

**Sustainability Policy**

**1. Our Commitment**

At SKB Shutters Corporation Berhad (“SKB”) and its Subsidiary (“the Group”), we aim to reduce our environmental footprint, nurture social welfare, and contribute to the communities where we operate by integrating sustainable practices into our business operations and decision-making.

This Sustainability Policy outlines our Board and Management’s responsibilities in:

- (a) Identifying, assessing, and managing sustainability-related matters;
- (b) Overseeing and implementing sustainability initiatives; and
- (c) Addressing regulatory requirements and meeting market expectations for sustainability management and reporting.

We recognise that the sustainability matters may evolve due to the change in stakeholders’ concerns, regulations and business operations. Accordingly, the Board and management will engage with stakeholders and align the Group’s strategies with the stakeholders’ concerns, as well as to review this Sustainability Policy to ensure it is relevant, executable, and enforceable.

**2. Material Matters and Stakeholder Engagement**

SKB’s key stakeholders encompass a diverse range of entities, including shareholders, business partners, corporate professionals, customers, employees, regulatory authorities, local communities, and financial institutions. Given the multitude of sustainability concerns and stakeholder interests prevalent in the market, the expectations regarding sustainability are diverse and intricate.

To ensure that SKB effectively addresses sustainability issues in accordance with the expectations of its key stakeholder and align with its business priorities, the Board and Management will identify and engage with these stakeholders. This engagement may involve general sessions aimed at broader business objectives and dedicated stakeholder engagement sessions specifically focused on conducting a materiality assessment exercise.

**3. Sustainability Disclosure**

The Board is responsible for ensuring the Group’s Sustainability Statement includes balanced, comparable and meaningful information. To achieve this, the Board will refer to the Sustainability Reporting Guide issued by the Bursa Malaysia Securities Berhad (“the Exchange”). The Board will consider the themes outlined in the Sustainability Reporting

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Guide provided by the Exchange to identify the material economic, environmental and social risks and opportunities.

#### **4. Sustainability Roles and Responsibilities**

##### **4.1 Board**

The Board holds the responsibility of overseeing the sustainability aspects within the Group. To fulfil this responsibility, the Board will monitor, evaluate, and assess sustainability issues, as well as the appropriateness and effectiveness of the Group's practices in addressing such issues, risks, and opportunities. In addition, the Board will define and authorise sustainability policies and strategies.

To ensure effective oversight, the Board will conduct periodic reviews of its areas of oversight. Every year, it will evaluate the sustainability performance of directors and their comprehension of relevant sustainability issues concerning the Group and its business, including climate-related risks and opportunities. This will be done by engaging in discussions with the Nominating Committee ("NC").

In fulfilling its oversight function on sustainability, the Board ensures that:

- (a) The management integrates sustainability considerations into the formulation and implementation of company strategies, business plans, significant initiatives and risk management decisions;
- (b) The Group's strategic framework is designed to foster sustainable long-term value creation while being firmly rooted in sustainability principles; and
- (c) The Group effectively communicates its sustainability strategies, priorities, and targets, and performance in achieving these targets to its subsidiaries' management and external stakeholders.

##### **4.2 Sustainability Management Committee**

The Sustainability Management Committee ("SMC") reports to and advises the Board on sustainability matters. The SMC comprises of the Heads of departments ("HODs") and is tasked with:

- (a) Supervising the Group's sustainability performance and recommending areas for improvement to the Board;
- (b) Identifying and assessing material topics, evaluating the impact of climate-related risks and opportunities, and addressing stakeholder interests;

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- (c) Establishing targets and goals for material topics while integrating sustainability policies and procedures into the decision-making framework;
- (d) Developing systems and procedures for collecting, verifying, monitoring, and reporting information necessary for sustainability disclosure; and
- (e) Overseeing the implementation and execution of sustainability initiatives across the entire Group.

**5. Assurance**

There are currently no obligatory mandates requiring the Group's Sustainability Statements to be subjected to an assurance process. Nevertheless, the Board is dedicated to enhancing transparency and credibility by providing a statement of assurance on sustainability disclosures to the stakeholders in the Company's Annual Report.

This Policy is adopted by the Board of Directors on 1 June 2024.