YBS INTERNATIONAL BERHAD
Registration No : 200201014380 (582043-K)
(Incorporated in Malaysia)

SUSTAINABILITY POLICY

1. Sustainability Objective

The objective of this Sustainability Policy ("Policy") is to provide a structured approach for YBS International Berhad ("the Company") and its subsidiaries (collectively, the "Group") to uphold Environmental, Social, and Governance ("ESG") best practices and integrate ESG considerations into its governance framework and decision-making processes. This integration is essential to mitigating risks, enhancing resilience, and ensuring the Group's long-term sustainable performance for the benefit of its shareholders and other stakeholders. The Group recognises that balancing environmental, social, governance, and economic considerations is critical to managing risks, identifying new opportunities, and ensuring the long-term sustainability and resilience of the business in an increasingly dynamic global landscape.

2. Sustainability Policy

This Policy serves as a cornerstone of the Group's strategic vision, reflecting its core values and mission. It formalizes the Group's unwavering commitment to excellence in ESG performance and reporting. By prioritizing transparency and long-term sustainability, the Group is committed to:

- Build trust and generate lasting value for shareholders and stakeholders by conducting business responsibly and transparently;
- Align its strategy with the management of Economic, Social and Governance risks to drive resilient growth;
- Uphold the highest standards of integrity and ensure strict compliance with all applicable laws and regulations across the Group's operating jurisdictions;
- Integrate sustainability considerations into the Group's corporate strategy and risk management framework; and
- Uphold high standards of ethical conduct and integrity in all business dealings and interactions

This Policy shall be reviewed by the Sustainability Working Team ("SWT") at least once every twelve (12) months or immediately following any material change in law or regulation and subject to approval by the Board of Directors ("the Board"). The Policy is a matter reserved for the Board. The Group Executive Director ("GED") is responsible for its effective implementation, management and enforcement. Failure to comply with this Policy may result in disciplinary action or other appropriate measures in accordance with the Group's Human Resources policies.

This Policy sets out the Group's general Sustainability Principles ("Principles") in Section 4. These Principles are intended for informational and aspirational purposes only and do not create any legally enforceable rights, contractual obligations, or duties. This Policy shall not constitute a basis for any claim, demand, or cause of action against the Group, its directors, officers, or employees by any counterparty, stakeholder, investor, regulator, or other third party. This Policy shall be communicated to all employees and made publicly available via the Group's corporate website to ensure transparency.

The SWT owns this Policy and is responsible for its lifecycle management. To ensure continued relevance, this Policy shall be reviewed at least annually. Additional reviews must be triggered promptly by changes in applicable laws, codes, regulations, industry standards, or significant organizational operational changes. The SWT shall also monitor emerging global trends and best practices to ensure the Policy remains aligned with international standards.

3. Sustainability Scope

The Group shall adhere strictly to this Policy, together with all sustainability guidelines, standards, principles, and other relevant directives issued within the Group from time to time, in the management of its business operations. In the event of a conflict between this Policy and any other Sustainability Directive, the terms of this Policy shall govern. Where feasible, the Group encourages its business partners, suppliers, and contractors to adopt similar standards to support mutual sustainability goals.

4. Sustainability Guidelines, Standards and Principles

The Group's Sustainability Management Framework is developed in adherence to regulatory mandates and informed by global voluntary standards to drive long-term value. These include:

- Bursa Malaysia Securities Berhad's ACE Market Listing Requirements on sustainability reporting;
- Bursa Malaysia Sustainability Reporting Framework;
- Malaysian Code on Corporate Governance 2021;
- Global Reporting Initiative ("GRI") Standards;
- Task Force on Climate-related Financial Disclosures ("TCFD");
- United Nations Sustainable Development Goals ("UN SDGs"); and
- Any other relevant industry-specific frameworks or national standards as may be determined by the SWT.

The Group is committed to the following seven (7) Sustainability Principles in managing its operations:

- Embed sustainability into core business strategies, including capital allocation, supply chain management, and operations;
- Exercise a precautionary approach to minimise ecological impact and enhance social well-being;
- Adhere to global best practices and frameworks to ensure ethical and responsible business conduct;
- Generate positive social and environmental impact through inclusive and sustainable business practices;
- Foster active, transparent dialogue with shareholders and stakeholders on sustainability risks, opportunities, and performance;
- Maintain rigorous standards of corporate governance and ethics, founded on respect for human rights; and
- Promote a culture of accountability and continuous improvement where every employee takes ownership of sustainability performance

5. Economic

To ensure economic sustainability, the Group is committed to:

- Upholding high ethical standards and transparent governance;

- Delivering sustained profitability and exceptional customer value;
- Leveraging data and insights to drive informed economic and ESG decisions;
- Generating revenue through sustainable product offerings and resource circularity;
- Maximizing cost efficiency and service quality across all operations;
- Fostering trust through proactive dialogue with investors and stakeholders; and
- Prevent and combat corruption, bribery, and money-laundering activities in all forms.

6. Environmental

In managing environmental sustainability, the Group is committed to the following strategic priorities:

- Resource Efficiency & Circularity: Optimizing production processes to minimize waste at source and promoting the reuse and recycling of materials to support a circular economy;
- Environmental Stewardship: Proactively minimizing environmental risks and impacts through rigorous impact assessments and conservation initiatives;
- Climate Action: Reducing carbon emissions across operations and aligning with international climate frameworks, going beyond basic regulatory compliance;
- Responsible Consumption: Promoting responsible energy and water management to reduce the Group's ecological footprint;
- Compliance & Governance: Adhering to the highest standards of environmental regulation and voluntary sustainability reporting frameworks;
- Culture of Sustainability: Empowering employees through training and engagement programs to embed sustainable practices into daily decision-making; and
- Assess, manage, and mitigate climate-related risks to enhance business resilience and support the transition to a low-carbon economy.

7. Social

The Group's approach to social sustainability focuses on:

- Providing a safe, ethical, and healthy work environment;
- Fostering a diverse and inclusive culture that values individual differences;
- Guaranteeing equal opportunity for all, regardless of background or protected characteristics;
- Zero tolerance for workplace misconduct, including bullying, harassment, and discrimination;
- Supporting employee growth through continuous learning and career development;
- Upholding human rights and prohibiting child and forced labour;
- Contributing to local community well-being through volunteering and social responsibility programmes;
- Prioritise occupational health and safety to prevent work-related injuries and illnesses.

8. Governance

The Group is committed to robust governance that supports long-term sustainability. Our key focus areas include:

- Upholding the highest standards of ethics and integrity through Group's Code of Conduct;

- Optimizing Board composition and structures to ensure effective independent oversight;
- Ensuring strict compliance with regulatory requirements and voluntary sustainability frameworks;
- Providing transparent and structured channels for stakeholder grievances and conflict resolution;
- Maintaining rigorous internal controls and risk management frameworks to safeguard assets and reputation; and
- Ensure the Board is provided with timely and accurate information to facilitate effective decision-making regarding sustainability matters

9. Continuous Improvement

The Group's commitment to sustainability is overseen by the Board and executed through:

- Rigorous, annual reviews of science-based ESG metrics and Key Performance Indicators (KPIs);
- Operational policies that prioritize resource efficiency and technological innovation;
- A structured stakeholder engagement program that informs materiality assessments and risk management; and
- Investing in capacity building and training to equip employees with the necessary skills to support the Group's sustainability objectives.

10. Annual Policy Review

The Board shall review this Policy on an annual basis and approve any updates, where necessary. The Group shall prepare periodic reports on its sustainability performance and disclose relevant information in accordance with applicable regulatory requirements.

Date : 16 July 2026