

KCC Realty

Sustainability Policy

Revision History

Version	Effective Date
1.0	1.7.2025

1. Introduction

KCC Realty (“the Group”) are committed to conducting its business responsibly and sustainably. This policy sets out the commitments on how the Group manages environmental, social and governance (ESG) principles in its business strategy to foster long-term success and create value for our stakeholders. This policy is aligned with the Simplified ESG Disclosure Guide (SEDG) issued by Capital Markets Malaysia (CMM) to provide an overview of the Group’s commitment to sustainability and the motivation behind adopting an ESG framework. Emphasize how ESG efforts align with the Group’s mission, vision and values.

2. Purpose

The purpose of this policy is to establish clear guidelines for managing our environmental, social and governance responsibilities in our business strategy, enhancing long-term value for our stakeholders, including customers, employees, suppliers, shareholders and the broader community, besides ensuring that our business operations contribute positively to sustainable development while maintaining profitability and growth.

3. Scope

This policy applies to all operations, employees and business activities of the Group including supply chain management, employee relations, community engagement, environmental practices and corporate governance across all our operations. It serves as a guiding framework for sustainability practices across the organization.

4. Governance Structure and ESG Pillars

The Board of Directors holds overall accountability for the implementation and performance of ESG initiatives. The Board of Directors and senior management are responsible for day-to-day operations related to sustainability. We have established an internal ESG committee (as below) tasked with reviewing policies, tracking progress and ensuring the alignment of our sustainability initiatives with regulatory and stakeholder expectations.

ESG Committee
1. Property Manager
2. Contract & QS Manager
3. Project Manager
4. Asst Head to Project

The ESG risks, such as environmental impacts, social responsibility and governance issues, are integrated into our overall risk management framework. *(cross-reference to Section 5, Procedure, Risks and Opportunities Assessment of KCC Realty Group)*

Our ESG principles are categorised into three key areas:

4.1. Environmental

We recognize the importance of minimising our environmental footprint and are committed to focusing on areas like waste reduction, energy efficiency and responsible sourcing.

- Minimise waste generation and promote recycling within the Group.
- Optimize energy use and reduce carbon emissions where feasible.
- Implement environmentally responsible sourcing policies.

4.2. Social

We focus on employee well-being, diversity and inclusion, health and safety, and community engagement.

- Provide a safe, healthy, diverse and inclusive work environment for all employees.
- Support continuous learning and professional development for our staff.
- Support local supplier engagement and contribution to local economic development.
- Engage with and contribute to local communities through relevant corporate social responsibility initiatives.

4.3. Governance

- Ensure compliance with all relevant laws and regulations.

- Uphold ethical business practices in all operations, including anti-corruption measures.
- Ensure accountability through regular ESG reporting and board oversight.

5. ESG Objectives and Targets

- We are committed to complying with all applicable legal requirements and regulations related to sustainability, including local and international guidelines on ESG standards.
- We adopt zero tolerance for bribery or corruption and have implemented an anti-corruption policy in accordance with local and international guidelines.
- A confidential whistleblowing mechanism is available for employees and stakeholders to report unethical behaviour or misconduct without fear of retaliation.
- We ensure compliance with data privacy regulations and take necessary precautions to protect the personal data of our customers, employees, and business partners.
- We ensure a safe, healthy, and inclusive workplace by complying with relevant health and safety regulations and offering equal opportunities regardless of race, gender, or background.
- We aim to create a diverse and inclusive workforce by implementing hiring practices that prioritize underrepresented groups.
- Providing ongoing learning and development opportunities for our employees to enhance their skills and ESG awareness.
- We are committed to minimising water usage in our operations and promoting water conservation measures.
- We actively engage with the local community through partnerships, charitable contributions, and volunteerism to foster positive social impacts.
- We aim to reduce energy consumption and explore renewable energy options to minimise carbon emissions.
- We aim to reduce waste through recycling, reducing material usage, and improving operational efficiency.
- We strive to source raw materials and products from suppliers who adhere to environmental standards, minimising negative impacts on biodiversity and ecosystems.

6. Implementation and Monitoring

The respective Heads of Department will be responsible for the implementation of this policy, supported by an internal ESG committee. Progress will be monitored regularly, and we will report

on our ESG performance annually, in line with the guidelines provided by CMM's Simplified ESG Disclosure Guide.”

7. Reporting and Communication

We will publish an annual ESG report, summarising our progress against the objectives and targets outlined in this policy.

- **Annual Sustainability Report:** We will publish an annual sustainability report outlining our performance on key ESG risks and opportunities, achievements, and areas for improvement.
- **Materiality Assessment:** A materiality assessment will be conducted to identify and prioritize ESG issues most relevant to our business and stakeholders.
- **Stakeholder Engagement:** We will engage with our stakeholders, including customers, employees, investors, and the community, to gather input and ensure that our sustainability initiatives reflect their concerns.

Published on our website. We will implement a process for identifying material ESG significant matters and may consider committing to third-party verification of ESG data, if feasible, for enhancing credibility and trust.

8. Continuous Improvement

We recognize that sustainability is a continuous journey and are committed to continuously assessing our performance against these targets as well as benchmarking against industry standards and best practices (if possible) will guide our sustainability efforts.

10. Review of Policy

This policy will be reviewed annually to ensure its effectiveness and relevance, with updates made to reflect changing regulations, industry standards, and stakeholder expectations. This policy will be reviewed annually and updated as necessary to reflect changes in the regulatory environment, stakeholder expectations, or the Group’s operations.