



**Water and Waste Policy  
Ancom Nylex Berhad Group**

**CONFIDENTIAL**



**Change Log**  
**Water and Waste Policy**  
**Ancom Nylex Berhad Group**

Version	Responsible Department	Description	Reviewer	Approver	Date of approval
1	Environmental Social and Governance				
2					

Notification: This page is meant for internal use exclusively.

## Water and Waste Policy

### 1. Introduction

Ancom Nylex Berhad (“**the Company**”) and our subsidiaries (collectively “**ANB**” or “**the Group**”) are committed to responsible environmental stewardship, pollution prevention, and the sustainable management of the water we consume and the waste we generate. We recognise our obligation to minimise adverse environmental impacts, while ensuring compliance with all applicable laws, regulations, and standards that govern our industry.

As such, adopting this Water and Waste Policy (“**the Policy**”) establishes a structured framework for identifying, managing, and measuring our performance related to water consumption and waste generation. This Policy shall thus set out the Group’s guiding principles, commitments, and expectations in ensuring responsible water and waste management.

This Policy clearly expresses the commitment of the Group to

- i. Implement proactive measures that promote efficient water consumption and waste reduction through process improvements, reuse strategies, and sustainable technologies;
- ii. Build capacity among employees and our value chain to uphold responsible water and waste practices aligned with regulatory requirements; and
- iii. Maintain accurate records of water consumption, wastewater discharge, and waste generation to aid in the transparent communication of performance, targets, and progress.

This Policy serves as a structured set of guidelines applicable to all Group subsidiaries. If required, the Policy is to be adapted by each subsidiary to suit its specific nature of business.

This Policy and all other existing Group policies can be referred to at <https://www.ancomnylex.com/sustainability-policy.php>

#### 1.1 Scope

1.1.1 The Policy applies to ANB’s entire business operations, covering the eight core business segments: Agricultural Chemicals, Public Health & Hygiene, Animal Health, Industrial Chemicals/ Polymers, Logistics & Warehousing, Information Technology, Media & Advertising, and Health Care. The Policy also extends to international subsidiaries and encompasses all operations within Malaysia and in other countries where the Group operates.

1.1.2 Where applicable, the Policy shall also extend to the members of our supply chain, both domestic and international, involved in the Group’s value chain. These shall include, but are not limited to, suppliers, business partners, vendors, contractors, consultants, associates, distributors, agents, licensees, manufacturers, sub-contractors, or any other third party that the Group has

engaged in providing a product or service for ANB or its subsidiaries (collectively referred to as “**suppliers**”).

- 1.1.3 This Policy is intended to complement and reinforce any existing corporate policies, procedures, and operational standard operating procedures (“SOPs”) related to water and waste management. In the event of inconsistencies or contradictions, the provisions of the existing documents shall take precedence, unless otherwise decided by the relevant governing entities outlined in **Section 2**.

## **1.2 Objectives**

The main objectives of this Policy are to:

- i. Comply with all applicable environmental laws, regulations, and requirements related to water and waste management wherever the Group operates;
- ii. Identify and mitigate water and waste-related risks;
- iii. Monitor, quantify, and disclose water and waste performance metrics in line with environmental, social, and governance (“ESG”) reporting requirements and stakeholder expectations; and
- iv. Reduce the Group’s environmental footprint by optimising resource consumption and preventing pollution.

## **2. Roles & Responsibilities**

The Group is committed to ensuring the responsible management of water and waste through the implementation of this Policy. As such, the following entities will play critical roles in the Policy’s administration:

### **2.1 Board of Directors (“Board”)**

- 2.1.1 Provide strategic oversight to ensure the Policy aligns with the Group’s values, commitments, and long-term business objectives;
- 2.1.2 Review and approve the Policy and any significant update, amendment, or revision to ensure it aligns with local laws, regulations, and policies; and
- 2.1.3 Evaluate instances of non-compliance and decide on the appropriate corrective action.

### **2.2 Risk Management Committee (“RMC”)**

- 2.2.1 Review the Policy and any significant update, amendment, or revision before it is sent for Board approval;
- 2.2.2 Periodically review the Policy to ensure it remains up to date with relevant identified human and labour rights risks; and
- 2.2.3 Provide regular updates to the Board on the effectiveness of the Policy and any identified gaps in implementation.

### **2.3 Risk Management Working Group (“RMWG”)**

- 2.3.1 Periodically review the Policy to ensure it remains up to date with existing policies, procedures, and operational SOPs;
- 2.3.2 Provide regular updates to the Board on the effectiveness of the Policy and any identified gaps in implementation; and
- 2.3.3 Implement the Board and RMC's management efforts and provide regular updates on their effectiveness.

