



OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

Ajiya is committed to carry out its business in a socially responsible, accountable and sustainable manner to enhance the quality of life of our community while pursuing its commercial objectives.

Ajiya's Vision 2040 "To Enrich Wellbeing for the Community", clearly summarises the Group's ultimate objective of empowering the society through its high-quality and sustainable product offerings, whilst remaining focused on being the leading metal rollforming and safety glass producer in the Southeast Asia region. We aim to produce products sustainably and impact the world positively.

SUSTAINABILITY GOVERNANCE

The Board of Directors of Ajiya places sustainability at the core of its business operation. The Board is the main driver in overseeing and ensuring sustainable practices and initiatives are embraced into our business strategy, and aligned with the Group's vision and mission.

The Board is supported by the Management Team in managing sustainability related matters. The Management Team and the Sustainability Team manage the implementation and evaluate overall sustainability risks and opportunities and ensure that these are in line with the Group's policies and others relevant requirements.

BOARD OF DIRECTORS

CORPORATE GOVERNANCE



- Ensures all businesses embrace sustainability with commitments
- Approves sustainability strategy



MANAGEMENT TEAM

- Approves sustainability targets and disclosures
- Oversees implementation of sustainability strategy



SUSTAINABILITY TEAM

- Develops sustainability strategy and recommend revisions to the management
- Evaluates overall sustainability risks and opportunities
- Oversees departments/functions in ensuring robustness of system of sustainability management
- Considers input of all departments/ functions in sustainability processes
- Develops plan and timeline for disclosure



ON-GROUND MEMBERS

- · Supports strategy implementation
- Ensures processes and controls are in place within its departments/ functions
- Reports on performance of processes and controls
- Reports management targets

STAKEHOLDER ENGAGEMENT

The involvement of stakeholder is essential to our sustainability journey particularly in addressing sustainability concerns. The Group consistently engage with our stakeholders via various methods and platforms.

The table below illustrate our key focus areas and methods of engagement with a diverse group of stakeholders:

STAKEHOLDERS	KEY FOCUS AREA	METHODS OF ENGAGEMENT
Shareholders	 Profitability Dividend Shareholders' value/responsibility	Annual General MeetingsCompany websiteAnnual Reports
Clients/Customers, Suppliers and Industry Partners	 Product and service quality Timely delivery of products/ projects Payment terms and timeliness Product innovation 	 Customer satisfaction survey and supplier evaluation form Customer service platforms including phone calls and emails Face-to-face meetings Events and site visits Declarations
Regulators and Government Authorities	 Compliance with laws and regulations Certifications/awards Industry best practices and updates 	 Compliance and certification exercises Periodic site visits and audits Company representation at initiatives/technical working groups Briefings and trainings
Employees	 Business performance and direction Career development Learning and development Employee welfare and benefits Employee wellness Health and safety 	 Regular communications via email circulation Annual performance appraisal Forums, trainings and workshops Sports clubs i.e. Y2K and One AJIYA Club Employee events including festive celebrations and annual gathering Declarations
Local Community, Industry Associations, Academia and Non-Governmental Organisations ("NGOs")	 Company reputation and branding Corporate social responsibility Best management practices and industry-related research Partnerships 	 Community outreach and development programmes Public events e.g. forums and symposiums Annual Report Educational site visits Briefings and trainings

1. MATERIALITY ASSESSMENT

The Group remained its sustainability efforts by mapping the Group's initiatives against the 17 Sustainable Development Goals (SDGs) by the United Nations (UN) and have identified the goals that we are contributing to.

CORPORATE GOVERNANCE

The Group and the sustainability team identify and prioritise sustainability matters on the matrix by taking into considerations the perspectives and interests of internal and external stakeholders; factors that may affect our financial stability and economic growth; the significance of the economic, environmental and social impact.

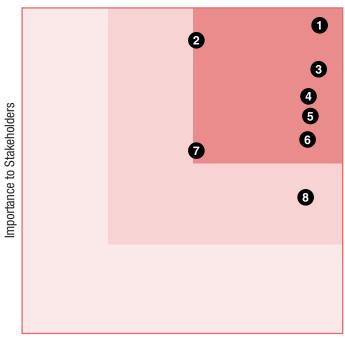
2. SCOPE OF SUSTAINABILITY STATEMENT

The scope of materiality covers our Group's business operations in metal roll forming and safety glass processing in Malaysia for the financial year ended 30 November 2020.

