



Master Plastics (Proprietary) Limited

MASTER PLASTICS GROUP

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FRAMEWORK



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1. About our policy & process

1.1 The Master Plastics Group (“Master Plastics” or “the Group”) has embarked on a process to formalise the integration of an environmental, social and governance management system (“ESMS”). The ESMS program will assist the Group to formally integrate plans, standards and best practices into its core operations in order to anticipate environmental, social and governance risks posed by the Group’s business activities and to avoid, minimise and compensate for such risks wherever reasonably possible.

1.2 Environmental, Social and Governance (“ESG”) metrics have always been key components and considerations in the business of the Group and are part of any ESMS.

1.3 The Group’s ESG strategies are all about creating an awareness, measuring and demonstrating the impact our business is having on our world and ensuring that we put in place plans and strategies to not only enhance our positive impact, but to also identify and manage any negatives to within acceptable levels wherever reasonably possible and subject to any constraints.

1.4 Businesses who are at the forefront of talking about and actioning ESG initiatives are generating more attention and a sound ESG strategy and policy will therefore make our Group more attractive to all stakeholders (investors, financiers, customers, suppliers, employees etc.).

1.5 The Group’s ESG “story” will also enable it to talk about and deal with inappropriate perceptions about what we represent and the products we supply. It will also highlight the important and very significant role the Group plays in specifically areas of food safety, food waste, food security and the sustainability of key environmental resources (such as soil & water).

1.6 Our ESG Policy will underwrite the Group’s status and inform the Group’s ESG efforts moving forward. This includes, but is not limited to reporting, metrics, disclosures, business practices, policies, procedures, investments, board activities, stakeholder engagement, and investor relations.

2. Purpose of this guide

2.1 The purpose of this guide is to provide information about key ESG factors, our adopted strategies and efforts and to encourage the Group, our people and various stakeholders to understand and appreciate ESG better and see the positive contribution it can make to our Group and our overall environment.

3. Who will be responsible for our ESG policy and implementation in the Group?

3.1 The Board of Directors has overall responsibility for the implementation and effective operation of our ESG policy. They have delegated responsibility for overseeing its implementation to the Social & Ethics Committee who in turn has charged the Chief Executive Officer with overall responsibility for operational implementation.

3.2 Operational managers will be allocated day-to-day responsibility for the ESG policy and any initiatives that flow from such.

3.3 Any questions about the ESG policy are to be directed to them in the first instance and to the extent necessary to the Chief Executive Officer.

3.4 The ESG Policy will be reviewed at least annually by the Group and changes may be made at any time as guidance develops and we progress on our journey.

4. Our ESG commitment

4.1 Our Group strives to build sustainable, equitable, healthy, and diverse communities through a combination of innovative business practices and exemplary ESG performance. This commitment informs every aspect of our business, including deciding on projects, product development and re-engineering, capital allocations, operations, collaborations with stakeholders and reporting on progress.

4.2 The ESG policy will set out our approach to sustainability matters. At the heart of the ESG policy is our Group's corporate culture that has sustainability at the core of all our business operations and values.

5. Our statement on climate change and the environment

5.1 We will commit to managing our energy and carbon impacts wherever reasonably possible, as we believe that climate change is one of the greatest risks to our world and our business. Our sustainability program will be committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, our people, and the wider community.

5.2 We will continually review our internal production processes and should encourage our customers to reduce their impact on the environment by recommending the use of more sustainable and recyclable materials. We offer product (re-)design and development services and have dedicated in-house innovation teams which will support these efforts.

5.3 We will seek to comply with current environmental legislation and work to minimise the impact of our activities on the environment.

6. Our statement on social responsibility

6.1 We will maintain relationships with our key stakeholders by investing in our employees and partnering with our customers, communities, investors and suppliers.

6.2 We will commit to engage with our employees to provide a challenging, dynamic, inclusive and diverse work environment that supports their professional development, as well as promoting a work-life balance.

6.3 We will support initiatives that benefit the environment, human welfare and education. This includes skills training that advance workforce talent pipelines (internal and external) and economic development in the communities in which we operate.

6.4 We will engage suppliers, customers and employees around the adoption and implementation of sound safety, health and wellness policies and processes.

6.5 We will preserve and promote the protection of human rights and welfare within our own business activities, as well as those of our supply chain, in accordance with our Code of Conduct and Business Ethics, Supplier Code of Conduct, Anti-Bribery & Corruption Policy, Anti-Money Laundering Policy, Human Rights Policy and the Modern Slavery and Human Trafficking Policy.

7. Our statement on ethical governance

7.1 Our focus will be to promote strong oversight, transparency and risk management at all levels of the Group, ensuring resilience and long-term preservation of value for our business.

7.2 We will maintain strong corporate governance practices through exemplary board stewardship, management accountability and proactive risk management.

7.3 We will mitigate risk exposure and build the resilience of our business to climate change and other catastrophic events, wherever reasonable.

7.4 We will commit to high ethical standards through a strong Code of Conduct and Business Ethics, ongoing ethics training, and executive leadership that promotes a culture of integrity.

