



*Excellence in Creation, **TRUST** in Values*

**SIAB HOLDINGS BERHAD AND GROUP OF COMPANIES
SUSTAINABILITY MANAGEMENT HANDBOOK**

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1. Sustainability Purpose

The purpose of this Sustainability Management Handbook is to facilitate Siab Holdings Berhad ("the Company") and its subsidiaries' (collectively the "Group") commitment to conduct business responsibly through the integration of Economic, Environmental, and Social ("EES") considerations in addition to the existing governance system and our business processes to create value for long-term resilience and sustainable performance for our shareholders and stakeholders.

2. Sustainability Policy

Our Sustainability Policy ("The Policy") is underpinned by our core values, vision and mission and reinforces our commitments to improve environmental, social and corporate governance performance and disclosure and pursue long-term sustainability. We shall take all possible steps to ensure the following:

- a) Ensure that the Group's activities create trust and long-term value for the Shareholders and Stakeholders.
- b) Execute the Group's strategy in a manner that addresses the EES risks and opportunities effectively.
- c) Ensure compliance with the laws and regulations within the jurisdictions where our Group operates.

The Policy shall be further supplemented by the relevant sustainability policies adopted at the Group to govern, manage and regulate the industry-specific sustainability matters that are considered critical from an economic, environmental, social and governance perspective. In the event that there is any inconsistency thereof, this Sustainability Policy shall temporarily supersede the supplemental policies to the extent of such inconsistencies until such inconsistencies are brought up for deliberation and amendments at the next Sustainability Committee meeting. The Sustainability Committee ("SC") shall be conducted in accordance with the Sustainability Terms of Reference.

The Policy shall be reviewed and updated as and when necessary, by the SC and approved by the Board of Directors (“the Board”). The Policy is a matter reserved for the Board and the Chief Executive Officer (CEO) is responsible for the overall implementation, management and compliance with the Sustainability Management Handbook.

The Policy sets out the general Sustainability Principles (“the Principles”) in Section 3, and shall not constitute a ground for any counterparts, stakeholders, third parties, etc. to claim against the Group for any liability.

SC is the owner of this Policy and is responsible to ensure that the Policy is reviewed and updated to be kept relevant. This Policy shall be reviewed periodically especially when there are changes in any applicable laws, codes or regulations relevant to this Policy or at least once every three (3) years.

3. Sustainability Scope

The entire Group including all the Malaysian subsidiaries and the overseas subsidiaries shall observe and adhere to the Group's Sustainability Policy, Sustainability Guidelines, Sustainability Standards, Sustainability Principles, Sustainability Focus and relevant sustainability instructions issued from time to time in managing businesses.

4. Sustainability Guidelines, Standards and Principles

Our Sustainability Management Framework shall be guided by the following guidelines and standards:

- a) Bursa Securities' ACE Market Listing Requirements in Relation to Sustainability Reporting Framework;
- b) Bursa Securities' Sustainability Reporting Guide (3rd Edition);
- c) Malaysian Code on Corporate Governance 2021;
- d) Global Reporting Initiative ("GRI"); and
- e) United Nations Sustainable Development Goals ("UNSDG")

We adopt the following 6 key Sustainability Principles in managing our Group businesses:

- a) Proactively integrate economic, environmental and social considerations in our business decisions, including financing, investments, procurement and managing our people and operational impacts.
- b) Exercise a precautionary approach, taking due care and diligence to evaluate, adopt and advocate measures that will prevent and minimise environmental harm as well as promote social equality and equity.
- c) Recognise and be guided by internationally accepted standards and principles to promote responsible business.
- d) Create net positive impact, adopt an inclusive approach to our business relations, and strive to positively influence the sustainability performance and commitment.
- e) Engage actively and openly with our shareholders and stakeholders regarding the management of sustainability risk, and identify opportunities for sustainable growth.
- f) Be guided by the high standards of Corporate Governance, Ethics and Integrity as well as fundamental principles of Human Rights.

5. Sustainability Governance Structure

Our Sustainability Governance Structure is set out based on the Integrated Sustainability Model which facilitates the:

- Management of the economic, environmental and social risks and opportunities (“Sustainability Matters”) is integral to all board deliberations and decisions.
- Sustainability considerations are embedded/integrated into the overall business strategy.
- Sustainability performance indicators are considered in determining the remuneration of directors and senior management.

Our Sustainability Governance Structure and Roles and Responsibilities to manage sustainability matters are set out in Figure 1 and Table A:

