CONFIDENTIAL

SARAWAK CONSOLIDATED INDUSTRIES BERHAD

SUSTAINABILITY POLICY

Reviewed by:

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A. INTRODUCTION

This Sustainability Policy sets out SCIB Group's commitment to integrating Environmental, Social, and Governance ("ESG") considerations into its core strategies and operations. The aim is to create long-term value for stakeholders while promoting environmental stewardship, social responsibility, and ethical governance.

B. SCOPE

This Policy applies to all SCIB Group entities, including subsidiaries and joint ventures under operational control. For associated companies, SCIB will advocate alignment with these principles through board representation.

C. PURPOSE

This policy sets out the general principles and guidelines that govern the Group's sustainability strategy, ensuring that all corporate and business activities are aligned with its Sustainability mission. It also aims to foster sustainability values within the Group across the ESG dimensions.

- **Environmental** protection against harm
- **Social** empowerment and community engagement
- **Governance** through ethical and transparent practices

This policy provides guidance to the Board of Directors, its committees, and the working group in overseeing the implementation and execution of the Group's sustainability practices, as well as in monitoring performance against ESG targets. It also promotes the integration of ESG principles into the Group's governance agenda and framework, including the incorporation of ESG considerations into SCIB's investment decisions.

The Group will engage with key stakeholders to understand their expectations and concerns, and will conduct a materiality assessment to identify, prioritize, and address key risks, opportunities, and ESG material matters. These efforts will be intensified from both the Company's and stakeholders' perspectives.

SCIB's overall sustainability strategy is centered around four (4) key focal areas that guide the Group's sustainability direction and reporting processes, as follows:

1. Inspiring and empowering our workforce;
2. Embracing the marketplace;
3. Protecting the environment from harm; and
4. Giving back to the community.

This Policy is supported by other ESG and regulatory guidelines as needed.

D. ABBREVIATIONS

No.	ACRONYM	DESCRIPTION
1	BMSB	Bursa Malaysia Securities Berhad
2	Board	Board of Directors
3	BU	Business Unit
4	CSC	C-Suites Committee
5	ESG	Environmental, Social, and Governance
6	GMD/CEO	Group Managing Director/ Chief Executive Officer
7	RMSC	Risk Management & Sustainability Committee
8	SWG	Sustainability Working Group

E. GOVERNANCE STRUCTURE AND RESPONSIBILITIES

I. GOVERNANCE STRUCTURE

The implementation and execution of the Group's sustainability practice and performance monitoring are depicted as follows:-

Business Units → Sustainability Working Group → Risk Management & Sustainability Committee → Board of Directors

II. ROLES AND RESPONSIBILITIES

ROLES AND RESPONSIBILITIES		
GOVERNANCE STRUCTURE	**MEMBERS**	**FUNCTION**
Board of Directors	Directors of SCIB	• Oversight of the Sustainability goals set, and implementation and execution of the sustainability efforts and practices • Approve Sustainability-related policies • Approve the Sustainability framework and structure
Risk Management & Sustainability Committee	Risk Management & Sustainability Committee Members	• Assist the Board in overseeing the development of SCIB's sustainability strategy, implementation, and performance • Review the effectiveness of the risk management and internal control policies for sustainability • Set direction and focus on facilitating the formulation of strategies for meeting sustainability mission and goals • Report to the Board on the status of sustainability-related matters