7.5 We will cultivate strong stakeholder relationships through transparency, open communications, and responding to stakeholder input.

7.6 We will establish clear and effective governance for ESG, set goals and establish accountability. This is set through our Social & Ethics Committee and reported to our Board of Directors.

8. Our business and ESG

8.1 ESG is about assessing our overall impact in the world, and taking concerted, defined and measurable action to improve it wherever reasonably possible. Our value rests in our employees, our communities, and the wider world. Therefore, ESG forms a fundamental part of how our Group lives our values in the real world.

8.2 The ethical and practical values that make up the different parts of ESG have always been at the heart of what we as a Group stand for. With the growth of ESG and the increased awareness of these factors among our key stakeholders, we have a better opportunity to tell the story of how our Group makes a positive impact in the world.

8.3 The drive to assess a broader range of factors in a holistic manner, from environmental and climate change considerations to the social issues and how we invest in our people, to the structure of our Group and always reaching for better governance, means we can tell our story better. We welcome opportunities to highlight the positive impact we have on the world and deal with inappropriate perceptions associated with what we do.

9. Our role in the wider world

9.1 As a Group, we also have a duty to our people, our customers, and the wider world. ESG gives us an opportunity to bring those impacts together. We are value investing in our people as we value protecting our environment and being a good corporate citizen.

9.2 Fostering openness, sustainability, and respect are our key objectives. We value everyone and strive to work and succeed as one team. Our view on ESG is that it is a continuous process of aligning our operations and controls with our values as a Group.

9.3 Our commitment to improve our social and environmental performance demonstrates a strong, well-informed management attitude and a values-led culture that is both alert and responsive to the challenges and opportunities of doing business responsibly and sustainably.

10. ESG and our reputation

10.1 ESG is fundamental to our reputation as a business. Reputation is built through frequent and repeated interactions with stakeholders. When those interactions are positive, our business, and our reputation, can thrive. In an uncertain economic climate, positive reputation is one of the key drivers to long term success.

10.2 We want all our stakeholders, from customers to investors to our people, to be proud to be a part of our business. Part of that pride is understanding how our business makes a positive contribution to our and their world.

10.3 Environmental - Environmental sustainability is an ethical and commercial imperative. Managing our carbon footprint goes hand in hand with the strategic necessity to operate efficiently. Our commitment to tackling climate change at a corporate level is fundamental to our strategic objectives.

10.4 Social - Our people make up our business. Intellectual capital is core to our clients, our business model and our long-term sustainability as a business. We aim to foster an environment that values and nurtures unique talents and contributions from every individual within a culture of inclusivity. While we have progress to make, we are committed to cultivating and empowering change by building an inclusive workplace where all talents can thrive.

10.5 Governance - Good governance is foundational to our business, and all aspects of ESG. We cannot thrive without paying attention to our compliance obligations. Our business seeks to go beyond the concept of 'box-ticking' and embed compliance into the heart of our business.

11. Our responsibility to our customers

11.1 We have an obligation to our customers to offer them the best service. Customers are at the heart of our business, and without these partnerships our business wouldn't exist. Part of that commitment to customers is about responding to their needs, hearing their concerns and committing ourselves to customer satisfaction.

11.2 The best customers are those who see us as partners in their own enterprise. In turn, those customers reward us with their continued business, and building and maintaining our world-class reputation.

11.3 ESG priorities are drawn not only from investor concerns, but customer needs. Customers are asking how we are improving the world around us. How are we protecting our shared natural heritage, investing in our communities and being good corporate citizens? It is imperative on us as a business that all of our interactions with customers are reflective of who they expect us to be. and that is a partner in their own enterprise that is aligned and supports & accelerates their own internal ESG objectives.

11.4 That is why it is important for you to understand ESG, its impact and what it means for our company. We want you to feel proud of being part of our business and the positive impact we have on the world, so that our customers will see and feel the same when they engage with you.

12. Employees - your role to play in ESG

12.1. As a valued member of our Group, you have a vital responsibility to ensure our Group thrives. When it comes to ESG, this means understanding your role in each area of ESG. You can start to do this by familiarising yourself with the concept of ESG and also our strategic objectives around ESG. We will over time inform you of:

- Our strategic ESG goals – these are already highlighted herein to a great extent, but in due course key metrics will be introduced and communicated to you.
- How we plan to achieve them and over what time.
- Your individual and team contribution to those goals.
- How to communicate our ESG goals with customers and third parties to the benefit of the Group.
- Where to report potential concerns or actions you identified and which goes against our ESG and/other policies.

12.2 On an individual level, you have an important role to play in meeting our ESG objectives. Here's how:

12.3 Environmental - We all have a role to play in reducing carbon emissions and aspiring to getting to "net zero". While as a business we are setting organisation-level targets, consider the choices you make and the environmental impact. For instance:

- When travelling, are there more environmentally friendly options to take?
- Can some meetings be done remotely instead of travelling back and forth?
- Think before you print !
- Does the office have recycling and energy saving measures – if not, question why?
- Make suggestions or recommendations – replicate initiatives identified elsewhere for example.

