



A-RANK BERHAD

Registration No: 200301031200 (633621-X)
(Incorporated in Malaysia)

SUSTAINABILITY POLICY

(Effective from 25 June 2024)

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1. INTRODUCTION

As we strive to make our mark in the global market, financial viability and sustainability must go hand in hand in all our business activities. Therefore, at A-Rank Berhad (“**A-Rank**” or “**the Group**”), we have established the Sustainability Policy. It underscores our commitment to sustainable growth and development. This policy is relevant to all our stakeholders (i.e., Directors, employees, our supply chain, joint ventures, and community partners), as it shapes our actions and how we conduct our business and operations.

We have enacted our Sustainability Policy consistent with our governance policies such as the Code of Conducts and Ethics, Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy, as well as applicable laws and regulations. Copies of the Sustainability Policy and the policies above can be accessed via our website and are disseminated to all relevant stakeholders.

Enumerated below is a collection of A-Rank’s sustainability rules and principles reflecting our commitment to uphold Environmental, Social and Governance (“**ESG**”) across our business and operations.

2. ENVIRONMENTAL SUSTAINABILITY

The Group understands the impacts and the role that we play in addressing and protecting the environment. We are, therefore, constantly striving to meet statutory standards, regulatory compliance and stakeholder expectations. We leverage the symbiotic relationship between achieving operational efficiency and promoting environmental consciousness by being mindful of our resource consumption and the by-products of our production process. In this way, we can reduce unnecessary costs whilst imposing minimal environmental impacts.

The Group, through the Sustainability Management Committee, has identified certain environmental areas in business and operations. The strategies to achieve the sustainability targets are embedded as an integral part of the existing environmental system. The Group established several subcommittees, such as the Environmental Performance Monitoring Committee, Electricity Management Team, and others, to implement and monitor the target achievements.

The environmental sustainability areas are:

Energy and Emissions

Our efforts at energy and emission reduction by adopting certain reduction emission technologies such as:

- **Renewable energy generation:** Renewable energy involves generation of zero emissions and installation of solar panels to help machinery run on clean energy during operation;
- **Electrification:** Electrifying or replacing fossil fuel-reliant technologies with electricity-dependent ones is crucial in reducing emissions. For example, replacing the existing diesel forklift used in production operations with an electric in stages;
- **Energy efficiency:** Invest in energy-saving equipment and technology to reduce energy consumption.

- **Emissions monitoring:**

- Measure the emissions and compliance with the requirements of laws by engaging an accredited third party to verify the Continuous Emission Monitoring System and periodic monitoring of stack emissions.
- Manage air pollution by installing air pollution control systems and
- Monitor our energy usage and actively seek ways of optimising energy usage in our operations.

Natural Resources and Wastes

- Reduce the use of virgin raw materials, minimise waste generation and practice the 3Rs (Reduce, Reuse, Recycle);
- Consume raw materials as efficiently as possible;
- Continually improve material efficiency and increase the recycling and recovery of the aluminum process; and
- Ensure proper management of Scheduled Wastes to avoid risking harm to the community and the environment.

Water Management

- Practice water conservation through monitoring and use of recycled water; and
- Inculcate good habits surrounding water conservation in our workforce.

3. SOCIAL SUSTAINABILITY

The Group upholds human rights and equity as ethical considerations in all facets of our business so that we can engage with all our stakeholders for mutual benefit. We seek to protect and empower our workforce, business partners and the communities where we operate through the following commitments:

3.1 Safety and Health

The Group's Safety and Health ("**S&H**") Policy covers all our stakeholders. The Occupational Safety and Health Act 1994 and all other related Safety and Health rules and regulations are strictly adhered to avoid potential safety and health risks for our employees and contractors.

To improve implementation at all levels of operations, we have established a S&H Committee to uphold the following commitments and hold our stakeholders mutually responsible for their S&H.

- Comply with all S&H regulations;
- Commit to providing safe and healthy working conditions and equip the workforce with safety equipment to prevent work-related injury and illness;
- Conduct operational S&H risk assessments to prevent unwanted incidents and carry out thorough investigations when an incident occurs;
- Cultivate S&H values in our stakeholders through training and communication;
- Make considerable effort to avoid or reduce the likelihood of adverse safety and health for stakeholders and the community where we operate; and
- Set S&H targets and monitor its performance.