3. MATERIALITY MATRIX

For financial year 2020, we identified 20 sustainability material matters based on economic, environmental and social aspects that are relevant to our business. We distributed our survey questionnaire and conducted ranking process which resulted in the selection of 8 material sustainability matters that are best represent our priority areas and materiality matrix.

The following is the plotted materiality matrix:



Importance to AJIYA BERHAD

- Quality Products & Services
- 2. Digital Transformation
- 3. Safety and Health at Workplace
- 4. Community Investment & Development
- Corporate Governance
- 6. Quality Education for a Better Society
- 7. Conservation of Energy and Environment
- 8. Individual Development Plans for Employees

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SUSTAINABILITY STATEMENT

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Our vision 2040 'To Enrich Wellbeing for the Community' is in line with the United Nation 2030 agenda for Sustainable Development which provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. Our approach also aligned with the 11th Malaysia plan 2016-2020, which focus on providing Malaysian with wellbeing and prosperity. Ajiya continues to supports SDGs, albeit the Group's businesses performance being affected by Covid-19 pandemic.

The following table summarises our material issues, mapping against the UN SDGs:

CATEGORY	MATERIAL MATTER	L MATTER DESCRIPTION	
Governance	Quality Products and Services	To deliver quality products and services through quality management practices.	8 DECENT WORK AND ECONOMIC GROWTH
	Digital Transformation	To embrace technological advancement in all aspects of business to improve productivity, traceability and data privacy.	9 INDUSTRY INVOVATION AND INFRASTRUCTURE
	Corporate Governance	To ensure that good governance is practiced throughout the Group for business sustainability and also enhancing shareholders value.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Social	Safety and Health at Workplace	To ensure the safety and health of employees at workplace.	8 DECENT WORK AND ECONOMIC GROWTH
	Community Investment and Development	Community enrichment by investing in community development and nurturing skills from the ground.	17 PARTNERSHIPS FOR THE GOALS
	Quality Education for a Better Society To invest in quality education to nurture the talents of next generation.		4 QUALITY EDUCATION
	Individual Development Plans for Employees	To increase opportunities for employee's career growth and advancement to broaden their skills and add value to the company.	8 DECENT WORK AND ECONOMIC GROWTH

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (con't)

The following table summarises our material issues, mapping against the UN SDGs (con't):

CATEGORY	MATERIAL MATTER	DESCRIPTION	SDG
Environmental	A. Usage of Renewable Energy	To expand the infrastructure and technology to supply renewable energy for the company's usage by reducing the need for unrenewable energy in daily operations.	7 AFFORDABLE AND CLEAN ENERGY
	B. Promoting Green Building Solution	To promote the use of green building materials as well as increasing out market presence.	9 NOUSTRY, INNOVATION AND INFRASTRUCTURE

CORPORATE GOVERNANCE

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OUALITY PRODUCTS AND SERVICES

Since its inception, Ajiya has always emphasized on the importance of quality products and services. With our Purpose, "To Build Trust and Commitment Together", Ajiya remains committed to producing quality products and providing excellent services to our stakeholders.

Our business divisions adopted the management system certified under the relevant benchmark standards. Our Metal Division adheres to the requirements of ISO 9001:2015, MS 2500:2012 by Standard and Industrial Research Institute of Malaysia (SIRIM). Alongside, we are also certified by bomba and JKR and comply with CiDB IBS for our Truss and Ajiya Green Integrated Building System (AGiBS) products.

Meanwhile, our Glass Division comply with the requirements for MS 1498:2017. Besides, our Glass Division has obtained "Perakuan Pematuhan Standard" (PPS) for Tempered Safety Glass and Laminated Safety Glass in Buildings.

It is our policy to conduct customer satisfaction survey annually. The survey measures the satisfaction levels towards our product in terms of quality, sale process and our services. This enables the Group to continue to ameliorate the businesses. This year we have collected a total of 470 customer feedback.

