

GROUP SUSTAINABLE PROCUREMENT POLICY

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1. INTRODUCTION

LBS Bina Group Berhad ("**LBS**" or "**Company**") and its subsidiaries ("**the Group**") recognises the importance of Sustainable Procurement Policy and its increasing relevance to the Company's businesses. The purpose of this Policy is to support the LBGB Group's overarching strategy and ensure that employees involved in the procurement of goods, services and works throughout the LBGB Group consider appropriate environmental, social, and economic factors in the procurement practices.

Procurement plays an important and wide scope in role from the daily administrative needs to the completion of the developments. This Policy serves as a guide for the Group's procurement activities as well as the procurement practices of the Group's supply chain partners conducting business with and on behalf of the Group.

Sustainability can be incorporated into the whole procurement practices by assessing and defining the need, evaluating options, design and specification, supplier selection, tender evaluation, post-contract management, and supplier development.

In line with the 17 United Nations Sustainable Development Goals ("**UN SDGs**") and the Group's commitment to reduce the environmental and social impact and promotion of local suppliers, the Group has established this Policy to guide the businesses and strive for sustainability across every function, including sourcing goods and services.

2. OBJECTIVE

The objectives of this Policy are amongst others, to ensure that the Group's operations are more sustainable and ethically and financially sound by:

- a) Complying the laws and regulations in Malaysia;
- b) Endorsing highest standards of economic, social, ethical, and environmental practices into the sustainable procurement process;
- c) Identifying and moderating risks associated with the procurement practices;
- d) Communicating this Policy with internal and external stakeholders and raising awareness among the employees and suppliers; and

- e) Prioritising suppliers and/or business partners that are committed to similar cause.

3. SCOPE

This Policy is applicable to the Group's employees and external stakeholders such as supplier, vendors and business partners. Supplier is the upstream entity from the organisation (i.e. in the organisation's supply chain), which provides a product or service that is used in the development of the organisation's products or services such as consultants, contractors, distributors, independent contractors, licensees, manufacturers, primary producers, and sub-contractors.

In accordance with the Group's commitment to the best practice on sustainable procurement, the Group also expects its external stakeholders to aspire to the same standards in their business operations, including but not limited to the Group's commitments.

The Group favours/prioritises suppliers which observe this Policy or who are in the process of adopting the same.

This Policy makes reference to, and shall be read together with the following policies:

- a) Environmental Policy; and
- b) Human Rights Policy.

4. COMMITMENTS

In the pursuit of the objectives, LBGB Group undertakes the following:

(a) Environmental

- i. Compliance and adherence to all the applicable environmental laws and regulations.
- ii. Commitment to the reduction of greenhouse gases and other emissions harmful to the environment.
- iii. Conservation of non-renewable natural resources.
- iv. Initiatives to promote greater environmental responsibility such as:
 - o Responsible waste management and disposal
 - o Resources and material management
 - o Pollution management
 - o Climate change
 - o Water security
 - o Biodiversity

b) Social**i. Business Ethics:**

- Compliance and adherence to all the applicable laws, regulations, and ethical business practices
- Prohibition of fraud, bribery and/or corruption
- Prohibition of money laundering
- Prevention of conflicts of interest
- Prevention of data security theft, misuses and/or mismanagement

ii. Labour Standards and Human Rights:

- Compliance and adherence to all applicable laws and regulations
- Prohibition of unlawful discrimination and harassment, to provide a safe and inclusive work environment
- Prohibition of slavery and the use of forced, compulsory and child labour across the supply chain
- Commitment to comply with the local statutory on minimum wages

c) Governance

Committed to good corporate and sustainability governance across all level of LBGB Group's business operations and is consistently demonstrated by its compliance with local laws, regulations, industry best practices, and recommended corporate governance practices of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance (MCCG) 2021.

5. REVIEW OF POLICY

This Policy has been approved by the Board and is available to all employees in LBGB's corporate website and internal computer networking system. The Policy is also available for viewing by other stakeholders and the public in the LBGB's corporate website.

This Policy shall be reviewed by the Board and updated whenever necessary to ensure its effective implementation. Any subsequent amendments to the Policy shall be approved by the Board.

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