



SUSTAINABILITY POLICY

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Table of Contents

1. Introduction	1
2. Scope.....	1
3. Objectives	1
4. Responsibility.....	1
5. Policy Statement.....	2
6. Material Sustainability Matters	3
7. Sustainability Risk Management	3
7.1 Environmental Risks.....	3
7.2 Social Risks	3
7.3 Governance Risks.....	4
8. Economic Sustainability	4
9. Environment Sustainability.....	4
10. Social Sustainability.....	5
11. Governance.....	5
13. Sustainability Reporting and Disclosure	6
14. Feedback and Enquiry.....	6
15. Review Frequency and Approval.....	7

1. Introduction

Asia Poly Holdings Berhad (“the Group” or the “Company”) is a diverse conglomerate that strives for sustainability excellence in its business activity. The Group is placing high emphasis on sustainability matters and supporting the United Nations Sustainable Development Goals (“SDG”) by translating the relevant indicators into our business with the related strategies. We believe the sustainability strategies and practices adopted could bring sustainable impacts to our business and the communities.

2. Scope

This Sustainability Policy (“the Policy”) applies to the Group with adherence to the Economic, Environment, Social and Governance (“EESG”) and related regulatory compliance policies.

3. Objectives

The objective of this Policy is a set of general principles and fundamentals governing the sustainability strategy of the Group to ensure we conduct our business responsibly to create long-term sustainable value for our stakeholders and improve our performance.

By being responsive and transparent in our sustainability practices, we demonstrate our accountability and ensure long term business growth. We also continue to adopt new regulations, best practices throughout our operations.

4. Responsibility

The responsibilities of the Committees are detailed as follows:

4.1 Board of Directors (“BOD”)

- Accountable for the sustainability framework;
- Provides overall strategies, direction and oversight of sustainability initiatives;
- Review and approve Terms of Reference for the Sustainability Committee;
- Receive periodic updates from the Sustainability Committee related to sustainability matters’ status; and
- Review and approve Sustainability Reports, including Sustainability Statement for Annual Report disclosure.

4.2 Sustainability Steering Committee (“SSC”)

- To develop sustainability policies and frameworks;
- To identify and implement sustainability strategies and targets taking into consideration the risk and opportunities of EESG;
- To oversee and monitor the development of sustainability strategies and adequacy of resources allocated in achieving compliance with strategies, targets, and policies of the Group’s sustainability matters; and
- Provide periodic updates to the BOD on all sustainability matters.

4.3 Management Team (“MT”)

- To assist the SSC in making informed decisions to integrate the Group’s strategies into the business operations and implement towards achieving the sustainability goals;
- To engage with stakeholders related to the Group’s sustainability matters; and
- Report to SSC on the implementation status and progress of the Business Unit’s sustainability performance periodically.

5. Policy Statement

5.1 The Group is committed to serve as a responsible corporate by considering the developments’ impacts to the environment and communities.

5.2 The Group’s sustainability initiatives are guided by four core pillars:

- Economic Sustainability – Striving for stable and profitable progress, applying good business practices and corporate governances at all times.
- Environmental Sustainability – Protecting the environment by actively reducing our environmental impacts through strategic efforts and resource optimization.
- Social Sustainability – Undertaking due diligence as a responsible employer, promoting diversity and inclusivity; and contributing to improvement in social progress within the communities.
- Governance – Setting the tone from the top on sustainability direction and strategies by those charged with governance responsibilities.

5.3 The Group endeavors to maintain a structured and proactive dialogue with the stakeholders to identify, analyze and manage their expectations. They also provide alternate perspectives to our potential risks and opportunities which may exist in our business.

6. Material Sustainability Matters

The Group undertakes periodic materiality assessments to identify, evaluate and prioritize sustainability-related risks and opportunities that are material to the Group and its stakeholders. The results of the materiality assessment are reviewed by the Sustainability Steering Committee and approved by the Board of Directors.

The materiality assessment considers the following:

- Stakeholder expectations and concerns;
- Financial impacts on the Group;
- Environmental and social impacts arising from the Group's operations;
- Regulatory developments; and
- Industry trends and emerging sustainability matters.

7. Sustainability Risk Management

The Group recognises that sustainability-related risks and opportunities may significantly affect its business performance, financial position, reputation and long-term value creation. The Group integrates sustainability-related risks and opportunities into its Enterprise Risk Management ("ERM") framework.

The risks and opportunities may include:

7.1 Environmental Risks

- Climate change risks;
- Energy security and cost volatility;
- Water scarcity; and
- Waste management and pollution.

7.2 Social Risks

- Occupational health and safety;
- Talent attraction and retention;
- Human rights issues;
- Labour practices; and
- Community relations.

