

GROUP SUSTAINABILITY POLICY

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1. INTRODUCTION

LBS Bina Group Berhad ("**LBS**" or "**Company**") and its subsidiaries ("**the Group**") recognises the importance of sustainability and its increasing relevant impact to the business. Sustainability encompasses all aspects of ethical business practices, addressing relevant Economic, Environmental, Social and Governance ("**EESG**").

The Group aspires to integrate sustainable practices into its business operations, which hopes to bring benefits to the business, whilst attempting to achieve the right balance between the various needs and requirements of the local community, the requirements of shareholders and stakeholders, improving environmental footprints and economic success, as well as progressively aligning the Group's commitment towards the United Nations Sustainable Development Goals ("**UN SDGs**").

2. OBJECTIVE

The objectives of this Policy are amongst others to provide guidance for the Group:

- a) To ensure the business operation as well as strategies and approaches adopted are aligned with our commitment.
- b) To promote the integration of EESG principles into the governance agenda and framework of LBGB Group.
- c) To create long-term sustainable value to all our stakeholders.
- d) To support and enable employees at all levels in LBGB Group to act in line with our commitments and approach.

3. SCOPE

This Policy is applicable to the Group and external stakeholders.

In accordance with our commitment to the best practice on sustainability, the Group also expects its external stakeholders to aspire to the same standards in their business operations, including but not limited to the Group's commitments.

This Policy makes reference to, and shall be read together with the following policies:

- a) Environmental Policy Statement
- b) Diversity Policy
- c) Human Rights Policy
- d) Whistle Blowing Policy
- e) Workplace Harassment Policy
- f) Occupational Safety and Health Policy

4. SUSTAINABILITY GOVERNANCE FRAMEWORK

The Group recognises the importance of good governance sustainability and incorporating it into all functions and processes which includes but is not limited to

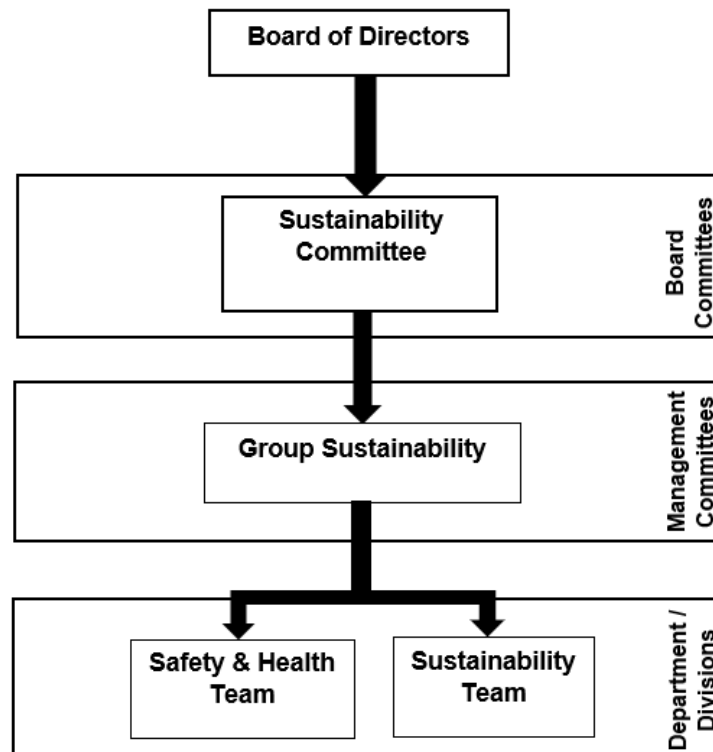
strategic planning, accountability, risk management, sustainable planning, and development.

LBGB's Board of Directors ("**the Board**") has the overarching responsibilities to deliver sustainable value to stakeholders through the principles, frameworks, policies, objectives, and strategies of the LBGB Group, whereby three dedicated taskforces, namely Sustainability Committee ("**SC**" or "**Committee**"), Group Sustainability ("**GS**") and Sustainability Team have been established to assist the Board in its responsibilities.

The SC is responsible to review and drive the LBGB Group's sustainability strategies and affairs, EESG's key targets and performance, and progress and scorecard to advance the LBGB Group's sustainability leadership.

The GS which comprises of dedicated personnel are tasked to oversee material EESG matters, to develop feasible action plans for the realisation of set goals and targets, to oversee key sustainability risks and opportunities, maintain stakeholder engagement as well as to perform materiality assessments. The GS also oversees and monitors sustainability trends including governance, reporting and Sustainability Key Performance Indicators ("**KPIs**").

