



Petikemas Sustainability (ESG) Statement

Version 1.1

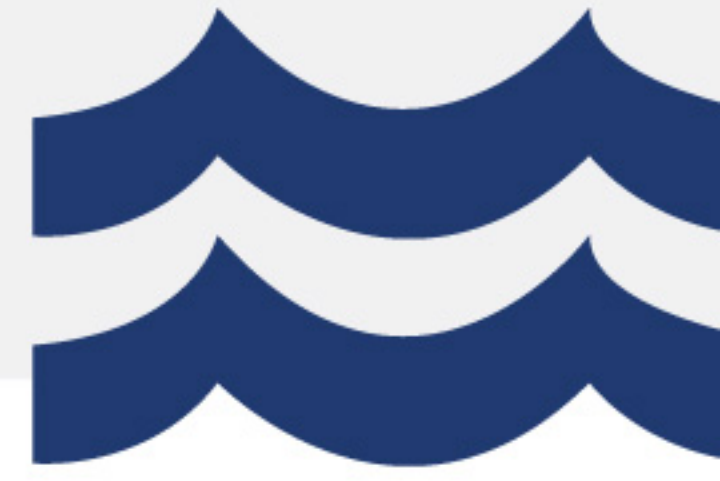
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About this Statement



Petikemas Group is committed to embed sustainability elements from Environment, Social and Governance in Business Affairs (“ESG”) in our business affairs. With the unprecedented COVID-19 together with alarming calls globally on planet preservation, we are taking a serious approach in shaping our sustainability actions. This includes enhancing our efforts to mitigate potential environmental and social impact, ensuring high levels of compliance in all our business practices, and strengthening our ability to create meaningful change for society.

Petikemas Group Sustainability Pillars

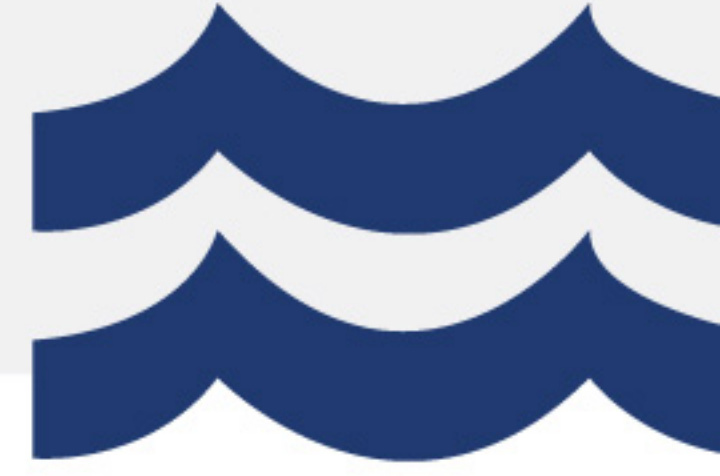
<h3>Environmental</h3> <ul style="list-style-type: none">To minimise potential environmental impacts as part of business operations	<h3>Social</h3> <ul style="list-style-type: none">To uphold fundamental and primary human rights by providing a safe place to work, free of discrimination and threatTo provide support to our local community via targeted corporate social responsibility programs	<h3>Governance</h3> <ul style="list-style-type: none">To ensure compliance, transparency, and accountability in how the Group conducts business
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Sustainability Strategies Guided by United Nations Sustainable Development Goals (SDG)

As outlined by the United Nations (‘UN’) in its 2030 Agenda for Sustainable Development, the Sustainable Development Goals (‘SDGs’) are to improve the lives of “everyone, everywhere” in the present and future. Petikemas is formulating our sustainability strategies, considering the Goals that are most relevant within the context of ESG.

SUSTAINABLE DEVELOPMENT GOALS

8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 



In addition to complying with environmental laws, Petikemas upholds environmentally responsible and sustainable practices into our operations. Our business activities hence forth will be guided by our commitment to minimise the impact on the environment and the climate.

