



DUFU TECHNOLOGY CORP. BERHAD

Registration No.: 200201013949 (581612-A)

SUSTAINABILITY POLICY

1. INTRODUCTION

- 1.1. This policy aims to guide Dufu Technology Corp Berhad ("Dufu" or "the Company") and its portfolio companies (also known as the "Dufu Group" or "Group"), which acknowledges the significance of sustainability and its growing importance to the organization and its stakeholders. The Group is dedicated to comprehending and adopting sustainable practices to fulfill its objectives, ensuring a harmonious balance between the broader community's needs, the expectations of shareholders and stakeholders, and economic prosperity.
- 1.2. Dufu has formulated this Sustainability Policy ("Policy") to communicate the Company's commitment and resources dedicated to managing significant Environmental, Social, and Governance ("ESG") issues. The approach to addressing and managing sustainability matters is detailed in the Company's annual sustainability reports, accessible on the corporate website at www.dufutechnology.com.

2. POLICY OBJECTIVES

The primary objectives of this Policy are for the Company to:

- a) Establish guidelines on Group's sustainability activities and how these activities are to be conducted. The work should contribute to sustainable development and be an integral and natural part of its entire business operation.
- b) Facilitate the involvement, cooperation and oversight of the Company's Board of Directors ("Board") and Risk Management and Sustainability Committee ("RMSC") and sustainability working teams in the implementation of the Policy, as well as the setting and monitoring of ESG performance targets.
- c) Engage with the Company's key stakeholders to understand their expectations, issues, and concerns. This will help in identifying, analyzing, and prioritizing the Company's material matters, risks, opportunities, and strategies. These efforts are aimed at continuously improving the Company's business model to ensure sustainable long-term returns.
- d) Monitor and mitigate any negative environmental and social impacts caused directly by the Company's operations, and engage its portfolio companies to reduce indirect impacts from their operations.



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3. STRUCTURE, ROLES AND RESPONSIBILITIES

3.1. Dufu has established a sustainability governance structure involving the Board, which is the highest governance level in the Company. The Board oversees the integration of sustainability into the Group's business strategy, ensuring adequate resources and effective management systems.

3.2. Dufu's sustainability governance structure and their respective roles and responsibilities are shown below:

BOARD OF DIRECTORS <ul style="list-style-type: none">• Offers strategic direction and evaluates sustainability matters, risks, and opportunities, incorporating the management of significant sustainability concerns in shaping the Company's strategies and policies.• Provides oversights on the business sustainability strategy and monitors performance.• Ensures the presence of sufficient resources, systems, and processes to effectively manage sustainability matters.
RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE ("RMSC") <ul style="list-style-type: none">• Comprises of 4 Independent Directors, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").• Assists the Board in establishing direction and overseeing risk, internal controls, and sustainability matters.• Reviews and approves the annual risk and sustainability work plan.• Reviews and supervises the implementation of the Group's strategic sustainability initiatives.
RISK MANAGEMENT AND SUSTAINABILITY WORKING GROUP ("RMSWG") <p>CEO:</p> <ul style="list-style-type: none">• Chairs and leads the RMSWG, reporting sustainability matters to the RMSC.• Reviews sustainability matters alongside RMSWG members. <p>CFO:</p> <ul style="list-style-type: none">• Assists the CEO in handling sustainability matters and coordinates RMSWG meetings.



