



登高集團

TANCO HOLDINGS BERHAD

SUSTAINABILITY POLICY

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GLOSSARY

Term	Definition
Board of Directors	The highest governing body of Tanco Holdings Berhad responsible for the Group's strategic direction and oversight, including ESG performance.
ESG (Environmental, Social, and Governance)	A framework used to evaluate the sustainability and ethical impact of an organisation's operations across three dimensions: environmental stewardship, social responsibility, and corporate governance.
GHG (Greenhouse Gas)	Gases that trap heat in the atmosphere and contribute to climate change. Common GHGs include carbon dioxide (CO ₂), methane (CH ₄), and nitrous oxide (N ₂ O).
GRI (Global Reporting Initiative)	A widely used international sustainability reporting standard that provides guidance for organisations on how to disclose ESG impacts.
IFRS S1 / S2	International Financial Reporting Standards issued by the ISSB relating to sustainability and climate-related financial disclosures.
KPI (Key Performance Indicator)	A measurable value that demonstrates how effectively an organisation is achieving key sustainability or business objectives.
Materiality	The process of identifying ESG issues that are most significant to the business and its stakeholders and prioritising them for action and disclosure.
MCCG (Malaysian Code on Corporate Governance)	A set of best practices for governance issued by the Securities Commission Malaysia, applicable to listed companies.
Risk Management and Sustainability Committee (RMSC)	The Risk Management and Sustainability Committee, responsible for overseeing ESG risk assessment, sustainability matters, and disclosures within Tanco Holdings Berhad.
Scope 1 Emissions	Direct greenhouse gas emissions from sources owned or controlled by the organisation.
Scope 2 Emissions	Indirect greenhouse gas emissions from the consumption of purchased electricity, steam, or heat
Scope 3 Emissions	All other indirect greenhouse gas emissions occurring from business travel and employee commuting, including the value chain
SDGs (Sustainable Development Goals)	A set of 17 global goals adopted by the United Nations to address social, environmental, and economic development issues.
Sustainability Statement / Report	Annual disclosure of the Group's sustainability performance, initiatives, and KPIs, as required by Bursa Malaysia.
Sustainability Working Group	A cross-functional internal team responsible for executing and monitoring ESG initiatives across departments and subsidiaries.
TCFD (Task Force on Climate-related Financial Disclosures)	A global initiative providing guidance on disclosing climate-related financial risks and opportunities.
Value Chain	Upstream and downstream activities, including suppliers, contractors, and partners, that may influence the Group's ESG performance.

1. INTRODUCTION

- 1.1 Tanco Holdings Berhad (“the Company”) and its material subsidiaries (“the Group”) recognises that long-term business resilience, stakeholder trust, and sustainable value creation require the strategic integration of environmental, social, and governance (ESG) principles across the organisation.
- 1.2 Sustainability-related risks, including environmental, social, and governance (ESG) risks, form part of the Group’s broader Enterprise Risk Management (ERM) framework. These risks are monitored and managed alongside strategic, operational, and financial risks to ensure holistic business resilience.
- 1.3 The Company is a publicly listed entity on the Main Market of Bursa Malaysia Securities Berhad, with its core business in property development.
- 1.4 This Group Sustainability Policy outlines our overarching commitment to responsible and ethical business conduct, forming the foundation for ESG integration, performance monitoring, and continuous improvement.

2. POLICY OBJECTIVE

- 2.1 The objective of this policy is to:
 - 2.1.1 Establish a clear framework for integrating sustainability and ESG principles into the Group’s decision-making, operations, and stakeholder engagement.
 - 2.1.2 Align our sustainability commitments with stakeholder expectations and regulatory requirements.
 - 2.1.3 Guide subsidiaries and business units in aligning their practices with Group-wide sustainability goals.
 - 2.1.4 Reinforce the integration of ESG considerations within the Group’s risk management processes, recognising that sustainability risks and opportunities can materially impact long-term business performance.

