

**SMIS CORPORATION BERHAD**  
**(Company No. 491857-V)**

**Sustainability Policy**

**1. Introduction**

This policy is intended to address SMIS Corporation Berhad (“SMIS” or “the Company”) and all subsidiary companies within the SMIS Group, hereinafter refer to as the Group.

Sustainability encompasses all aspects of ethical business practices, addressing relevant Environment, Social and Governance (ESG) issues responsibly and profitably.

The Group recognises the important of sustainability and its increasing impact to the business. The Group is committed to understanding and implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

**2. Objectives**

This policy aims to:

- 2.1. Endeavour to integrate the principles of sustainability into the Group’s strategies, policies and procedures;
- 2.2. Promote sustainable practices;
- 2.3. Comply with and exceed, where practicable, all applicable legislation, regulations and codes of practice;
- 2.4. Ensure that the Board and senior management are involved in implementation of this policy and review the sustainability performance; and
- 2.5. Create a culture of sustainability within the Group, and the community, with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

**3. Social Sustainability**

Social sustainability is focused on the development of programs and processes that promote social interaction and cultural enrichment. It emphasizes protecting the vulnerable, respecting social diversity and ensuring that the Group put priority on social capital.

- 3.1. To maintain a safe and healthy workforce;
- 3.2. To recruit and retain high potential and high performing employees;
- 3.3. To use training and development as a strategic investment and a way of shaping culture and behaviour in the Group;
- 3.4. To enable employees to further develop their professional and personal skills;
- 3.5. To promote safety and well-being amongst all employees;
- 3.6. To provide a safer workplace for all employees;

- 3.7. To prevent sexual harassment;
- 3.8. To be recognised as a good corporate citizen;
- 3.9. To align our charitable giving with the Group's activities;
- 3.10. To actively encourage our people to get involved in the charity work;
- 3.11. To respond in a professional and timely manner to public enquiries;
- 3.12. To continue improve public perception and experience of the Group; and
- 3.13. To support and encourage community development.

#### **4. Environmental Sustainability**

The Group is committed to identify, manage and minimise the environmental impact of business operations.

- 4.1. To reduce consumption of non-renewable, non-recycled materials;
- 4.2. To pursue and encourage the use of renewable resources;
- 4.3. To minimise the level of pollutants entering into the air and water from daily business operations;
- 4.4. To comply with environmental regulatory and legal requirements;
- 4.5. To create an ever-increasing awareness of this policy within the Group and stakeholders.

#### **5. Governance Sustainability**

Governance sustainability is becoming more essential in gaining the confidence of investors, other stakeholders and the public. The Group recognises the important of governance sustainability and incorporating it into all functions and processes which include strategic planning, accountability, sustainable planning and development.

- 5.1. To ensure sustainability forms an integral part of the Strategic Planning;
- 5.2. To enhance sustainability through regular updates of strategies, policies, procedures and provide relevant training;
- 5.3. To establish and continue to improve appropriate governance structures and processes;
- 5.4. To assess the impacts and outcomes of sustainability; and
- 5.5. To plan for long term resources including human and financial.

#### **6. Reports and Disclosures**

The Company will disclose the Corporate Social Responsibilities ("CSR") on the annual report.

Dated: 30 May 2013