Our environmental and climate protection programs are predominantly aimed at reducing and preventing Scope 1 & 2 emissions of greenhouse gases (GhG):

A) Lower Carbon & Energy Efficient Operations

We build on operational excellence strengths to mitigate emissions from operations through energy efficiency improvement. Where available, we rely on renewable energy sources. Throughout the value chain, we minimise waste and promote recycling as part of business operations.

A summary of our low carbon / carbon reduction practices are as follows:

Low Carbon / Carbon Reduction Practices	Target Completion
Use of LED lights across all business operations	Completed
Water conservation via rainwater harvesting across all business operations	Completed
Conversion to 100% electric forklifts from diesel-powered forklifts	Q1 2026
Operation CleanSweep	Ongoing
Identification of waste recyclers and waste minimisation programs	Ongoing

B) Green Building Certified Warehouses

Since 2021, all new owned warehouses have been designed and built to climate neutral or green design standards. Therefore, the Group is currently conducting a feasibility study on formal certification (GreenRE/Leeds certification) for all owned warehouses.

Our current list of facilities certified/in process as low carbon facility –

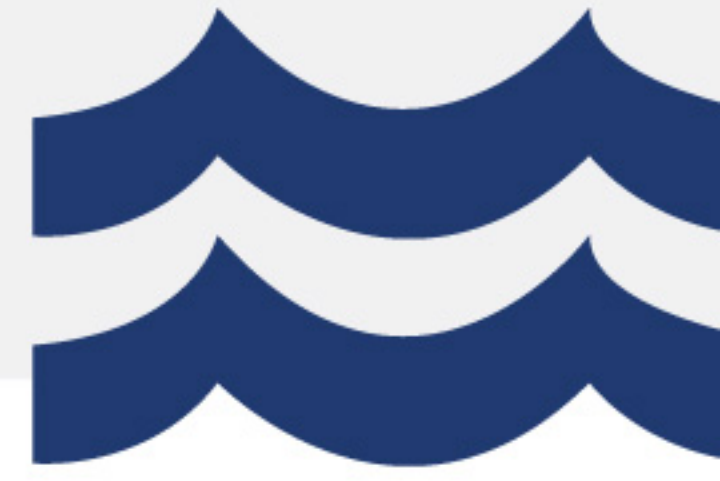
- i. GreenRE Gold: D'Mother Warehouse, PKFZ (2023)

C) Transitioning to Renewable Energy Sources

The Group is committed to increase the use of renewable energy sources and reduce reliance on traditional sources to power business operations. Therefore, a feasibility study is currently in progress to drive aggressive adoption of PV solar panels across 11 owned warehouses.

Our current list of facilities equipped/to be equipped with PV solar panels –

- i. Baby Dragon Warehouse, Port Klang (by 2024)

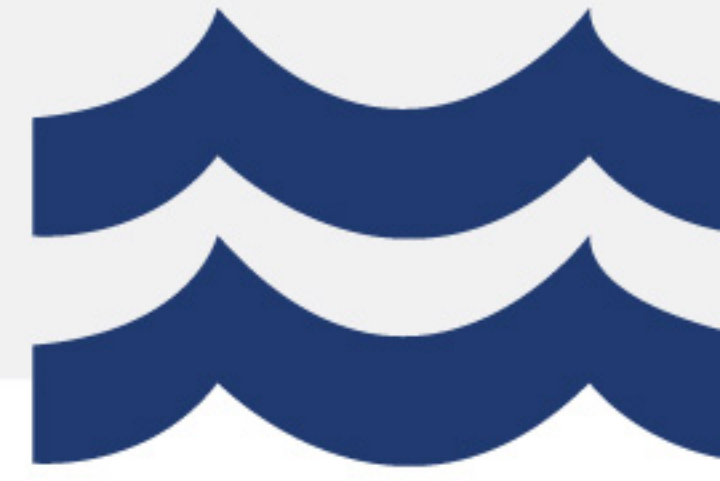


D) Carbon Emissions Transparency & Verification

Since 2023, the Group has commenced the tracking of Scope 1 & 2 emissions (“GHG”) across all business operations and branches.