Below is the result of the overall excellent performance against satisfactory level for FY2020:

	ASIA ROOFING INDUSTRIES SDN BHD	ARI UTARA SDN BHD	ARI TIMUR (KB) SDN BHD	AJIYA GLASS GROUP		ROUP
	Quality and Services	Quality and Services	Quality and Services	Sales process	Product Quality	Customer Service
Overall Performance	74%	85%	77%	80.4%	77.75%	77%

^{*0%} unsatisfied, 100% Satisfied



AJIYA HAS ALWAYS EMPHASIZED ON THE IMPORTANCE OF QUALITY PRODUCTS AND SERVICES. WITH OUR PURPOSE, "TO BUILD TRUST AND COMMITMENT TOGETHER", AJIYA REMAINS COMMITTED TO PRODUCING QUALITY PRODUCTS AND PROVIDING EXCELLENT SERVICE TO OUR STAKEHOLDERS.

DIGITAL TRANSFORMATION

Digital transformation is the integration of digital technology into all areas of a business, fundamentally changing how a company operates and delivers value to customers. Thus, in ensuring that the Ajiya Group is staying relevant, we have been consistently looking into adopting new systems and technologies within the Group for administrative and manufacturing operations.

CORPORATE GOVERNANCE

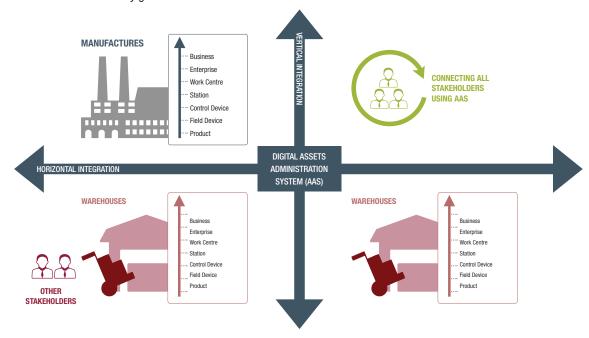
The Group embarked on a journey of digital transformation through a few collaboration projects with external consultants and higher learning institution.

These collaboration projects involved the establishment of an Asset Administration System ("AAS"), a software which allow stakeholders to connect into the manufacturing chain without concern about the interoperability among different functional software developed by the individual stakeholder.

As the pilot project, one roll forming machine located in Ajiya's Bukit Kemuning plant is to be digitized and the asset data is to be channeled into the AAS database for monitoring and control. The asset data in AAS database can then be acquired by relevant functional software. These projects also include interoperation between AAS and the existing software system such as Production Data Acquisition System, ERP and other in-house software.

In addition to the above, there are also projects related to the automation of certain production processes to achieve higher production efficiency and traceability. The combined application of robotic systems and digital technologies will bring together people, process, data and things to make networked connection more relevant. With the extended use of these systems and technologies for tracking, monitoring and analysis, our day to day business operation will be managed better, more effective and efficient.

Meanwhile, by reducing reliance on travel and paper-based evidence, as well as increasing ability to collaborate virtually, we aim to effectively reduce our carbon footprint upon completion and implementation of these projects. The digital technologies applied in these projects such as artificial intelligence (Al) and the internet of things (IoT) will help us effectively achieve our sustainability goals.



SAFETY AND HEALTH AT THE WORKPLACE

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Our Safety and Health Committee ("OSHA Committee") continues to play its role in reviewing safety and health issues at work place on a periodical basis. Ajiya strives to achieve zero harm at work and ensure safety and health of our people by implementing amongst others, the following measures:

- Complying with the laws, regulations and Ajiya's standard operating policies and procedures.
- Identifying, implementing, monitoring and reinforcing safe behaviours at our workplace to eliminate unsafe acts and practices.
- Periodic meetings as well as 5S and safety awareness messages are regularly enforced and communicated to all employees.
- Proper signages are displayed at all workplaces where potential hazard is identified.
- Work instruction and/or operation manual are displayed at each work equipment.
- Appropriate personal protective equipment (PPE) are provided.

While placing the importance on safety, the Group discern the voice of our employees. The OSHA Committee has provided a suggestion box at our office entrance. In the future, the Committee will be focusing on enhancing the safety and welfare of overtime workers.