3. SCOPE OF APPLICATION

- 3.1 This Sustainability Policy applies to:
 - 3.1.1 All material subsidiaries within the Group
 - 3.1.2 Controlled entities, that are material, where the Group exercise operational control or has the ability to influence ESG-related decisions.
 - 3.1.3 Project sites, developments, and operational locations managed by the Group

4. SUSTAINABILITY COMMITMENT STATEMENT

- 4.1 The Group is committed to advancing sustainable development by embedding environmental, social, and governance (ESG) principles into the core of our business strategy and operations.
- 4.2 The Board of Directors oversee the Group's sustainability via the Risk Management and Sustainability Committee (RMSC), which provides guidance and monitors progress. Senior Management is responsible for execution and integration of sustainability into business operations.
- 4.3 Our commitment to sustainability is guided by the following principles:
- 4.3.1 Responsible Growth
 - (a) Drive long-term value creation through responsible development, ethical conduct, and prudent risk management.
 - 4.3.2 Environmental Stewardship
 - (a) Minimise our environmental impact by improving resource efficiency, reducing greenhouse gas emissions, and protecting ecosystems throughout our value chain.
 - 4.3.3 Inclusive and Safe Workplaces
 - (a) Foster a workplace culture that prioritises health, safety, diversity, equity, and inclusion for all employees, contractors, and stakeholders.
 - 4.3.4 Strong Governance and Accountability
 - (a) Uphold high standards of corporate governance, transparency, and integrity in all business dealings.
- 4.4 We are committed to complying with applicable regulatory requirements and integrating ESG principles progressively across the Group.

5. GOVERNANCE STRUCTURE AND ACCOUNTABILITY

- 5.1 The Group has established a multi-tiered governance structure to ensure effective leadership, oversight, and implementation of its sustainability agenda. This structure supports alignment with regulatory expectations.

5.2 Governance Structure

5.2.1 Our sustainability governance model comprises the following key components:

(a) Board of Directors

- (i) Guides the Group's ESG direction, including oversight of sustainability goals and performance outcomes.
- (ii) Oversees the integration of ESG priorities into the Group's long-term strategic direction and decision-making processes.
- (iii) Reviews and approves key sustainability policies, targets, disclosures, and risk mitigation strategies.
- (iv) Ensures ESG risks and opportunities are addressed within the broader corporate governance and risk management frameworks, in line with the Malaysian Code on Corporate Governance (MCCG) and Bursa Malaysia Listing Requirements.

(b) Risk Management & Sustainability Committee (RMSC)

- (i) Serves as the principal committee for ESG oversight, reporting directly to the Board.
- (ii) Provides cross-functional coordination for identifying, assessing, and managing ESG-related risks and opportunities, including climate-related and social impacts.
- (iii) Reviews and monitors the Group's sustainability performance, disclosures, and compliance with emerging regulatory standards (e.g., TCFD, ISSB, GRI).
- (iv) Coordinates with the Audit Committee and other relevant Board committees on matters of ESG relevance.
- (v) Integrates ESG risks into the Group's Enterprise Risk Management framework to align with risk appetite, strategy, and mitigation measures.

(c) Senior Management

- (i) Leads the execution of ESG strategies and ensures integration of sustainability priorities into business planning, risk management, and operational practices, that is supported and coordinated by the Sustainability Working Group
- (ii) Assigns roles and responsibilities across departments and business units and ensures adequate resourcing for ESG initiatives.

- (iii) Periodically reports progress, key developments, and risk exposures to the RMSC and Board.

5.2.2 This governance structure ensures clearly defined accountability and effective execution of sustainability objectives across the Group.

5.3 Roles and Responsibilities

5.3.1 Effective implementation of the Group's Sustainability Policy requires clearly defined responsibilities across all levels of governance and operations.

(a) Board of Directors

- (i) Provide strategic oversight of the Group's sustainability direction, priorities, and performance.
- (ii) Approve ESG-related policies, targets, and public disclosures in line with regulatory and stakeholder expectations.
- (iii) Ensure ESG risks and opportunities are considered in the Group's overall risk management framework.
- (iv) Decisions and approvals, including sustainability policies, targets, and disclosures, may be formalised through resolutions in writing in accordance with the Group's governance framework.

(b) Risk Management & Sustainability Committee (RMSC)

- (i) Oversee the identification, evaluation, and monitoring of ESG and climate-related risks within the Group's Enterprise Risk Management (ERM) framework.
- (ii) Review and endorse sustainability strategies, performance targets, and progress updates prior to Board consideration.
- (iii) Ensure alignment with regulatory requirements and emerging ESG reporting standards (e.g., TCFD, IFRS, GRI).
- (iv) Monitor progress against ESG objectives and review sustainability disclosures before submission to the Board.