ROLES AND RESPONSIBILITIES		
GOVERNANCE STRUCTURE	**MEMBERS**	**FUNCTION**
Sustainability Working Group	• Managing Director/ Chief Executive Officer • Executive Director • Chief Operating Officer • Chief Financial Officer • Head of Corporate Services • Head of Project Management Team • Human Resource & Administrative Manager • Account Manager • Factory Manager • Representatives from Quality, Health, Safety & Environment	• Establish sustainability plans and targets • Assess and monitor sustainability efforts against targets set • Review and recommend the Sustainability Report to the Risk Management and Sustainability Committee, and the Board for approval • Conduct materiality assessments to prioritise sustainability issues • Oversee the collection, analysis, and reporting of sustainability data • Support the implementation of sustainability targets by providing action plans
Business units	All the heads of departments for the following segments; • Manufacturing Segment • EPCC Segment	• Identify possible Sustainability initiatives, opportunities, and risks, and propose improvement plans to support sustainability goals • Manage day-to-day operations to ensure alignment with the Sustainability goals set • Prepare, collect, and submit sustainability-related data for the Sustainability Working Group on a quarterly basis and/or when requested

F. POLICY STATEMENT

SCIB is firmly committed to sustainable development and the creation of long-term stakeholder value through the integration of ESG principles across its operations. The following Policy Statement summarises this commitment and will be shared with internal and external stakeholders.

SCIB Vision	To be a company founded on excellence
SCIB Mission	We are dedicated to creating and demonstrating a concept of linked prosperity. Our mission consists of three (3) interrelated parts; • Economic Mission: To operate the Company on sound management principles for growth and increasing value for our shareholders, and creating career opportunities and financial rewards for our employees. • Production Mission: To make, distribute, and sell the finest quality products in innovative and creative ways while optimising the utilisation of resources. • Special Mission: To operate the Company in a way that actively recognises the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community. Underlying the mission is the determination to seek new and creative ways to achieve all three parts.
Value Statement	In achieving our vision and mission, we live by the following values: Quality Reliability Innovation and Creativity Integrity Transparency Effectiveness and Efficiency These values represent the Company's dedication to providing the best products and services while maintaining prolonged growth.
Sustainability Mission	To improve the quality of life of the broader community by operating responsibly and recognising the central role business plays in society.
Engagement with Stakeholders	SCIB engages its stakeholders (e.g. employees, customers, regulators, shareholders, suppliers) through surveys, meetings, reports, and CSR activities to understand expectations and refine ESG strategies accordingly.
Alignment with ESG Frameworks	SCIB strive to align our sustainability efforts with globally recognised standards and frameworks, wherever applicable, including: • United Nations Sustainable Development Goals (SDGs) • UN Global Compact • Global Reporting Initiative (GRI) Standards • Bursa Malaysia Sustainability Reporting Guide (3rd Edition)

G. ENVIRONMENTAL SUSTAINABILITY

Our principles: We are committed to preventing environmental harm, using resources efficiently, and reducing our impact on the climate.

Our approach:

- Implement energy efficiency initiatives, reduce waste generation, and prevent pollution across operations.
- Incorporate green building practices and prioritize the use of environmentally responsible materials.
- Monitor and report greenhouse gas (GHG) emissions regularly, with clear reduction targets aligned to Net Zero aspirations.

H. SOCIAL SUSTAINABILITY

Our principles: We are dedicated to empowering our employees, upholding human rights, and actively engaging with the communities we serve.

Our approach:

- Ensure a safe, inclusive, and respectful workplace that is free from discrimination and harassment.
- Promote diversity, uphold human rights, practice fair labour standards, and invest in employee development.
- Contribute to the well-being of local communities through outreach initiatives and volunteer programmes.

I. ECONOMIC/ GOVERNANCE SUSTAINABILITY

Our principles: We uphold transparency, practice ethical conduct, and maintain strong risk management to ensure responsible governance.

Our approach

- Uphold high standards of product and service quality across all operations.
- Enforce strong anti-bribery and anti-corruption measures in line with corporate ethics.
- Ensure ethical procurement practices and safeguard data through robust protection systems.
- Maintain good corporate governance, risk management framework, internal controls, and code of conduct in all stakeholder engagements.

J. REVIEW

The RMSC will regularly review the Policy based on the Group's needs and regulatory changes. It will submit updates to the Board for approval and track key ESG efforts to measure effectiveness.