

**CARLO RINO GROUP BERHAD**  
(formerly known as CRG Incorporated Berhad)  
Registration No. 200901037127 (880257-A)  
Incorporated in Malaysia

**SUSTAINABILITY POLICY**

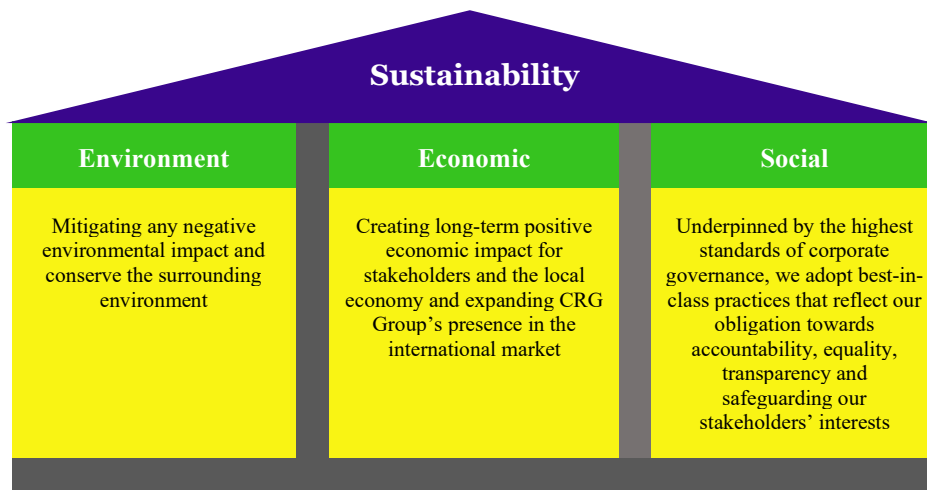
**A. OBJECTIVE AND SCOPE**

1. Carlo Rino Group Berhad (formerly known as CRG Incorporated Berhad) (“CRG” or “Company”, and references to “CRG Group” or “Group” are to CRG and our subsidiaries) strives to grow our business in tandem with realising a sustainable society. We adhere to conducting our business with ethics, and responsibility to all stakeholders, and is committed to integrate sustainability practices into our strategies and daily operations and align them with our vision and core values to achieve this objective.
2. Overarching aim of CRG is to promote a sustainable business ecosystem through maintaining environmental quality, ensuring economic prosperity and social equity. This Policy serves to provide guidance to our sustainability management and create awareness among the Group’s stakeholders of our commitment and strategic direction on sustainability.
3. In formulating this Policy, the Company has taken into account the relevant provisions as contained in the applicable Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”), the Malaysian Code of Corporate Governance 2017, and the Sustainability Reporting Guide (3rd Edition) issued by BMSB. We also refer to the 17 Sustainable Development Goals (“SDG(s)”) outlined by the United Nations (“UN”) setting agenda for countries to work together to create a sustainable future for all by 2030.
4. This Policy applies to CRG Group. It may be supplemented by additional policies and procedures when deemed necessary, but such additional policies and procedures may not fall below the standards articulated in this Policy.

**SUSTAINABILITY POLICY**

**B. SUSTAINABILITY STRATEGY**

1. CRG Group’s sustainability strategy focuses on 3 core pillars: Environmental Protection, Sustainable Economic Development, and Social Equity.



2. Our sustainable development is built on top of these 3 pillars because it can be achieved only when environmental protection, social equity, and economic profitability coexist without one area taking over any of the others.
3. Adequate resources will be allocated to manage the material sustainability issues identified by the Group so to achieve effective sustainability outcomes.

**C. ENVIRONMENTAL SUSTAINABILITY**

1. Businesses are in a position to deliberate positive contributions to the one planet that we have. CRG Group takes a serious view on this and commits to effect positive outcomes for the environment in everything that we do as part of our business strategy.

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2. In this regard, CRG Group intends to be environmentally focused to address the most concerning environmental issues for society and our business.

**Focus areas**

- Support the policies developed by the government and relevant local authorities on climate change, biodiversity and other agenda relating to environmental protection
- Mitigate carbon emissions from our business and adapt to the impacts associated with climate change, biodiversity, water and natural resources
- Minimise the level of pollutants and waste entering into the natural environment (i.e., air, soil, water, landfill, etc.) from daily business operations
- Ensure the efficient use of energy, water and natural resources
- Pursue and encourage the use of renewable energy and resources by incorporating low carbon practices and green technologies in the operations of the Group
- Encourage in our strategy, the evaluation of risks and opportunities with regard to environmental protection
- Reduce consumption of non-renewable, non-recycled materials through efficient operational use of assets
- Enhance “Reuse, Reduce and Recycle” activities
- Encourage participation in biodiversity program, forest protection and conservation program, and animal welfare activities
- Comply with relevant environmental laws, rules and regulations

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Supporting SDGs		<i>Taking urgent action to tackle climate change and its impacts</i>
		<i>To sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</i>

**D. ECONOMIC SUSTAINABILITY**

1. CRG Group strives to create long-lasting economics that can be self-sustaining, and intends to contribute to sustainable economies for the communities where we operate.

