

The logo for SINKUNG, with 'SINK' in green and 'KUNG' in blue, set against a background of a futuristic, light-blue architectural space with glowing rectangular panels and a circular digital interface overlay.

SINKUNG

World Without Boundaries

SUSTAINABILITY POLICY

www.sinkung.my

Sin-Kung Logistics Berhad
Company Registration No. 199401035432 (321115-P)
Incorporated in Malaysia

Name of policy: Sin-Kung Group of Companies – Sustainability Policy
Version: 1

Address: Lot 1928, Jalan Bukit Kemuning, 40460 Shah Alam, Selangor Darul Ehsan.
Tel: 03-5122 5000
Email: skkl@sinkung.com.my

All rights reserved.

No parts of this manual may be reprinted and reproduced in any form or by any means, without the prior permission in writing from the Group.

1. INTRODUCTION

At Sin-Kung Logistics Berhad (“SKL” or “**the Group**”), Sustainability is increasingly becoming a key strategic factor in our decision-making as we aim to balance profitability, environmental protection, and the growth and prosperity of the communities in which we operate. Therefore, we have established the SKL Sustainability Policy (“SKSP”), which outlines our commitments and serves as our guide in delivering sustainable growth and development. The Policy shapes our actions and how we conduct our business and operations, integrating sustainability throughout our value chain. We expect all stakeholders including directors, employees, our entire supply chain, joint ventures, and community partners to embrace this Policy.

We ensured this Policy aligns with the Group’s existing policies such as, the Code of Ethics, Whistleblowing Policy, and other policies and pertinent laws and regulations. Copies of this Policy and the above-mentioned policies can be accessed via our website <https://www.sinkung.my/CorporateGovernance.php> and are disseminated to all our stakeholders.

2. GOVERNANCE

As sustainability factors gain more prominence, companies are increasingly focusing on transparency, accountability, diversity, inclusion, environmental and social issues, and the sustainability and resilience of supply chains. In response, our Group adopts a leadership perspective that encompasses local and global considerations.

Our commitment to Economic, Environmental, Social, and Governance (“**EESG**”) sustainability is evident in our corporate governance framework, which adheres to the Malaysian Code on Corporate Governance 2021 and Bursa Reporting Framework, as well as other national and international standards. Our Board and Management Team uphold these crucial sustainability principles, playing a pivotal role in strategic planning and decision-making that uphold our sustainability commitments and instilling confidence in our stakeholders about our leadership's dedication to sustainability.

3. ETHICS, INTEGRITY, AND ACCOUNTABILITY

Our Group conducts all business transactions uncompromisingly and abides by laws and regulations pertinent to our operational and business frameworks. This applies to every individual and entity in the Group. All directors, executives, managers, employees, including business and community partners must exhibit only the highest standards of business ethics.

- Meet regulatory compliance with all Environmental, Health & Safety, Human Rights, and Labour laws and regulations.
- Abide by the prescribed international standards and guidelines for our operations.
- Allocate tools and resources for monitoring our stakeholders' compliance with our Policies and pertinent laws and regulations.
- Practice honesty and transparency in conducting business and decision-making.

4. ENVIRONMENT

As the severity of the climate crisis intensifies, conversations around corporate sustainability are shifting as organisations come under greater scrutiny to showcase their green credentials. In tandem with these emerging issues, the Group recognises that we must play a role in environmental protection to address the impacts of our operational actions. As such, we consistently strive to meet statutory and regulatory standards and stakeholder expectations. We push forward to ensure that operational efficiency is achieved in an environmentally conscious manner.

To this end, we have established the following environmental commitments: -

- Comply with all applicable environmental statutes, laws and regulations.
- Eliminate the use of virgin materials, strive to reduce or avoid waste generation, and practice the 4Rs (Reduce, Reuse, Recycle and Recover).
- Consume raw materials and energy sources as efficiently as possible; reduce Greenhouse Gas emissions and combat climate change by using viable renewable energy sources; and purchase energy-efficient equipment and machinery.
- Minimise air pollution by complying with regulatory requirements on vehicle pollutant emission.
- Inculcate good environmental values through education, raising awareness, training and communication.
- Set environmental targets relevant to the Group's business and operations.

5. HEALTH AND SAFETY

Mitigating the health and safety (“**H&S**”) risks of our stakeholders and employees on and off the job is our top priority. We actively promote a culture that values the health and well-being of our people, and it is integrated with our company-wide rollout of H&S procedures that empower our organisation to identify and mitigate risks to improve safety performance. We adhere to the Occupational Safety and Health Act 1994 and all other pertinent statutory and regulatory H&S rules.

- Comply with all H&S regulations.
- Provide safe and healthy working conditions in the workplace to prevent work-related injury and illness.
- Conduct operational H&S risk assessments to prevent unwanted incidents and carry out thorough investigations if an incident occurs.
- Cultivate H&S values through education, raising awareness, training and communication.

