



MANFORCE GROUP
BERHAD

SUSTAINABILITY
POLICY

1. INTRODUCTION & OBJECTIVE

Manforce Group (“**Manforce**” or “**Company**”) and its subsidiaries (“collectively referred to as the “**Group**”) are committed towards achieving sustainability through the integration of sustainability principles and considerations into our business strategies, processes and decisions. We seek to maximise our contribution and minimise any potential negative impacts that may arise from our business operations on the economy, community, and the environment where the Group operates, for the benefit of all stakeholders.

The Sustainability Policy (“**Policy**”) acts as the overarching policy framework for Manforce’s sustainability commitments. The Policy aims to provide guidance and create awareness among the Group’s stakeholder of the Group’s commitment and its strategic direction on sustainability.

The Manforce’s Board of Directors (“**Board**”) has the authority to assess, design and continuously improve on the sustainability strategies as well as the guidelines governing the conduct of the Group. The top management shall ensure that the responsibilities and authorities for relevant roles are assigned, communicated and understood within the Group.

2. APPLICABILITY

This Policy is applicable to all Directors and employees (including full time, part time, probationary, contract and temporary staffs) of the Group. Each director or employee has the duty to read and understand the Policy.

Any Director requires further clarification may direct to the Chairperson of the Sustainability Working Committee whereas other employees may refer to their immediate superior or Head of Department.

3. COMMUNICATION OF THE POLICY

The Policy is published on the Company’s website at [Manforce Group](#) and is to be disseminated to all Directors and employees to ensure awareness and compliance with this Policy.

The Head of Department shall brief the Policy to all relevant stakeholders and new employees shall be briefed during their induction / orientation. The Directors and employees will be made aware of any revised version of the Policy should there be any significant changes.

4. SUSTAINABILITY GOVERNANCE STRUCTURE

Manforce Group views the sustainability management as part of the business management by monitoring and managing sustainability matters together with daily operation management. The sustainability governance structure of the Company is as follows:



BOARD AND COMMITTEE	ROLES AND RESPONSIBILITIES
BOARD OF DIRECTORS	<ul style="list-style-type: none"> ▪ Provide a general oversight of the Company's sustainability performance. ▪ Determine the Company's strategic direction in sustainability management. ▪ Ensure adequate resources are made available for the successful implementation of sustainability strategies and initiatives. ▪ Review and approve the annual Sustainability Statement.
AUDIT AND RISK MANAGEMENT COMMITTEE ("ARMC")	<ul style="list-style-type: none"> ▪ Ensure key decisions on sustainability matters are made and aligned with the Company's overall business strategies and goals. ▪ Ensure adequate resources are made available for the successful implementation of sustainability strategies and initiatives. ▪ Review and report periodic sustainability progress to the Board.
SUSTAINABILITY OVERSIGHT UNIT ("SOU")	<ul style="list-style-type: none"> ▪ Report material sustainability matters, progress and performance to the ARMC on a periodic basis. ▪ Daily management of sustainability matters throughout the Company. ▪ Research sustainability initiatives to enhance the Company's sustainability performance. ▪ Implement sustainability strategies and initiatives. ▪ Perform data gathering and track sustainability progress throughout the Company. ▪ Establish key performance indicators to measure and monitor progress in achieving sustainability objectives. ▪ Regularly review and update sustainability goals and targets to ensure continuous improvement.

5. SUSTAINABILITY AREAS OF FOCUS

Economic Sustainability

- Conduct business in an open, transparent, and accountable manner.
- Support and contribute to the development of local economy through sourcing of materials and equipment from local suppliers as far as it is practicable.
- Evaluate long-term impacts in financial planning. Assess investments not just on short-term returns but also on their sustainability impacts.
- Establish and continually improve the effectiveness of our management system in all operations and service delivery according to our customer requirements.
- Engage in continuous, timely, transparent, and meaningful communication with stakeholders to facilitate mutual understanding.

Our Target

- Achieve a 100% compliance rate with reporting standards and practices by the end of the fiscal year, ensuring all business operations are documented and communicated transparently to stakeholders.
- Increase the percentage of materials and equipment sourced from local suppliers by 30% over the next three years, supporting local economies and reducing transportation emissions.
- Conduct an annual review of the investment portfolio to ensure that at least 50% of investments are aligned with sustainability goals, targeting investments that contribute positively to environmental, social, and governance outcomes.
- Maintain or exceed a 95% customer satisfaction rate annually through adherence to the Quality Management System, with regular reviews and improvements based on customer feedback.
- Conduct bi-annual audits of the management system to identify areas for improvement, aiming for a 10% increase in operational efficiency and service delivery effectiveness each year.
- Implement a quarterly stakeholder communication plan that includes updates on sustainability efforts, progress towards targets, and feedback opportunities, with a target engagement rate of at least 75% of stakeholders participating in feedback sessions.