<b>Focus areas</b>	<ul style="list-style-type: none"><li>• Develop a sustainable business model with high earning potential</li><li>• Create competitive advantage and promote sustainable economic growth through the effective management of all processes and resources</li><li>• Continue to invest in innovation and development to improve the sustainable performance of the Group's products and services designed to meet the needs of our customers</li><li>• Support a systematic and integrated approach to all aspects of the Group's business</li><li>• Encourage partnership with local businesses to deliver sustainable solutions</li><li>• Promote sustainable supply chain program</li><li>• Support social entrepreneurship program</li></ul>
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Supporting SDGs	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<i>To promote inclusive and sustainable economic growth, employment and decent work for all</i>
	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<i>To ensure sustainable consumption and production patterns</i>

**E. SOCIAL SUSTAINABILITY**

1. Social sustainability aims to preserve social capital by investing and creating services that constitute the framework of our society.
2. CRG Group's social sustainability focuses on maintaining and improving social quality with concepts such as cohesion, reciprocity and honesty and the importance of relationships amongst people.

<b>Focus areas</b>	<ul style="list-style-type: none"><li>• Cultivate a diverse and inclusive culture that recognises and values individuality</li><li>• Ensure equal access to opportunities regardless of the one's age, gender, ethnicity, religion, national origin, disability, sexual orientation or any other relevant characteristics</li><li>• Respect and uphold the fundamental workers' right through the elimination of child labour, forced labour or modern slavery of all forms</li><li>• Eliminate improper conducts and practices, including but not limited to workplace bullying, discrimination against individual differences, discriminatory and sexual or power harassment, intimidation and victimisation</li><li>• Prioritise local sourcing and hiring</li></ul>
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<b>Focus areas</b>	<ul style="list-style-type: none"><li>• Ensure a safe, healthy, and conducive work environment for our employees at all times</li><li>• Empower our workforce by supporting their personal and professional growth</li><li>• Supporting freedom of association and the right to collective bargaining</li><li>• Maintain an open dialogue with the community and impacted stakeholders of our operations and taking their views into account during the decision-making process</li><li>• Contribute to the wellbeing and development of surrounding community through corporate social responsibility programmes, employee volunteerism, job creation and donation to improve the quality of life of the community</li><li>• Maintain the highest standards of business ethics, integrity and corporate governance practices</li><li>• Establish and continually improve appropriate governance structures and processes</li><li>• Comply with all applicable laws and regulations</li><li>• Resolve verifiable complaints, grievances and conflicts through an open, transparent and consultative process</li><li>• Ensure the adequacy and integrity of the Group’s risk management and internal control system</li></ul>
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Supporting SDGs