7.3 Governance Risks

- Bribery and corruption;
- Regulatory compliance;
- Data privacy; and
- Ethical business conduct.

The Sustainability Steering Committee reviews sustainability-related risks and opportunities periodically and report significant matters to the Board.

8. Economic Sustainability

Asia Poly Holdings Berhad strives to achieve long-term sustainability business growth by striving for strong financial performance through the application of good business practices. We adopt the following approaches:

- (a) Adopt strategies to ensure healthy financial performance to gear its business growth.
- (b) Integrate sustainable considerations into the investment decisions and better manage anticipated risks, improve returns and contribute betterment of society.
- (c) Leverage systems and infrastructure to source and procure sustainability materials for its operations used.
- (d) Promote responsible sourcing practices by encouraging suppliers and contractors to uphold environmental, social and governance standards.
- (e) Ensure transparency and comparability of its financial reporting in accordance to financial reporting standards.

9. Environment Sustainability

We acknowledge the impacts of climate change and strive to reduce the negative contributions to our environment by implementing best practices and continuously improving its performance. We aim to adopt responsible measures to mitigate the negative impacts that our operations may have on the environment. This could bring our business and community to an ecosystem-friendly environment through below approaches:

- (a) Complying with the environmental regulations.
- (b) Continuously explore ways to minimise waste and effluent produced by our operations to reduce generations and discharge in a responsible manner.
- (c) Minimising greenhouse footprint throughout the operations.
- (d) Encourage the use of renewable resources in our operations.
- (e) Undertake measures to reduce, recycle, reuse or dispose wastes in a responsible manner.

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- (f) Establish mechanisms to monitor and manage greenhouse gas emissions generated from its operations by measuring and disclosing the relevant Scopes where practicable.

10. Social Sustainability

The Group undertakes to enrich the infrastructure of sustainable society that promotes well-being by understanding the employees' and communities' needs and to foster a healthy and livable communities. The Group applies below approaches to achieve its commitments:

- (a) Provide a secure and safe workplace for the employees.
- (b) Upholding fundamental human rights of all employees, business associates and the communities which we operate.
- (c) Promoting gender diversity, inclusion, equity and prevent discrimination in our business and communities.
- (d) Ensuring responsible and ethical business conducts dealing with business.
- (e) Encourage communities' engagements with the Group in relations to the EESG efforts.
- (f) Provide leadership and training development programmes, employee engagement activities, and performance management system.

11. Governance

The Sustainability Governance structure of the Group comprises the Board of Directors, Sustainability Steering Committee ("SSC") and the Management Team. The Board is ultimately responsible for the governance, management, and performance of the Group's business sustainability by setting the tone in determining the sustainability strategies to support the achievement of the short and long-term goals.

The Board delegates the responsibilities to the SSC. The composition of the SSC includes the Chairman, Executive Director, Vice President Group Finance, and Management Team from different Business Units within the Group.

The Management Team monitors sustainability matters and reports relevant developments that may potentially affect the Group's business to the SSC. The SSC deliberates the sustainability progress and performance to the Board regularly.

The Group strictly applies ethical business practices and integrity by adhering to a zero-tolerance approach towards unethical conduct, including but not limited to:

- Bribery and corruption;
- Fraud;

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- Money laundering; and
 - Conflicts of interest

Employees and all business associates shall strictly comply with the Group's Code of Conduct and Anti-Bribery and Anti-Corruption policies.

The Group maintains a whistleblowing mechanism that enables employees and stakeholders to report concerns relating to misconduct, unethical behaviour or violations of laws and regulations without fear of retaliation.

12. Metrics, Targets and Performance Monitoring

The Group establishes relevant sustainability metrics and targets to monitor the effectiveness of its sustainability initiatives. Performance against established targets shall be reviewed periodically by Management and reported to the Sustainability Steering Committee and Board of Directors.

13. Sustainability Reporting and Disclosure

The Group discloses its sustainability-related information in a transparent, balanced, and accurate manner. The disclosures progressively align with the applicable reporting requirements, including but not limited to Bursa Malaysia Sustainability Reporting Requirements, IFRS Sustainability Disclosure Standards, and global reporting requirements (where applicable).

This Policy is available on Asia Poly Holdings Berhad's website at:
www.asiapoly.com.my

14. Feedback and Enquiry

For any feedback and enquiry about this Policy, please email and contact:

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E-G-3A, Block E, Oasis Square,
No. 2, Jalan PJU 1A/7A,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Email: sustainability@asiapoly.com.my

15. Review Frequency and Approval

This Sustainability Policy will be reviewed periodically and any updates thereto will be recommended to the Board for approval.