STRAITS ORTHOPAEDICS

SUSTAINABILITY POLICY

Straits Orthopaedics (Mfg) Sdn Bhd (hereinafter referred to as "Company") recognizes the importance of upholding high ESG standards to mitigate risks and create value by operating in a responsible manner, generating positive social outcomes, and managing the Company's environmental impacts.

The Company is committed to implementing an environmental, social, and governance management system (ESGMS). In conjunction with the ESGMS, the Company has established policies and procedures that are communicated clearly and effectively to internal and external stakeholders. These policies and procedures are available in English and the local language, where applicable. Such policies and procedures facilitate the identification, assessment, management, and monitoring of ESG risks and opportunities that are material to the Company's business and operations in the regions where it operates.

This Policy is applicable to the Company and its subsidiaries and companies under direct control (collectively referred to as "Group"). The Group's associated and joint venture companies, vendors, suppliers, tenants, contractors, and sub-contractors, as well as other services providers (collectively referred to as "Business Partners"), are expected to comply with this Policy within the framework of their contractual relations with the Group.

This policy is issued in English. In the event of any inconsistency or ambiguity arising from translation or interpretation, the English version shall prevail. Employees who are uncertain about the application of this policy to a specific situation are encouraged to seek guidance from their supervisor or Management before acting.

Key principles that aim to promote sustainability in the Company in all cases and circumstances:

COMPLIANCE AND MANAGEMENT SYSTEM

- ***Corporate Governance***: We maintain a robust and effective corporate governance structure to ensure accountability and alignment within the Group, which in turn supports the implementation of the Policy;
- ***Regulatory Compliance***: At Straits we adhere to all regulatory compliances including all national, state and local regulations relevant to our business activities;
- ***Permits and Licenses***: Our focus is to maintain and keep up to date all applicable environmental, social and governance-related permits, certificates, licenses and registrations;
- ***Modes for Grievance Redressal:*** We ensure effective formal mechanisms are in place for employees and all other relevant parties to confidentially report concerns, complaints, or potentially unlawful activities that have arisen in the workplace without fear of reprisal, intimidation, or harassment;
- ***Monitoring and Evaluation:*** Proper documentation and record-keeping enables us to keep track of our ESG performance. This also helps us monitor our risk exposure with respect to our material issues and evaluate any opportunities that arise for our business. We are also committed to carry out regular audits, whenever necessary, to assess the Company's adherence to the principles as outlined in this Policy;

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BUSINESS ETHICS

- ***Ethics and Transparency****:* We ensure that we conduct our business in an honest and ethical manner;
- ***Economic Performance and Quality Standards****:* We deliver stable economic performance and meet the generally recognized quality standards for our goods and services;
- ***Regulatory compliance:*** All our operations comply with the applicable national and local competition and anti-bribery laws, anti-money laundering, accounting, taxation and customs regulation, and we do not engage in corruption of any kind, and avoid any conflict of interests or any other infringement in the context of a business relationship;
- ***Data privacy and intellectual property rights:*** We implement cybersecurity measures in order to safeguard customer and company data and information, as well as uphold valid intellectual property rights.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

- ***Sustainable Business Relationships:*** We are committed to improving any potential environmental and social impact across our supply chain. Through engaging the Business Partners to ensure regular communication about the Company's sustainability commitment;

- ***Management Approach to Supply Chain:*** We ensure that our Business Partners comply with this Policy, the Suppliers' Code of Conduct, and other relevant policies and procedures within the context of a business relationship. Further, we strive to operate with utmost transparency, fairness, ethics and integrity in order to suitably address material supply chain related risks and opportunities. The Company aims to continuously improve its transparency on sustainable procurement practices, to be disclosed further whenever appropriate.

HUMAN RIGHTS AND LABOR MANAGEMENT

- ***Business and Human Rights:*** Respecting, protecting and promoting human rights is at the core of the philosophy and values of Straits. We have Zero tolerance to demeaning employment and labour practices within the Company, including corporal punishment, moral and sexual harassment, all forms of discrimination, human trafficking, child labour, forced labour, modern slavery, or working under duress, threats or intimidation.

ENVIRONMENT, HEALTH AND SAFETY

- ***Environmental Performance Monitoring:*** Straits will continue to undertake reasonable efforts to have environmental management systems in place to continuously monitor its environmental performance in operations;
- ***Employee Health and Safety*****:** We are committed to creating a safe environment across all our sites and will implement health and safety management systems, provide regular training, and conduct programs to prevent or control employee exposures to workplace hazards. We will aim to make safety information on identified workplace risks available to employees and all other relevant parties;
- ***Product Safety*****:** We follow all applicable safety regulations and maintain transparency by providing information about material/product-handling requirements, as well as health, safety, and environmental aspects of such materials with all relevant parties;

- ***Emergency Response Plans*:** We will aim to mitigate identified risks and minimize potential impacts by implementing effective emergency response plans, procedures, and preventive measures.

STAKEHOLDER ENGAGEMENT

- ***Communication and Engagement:*** We regularly engage with all relevant stakeholders to ensure mutual understanding and alignment of interests; and we aim to foster transparency and open communication with stakeholders regarding the Company's sustainability commitment and responsible business practices.

The Company shall exercise vigilance in accordance with the principles set forth in this Policy. This policy will be periodically reviewed and endorsed by the Board to ensure its adequacy and effectiveness, as deemed appropriate. The Company is committed to aligning with recognized external sustainability frameworks and, where appropriate, publicly endorsing sustainability initiatives (including external verification and sustainability disclosure) to demonstrate its commitment to internationally accepted principles of responsible business conduct.

As we strive to successfully implement our ESG policy, we encourage you to participate in the process. To provide your suggestions or report any concerns on the aspects of this policy, write in to esg@straitsortho.com.my.

Approved by:

Scott Gareiss
Chief Executive Officer
1 Sept 2025