

GROUP SUSTAINABILITY POLICY

1.0 Purpose

This Policy establishes Nextgreen Global Berhad's commitment to sustainability and provides the governance framework for integrating environmental, social and governance (ESG) considerations into its business strategy, operations, risk management and decision-making processes.

This Policy outlines the sustainability principles and commitments that support the implementation of Group's Sustainability Management Policy Framework (SMPF), while promoting responsible business practices, sustainable innovation, effective management of sustainability-related risks and opportunities and long-term value creation for stakeholders.

2.0 Scope and Context

This Policy applies to Nextgreen Global Berhad and all its subsidiaries and operations under its control (collectively referred to as "Nextgreen" or "Group"), including all Directors, Management and employees. The Group communicates its sustainability expectations to suppliers, contractors, business partners and other relevant value chain partners and expects them to uphold sustainability principles aligned with this Policy, including compliance with applicable legal, environmental, social, labour, human rights and ethical requirements relevant to their operations.

3.0 Policy Rationale

The Group is committed to upholding regulatory compliance, ethical governance, environmental stewardship, responsible resource utilisation, respect for human rights, occupational safety and health (OSH), stakeholder engagement, transparency, innovation and continual improvement. These commitments are guided by the GREEN Framework, which integrates ESG principles into our operational and business strategy.

4.0 GREEN Framework

The GREEN Framework establishes the Group's strategic sustainability direction by integrating Good Governance & Compliance, Responsible & Sustainable Operations, Empowering People, Environmental Responsibility and Next-Level Transformation into the Group's strategy, operations and decision-making.

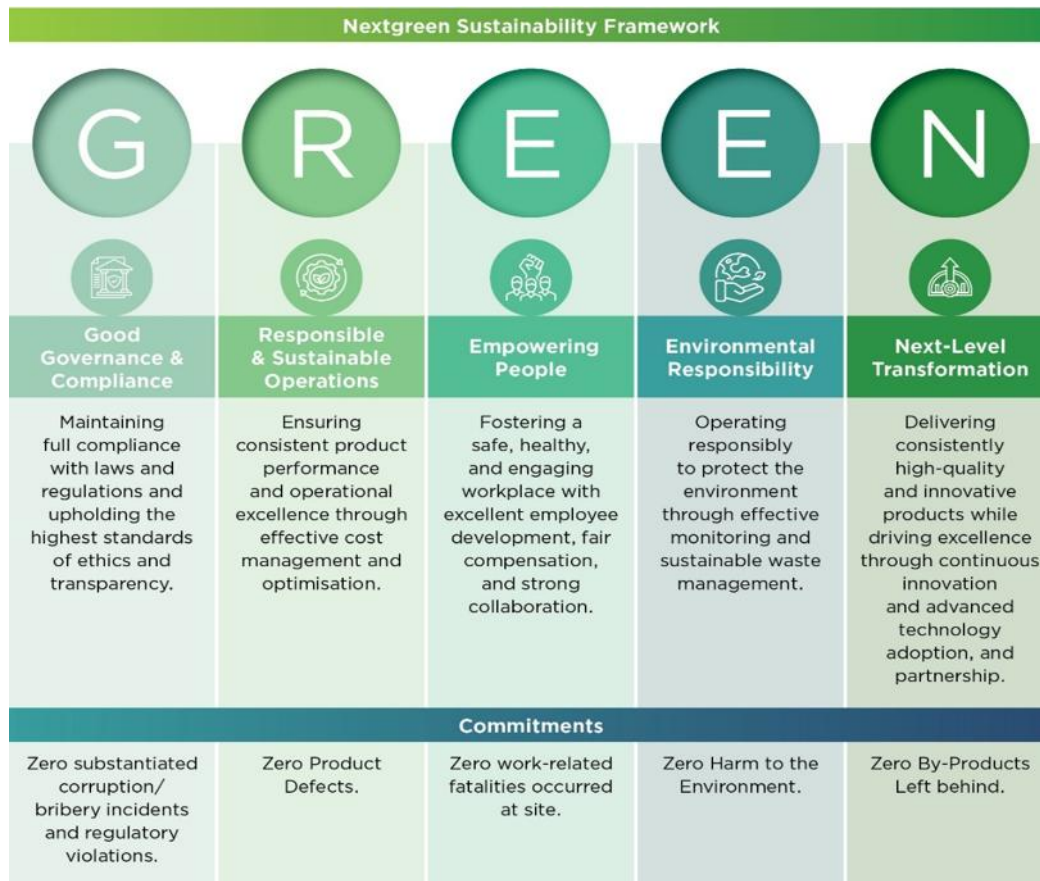


Figure 1: GREEN Framework diagram

4.1 Good Governance & Compliance

Maintaining strong governance practices, ethical business conduct and compliance with applicable laws and regulations while promoting accountability, transparency and responsible practices across the Group's operations and value chain through the following commitments:

i. Upholding Zero Tolerance for Corruption & Unethical Conduct

Maintain zero tolerance towards corruption, bribery, fraud, money laundering and other forms of unethical business practices across all business activities. The Group provides accessible whistleblowing channels in accordance with its Whistleblowing Policy, enabling employees and stakeholders to raise concerns or report suspected misconduct, unethical behaviour and violations with appropriate protection against retaliation and confidential handling of all reports.