Figure 1: Sustainability Governance Structure

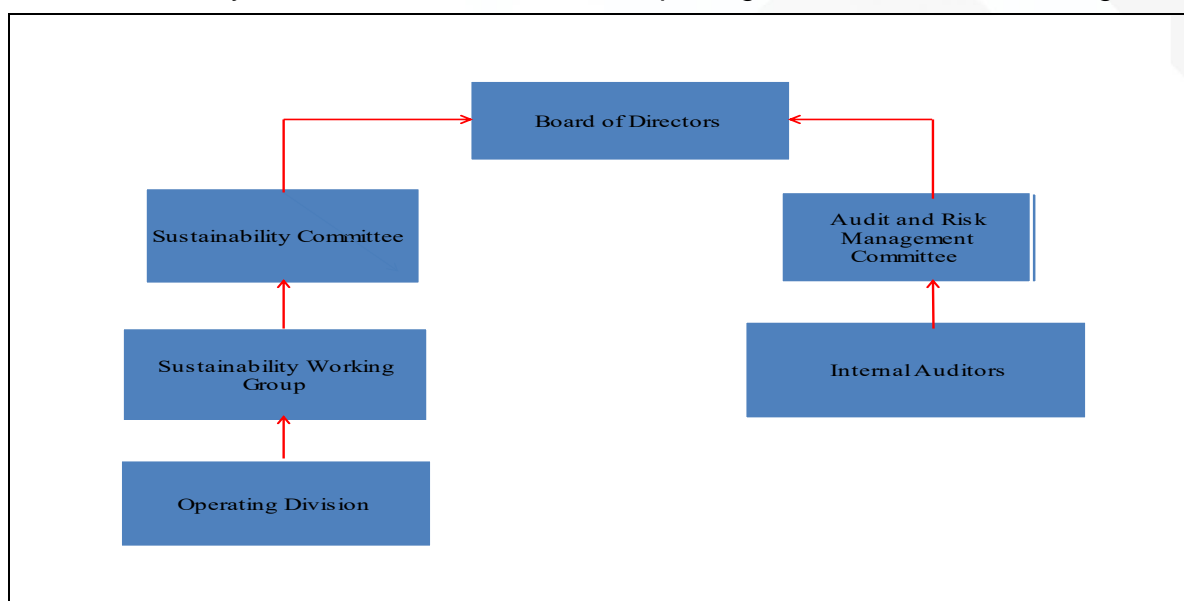


Table A: Sustainability Governance Structure and Roles and Responsibilities

Board and Committee	Roles and Responsibilities
Board of Directors	<ul style="list-style-type: none"> • Provide general leadership, direction and oversight of the Group’s overall Sustainability Framework. • Provide advice and approve sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations.

Board and Committee	Roles and Responsibilities
	<ul style="list-style-type: none"> • Conduct periodic reviews of the material sustainability matters (at least once a year) and approve material sustainability matters, indicators and targets, the performance and annual sustainability disclosures. • Attend the Sustainability related training as part of the training under the Mandatory Accreditation Program.
Sustainability Committee	<ul style="list-style-type: none"> • Responsible for the overall governance of our sustainability strategies and performance. • Facilitate the sustainability strategy (review periodically) and ensure all business strategies and major business operations are embedded with sustainability considerations. • Ensure key decisions on sustainability matters are made and aligned with our Group's overall business strategies and goals. • Determine the adequacy of the response and the current standing and performance of the material sustainability matters of the Group. • Review all sustainability-related policies, initiatives, key sustainability risks and opportunities for sustainability practices across all business operations. • Review and ensure adequate resources are made available for the successful implementation of sustainability strategies and initiatives. • Review and report sustainability progress and performance to our Board.
Sustainability Working Group	<ul style="list-style-type: none"> • Prepare the reports for material sustainability matters, sustainability progress, performance indicators and targets, the performance and annual sustainability disclosures. • Implement the integration of sustainability management into our Group's business strategy and goals. • Implement sustainability strategies, sustainability-related policies, initiatives, sustainability risks and opportunities for sustainability practices across all business operations. • Set sustainability performance indicators and perform data gathering, compiling and reporting. • Track the targets of sustainability indicators and progress performance indicators.
Operating Divisions	<ul style="list-style-type: none"> • Implement daily management of sustainability matters. • Implement stakeholder engagement efforts.

The Sustainability Governance Performance reporting structure is set out in Figure 2.



6. Sustainability Focus

Below are 4 broad categories of sustainability focus in terms of implementing and managing Sustainability matters:

(i) Economic

In managing economic sustainability matters, we focus on, amongst others, the following:

- conduct business in an open, transparent, and accountable manner;
- ensure continued commercial success to achieve total customer satisfaction;
- enhance the availability of EES information for decision making;
- Facilitate Sustainable products by encouraging responsible consumption and usage of resources in business operations;
- establish and continually improve the effectiveness of our management system in all operations and service delivery; and
- engage in continuous, timely, transparent, and meaningful communication with shareholders and stakeholders.

(ii) Environmental

In managing environmental sustainability matters, we focus on, amongst others, the following:

- our current production processes generate very minimum waste;
- be committed to environmental protection and stewardship by minimising risks and impacts to the environment in our daily operations;

- ensure minimum consumable waste and proper consumable waste disposal methods;
- comply with all relevant environmental regulatory and legal requirements including climate-related practices;
- Embrace responsible energy and resource management in daily operations; and
- Inculcate environmentally sustainable practices among our employees

(iii) Social

In managing social sustainability matters, we focus on, amongst others, the following:

- ensure an ethical, safe, healthy, and conducive work environment for our employees;
- cultivate a diverse and inclusive culture that recognises and values individuality;
- ensure equal access to opportunities regardless of one's age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics;
- eliminate improper conduct and practices, including but not limited to workplace bullying, discrimination against individual differences, discriminatory and sexual harassment, intimidation and victimisation;
- empower our workforce by supporting their personal and professional growth;
- respect and uphold fundamental human rights through the elimination of child labour and forced labour of all forms; and
- contribute to the well-being and development of the surrounding community through corporate social responsibility programmes, employee volunteerism, job creation and blood donation activities.

(iv) Governance

In managing governance sustainability matters, we focus on, amongst others, the following:

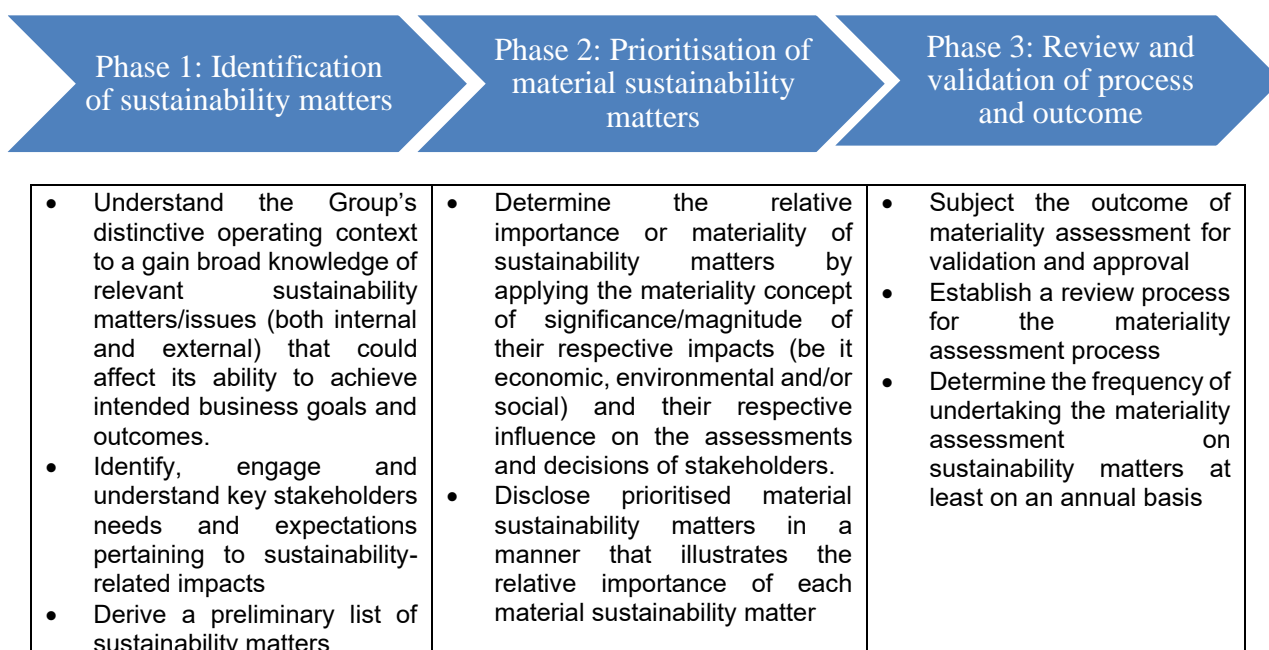
- maintain high standards of business ethics, integrity, and corporate governance practices;
- establish and continually improve appropriate governance structures and processes;
- comply with all applicable laws and regulations in relation to corporate governance;
- resolve verifiable complaints, grievances (if any) and conflicts through an open, transparent and consultative process; and
- establish policies and procedures to ensure the adequacy and integrity of the Group's internal control system.

