

AJIYA BERHAD

Registration No. 199601005281 (377627-W)
(Incorporated in Malaysia)

SUSTAINABLE SUPPLY CHAIN COMMITMENT STATEMENT

INTRODUCTION

Ajiya Berhad and its subsidiaries (collectively referred to as “Ajiya” or “the Group”) is committed to progressively developing a sustainable supply chain by focusing on the environmental, social and governance (“ESG”) performance of its suppliers, vendors, subcontractors, business partners, and other stakeholders which the Group has a business relationship with (henceforth referred to as “suppliers”). Procurement from these suppliers encompasses all purchases undertaken by the Group to support its business functions, including but not limited to raw material inputs, professional services, and operational support.

The goal of cascading sustainability practices to its supply chain is as follows:

- To ensure legally compliant suppliers and that the Group’s procured products and services meet regulatory requirements
- To eliminate, reduce or mitigate exposure to supply chain risks and disruptions
- To reduce indirect environmental footprint impacts such as Scope 3 emissions by, where possible, procuring from “greener” suppliers with reduced operational and embodied carbon emissions
- To develop more robust and competitive supply chains that would deliver business and operational benefits such as faster delivery times, improved product and service quality, reduced costs, and contribute to overall operational efficiency and competitiveness
- By emphasising sustainability among suppliers, to progressively contribute to a cascading, multiplier effect that would translate into improved protection of workers’ rights, the rights of women and children, foreign labour, and environmental preservation
- Supporting national aspirations such as Malaysia Net Zero Carbon by as early as 2050 by promoting decarbonisation within supply chains

This commitment complements and is consistent with other policies and commitment statements of the Group, including the Group’s Anti-Bribery and Anti-Corruption (“ABAC”) Policy.

SCOPE

The Sustainable Supply Chain Commitment Statement (“the Statement”) applies to Ajiya and its subsidiaries within Malaysia, covering the Metal and Glass divisions.

It applies to all suppliers as defined above, as well as the Group’s and its subsidiaries’ procurement and purchasing functions, operational segments, corporate division departments, units, or functions of the Group that have direct or indirect relationships or engagements with suppliers.

Oversight of this Commitment statement resides with Ajiya’s Procurement Department, as well as Senior Management and ultimately, the Board of Directors of the Group.

SPECIFICS AND DETAILS

The Commitment Statement serves as a strategic means for the introduction of sustainability awareness, knowledge, and requirements to suppliers. This is towards ensuring that suppliers, beyond regulatory compliance, are encouraged and supported towards developing more sustainable operations across all three ESG perspectives. Specifically, suppliers are expected to focus on implementing the following in their respective business operations:

- Environmental Performance
 - **Energy Use:** Reduce energy consumption and adopt renewable energy where feasible.
 - **Climate Change / GHG Emissions:** Measure, monitor, and minimise CO₂ and other GHG emissions, including adopting low-carbon materials, transport, and construction methods.
 - **Water Use:** Optimise water efficiency, minimise wastage, and implement recycling/reuse practices.
 - **Resource Use:** Use raw materials efficiently, prioritise sustainable sourcing, and reduce reliance on virgin resources.
 - **Waste Reduction:** Minimise waste generation, practise segregation and recycling, and ensure safe disposal of hazardous waste.
 - **Biodiversity:** Avoid procurement or activities that damage sensitive ecosystems; support restoration where impacts occur.
 - **Pollution Control:** Reduce emissions, dust, noise, and wastewater; ensure safe handling, storage, and disposal of hazardous substances.
 - **Other Environmental Issues:** Address additional environmental risks that may arise, ensuring continuous improvement in sustainability practices.

- Social Performance

Suppliers must uphold the following principles:

- **Human Rights & Labour Standards:** Prohibit forced labour, child labour, and human trafficking.
- **Diversity, Equality & Inclusion (“DEI”):** Promote non-discrimination, equal opportunities, and respect for diversity.
- **Fair Employment Practices:** Pay fair wages (at minimum in compliance with Malaysian law, but encouraged to provide living wages), ensure safe working hours, and timely payment.
- **Rights to Freedom of Association and Collective Bargaining:** Respect employees’ rights in compliance with applicable laws.
- **Occupational Health & Safety:** Provide clean, safe, and adequately equipped workplaces; supply PPE; ensure health services and OHS training; investigate accidents; and provide statutory insurance.
- **Community Responsibility:** Where possible, support local communities through employment, training, procurement, and community engagement.
- **Local Procurement:** Prioritise sourcing from local suppliers to shorten supply chains, reduce emissions, and strengthen local economies.

- Governance Performance

- **Integrity & Transparency:** Conduct business ethically, with honesty and accountability.
- **Anti-Bribery & Anti-Corruption:** Comply with all ABAC requirements; zero tolerance for corruption, bribery, extortion, or money laundering.
- **Corporate Governance:** Maintain transparent records, proper financial disclosures, and respect for intellectual property.
- **Compliance with Laws:** Follow all Malaysian laws and international standards relevant to operations.

The Statement is an encouragement to suppliers and a clear communication of the Group’s aspirations and sustainability goals. While the goal is to have all suppliers to fully align with this Commitment Statement, given the disparity in size, capability, and resources of suppliers as well as nature of business operations, in some instances the aforementioned best practices may not apply to all suppliers. The Group is of the view that transforming its supply chain is a progressive journey and would entail constant supplier engagement and education.

Given the above-mentioned limitations, this Statement is advocated to suppliers as a best practice presently. Compliance to the statement shall be made as a prerequisite for contracts over the medium to long-term once the awareness and capability levels of suppliers mature progressively.

Suppliers are also encouraged to document their sustainability management approaches and practices, including reporting on environmental and social progress, to demonstrate their commitment. Where applicable, suppliers are further encouraged to implement impact reduction measures, such as lowering greenhouse gas emissions, minimising resource consumption, reducing waste, and mitigating other adverse environmental impacts associated with their operations.

COMMUNICATION AND DISSEMINATION OF COMMITMENT STATEMENT

This Commitment Statement is made available on Ajiya's corporate website. In addition, where appropriate, this Commitment Statement is also disseminated to suppliers.

Progressively, suppliers are to provide written acknowledgement of receipt of the statement and their commitment to firstly comply with regulatory requirements for environmental and social performance and where possible, to explore further efforts in introducing greener product and service alternatives, in reducing carbon footprint and environmental impacts and in developing a more talent / worker conducive environment.

To support the Statement, the Group may deliver training programmes, conduct information-sharing sessions, and utilise other relevant channels to inform and update suppliers and internal employees on the details and updates to the Statement. These training and communication initiatives will be regularly evaluated for their effectiveness, ensuring a consistent and thorough understanding of the Statement across all relevant parties.

COMMITMENT STATEMENT REVIEW

This Commitment Statement is subject to regular review and updates by the Group's Board of Directors, Senior Management, and the Procurement function of the Group.

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