Aside from the above mentioned action plans, various safety training were arranged for the employees throughout the Group, such as Occupational Hazard Self-Evaluation Module conducted by the UUM lecturer, Occupational Safety and Health updates by Federation of Malaysian Manufactures, Latihan Pengendalian Mesin Yang Selamat, Latihan Penggunaan dan Pengurusan Bahan Kimia, Covid -19 Management Guidelines at Workplace.

In 2020, the total number of injury incidences reported throughout the entire Group is 9. This is a huge drop from last year's figures which stood at 19. Moving forward, the Group is aiming to further reduce the number of incidences.

In line with UN SDG 8, Ajiya aims to continuously promote safe and secure working environments for all its employees.

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COMMUNITY INVESTMENT AND DEVELOPMENT

Ajiya recognise that community investment and sustainable development are of paramount importance. We focus on social-economic development programs by organizing various education programs such as hosting factory visits to our factories and conduct training program to the public.

CORPORATE GOVERNANCE

We hosted factory visits for various groups of professionals, government officials, and students alike. Our visitors include representatives from Jabatan Kerja Raya (JKR) from different states such as Kelantan, Kuala Lumpur, Koeprasi Usahawan Kotraktor (KuKoH), higher learning institution such as Tunku Abdul Rahman University College (TARUC) and JCI Alor Setar are among others. We aim to host as many factory visits as possible, allowing fellow professionals to have opportunities to learn more about sustainable building materials manufacturing processes.

Nonetheless, due to the impact of Covid-19 where no mass gathering is allowed in Malaysia this year, we continue our social effort by digitizing our factory visitation. Our Metal Group has organized a virtual factory visit that enables university students to observe and understand manufacturing activities despite the MCO restriction. Throughout the virtual visit, we furnished students with our production flow, order processing and quality control processes.

Aside from technical factory visits, we organized Ajiya Green Integrated Building System (AGiBS) training. In which, we train participants of the session on how to fabricate wall systems using AGiBS. This value-added activity aims to increase the participant's knowledge of integrated building systems (IBS) in modern construction. We have successfully hosted a physical AGiBS training session, participated by 28 professionals and students from various external entities. We have also introduced and organized numerous webinars focus on promoting our total green building materials that were participated by more than 200 professionals. These webinars were "Innovative, Sustainable Building Solution", "Malaysian Green Building Council – Roofing U-Value and Tempered Safety Glass Workshop", "AGiBS Lightweight Steel Framing System" and "Steel Strength".

In addition, Ajiya has always believed in giving contributions back to the community through various social and community development programs either in monetary or in-kind contributions. This year, we focused on school community services such as financial aid for the construction of Keramat Library by Colllab – UCSI Education, Persatuan Kebajikan Skizorfenia Malaysia, Autism Center and many others societies for the disabled.







STUDENTS FROM UCSI - COLLLAB IS INSTALLING ROOF PANELS THAT WERE SPONSORED AND MANUFACTURED BY AJIYA.

CORPORATE GOVERNANCE

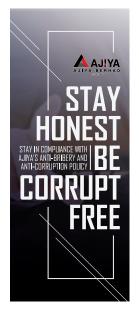
Aside from focusing on improving the Group's business performance, Ajiya continues to place great importance on integrity, transparency and dedication, which are essential for business sustainability and enhancing shareholders value. The Board and the Management are committed to promote good corporate culture within the Group, in which we reinforce ethical and professional behavior among our employees.

Further details of the corporate governance practices applied by the Group during the financial year ended 2020 is available in the Corporate Governance Overview Statement of the Annual Report 2020 and the Corporate Governance Report 2020.

The Board has in place policies and procedures to promote good corporate governance. These policies are, among others, the Code of Ethics and Conduct, Corporate Disclosure Policy and Whistleblowing Policy.

During the year, the Board has adopted the Anti-Bribery and Anti-Corruption Policy for the Group. The Management has attended trainings on anti-bribery to better understand the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Amendment Act 2018.

It is our commitment to stay honest and be corrupt free. Ajiya's Anti-Bribery and Anti-Corruption Policy set out the principles of Ajiya in upholding its position on bribery and corruption practices. All employees are required to declare that they have read, understand and abide by the policy. External parties who have regular business dealing or performing the work or services for or on behalf of Ajiya are required to signify their agreement to comply with the relevant part of our Policy.