7. Sustainability Materiality Assessment

7.1 Materiality Assessment Process

The Materiality Assessment Process is typically made up of 3 distinctive phases as reflected in Figure 3 below.

Figure 3: The Materiality Assessment Process



The Materiality Assessment Process is typically made up of 8 distinctive steps as reflected below:

- Scoping:** Define the sustainability purpose and scope in relation to the materiality assessment. Determine the relevant stakeholders, geographic scope, and time frame for the assessment.
- Stakeholder Engagement:** Identity, engage and seek the key stakeholders' (including employees, customers, investors, suppliers, local communities, etc) inputs and perspectives on environmental, social and governance risks and opportunities that matter to them and the Group.
- Identify Sustainability Matters and Issues:** Conduct a comprehensive review of internal and external information sources to identify a broad range of potential sustainability matters and issues relevant to the Group's industry, operations, and stakeholders. These sources may include regulatory requirements, industry standards, sustainability reports, news articles, etc in addition to the stakeholder feedback.
- Categorise and Prioritise:** Categorise the identified sustainability matters into categories such as economic, environmental, social, and governance. Then, assess the importance, significance and relevance of each sustainability matter

based on its potential impact on the Group's stakeholders and business performance. Prioritise the sustainability matters based on their significance and potential risks and opportunities.

- **Sustainability Materiality Matrix**: Develop a materiality matrix that maps the prioritized sustainability matters based on their importance and relevance. The matrix typically has two dimensions: one representing the importance (significance) of the sustainability matter to stakeholders and the other representing the likelihood of the impact of the sustainability matter on the Group. This matrix helps visualise the significant sustainability matter.
- **Validation**: Validate the identified material ESG issues through internal and external consultation. Engage with relevant internal stakeholders, such as senior management, board members, and subject matter experts, to ensure their buy-in and expertise in validating the identified issues. Additionally, seek external expert opinions and feedback from industry peers or sustainability professionals.
- **Reporting and Integration**: Integrate the sustainability matters of the materiality assessment into the Group's strategy, risk management, and reporting processes. Develop a clear communication strategy to effectively report the identified material sustainability matters to stakeholders, including in periodic sustainability reports, annual reports, or dedicated Sustainability disclosures.
- **Monitor and Review**: Regularly monitor and review the identified material sustainability matters to ensure ongoing relevance and responsiveness to changing stakeholder expectations, emerging risks, industry dynamics, etc. Update the materiality assessment periodically or at least once annually to capture new sustainability matters and retire outdated ones.

7.2 Sustainability Matters for Consideration

There are some internal and external aspects to be considered when assessing Sustainability Matters as set out in Table B.

Table B: Sustainability Matters for Consideration

Aspect	Description
Company Governance And Structure	National and contractual governance frameworks, such as codes of practice (e.g. Malaysian Code on Corporate Governance 2021), specific contractual governance requirements, including registration and reporting; joint ventures and contracted services; and parent company relationships, roles and responsibilities and authorities.
Legal Compliance	Status and trends, such as increasing international and local legal requirements related to climate disclosures, human rights and others.

Policies, Objectives And Strategies	Purpose, vision, business, other objectives and strategies and resources that are needed to achieve them.
Company Capacity And Capability	Capability and knowledge in terms of resources and competence (example: capital, time, people, language, processes, systems and technologies).
Information Systems	Information flows and decision-making processes (both formal and informal).
Shareholders And Stakeholder	Relationships with, and perceptions and values of, internal interested parties.
Management Systems And Standards	Strengths and weaknesses of the company operations, guidelines and models adopted by the company, such as those for accounting and finance, quality, safety and health, and others.
Company Style And Culture	Sole trader, family business, public or private company, management and leadership style, e.g. open or closed company culture, and decision-making processes.
Contracts	Form, content and extent of contractual relationships.

7.3 Sustainability Performance Indicators

After executing the Materiality Assessment Process, a sustainability Threshold based on the Group's and / or respective subsidiary's performance shall be examined and plotted against the sustainability likelihood and significance for each sustainability matter identified. Such materiality matters shall be recorded in the template provided in Appendix A: EES Impact Assessment Record of Sustainability Matter and the relevant industry-specified sustainability performance indicators shall be listed as part of the performance indicators in addition to the common performance indicators listed in the following Table C.

7.3.1 Monthly and Annual Sustainability Performance Indicators Reporting

The Sustainability Performance Indicators shall be submitted to the SC on a monthly basis and not later than 2 weeks on the following month for review.