12.4 Social - Building a diverse and inclusive workforce where everyone feels valued is everyone's responsibility. Understanding your role in bringing people together is critical to our success as a business. From hiring the best talent to encouraging all staff to thrive, we want a workplace where people proactively work to be the best. You can help by:

- Challenging and reporting discriminatory or offensive behaviour.
- Understanding and promoting our diversity and inclusion policies.
- Being an active ally of support for groups often underrepresented.
- Leading by example in your work and workplace.

12.5 Governance - Good governance goes beyond having the right policies and procedures in place. It's about embedding compliance in your day-to-day work. From completing training on time to actively understanding how regulations affect your work, good governance starts from the individual acting ethically. Take governance to heart by:

- Be a compliance champion in your team.
- Refer to policies and procedures instead of shortcuts.
- Be aware of red flags for compliance failures and risks in your area of work.
- Don't be afraid to call out poor behaviour or report failures.

13. ESG and our value chain

13.1 Our business does not operate in isolation; almost no company does. Value is created through collaboration and partnerships. Similarly, risks can come from not anticipating problems, gatekeeping, and hiding critical information. Traditional risks in supply chains were generally about quality, cost effectiveness and reliability. But seen through an ESG lens, the holistic nature of the third parties, from how they source raw materials to how they treat workers and comply with accepted standards are just as vital.

13.2 A workforce health and safety incident, labour dispute or allegation of corruption can have serious impacts on stakeholders up and down the value chain. The value chain matters, and it is connected. Customers are increasingly voting with their feet and putting pressure on companies to act with ethical decisions in mind.

13.3 Ethical procurement gets to the heart of the value chain. When we consider the entire value chain, from raw material supplier to end use customer, we can better understand the needs and impacts of our business's decisions within those relationships. Ethical procurement within the context of ESG means paying attention to the carbon impacts of a supplier, and the labour practices of an end-user.

13.4 Considering these impacts doesn't always mean refusing to work with someone in the value chain where there are concerns. Sometimes suppliers are limited, and customers have every right to access our services. It's about understanding the risks within each relationship and taking concerted action to reduce those risks.

13.5 For example, if there are concerns about a supplier's labour practices, we can ensure clauses are inserted into contracts to maintain an adequate standard of employment for those working for the supplier. This can help actively change labour practices, as opposed to simply refusing to work with a supplier. Or when working with a logistics provider, we might ask for emissions reporting so we can then offset the carbon used.

13. How to procure ethically

13.1 Risk assessments: We will in due course undertake risk assessment of the value chain in order to identify key vulnerabilities based on supplier and customer needs.

13.2 Real-time tracking: Real-time tracking and traceability over suppliers and movements of goods and services.

13.3 Screening, risk-ranking & monitoring: ESG due diligence on suppliers to evaluate and rank them based on their ESG profile and track record, and monitoring for ESG breaches.

13.4 Investigations: Investigate ESG incidents that take place in the value chain, have remediation plans ready and manage financial and reputational damage.

13.5 Incident response management: Build robust internal governance frameworks to respond to ESG issues in the value chain.

14. Our S&E committee and their role in ESG

14.1 Our S&E committee is a sub-committee of the Board of Directors. The purpose of the committee in relation to ESG is to gather and review data from broad parts of the Group, then filter and summarise it upwards to the Board. The S&E committee is responsible for producing all information regarding any ESG disclosures.

14.2 The aim of the committee is to establish a unified view of ESG, increasing understanding of all three aspects, environmental, social and governance, and to promote robust standards of corporate governance that integrate all these aspects. This will help the Group more effectively integrate ESG factors into day-to-day operations and general investment decision-making processes.

14.3 The key objectives of the committee in respect of ESG is therefore to:

- Emphasise the importance of environmental measures, sustainability goals and performance, at all levels of the Group.
- Provide best practice on the structure, policies and regulations that impact the Group.
- Increase understanding and awareness of corporate governance and social aspects that impact the Group.
- Implement and promote common and workable standards of corporate governance for the Group.

15. Monitoring and enforcement

15.1 We seek to proactively prevent and mitigate instances of non-compliance through our ESG Policy.

15.2 Any breaches or concerns, including ethical concerns or potential breaches in our commitment to high ethical standards, should be reported as soon as possible through the appropriate channels available.

15.3 Progress on this policy will be reported to the Board of Directors on a regular basis.

15.4 Active participation and engagement at all levels of the business is of great importance to ensure ownership of ESG.

15.5 At minimum, we endeavour to maintain compliance with legislative requirements.

15.6 We will introduce systems and roll out reporting tools that will allow us to measure, manage and report our progress and achievements.

16. Closing

16.1 We trust that this guidance document has provided you with (i) valuable insights into ESG, (ii) a greater understanding of the objectives of the Group through its ESMS program and (iii) highlighted areas where you can already look to make a significant contribution.

16.2 This document represents more than a statement of intent and is evidence of the commitment of our shareholders, our Board of Directors and the Group to being a responsible corporate citizen and the Group's continuing desire to lead our industry in respect of matters that are of critical importance to us all.