ii. Fostering a Culture of Integrity, Accountability & Awareness

Foster a culture of integrity and accountability by implementing anti-corruption awareness programmes, conflict of interest disclosure protocols and continuous training programmes for employees, Management, Directors and relevant business partners.

iii. Strengthening Governance Oversight, Risk Management & Compliance

Ensure effective Board oversight of governance, risk management, compliance and ethical business conduct through clearly defined governance structures and accountability mechanisms. The Group integrates sustainability-related risks and opportunities into decision-making processes and maintains effective risk management and compliance systems to promote transparency, accountability and responsible business practices.

iv. Ensuring Responsible Third-Party Due Diligence & Screening

Conduct appropriate due diligence, including Know-Your-Counterparty (KYC) assessments and screening processes, on suppliers, contractors, service providers and business partners to assess and manage ethical, sustainability, human rights and compliance risks, while ensuring adherence to the Group's relevant integrity and compliance requirements.

v. Ensuring Regulatory Compliance & Sustainability Standards

The Group is committed to conducting all operations, projects, and business activities in strict compliance with applicable laws and regulations. To support this, Nextgreen will continuously identify, maintain, and review our legal obligations. We also strive to align with internationally recognized sustainability standards, adopting the more stringent requirement whenever local laws and global best practices differ.

vi. Safeguarding Confidential Information & Responsible Data Management

Safeguard confidential information, personal data and intellectual property through appropriate controls and practices to ensure responsible information management and protection of stakeholder interests, including through Non-Disclosure Agreements (NDAs) and Privacy Statement.

vii. Driving Continuous Improvement & Governance Effectiveness

Conduct continuous monitoring, performance evaluation and improvement initiatives to enhance governance effectiveness and support long-term sustainable value creation.

4.2 Responsible & Sustainable Operations

Ensuring consistent product performance, operational excellence and responsible value chain practices through effective management, continuous improvement and sustainable innovation by focusing on the following commitments:

i. Delivering Product Quality & Safety

- Deliver products that consistently meet customer expectations for quality, safety and reliability.
- Maintain relevant certifications and management systems, such as ISO standards, MSPO and RSPO where applicable, to support operational excellence, product stewardship and responsible business practices.
- Integrate sustainability considerations into product development, process improvement and operational decision-making.

ii. Driving Resource Efficiency & Process Optimisation

- Drive continual improvement initiatives to enhance operational efficiency, product quality, process performance and resource optimisation.
- Promote responsible manufacturing practices that optimise the utilisation of biomass resources, improve operational efficiency and minimise waste generation and environmental impacts.

iii. Strengthening Value Chain Responsibility & Traceability

- Maintain and strengthen traceability practices to enhance transparency and accountability in the sourcing of raw materials, production processes and product information throughout the value chain.
- Engage and collaborate with suppliers, contractors and business partners to promote responsible practices, including compliance with applicable quality, environmental, social and ethical requirements throughout the value chain.

4.3 Empowering People

Fostering a safe, inclusive and engaging workplace by respecting human rights, promoting fair employment practices, developing our people and working collaboratively with employees, contractors, suppliers and business partners throughout the value chain through the following commitments:

i. Respecting & Promoting Human Rights & Fair Employment Practices

- **Human Rights Standards**

Respect and uphold internationally recognised human rights principles across Group operations, business relationships and value chains. This commitment is guided by Nextgreen's Human Rights Policy, which references global standards and applicable statutory regulations.

- **Equal Opportunity & Anti-Discrimination**

Provide equal employment opportunities and ensure that recruitment, remuneration, promotion, career development and other employment decisions are based on performance criteria without discrimination based on race, ethnicity, nationality, religion, disability, gender, age or other legally protected characteristics.

- **Prohibition of Child Labour**

Prohibit all forms of child labour and implement appropriate age verification processes to prevent the employment of individuals below the applicable legal minimum working age.