Table C: Performance Indicators of Sustainability Matters

No	Sustainability Matters	Sustainability Performance Indicators	Unit of Measurement
1	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category	%
		Percentage of operations assessed for corruption-related risks	%
		Confirmed incidents of corruption and action taken	Number of incidents
2	Community / Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Total in RM
		Total number of beneficiaries of the investment in communities	Number of beneficiaries
3	Diversity	Percentage of employees by gender and age group, for each employee category	%
		Percentage of directors by gender and age group	%
4	Energy Management	Total energy consumption	KWh
5	Health and Safety	Number of work-related fatalities	Number of fatalities
		Lost time incident rate	Hours
		Number of employees trained on health and safety standards	Number of employees
6	Labour and practices and standards	Total hours of training by employee category	Hours
		Percentage of employees that are contractors or temporary staff	%
		Total number of employee turnover by employee category	Number of employees
		Number of substantiated complaints concerning human rights violations	Number of complaints
7	Supply chain management	Proportion of spending on local suppliers	% of revenue

No	Sustainability Matters	Sustainability Performance Indicators	Unit of Measurement
8	Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of complaints
9	Water	Total volume of water used	Litres for monthly, cubic meters per year
10	Waste management	Total waste generated, and a breakdown of the following: total waste diverted from disposal and total waste directed to disposal	Kilograms
11	Emissions management	(Scope 1) Direct emissions of Co2 (Scope 2) Indirect emissions of Co2 (Scope 3) Emissions of Co2 from business travel and employee commuting	Tonnes

7.3.2 Specific Formula in Computing Sustainability Performance Indicators

Below are some specific formulas in computing Performance Indicators that the respective person in charge shall refer to.

7.3.2.1 Total Annual Energy Consumption

For the Sustainability Performance Indicator of Total Annual Energy Consumption, it shall comprise the Annual consumption of electricity, fuels and thermal energy (such as steam and chilled water) for the management and occupation of buildings. Besides collecting the direct quantity consumed from the utilities bills, the specific formula for calculating the kilowatt-hours (kWh) of total energy consumption may vary depending on the context and data available. However, a common formula used is as follows:

$$\text{Total Energy Consumption (kWh)} = \text{Energy Used (in the appropriate unit)} \times \text{Conversion Factor (into kilowatt-hours)}$$

7.3.2.2 Total Annual Volume of Water Used

For the Sustainability Performance Indicator of guidance on how to calculate and report water consumption, besides collecting the direct quantity consumed from the utilities bills, the specific formula for calculating the total volume of water used in liters for daily or cubic meters in a year may vary depending on the context and data available. However, a common formula used is as follows:

Daily Water Usage in Liters:

$$\text{Total Water Usage (liters)} = \text{Quantity of Water Used per Measurement Period (liters)} \times \text{Number of Measurement Periods per Day}$$

To calculate the daily water usage in liters, need to determine the quantity of water used in each measurement period (e.g., per hour, per minute) and then multiply it by the number of measurement periods that occur in a day.

Annual Water Usage in Cubic Meters:

$$\text{Total Water Usage (cubic meters)} = \text{Daily Water Usage (liters)} \times \text{Number of Days in a Year} / 1,000$$

To calculate the annual water usage in cubic meters, need to multiply the daily water usage (in liters) by the number of days in a year and then divide by 1,000 to convert liters to cubic meters.

It is also important to provide additional information about water sources, water efficiency measures, and any adjustments or exclusions made in the calculation.

7.3.2.3 Waste Management

For the Sustainability Performance Indicator of guidance on how to calculate and report total waste generated and provide a breakdown of waste diverted from disposal and waste directed to disposal, a common formula used is as follows:

$$\text{Total Waste Generated} = \text{Waste Diverted} + \text{Waste Directed to Disposal}$$

The waste diverted refers to the amount of waste that is managed through practices such as recycling, reuse, composting, or other forms of waste reduction. It is the waste that is diverted away from traditional disposal methods such as landfilling or incineration which as a result of generated from construction activities. Waste Directed to Disposal refers to the amount of waste that is sent for final disposal, typically to landfills or incineration facilities. Both waste diverted and waste directed to disposal should be reported in kilograms (or any other relevant unit of measurement).

When reporting on waste, it is also important to provide additional information such as the types of waste generated, the disposal methods used, and any initiatives or targets related to waste reduction and diversion.

7.3.2.4 Emissions Management

For the Sustainability Performance Indicator of guidance on how to calculate and report total Emissions for (Scope 1) Direct emissions of Co₂, (Scope 2) Indirect emissions of Co₂ and (Scope 3) Emissions of Co₂ from business travel and employee commuting in Tonnes, the common approach to calculating these emissions:

Scope 1 emissions refer to direct greenhouse gas emissions from sources that are owned or controlled by the Group. To calculate scope 1 emissions of CO₂, need to determine the amount of fuel consumed or other sources of direct emissions (e.g., process emissions) and convert them to CO₂ equivalents. The specific calculation will depend on the emission factors relevant to the Construction industry and activities. The formula is:

$$\text{Scope 1 Emissions of CO}_2 = \text{Fuel Consumption (or other direct emission sources)} \\ * \text{Emission Factors}$$

Scope 2 emissions refer to indirect greenhouse gas emissions from the consumption of purchased electricity, heat, or steam by the Group. To calculate scope 2 emissions of CO₂, need to determine the amount of electricity, heat, or steam consumed and convert it to CO₂ equivalents using emission factors provided by the relevant energy supplier or regional emission factors. The formula is:

$$\text{Scope 2 Emissions of CO}_2 = \text{Electricity Consumption} * \text{Emission Factors}$$

Scope 3 emissions include other indirect greenhouse gas emissions that occur as a result of the organization's activities but are not owned or controlled by the Group. This includes emissions from sources such as business travel and employee commuting. To calculate scope 3 emissions of CO₂, you would need to determine the distance travelled or fuel consumed for business travel and employee commuting, and then apply appropriate emission factors. The formula is:

$$\text{Scope 3 Emissions of CO}_2 = \text{Distance Travelled or Fuel Consumed} * \text{Emission Factors}$$

It's important to note that the specific calculation methods and emission factors may vary depending on regional or industry-specific standards. It is recommended to refer to recognised emission calculation methodologies such as the Greenhouse Gas Protocol or consult with experts in the Construction field to ensure accurate and relevant calculations.

7.4 Sustainability Measurement Criteria - Influence On Stakeholder Assessments And Decisions and Sustainability Significance

Each Sustainability Matter identified shall be considered in terms of its Influence on stakeholder assessments and decisions and the significance of the Group's sustainability impacts according to the Sustainability Measurement Criteria set out in below Table D and Table E.