(c) Senior Management

- (i) Translate Group-level ESG strategies into actionable plans at the operational and subsidiary levels, that is supported and coordinated via the Sustainability Working Group

- (ii) Allocate necessary resources, assign responsibilities, and oversee cross-departmental coordination to support implementation.
 - (iii) Monitor performance, ensure compliance, and report progress to the RMSC.
- (d) Heads of Subsidiaries / Business Units
 - (i) Align local operational practices, risk controls, and project execution with Group ESG policies and objectives.
 - (ii) Identify entity-specific sustainability risks, compliance gaps, and improvement opportunities.
 - (iii) Ensure timely and accurate reporting of ESG data to the Group ESG Function.
- (e) All Employees
 - (i) Comply with all sustainability-related policies, guidelines, and procedures relevant to their roles.
 - (ii) Uphold the Group's values of integrity, accountability, and responsible conduct in day-to-day operations.

6. KEY FOCUS AREAS AND POLICY COMMITMENTS

6.1 The Group recognises that ESG issues represent both opportunities and material risks. Our commitments in the following areas are designed not only to improve sustainability outcomes but also to mitigate risks that could affect business continuity, compliance, and stakeholder trust.

6.2 Environmental

- 6.2.1 The Group aims to minimise its environmental footprint and promote climate resilience through the following actions:
 - (a) Promote efficient use of energy, water, and materials, and improve waste management practices across operations.
 - (b) Measure GHG emissions across Scope 1, 2, and progressively Scope 3, with targets to progressively reduce emissions.
- 6.2.2 The Group will evaluate and report climate-related disclosures to comply with Bursa Malaysia's Sustainability Reporting Guide and other applicable requirements.

6.3 Social

6.3.1 We are committed to fostering an inclusive, safe, and socially responsible organisation that contributes positively to the communities we serve. Our commitments include:

- (a) Ensure a safe, healthy, and respectful work environment for all employees, contractors, and on-site partners, in accordance with applicable laws and international labour standards.
- (b) Uphold fair labour practices and respect human rights across our value chain, including active due diligence on suppliers and contractors.
- (c) Prevent all forms of discrimination, harassment, forced labour, and child labour within our workforce and supply chain.

6.4 Governance & Ethics

6.4.1 We uphold integrity, transparency, and ethical conduct across all business activities. Our governance and ethics commitments include:

- (a) Adhere to the Malaysian Code on Corporate Governance (MCCG) and all applicable listing requirements and regulations.
- (b) Maintain robust governance frameworks to oversee ESG risks, compliance, and performance at Board and Management levels.
- (c) Enforce a zero-tolerance stance against bribery, corruption, fraud, and unethical behaviour through internal controls, training, and whistleblowing mechanisms.

7. SUSTAINABILITY TARGETS & KPIS

7.1 The Group is committed to setting and tracking clear, actionable sustainability targets that align with our material ESG risks and opportunities and regulatory expectations. These targets serve to guide performance at Group and subsidiary levels.

7.2 Review, Disclosure & Accountability

7.2.1 The Group is committed to ensuring the accuracy, consistency, and transparency of ESG-related data across all operations.

(a) ESG Data Governance Framework

- (i) To support Group-wide ESG data integrity, the Group adopts the following governance mechanisms:

- **Defined Data Ownership:** Each department and subsidiary is accountable for collecting, validating, and submitting ESG-related data relevant to its operations.
- **Standardised Methodologies:** All ESG indicators follow Group-approved definitions, baselines, and calculation methods, aligned with Bursa Malaysia's Sustainability Reporting Guide and global reporting frameworks (e.g., GRI, ISSB/IFRS).
- **Data Control and Validation:** Internal data controls are implemented, including supporting documentation and periodic checks to ensure accuracy and reliability.

(b) Performance Tracking and Internal Review

- (i) Tanco's ESG performance management is conducted through a structured and recurring process:
- **Periodic Data Submission:** ESG focal points at each subsidiary submit validated data and updates to the Sustainability Working Group.
 - **Review:** Data is reviewed by Sustainability Working Group and submitted to the RMSC to track progress on a periodic basis to identify any performance gaps or red flags, if any.
 - **Monitoring and Improvement Plans:** Underperforming areas are addressed through improvement plans with defined owners, timelines, and support mechanisms.
 - **Internal Review:** Selected KPIs and disclosures may be subjected to internal audit or validation checks for consistency with supporting documentation.

7.3 Continuous Improvement and Adaptation

- 7.3.1 The Group recognises that assurance enhances the credibility and reliability of ESG disclosures.