LBS BINA GROUP BERHAD SUSTAINABILITY GOVERNANCE FRAMEWORK



5. COMMITMENTS

In the pursuit of the objectives, the LBGB Group undertakes the following:

5.1 Economic

Financial performance is a core imperative of LBGB's role as a responsible developer. LBGB is accountable to its investors for the responsible management of its assets and capitals.

Our Approach:

- (a) Uphold competitive financial performance and realise greater value for our stakeholders through progressive integration of EESG considerations into our business.
- (b) Incorporate EESG values into investment decisions and management practices to better anticipate potential risks, improve returns and identify opportunities while contributing to the betterment of society and the planet.
- (c) Gradually transform towards digitalising the business operations of the LBGB Group by integrating technology and automation on its processes and procedures, in improving the productivity and reliability.
- (d) Place a strong emphasis on supporting local procurement and supply chains by intentionally prioritises the selection of local goods and service providers by matching the mandatory standards in terms of cost, quality, and other defined criteria.

5.2 Environmental

While adhering to environmental legal and regulatory obligations and our commitment towards Net Zero Carbon Emission by 2050, LBGB Group contributes to safeguarding the environment and preserving biodiversity.

Our Approach:

- (a) Reduce carbon emission by minimising the environmental impact through monitoring and working with all value chain players and conserving the use of energy and other resources in ensuring regulations compliance.
- (b) Ensure responsible water management and energy consumption management on water usage and energy consumption.
- (c) Ensure responsible waste management by adopting 6-level waste management hierarchy such as prevention, reuse, reduce, recycle, compost and disposal.
- (d) Ensure responsible resource management of materials and effluents.

- (e) Conserve, enhance local flora species at all sites and promote environmental consciousness in the community.
- (f) Enforce rigorous environmental pollution monitoring at all project sites to ensure that effluent, noise, and emission levels comply with the standards prescribed by the Department of Environment.
- (g) Comply with the Environmental Impact Assessment and Environmental Management Plan prerequisites to uphold the environment's safety and quality.

5.3 Workplace

As a responsible developer, LBGB is committed to:

- i. Diversity and inclusion in the workplace and strive to provide equal opportunity for all employees, regardless of age, gender, race, religion, disability, or nationality.
- ii. Provide a safe, healthy, and harassment-free work environment for all employees and believes that every employee should be treated with dignity, decency, and respect.

Our Approach:

- (a) Promote diversity and provision of a safe, healthy, and conducive working environment.
- (b) Provide fair and market competitive employee remuneration and benefits and introduce performance-based rewards.
- (c) Plan and organise training programmes and relevant job skills training to address competency gaps in the workforce.
- (d) Respect fundamental human rights and employee rights as enshrined in the respective laws of the country and prevent the use of child or forced labour.

5.4 Community

As a responsible developer, LBGB is committed to building a society that continues to grow and prosper.

Our Approach:

- (a) Making positive societal impacts in 4 key areas: Health, Education, Environment and Community.
- (b) Provide equal opportunities by reducing poverty by addressing education gaps, helping societies attain access to quality and affordable health.
- (c) Work progressively with identified communities and business segments for positive impact in all aspects through our philanthropic arm – LBS Foundation.

- (d) Continue community initiatives and deliver commitment towards community development through volunteerism programmes, philanthropic activities, and collaborative programmes.

5.5 Governance

Governance represents a fundamental facet of LBGB Group's sustainability, integrated across every aspect of the company's functions and processes. It serves as a driver for transparency and accountability, managing risks, ensuring operational and business sustainability, and maintaining the confidence of LBGB Group's stakeholders.

Our Approach:

- (a) Committed to good corporate and sustainability governance across all level of LBGB Group's business operations and consistently demonstrated by its compliance with local laws, industry best practices, and recommended corporate governance practices of Bursa Malaysia and Malaysian Code on Corporate Governance (MCCG) 2021.
- (b) Establish and maintain the sustainability policy, framework and governance structure that are robust and aligned to the business and operational agenda of LBGB to guide the management of its EESG material matters.
- (c) Ensure the expectations, issues, and concerns of the stakeholders, including the portfolio companies are taken into consideration in the formulation of the Company's business plans and strategies.
- (d) Formulate appropriate sustainability strategies, initiatives, and targets to address any identified EESG gaps.
- (e) Uphold the highest standards to corporate governance, business ethics and transparency in all our dealings, taking into consideration of all relevant legislation and regulatory requirements.

6. REVIEW OF POLICY

This Policy has been approved by the Board and is available for reference in the LBS's corporate website and internal computer networking system.

This Policy shall be reviewed by the Board once in every two years and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy shall be approved by the Board upon recommendation of the Sustainability Committee.

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