Table D: Sustainability Matters In Terms Of Influence On Shareholder And Stakeholder Assessments And Decisions

Influence	Description
High	The sustainability matter is almost certain to influence the shareholder and stakeholder assessments and decisions
Medium	Some likelihood of the sustainability matter may influence the shareholder and stakeholder assessments and decisions
Likely	The sustainability matter could influence the shareholder and stakeholder assessments and decisions but not remotely
Remote	The sustainability matter could remotely influence the shareholder and stakeholder assessments and decisions

Table E: Significance Of The Group's Sustainability Impacts

Significance	Description (either quantitative OR qualitative)	
	Quantitative Impact	Qualitative Impact
Very Significance	> RM2million	Close to disastrous effects, affect the value-creation ability in the long term
Significance	RM1million to < RM2million	Negative consequences, affect the value-creation ability in the medium term
Significance	RM300,001 to < RM1million	Minimal impact on consequences and affect the value-creation ability in the short term
Non-significance	< RM300,000	Very low impact and unlikely to affect the value-creation ability in the short term

7.5 Sustainability Materiality Threshold and Sustainability Materiality Matrix

After assessing each Sustainability Matter identified in accordance with the Sustainability Measurement Criteria set out in below Table D and Table E, the relevant sustainability matters identified shall be analysed and presented in the Sustainability Materiality Threshold and Sustainability Materiality Matrix (as illustrated in Figure 4 and Figure 5 respectively). The Sustainability Materiality shall be prepared based on Appendix B: Best practice: AA1000 – Principles of Materiality.

Figure 4: Example outcome of Sustainability Materiality Threshold visualised through a materiality matrix

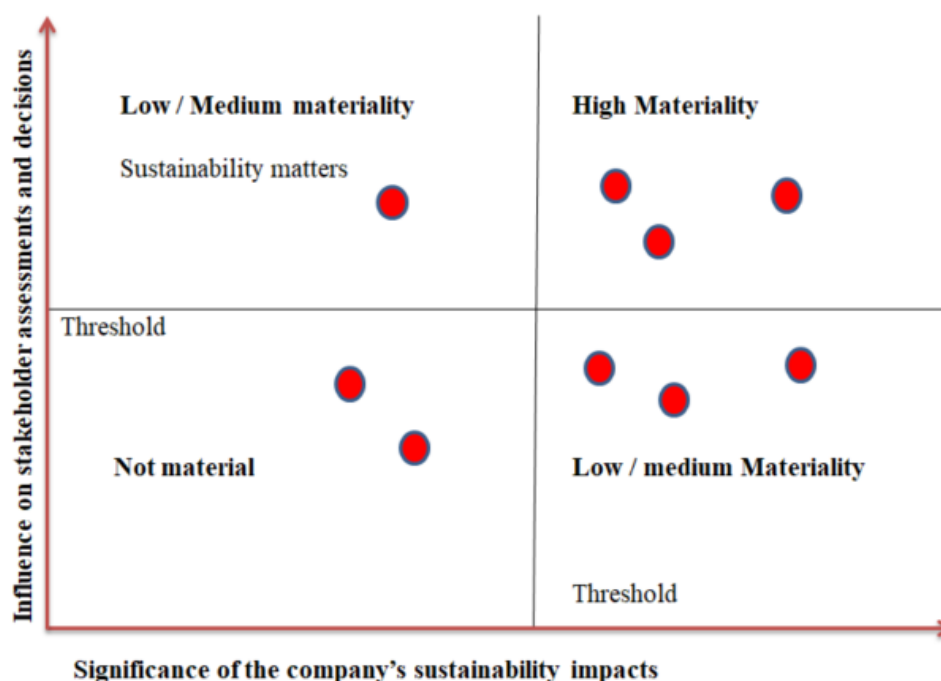


Figure 5: Example outcome of Sustainability Materiality Matrix through a materiality matrix

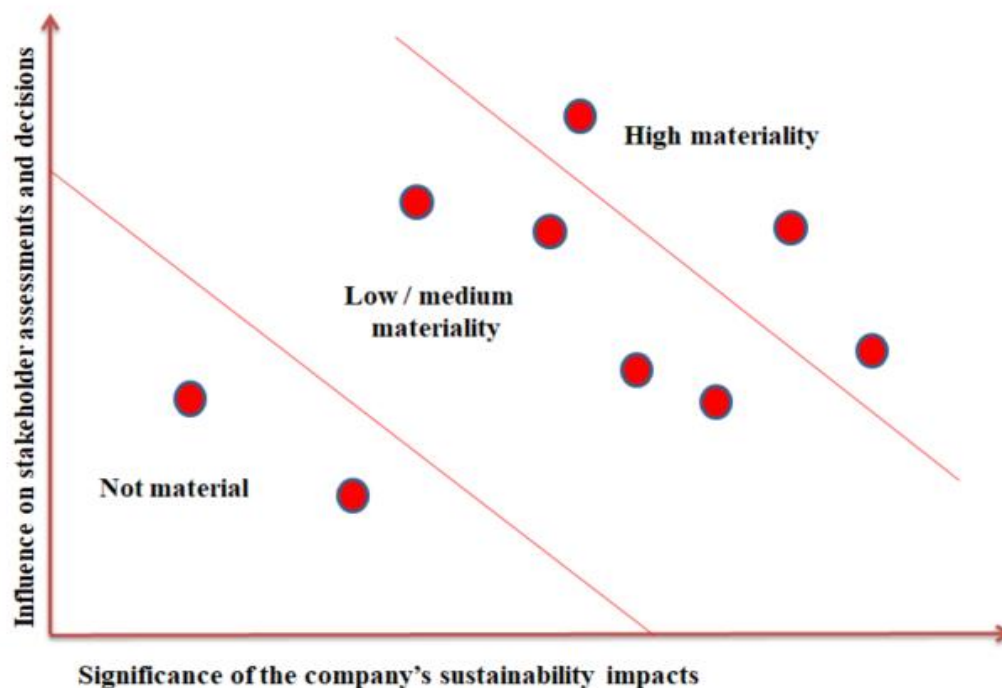


Table F provides an example of Sustainability Matters in terms of Importance to Stakeholders and Importance to SIAB Group.