The Group adopts a minimum working age requirement of 18 years for individuals employed within its operations and performing work at its premises. Suppliers, contractors and business partners are expected to comply with applicable laws relating to young workers and ensure that individuals below 18 years of age are not assigned to perform work at Nextgreen premises or participate in Nextgreen-related activities where such activities may expose them to workplace risks.

Should child labour be detected in any part of our operations or supply chain, Nextgreen reserves the right to implement immediate, legally compliant remediation measures to protect the safety, well-being and best interests of the affected child.

- **Prevention of Forced Labour, Modern Slavery & Exploitation**

Prevent all forms of forced labour, modern slavery, human trafficking and exploitative employment practices by ensuring employment is freely chosen, workers are provided with clear employment terms, personal identity documents are retained by workers and recruitment-related fees are not imposed on workers.

- **Fair Compensation & Working Conditions**

Ensure fair employment practices by providing wages, benefits and employment conditions in accordance with applicable labour laws and regulations, including requirements relating to minimum wages, working hours, rest periods, overtime compensation, statutory benefits and other employment rights.

- **Freedom of Association, Respectful Workplace & Grievance Mechanisms**

Respect employees' rights to freedom of association, lawful representation and collective bargaining in accordance with applicable laws and regulations.

Maintain zero tolerance towards bullying, discrimination, harassment, violence and any forms of abusive behaviour including sexual harassment.

Provide accessible grievance and reporting mechanisms for employees, contractors, suppliers and stakeholders to raise concerns or report potential human rights violations, discrimination, harassment, workplace issues or other labour-related matters without fear of retaliation. Where applicable, concerns raised by external stakeholders are managed through the Group's Whistleblowing Policy and reporting channels.

- **Human Rights Awareness & Engagement**

Promote human rights awareness through regular training, education, communication and engagement programmes for employees and relevant business partners.

ii. Driving Employee Development & Wellbeing

- **Continuous Learning & Capability Building**

Provide opportunities for continuous learning, professional development, skills enhancement and capability building to support employee growth and organisational capability.

- **Workplace Engagement & Assessment**

Conduct employee engagement and satisfaction assessments to understand employee needs and continuously improve workplace practices.

- **Employee Wellbeing & Benefits**

Provide appropriate employee benefits and welfare programmes that support employee well-being, engagement and long-term development.

- **Diversity, Equity & Inclusion**

Promote diversity, equity and inclusion by encouraging equal opportunities and supporting representation of diverse backgrounds, skills and perspectives across all levels of the organisation.

iii. Strengthening Occupational Safety & Health (OSH) Culture

- **Workplace Safety Management & Prevention**

Ensure and maintain a safe, healthy and secure workplace for all employees, contractors, visitors and other relevant stakeholders by proactively identifying, assessing and managing occupational safety and health risks to prevent work-related injuries, illnesses and fatalities. The Group complies with applicable occupational safety and health laws, regulations and other relevant requirements while striving for continual improvement in OSH performance.

- **Proactive Safety Culture**

Promote a proactive safety culture through regular training, awareness programmes and continuous improvement initiatives.

- **Contractor & Business Partner Safety Requirements**

Require contractors, suppliers and business partners performing activities on behalf of the Group to comply with applicable OSH requirements and maintain appropriate safety practices.

4.4 Environmental Responsibility

Operating responsibly to protect and enhance the environment through effective environmental management, sustainable resource utilisation, pollution prevention and the adoption of circular economy principles across its operations and value chain through the following commitments:

i. Driving Climate Action & Energy Efficiency

- **Manage Climate Change Risks & Opportunities**

Measure, monitor and manage greenhouse gas emissions (GHG) to support climate change mitigation, adaptation and decarbonisation efforts, including initiatives to reduce emissions intensity, improve operational efficiency and enhance climate resilience.

- **Enhance Energy Efficiency & Renewable Energy Adoption**

Improve energy efficiency and promote the responsible use of energy and natural resources, including the adoption of renewable energy and sustainable practices where feasible.

ii. Strengthening Environmental Management & Pollution Prevention

- **Implement Effective Environmental Management Practices**

Maintain environmental management systems, controls and monitoring processes to ensure compliance with applicable environmental laws, regulations and relevant standards.

- **Prevent Pollution & Minimise Environmental Impacts**

Prevent pollution and minimise environmental impacts through responsible environmental management practices and compliance with applicable environmental laws and regulations, including the Environmental Quality Act 1974 and its relevant regulations. This includes effective management of wastewater discharges, air emissions, pollution prevention measures and continuous environmental improvement initiatives.

iii. Advancing Circular Economy & Sustainable Resource Utilisation

- **Promote Sustainable Resource Management**

Promote responsible procurement and utilisation of sustainable raw materials, including appropriate traceability practices, to support circular economy principles and reduce reliance on virgin natural resources.

