

Group Sustainability Policy

Sustainability is at the core of our business philosophy, shaping our decision-making and guiding our development processes. Our efforts to enhance sustainability reflect our dedication to responsible operations and are closely aligned with the United Nations Sustainable Development Goals ("UNSDGs"). We are committed to upholding the highest standards of sustainability through our compliance with the Malaysian Sustainable Palm Oil ("MSPO") and Indonesia Sustainable Palm Oil ("ISPO") frameworks, as well as our alignment with global climate action initiatives.

This Group Sustainability Policy ("GSP") serves as a guideline for TSH Resources Berhad and its subsidiary to integrate sustainability into all business operations. Recognizing that sustainability is a journey, we strive to work together with our partners to transition toward a more sustainable future.

Environmental Stewardship

We are dedicated to environmental stewardship and are committed to minimizing our environmental impact by adopting responsible practices that protect natural ecosystems, conserve biodiversity, and reduce pollution. Through innovation and proactive management, we aim to contribute positively to the global sustainability goals and safeguarding the planet for future generations.

No Deforestation, Conservation and Wildlife Protection

We are committed to no deforestation. We will protect biodiversity by identifying, conserving, and managing High Conservation Value ("HCV") areas and High Carbon Stock ("HCS") forests. Our conservation efforts include the protection of Endangered, Rare, and Threatened ("ERT") species found within and around our operational areas. We are committed to preventing activities such as illegal hunting, poaching, and capturing of wildlife, while taking necessary steps to mitigate threats to their habitats.

No New Planting on Peat

We prohibit any new plantings on peatland, regardless of depth, effective from November 15, 2018. We recognize the ecological importance of peatlands and their role in carbon sequestration, and we are dedicated to preserving these critical ecosystems.

Identified peatlands within our operations will be conserved and managed using Best Management Practices ("BMP") to ensure their ecological integrity and sustainability. Our approach includes regular assessments and the implementation of strategies that mitigate environmental impacts while promoting the health of peatland ecosystems. Through these efforts, we strive to protect biodiversity, reduce greenhouse gas emissions, and contribute to the overall sustainability of our operations.

Reducing Greenhouse Gas ("GHG") Emissions

We are committed to reducing GHG emissions across all our operations. Our goal is to minimise our carbon footprint through integration of GHG reduction strategies into our business operations, adoption of renewable energy sources and the implementation of advanced technologies and digital solutions. By optimising our operations and enhancing efficiency, we aim to significantly reduce emissions, thereby contributing positively to global efforts in combating climate change while maintaining productivity and sustainability.

Zero Burning Policy

We enforce a strict zero-burning policy in all our plantation activities, including new planting and replanting. We recognize the significant environmental impact of burning practices, including air pollution and GHG, and are committed to sustainable land management that prioritises ecological health. Our zero-burning approach promotes the use of alternative methods for land preparation and maintenance, ensuring that our operations protect biodiversity, preserve soil quality, and protect local communities' health.

Best Management Practices

We are committed to sustainable soil and water management that ensures ecological integrity, resource conservation, and operational efficiency across all our activities.

- **Water Management:** We actively monitor water usage, optimize distribution, and eliminate waste to promote responsible water use. Our efforts focus on minimizing unnecessary loss and ensuring the sustainability of water resources throughout our operations.
- **Soil Health:** We prioritise soil fertility and prevent degradation by adopting best agricultural practices that reduce erosion and enhance long-term productivity. By preserving soil quality, we support the overall sustainability of our land.
- **Natural Waterways:** To protect our natural ecosystems, we maintain riparian reserves and conduct rigorous water quality monitoring. These measures help prevent contamination and ensure the preservation of our waterways.
- **Integrated Pest Management ("IPM"):** We are committed to minimizing the use of harmful chemicals by implementing IPM practices and utilizing safer, environmentally friendly substances. This approach protects biodiversity, reduces environmental impact, and ensures the safety of our workforce and surrounding ecosystems.

Waste Management

We are committed to responsible waste management in line with mandated environmental regulations to minimise our environmental impact. Our approach emphasizes reducing, reusing, and recycling materials, promoting a circular economy where waste is viewed as a valuable resource. Through our International Sustainability and Carbon Certification ("ISCC") certification, we ensure that our mills' waste and residues are managed sustainably and responsibly. By converting these by-products into renewable energy, we reduce reliance on non-renewable sources and support sustainable energy solutions, reinforcing our commitment to environmental protection and sustainability.

Social Responsibilities

Our commitment to social responsibility is central to how we operate, striving to create positive impacts on our employees, communities, and broader society. We are dedicated to empowering our workforce, respecting human rights, and upholding the highest labor standards. Through meaningful community engagement, we foster partnerships that promote local development and social well-being. As a responsible corporate citizen, we aim to integrate ethical practices across our operations, contributing to sustainable development and the betterment of the communities in which we live and work.

Respecting Human Rights and Labour Standards

We are committed to upholding international human rights and labor standards, supporting the Universal Declaration of Human Rights ("UDHR"), the United Nations Guiding Principles on Business and Human Rights ("UNGPs"), and International Labour Organization ("ILO") standards. We strictly prohibit forced labor, bonded labor, and human trafficking within our operations and supply chain. By fostering an inclusive and equitable workplace, we ensure fair treatment, dignity, and equal opportunities for all employees, regardless of race, gender, religion, or other protected characteristics, reflecting our dedication to ethical business practices and social responsibility.