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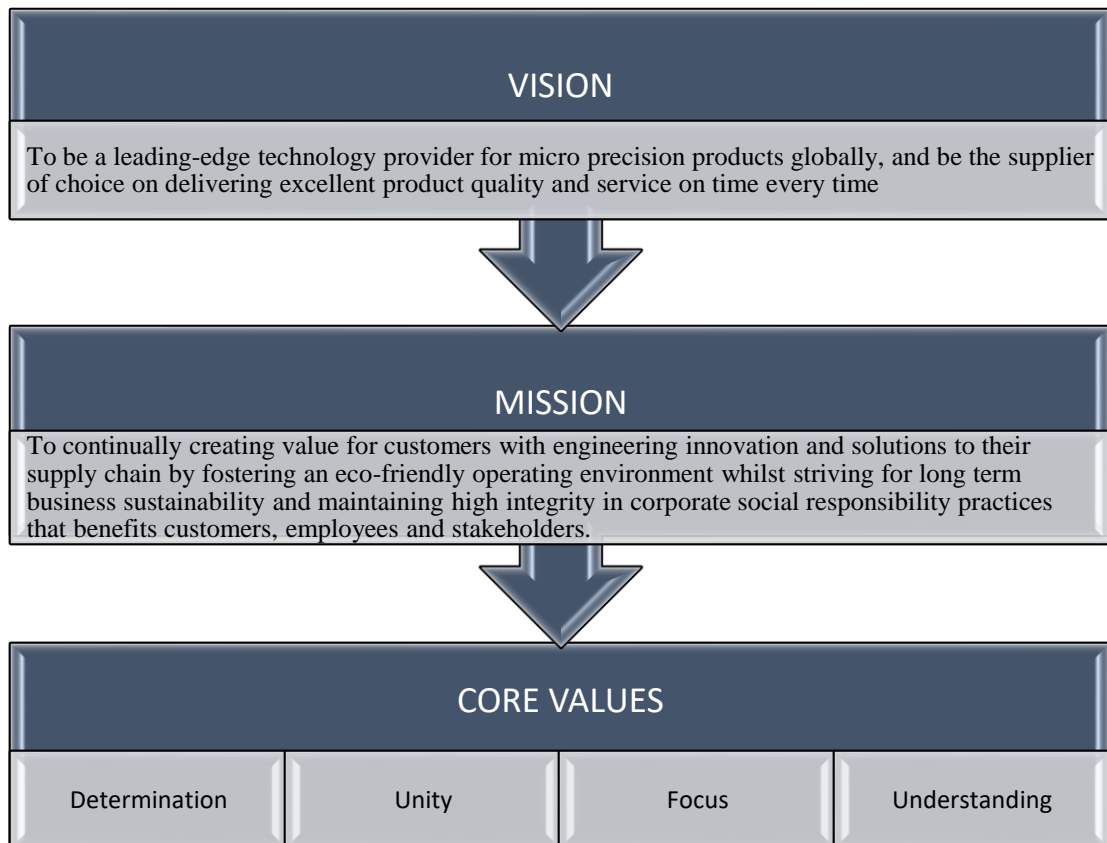
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Other members:

- Comprise Business Unit Directors, Managers, and representatives of various departments from Business Development, Operations, Quality Assurance, Human Resources and Administration, Finance, Risk Assurance & Internal Control, Purchasing and other departments where applicable.
- Responsible for materiality assessment, identifying and monitoring initiatives/actions, executing these initiatives/actions, and reporting.
- Report on sustainability matters and risk management (including threats and opportunities).
- Collate their respective ESG data and information for reporting as well as presents any material ESG findings and proposed actions for deliberation and guidance.
- Responsible to execute and integrate the sustainability initiatives of the Group as part of the daily operations.

4. POLICY STATEMENT

4.1. Dufu's sustainability agenda is to achieve sustainable growth by interweaving its business in a sustainable and responsible manner. The sustainability approach is guided by the Company's Sustainability Framework, which places the Company's vision, mission and core values at the pinnacle of this framework, and classifies the ESG priorities/ matters into 5 Sustainability Pillars based on the domain of their impacts.





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4.2 Dufu's sustainability strategies are guided by five key pillars as follows:

4.2.1 Economic

Strategic growth and economic contribution are essential for Dufu, and its stakeholders, as they create jobs, generate revenue, drive innovation, and enhance the overall well-being of society.

Dufu's approach:

- a) Monitor and manage the financial performance of the Group and devise strategies to drive its business growth.
- b) Strategize an expansion plan of Dufu's activities, products, or services, with the goal of making a significant and positive impact on the economy taking into considerations the expectations, issues and concerns of various stakeholders,
- c) Aspire to generate sustainable value for customers, supply chain, and other stakeholders, and ensures that the derived economic value is equitably distributed among them.
- d) Advocates responsible sourcing by engaging in local procurement where applicable and deploy supply chain practices that focuses on acquiring products, materials, and services in an ethical and sustainable manner.

4.2.2 Corporate Governance

Corporate governance is a form of self-regulation which is part of Dufu's sustainability journey aimed at enhancing business propositions taking into considerations various stakeholders' value and expectation. The Company's policy and procedures have been constantly updated to ensure Dufu's corporate governance structure meets not only the legislative requirement, but on par with the industry best practices.



