

POH KONG®

Poh Kong Holdings Berhad

(586139-K)

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

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INTRODUCTION

The Group recognises that acting responsibly and sustainably creates value for the Company, employees, customers, community and environment as a whole. Sustainability and Corporate Social Responsibility to society has always been a part of Poh Kong's business model that balances growth and profitability.

Sustainability is fundamental to delivering long-term value to stakeholders without forgoing the Company's sustainable growth, as well as assisting in nation building.

In keeping with the best practices of corporate responsibility and consistent with the principles set out in the Malaysian Code on Corporate Governance 2012, it has formulated its management strategy entrenching sustainability considerations in four main areas -- the workplace, marketplace, community and environment where its impact on society is mostly felt.

Poh Kong will continue to build sustainable practices in every aspect of the Group's business in achieving excellence in its corporate social responsibility (CSR) activities.

This **Sustainability and Corporate Responsibility Policy** outlines Poh Kong Group's position and actions to promote their goals in 2014 and beyond.

SUSTAINABILITY POLICY

Our Sustainability Policy is based on the following principles:-

- Promote a cleaner environment;
- Progressive development without excessive waste and pollution;
- Usage of energy efficient appliances or items; and
- Strive to improve our sustainability performance.

PRACTICAL STEPS

In order to put these principles into practice, we will have to commit to the following four rules of waste reduction (4R's) – *reduce, reuse, recycle and replace*.

Reduce:

- I. Reduce the amount of paper you use by double-sided photocopying, printing and using electronic communication;
- II. Choose products for which refills are available;
- III. Improve your process control to avoid rejected products;
- IV. Buy bulk-packed materials to reduce packaging waste;

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- V. Adopt stock management to minimise the generation of expired products / consumables;
- VI. Handle manufacturing materials carefully to reduce breakages and wastage;
- VII. Reduce lighting by switching to LED for energy savings;

- VIII. Reduce computer usage with screen savers with automatic shutdown etc;
- IX. Lower air conditioning at comfortable temperatures to save energy.

Reuse:

- I. Provide separate bins for collecting used packaging, reusable wire binding, envelopes and other materials that can be reused;
- II. Use re-usable cutlery, dishes, cups and coffee filters (eg. avoid using paper cups);
- III. Ask suppliers to take back packaging materials for reuse;
- IV. Reuse equipment parts and fixtures and repair furniture to reduce waste.

Recycle:

- I. Set up a recycling scheme in the office for scrap paper, toner cartridges, plastic bottles, aluminium cans, cell phones, computers etc;
- II. Donate old computers, electronic appliances and furniture to charities or scrap obsolete computers, laptops, printers, cell phones, electrical devices etc; to recycling dealers;
- III. Separate scrap metal, wood and plastic from industrial waste for recycling;
- IV. Company purchase “trade in” or purchase of old or used jewellery for recycling.

Replace:

- I. Use durable items instead of one-off disposable items (eg. replace paper cups with mugs/glasses);
- II. Use cloth towels instead of paper towels;
- III. Choose environmentally friendly alternatives if available, such as biodegradable cleaners and garbage bags, also use less toxic chemicals;
- IV. Rent instead of buying equipment such as copiers and computers to minimise unnecessary e-waste when systems need to be upgraded.

THE WORKPLACE

Poh Kong values its employees as they are central to the smooth functioning of its operations and play an important role in the Group’s success and sustainability.

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To ensure employees work in a safe, healthy and conducive environment, various safety awareness briefings and programmes are conducted to enhance employees' knowledge in health and safety. Poh Kong provides hostels accommodation in the vicinity of its workplace so that employees walk to work and do not contribute to carbon pollution via motorised transportation.

Company uniforms and meal subsidies are also provided to employees which effectively minimises wastage in terms of personal spending for individuals while bulk purchases of uniforms and food would translate to costs savings for the Company.

Poh Kong's corporate headquarters has also in place a flexi-working hours scheme for employees that is aimed to reduce travelling time during peak hours to avoid traffic jams. This practical alternative work option is a more efficient allocation of time without sacrificing work effectiveness with clients and business partners.

In terms of CSR, external courses, workshops and internal in-house product training are conducted for all levels of employees to enhance their knowledge and core competencies. Employees are also encouraged to participate in social, sports, recreational and leisure activities through volunteering and performing pro bono work with charities supported by Poh Kong.

THE MARKETPLACE

Poh Kong endeavours to carry out activities in a sustainable manner and promote responsible practices among its shareholders, suppliers and customers in the marketplace.

Where alternative communications are available and practical, the Company uses teleconferencing to communicate with fund managers and analysts to avoid physically travelling to meetings.

Poh Kong's network of over 100 outlets provides convenience and accessibility to customers, offering wide range of quality products for customers' choices. Customers are given recycled bags as gifts to carry their products.

The Group supports "nickel safe" jewellery products for the protection of consumers' health and safety.

THE COMMUNITY

Poh Kong strives to improve the quality of life of the community it serves by continuously creating opportunities and bringing lasting and positive change.

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Poh Kong's CSR initiatives towards the community have included sponsorships and monetary support in the areas of health and welfare for the underprivileged, education, arts, culture, sports, entertainment, building funds, humanitarian missions, charitable causes and women entrepreneurship.

THE ENVIRONMENT

Go-Green Campaign

The Group is mindful of its responsibility towards preserving the environment and conserving resources wisely. It is committed to protect the environment through its green awareness and eco-friendly activities that reduces the carbon footprint and waste generated by the organization's infrastructure.

Sustainable development has been part and parcel of Poh Kong's work culture where employees are inculcated the social values of maintaining human wants and needs at a minimum level so as to preserve the environment for future generations.

Energy Conservation Practices

In its daily operations, environment friendly practices are observed, and energy conservation routines are practised. Recycled paper is used, increased electronic communication, energy saving bulbs for lighting and equipment are utilized. This include using light-emitting diode

(LEDs) lighting for energy saving, the automatic shutdown of desktop computers while not in use, maintaining air-conditioning at comfortable, but lower temperatures, switching off non-essential lights and equipment, and the recycling of materials have all reduced costs savings. Where practical, the Company has purchased eco-friendly energy efficient equipment to reduce energy consumption and practised good housekeeping in conformity with the 4R's of waste reduction.

Energy conservation slogans and stickers, and tips on how to save energy are also posted as daily reminders.

Manufacturing Practices

Poh Kong's Jewellery Manufacturer Sdn Bhd is committed to the proper management of wastage to help minimise the impact on the environment by restricting the use of hazardous substances, undertaking the safe disposal of waste discharge and the monitoring of pollution levels for a clean environment.

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The Company takes back gold products at end-of-use or end-of-life for responsible recycling, remanufacture or recovery of the gold in the refining process, thereby sustaining the business and preserving the environment for the future.

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