Below are the list of corporate governance training sessions and seminars attended by the employees :

Training Title

Corporate Liability Provision (Section 17A) of the MACC Act 2009: The Essential Steps.

ISO 9001:2015 Quality Management Systems & Risk Management Training

Managing Changes to Our Employment Laws

Discovering the Technical and Practical Application of Beneficial Ownership Framework

Section 17A: Corporate Liability - Role of Internal Auditor

Technical Briefing for Company Secretaries of Listed Issuers

Managing Business Partner's Risk

Our dedication towards training employees for better corporate governance stems from UN SDG 16, target 16.6: develop effective, accountable, and transparent institutions. We believe that we can continue to contribute positively to Malaysia's economy by having good corporate governance.





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OUALITY EDUCATION FOR A BETTER SOCIETY

Quality education is determined when learners have both theoretical frameworks and practical applications and strategies. In Ajiya, we always trust in inclusive and quality education as we believe that it is the foundation of a better society.

CORPORATE GOVERNANCE

As Ajiya believes in fostering a culture of continuous innovation and creative thinking, we collaborated with several universities by providing research opportunities to the students. These students were given opportunities to research a system that enhances the manufacturing process efficiency and productivity as well as the effectiveness in thermal insulation of our roofing. Aside from that, we have hired a total of 16 interns and equipped them with practical knowledge. The industrial trainee program helps the interns to prepare for professional works in their future workplace.

The Group also contributes to improving vocational education through the participation of curriculum advisory panels.

Besides, the Group also uphold the importance of education of our employees' children. We presented them the award of "Anugerah Pelajar Cemerlang" for students who excel academically. This award is a sign of encouragement and recognition of the children's efforts, which we hope will inspire them to pursue greater excellence.

These efforts are in line with UN SDG 4 (Quality Education) that aims, by the year 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.

Additionally, under the Ajiya scholarship programs that we have sponsored, it benefited 47 students to pursue their higher learning education.



FIRST VIRTUAL FACTORY VISIT ORGANIZED FOR UNIVERSITY STUDENTS



DATO' CHAN IS GIVING SPEECH ON "DIGITAL TRANSFORMATION IN BUSINESS STRATEGY AND MANAGEMENT"

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CONSERVATION OF ENERGY AND ENVIRONMENT

A. USAGE OF RENEWABLE ENERGY

Solar energy is one of the most recognised renewable energy available in current time. Ajiya Group has converted most of our energy usage into installing the solar photovoltaic (PV) system. In 2019, we have installed solar panels at most of our factory locations, amounting to a solar capacity of 2.3MWp. This year, we have added a few more solar panels and made a total of 3.3 MWp. Our list of factories with solar installation is as follows:



According to NEM calculator by SEDA Malaysia, our installed solar capacity of 4 million KW/h is equivalent to avoiding approximately 2000 tons of carbon dioxide from being emitted into the atmosphere each year which is comparable to approximately 800,000 tree seedling grown for 10 years to absorb the carbon dioxide.

With the installation of SOURCE (an Al and IoT solution), it helps us to monitor the factory energy consumption against the energy maximum demand. This has enabled us to avoid the hefty charges incurred by maximum demand, and hence improve our production efficiency.

We also promote to the community on the importance and benefits of green energy for a better environment. During the year, Ajiya had collaborated with our solar installer in organizing a webinar entitled "How Solar Investment Ease Financial Burden of CMCO 2.0" and creating a short video to encourage more people into installing solar panels.









VIDEO SHOOTING IN PROGRESS FOR CLEAN ENERGY TRANSFORMATION PROGRAMME (CETP) BY SOLAR INSTALLER

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CONSERVATION OF ENERGY AND ENVIRONMENT (CON'T)

B. PROMOTING GREEN BUILDING SOLUTIONS (SUSTAINABLE ENVIRONMENT)

In particular, the Federal Government places great importance on the development of affordable alternatives to the traditional construction materials that are localized to minimize imports of foreign components. Millennials these days demand fast, efficient, high quality, and affordable products.

