

# **BATU KAWAN BERHAD**

196501000504 (6292-U)

---

## **GROUP SUSTAINABILITY POLICY**

# GROUP SUSTAINABILITY POLICY

## KEY PILLARS

ENVIRONMENTAL

SOCIAL

GOVERNANCE

## GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

Sustainability Steering Committee

Sustainability Working Committee

### ENVIRONMENTAL

- Towards sustainable low carbon strategies in our operations
- Adopting a responsible value chain

### SOCIAL

- Developing a diversified, equal opportunity and inclusive workforce
- Contributing to social progress and supporting communities where we operate

### GOVERNANCE

- Conducting business in an ethical manner
- Compliance with applicable laws and regulations

## GROUP SUSTAINABILITY POLICY (“POLICY”)

### 1. INTRODUCTION

- 1.1. Batu Kawan Berhad Group (“**Group**”) recognises that embedding the practice of Sustainability within our businesses will drive the Group to adopt a responsible, accountable and transparent approach in all our operations.
- 1.2 This Policy applies to all directors and employees of Batu Kawan Berhad (“**BKB**”) and its subsidiaries<sup>1</sup>, and is for the purpose of communicating to our business partners, customers, contractors, suppliers, trading and joint-venture partners and other stakeholders our approach on Sustainability.

### 2. GOVERNANCE STRUCTURE

- 2.1 The BKB Board has an oversight responsibility to achieve sustainable value to stakeholders through its policies, objectives and strategies, with the support of the Sustainability Steering Committee and the Sustainability Working Committee working on sustainability matters and initiatives.

### 3. COMMITMENT STATEMENT

- 3.1 The Group is committed to making Sustainability an anchor in our management focus and business improvement initiatives, recognising that it has an impact beyond the Group’s businesses alone.
- 3.2 Our sustainability efforts are based on the three (3) key pillars: **Environmental**, **Social** and **Governance**, as below:

Environmental	–	protecting the environment by working towards reducing environmental impact as well as optimising resource utilisation.
Social	–	being a responsible organisation and improving social progress within the geographies which our Group is operating in.
Governance	–	pursue stable and profitable progress through good business practices.

These commitments supplement the existing policies of our Group that already contain relevant requirements that relate to Sustainability.

---

<sup>1</sup> this Policy does not apply to Kuala Lumpur Kepong Berhad (“**KLK**”) (a BKB subsidiary by virtue of Malaysian Financial Reporting Standards framework and a listed company on Bursa Malaysia) and its group of companies as KLK has its own separate Sustainability Policy.

### 3.1.1 ENVIRONMENTAL SUSTAINABILITY

We consider sustainability risks and opportunities, including climate-related risks and opportunities, and is committed to identify, manage and minimise the environmental impact of our business operations to society.

We will promote good environmental practices that embrace responsible energy and resource management in our daily operations, including adopting carbon reduction strategies, investing in renewable energy and energy recovery projects, and building resilience along the supply chain.

We will foster behaviour that supports the building of environmentally sustainable practices among our employees.

We will adopt, where practicable, environmental data, performance and targets, in accordance with relevant global and industry frameworks.

We will put in place water conservation initiatives through the *3Rs – Reduce, Recycle and Reuse* principles and monitor the progress against consumption and efficiency of water usage across our businesses.

We aim to manage wastes by adopting sand principles of waste avoidance, reuse and recycling to minimise discharges and disposal to the environment. We will pursue extended product lifecycles with sustainable materials.

### 3.1.2 SOCIAL SUSTAINABILITY

We respect and recognise employees' rights in the workplace focusing on Occupational Health and Safety, diversity, inclusivity and professional development of our employees.

With the above in mind, apart from complying with human rights and labour, legal and regulatory requirements, we aim to:

- provide work environments free of discrimination and harassment for our employees, where all individuals are treated with respect and dignity, and have equal opportunities;
- provide and maintain safe and healthy work environments for our employees, including intolerance to any threats or acts of violence towards any of our employees;
- develop sustainability know-how and competency across BKB Group to improve and strengthen our processes and practices;
- periodically conduct community engagement programmes with the focus on utilising the BKB Group's core skills to give meaningful impact to our communities.

### 3.1.3 GOVERNANCE SUSTAINABILITY

We will conduct our business in a transparent and ethical manner and in compliance with all applicable laws and regulations which govern our operations in countries in which we operate.

We will act ethically and with integrity in all our business dealings and relationships with our stakeholders.

**4. IMPLEMENT, MEASURE, TRACK AND REPORT**

- 4.1 We will set targets for our sustainability efforts, which will be implemented, measured, tracked and reported upon. We will integrate such initiatives into the Group's performance management as part of sustainability performance on a periodic basis and the results would be made available in our Sustainability Statements.

<b>GROUP SUSTAINABILITY POLICY DOCUMENT VERSION CONTROL</b>	
<b>Version</b>	<b>Date Issued/Revised</b>
1.0	24 May 2022

[www.bkawan.com.my](http://www.bkawan.com.my)