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<b>GROUP SUSTAINABILITY POLICY</b>	ISSUE DATE	18 September 2025



# GROUP SUSTAINABILITY POLICY

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## GLOSSARY

Term	Definition
<b>AA1000AS</b>	The AccountAbility 1000 Assurance Standard, used for evaluating the quality of social, environmental, and sustainability reporting.
<b>Board of Directors</b>	The highest governing body of HHRG Berhad responsible for the Group's strategic direction and oversight, including ESG performance.
<b>Chief Sustainability Officer</b>	The individual responsible for leading the company's sustainability strategy, overseeing ESG performance, and ensuring sustainable practices are integrated into business operations.
<b>Controlled Entity</b>	A company or organisation over which HHRG has financial or operational control, including subsidiaries and joint ventures where applicable.
<b>ESG (Environmental, Social, and Governance)</b>	A framework used to evaluate the sustainability and ethical impact of an organisation's operations across three dimensions: environmental stewardship, social responsibility, and corporate governance.
<b>GHG (Greenhouse Gas)</b>	Gases that trap heat in the atmosphere and contribute to climate change. Common GHGs include carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), and nitrous oxide (N <sub>2</sub> O).
<b>GRI (Global Reporting Initiative)</b>	A widely used international sustainability reporting standard that provides guidance for organisations on how to disclose ESG impacts.
<b>ISAE 3000</b>	International Standard on Assurance Engagements used for assurance on non-financial information, including sustainability reports.
<b>ISAE 3410</b>	A specific assurance standard for verifying greenhouse gas statements.
<b>KPI (Key Performance Indicator)</b>	A measurable value that demonstrates how effectively an organisation is achieving key sustainability or business objectives.
<b>LTIFR (Lost Time Injury Frequency Rate)</b>	A safety performance metric indicating the number of lost time injuries per one million hours worked.
<b>Materiality</b>	The process of identifying ESG issues that are most significant to the business and its stakeholders and prioritising them for action and disclosure.
<b>MCCG (Malaysian Code on Corporate Governance)</b>	A set of best practices for governance issued by the Securities Commission Malaysia, applicable to listed companies.
<b>NDC (Nationally Determined Contribution)</b>	A country's commitment to reduce national emissions and adapt to climate change under the Paris Agreement.

Term	Definition
<b>Scope 1 Emissions</b>	Direct greenhouse gas emissions from sources owned or controlled by the organisation.
<b>Scope 2 Emissions</b>	Indirect greenhouse gas emissions from the consumption of purchased electricity, steam, or heat.
<b>Scope 3 Emissions</b>	All other indirect greenhouse gas emissions occurring in the value chain, including supply chain and business travel.
<b>SDGs (Sustainable Development Goals)</b>	A set of 17 global goals adopted by the United Nations to address social, environmental, and economic development issues.
<b>Sustainability Committee</b>	The Sustainability Committee, responsible for overseeing ESG risk assessment, strategy, and disclosures within HHRG.
<b>Sustainability Pillars</b>	Core thematic areas that structure the Group's sustainability strategy, typically aligned with material ESG issues.
<b>Sustainability Working Group (SWG)</b>	A cross-functional team that supports the implementation of sustainability initiatives, monitors progress and provides input to management and the Board on ESG matters.
<b>TCFD (Task Force on Climate-related Financial Disclosures)</b>	A global initiative providing guidance on disclosing climate-related financial risks and opportunities.
<b>TRIFR (Total Recordable Injury Frequency Rate)</b>	A metric that includes all recordable workplace injuries per one million hours worked, including lost time, restricted work, and medical treatment cases.

## **1. INTRODUCTION**

- 1.1 HHRG recognises that long-term business resilience and stakeholder trust depend on the responsible management of environmental, social, and governance (ESG) factors.
- 1.2 As a company with core interests in biomass manufacturing, sustainable resource trading, and eco-friendly product innovation, we are committed to embedding sustainability into our business strategy, risk management, and daily operations.
- 1.3 This Group Sustainability Policy formalises HHRG's commitment to responsible business conduct and provides a consistent framework to guide ESG integration, performance monitoring, and continuous improvement across all subsidiaries and operations.