We commit to be fully transparent in our carbon management journey, to openly declare our carbon footprint when requested by our customers and partners.

In the near future, the Group aims to utilise an IoT electronic and carbon monitoring platform across our warehouse and transportation facilities. Our vision is that the platform will support the automation and verification of organisation-wide emissions tracking using internationally recognised standards.



Respecting human rights is a core value of the Petikemas Group. We are committed to respecting all internationally recognised human rights as relevant to our operations and we base our human rights policy statement on:

- ✓ the 10 principles of the UN Global Compact,
- ✓ the International Labour Organization's Declaration on the four Fundamental Principles and Rights at Work,
- ✓ Malaysia Labour Law & Practices as governed by Employment Act, of 1955 and Trade Unions Act 1959

Analysing potential human rights risks related to our business and operations, we focus on the following Human Rights:

A) Child Labour

We reject all forms of child labour. We do not employ children below the legal minimum age in Malaysia.

B) Forced Labour or Indentured Labour

We reject all forms of forced and compulsory labour. We remain committed to fair practices and compliant to laws pertaining to transportation, recruitment, harboring, transfer, or receipt of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control of the other person for the purpose of exploitation.

All labour, whether directly employed by Petikemas or through a subcontractor/agency, must be voluntary. We do not tolerate any forms of forced labour including bonded labour, indentured labour, military labour, modern forms of slavery and any form of human trafficking.

C) Freedom of Association and Collective Bargaining

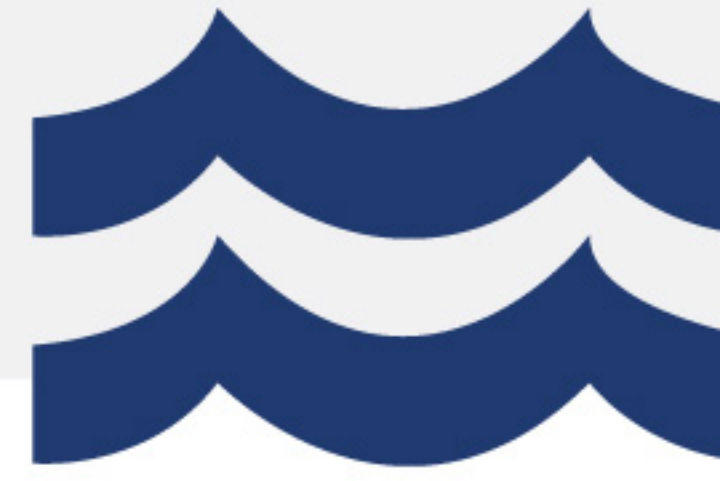
Our employees, free from threat or intimidation, have the right to join or not to join a union of their choice. We respect the right to collectively bargain in accordance with national laws. Employees who act as representatives are neither disadvantaged nor favoured in any way.

In approaching any questions, queries or requests relating to association or unionisation, we refer to and comply with Trade Unions Act 1959 or any updated version of Trade Union Bill as stipulated by Malaysian laws.

D) Working Conditions including Living Conditions, where applicable

Remuneration & Benefits

We compensate our employees relative to local industry and labour market, minimum wage legislation per Malaysia's Employment Act. We pay our employees in a timely manner and convey the basis on which they are paid.



Working Hours

We comply with all applicable local laws regarding working hours including overtime, rest breaks and paid vacation.

Occupational Health & Safety at Work

We prioritise the health and safety and well-being of our employees. In adherence to Petikemas HSSE policy, statutory regulations, and industry standards, we provide a work environment that is safe and conducive to good health, safeguard third parties, contractors, workers and prevent accidents, injuries and work-related illnesses.

