

# LIM SEONG HAI CAPITAL BERHAD

Registration No. 202001036664 (1392985-A)

## Sustainability Governance Structure

### SUSTAINABILITY GOVERNANCE STRUCTURE

The sustainability governance structure ("the Structure") of Lim Seong Hai Capital Berhad and its subsidiaries ("the Group", "we" or "us") provides a solid foundation for integrating sustainability into our business strategy, operations, and decision-making processes. This structure ensures that sustainability considerations are embedded across the Group's value chain, particularly in our construction, construction-related services, property development, and facilities management.

The Board of Directors ("the Board") holds ultimate responsibility for steering the Group's sustainability strategic direction, including oversight of material Environmental, Social, and Governance ("ESG") matters.

The Board's responsibilities have been expanded to include sustainability governance, as formalised in the respective Terms of Reference. These responsibilities include monitoring sustainability performance, setting direction on ESG risks and opportunities, and ensuring alignment with both national regulatory expectations and global frameworks such as the Global Reporting Initiative ("GRI").



### ROLES AND RESPONSIBILITIES

This section explains the roles and responsibilities of each multi-tiered sustainability governance structure in the efforts of supporting the Board in discharging their duties.

The Group's sustainability governance is structured as follows:

#### **1. Board of Directors ("the Board")**

The Board is the highest governing body of the Group and is responsible for:

- a. Providing overall strategic direction and oversight of all sustainability matters.
- b. Approving sustainability-related policies, targets and disclosures in the Group's Annual Report, namely the Sustainability Statement.
- c. Ensuring sustainability matters are considered within the Group and progressively embed strong sustainability culture throughout the Group.
- d. Approving the Sustainability Statement drafted by the Sustainability Steering Committee ("SSC") to be disclosed in the Group's Annual Report.

## **2. Sustainability Committee (“SC”)**

- a. The SC is formed by the Board and comprises of three (3) Independent Directors of the Group (one of whom chairs the SSC).
- b. The primary function is to assist the Board in fulfilling its responsibilities in overseeing the sustainability strategies, objectives, policies and practices of the Group.
- c. The SSC supports the Board’s oversight and accountability on the implementation of the Group’s sustainability targets, policies and material matters.
- d. To review final draft of Sustainability Statement submitted by the SSC for review and approval of the Board.
- e. To ensure the sustainability framework adopted by the Group is in line with national regulation, Bursa Malaysia regulation and global frameworks.
- f. The SC shall oversee the Group’s sustainable development responsibilities and support the Board in:
  - i. Setting high-level direction for sustainable business practice; and
  - ii. Defining strategic focus to advance a sustainable business model across the Group.

## **3. Sustainability Steering Committee (“SSC”)**

The SSC is represented by the Chief Financial Officer, Chief Legal Officer, Head of Corporate Department, Project Director and other related senior managements. The strategic management of sustainability matters – including but not limited to formulation of sustainability strategies, priorities and targets – lies in the SSC’s purview. The SSC has the following responsibilities:

- a. To formulate and recommend sustainability strategies and targets, sustainability-linked KPIs, allocation of resources, and integration of sustainability risks and opportunities into the Group’s existing risk management framework.
- b. To assess, review and prioritise Material Key Sustainability Matters which affect the Group’s stakeholders and recommend whether to maintain or remove certain Key Sustainability Matters where necessary.
- c. To conduct annual review of the sustainability policy targets, materiality assessment process & outcome, and frameworks sustainability related KPIs with Operational Sustainability Management Group in order to propose recommendations to the Board of Directors for any changes necessary.
- d. Monitors implementation of sustainability strategies, policies, and performance against targets of the Group.
- e. To prepare the draft Sustainability Statement, to be subjected for review, recommendation and approval by the SC and the Board, thereafter included in the Group’s Annual Report.

The SSC shall provide bi-annual briefing and reporting to the SC.

## **4. Sustainability Working Group (“SWG”)**

The SWG will be led by the respective heads of department (“HOD”) of all operational divisions of the Group and is responsible for the day-to-day implementation of the Group’s sustainability matters including but not limited to strategies, priorities and targets. The SWG has the following functions:

- a. Coordinate and provide support to the SSC on executing and monitoring the day-to-day implementation of sustainability material matters, and reports to the SSC on a quarterly basis.
- b. To facilitate stakeholders’ engagement session for identification of Key Sustainability Matters.
- c. To collect and consolidate required sustainability data in the day-to-day activities of the Group required to be disclosed in the Sustainability Statement.
- d. To undertake materiality assessment process and aggregate the outcomes for review by the SSC.

The designated HOD’s shall provide monthly briefing and updates to the SSC on behalf of the SWG.

## PERFROMANCE EVALUATIONS OF SUSTAINABILITY GOVERNANCE STRUCTURE

The performance of the Board and SC in addressing the company's material sustainability risks and opportunities shall be reviewed by the Nomination & Remuneration Committee ("NRC") anytime as it deems fit.

## REVIEW OF SUSTAINABILITY GOVERNANCE STRUCTURE

The Structure will be reviewed as and when it is deemed necessary to ensure its effectiveness and consistency with the national regulation, Bursa Malaysia's regulation and global framework.

The Structure was reviewed and approved by the Board of Directors of the Company on [ ].

Revision Date	Approval Date	Version	Author/Person Who Approved New / Revised Version	Description/Reason for Change
	28/11/2023	1.0	Board of Directors	
13/06/2025	27/08/2023	2.0	Board of Directors	To establish a Sustainability Committee and set out responsibilities that better align with Bursa's ACE Market requirements and global frameworks.