## **2. POLICY OBJECTIVE**

- 2.1 The objective of this policy is to:
  - 2.1.1 Integrate ESG principles into Group-wide decision-making, risk assessment, and operational planning.
  - 2.1.2 Align our business practices with stakeholder expectations, Bursa Malaysia's sustainability requirements, and relevant international standards.
  - 2.1.3 Establish a structured approach to monitoring and reporting ESG performance.

## **3. SCOPE OF APPLICATION**

- 3.1 This policy applies to HHRG and its wholly-owned and majority-controlled subsidiaries, including joint ventures or operations where HHRG holds significant influence. It covers:
  - 3.1.1 Wholly-owned and majority-owned subsidiaries, whether involved in biomass manufacturing, trading of eco-based products, or related service operations.
  - 3.1.2 Operational facilities, including production sites, warehouses, and corporate or branch offices across Malaysia and future overseas ventures, if any.
  - 3.1.3 All levels of personnel, including the Board of Directors, permanent and contract employees, temporary staff, and workers engaged through third-party providers.
  - 3.1.4 Functional departments and shared services, such as Finance, HR, Procurement, Quality Assurance, and Sustainability Coordination Teams.

- 3.2 The principles outlined in this policy also extend, as far as practicable, to HHRG's external stakeholders and value chain partners where there is potential ESG impact or influence, including:
  - 3.2.1 Suppliers, vendors, contractors, who provide goods or services to the Group and are expected to comply with HHRG's ESG-related expectations, including human rights, health and safety, and environmental responsibility.
  - 3.2.2 Logistics partners, agents, and third-party service providers, especially those handling materials classified as environmentally sensitive or labour-intensive.
  - 3.2.3 Joint venture partners and strategic collaborators where HHRG has the ability to influence sustainability-related practices or disclosures.
- 3.3 HHRG encourages all covered parties to:
  - 3.3.1 Support and align with the ESG principles defined in this policy.
  - 3.3.2 Participate in relevant training, assessments, audits, or disclosure efforts coordinated by the Group.
  - 3.3.3 Promptly report any ESG-related risks, incidents, or non-compliance concerns that may affect the Group's operations, brand, or stakeholder trust.
- 3.4 In cases where full compliance is not immediately achievable, HHRG will work collaboratively with relevant parties to build ESG awareness, strengthen capacity, and support gradual alignment with the Group's sustainability expectations.

#### **4. SUSTAINABILITY COMMITMENT STATEMENT**

- 4.1 At HHRG, we are committed to building a responsible and resilient business that contributes to sustainable development while creating long-term value for our stakeholders. As a key player in the biomass manufacturing and eco-based products sector, we recognise the importance of embedding Environmental, Social, and Governance (ESG) considerations across our operations, supply chain, and decision-making processes.
- 4.2 Our commitment to sustainability is guided by the following principles:
  - 4.2.1 Promote environmental stewardship by reducing our ecological footprint through responsible resource use, efficient energy management, and waste minimisation initiatives.
  - 4.2.2 Uphold social responsibility by safeguarding the health, safety, and wellbeing of our workforce; respecting human rights; and engaging positively with local communities.
  - 4.2.3 Strengthen governance practices by maintaining ethical business conduct, transparent disclosures, regulatory compliance, and effective risk oversight.
- 4.3 This commitment is guided by relevant local regulations, the Bursa Malaysia Sustainability Reporting Guide, and international sustainability frameworks where applicable. Our

sustainability approach will evolve in tandem with our business growth, risk profile, and stakeholder priorities.

- 4.4 We are dedicated to continuous improvement and innovation in our ESG practices. This includes setting measurable goals, engaging internal and external stakeholders, and fostering a sustainability-minded culture within the Group.
- 4.5 Through this policy and the broader sustainability framework, HHRG strives to operate responsibly, manage ESG risks and opportunities effectively, and contribute meaningfully to Malaysia's sustainable development agenda.

## **5. GOVERNANCE STRUCTURE AND ACCOUNTABILITY**

- 5.1 HHRG has established a multi-tiered governance structure to ensure effective leadership, oversight, and implementation of its sustainability agenda. This structure supports alignment with regulatory expectations, stakeholder demands, and international ESG standards.