*To ensure healthy lives and promote well-being for all at all ages*



Ensure inclusive and quality education for all and promote lifelong learning

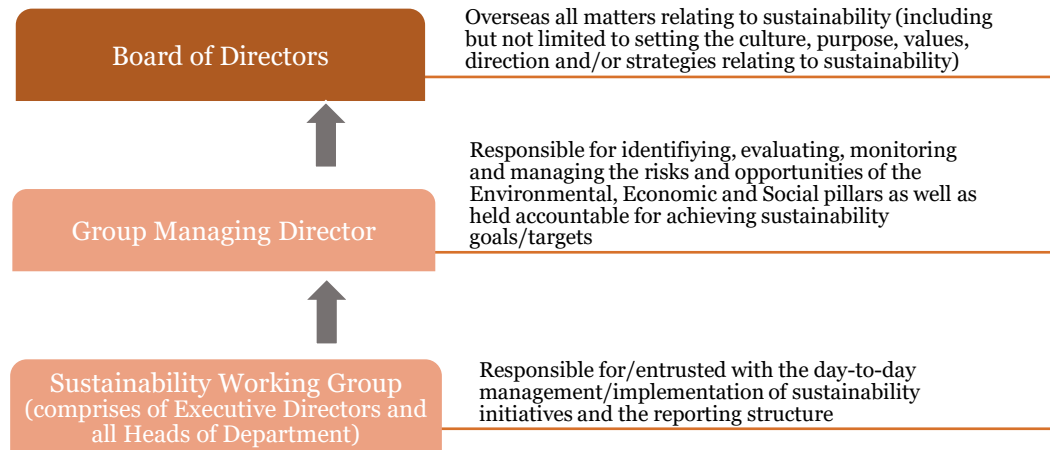
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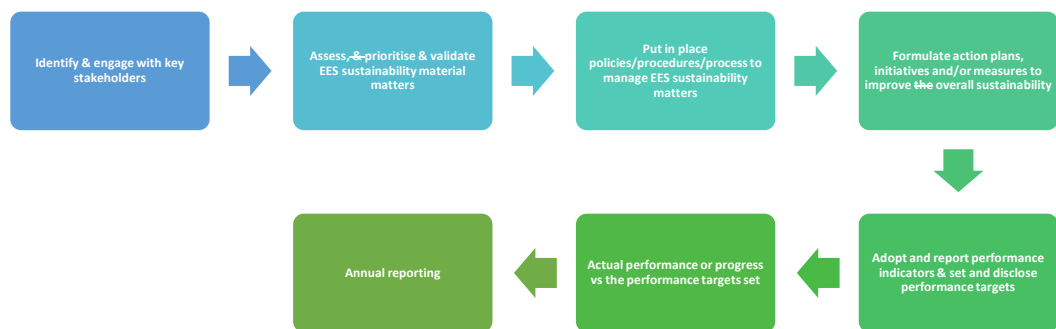
**F. SUSTAINABILITY GOVERNANCE**

1. CRG Group adopts a top-down approach in our sustainability governance to operationalise our sustainability strategy across the business, manage goal-setting and reporting processes, strengthen relations with external stakeholders, and ensure overall accountability.
2. CRG Group’s sustainability governance structure is depicted below:



**SUSTAINABILITY POLICY**

**G. SUSTAINABILITY MANAGEMENT AND REPORTING**



1. With numerous Environment, Economic and Social (“EES”) matters concerning the society today, CRG Group’s sustainability management shall focus on the matters most material to our business and where we have the most impacts through our business relationships.
2. To better identify our sustainability risks and opportunities, we will identify and engage with the key internal and external stakeholders of CRG Group and understand their needs and expectations pertaining to the sustainability-related impacts to derive a preliminary list of EES sustainability matters.
3. The preliminary EES sustainability matters will be further assessed and prioritised by applying materiality concept with consideration given to: (i) significance/magnitude of their respective impacts (be it economic, environmental, and/or social), and (ii) their respective influence on the assessments and decisions of stakeholders. Thereafter, the outcome and materiality matrix will be reported to the Board of Directors for consideration and validation.



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4. In respect of the validated EES sustainability material matters, CRG Group undertakes to put in place policies, practices, and/or processes to manage such material matters effectively. Relevant action plans, initiatives and/or measures to improve the overall sustainability implemented should, to the best possible extend, be aligned to the Group's sustainability objectives, and international standards where applicable.
5. Relevant indicators will be adopted and reported to facilitate stakeholders' assessment of progress, effectiveness or efficiency of CRG Group's policies, measures and/or actions in managing our EES sustainability material matters. To supplement such indicators reported, CRG Group will set and disclose clear accompanying performance targets (where applicable) of quantitative or qualitative in nature.
6. Actual performance or progress against the performance targets set will be disclosed to allow key stakeholders to gain valuable insights and how effectively CRG Group is managing our EES sustainability material matters. If any setbacks are encountered, CRG Group shall include remedial actions or plans to get back on track. Where situations require certain targets to be revised, CRG Group shall consider the needs to reallocate our resources to cater such revisions.
7. In accordance with the applicable Listing Requirements of BMSB on the disclosure of listed issuers' management of material economic, environmental and social risks and opportunities in Annual Reports, CRG will review (when deemed necessary), disclose and report on our sustainability activities, and where applicable, the exploration of areas where we need to step up our efforts, annually.

**H. MONITORING AND EVALUATION**

1. The Board will review and monitor the implementation of this Policy to ensure its applicability and effectiveness, from time to time.

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Document ID	Version	Approval
Succession Planning Policy	V1	Approved by the Board on 01 July 2023 Effective date: Upon listing on ACE Market of Bursa Malaysia Securities Berhad

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. References to persons shall include corporations, unless otherwise specified.

A reference to a statute or a statutory provision herein shall be deemed to include any modification, re-enactment or consolidation thereof and any regulations, rules, orders, guidelines, practice notes, practice directives, circulars or other statutory instruments made pursuant thereto.