

**CAB CAKARAN CORPORATION BERHAD**  
(200201015998) (583661-W)  
(Incorporated in Malaysia)

## RISK MANAGEMENT AND SUSTAINABILITY POLICIES

### Purpose of the Policies

These Policies set out the responsibilities of the Board, the Risk Management and Sustainability Committee, the Risk Management and Sustainability Working Committee (“RMSWC”) and others within the Group in relation to risk management and sustainability management as well as outline the processes.

### Responsibilities of the Board

(a) Risk Management

The Board is responsible for the identification, evaluation and management of significant risks applicable to the respective business units together with the design and implementation of suitable internal controls.

(b) Sustainability Management

(i) The Board is also responsible for reviewing and adopting strategies which support long-term value creation and include strategies covering economic, environmental and social considerations (EES).

(ii) Ensuring the implementation of appropriate systems to identify, evaluate, manage and report material sustainability matters.

(iii) The Board ultimately responsible for:

- Provides oversight of the company’s Environmental EES-related strategies, policies and performance;
- Ensure that a process is in place to identify, assess, and manage ESG-related risks and opportunities;
- Review and approve the EES policies, targets and materiality matrix/ material sustainability matters;
- Ensure adequate resources are allocated on EES initiatives;
- Review and approve the company’s EES reports and disclosures; and
- Oversee stakeholder engagement.

### Responsibilities of the Risk Management and Sustainability Committee (“RMSC”)



The RMSC is constituted by the Board with the authorities necessary to perform duties as outlined in separate Terms of Reference in relation to the Risk and Sustainability Management. The RMSC is responsible to the Board for:

(a) Risk Management

- (i) Overseeing the establishment and implementation of the risk management framework; and
- (ii) Reviewing the effectiveness in identifying and managing risks and internal control processes, which include but not limited to ensuring the adequacy and infrastructure to facilitate the implementation of action plans for risk management.

(b) Sustainability Management

- (i) Establishing and overseeing the implementation of the Group's sustainability framework and processes in identifying, managing and reporting of the Material Sustainability Matters pertaining to the EES aspects of the Group.
- (ii) Monitoring and overseeing the management and performance of all sustainability strategies and initiatives of the Group. This includes a review of the delivery of responsibilities of the RMSWC below and making the necessary recommendations to the Board for its deliberation.
- (iii) The RMSC is ultimately responsible for the strategic management of EES as below:
  - Develop and review the company's EES strategies;
  - Monitor company's progress against targets (including action plans);
  - Develop and review EES policies and procedures; and
  - Review EES-related reports and disclosures.

**Responsibilities of the Risk Management and Sustainability Working Committee ("RMSWC")**

The RMSWC, which is made up of all heads of business units, holds the following responsibilities:

(a) Risk Management

- (i) For new business units, RMSWC ensures duly updating risk register with risk factors occurring at respective new business unit;
- (ii) For existing business units, RMSWC ensures periodic review of risk factors and the mitigating action plan realization status and effectiveness. New risk factors will need to be updated and addressed accordingly.

(b) Sustainability Management



- (i) RMSWC ensures EES-related key stakeholders of the Group are identified, prioritised and engaged appropriately with the objective of understanding their views and concerns on the Group's business activities.
- (ii) RMSWC is responsible for identifying, evaluating, managing and reporting relevant sustainability matters, especially on Material Sustainability Matters, to the RMSC on a periodic basis;
- (iii) RMSWC ensures the implementation of sustainability management efforts, focusing on Material Sustainability Matters, including sustainability strategies, policies, and initiatives.
- (iv) RMSWC is responsible for ensuring adequate communication and disclosure efforts pertaining to sustainability management and performance, including the preparation of Sustainability Statement in accordance with the Main Market Listing Requirements of Bursa Securities Berhad. This also includes ensuring relevant sustainability strategies, priorities, targets, and performance are communicated to internal and external stakeholders, which may be carried out via the Group's engagement channels.
- (v) The RMSWC is ultimately responsible for the day-to-day implementation of EES-related strategic and the processes as below:
  - Develop and implement action plans to achieve EES goals;
  - Collect and analyse EES data;
  - Track and report the company's EES performance metrics to the Sustainability Committee;
  - Prepare EES reports and disclosures;
  - Perform materiality assessment (including engaging with internal and external stakeholders) to identify and assess EES matters, risks and opportunities that are material to the company; and
  - Periodically identify opportunities to improve the company's EES performance.