### **5.2 Governance Structure**

5.2.1 Our sustainability governance model comprises the following key components:

#### **(a) Board of Directors**

- (i) Holds ultimate responsibility for the Group's ESG direction, including oversight of sustainability goals and performance outcomes.
- (ii) Oversees the integration of ESG priorities into the Group's long-term strategic direction and decision-making processes.
- (iii) Reviews and approves key sustainability policies, targets, disclosures, and risk mitigation strategies.
- (iv) Ensures ESG risks and opportunities are addressed within the broader corporate governance and risk management frameworks, in line with the Malaysian Code on Corporate Governance (MCCG) and Bursa Malaysia Listing Requirements.

#### **(b) Sustainability Committee (SC)**

- (i) Serves as the principal committee for ESG oversight, reporting directly to the Board.
- (ii) Provides cross-functional coordination for identifying, assessing, and managing ESG-related risks and opportunities, including climate-related and social impacts.

- (iii) Reviews and monitors the Group's sustainability performance, disclosures, and compliance with emerging regulatory standards (e.g., TCFD, ISSB, GRI).

(c) Senior Management

- (i) Leads the execution of ESG strategies and ensures integration of sustainability priorities into business planning, risk management, and operational practices.
- (ii) Assigns roles and responsibilities across departments and business units and ensures adequate resourcing for ESG initiatives.
- (iii) Regularly reports progress, key developments, and risk exposures to the Sustainability Committee and Board.

(d) Sustainability Working Group / ESG Function

- (i) Coordinates sustainability planning, implementation, and reporting across the Group.
- (ii) Develops Group-wide ESG frameworks, policies, KPIs, and action plans.
- (iii) Facilitates ESG training, awareness, and capacity-building across departments and subsidiaries.
- (iv) Supports ESG data collection, validation, and preparation for internal reviews and external assurance.

(e) Internal Audit Function

- (i) Reviews ESG processes, controls, and data integrity as part of the Group's overall assurance process.
- (ii) Provides audit findings and improvement recommendations to the Audit Committee and Sustainability Committee to strengthen ESG governance.

(f) External Assurance Providers

- (i) HHRG engages qualified third-party assurance providers to conduct independent assurance or limited review of selected ESG disclosures, GHG emissions data, and material sustainability indicators.
- (ii) This supports credibility, transparency, and alignment with stakeholder expectations, particularly institutional investors and regulators.
- (iii) Assurance outcomes are reviewed by the Sustainability Committee and reported to the Board prior to publication of sustainability-related disclosures.



- 5.2.2 This governance structure ensures strong leadership commitment, clearly defined accountability, and effective execution of sustainability objectives across the Group, in alignment with best practices for listed companies and globally recognised ESG frameworks.

### 5.3 Roles and Responsibilities

- 5.3.1 Effective implementation of this Group Sustainability Policy requires clearly defined responsibilities across all levels of governance and operations. The following roles ensure accountability and alignment with the Group's ESG commitments:

(a) Board of Directors

- (i) Provide strategic oversight of the Group's sustainability direction, priorities, and performance.
- (ii) Approve ESG-related policies, targets, and public disclosures in line with regulatory and stakeholder expectations.
- (iii) Ensure ESG risks and opportunities are embedded in the Group's overall corporate strategy and risk management framework.

(b) Sustainability Committee

- (i) Oversee the identification, evaluation, and monitoring of ESG and climate-related risks within the Group's Enterprise Risk Management (ERM) framework.
- (ii) Review and endorse sustainability strategies, performance targets, and progress updates prior to Board consideration.
- (iii) Ensure alignment with regulatory requirements and emerging ESG reporting standards (e.g., TCFD, ISSB, GRI).

(c) Senior Management

- (i) Translate Group-level ESG strategies into actionable plans at the operational and subsidiary levels.
- (ii) Allocate necessary resources, assign responsibilities, and oversee cross-departmental coordination to support implementation.
- (iii) Monitor performance, ensure compliance, and report progress to the Sustainability Committee and Board.

(d) Sustainability Working Group

- (i) Drive the development, execution, and monitoring of ESG initiatives, KPIs, and reporting mechanisms across departments and subsidiaries.

- (ii) Coordinate ESG training, awareness campaigns, and integration into business processes (e.g., procurement, budgeting, project design).
- (iii) Support internal data collection, validation, and preparation for third-party assurance and disclosures.

(e) Heads of Subsidiaries / Business Units

- (i) Align operational practices, risk controls, and project execution with Group ESG policies and objectives.
- (ii) Identify entity-specific sustainability risks, compliance gaps, and improvement opportunities.
- (iii) Ensure timely and accurate reporting of ESG data to the Group ESG Function.