- Equip the workforce with Personal Protective Equipment relevant to their roles and functions.
- Make considerable effort to avoid or reduce the likelihood of adverse H&S impacts on our stakeholders and surrounding communities.
- Set H&S targets and monitor our performance and progress.

6. HUMAN RIGHTS AND SOCIETY

- Human Rights Policy

Our Human Rights Policy is consistent with the UN Guiding Principles on Business and Human Rights (Guiding Principles). The rules and protocols below must be followed by all our stakeholders including community and business partners, customers, employees, suppliers, vendors, contractors and any part of our supply chain in dealing with the human rights aspect of our business and operations. The Group and stakeholders are expected to abide by this Policy and invoke zero tolerance for human rights violations.

The following lists our Group's commitments in upholding human rights: -

(a) Modern Slavery and Human Trafficking

Modern slavery, forced labour, and human trafficking are gross violations of human rights. These unfair labour practices can take various forms but have one thing in common — the exploitation of one person by another through the deprivation of liberty for personal or commercial gain.

To prevent these injustices, we have adopted the following measures: -

- Uphold ethical and humanitarian employment standards in the recruitment of foreign workers and provide fair contractual arrangements.
- Conduct audits and spot checks or other similar processes.
- Review our supply chain and identify risk areas where slavery and human trafficking may potentially occur.
- Prohibit all forms of corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment, abuse and excessive working hours.
- Ensure that any housing or accommodation provided to employees adheres to the prescribed regulatory, health, and safety standards.
- Employees will not be compelled to work against their will, including intimidation, threat, or physical confinement.

(b) Diversity and Inclusivity

The Group aspires to foster an inclusive culture where employees feel motivated and valued. We strive to create a working environment where our diverse workforce collaborates and harnesses their skills. Below are the guidelines in place to ensure that equality and fairness are advanced in all our operations: -

- Respect all employees regardless of race, gender, age, nationality, religious beliefs, disability and ethnicity.
- Treat all co-workers fairly and condemn any form of discrimination, bullying and harassment rooted in differences of background or thought.
- Enforce an unbiased system of recruitment, selection, training and promotion.
- Offer fair and equal remuneration and opportunities for career development, talent management, mentoring and succession planning.

(c) Labour Standards

Our Group abides by all applicable labour laws and regulations. This allows the Group and our suppliers to consciously apply social justice and provide decent work while attaining mutual economic growth.

- **Child Labour:** We adhere to Malaysia's Children and Young Persons (Employment) Act 1966. We do not tolerate any form of child labour practices in our supply chain and our business operations.
- **Freedom of Association & Collective Bargaining:** We subscribe to the established Malaysian labour laws, which champion employees' rights to freedom of association and collective bargaining.
- **Disciplinary & Grievance Practices:** We treat all employees with dignity and respect. We do not tolerate any acts of corporal punishment, mental or physical coercion or verbal abuse towards employees.
- **Working Hours:** We follow the government's prescribed national laws and regulations on the minimum number of working hours (including overtime and rest periods) and holiday entitlements.
- **Remuneration and benefits:** All work-related remuneration and benefits are based on statutory and regulatory compliance, merit and performance.

7. COMMUNITY COMMITMENTS

We acknowledge that one of our responsibilities is to enrich our surrounding communities. As community partners, we uphold the fundamental human rights of every individual living in the communities where we operate. We seek to build meaningful long-term relationships that produce mutual and lasting benefits through the following: -

- Prioritise local sourcing and hiring.
- Foster good community relationships by maintaining open communication.
- Motivate employees to participate in local events or volunteer activities and conduct or join community initiatives and projects.

8. PROCUREMENT PRACTICES

We will continue to improve our supply chain, deliver greater value, and enable continued mutual growth.

The supplier is responsible for ensuring that its facilities are designed and safely operated in compliance with the established government and industry environmental protection policies and that they do not present unnecessary risks to the environment or the public. Our Group's suppliers shall maintain safe, sanitary, and healthy living environments and accommodations for all employees.

Relevant suppliers are held to our principles of integrity and transparency as set out in our Code of Conduct and Policy. Direct suppliers must undergo periodic sustainability verification process with this Policy and the relevant laws and regulations. We reserve the right to inspect any site involved in business activities with the Group. All assessments of non-compliance will be conducted in good faith.

Lastly, our suppliers of goods and services have a legal duty to adhere to country-appropriate laws and regulations.

9. REPORTING PROCESS

For procedures, concerns and handling of reporting in violation of this Policy, please refer to our Whistleblowing Policy at <https://www.sinkung.my/CorporateGovernance.php>

10. MONITORING AND PERIODIC REVIEW OF POLICY

Any necessary amendments will be made periodically and are subject to Board approval.

This Policy will be reviewed annually by the Board to assess its adequacy and effectiveness.

END.