## **2.4 Management/ Heads of Departments**

### *Group-level*

- 2.4.1 Ensure consistent implementation of the Policy across all relevant business segments and subsidiaries;
- 2.4.2 Integrate the Policy's objectives with the Group's overall business strategies and targets;
- 2.4.3 Assess the Policy for potential discrepancies, inconsistencies, or gaps with existing policies, procedures, and operational SOPs and recommend harmonisation measures where necessary;
- 2.4.4 Provide guidance and reference to subsidiaries on enquiries related to the administration and content of the Policy;
- 2.4.5 Evaluate instances of non-compliance and report to the RMC and Board for appropriate corrective action; and
- 2.4.6 Review and monitor consolidated performance reports on water and waste-related performance metrics

### *Subsidiary-level*

- 2.4.7 Track operational performance against subsidiary-level and overall Group-level sustainability strategies and targets; and
- 2.4.8 Provide periodic updates to the RMWG on specific water and waste-related performance metrics and the effectiveness of Board and RMC-recommended management measures.

## **2.5 Operational Teams**

### *Subsidiary-level*

- 2.5.1 Integrate Policy requirements into daily operations, production planning, and maintenance activities;
- 2.5.2 Where applicable, track water usage, wastewater discharge, and waste generation, and submit periodic performance reports to the relevant Management/ Head of Department;
- 2.5.3 Identify opportunities for reducing water consumption and waste generation throughout the operation and value chain; and
- 2.5.4 Respond to instances of non-compliance and take corrective action

## **3. Policy Commitments**

The Policy outlines the Group's expectations regarding our business operations concerning the management of water as a natural resource and the waste we generate as part of our operations.

### **3.1 Commitments to Water Management**

The Group acknowledges water as a critical shared resource that has direct implications for our sustainability and economic performance. As such, ANB is committed to identifying, managing, and mitigating water-related risks across our operations.

Our key commitments towards water management are as follows:

### **3.1.1 Water Risk Assessment and Management**

To proactively manage exposure to water-related risks, the Group shall:

- i. Conduct site-level water risk assessments using recognised tools to identify exposure to water scarcity, flooding, drought, and regulatory constraints, when necessary.
- ii. Integrate site-level water risk assessments into the planning and siting of future operational sites.
- iii. Develop subsidiary-level mitigation strategies for potential high-risk sites, including contingency water sourcing, operational adjustments, and stakeholder engagement, if the need arises.

### **3.2.2 Water Consumption**

The Group shall implement measures to optimise water usage across all operations when the need arises, with an emphasis on efficiency, resilience, and long-term sustainability. Our commitments to this include:

- i. Monitor and manage water consumption at all buildings, plants, and operational sites where the Group maintains direct operational control.
- ii. When necessary, conduct water audits at relevant sites to identify potential inefficiencies and opportunities for water reduction.
- iii. Where applicable, install water-efficient fittings and technologies, such as low-flow fixtures and automated controls, to reduce unnecessary consumption.
- iv. Where applicable, integrate water-saving features and technologies into the design and planning of future operational sites.
- v. Ensure adequate water storage and backup supply capacity that meets or exceeds minimum operational requirements.
- vi. Conduct training programmes and water-saving initiatives for internal personnel to cultivate a culture of responsible water consumption.

### **3.2.3 Water Discharge**

For operations that generate water effluents, the Group is committed to managing our discharge responsibly to prevent pollution while ensuring compliance with applicable national and industry standards. For these operations, the Group shall:

- i. Ensure full compliance with discharge limits set by the national regulatory standards of the countries the Group operates in or industry standards, in cases where national standards may not be available.
- ii. Where applicable, install and maintain suitable water treatment systems.
- iii. Where applicable, conduct regular sampling and monitoring of effluent discharge quality to verify compliance.
- iv. Establish emergency protocols for accidental releases, including containment, notification, and remediation procedures.

### **3.2.4 Alternate Water Sourcing**

ANB primarily relies on municipal water sources. However, moving forward, the Group shall actively explore alternative water sources, including the potential for recycling water. To further enhance water resilience, the Group shall:

- i. Look into the feasibility of alternative water sources, such as rainwater harvesting, greywater reuse, and treated process water, for all operational sites.

### **3.1.5 Water Quantification and Monitoring**

Transparent and accurate water data is essential for compliance, performance tracking, and continuous improvement. To this end, the Group shall:

- i. Quantify water consumption and, if applicable, discharge volumes across all operations on a monthly basis at the subsidiary level, with consolidated reporting to the Group conducted biannually.
- ii. Maintain internal centralised water consumption and, if applicable, discharge tracking records at the subsidiary-level to support internal audits, ESG disclosures, and regulatory reporting obligations.