(f) All Employees

- (i) Comply with all sustainability-related policies, guidelines, and procedures relevant to their roles.
- (ii) Participate in ESG-related training and contribute to the achievement of the Group's sustainability goals.
- (iii) Uphold the Group's values of integrity, accountability, and responsible conduct in day-to-day operations.

(g) Suppliers, Contractors, Consultants, and Business Partners

- (i) Comply with HHRG's sustainability expectations, including environmental practices, labour standards, human rights, and anti-corruption requirements.
- (ii) Cooperate with sustainability-related assessments, audits, and capacity-building programmes initiated by the Group.
- (iii) Commit to continuous ESG improvement and alignment with HHRG's Supplier Code of Conduct (or equivalent ESG expectations).
- (iv) Promptly report any material ESG risks, incidents, or non-compliance that may impact the Group's operations or reputation.

## **6. KEY FOCUS AREAS AND POLICY COMMITMENTS**

### **6.1 Environmental**

6.1.1 HHRG is committed to minimising its environmental footprint and promoting climate resilience through the following actions:

- (a) Sustainable Biomass Utilisation: Promoting responsible sourcing and efficient use of agricultural waste materials.
- (b) Energy Efficiency: Improving energy consumption across production and logistics to reduce carbon intensity.
- (c) Waste and By-product Management: Reducing, reusing, and recycling production by-products responsibly.
- (d) Water Use and Pollution Control: Conserving water and ensuring proper treatment of effluent and wastewater.

### **6.2 Social**

6.2.1 We are committed to fostering an inclusive, safe, and socially responsible organisation that contributes positively to the communities we serve. Our commitments include:

- (a) Ensure a safe, healthy, and respectful work environment for all employees, contractors, and on-site partners, in accordance with applicable laws and international labour standards.
- (b) Promote diversity, equity, and inclusion (DEI) across all levels of the organisation, including leadership, recruitment, and career development.
- (c) Engage proactively with local communities to understand their needs and support inclusive socio-economic development, particularly in areas impacted by our operations.
- (d) Uphold fair labour practices and respect human rights across our value chain, including active due diligence on suppliers and contractors.
- (e) Prevent all forms of discrimination, harassment, forced labour, and child labour within our workforce and supply chain.

### **6.3 Governance & Ethics**

6.3.1 We uphold the highest standards of integrity, transparency, and ethical conduct across all business activities. Our governance and ethics commitments include:

- (a) Adhere to the Malaysian Code on Corporate Governance (MCCG) and all applicable listing requirements and regulations.
- (b) Maintain robust governance frameworks to oversee ESG risks, compliance, and performance at Board and Management levels.

- (c) Enforce a zero-tolerance stance against bribery, corruption, fraud, and unethical behaviour through internal controls, training, and whistleblowing mechanisms.
- (d) Integrate ESG considerations into procurement, investment decisions, and partner due diligence processes to uphold responsible business conduct.
- (e) Promote data integrity, transparency, and ethical disclosure practices in all communications with regulators, investors, and stakeholders.

## **7. SUSTAINABILITY TARGETS & KPIS**

7.1 To ensure that our sustainability commitments translate into meaningful progress, HHRG is progressively adopting measurable targets and Key Performance Indicators (KPIs) across our core ESG focus areas.

7.2 We recognise that defining clear and relevant metrics is essential for:

- 7.2.1 Tracking performance over time;
- 7.2.2 Improving decision-making and risk management;
- 7.2.3 Enhancing stakeholder confidence and transparency;
- 7.2.4 Supporting compliance with Bursa Malaysia's sustainability disclosure requirements.

### **7.3 Target Setting Approach**

7.3.1 HHRG adopts a measured and practical approach to setting sustainability targets, in line with our current level of ESG maturity as an ACE Market-listed company. We recognise that clear targets and indicators are essential to drive progress, monitor performance, and communicate our sustainability commitments to stakeholders.

7.3.2 As we continue to strengthen our internal capabilities and data systems, our initial focus will be on establishing relevant baselines and qualitative disclosures, with a gradual transition to more quantifiable and performance-driven KPIs.