Sustainability Matters	Importance to Stakeholders	Importance to SIAB Group
Anti-corruption	3	4
Community/Society	3	2
Diversity	4	3
Energy management	3	3
Health and safety	3	4
Labour practices and standards	3	4
Supply chain management	2	4
Data privacy and security	2	3
Water	1	3
Waste Management	2	4

7.6 Shareholders and Stakeholder Engagement Approaches and Frequency

Table G below sets out the approaches and frequency of each stakeholder engagement frequency. For formal feedback to be obtained from the relevant stakeholders, Appendix C – Stakeholder Engagement Survey for Prioritisation of Sustainability Matters Template shall be adopted.

Table G: Engagement Approaches and Frequency

Stakeholders / Stakeholders	Material Sustainability Matters	Engagement Approaches	Frequency
Shareholders/ Investors	<ul style="list-style-type: none"> Sustainable growth Business and financial performance shareholder value (Dividend and capital gain) 	<ul style="list-style-type: none"> General meetings Annual Report Quarterly Financial Reports Bursa Announcements Public and Media Announcements Company website 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Clients	<ul style="list-style-type: none"> Product / Services quality Timely project delivery Regulatory compliance 	<ul style="list-style-type: none"> Progress report meetings Company website 	<ul style="list-style-type: none"> Monthly Ongoing
Employees	<ul style="list-style-type: none"> Occupational health, safety and well-being Competitive remuneration Career development and training opportunities 	<ul style="list-style-type: none"> Open face-to-face communication Company events Internal communication (emails, Dialogue with Managing Director) Bi-annual performance appraisal 	<ul style="list-style-type: none"> Bi-annually Ongoing
Board	<ul style="list-style-type: none"> Company direction and strategies Risk management Regulatory compliance 	<ul style="list-style-type: none"> Board meetings and discussions Company events 	<ul style="list-style-type: none"> Annually Quarterly Ongoing
Subcontractors and Suppliers	<ul style="list-style-type: none"> Fair and transparent procurement procedures Quality works and ethical practices Timely payment and business continuity 	<ul style="list-style-type: none"> Progress report meetings Performance feedbacks and Annual Evaluation Company website 	<ul style="list-style-type: none"> Annually Monthly Ongoing
Regulatory authorities	<ul style="list-style-type: none"> Regulatory compliance Occupational safety and health 	<ul style="list-style-type: none"> Site inspections Statutory reporting Compliance audit 	<ul style="list-style-type: none"> Annually Ad hoc
Community	<ul style="list-style-type: none"> Create employment Health and safety ESG awareness and initiatives 	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) programmes Company website 	<ul style="list-style-type: none"> Annually Ongoing

8. Sustainability Implementation Initiative Plan / Program

The Sustainability Implementation Initiative Plan provides further details on how the individual sustainability matter is being managed, monitored, integrated and reviewed. For each material sustainability matter identified, it shall be accomplished by an Implementation Initiative Plan which subsequently is established as part of the Group's Overall Sustainability Implementation Initiative Plan / Program, as below.

Table H: Sustainability Implementation Initiative Plan / Program

Date Raised / Reviewed	
Materiality Sustainability Matter	<i>(describe the sustainability matter)</i>
Goal	<i>(state the narrative of the sustainability goal to be achieved)</i>
Key Stakeholders	
Existing Performance Indicator	<i>(state the metric, if any)</i>
Targeted Performance Indicator	<i>(state the target to be achieved in a year, or please specify the period if the target to be achieved needs a longer period)</i>
Action to be implemented	<i>(Please list down the actions and activities required to manage the sustainability matter and achieve the targeted sustainability performance Indicators)</i>
Person in Charge	
Sustainability Committee Review Date	

9. Six Sustainability Reporting Principles

Sustainability Statements in the annual reports and any other media releases shall be reliable and accurate. The sustainability reporting principles shall also serve as the basis of reviews to be conducted by independent reviewers or internal auditors. The Sustainability Statements prepared shall meet the below sustainability reporting principles:

- i. **Transparency and Disclosure:** Sustainability Statements should aim to provide transparent and accurate information to stakeholders with relevant and material information about significant sustainability policies, possible contingent liabilities and any other information that may impact decision-making with respect to sustainability matters.
- ii. **Compliance with Regulations:** Sustainability Statements disclosed must comply with the applicable legal and regulatory requirements governing corporate reporting which may include regulations set by government authorities, Bursa Securities, Securities Commission, or Malaysian accounting standards boards.

It shall also comply with the corporate reporting practices of consistent, standardised and comparable across different subsidiaries within the same jurisdiction.

- iii. Consistency and Comparability: Sustainability Statements shall aim to enable stakeholders to make meaningful comparisons between different periods and companies. It shall be prepared using consistent sustainability policies and methods from one period to another. Additionally, it shall provide additional information or explanations to enhance comparability between the current year's sustainability statement compare with the prior year's statements.
- iv. Materiality and Relevance: Sustainability Statements shall disclose material sustainability information that is relevant and significant to stakeholders' decision-making such as significant sustainability risks, or events should be disclosed. Sustainability materiality refers to the impact an item or disclosure has on the perception or evaluation of a company's financial performance either in the short term, medium term or long term.
- v. Timeliness: Sustainability Statements disclosed are expected to provide timely and up-to-date information where the statements should be prepared and published within the specified reporting periods that help stakeholders stay informed about a Group's overall sustainability initiatives and enables them to make informed decisions.
- vi. Audit and Assurance: independent reviewers or internal auditors play a crucial role in providing assurance of their fairness and compliance with relevant sustainability reporting standards. independent reviewers or internal auditors shall validate the accuracy and reliability of the information presented in the sustainability statements.

It's important to ensure the application of the aforesaid sustainability reporting principles as the sustainability statements are used and read by the Board of Directors, senior management, capital market investors, capital market regulator, Bursa Securities, Securities Commissions, governments and regulators, customers, suppliers, employees, data aggregators, rating companies, advisors, public policy entities, etc.