CORPORATE GOVERNANCE

While Ajiya continues to promote the usage of our green building materials in modern construction, we are also working towards being a total building solution provider. Currently, one could build a complete house with our Ajiya Green Integrated Building System (AGiBS) which comprises 8 of our metal and safety glass manufactured products. In assent with the UN SDG no. 7, Ajiya intent to move forward by adding a solar PV system making it our 9th series and gradually become a green building solutions provider.

AJIYA GREEN INTERGRATED BUILDING SYSTEM OR AGIBS IS A TYPE OF IBS THAT PROVIDE MULTIPLE BENEFITS SUCH AS:

- O Fast and Easy to Transport to Site
- O Faster Completion Time of Projects of 3-6 months (depending on project scale)
- Seamless Finishing
- O Fire Resistance
- O Reduce Foreign Labour Dependency by 99.99%
- O Minimal Debris / Wastage on Site < 1%
- O Solid & High Impact Wall Steel Framing System
- O Sustainable Building Materials



















AGIBS TRAINING

INDIVIDUAL DEVELOPMENT PLANS FOR EMPLOYEES

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The success of a company comes from quality employees, as they are the backbone as well as the front-liners of the company. For that reason, at Ajiya, we always place importance on upskilling and improving the knowledge of our employees.

The Group had engaged a sales consultant since 2019 for Ajiya Metal Group's Sales Transformation Journey. Since then, a series of marketing strategies has been implemented, including the establishment of a set of sales training kits for the existing and newly employed employees.

To supplement our internal training, we invited our insulation supplier to provide training to our employees for product knowledge enhancement and hence improve their performance in delivering quality service. Moving forward, we are going to invite our supplier to provide a 3-tier training; beginner, intermediate, and advanced level.

Aside from above mentioned trainings on product knowledge and marketing skills, we have organized other performance based training such as 'Building Team, Creating Performance' where managers were exposed to the knowledge of identifying team issues, and solutions to their respective team challenges and "Performance Planning Training" program to coach managers in setting department's key priority that is in line with the Group's direction.

To ensure the career growth of our employees are tracked and gaps are addressed, the Group conducts annual performance appraisal. The work performance of all employees at all levels will be reviewed by their respective managers. Any perceived issues in the career advancement of employees will be addressed in person with the respective supervisors.



WE ALWAYS PLACE IMPORTANCE ON UPSKILLING AND IMPROVING THE KNOWLEDGE OF OUR EMPLOYEES, INCLUDING THE ESTABLISHMENT OF A SET OF SALES TRAINING KITS FOR THE EXISTING AND NEWLY EMPLOYED EMPLOYEES.

INDIVIDUAL DEVELOPMENT PLANS FOR EMPLOYEES (CON'T)

Apart from the training programmes detailed earlier in this statement, below are the list of other major training programmes attended by employees throughout the year 2020:

DATE	TRAININGS	
JANUARY	Product Training Project 1	
	Latihan Pengendalian Jenangkut & Forklift	
FEBRUARY	Knowledge sharing on topic "Occupational Hazard Self-Evaluation Module (OHSEM)"	
	Latihan Pengendalian Mesin yang Selamat – Overhead Crane	
MARCH	Latihan Pengendalian Mesin yang Selamat – Bending (Ceiling)	
IVIANUT	Project Updates and Training	
MAY	Vprot In-house Technical Training (External) – Backupfy, Office 365 & Exchange	
JUNE	Covid 19 Workshop – Reflect, Response and Rebound	
AUGUST	Latihan Pengendalian Mesin yang Selamat – Rollform & Power Press	
AUGUST	Occupational Safety and Health	
	ISO 9001:2015 Quality Management Systems & Risk Management Training	
SEPTEMBER	FMM Selangor & Kuala Lumpur Forum 2020 'The Strict 60 Days, can Equity Stretch it? Filing Representation for Reinstatement on Time'	
	Latihan Penggunaan & Pengurusan Bahan Kimia	
	Safety Glass Product Knowledge	
OCTOBER	Latihan Pengendalian Mesin yang Selamat – Bending (SR & STD/Fire Door Mesin Baru)	
	Performance Planning –Setting Key Priority	
NOVEMBER	Performance Management : - Conducting Appraisal	
	Covid-19 Management Guidelines At Workplace	