7.3.3 Our target-setting approach is guided by the following principles

- (a) **Relevance:** Targets are aligned with the material ESG issues that are most significant to our business, stakeholders, and industry context.
- (b) **Phased Implementation:** We will adopt a step-by-step approach, beginning with selected focus areas where reliable data is available, and expanding coverage as internal capacity improves.
- (c) **Regulatory Alignment:** Targets will support compliance with Bursa Malaysia's Sustainability Reporting Guide for ACE Market companies, which encourages proportionate and meaningful disclosures based on organisational readiness.

- (d) Business Integration: Where possible, ESG targets will be linked to operational goals, risk management efforts, and resource efficiency to reinforce accountability and business value.
- (e) Continuous Improvement: We are committed to reviewing and refining our targets over time, ensuring they remain achievable, relevant, and aligned with stakeholder expectations and evolving market standards.

7.3.4 This approach allows HHRG to build a strong foundation for long-term ESG performance while responding to the realities of our operating environment and listing status.

## **7.4 Review, Disclosure & Accountability**

7.4.1 HHRG is committed to ensuring the accuracy, consistency, and transparency of ESG-related data across all operations. Effective data governance is foundational to informed decision-making, credible reporting, and continuous performance improvement.

### **(a) ESG Data Governance Framework**

(i) To support Group-wide ESG data integrity, HHRG adopts the following governance mechanisms:

- Defined Data Ownership: Each department and subsidiary is accountable for collecting, validating, and submitting ESG-related data relevant to its operations.
- Standardised Methodologies: All ESG indicators follow Group-approved definitions, baselines, and calculation methods, aligned with global reporting frameworks (e.g., GRI, Bursa Guidelines).
- Data Control and Validation: Internal data controls are implemented, including supporting documentation, sampling, and periodic checks to ensure accuracy and reliability.
- Centralised ESG Data Repository: A centralised system (manual or digital) is maintained by the ESG Secretariat for secure storage, access control, and versioning of performance data.

### **(b) Performance Tracking and Internal Review**

(i) HHRG's ESG performance management is conducted through a structured and recurring process:

- Quarterly Data Submission: ESG focal points at each subsidiary submit validated data and updates to the ESG Secretariat every quarter.
- Review by ESG Committee: Data is reviewed by the Risk Management and ESG Committee to track progress against KPIs and identify any performance gaps or red flags.

- Corrective Action and Improvement Plans: Underperforming areas are addressed through improvement plans with defined owners, timelines, and support mechanisms.
- Internal Assurance: Selected KPIs and disclosures are subject to internal audit or validation checks for consistency with supporting documentation.

(c) Digitalisation and Automation

- (i) HHRG aims to progressively enhance the accuracy and efficiency of ESG performance management through digital tools:
- Gradual System Enhancement: Over time, digital systems (e.g., ESG dashboard or software) may be introduced to automate data collection, visualisation, and reporting.
  - System Integration: Where feasible, integration with existing enterprise systems (e.g., finance, HR, or procurement) will be explored for real-time ESG data tracking.

(d) Capacity Building

- (i) To strengthen data competency across the Group:
- Training and Guidance: Regular training, guidance notes, and coaching are provided to data owners and departments on ESG data requirements and reporting expectations.
  - Updates and Awareness: ESG focal teams are kept informed on evolving disclosure standards, reporting tools, and regulatory updates.

## 7.5 Continuous Improvement and Adaptation

7.5.1 HHRG recognises that external assurance enhances the credibility, transparency, and reliability of our sustainability performance and disclosures. We are also committed to ongoing improvement in ESG practices to remain responsive to stakeholder expectations and evolving regulatory requirements.

(a) External Assurance Commitment

- (i) Progressive Scope Expansion: HHRG adopts a phased approach to external assurance, prioritising material disclosures such as greenhouse gas (GHG) emissions (Scope 1, 2 and 3), key ESG KPIs, and sustainability governance practices.
- (ii) Assurance Standards: All external assurance engagements will adhere to recognised international standards such as ISAE 3000 or AA1000AS, conducted by qualified independent third parties.

- (iii) Transparency in Disclosure: The scope, methodology, and outcomes of assurance activities will be disclosed in the Sustainability Statement or Annual Report, including any limitations or recommendations provided by the assurers.