3.2 Human Rights

Our Human Rights is governed by the Employment Act 1995 and all other relevant labour laws of Malaysia and is devised with general reference to the UN Guiding Principles on Business and Human Rights (Guiding Principles), the Core Conventions of the International Labour Organisation and the principles outlined in the Universal Declaration of Human Rights. The rules and protocols below must be followed by all our stakeholders in our operations (i.e. employees, Directors, suppliers, joint ventures, community partners and any other parties with business relationships with the Group) in dealing with the human rights aspect of our business and operations. The entire Group, its subsidiaries and stakeholders are expected to abide by this Policy and invoke zero tolerance for human rights violations.

The following lists the Group's human rights commitments:

3.2.1 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:

- Recruitment of foreign workers should uphold ethical and humanitarian employment standards and provide just contractual information;
- Ensure our operations are free from human rights violations;
- Review every part of our supply chain and identify risk areas where slavery and human trafficking may potentially occur;
- Rule out all incidents of corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse;
- Ensure that any housing or accommodation provided to employees adheres to the prescribed regulatory, safety and health standards;
- Employees will not be compelled to work against their will, including intimidation, threat or physical confinement; and
- We do not purchase and utilise conflict minerals or their derivatives, which may directly or indirectly finance or benefit unlawful military factions.

3.2.2 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 equality and fairness are advanced in all our operations:

- Respect all employees regardless of their race, gender, age, nationality, religious or political beliefs, disability, social origins, caste, disability and pregnancy or maternity;
- 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; and
- Offer fair and equal remuneration and opportunities for career development, talent management, mentoring and succession planning.

3.2.3 Labour Standards

The Group's operations abide by all applicable labour laws and regulations. We also follow best employment practices so that the Group and our suppliers can consciously apply social justice and provide decent work and equitable economic growth.

- **Child Labour:** Our operation adheres 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 and operations;
- **Disciplinary and 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 and holiday entitlements; and
- **Remuneration and benefits:** All work-related remuneration and benefits are based on merit and performance as determined by performance reviews.

3.3 Local Community

We acknowledge that one of our responsibilities is to enrich the communities where we operate. As community partners, we uphold the fundamental human rights of all the people 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; and
- Motivate employees to participate in local events or volunteering activities and conduct community initiatives.

3.4 Supply Chain

The Group's suppliers are held to the highest standards of integrity and transparency, as set out in our Anti-Bribery and Corruption Policy, Code of Conduct and Ethics and Sustainability Policy. Direct suppliers must undergo periodic sustainability compliance audits to verify their compliance with this Policy. The Group reserves the right to inspect any site involved in business activities with the Group. If our business and community partners remain non-compliant after genuine consultations and appropriate written notice, we reserve the right to terminate or suspend their contracts or agreements. 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.

4. GOVERNANCE SUSTAINABILITY

The Group is committed to make our mark in the global market arena whilst embracing sustainability practices and contributing to a better ESG. Our corporate governance framework, in line with the Malaysian Code on Corporate Governance 2021 ("**MCCG 2021**") and international standards, is a testament to our commitment to ESG sustainability. The Board and the Management Personnel, in their strategic planning and decisions, recognise and address the importance of sustainability principles.

4.1 Ethics, Integrity, and Accountability

The Group conducts all business transactions with uncompromising integrity. All divisions of our organisation must abide by all laws and regulations pertinent to their operational framework. Every part of the Group, including Directors, executives, managers, employees, and business and community partners, must adhere to all applicable laws and exhibit where possible the highest standards of business ethics.

- Meet regulatory compliance with all Environmental, Safety and Health, 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; and
- Practice transparency and promote honest and ethical conduct in business and decisions.

Our commitment to ethics, integrity and accountability can be read in line with the following policies made available on our website:
<https://www.arank.com.my/corporate-governance/>.

4.2 Reports and Disclosures

The Group will set short and long-term targets for sustainability efforts. The targets must be measured by metrics for measurement, tracking and reporting. The Company will integrate the metrics into the Group's performance management as part of the sustainability strategy.

The Board should ensure that the Group's sustainability strategies, priorities and targets as well as performance against the said targets are communicated to its internal and external stakeholders.

5. REVIEW OF THE POLICY

This policy shall be reviewed from time to time by the Board when deemed necessary.

This Sustainability Policy has been reviewed and approved by the Board on 25 June 2024.