



Linergy Power Sdn. Bhd.

## Sustainable Supply Chain Management Policy

### 1. Purpose

Building a sustainable and eco-friendly supply chain system, adhering to ethical and compliant operations, and integrating sustainable development principles into procurement practices. When making purchasing choices, in addition to considering financial factors, it is essential to evaluate the environmental and social impacts accordingly based on relevant policies. This involves identifying, selecting, and purchasing products and services that have fewer negative environmental and social impacts, as well as greater positive and beneficial effects. This policy complements the Supplier Code of Conduct, Guarantee of Non-Use of Conflict Minerals, Environmental Protection Agreement, and Supplier Anti-Terrorism Commitment included in the procurement contracts, collectively guiding the management of a sustainable supply chain.

### 2. Scope of Application

This policy applies to Linergy Power Sdn. Bhd. (hereinafter referred to as “Linergy” or “we”), its subsidiary companies, and its upstream business partners.

### 3. Content

- 3.1 Linergy integrates sustainability as a critical component of its procurement strategy. We place greater emphasis on sustainability performance in supplier qualification, performance evaluation, and procurement decision-making. By deepening collaboration with customers, suppliers, and industry organizations, we leverage our procurement activities to drive sustainability across the supply chain, mitigate supply risks, enhance customer satisfaction, and strengthen overall supply chain competitiveness.
- 3.2 We strictly adhere to all applicable laws, regulations, international standards, and stakeholder expectations across the areas of social responsibility, economic sustainability, human rights, safety, and environmental protection. Supplier screening and management processes are rigorously implemented in accordance with relevant regulations and the Linergy Supplier’s Code of Conduct. Regular training and communication programs are conducted to promote sustainable practices throughout the supply chain.
- 3.3 We have established a Due Diligence Policy for Responsible Mineral Supply Chains, requiring that all products from our company and suppliers contain no minerals that directly or indirectly fund national conflicts or originate from mining activities in conflict or high-risk areas. Suppliers are required to report annually on the use of conflict minerals using the RMI CMRT template. Repeated non-responsiveness or the use of conflict minerals will result in termination of the business relationship.
- 3.4 We prohibit the use of all forms of forced labor throughout our supply chain, including bonded, indentured, or prison labor, slavery, and human trafficking. Suppliers shall not engage in or benefit from the transportation, harboring, recruitment, transfer, or receipt of persons through threats, coercion, abduction, fraud, or deception.



**Linergy Power Sdn. Bhd.**

- 3.5 We continuously strengthen anti-corruption governance in the supply chain. Suppliers are required to sign the Supplier Integrity Agreement and undergo anti-corruption due diligence integrated into our management processes. Violations may result in downgraded status, financial penalties, contract termination, and blacklisting.
- 3.6 We work to reduce the environmental impact of supply chain operations and enhance environmental management capabilities. We emphasize the protection of employee rights and promote ethics education to raise awareness of compliance. We minimize operational impact on indigenous communities and support their development needs.
- 3.7 We actively advance greenhouse gas and product carbon footprint accounting across our entire supply chain management, continuously increase the use of renewable energy, maintain high energy efficiency, and minimize the carbon footprint per unit product.
- 3.8 We prioritize sourcing renewable, recyclable, low-toxicity, and environmentally preferable materials to reduce resource consumption and waste generation. We collaborate with suppliers to promote product recycling and reuse, developing closed-loop supply chains for maximum resource utilization.
- 3.9 Suppliers must disclose relevant supply chain information where conflicts of interest arise and ensure compliance with OECD Due Diligence Guidance for Re-sponsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (OECD Guideline) and legal requirements in end-market regions.
- 3.10 We provide annual sustainable procurement training to ensure purchasing staff understand socio-environmental issues. Sustainability performance is incorporated into buyer evaluations to incentivize integration of ESG factors into procurement decisions.
- 3.11 We conduct annual CSR audits of suppliers and establish corrective action mechanisms with improvement recommendations. Suppliers failing to remediate non-conformities are subject to face reduced orders or exclusion from future contracts.

#### **4. Grievance Mechanism**

This policy is subject to public scrutiny. We accept and address grievances from any external party, including individuals, governmental and non-governmental organizations.

Substantiated grievances will be processed in accordance with the risk remediation procedures outlined in our Sustainable Supply Chain Management Policy and Due Diligence Policy for Responsible Mineral Supply Chains. The outcome will be communicated to the grievant.