



**KYM HOLDINGS BHD.**  
Sustainable Procurement Policy

09-Jun-26

<b>KYM Holdings Bhd. (84303-A)</b>  <b>Sustainable Procurement Policy</b>	Document No.:	
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## 1. PURPOSE

KYM Holdings Bhd (“KYM”) together with its subsidiaries (“the Group”), is committed to conducting business responsibly and integrating environmental, social, ethical and governance (ESG) considerations into procurement activities.

This Sustainable Procurement Policy establishes the Group’s principles and requirements governing the procurement of all raw materials and manufacturing inputs—specifically paper, fibre-based materials, inks, adhesives, chemicals etc significantly influences the sustainability performance of its products and operations. The Policy aims to support sustainable development, minimize environmental impacts, promote ethical business conduct, support ethical labour practices, reduce carbon emissions and waste, ensure legal compliance and strengthen supply chain resilience and transparency.

## 2. SCOPE

This Policy applies to the procurement of raw materials, packaging materials, chemicals and consumables and applies to all employees involved in procurement activities in the Group, whether directly or indirectly including those engaged in sourcing, purchasing, and managing supplier relationships. This Policy also applies to suppliers, vendors, contractors, consultants and business associates engaged by the Group.

All subsidiaries shall implement this Policy in a manner appropriate to their respective business activities and operational requirements.

## 3. GOVERNANCE

The Board of Directors of the Company has overall oversight of this Policy and the Group’s sustainable procurement commitments.

Management of each subsidiary is responsible for:

- Implementing the requirements of this Policy;
- Integrating sustainability considerations into procurement processes and supplier management activities;
- Ensuring compliance with applicable laws, regulations and internal policies;
- Monitoring and reporting relevant procurement and supplier sustainability performance indicators.

## 4. POLICY COMMITMENTS

The Group shall seek to procure goods and services from suppliers, vendors and business associates that demonstrate responsible business practices and alignment with the Group’s sustainability objectives.

### 4.1 Ethical and Responsible Procurement

The Group requires suppliers, vendors and business associates to comply with applicable laws and regulations and, where applicable, acknowledge and comply with the Group’s Anti-Bribery and Corruption Policy, declare actual or potential conflicts of interest, and comply with the Group’s Supplier Code of Conduct.

**4.2 Sustainable Supplier Management**

Prior to engagement, the Group shall conduct an appropriate due diligence process on new suppliers, vendors and business associates to assess integrity, compliance, sustainability and other relevant risks.

The Group shall consider sustainability criteria when selecting, evaluating and retaining suppliers. Preference may be given to suppliers that demonstrate:

- Compliance with environmental regulations.
- Effective environmental management systems.
- Responsible resource management practices.
- Commitment to occupational health and safety.
- Respect for human rights and fair labour practices.
- ESG or sustainability initiatives and reporting.

Key suppliers may be periodically assessed through supplier evaluations, questionnaires, audits or certification reviews.

**4.3 Responsible Sourcing of Paper and Fibre-Based Materials**

Paper and fibre-based materials constitute the primary raw materials used in the Group’s products.

The Group shall strive to:

- Source paper and fibre materials from legal and responsibly managed sources.
- Encourage procurement of materials certified under recognized forestry certification schemes such as Forest Stewardship Council (FSC®), the Programme for the Endorsement of Forest Certification (PEFC) or equivalent.
- Promote increased use of recycled fibre where technically feasible and commercially viable.
- Avoid knowingly sourcing materials associated with illegal logging or environmentally destructive practices.

Suppliers may be requested to provide evidence of certification, chain-of-custody documentation or declarations of origin upon request.

**4.4 Environmentally Preferred Materials**

Where practical and without compromising product performance requirements, safety and customer specification, the Group shall encourage the sourcing of:

- Recycled-content paper and board.
- Low environmental impact materials.
- Water-based or low-VOC inks.
- Environmentally preferable adhesives and chemicals.
- Recyclable and reusable packaging materials.

**4.5 Climate and Resource Efficiency**

The Group encourages suppliers to support climate change mitigation and resource efficiency initiatives. Preference may be given to suppliers that demonstrate:

- Energy efficiency programs.
- Greenhouse gas reduction initiatives.

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- Responsible water management practices.
- Waste reduction and recycling programs.
- Use of renewable energy where feasible.

#### 4.6 Social Responsibility and Human Rights

Suppliers are expected to:

- Comply with applicable labour laws and regulations.
- Prohibit child labour, forced labour and human trafficking.
- Provide safe and healthy working conditions.
- Promote fair treatment, diversity and non-discrimination.
- Respect internationally recognized human rights principles.

#### 4.7 Local and Sustainable Economic Development

The Group supports the development of local businesses and communities.

Where commercially viable and consistent with quality, technical, supply continuity and sustainability requirements, the Group shall give due consideration to sourcing goods and services from local suppliers and service providers.

The Group recognizes that certain key raw materials, including sack kraft paper and other specialized paper products, may not be available from local sources or may not meet required product specifications. In such circumstances, procurement decisions shall consider factors including product quality, technical performance, responsible sourcing practices, supplier reliability, sustainability performance and total value.

### 5. MONITORING AND CONTINUOUS IMPROVEMENT

The Company will periodically review the effectiveness of this Policy and seek opportunities to improve sustainable procurement practices.

The following indicators may be monitored where applicable:

- Percentage of key suppliers acknowledging the Supplier Code of Conduct.
- Percentage of key suppliers acknowledging Anti-Bribery requirements.
- Percentage of key suppliers completing Conflict of Interest declarations.
- Percentage of paper and fibre materials sourced from certified or responsibly managed sources.
- Number of supplier sustainability assessments completed.
- Progress in the use of recycled and environmentally preferred materials.

### 6. POLICY REVIEW

This Policy shall be reviewed periodically to ensure its continued suitability, effectiveness and alignment with the Company's sustainability objectives, business requirements and stakeholder expectations.