

SUSTAINABILITY POLICY

1. Introduction

For the purposes of this document, “Company” refers to Farlim Group (Malaysia) Bhd. and “Group” refers to Farlim Group (Malaysia) Bhd. and its subsidiaries.

2. Objective

At the Group, we recognise the importance of minimising environmental impact, promoting social well-being and contributing to the communities in which we operate. Accordingly, we are committed to integrating sustainability principles in managing our core business in property development activities.

This Sustainability Policy outlines our principles and approach to sustainability. It aims to provide the essential principles to guide and facilitate the Board of Directors (“Board”), Board Committees and Management Committee (“MC”) in discharging their responsibilities in:

- Identifying, assessing and managing the sustainability material matters;
- Overseeing the sustainability plans; and
- Addressing the regulatory requirements and market expectations in sustainability management and reporting.

The Board shall review, update and approve this Sustainability Policy periodically to reflect changes in market practices, regulations and stakeholders’ expectations.

3. Material Matters and Stakeholder Engagement

The Group’s key stakeholders include shareholders, employees, business associates, the community, industrial associations, property purchasers and regulators. Due to the wide-ranging sustainability matters and stakeholder groups in the market, sustainability expectations to be addressed are mixed and granular.

To ensure that it focuses and invests in sustainability matters that align with the key stakeholders’ expectations and match the Group’s business priorities, the Board and Management will identify and engage with the key stakeholders in obtaining their views, needs and expectations pertaining to sustainability-related matters and their impacts. This engagement can occur during general engagement sessions, which serve broader business objectives and dedicated stakeholder engagement sessions solely for a materiality assessment exercise.

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4. Sustainability Reporting Framework

The Group shall implement a sustainability reporting framework with reference to the Sustainability Reporting Guide and the toolkits issued by Bursa Malaysia Securities Berhad and report its Sustainability Statement in accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), Practice Note 9 of MMLR of Bursa Securities and the aligned disclosures of the Task Force on Climate-related Financial Disclosures (“TCFD”).

5. Sustainability Responsibilities

5.1 Board

The Board is responsible for overseeing the Group's overall sustainability matters. To discharge its duties, the Board will:

- Monitor, review and consider sustainability issues and the relevance, effectiveness and adequacy of the Group’s practices in addressing sustainability issues, risks and opportunities;
- Define and approve sustainability-related policies and strategies;
- Review and deliberate its sustainability oversight areas with the Sustainability and Risk Management Committee (“SRMC”) at least half-yearly;
- Deliberate with the Nominating Committee (“NC”) annually concerning the directors’ sustainability performance and their extent of understanding of the sustainability issues in the Group and its business, including climate-related risks and opportunities; and
- Obtain ongoing status updates, if any, from SRMC and NC on sustainability matters.

5.2 Sustainability and Risk Management Committee

The SRMC oversees and reports to the Board on the Group’s sustainability practices and issues.

When overseeing sustainability matters, the SRMC shall ensure that:

- MC takes into account sustainability considerations when developing and implementing company strategies, business plans and major action plans and making risk management decisions;

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- The strategic plan of the Group supports long-term value creation and underpinning sustainability;
- The Group’s sustainability strategies, priorities and targets, as well as its performance against these targets, are communicated to its subsidiaries’ management and external stakeholders;
- The resources and processes are in place to enable the Group to achieve its sustainability commitments and targets; and
- The sustainability disclosure complies with the regulatory reporting requirements.

5.3 Management Committee

The MC is responsible for and shall report to the SRMC the following:

- Managing the Group’s sustainability performance and recommending areas of improvement to the SRMC;
- Identifying and evaluating material topics and impact on climate-related risks and opportunities and stakeholder concerns;
- Setting targets and goals for material topics, integrating sustainability policies and procedures;
- Establishing systems and procedures to collect, verify, monitor and report information required for sustainability disclosure with the Heads of Department (“HODs”); and
- Overseeing the implementation and execution of the sustainability initiatives performed by the HODs throughout the Group.

6. Assurance

Despite no requirements for the Group’s Sustainability Statements to be subjected to an assurance process presently, the Board will provide a “Statement of Assurance” on the sustainability disclosure to the shareholders in the Company’s Annual Report to enhance the transparency and credibility of the Sustainability Statement. In this case, the Board will report if its Sustainability Statement has been subjected to the (i) internal auditor review or (ii) independent assurance performed in accordance with recognised assurance standards and if so, the subject matter(s) and scope covered as well as the conclusions when the independent assurance review is performed.