## **3.2 Commitments to Waste Management**

ANB is committed to the responsible management of waste generated across our operations in alignment with the applicable environmental laws, regulations, and industry standards in the regions where the Group operates.

Our key commitments towards waste management are as follows:

### **3.2.1 Waste Minimisation and Hierarchical Management**

The Group adopts the internationally recognised waste management hierarchy (Prevent, Reuse, Recycle, Recover, and Dispose) as the guiding principle for all waste-related activities. Originating from the European Union's Waste Framework Directive and adopted by the United Nations Environment Programme ("UNEP"), this hierarchy guides the Group's approach in minimising environmental impact and promoting resource efficiency. In accordance with this, the Group shall:

- i. Prevent and reduce waste at the source through operational efficiencies, product and packaging design improvements, and procurement practices that favour reusable and recyclable materials.
- ii. Promote the reuse of materials where feasible and applicable, including for internal consumption or the transfer of suitable waste to external third parties or downstream industries for use as secondary raw materials or feedstock.
- iii. Prioritise the use of durable, rechargeable, and multi-use items over single-use products
- iv. Facilitate recycling by implementing structured collection systems for recyclable, electronic, and organic waste, where operationally feasible.
- v. Ensure responsible disposal of residual waste in accordance with national regulatory requirements, prioritising landfill diversion, wherever possible.



### **3.2.2 Waste Segregation and Storage**

The Group shall implement suitable waste segregation and storage practices across all operations to ensure environmental protection, regulatory compliance, and operational efficiency. The Group commits to:

- i. Segregate waste at the source into appropriate categories (e.g., recyclables, non-recyclables, organic, hazardous, etc.).
- ii. Ensure compatibility of storage materials with the waste type and maintain secondary containment where required.
- iii. Implement signage and handling protocols to guide employees in proper disposal and transfer procedures.
- iv. Conduct routine inspection of waste storage areas to verify integrity, cleanliness, and compliance with safety standards.

### **3.2.3 Management of Toxic, Hazardous, and Scheduled Waste**

Given the nature of our operations, the Group recognises our obligation to responsibly manage toxic, hazardous, and scheduled waste that can potentially be generated from our daily business activities. These categories of waste are to be managed in strict compliance with the national regulatory requirements of the countries where we operate. If no national guidelines are available, then the Group shall comply with relevant international or industry standards.

Accordingly, the Group shall:

- i. Identify and classify all hazardous and scheduled waste streams generated from all operational activities.
- ii. Store such waste in designated, secure, and clearly labelled containment areas that meet regulatory specifications.
- iii. Ensure proper handling and transport by trained personnel and licensed contractors under applicable environmental regulations.
- iv. Maintain spill response kits and emergency protocols at all relevant locations to address accidental releases or containment failures.
- v. Dispose of hazardous and scheduled waste only through approved treatment, recovery, or disposal facilities, with full documentation and tracking.
- vi. Limit storage duration of hazardous and scheduled waste in accordance with regulatory timelines to prevent environmental and health hazards.
- vii. Train relevant personnel in hazardous and scheduled waste identification, handling procedures, emergency response, and regulatory compliance.
- viii. Conduct periodic audits to verify adherence to internal protocols and regulatory requirements.

### **3.2.4 Waste Quantification and Monitoring**

To support data-driven decision making and continuous improvement, the Group shall establish systems for measuring, tracking, and reporting waste generation and disposal. The Group shall:

- i. Quantify waste volumes and types generated across all operations on a monthly basis at the subsidiary level, with consolidated reporting to the Group conducted biannually.
- ii. Maintain internal centralised waste tracking records at the subsidiary-level to support internal audits, ESG disclosures, and regulatory reporting obligations.

#### **4. Communication and Training**

- 4.1 The parties (as outlined in **Section 2**) shall ensure that this Policy is effectively communicated to all external and internal personnel.
- 4.2 The Policy is accessible on the Group's corporate website (at: <https://www.ancomnylex.com/sustainability-policy.php>). It will also be disseminated internally to all personnel and included as part of our personnel training process to develop climate change awareness and urgency in our organisational culture.
- 4.3 To further reinforce the Policy, the Group shall deliver training programmes, conduct information-sharing sessions, and utilise other relevant channels to inform and update internal stakeholders and employees of the details and updates to the Policy and to provide training and awareness initiatives for climate change. These training and communication initiatives will be regularly evaluated for their effectiveness, ensuring a consistent and thorough understanding of the Policy's commitments across all relevant parties.

#### **5. Policy Review**

- 5.1 This Policy shall be reviewed periodically to ensure it remains relevant and effective. The Group reserves the right to make necessary updates and amendments to the Policy without prior notice to ensure it reflects changes in regulatory requirements, industry standards, or business priorities.
- 5.2 This Policy has been reviewed and approved for adoption by the Board on XX

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