

ZHULIAN®

ZHULIAN CORPORATION BERHAD

Company No. 199701000031 (415527-P)

(Incorporated in Malaysia)

SUSTAINABILITY POLICY

1. INTRODUCTION

Zhulian Corporation Berhad and its subsidiaries (“the Group”) recognise sustainability as a strategic and integral part of corporate governance, business resilience, and long-term value creation. This Policy sets out the Group’s commitment to integrating Environmental, Social, and Governance (“ESG”) principles into all aspects of its operations, business strategy, and stakeholder engagements, aligned with Bursa Malaysia’s Listing Requirements, the Malaysian Code on Corporate Governance (MCCG), and global best practices.

2. PURPOSE

The purpose of this Policy is to:

- Establish a consistent and structured sustainability framework across the Group.
- Embed ESG considerations into decision-making, strategic planning, and daily operations.
- Promote a culture of responsibility, innovation, and accountability towards sustainability.
- Provide clear guidelines to address material sustainability risks and opportunities.
- Align the Group’s business model with the UN Sustainable Development Goals (“SDGs”), creating long-term value for stakeholders.

3. SCOPE

This Policy applies to all subsidiaries, business units, employees, and Board members of the Group. Where applicable, it extends to external stakeholders including distributors, suppliers, contractors, service providers, investors, regulators, and local communities.

4. SUSTAINABILITY PHILOSOPHY

The Group is committed to conducting business responsibly by ensuring that growth is pursued in balance with environmental stewardship, social inclusiveness, and robust governance practices. Zhulian strives to minimise its environmental footprint, protect human rights, uphold ethical conduct, and ensure transparent disclosures, recognising that sustainability is essential to business resilience and competitiveness.

5. PRINCIPLES

The Group adopts the following principles in its sustainability approach:

- **Integrated:** ESG is embedded into strategy, planning, and execution.
- **Materiality-driven:** Focus on issues most relevant to business and stakeholders.
- **Transparent:** Ensure accountability through timely disclosures.
- **Inclusive:** Engage stakeholders in shaping sustainability direction.
- **Resilient:** Build long-term competitiveness through responsible innovation.
- **Continuous Improvement:** Review and enhance sustainability practices regularly.

6. GUIDELINES, POLICIES AND STANDARDS

The Group's sustainability practices are guided by laws, regulations, and international frameworks, including:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- Companies Act 2016
- Malaysian Code on Corporate Governance 2021
- Environmental Quality Act 1974
- Occupational Safety and Health Act 1994
- Employment Act 1955
- Personal Data Protection Act 2010
- Malaysian Anti-Corruption Commission Act 2009
- UN Sustainable Development Goals (SDGs)
- Bursa Malaysia Sustainability Reporting Guidelines

The Group also adopts internal policies and standards to operationalise sustainability across the organisation, including:

- Occupational Safety and Health Policy
- Human Rights & Labour Standards Policy
- Diversity Policy for Board and Senior Management
- Remuneration Policy for Directors and Senior Management
- Directors' Fit and Proper Policy
- Board Charter
- Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy
- Code of Business Ethics and Conduct
- Conflict of Interest

7. DUTIES AND RESPONSIBILITIES

7.1 Board of Directors

- Provides overall leadership and oversight of sustainability across the Group.
- Approves the Group's sustainability strategy, policies, targets, and performance indicators.
- Reviews and deliberates on key sustainability risks, profiles, and treatments.
- Ensures ESG strategies are integrated into business decisions and communicated to stakeholders.

7.2 Risk Management and Sustainability Committee (RMSC)

- Reviews and recommends sustainability policies and reporting systems to the Board.
- Directs and monitors implementation of sustainability policies and reporting systems.
- Promotes an appropriate sustainability culture throughout the Group.
- Reviews the effectiveness of sustainability policies in achieving strategic objectives.
- Reviews reports from the Sustainability Working Group (SWG) and Management on sustainability performance.
- Ensures the sustainability function is adequately resourced and empowered.

7.3 Executive Management Committee (EMC)

- Comprises Executive Directors and Senior Management.
- Reviews and deliberates on ESG risks, opportunities, and initiatives.
- Recommends sustainability priorities, frameworks, and KPIs to the RMSC.
- Monitors emerging ESG issues and integrates them into business planning and performance.
- Promotes sustainability culture throughout the organisation.

7.4 Sustainability Working Group (SWG)

- Establishes long-term vision and strategic priorities for sustainability.
- Develops action plans, evaluates progress, and monitors KPIs.
- Allocates budgets for sustainability programmes.
- Conducts risk analysis of sustainability projects and recommends initiatives.
- Reports quarterly to the RMSC and submits meeting minutes for review.
- Comprises the CEO, Executive Directors and selected Senior Management members.

7.5 Sustainability Unit (SU)

- Assists the SWG by collating sustainability information from departments.
- Executes the Group's sustainability strategy at the operational level.
- Identifies and tracks sustainability goals, targets, and performance indicators.
- Assesses environmental and social impacts of operations, products, and services.
- Identifies opportunities to reduce resource use, emissions, and waste.
- Ensures compliance with environmental and social laws and standards.
- Communicates sustainability initiatives and progress to employees, customers, investors, and communities.
- Reports directly to the SWG for review and monitoring.

8. SUSTAINABILITY FRAMEWORK

The Group's sustainability efforts are anchored on three ESG pillars:

Environmental

- Climate change mitigation and GHG reduction.
- Waste management, recycling, and resource efficiency.
- Biodiversity protection and water stewardship.
- Sustainable sourcing and eco-friendly packaging.

Social

- Uphold labour rights, inclusiveness, and fair employment.
- Ensure workplace safety, health, and well-being.
- Provide training, talent development, and succession planning.
- Contribute to communities through CSR and social initiatives.
- Ensure product responsibility, quality, and safety.

Governance

- Uphold integrity, transparency, and accountability.
- Enforce zero tolerance for bribery and corruption.
- Strengthen compliance, governance, and risk management.
- Drive innovation, digitalisation, and data security.
- Align with Bursa and international ESG reporting frameworks.

9. MONITORING & CONTINUAL IMPROVEMENT

The Group commits to continuously improving its sustainability framework by:

- Assessing ESG performance against KPIs and targets.
- Reviewing material sustainability risks and opportunities.
- Benchmarking against industry peers and global best practices.
- Incorporating feedback from stakeholders, audits, and reviews.

10. PERIODIC REVIEW

This Policy shall be reviewed and approved by the Board annually, or more frequently if required, to ensure its continued relevance, adequacy, and effectiveness in line with regulatory requirements and evolving stakeholder expectations.

11. EFFECTIVE DATE

This Policy is reviewed and approved by the Board of Directors of Zhulian Corporation Berhad on 22 October 2025