(b) Continuous Improvement Mechanisms

- (i) Post-Assurance Action Plans: Findings or gaps identified through assurance exercises are addressed through formal improvement plans, with assigned accountability and tracking mechanisms.
- (ii) Annual ESG Performance Review: The Risk Management and ESG Committee conducts an annual review of Group ESG performance, including benchmarking against peers and regulatory updates, to identify opportunities for improvement.
- (iii) Stakeholder Feedback Loop: Feedback from key stakeholders, including investors, clients, regulators, and local communities, is considered when refining ESG targets, disclosures, and overall strategy.
- (iv) Learning and Capacity Building: The Group regularly invests in ESG-related training, technical workshops, and industry collaborations to strengthen internal competencies and adopt best practices.

(c) Future Outlook

As HHRG's ESG maturity increases, we aim to:

- (i) Broaden the scope of external assurance to cover more ESG metrics and subsidiaries.
- (ii) Improve data readiness for Scope 3 emissions and climate-related financial disclosures in alignment with IFRS S2 and TCFD.
- (iii) Embed continuous improvement as a cultural norm, supported by leadership commitment and operational integration.

## **8. IMPLEMENTATION STRATEGY**

8.1 The Group adopts a structured and integrated approach to ensure that sustainability is effectively embedded into all aspects of our business operations, decision-making processes, and stakeholder relationships. The following strategic actions guide our implementation efforts:

8.1.1 Integrate ESG Goals into Business Planning

Embed sustainability objectives, targets, and performance indicators into the Group's strategic planning, annual business plans, and operational roadmaps.

#### 8.1.2 Embed ESG into Core Processes

Incorporate ESG considerations into key operational areas such as procurement, project design, budgeting, investment appraisal, risk assessment, and capital allocation.

#### 8.1.3 Develop Tailored Action Plans

Establish business unit-specific sustainability action plans, aligned with Group ESG priorities, materiality assessments, and regulatory requirements.

#### 8.1.4 Foster Cross-Functional Collaboration

Encourage collaboration among departments, subsidiaries, and functions to drive ESG ownership, innovation, and consistent implementation across the Group.

#### 8.1.5 Align Supply Chain and External Partners

Extend ESG integration to suppliers, contractors, consultants, and other business partners through onboarding, training, due diligence, and contract terms that reinforce sustainability expectations.

#### 8.1.6 Enable Data-Driven Decision-Making

Build internal systems and digital infrastructure to support ESG data collection, monitoring, analytics, and reporting for improved decision-making and transparency.

#### 8.1.7 Ensure Governance and Oversight

Maintain strong oversight through regular reporting to the Sustainability Committee and Board, supported by internal audits and performance reviews.

### **9. MONITORING, RECORD-KEEPING, AND REPORTING**

9.1 To ensure the credibility, consistency, and transparency of our sustainability performance, the Group commits to establishing a strong monitoring and reporting system supported by proper documentation and controls. Key commitments include:

9.1.1 Develop and maintain robust mechanisms for the systematic collection, verification, and analysis of ESG-related data across all business units.

9.1.2 Maintain comprehensive and accurate records of sustainability initiatives, progress against KPIs, stakeholder engagement activities, and regulatory compliance efforts.

9.1.3 Conduct periodic internal audits and management reviews to evaluate the effectiveness of ESG programmes and identify areas for improvement.

9.1.4 Support third-party verification or assurance of selected ESG metrics or disclosures, particularly those deemed material or investor relevant.



- 9.1.5 Disclose sustainability-related performance annually through the Group's Sustainability Statement, in alignment with Bursa Malaysia's Ace Market Listing Requirements, the GRI Standards, TCFD Recommendations, and, where relevant, the ISSB's IFRS S1 and S2.