10. Sustainability Reporting

With reference made to the Terms Of Reference Of The Sustainability Committee, the Sustainability Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on the Group's ESG policies and matters as it may think fit. In addition to the availability of minutes of the Committee Meetings to the Board, the Chairman of the Sustainability Committee shall report a summary of significant matters and resolutions to the Board of Directors at the Board meetings.

As for the Sustainability Working Group, it shall report the periodic reports prepared for material sustainability matters, sustainability progress, performance indicators and targets, and the performance and annual sustainability disclosures to the Sustainability Committee.

The Sustainability Working Group shall also prepare the Annual Sustainability Statement (*In accordance with the Bursa Securities' ACE Market Listing Requirements in Relation to Sustainability Reporting Framework and Bursa Securities' Sustainability Reporting Guide (3rd Edition)*) which forms part of the Annual Report of the Group within 2 months of the closing of each of the Financial Year-end.

The Sustainability Statement shall be reviewed by the Internal Auditor or Independent Assurance performed in accordance with recognised assurance standards to strengthen the credibility of the Sustainability Statement.

Appendix A : EES Impact Assessment Record of Sustainability Matter

No:	Sustainability Matter (Title)
Sustainability Matter Description	

Activity/ Process		Processes		Project/ Initiative Name	

ESG Impact Categories

Activity / Process	Environmental Aspect	Environmental Impact	Economic Aspect	Economic Impact	Social Aspect	Social Impact

Approved By: [Name and Title]

Date: [Date of approval]

Appendix B: Best Practice: AA1000 – Principles Of Materiality

The review of the materiality assessment process may take into consideration the following adherence criteria to the Principle of Materiality, provided by AA1000 Accountability Principles Standards 2018.

COMMITMENT, INTEGRATION & CAPACITY BUILDING

1. Establish a company-wide, robust, systematic and ongoing materiality determination process under the governance of senior management, including key cross-functional involvement.
2. Ensure integration of the assessment process across the company, including through relevant processes, such as risk management and compliance with laws, regulations, and internal policies and procedures.
3. Provide the necessary competencies and resources to apply the results of the materiality assessment process.

MATERIALITY DETERMINATION

4. Set consistent and clear boundaries, as well as a purpose, time period and scope, for the materiality assessment, with underlying assumptions appropriately documented.
5. Identify and fairly represent topics from a wide range of sources.
6. Evaluate the relevance of identified material sustainability topics based on suitable and explicit criteria*.
7. Determine the significance, likelihood, and present and expected future impact of identified material sustainability topics, using appropriate criteria and thresholds*.
8. Take into account the evolving sustainability, macroeconomic, geopolitical and regulatory contexts and maturity of topics and concerns, allowing for industry-related, geographical, cultural and operational-level differences.
9. Include a means of addressing conflicts or dilemmas arising from diverging or conflicting expectations regarding material topics.

COMMUNICATION

10. Create and disclose a comprehensive and balanced understanding and prioritisation of material sustainability topics for the company and its stakeholders.

** Criteria and/or thresholds that are credible, clear and understandable as well as replicable, defensible and can be subject to external assurance.*

Appendix C – Stakeholder Engagement Survey for Prioritisation of Sustainability Matters Template

Dear Sir or Madam,

[Insert company name] is currently preparing our annual Sustainability Statement for *[insert year]*. In managing our sustainability matters, we would like to seek your feedback in prioritising the sustainability matters which are managed by the Group. Material sustainability matters are key topics that are important to the Group and to our valued stakeholders.

By completing this survey, you will aid us in directing our attention and resources to sustainability matters which are most important to you.

This survey consists of *[insert number of questions]* and should take *[XX minutes]* of your time.

Thank you for your feedback.

1. Name of respondent

2. Number of years in current company

3. Please indicate your relationship with *[insert company name]*:

- ☐ Board of Director
- ☐ Employee
- ☐ Shareholder/Investor
- ☐ Supplier
- ☐ Customer
- ☐ Regulator
- ☐ Trade Association or Industry Organisation
- ☐ Local Community
- ☐ Civil Society Organisation
- ☐ Other (please specify) _____

4. We have identified the following sustainability matters as relevant to the company. Please tick the box indicating the degree of importance (arranged from least important to most important) of the sustainability matters identified below:

Sustainability Matter	Descriptions	Rating of sustainability matters (please select 1 rating below)				
		1 – Very Low Importance	2 – Low Importance	3 – Moderate Importance	4 – High Importance	5 – Very High Importance

Qualitative Section (Optional)

1. Apart from the sustainability matters that have been identified, in your view, what are the other sustainability-related issues relating to the *[insert company name]* that are of particular concern to you? Please explain.

a) Economic-related issue:

b) Environmental-related issue:

c) Social-related issue:

d) Governance-related issue:

e) Others:

2. Following from Question 1, what are the ways in which the Group may address the issues raised?

3. Is there any other feedback that you would like to share in respect of the management and reporting of our sustainability matters?

Appendix D – Glossary of Sustainability Terms

Term	Description
Business Sustainability	Ethical, responsible management of an organisation's continued success with environmental, social and financial concerns.
Carbon Credit	Purchased credits that will fund emission-reducing projects.
Carbon Footprint	the amount of carbon dioxide and methane produced by individuals, organisations, products or practices.
Carbon Neutral	Ideal balance between carbon dioxide emissions produced by human activity and carbon absorption by the atmosphere; the calculation should come to zero.
Carbon Offset	An activity or purchase that is intended to compensate for carbon emissions produced by individuals and organisations. Carbon storage through tree planting or land restoration is a common example. Businesses that create carbon offset programs receive carbon tokens.
Circular Economy	Keeps products in circulation to the fullest extent possible by reducing material consumption, streamlining processes and collecting waste for reuse.
Clean Tech	Technologies and processes that are meant to limit negative environmental impact, such as waste and carbon emissions, especially in comparison to fossil fuels. Examples of clean technologies -- sometimes referred to as green technologies or eco-technologies -- include solar power, wind power, biofuels, recycling and smart lighting.
Climate Adaptation	The act of preparing for and adjusting to climate change's current and projected consequences. For example, cities can build seawalls to protect from rising sea levels.
Climate Change	The shifts over time in the average temperature and weather patterns that define specific locations. In particular, climate change has come to mean the rise in global temperatures from heat-trapping gases resulting from mining and using oil, coal and other fossil fuels. Climate change indicators include rising sea levels; the increase and severity of extreme weather, such as hurricanes, droughts and floods; and ice loss at the Earth's poles.
Climate Mitigation	The process of decreasing the flow of heat-trapping pollution. For example, reducing fossil fuel burning by using renewable energy sources may help.
Climate Resilience	The ability to support a community, company or the natural environment before, during and after a climate event in a timely, efficient manner. Climate resilience differs from climate adaptation, but the two are often used synonymously.
Climate Risk	As wildfires, droughts, food scarcity, hurricanes and other climate change effects happen, businesses face increased vulnerability. Climate risk describes that vulnerability. It is the

