

SUSTAINABILITY POLICY OF KKB GROUP

Introduction

This policy is intended to embed sustainability matters, the risks and opportunity arising from the Economic, Environment and Social (“EES”) impact into the KKB Group. KKB Engineering Berhad and its subsidiary companies’ Sustainability encompasses all aspects of business practices addressing relevant applicable economic, environment, social and governance issues responsibly and beneficially.

Objectives

This policy aims to:

- ✓ Integrate the principles of sustainability into the Group’s businesses for value creation;
- ✓ Identify and prioritise material sustainability matters to reduce risks and take advantage of business opportunities;
- ✓ Create a culture of sustainability within the Group and the community with an emphasis on integrating the environmental, social and governance considerations into decision making and the delivery of outcomes.

Sustainability Strategies

- (a) Economic Sustainability focusing on the Group’s impacts on the economic conditions of its stakeholders rather than the financial conditions.
 - Develop innovation and technology to create value added and long-term growth.
 - Promote and support business partners, suppliers and stakeholders along the supply chain to run business.
- (b) Environmental Sustainability focusing on commitment to identify, manage and minimise the environmental impact of business operations such as: -
 - Reduce consumption of non-renewable and non-recyclable materials;
 - Encourage the use of renewable resources;
 - Minimise the level of pollutants entering into the air and water from daily business operations i.e., emissions carbon dust, dark smoke, waste effluent;
 - Using local climate as a transition to a lower carbon economy e.g., resource efficiency, cost savings and utilize low-emission energy sources; and
 - Comply with environmental regulatory and legal requirements.
- (c) Social Sustainability focusing on the development of programs and processes that promote social interaction and cultural enrichment. It emphasizes on protecting the vulnerable and respecting social diversity.
 - Maintain a safe and healthy workforce. Take care and protect safety of employees, workers and Company’s assets by taking into account the others’ right and safety with concern over personal right, confidentiality and information disclosure.
 - Promote racial harmony and prevent racial discrimination. Treat all employees and workers in a fair and equal manner without discrimination.
 - Prevent sexual harassment and other forms of violence against women.
 - Community investment to enhance socio-economic benefits.

- (d) The Group recognises the importance of Governance Sustainability to gain the confidence of investors, stakeholders and the public incorporating into it all functions and processes such as strategic planning, accountability, sustainable planning and development in compliance with the law, regulations, requirements and standards specified by regulatory bodies.

Reports and Disclosures

KKB will compile reports on sustainability performance on a periodic basis. This policy will be reviewed annually by the Board of Directors.

*This Sustainability Policy is reviewed by the Board on **18 August 2023**.*

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