Living Conditions (where applicable)

Foreign workers, through our subcontractors, are to be provided clean facilities for basic hygiene needs, access to potable water and sanitary living conditions. Housing provided either by us or by through an agency are clean, safe, of adequate size per person and equipped with emergency fittings and ventilation.

In addition to human rights, Petikemas strives to look after our employees and society while operating and growing our organisation by considering the following social aspects:

A) Diversity, Equity & Inclusion (DEI)

Petikemas employees are from various walks of life and this diversity forms the strength of the company. We promote an inclusive work environment where everyone feels accepted. Mutual respect, inclusiveness and honesty contribute to our company's success.

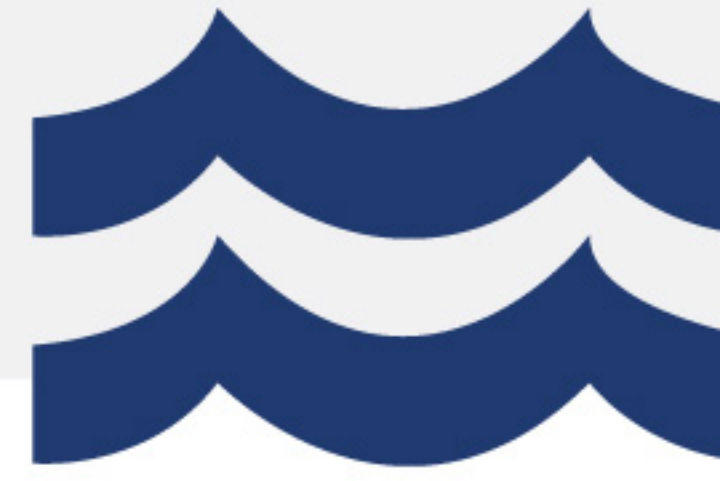
We reject any form of discrimination based on gender, ethnic and national origin, race, religion, age, disability, sexual orientation and identity or any other characteristic protected by law. We reject any form of harassment, including workplace bullying, unwelcome sexual advances, unwanted physical contact, inappropriate propositions, or a working environment tainted by insulting jokes and remarks or demeaning comments. We do not tolerate any kind of violence in the workplace, including but not limited to threatening and intimidating behavior.

B) Meritocracy

We believe in the principles of meritocracy where every employee regardless of gender, ethnic and national origin, race, religion, age, disability, sexual orientation and identity or any other characteristic protected by law, will be assessed fairly and justly based on a systematic performance scale.

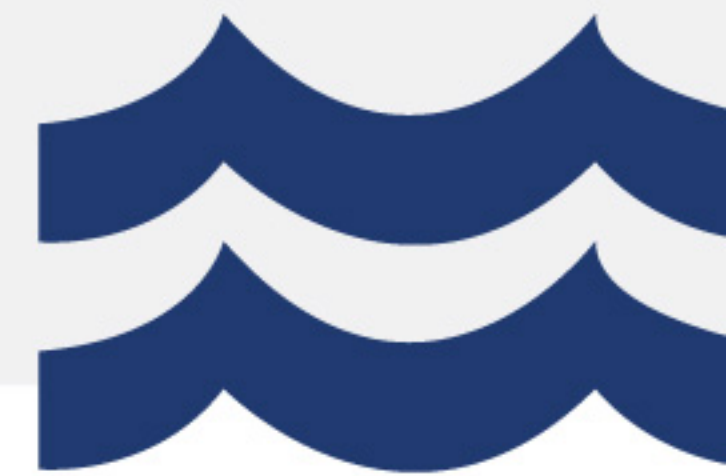
We are committed to fair and open discussions with employees on employment and performance management. Simultaneously, we expect employees to be transparent and declare any potential or perceived conflicts of interest as and when it arises.

Please refer to our position on Diversity, Equity & Inclusion (DEI).