- **Diversity and Inclusion:** We believe that a diverse and inclusive workforce drives innovation and success. We actively promote an environment where everyone can thrive, contribute, and succeed, cultivating a culture of respect, fairness, and collaboration.
- **Non-Discrimination and Zero Tolerance for Harassment:** We maintain a zero-tolerance policy toward any form of harassment, including sexual harassment, workplace violence, or bullying. Any form of intimidation, harassment, or abuse will not be tolerated, and we encourage all employees to raise concerns without fear of retaliation.
- **Workers' Rights and Freedom of Association:** We are committed to respecting and upholding the rights of all workers, ensuring dignity and equality in the workplace. We fully support the right of workers to freely associate, form, or join unions, and engage in collective bargaining in accordance with local laws and international standards. Our open and inclusive environment encourages employees to express concerns and participate in dialogue without fear of retaliation.
- **Child Rights and Protection:** We strictly prohibit child labor in all our operations and supply chain, in compliance with international laws. Every child has the right to education, health, and development, and we actively support initiatives that safeguard these rights.
- **Women's Empowerment and Rights:** We advocate for women's reproductive rights and respect motherhood responsibilities, creating a nurturing environment where women can thrive both personally and professionally. We maintain a zero-tolerance

policy for child exploitation and harassment against women, working closely with our partners and communities to ensure these rights are protected.

- **Learning and Development:** We are committed to providing training and development opportunities that enhance the skills, knowledge, and professional growth of our workforce. Our focus on continuous learning fosters a culture of innovation, excellence, and personal development, ensuring that our team remains equipped to meet the evolving challenges of our industry.

Through these commitments, we aim to build a workplace where respect, inclusion, and fairness prevail, ensuring the well-being and rights of all employees while safeguarding the dignity of children and women in every aspect of our business operations.

Occupational Health & Safety

We prioritise the health of our employees, contractors, stakeholders, and communities by maintaining a safe working environment. Through proactive measures, we aim to prevent injury, illness, or loss of life, fostering a safety-conscious culture throughout our operations.

- **Compliance with Regulations:** Adhere to all national laws, safety guidelines, and regulations in our operations.
- **Accident Prevention:** Implement Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") to prevent accidents and reduce risks.
- **Prohibition of Hazardous Chemicals:** Prohibit the use of hazardous chemicals such as Paraquat and WHO Class 1A/1B pesticides, complying with the Stockholm and Rotterdam Conventions across our operations. Exceptions shall only be permitted where legally required or in emergency pest outbreaks, subject to documented risk assessments, appropriate approvals, and the implementation of effective mitigation measures while actively pursuing safer alternatives.
- **Training and Supervision:** Continuously train and supervise employees through our "Reach and Teach, Reach and Remind" program to enhance safety awareness.
- **Proper Equipment:** Equip employees with necessary protective gear and develop a safety-conscious workforce.

By cultivating a strong safety culture where every individual takes responsibility, we aim to protect our people and contribute to the well-being of surrounding communities.

Community Engagement and Respecting Rights

We are committed to fostering strong partnerships with communities through open dialogue and transparent communication. Our approach ensures that community voices are valued, and their rights are respected in all our operations. By promoting sustainable development and local empowerment, we strive to enhance the quality of life for the communities we interact with.

- **Collaborative Partnerships:** We prioritise open dialogue to ensure community voices are heard and considered in decision-making processes.

- **Sustainable Development:** We support initiatives that promote community well-being and respect their rights.
- **Respect for Indigenous and Local Communities:** We uphold land tenure and cultural rights, following Free, Prior, and Informed Consent ("FPIC") principles for developments affecting their land.
- **Impact Mitigation:** We conduct assessments to prevent adverse social and environmental impacts on communities.
- **Grievance Mechanism:** We provide an open, transparent process for communities to raise concerns, resolving grievances fairly and equitably.
- **Protection of Human Rights Defenders:** We safeguard Human Rights Defenders, whistleblowers, and community representatives from retaliation or intimidation, ensuring their safety to advocate for their rights.

Governance

We are committed to conducting our business with the highest standards of integrity and ethics, ensuring compliance with all legal requirements and sustainability principles. Our operations adhere to both local and international regulations to foster trust and responsible business practices.

- Adhere to all applicable legal and sustainability requirements, ensuring full compliance in every aspect of our operations.
- Maintain a zero-tolerance policy towards corruption, bribery, and unethical behavior throughout our business activities.
- Promote transparency and openness by providing clear channels for stakeholders to raise concerns or grievances.
- Uphold a whistleblowing mechanism to ensure accountability, protect whistleblowers, and safeguard the integrity of our business.
- Foster a culture of good governance to build trust with partners, employees, and communities, promoting an ethical and responsible business environment.

Responsible Supply Chain

We are committed to a fully traceable and sustainable supply chain, ensuring compliance with key certifications across both our palm oil and timber product value chains. For our palm products, we prioritise traceability from our plantations to our mills and refineries, gathering and verifying information about the legality and origins of third-party Fresh Fruit Bunch ("FFB") suppliers. This approach reinforces our dedication to transparency and aligns our operations with the highest ethical and environmental standards

At Ekowood, in our Engineered Hardwood Flooring ("EHF") product line, we uphold sustainable sourcing practices by ensuring that our wood products are made from responsibly sourced, sustainable raw materials, supported by recognized international certifications. Through these efforts, we aim to foster accountability, build trust, and advance sustainable practices across both the palm oil and timber industries.

Sincerely,

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a cursive representation of the name 'Kelvin Tan'. The signature is positioned above a horizontal dotted line.

Kelvin Tan
Chairman / Co-Founder