • Ensure the effectiveness of this Policy. • Articulate and provide direction on organisational control environment and compliance culture for the Group.
BAC (“Board Audit Committee”)	<ul style="list-style-type: none"> • Provide an objective and independent view on the effectiveness of this Policy’s implementation to the Board.
BRC	<ul style="list-style-type: none"> • Review the context within which environmental and energy risk is managed in relation to the Group’s strategic direction and objectives. • Oversee and provide oversight and direction for the implementation of risk management in the Group and consistent application of risk management principles.
EXCO	<ul style="list-style-type: none"> • Determine environmental and energy programmes and priorities. • Evaluate the adequacy of tools, resources, training and subject matter experts for the Group to meet its obligations. • Reports to the Board regarding the Group’s environmental and energy obligations, issues and breaches.
Safety, Health and Environment (“SHE”) Department & Group Sustainability Department (“GSD”)	<ul style="list-style-type: none"> • Develop the Policy and ensure it is reviewed regularly; • Facilitate adoption by the operational areas of the Policy; • Prepare reports to the EXCO, the Board any other committees as required on energy and environmental-related matters; • Facilitate training programs to raise awareness of the Group’s environmental and energy obligations; • Provide advice to Operational PICs and other employees on policy compliance obligations and issues.

Operational area PICs	<p>The management of each business unit within the Group is responsible for the day-to-day responsibility for administration and implementation of the Environmental and Energy Policy. Principal roles and responsibilities include:</p> <ul style="list-style-type: none"> • managing and operating the day-to-day of each project in accordance with its respective operation function • having an understanding of the laws, rules and regulations that apply to the business for which the relevant management is responsible • manage employees and ensure compliance with the Policy and other laws, rules and regulations.
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6. ENVIRONMENTAL COMMITMENTS

6.1 DXN Group shall comply with the following commitments:

- 6.1.1 Ensure compliance with current legal requirements, internal regulations, and other voluntary commitments endorsed by the Group, in all our operational locations;
- 6.1.2 Implement a comprehensive environmental management approach to all our activities;
- 6.1.3 Integrate environmental protection into business management systems, and establish mechanisms for continuous improvement by defining objectives, goals, verifications and controls;
- 6.1.4 Train and sensitize our employees on environmental commitments throughout the entire value chain: customers, suppliers of products and services, and other stakeholders.

7. ENERGY AND EMISSION COMMITMENTS

7.1 DXN Group shall comply with the following commitments:

- 7.1.1 Optimize and reduce our use of natural resources and expand the implementation of energy-efficient technology and encourage the use of renewable energy sources, contributing to clean growth and increased energy security;
- 7.1.2 Constantly monitor our energy usage to ensure optimum energy consumption from our business activities and to avoid energy wastage;
- 7.1.3 Monitor the Group's carbon emission throughout our operations and our products according to applicable requirements and standards;
- 7.1.4 Assesses the risks associated with climate change and implement emission reduction mitigation into our operations.

8. WATER AND WASTEWATER COMMITMENTS

8.1 DXN Group shall comply with the following commitments:

- 8.1.1 Ensure sustainable water resource management that promotes the search for new solutions at the operational level;
- 8.1.2 Continuously promote reuse practices at the operational level to guarantee the reduction of freshwater withdrawal;
- 8.1.3 Reduce the potential impact (both quality and quantity) of our wastewater discharge by effectively treating and responsibly disposing of the wastewater to water bodies.

9. WASTE MANAGEMENT COMMITMENTS

9.1 DXN Group shall comply with the following commitments:

- 9.1.1 Reduce and minimize waste generation in all our operations and adopt best practices in waste management to ensure minimization of pollution;
- 9.1.2 Continuously promote waste reduction and explore the opportunities of 6Rs: “Refuse, Reduce, Reuse, Repurpose, Recycle and Recreate” in our operations;
- 9.1.3 Promote the application of circular economy principles, optimizing the use of natural resources and raw materials including energy and water resources.

10. DISCLOSURE

10.1 Reporting and disclosures will be included in the Group’s Sustainability Statement, Corporate Governance Report and Corporate Governance Overview Statement in the Annual Report. Disclosures may include a summary of this Policy, a narrative on the Group’s management of the material economic, environmental and social risks and opportunities and the progress of implementation of various sustainability initiatives towards achieving the Group’s sustainability objectives.

11. POLICY GOVERNANCE

- 11.1 Any requirement for modifications and/or amendments shall be deliberated and any recommendation for the revision shall be highlighted by the EXCO to the Board for approval.
- 11.2 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.

12. KEY CONTACTS AND OTHER INFORMATION

- 12.1 The following are key contacts in respect of this Policy:
- Head of Department Safety, Health and Environment Department; and
 - Sustainability Manager, Group Sustainability Department.
- 12.2 If you have any concerns regarding specific breaches of this Policy, you can contact the above, or refer to the process for raising concerns regarding unethical business conduct, as set out in the Code of Conduct and Ethics and Whistleblowing Policy.