Term	Description
	potential for climate change to create negative effects on human or ecological systems. Risks fall into two main categories: risks based on the transition to a greener economy, such as losing market share by moving away from fossil fuel-based products, and risks related to the physical effects of climate change, such as flooded offices.
Closed-Loop	A production process that reuses material waste to create additional products or repurpose recycled materials.
Conscious Capitalism	Socially responsible framework for capitalism in the corporate and political spheres. It emphasizes creating human value alongside profit value.
Corporate Social Responsibility (CSR)	For-profit companies use the CSR business model to gauge social and environmental benefits alongside organisational goals such as profitability.
Digital Carbon Footprint	The amount of greenhouse gas emissions digital devices, tools and platforms produce. All tech, from cloud computing to mobile phones to internet usage, produces a digital carbon footprint.
Digital Sobriety	Aims to limit the harmful environmental impact of smartphones, internet usage, digital media and another tech in large and small ways on a daily basis. Moving toward digital sobriety includes a wide range of actions. buying fewer devices, deleting emails, opting for lower-definition media consumption, sustainably developing software and buying less-powerful machines.
Drawdown	The point at which atmospheric greenhouse gas levels stop climbing and start declining.
Electronic Waste (E-Waste)	Electronics at or nearing the end of their useful life. Green tech and sustainability approaches seek to extend the useful life of devices and use circular economy principles to keep the amount of e-waste to an absolute minimum. The priority is to first reduce waste, then refurbish devices and only then move toward recycling.
Energy Efficiency	The same task or result is achieved with less energy. For example, heating, cooling and operating appliances and electronics are less energy-intensive in energy-efficient homes and buildings.
Environmental Justice	Environmental justice aims for fair treatment of all people regardless of race, color, national origin or income equally regarding environmental laws, regulations and policies. The approach holds that no group should bear a disproportionate share of negative environmental consequences.
Environmental, Social And Governance	Sustainable and ethical interests which can be central to an organisation's financial and corporate interests.

Term	Description
ESG Framework	A set of objectives that companies can use to report on ESG issues. The process begins when an organisation selects an ESG reporting method.
CDP	A not-for-profit global environmental disclosure system for investors, companies, cities, states and regions use the system.
Global Reporting Initiative	A non-profit and independent standards organisation that helps organisations report ESG impacts.
Sustainability Accounting Standards Board	A non-profit that sets sustainability standards for numerous industries relevant to financial performance.
Global Warming	Earth's heating from trapped greenhouse gases results from human activities such as transportation, agriculture, overfishing, fossil fuel energy production and overconsumption.
Green Cloud	The possible environmental benefits of IT services delivered over the Internet. Typically seen as a buzzword, reliance on the alleged benefits enables technologists to feel that further efforts to reduce carbon footprints are unnecessary.
Green Computing	The sustainable approach to using computing devices and equipment is green computing. Some methods include reducing resource use, responsible disposal of e-waste and deploying energy-efficient IT equipment.
Green Hushing	Green hushing involves companies intentionally hiding sustainability goals. Companies may do this for fear of greenwashing accusations or falling short of stated goals.
Green IT	The practice of designing, manufacturing, operating and disposing of IT products and devices to minimize the negative effects of IT operations on the environment is green IT.
Greenhouse Effect	The result of carbon dioxide, methane and nitrous oxides in Earth's atmosphere trapping the sun's heat
Greenhouse Gas Emissions	The sum of emissions of various heat-trapping gases. Greenhouse gases include carbon dioxide, methane, nitrous oxides and fluorinated gases such as hydrofluorocarbons.
Greenwashing	Deceptive, misleading or false claims or actions that an organisation, product or service has a positive environmental effect is called greenwashing.
Green Impact Investing	An investing strategy that directs money towards companies that create a measurable, positive change in the world.
Green Impact Sourcing	A sourcing strategy that directs employment and career development opportunities toward people from economically disadvantaged backgrounds.
Loss And Damage	Climate-change-related consequences that people are unable to adapt to, either because the consequence is too severe or because the affected community doesn't have access to the resources to adapt. Loss and damage result from sudden

Term	Description
	natural disasters, such as floods, or gradual change, such as desertification.
Materiality Assessment	A materiality assessment is a formal way of assessing stakeholders' commitment to specific ESG issues and calculates an organisation's ESG score. It works by identifying the impact of a certain issue on a company's performance and competitiveness in the market.
Net Zero	The result of lowering greenhouse gas emissions as close as possible to zero and balancing remaining emissions with removals.
Recycling	The process of collecting and processing waste materials, ideally to make new products.
Responsible Innovation	Prioritises ethics and social responsibility in the research, design and production of new technologies or evolutions of existing technology. Responsible innovation posits ethics as a design problem.
Scope 1, 2, 3 Emissions	Developed by the Greenhouse Gas Protocol, scopes give organisations a way to categorize their emissions.
Scope 1 Emissions	The direct emissions generated by an organisation's operations. Running machinery, manufacturing products, driving vehicles, heating buildings and providing power to devices generate emissions.
Scope 2 Emissions	The indirect emissions generated by an organisation's energy purchase and usage. Investment in renewable energy sources may help lower these emissions.
Scope 3 Emissions	The indirect emissions generated by an organisation's customer and supplier activities.
Supply Chain Traceability	In sustainability, traceability not only identifies, tracks and traces materials and commodities, but it also verifies sustainability claims across the value chain.
Zero waste	The concept of managing products, packaging and materials responsibly to minimize environmental harm.