



# YINSON HOLDINGS BERHAD

# Sustainability

---

## POLICY

|         |            |                          |             |            |             |
|---------|------------|--------------------------|-------------|------------|-------------|
|         |            |                          |             |            |             |
|         |            |                          |             |            |             |
|         |            |                          |             |            |             |
|         |            |                          |             |            |             |
|         |            |                          |             |            |             |
|         |            |                          |             |            |             |
| 02      | 18/12/2019 | Issue for implementation | BAUG        | AGAS       | Board       |
| Rev No. | Date       | Reason for Issue         | Prepared by | Checked by | Approved by |

**Document Classification: Proprietary**

**Document Title:** Sustainability Policy

**Document No:** YHB-RC-CG-PO-0005

**Process:** Governance, Risk Management & Compliance

**Applicable To:** YINSON Group of Companies

**Revision No:** 02

**Effective Date:** 18 December 2019



Table of Contents

|          |   |           |
|----------|---|-----------|
| <b>1</b> | <b>POLICY STATEMENT .....</b>                             | <b>4</b>  |
| <b>2</b> | <b>OBJECTIVE .....</b>                                    | <b>5</b>  |
| 2.1      | Scope .....   | 5         |
| <b>3</b> | <b>ABBREVIATIONS &amp; DEFINITIONS.....</b>               | <b>6</b>  |
| <b>4</b> | <b>PRINCIPLES &amp; TARGETS .....</b>                     | <b>7</b>  |
| 4.1      | Environmental Conservation & Protection .....             | 7         |
| 4.2      | Championing Human Rights & Human Capital Development..... | 8         |
| 4.3      | Embracing Good Corporate Governance .....                 | 8         |
| <b>5</b> | <b>GOVERNANCE &amp; ADMINISTRATION .....</b>              | <b>9</b>  |
| <b>6</b> | <b>REPORTING STRUCTURE.....</b>                           | <b>10</b> |
| <b>7</b> | <b>ISSUANCE AND AMENDMENT.....</b>                        | <b>10</b> |



**Revision Details**

| Rev. No. | Section  | Details   |
|----------|--|---|
| 02       | a. Page 6 and 7 of Version 2.0;<br>b. Page 8 of Version 2.0; | a. Merged Items "4.0 Policy Statement" and "5.0 Strategies" into "4.0 Principles & Targets". Content changes include an updated approach towards implementing sustainability throughout the organisation based on the materiality assessment.<br>b. Formatting changes to "Composition of Chain of Command"; it is now a standalone item under "6.0 Reporting Structure". |
|          |  |   |
|          |  |   |
|          |  |   |
|          |  |   |
|          |  |   |
|          |  |   |



## **1 POLICY STATEMENT**

Yinson Holdings Berhad is strongly committed to the implementation of sustainability within our sphere of influence. Our vision is to enhance long-term shareholders' value with due regard to the environmental, economic, social and governance aspects. We aim to incorporate such considerations as we strive to continuously be a reliable and adaptable partner to all our stakeholders.

We recognise that our business operations can directly or indirectly contribute to different impacts on the wider society through economic, environmental and social means. A clear focus on sustainable development is therefore needed in the way we do business, in particular to balance Yinson's objective as a profit-making organization without having a negative impact on our stakeholders.



## 2 OBJECTIVE

The objective of this Policy is to establish clear sustainable development objectives and guidelines for Yinson in every aspect of our business, from Group-wide strategic decisions to daily operations in respective regions.

The Policy is also intended to be in line with, among others, the Sustainability Reporting Guide by Bursa Malaysia, the Global Reporting Initiative standards on sustainability reporting and the United Nations Sustainable Development Goals.

### 2.1 Scope

The Policy is intended to be applied to Yinson and all its subsidiaries, including Yinson-controlled entities. The Policy may be supplemented by other relevant policies and procedures developed at each operating unit to cater to specific sustainability issues at the particular region. However, if there are any inconsistencies between such supplemental policies and the Policy, the Policy shall prevail. If the Policy is in conflict with the applicable laws and regulations of a host country, the Group shall comply with the said laws or regulations.