Environmental Sustainability

- Being committed towards environmental protection and stewardship by minimising risks and impacts to the environment in our day-to-day operations.
- Ensure responsible and efficient use of resources during our business operations to reduce carbon footprint.
- Ensure responsible waste management and disposal methods.
- Comply with all relevant environmental regulatory and legal requirements.

Our Target

- Reduce operational environmental risks by implementing an Environmental Management System (EMS) within the next 12 months, aiming for at least a 20% reduction in identified risks and impacts by the end of the following fiscal year.
- Achieve a 15% reduction in overall resource consumption (energy, water, and materials) per unit of output within three years, thereby decreasing the company's carbon footprint by at least 10% over the same period.
- Implement a comprehensive waste management program to ensure that at least 75% of all waste generated is recycled or repurposed by the end of the next fiscal year, with quarterly assessments to track progress.
- Maintain 100% compliance with all relevant environmental regulations and legal requirements, with an annual audit to verify adherence and identify opportunities for further improvements.
- Provide environmental stewardship training for 100% of employees within the next year, aiming for a 90% employee awareness rate regarding best practices for minimizing environmental impact in daily operations.

Social Sustainability

- Ensure a safe, healthy, and conducive work environment for our employees at all times.
- Cultivate a diverse and inclusive culture that recognises and values individuality.
- Ensure equal access to opportunities regardless of the one's age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics.
- Eliminate improper conducts and practices, including but not limited to workplace bullying, discrimination against individual differences, discriminatory and sexual harassment, intimidation and victimisation.
- Empower our workforce by supporting their personal and professional growth.
- Respect and uphold the fundamental workers' right through the elimination of child labour and forced labour of all forms.
- Contribute to the wellbeing and development of surrounding community through corporate social responsibility programmes, employee volunteerism, job creation and donation.

5. SUSTAINABILITY AREAS OF FOCUS (CONT)

Governance Sustainability

- Maintain the highest standards of business ethics, integrity, and corporate governance practices.
- Establish and continually improve appropriate governance structures and processes.
- Comply with all applicable laws and regulations.
- Resolve verifiable complaints, grievances and conflicts through an open, transparent and consultative process.
- Establish robust policies and procedures to ensure the adequacy and integrity of the Group's internal control system.

Our Target

- Achieve a 100% completion rate for ethics training among all employees annually, ensuring that at least 95% of employees can demonstrate understanding of the company's ethical standards and practices through assessments.
- Conduct an annual review of governance structures, aiming to identify and implement at least three improvements each year to enhance transparency and decision-making processes.
- Maintain 100% compliance with all applicable laws and regulations through quarterly compliance audits, with a target of resolving any identified issues within 30 days.
- Establish a formal complaints and grievances resolution framework within the next six months, targeting a resolution rate of 90% of verifiable complaints within 30 days of receipt.
- Review and update internal control policies and procedures at least annually, with a target of achieving an internal audit score of at least 90% for adequacy and integrity of the Group's internal control system.

Supply Chain Sustainability

- Work closely with suppliers and partners to encourage sustainability practices across the supply chain.
- Periodic assessment and monitoring of supplier performance and compliance with sustainability criteria.
- Foster long-term relationships with supplier who demonstrate commitment to sustainable and ethical practices.

Our Target

- By the end of the fiscal year, achieve engagement with 100% of key suppliers to discuss and promote sustainability practices, aiming for at least 80% of them to implement at least one new sustainable practice within the following year.
- Conduct quarterly assessments of supplier performance against sustainability criteria, targeting a minimum of 90% compliance from all suppliers by the end of the year.
- Establish long-term partnerships with at least 10 suppliers who demonstrate a strong commitment to sustainable and ethical practices within the next two years, fostering collaborative initiatives that enhance overall supply chain sustainability.

Innovation and Technology Sustainability

- Explore and adopt innovative technologies and practices to improve the efficiency of our operations and reduce environmental impacts.
- Encourage research and development to identify new sustainable products and working methods.

Our Target

- Identify and implement at least three innovative technologies or practices annually that enhance operational efficiency and reduce environmental impacts, with a goal of achieving a minimum 15% reduction in resource consumption within three years.
- Identify and implement at least three innovative technologies or practices annually that enhance operational efficiency and reduce environmental impacts, with a goal of achieving a minimum 15% reduction in resource consumption within three years.

6. EDUCATION AND AWARENESS

The Company will ensure employees, suppliers and customers are aware of its sustainability practices through:

- Regular training and communication.
- Participation in industry forums, conferences and events.
- Collaboration with government, industry bodies and non-governmental organisations.

7. REPORTS AND DISCLOSURE

The Company will disclose its Sustainability Statement in its annual reports in accordance with the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad.

8. REVIEW OF THE POLICY

This Policy shall be reviewed by the Board as and when required, or when internal or external events warrant a more frequent review to be undertaken. This Policy will be updated periodically to reflect changes in our business practices, industry standards and regulatory requirements.

This Policy was adopted on **25th April 2025**.