### **Responsibilities of Others**

Others, who oversee the particular function/ department/ work aspect, hold an obligation to highlight to the head of business unit/ functional head, in the event of new risk factor or sustainability factor coming into their knowledge. They should also assist the RMSWC in evaluating mitigating action plan realization progress and effectiveness.

### **Coverage Scope**

These Policies are applicable among the business units within CAB Group, **which are active in business**, where the Group exerts management control. Joint ventures and associates are not subject to these Policies enforcement.

### **Risk Management Process**



The risk management process consists of the following elements:

Identify	Identify risk from internal/ external sources, which may affect achievement of the Group's objectives, on on-going basis
Assess	Risks are assessed on both inherent and residual basis considering its likelihood of occurrence and impact
Plan	Mitigating action plan is to be availed for dealing on certain risks, to minimise/ eliminate its foreseeable impact
Implement	Mitigating action plan is realized into actions
Monitor and review	Monitor the realization progress of mitigating action plan and review its effectiveness in minimizing/ eliminating threat
Communicate	Make the RMSC aware of the outcome

### Sustainability Management Process

The sustainability management process consists of the following elements:

Objective and Scope	<p>The RMSWC, with the direction of the RMSC, determines the scope to which the Group's materiality process shall apply. Scope selection may be based on:</p> <ul style="list-style-type: none"> <li>• Business segment;</li> <li>• Business location;</li> <li>• Level of control;</li> <li>• Internal and external entities along the value chain etc.;</li> </ul>
Identify and categorise sustainability matters	<p>The RMSWC shall identify a list of sustainability matters, focusing on economic, environmental and social risks and opportunities, relevant to the Group's businesses within the scope of application. The list of matters may include, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Food safety and quality;</li> <li>• Biosecurity;</li> <li>• Timeliness of delivery;</li> <li>• Ethical business practices;</li> <li>• Animal welfare;</li> <li>• Waste and effluent management;</li> <li>• Packaging and waste;</li> <li>• Climate change and emission;</li> <li>• Water use;</li> <li>• Energy conservation;</li> </ul>

- Occupation safety and health;
- Responsible labelling and marketing;
- Fair labour practices and diversity;
- Talent attraction and retention;
- Employee development and engagement;
- Contribution to community;
- Geopolitical risk;
- Technology integration;
- Any infectious disease

Assessment and Prioritisation The RMSWC, including personnel familiar with the concerns of the Group's key stakeholders, shall perform an assessment of the sustainability matters identified above.

In performing the assessment, the RMSWC shall consider the likelihood of the relevant sustainability risk crystallising and the risk impact to the Group.

Participation by key stakeholders, or their representative, may also be considered.

Sustainability matters shall be prioritised considering their significance and influence to the business as well as key stakeholders of the Group, using the Materiality Toolkit (Excel Worksheet). Material Sustainability Matters shall be determined by RMSWC based on the assessment results.

Managing Material Sustainability Matters The RMSWC shall set performance objectives and targets for each Material Sustainability Matters. Action plans to achieve performance objectives and targets shall be formulated by Management and agreed by RMSWC, together with a timeframe.

Monitor, Review and Communicate The process and outcome of the materiality process, management action plans, targets, and their implementation and performance shall be reviewed by the RMSC and reported to the Board at least annually.

Disclosure On an annual basis, the RMSC shall submit the Sustainability Statement in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad for Board's approval for inclusion in the Annual Report.

These Policies were reviewed and approved by the Board on 28 November 2024.