C) Corporate Social Responsibility (CSR)

We actively make positive social contributions through CSR programs, utilising our current resources and capabilities. We are open to working with our partners and customers leveraging off each other's strengths to deliver more positive contributions to the nation and world. We commit to the completion of minimum one (1) CSR program annually.



Petikemas remains compliant and strives to be an honest logistics operator. Honesty is one of our core values and is built into the organisation's culture. Upon assessment, we have identified the focus areas where business governance is of utmost criticality:

A) Licenses & Permits

We and our partners operate with all necessary permits as required by local laws and regulations, in relation to all aspects of the business including but not exclusive to transportation, environmental (waste and water), building and construction, safety. We recognise it as a means of business continuity and will not risk any voids to our license to operate.

B) Working with Licensed 3rd Parties

As part of our procurement policy, we commit to buy products and services from suppliers and subcontractors in accordance with Petikemas stipulated standards considering quality, price competitiveness as well as all related ESG elements.

C) Anti-Bribery & Anti-Corruption ('ABC')

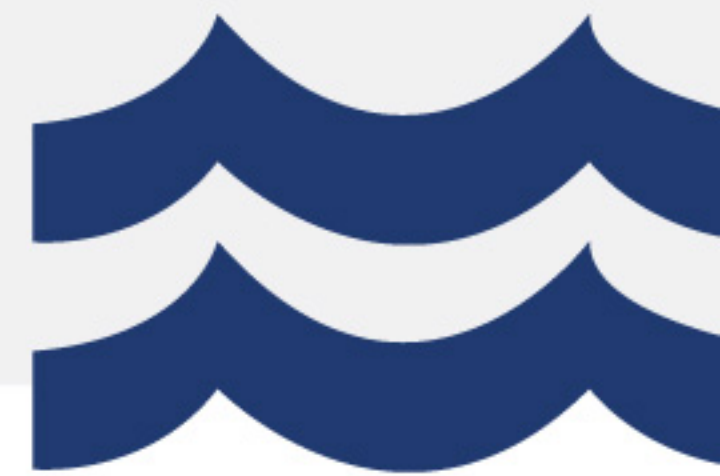
Corruption harms our company and our country in which we operate. We do not tolerate corrupt behavior. In all dealings with business partners and public officials, we do not facilitate any so-called payments or other benefits for routine non-discretionary actions.

We take preventive measures by avoiding all forms of potential corruption and bribery as it is illegal and will result in fines, or prison sentences thereby impacting our business.

D) Gifts, Hospitality & Other Benefits

Gifts, hospitality, and other benefits are permitted in day-to-day business as long as they are within socially accepted norms. They may not be, nor give the impression of being, able to influence current or future business decisions.

Only gifts, hospitality or other benefits that comply with the principles of Petikemas Anti Corruption & Anti-Bribery Policy may be given or accepted. If necessary, employees are to obtain approval from their supervisor/line manager before proceeding.



E) Conflicts of Interest

We do not allow any undeclared interaction with our business partners, agents, suppliers, or public officials that could create an actual or perceived conflict of interest. This is to be avoided in any setting where the interests or relationships could display or appear to display an inappropriate influence on decisions made by our business partners.

Any potential conflict or perception of a conflict of interest must be declared immediately to Petikemas management.

A perception of a conflict of interest between Petikemas and our business partners, agents or public officials could adversely affect our business interests and reputation.

F) Anti-Money Laundering

We outrightly reject any business with money that was acquired through criminal activity and is to be laundered. We remain compliant with the Malaysian laws as outlined in the Anti-Money Laundering Act (AMLA) 2001 (Act 613).

G) Data Privacy & Protection

Our IT infrastructure and data protection management system guarantees appropriate, compliant, and careful processing of personal data and intellectual property. We will safeguard and respect our customers' intellectual property. Due care will be taken in handling, discussing, or transmitting sensitive or confidential information that could affect our employees, customers and partners. Any confidential information and/or licensed intellectual property shall only be used for the intended and designated purpose.

