

JCBNEXT BERHAD

Registration No. 200401002875 (641378-W)

SUSTAINABILITY POLICY

1.0 Introduction

This policy is intended to address JcbNext Berhad and all subsidiary companies within the Group (JCBNEXT). Sustainability encompasses all aspects of ethical business practices, addressing relevant Environmental, Social, and Governance (ESG) issues responsibly while ensuring the organization's sustainable economic development with long-term value creation.

2.0 Objectives

The purpose of this Policy is to provide guidance on how to conduct our business responsibly so that we create long-term value for our stakeholders and improve our long-term performance and resilience as an investment holding company while contributing positively to the well-being of society and the planet. It reaffirms the strategic importance of sustainability to the organisation.

3.0 Scope and Coverage

The scope of the policy covers the operations and activities of the investment holding Company and its subsidiaries. JCBNEXT's commitment to sustainability not only extends to our operations, but as an investment holding company, we are committed to including environmental, social, and governance (ESG) considerations into our investment decision.

4.0 Governance

The Board of Directors is primarily responsible for setting the sustainability strategy of the Group including both sustainability risks and opportunities including those related to climate change, and ensuring that the Group's sustainability initiatives are aligned with the Group's overall business strategy. Critically, the Board sets the tone from the top on the Group's commitment in embedding sustainability into the Group's business strategy and operations. The Board is supported by the Audit and Risk Committee (ARC), which is responsible to monitor the progress of the implementation of sustainability initiatives based on the directions set by the Board.

At the management level, a Sustainability Working Group, headed by the Sustainability Officer appointed by the Board, plans and implements the sustainability initiatives, and ensures overall compliance. The Sustainability Working Group shall consist of members across the different functional departments of JcbNext. The Sustainability Working Group will report quarterly to the ARC on the progress and results of its initiatives. See Terms of Reference – Sustainability Officer and Sustainability Committee for more details.

5.0 Approach to Materiality Assessments and Stakeholder Engagement

Within the context of being a small organization and operation with a business strategy of operating as an investment holding company with mostly non-controlling stakes in investee companies, our approach to materiality assessments will be more straightforward.

The sustainability committee will prepare a list of sustainability issues that the committee believe matter most to our key stakeholders. They committee will then prioritize the issues based on inputs

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from our main stakeholders, including employees, directors and shareholders. A more comprehensive review of sustainability materiality analysis is to be done every 3 years, consisting of a more formal survey with our main stakeholders.

6.0 Sustainability commitments

We set out below, the commitments to help operationalise or give effect to the value creation and objectives in Section 2. These commitments serve to underscore our behaviour and conduct, action plans, and activities and are grouped under three pillars –

- Economic and Investments
- Environment
- Social

These commitments supplement JCBNEXT's existing policies, which already contain relevant requirements related to sustainability, such as governance.

5.1. Economic and Investments

We seek to invest in companies that has 'net positive social utility'. This means we will weigh the pros and cons of individual companies, from a social utility perspective - whether the overall society needs the product/business and whether it's better for society for the product/business to exist in the long run, including ESG considerations.

At the same time, we aim to invest in a sustainable manner, focusing on companies that can pay out good/increasing dividends at good valuation, while keeping our operational cost low. In addition, we will incorporate proper risk management to ensure limited exposure that can affect the sustainability of the organization.

5.2. Environmental

In doing our part to protect the environment and lower carbon emissions, we consider sustainability risks and opportunities, including climate-related ones as part of our governance, risk management and strategic and financial planning framework.

We seek effective and efficient conservation management of resources in support of the green environment ; (a) Environmental Protection - to minimise wastage in our energy consumption through mindful usage of energy and water resources. (b) Resource Conservation - to improve productivity, reduce wastage and conserve energy resources based on the 3R concept (i.e., Reduce, Reuse, Recycle). This includes minimizing the use of paper and boxes in our everyday operations through digitization and inculcating behaviour that supports the building of environmentally sustainable practices among our employees.

As a building owner, we will encourage our tenants to do the same.

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5.3. Social

We provide a safe, conducive, and friendly working environment where employees can grow their careers, fostering a work and family life balance culture amongst its employees, prioritising work and family responsibilities and at the same time contributing through social activities that benefit the local community. We will continue to focus and prioritize the three elements below:

- Health and Employee Well-Being
- Talent Development and Retention
- Diversity

Reporting and Disclosures

JCBNEXT will set targets for our sustainability efforts. The targets must be set along with metrics for measurement, tracking, and reporting, and should be part of the Company's performance management as part of the sustainability strategy.

This policy shall be reviewed every three years by the Company.