### 3 ABBREVIATIONS & DEFINITIONS

**“Board”** refers to the Board of Directors;

**“Committee”** refers to the Sustainability Committee;

**“GRI”** refers to the Global Reporting Initiative for sustainability-based reporting;

**“Policy”** refers to this Sustainability Policy;

**“Third Parties”** refers to any person or entity that is independent from YINSON, which includes agents, suppliers, contractors, vendors or sub-contractors and other parties engaged by or on behalf of YINSON;

**“YINSON”** refers to YINSON Holdings Berhad and its subsidiaries.



## 4 PRINCIPLES & TARGETS

Yinson is committed to integrating sustainability strategies into our business strategies, creating meaningful synergies between the two areas that are equally important to us. We look to operationalise our commitment through the following three-pronged principles and corresponding targets:

### 4.1 Environmental Conservation & Protection

#### a. Pollution management

We strive to control and avoid any contamination of the natural environments in which we operate.

#### b. Carbon emissions management

We aim to monitor and manage greenhouse gasses and other related emissions that are emitted from our operations.

#### c. Waste management

We adhere to the responsible collection, transport, treatment, and disposal of all waste produced in the course of business.

#### d. Energy management

We will systematically manage our energy consumption where feasible.



#### 4.2 Championing Human Rights & Human Capital Development

##### a. Operational Health & Safety

We aspire to improve, if not maintain a high level of workplace health and safety with a focus on primary hazard prevention.

##### b. Employee Rights & Benefits

We respect international human rights standards on employment practices, as well as provide adequate non-wage compensation where possible.

##### c. Anti-Discrimination

We practice equal employee treatment that is free from any forms of discrimination, including that of perceived values, race, gender, caste, ethnicity, etc.

##### d. Training & Development

We aim to enact measures to improve Group-wide employee skillsets and knowledge capital.

#### 4.3 Embracing Good Corporate Governance

##### a. Anti-Bribery & Anti-Corruption

We strive to prevent any form of corruption and/or bribery in business transactions across the Group.

##### b. Sustainability Governance

We aim to increase robustness of sustainability reporting through subscribing to applicable globally established standards and guidelines.

##### c. Supply Chain Management

We seek to embed the sustainability principles in our supply chain management and ensure that our suppliers and subcontractors abide by the Group's ethical values.

##### d. Business Continuity & Performance

We will analyse the evolution of the energy market landscape and adopt the necessary strategies and measures to cement the Group's leadership position.



## 5 GOVERNANCE & ADMINISTRATION

The main governance and monitoring body shall be the Sustainability Committee. It reports directly to the Yinson Board of Directors Board and oversees the implementation of the sustainability strategies of the Group.

The main functions of the Committee are set out as follows:

- oversee the administration of the Policy and the sustainability strategies and integration of such strategies with the business strategies of the Group;
- endorse sustainability strategies and initiatives and monitor the execution of such strategies and initiatives across the Group;
- guide the overall implementation of the Policy and the execution of approved sustainability strategies;
- prioritise and approve projects related to the execution of the Group's approved sustainability strategies, which are in line with the Group's business strategies;
- report to the Board on bi-annual basis on the implementation progress of the approved sustainability strategies throughout the Group.

The Committee may delegate implementation tasks to any Yinson employees which are dedicated for the execution and monitoring of all sustainability initiatives of the Group.



## 6 REPORTING STRUCTURE

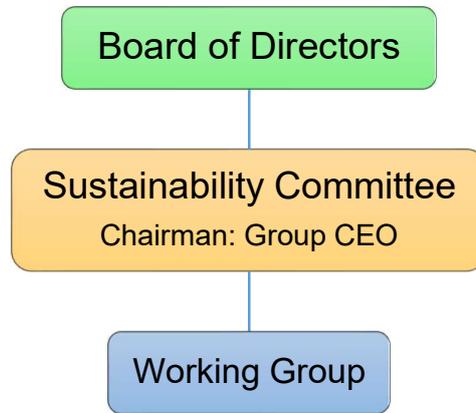


Figure 1: Reporting Structure for Operationalising Sustainability

Please refer to Yinson's Sustainability Committee Terms of Reference for more information

## 7 ISSUANCE AND AMENDMENT

The Board is responsible for approving and issuing the Policy. The Policy is reviewed periodically by the Committee to determine whether revisions are required due to changes in law or regulations, or changes in our business or the business environment. The Board must approve any changes to the Policy.

Group Corporate Secretary department is the custodian of the Policy and is responsible to ensure that the Policy is disseminated and made accessible to all Directors, employees of the Group and relevant external stakeholders through the Company's corporate website and other channels, where appropriate.