



KOTRA INDUSTRIES BERHAD
[Registration No.: 199901022732 (497632-P)]
(Incorporated in Malaysia)

SUSTAINABILITY POLICY

1. INTRODUCTION

Kotra Industries Berhad (“Company”) and its subsidiaries (“Group”) recognise that sustainability is integral to long-term success of the Group. We are committed towards embedding responsible practices across our operations to minimise adverse impacts from our business activities. We acknowledge our responsibility in fostering environmental stewardship, social responsibility and ethical governance to create sustainable value for our stakeholders, communities and the planet. This Sustainability Policy (“Policy”) outlines our commitment to conducting our business with integrity by integrating Economic, Environmental, Social and Governance (“EESG”) considerations across the Group.

2. OBJECTIVE

The objectives of this Policy include, among others, to:-

- a) communicate our commitment to promoting sustainable practices within the Group to our employees, customers and other stakeholders.
- b) ensure that our business operations, strategies and approaches are integrated with EESG considerations.
- c) raise awareness, foster and ensure that our employees are well-informed about and committed to implementing sustainability practices.
- d) Observe and comply with all relevant laws, regulations and guidelines.

3. APPLICABILITY

The Policy applies to all Directors and employees of the Group.

4. SUSTAINABILITY GOVERNANCE STRUCTURE



The Group's sustainability governance structure is pivotal towards implementing sustainability initiatives across all our business operations. The Board has established a clear and definitive governance structure. This governance structure, augmented by delineated roles and responsibilities, ensures that the sustainability efforts and practices are carried out effectively.

The Board, which provides leadership, sets the sustainability direction and assumes ultimate responsibility in driving the Group's sustainability practices, has entrusted the Audit Committee ("AC") to oversee the adequacy and effectiveness of the Group's governance, risk management and internal control system. The Managing Director who is responsible for managing the day-to-day operations, monitors and manages the execution of the Group's sustainability strategies and plans. The Heads of Department and Managers provide support by undertaking the task of implementing and integrating sustainability practices as part of daily operations while raising sustainability awareness among our employees.

5. OUR AREAS OF FOCUS AND COMMITMENT

The Group shall conduct itself and its business operations in a manner consistent with applicable sustainable practices under these four (4) main EESG pillars:-

Economic

- a) Contribute to the local economy by sourcing materials, services and equipment from local suppliers whenever practicable.
- b) Maintain high-quality, safe and effective products by adhering to international and local certification standards such as Good Manufacturing Practice ("GMP"), ISO 9001:2015 Quality Management Systems and MS 2424:2012 Halal Pharmaceuticals to ensure customer satisfaction.

Environmental

- a) Be committed to environmental protection and stewardship by minimising risks and impacts to the environment in our day-to-day operations.
- b) Ensure responsible and efficient use of natural resources (e.g., solar) during our business activities to reduce our carbon footprint.
- c) Practice responsible waste management and disposal.
- d) Ensure ongoing compliance with all relevant environmental regulatory and legal requirements.
- e) Climate mitigation and carbon neutralisation - Explore steps to reduce Scope 1 & 2 emissions by adopting renewable energy, enhancing energy efficiency, investing on low carbon technologies and utilising carbon offset mechanisms for emissions that cannot be eliminated through direct reduction efforts.

Social

- a) Ensure a safe, healthy and conducive work environment for our employees at all times.
- b) Foster a diverse and inclusive culture and provide equal access to opportunities regardless age, gender, ethnicity, religion, nationality or disability.
- c) Eliminate improper conducts and practices, including but not limited to workplace bullying, discrimination, sexual harassment, intimidation and victimisation.
- d) Empower our workforce by supporting their personal and professional development growth through ongoing training and growth opportunities.

- e) Respect and uphold workers' rights as well as complying with relevant laws and regulations, particularly the Employment Act 1955.
- f) Contribute to the wellbeing and development of our surrounding community through our corporate social responsibility initiatives, donations, educational and job creation.
- g) Support the rights of employees to freedom of association and collective bargaining.
- h) Resolve genuine complaints, disputes, grievances and conflicts in a fair, transparent, efficient and effective manner.

Governance

- a) Strive to uphold the high standards of corporate governance and ethical business conduct.
- b) Conduct business with integrity and in an open, transparent and accountable manner with zero tolerance for bribery, corruption or unethical conduct.
- c) Ensure the adequacy and integrity of the Group's internal control system to effectively manage risks.
- d) Protect data confidentiality and ensure compliance with the Personal Data Protection Act 2010 ("PDPA").

7. REPORTING OF OUR SUSTAINABILITY EFFORTS

The Group commits to provide accurate, factual and balanced information on its sustainability initiatives and performance to all its stakeholders. We are dedicated towards continuous improvement in our sustainability performance and our reporting practices by regularly evaluating our practices and striving to adopt more sustainable approaches in our operations. Additionally, we aim to further enhance the quality of disclosure standards in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, including the common sustainability matters prescribed in the Main Market Listing Requirements by Bursa Malaysia Securities Berhad.

The Group will monitor the progress of its sustainability initiatives and provide disclosures annually through its Sustainability Statement. The Sustainability Statement will be reviewed and approved by the Board before disclosure in the Annual Report.

8. REVIEW OF THE POLICY

The Policy shall be reviewed and revised as and when required to reflect the Group's commitment to continuous improvement.

DOCUMENT REVISION HISTORY

Version No.	Section	Section Name	Page	Amendment Details	Effective Date
1	All	All	All	Original Document	26/08/25