Kinergy

Kinergy Advancement Berhad
Kinergy Group
Kinergy/ the Group

Environmental Policy

ENVIRONMENTAL POLICY

Policy Statement

Kinergy Advancement Berhad and its Group of Companies ("Kinergy" or **"the Group")** is committed to conducting its business in a manner that safeguards the environment, conserve natural resources, and contributes to a sustainable, low-carbon future. As a leading One-Stop Energy and Engineering solutions provider, we recognise our role extends beyond delivering renewable, clean and energy efficient systems – it includes ensuring our operations, projects and partnerships actively contribute to global efforts in mitigating climate change and adapting to its impacts.

1. Objective

This Environmental Policy ("Policy") aims to:

i. Establish effective governance and oversight of environmental and climate-related impacts, evidence by semi-annual Board Sustainability Committee review of environmental and climate performance, with 100% of agreed action items tracked to closyure with 12 months of each review

ii. Minimise the environmental footprint of the Group's operations and services, targeting Scope 1 and 2 reductions of emissions of 42% by 2030 and 90% reduction by 2050

iii. Promote the efficient use of resources and the prevention of pollution, targeting zero reportable pollution incidents (air, water, soil, noise) each calendar year

iv. Strengthen stakeholder awareness, transparency and collaboration in achieving shared sustainability outcomes, targeting annual awareness training for employees on this Policy, and publication of the Group's sustainability performance report annually

v. Ensure compliance with all applicable environmental legislation and relevant international standards and best practices, targeting 100% compliance with zero regulatory non-conformances

2. Scope of Application

This policy applies to all of the Group's operations, subsidiaries, projects, and joint ventures where the Group has operational control or significant influence. The Group also promotes awareness among employees, contractors, and partners involved in project delivery, operations and maintenance, to strengthen collective accountability towards a shared culture of environmental accountability.

3. Environmental Focus Areas

i. <u>Emission and Energy Management</u>

The Group recognises the dual importance of reducing carbon footprint and strengthening resilience against climate-related risks.

Key actions on climate change mitigation and adaptation include:

- Monitoring and reporting Scope 1, Scope 2 and where relevant, Scope 3 emissions in alignment with the GHG Protocol standard
- Setting measurable emissions reduction targets consistent with national and global climate goals
- Implementing energy-efficient technologies and renewable energy solutions into project development
- Encouraging behavioural change and awareness among employees to conserve energy
- Supporting clients in transitioning to sustainable energy systems

ii. Water Management

Recognising water as a shared and finite resource, the Group aims to:

- Optimise water consumption through reuse, recycling, and efficient technologies
- Prevent water contamination by maintaining stringent wastewater management and discharge controls
- Monitor and manage water quality in accordance with environmental standards

iii. Waste Management

The Group adopts a circular economy approach to minimise waste generation and promote material recovery, where possible.

Key actions include:

- Applying the waste management hierarchy – reduce, reuse, recycle, recover and dispose responsibly
- Identifying opportunities for resource reuse and/or recovery from operations, maintenance and decommissioning activities
- Ensure safe and compliance handling, storage and disposal of hazardous and non-hazardous waste
- Partnering with certified waste contractors to ensure environmental compliance

iv. Pollution Prevention

The Group recognises that air, water, soil and noise pollution have direct and indirect impacts on ecosystems, communities and climate resilience.

Key actions include:

- Preventing air, water, soil and noise pollution through strict operational controls and monitoring
- Managing hazardous substances responsibly to prevent leaks, spills or accidental releases
- Conducting periodic environmental monitoring and audits to track performance across our operations

v. Biodiversity and Ecosystem Protection

The Group values biodiversity as essential to environmental integrity, ecosystem services and community wellbeing.

Key actions include:

- Conducting biodiversity and ecological impact assessments before project development, where required by regulatory authorities
- Avoiding or minimising operations in environmentally sensitive or protected areas
- Implementing habitat restoration, such as tree planting, where impacts are unavoidable

4. Implementation and Governance

The Group's Board Sustainability Committee provide oversight, accountability and strategic direction for the Group's direction for environmental and climate performance, ensuring that the sustainability considerations are embedded within business decisions and long-term planning. To reinforce accountability competence, regular training and awareness programmes are conducted to ensure that all personnel understand their environmental responsibilities and contribute effectively to the Group's overall sustainability goals.

5. Continuous Improvement and Transparency

Kinergy upholds a culture of continuous improvement and transparent disclosure through the reporting of the Group's environmental performance transparently through mandatory or voluntary public reports and disclosures in accordance with the relevant regulations, standards and frameworks.

6. Feedback and Stakeholder Engagement

The Group recognises that open communication and stakeholder participation are vital to effective environmental management. The Group encourages internal and external stakeholders to provide feedback, raise concerns related to environmental performance and practices via the Group's Sustainability e-mail at kabsustainable@kinergyadvancement.com.

All feedback is reviewed by the Management of the Group, and raised to the Board Sustainability Committee, which ensures timely assessment, response and integration of valid recommendations into the Group's environmental improvement plans.

7. Review

This Policy is subject to periodic review and refinement to ensure ongoing relevance, effectiveness and alignment with emerging regulatory requirements, industry best practices and stakeholder expectations. This Policy was approved by the Management of Kinergy on 1st October 2026.