## **10. DATA ASSURANCE AND VERIFICATION**

- 10.1 To uphold the integrity, reliability, and credibility of our sustainability disclosures, HHRG adopts a structured internal data verification process as the foundation of our ESG assurance efforts.
- 10.2 ESG-related data is compiled by designated Sustainability Coordinators at the subsidiary or departmental level and reviewed by the Group Sustainability Officer to ensure accuracy, consistency, and completeness prior to reporting. This process is supported by standardised data definitions, Group-wide reporting templates, and internal control procedures, including sampling, cross-checking, and supporting documentation requirements.
- 10.3 All sustainability information prepared for public disclosure—including for the Annual Report, Bursa submissions, and stakeholder communications—is subject to internal validation and Board-level review to ensure factual accuracy and alignment with Group policies and applicable regulatory guidelines.
- 10.4 Recognising the increasing expectations for transparency and data credibility, HHRG is committed to progressively enhancing our assurance practices in line with ESG maturity and reporting needs:
  - 10.4.1 **Materiality-Based External Assurance:** Where appropriate and feasible, selected ESG disclosures, such as greenhouse gas (GHG) emissions, energy usage, and other material KPIs; may be subject to limited external assurance or third-party validation.
  - 10.4.2 **Phased Implementation:** External assurance will be pursued in a phased manner, prioritising disclosures that are of high stakeholder relevance, investor interest, or regulatory significance. This ensures alignment with our current capacity and operational context as an ACE Market-listed company.
  - 10.4.3 **Standards & Independence:** All external assurance engagements will be conducted in accordance with internationally recognised standards (e.g., ISAE 3000, AA1000AS) by qualified and independent assurance providers.
- 10.5 Through this dual approach, anchored in robust internal controls and enhanced by targeted external validation, HHRG aims to build stakeholder confidence in our sustainability reporting while ensuring proportionality, relevance, and continuous improvement in our ESG data governance practices.

## **11. TRAINING AND CAPACITY BUILDING**

- 11.1 We recognise that the successful integration of sustainability across the Group depends on building the right knowledge, skills, and mindset at all levels of the organisation and within our broader value chain. To this end, the Group commits to:
- 11.1.1 Provide regular ESG training and awareness programmes for employees at all levels, including Senior Management and the Board of Directors, to strengthen governance, risk oversight, and operational implementation.
  - 11.1.2 Incorporate sustainability into employee induction programmes and job-specific learning modules to embed ESG accountability into roles and functions.
  - 11.1.3 Conduct targeted ESG onboarding and capacity-building sessions for key external stakeholders such as contractors, suppliers, vendors, consultants, and joint venture partners.
  - 11.1.4 Promote a learning culture that encourages internal knowledge sharing, cross-departmental collaboration, and continuous upskilling in response to evolving ESG standards, risks, and opportunities.
  - 11.1.5 Leverage partnerships with external experts, industry bodies, or training providers to deliver up-to-date and sector-relevant sustainability education.

## **12. POLICY REVIEW AND CONTINUOUS IMPROVEMENT**

- 12.1 HHRG is committed to maintaining the relevance and effectiveness of this Group Sustainability Policy. To support continuous improvement and alignment with evolving regulatory expectations and stakeholder needs, we will:
- 12.1.1 Review this policy annually, or as needed in response to significant changes in applicable laws, regulations, industry practices, or the Group's strategic direction;.
  - 12.1.2 Benchmark our sustainability practices and disclosures against industry peers, Bursa Malaysia's ACE Market requirements, and applicable international frameworks.
  - 12.1.3 Incorporate stakeholder feedback where appropriate to enhance the robustness and responsiveness of our sustainability commitments.
  - 12.1.4 Ensure internal awareness and training, where necessary, to support effective policy implementation across all relevant departments and subsidiaries.
- 12.2 This review process will be led by the Group Sustainability Officer and endorsed by the Board of Directors to ensure accountability and continuous progress.

### 13. POLICY COMPLIANCE AND ENFORCEMENT

13.1 HHRG is committed to upholding the principles and commitments outlined in this Group Sustainability Policy. To ensure effective implementation and accountability, the Group adopts the following compliance mechanisms:

13.1.1 All employees, subsidiaries, and business partners are expected to comply with the requirements of this policy and the related ESG procedures, codes of conduct, and operational guidelines.

13.1.2 Non-compliance with this policy may result in appropriate corrective action, including disciplinary measures for employees or review of contracts and relationships with vendors, suppliers, or partners.

13.1.3 The Group encourages reporting of suspected violations, misconduct, or ESG-related concerns through established whistleblowing and grievance mechanisms, with assurance of confidentiality and protection against retaliation.

13.1.4 Investigations into potential breaches will be conducted fairly, transparently, and in accordance with the Group's internal policies and applicable laws.

13.1.5 Periodic reviews of compliance status and risk exposure will be integrated into ESG performance assessments and risk management reviews.

### 14. REVISION HISTORY

#### 14.1 Purpose

14.1.1 This section provides a record of all revisions to this Sustainability Policy to ensure effective version control, transparency, and traceability of changes.

Version	Date Approved	Description	Approved By
1.0	18 September 2025	Initial release	Board of Directors