- **Develop Circular Bio-Economy Solutions**

Support circular bio-economy practices by utilising agricultural biomass by-products, including Empty Fruit Bunches (EFB) and other biomass materials, to create value-added products while reducing waste generation, maximising resource recovery and promoting sustainable biomass utilisation.

iv. Conserving Biodiversity & Strengthening Responsible Supply Chains

- **Protect Biodiversity & Prevent Deforestation**

Promote biodiversity conservation and initiatives to prevent deforestation across all business activities. The Group expects all stakeholders to support this commitment by ensuring that palm oil biomass is procured from sustainable sources, such as Malaysian Sustainable Palm Oil (MSPO) or other recognised sustainability certification schemes.

- **Engage Value Chain Partners on Environmental Responsibility**

Engage suppliers, contractors and business partners to promote responsible environmental practices, including efficient energy and water use, GHG emissions reduction, pollution prevention, responsible resource utilisation, waste minimisation and biodiversity protection, where applicable.

4.5 Next-Level Transformation

Driving sustainable growth and long-term competitiveness through innovation, technology advancement, strategic partnerships and continuous improvement by delivering quality products, developing sustainable solutions and transforming business operations through the following commitments:

i. Fostering Innovation & Technology Advancement

Promote innovation and technological advancement to strengthen sustainable business growth and operational excellence.

ii. Accelerating Sustainable Innovation & Circular Solutions

Invest in research, development and commercialisation of sustainable products, green technologies and innovative solutions that convert agricultural biomass by-products into value-added products, optimise resource utilisation and support circular economy principles. The Group continuously improves its products, processes and business models to enhance competitiveness, operational excellence and sustainable value creation.

iii. Strengthening Strategic Partnerships

Pursue strategic partnerships and collaborations that support innovation, knowledge sharing, technology advancement and sustainable value creation.

iv. Engaging Value Chain Partners in Sustainable Transformation

Engage with suppliers, contractors and business partners to support responsible innovation, sustainable practices and continuous improvement initiatives that contribute to the Group's sustainability objectives.

5.0 Review and Maintenance

This Policy shall be reviewed every two (2) years or earlier or where necessary, to ensure its continued relevance, effectiveness and alignment with the Group's objective, applicable laws, regulation and business requirements.

The Group is committed to promoting awareness, engagement and continuous improvement to support compliance with this Policy. Where non-compliance is identified, the Group will engage with the relevant parties to understand the circumstances and, where appropriate, provide guidance, support and a reasonable timeframe to implement corrective actions. Progress may be monitored through appropriate review mechanisms.

Where non-compliance remains unresolved despite reasonable efforts, or where serious breaches are identified, the Group may take appropriate actions in accordance with its policies, procedures, contractual obligations and applicable laws and regulations.

Effective Date: 1 Sept 2026

Approved by Board of Directors

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Revision 00

APPENDIX

Abbreviation of Terms

No.	Abbreviation	Description
1	EFB	Empty Fruit Bunches
2	ESG	Environmental, Social and Governance
3	GHG	Greenhouse Gas Emissions
4	KYC	Know-Your-Counterparty
5	MSPO	Malaysian Sustainable Palm Oil
6	NDA	Non-Disclosure Agreements
7	OSH	Occupational Safety & Health
8	SMPF	Sustainability Management Policy Framework

Definitions

No.	Terms	Definition
1	Circular Economy	An economic model designed to eliminate waste and the continuous extraction of finite resources.
2	Child Young person	The term 'child' refers to any person under 15 years old. Generally, children under 15 years old cannot be employed except in limited circumstances permitted by law. "Young person" is a person aged 15 to under 18 years old. Young persons aged 15–17 years old may be employed subject to statutory restrictions, including that they must not be engaged in hazardous work.
3	ESG	Environmental, Social and Governance, a framework used by investors, businesses, and regulators to evaluate an organization's business practices and performance on sustainability and ethical issues beyond traditional financial metrics.
4	Forced Labour	All work or services that are exacted from any person under the menace of any penalty and for which the person has not offered themselves voluntarily.
5	Human Rights	Human rights are rights inherent to all human beings. These rights are interrelated, interdependent and indivisible, and are based on principles enshrined in the Universal Declaration of Human Rights (UDHR) and other international human rights treaties.
6	Traceability	A module to trace raw materials starting from smallholding and/or plantation, onwards through the supply chain from milling, refining, processing and manufacturing.
7	Value chain	The process of adding value to a raw material through production, manufacturing and other processes to create a finished product.