(a) External Assurance

- (i) Material ESG disclosures, such as greenhouse gas emissions and key KPIs, may be subject to external assurance where required by Bursa Malaysia or other applicable regulations.
- (ii) The scope and outcome of any assurance exercise will be disclosed in the Sustainability Statement.

(b) Periodic Review

- (i) ESG targets and KPIs are periodically updated to ensure alignment with regulatory requirements.
- (ii) Keep updated on the latest green technologies that positively impacts on sustainability initiatives.

7.4 Integration of Stakeholder Feedback

- 7.4.1 Outcomes from stakeholder engagement that directly impacts the Group's materiality assessments and sustainability-related matters will be incorporated into our Group's ESG disclosures in alignment with stakeholder expectations.

8. IMPLEMENTATION STRATEGY

- 8.1 The Group aims to embed sustainability into our business operations, decision-making processes and stakeholder relationships. The following strategic actions guide our implementation efforts:

8.1.1 Cross-Functional Collaboration

Encourage collaboration among departments, subsidiaries, and functions to drive ESG ownership, innovation, and consistent implementation across the Group.

8.1.2 Supply Chain and External Partners

Progressively extend ESG integration to key suppliers, contractors, consultants, and other key business partners through onboarding, training, due diligence, and contract terms that reinforce sustainability expectations.

8.1.3 Data-Driven Decision-Making

Build internal systems to support ESG data collection, monitoring, analytics, and reporting for improved decision-making and transparency.

8.1.4 Governance and Oversight

Periodic reporting to the RMSC and Board, supported by internal audits and performance reviews, when required.

9. MONITORING, RECORD-KEEPING, AND REPORTING

- 9.1 To improve the credibility, consistency, and transparency of our sustainability performance, the Group commits to establishing a monitoring and reporting system supported by proper documentation and controls.
 - 9.1.1 Develop and maintain robust mechanisms for the systematic collection, verification, and analysis of ESG-related data.
 - 9.1.2 Maintain records of sustainability initiatives, progress against KPIs, stakeholder engagement activities, and regulatory compliance efforts.
 - 9.1.3 Conduct periodic management reviews to evaluate the effectiveness of ESG programmes and identify areas for improvement.
 - 9.1.4 Provide external assurance where required by Bursa Malaysia's Listing Requirements.
 - 9.1.5 Disclose sustainability-related performance annually through the Group's Sustainability Statement, in alignment with Bursa Malaysia's Main Market Listing Requirements and other applicable regulatory guidelines.

10. DATA VERIFICATION AND ASSURANCE

- 10.1 The Group adopts a structured approach to data verification and assurance. This ensures ESG performance reporting is reliable, transparent, and decision-useful for stakeholders. Our commitments include:
 - 10.1.1 Maintain consistency, accuracy, and completeness of reported ESG performance.
 - 10.1.2 Engage independent third-party assurance providers where required.
 - 10.1.3 Maintain documentation and audit-ready records to support regulatory compliance.

11. TRAINING AND CAPACITY BUILDING

- 11.1 The Group is committed to building a future-ready workforce by encouraging employees to gain awareness on the importance of sustainability. This will be achieved by enrolling them in certified training programmes and workshops, consistent with our sustainability agenda.

12. POLICY REVIEW AND CONTINUOUS IMPROVEMENT

- 12.1 The Group will review this policy periodically to ensure continued compliance with regulatory and internal requirements.
- 12.1.1 Review this policy at least bi-annually or earlier if required by changes in laws, regulations or internal requirements.
- 12.1.2 Ensure material changes to the policy are tabled to the Board for review and approval.
- 12.2 This Policy shall be communicated to all employees, relevant material subsidiaries, and progressively to key business partners to ensure awareness and accessibility application across the Group.

13. POLICY COMPLIANCE AND ENFORCEMENT

- 13.1 All employees, subsidiaries, and relevant key business partners are required to comply with this Policy.
- 13.1.1 Suspected violations, misconduct, or ESG-related concerns may be reported through the Group's Whistleblowing Policy, which ensures confidentiality, anonymity where required, and protection against retaliation.
- 13.1.2 Compliance status will be periodically reviewed and reported through existing risk management and governance processes.

14. REVISION HISTORY

- 14.1 This section provides a record of all revisions to this Sustainability Policy to ensure effective version control, transparency, and traceability of changes.

Version	Date Approved	Description	Approved By
1.0	15.10.2025	Initial release	Board of Directors