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Dufu's approach:

- a) Comply with all applicable laws, regulations, and standards relevant to the Group's business and operations, as mandated by government and industry bodies.
- b) Ensure that Dufu stays current on material ESG matters through periodic materiality assessments. These assessments help identify and prioritize issues that are most significant to the Company and its stakeholders within the Group.
- c) Promote the highest levels of integrity and ethical behavior in all financial and non-financial transactions, adhering to principles of fairness, transparency, and responsibility.
- d) Upholds data privacy fundamentals which entails the proper use, handling and storing of data with sensitive information that includes personal or financial data about an individual or organization.

4.2.3 People

Dufu is dedicated to fostering a supportive and enjoyable workplace for its employees, with a focus on cultivating a community centered around care and well-being. Prioritizing a safe and healthy work environment is paramount for Dufu. This goal is achieved by providing comprehensive health and safety training, organizing activities that promote well-being, and continuously enhancing the workplace facilities.

Dufu's approach:

- a) Upholds the human rights of Dufu's People, and to treat them with dignity and respect as understood by the international community with Responsible Business Alliance ("RBA"), International Human Rights and Labor Standards and Occupational Health and Safety Management Systems ("ISO 45001:2018") as the recognised standards adopted, complied, and used as reference.
- b) Place a significant value on the inherent worth of each individual and treats People at Dufu with respect, dignity, and equality, regardless of their backgrounds. encompasses inclusive hiring, equal opportunity, training and leadership commitment aimed at fostering a diverse and inclusive workplace.
- c) Plan and organise development programmes and relevant job skills training to enhance People's knowledge, skills, competencies, and abilities through organized learning experiences in the workforce.



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- d) Inspire and empower the People at Dufu to opt for a healthier future, benefiting themselves, their families while fostering a healthy working environment.
- e) Promote a safety culture in all manufacturing facilities within Dufu Group.

4.2.4 Environment

The Group is committed to protecting the environment and combating climate change by transitioning to a circular economy. The main focus of the Group in managing climate change revolves around maximizing resource efficiency, enhancing productivity, minimizing waste, and conserving energy and water resources.

Dufu's approach:

- a) Promote environmental awareness within the Company and among its employees and stakeholders through this Policy and other initiatives.
- b) Strive to preserve the environment and continue to address the effects of climate change as the Group's operations has an impact on energy and water consumption, waste production, and logistics. To address these, the Group has integrated the 'Reduce, Reuse, and Recycle' (3Rs) principle into its manufacturing process.
- c) Continuous re-engineering of manufacturing facilities and processes to promote energy efficiency which includes consolidating production lines to eliminate redundant spaces in factory buildings, reducing the use of air conditioners, ventilations, and lighting in idle production areas, and close monitoring of high-energy consumption equipment such as chillers and air compressors to ensure efficient energy usage.
- d) Encourage mindful usage of electricity and water among employees when using office equipment, amenities and other facilities in the workspace.
- e) Tracking and monitoring the Group's energy and water consumption and managing waste and effluents generated by Dufu Group to ensure sustainable practices.
- f) Stay updated on the latest environmental laws and regulations through periodic reviews and adjust internal policies when required to ensure compliance at all times.



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4.2.5 Communities

Dufu's community development strategy involves social mapping towards:

a)	Providing Quality Education	Provide universal access to education, irrespective of a child's background or location, by harnessing the potential of technology and fostering collaborative partnerships.
b)	Promoting Health and Wellness	Organise and support events that promote health and wellness in local communities.
c)	Supporting vulnerable groups	Support marginalized communities by offering financial aid, in-kind donations, and engaging in volunteer efforts to foster social equality.

Dufu's approach:

- a) Identify relevant Corporate Social Responsibility ("CSR") initiatives for Dufu Group to be engaged with in order to cultivate stronger community relationship and enhance Dufu's reputation.
- b) Encourage employees to volunteer and participate in the Dufu Group's CSR activities and charitable efforts.
- c) Provide an open communication channel for the community to connect with Dufu Group about its CSR and ESG efforts.

5 REVIEW OF THIS POLICY

The Risk Management and Sustainability Committee will review the adequacy of this Policy on a regular basis and may from time to time recommend the proposed changes to the Board as it deems appropriate to reflect new best practices and new legal or regulatory requirements.

The Sustainability Policy has been adopted by the Board on 8 May 2024.