



CORPORATE SOCIAL RESPONSIBILITY POLICY

Responsible business. Sustainable impact. Stronger communities.

POLICY INTENT To guide responsible, ethical and sustainable practices in KBCS Group's business decisions, professional services, workplace and community engagement.

Document Owner	Board CSR Committee
Approval Authority	Board of Directors
Effective Date	Upon approval by the Board of Directors
Review Cycle	At least once every three (3) years
Classification	Internal Policy and Guidance Framework

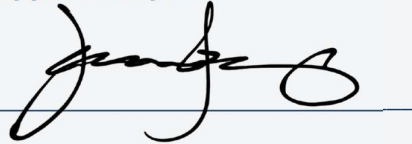
Document Control

Version	Date	Description	Approved By
1.0	<u>18 July 2023</u>	Initial issue	Board of Directors

Policy Approval

This Policy may be adopted upon approval by the Board of Directors and serves as guidance until it is updated or withdrawn. The Board CSR Committee supports implementation oversight and should recommend revisions when required.

Approved by:



Chairman / Authorized Director

Date:

18 July 2023

For and on behalf of the Board of Directors

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1. Purpose

Konsortium Bumi Consultants and Services Sdn Bhd and its group of companies (“KBCS Group” or “the Company”) recognises that long-term business success is linked to the well-being of its employees, clients, communities and the environment. This Policy provides a practical framework for planning, approving, implementing and reporting Corporate Social Responsibility (“CSR”) initiatives.

The Policy aims to encourage CSR activities that are purposeful, transparent, accountable, inclusive and aligned with the Company’s professional responsibilities, values and available resources.

2. Scope

This Policy applies to the Board of Directors, management, employees, departments, project teams and, where relevant, subsidiaries, business partners, contractors, consultants and organisations acting on behalf of KBCS Group in connection with CSR activities.

It covers cash contributions, in-kind assistance, professional or technical services, employee volunteering, community programmes, sponsorships, donations, environmental initiatives and other activities represented as KBCS Group CSR.

APPLICATION Commercial sponsorships, client entertainment, political contributions and normal business-development expenditure are not CSR merely because they provide public visibility. They remain subject to the Company’s applicable approval and integrity controls.

3. Policy Principles

- **Integrity and accountability:** CSR decisions shall be lawful, properly authorized, documented and capable of independent review.
- **Meaningful impact:** priority shall be given to initiatives with a clear community or environmental need, practical outcomes and reasonable value for resources used.
- **Alignment:** programmes should support KBCS’s values of Quality, Accountability, Agility, Leadership and Compassion, and complement its engineering, built-environment and environmental expertise.
- **Inclusiveness and respect:** activities shall respect human dignity, local culture, diversity, religious freedom and the rights and safety of beneficiaries.
- **Sustainability:** KBCS Group shall consider lasting social, economic and environmental benefits and avoid creating unnecessary dependency or harm.
- **Partnership:** the Company may collaborate with credible government agencies, educational institutions, professional bodies, non-governmental organizations and community groups.
- **No improper influence:** CSR resources shall never be used to secure an improper business advantage, conceal a benefit or circumvent anti-bribery requirements.

4. CSR Focus Areas

Focus Area	Examples of Intended Contribution
Community well-being	Support for vulnerable groups, rural communities, disaster or emergency relief, essential facilities and other demonstrated community needs.
Education and human capital	Learning support, rural library, incentives, school equipment, high speed satellite for rural schools, technical exposure, career development, internships, and built-environment education through multi-disciplinary expertise, STEM and knowledge-sharing.
Environment and climate responsibility	Conservation, environmental awareness, responsible resource use, waste reduction, biodiversity protection and practical climate-resilience initiatives.
Employee well-being and volunteerism	Workplace well-being, safety, inclusion and structured opportunities for employees to contribute time and skills to community causes.
Professional and technical contribution	Pro bono or reduced-fee expertise, technical advice, design input, safety awareness and capacity-building where these can create measurable public value.
Culture, heritage and social cohesion	Initiatives that respectfully preserve local culture, strengthen community relationships and encourage inclusive participation.

5. Governance and Board CSR Committee

5.1 Board oversight

The Board of Directors provides overall direction for the Company's CSR activities. It may approve this Policy, material CSR budgets and initiatives that fall outside delegated authority or present significant legal, financial, safety, environmental or reputational risk.

5.2 Composition

Name	Corporate Position	Committee Role
Dato Ir. Janang Bungsu	Managing Director	Chairman
Ar. David Hollis Tini	Director	Member
Ir. David Sengalang Uyang	Director	Member
LAr. Sinsoon Jabu	Director, KBE	Member
Mr Bangkar Rabar	KKR President	Member
Spenny Ingok	Finance Manager	Member / Finance Focal Point

5.3 Responsibilities

- Set annual CSR priorities and recommend the CSR plan and budget for approval.
- Evaluate proposals against the selection criteria in this Policy and approve them within delegated authority.
- Ensure appropriate due diligence, risk assessment, financial control and conflict-of-interest management.
- Appoint a programme owner for each approved initiative and monitor delivery, expenditure and results.
- Promote employee participation while ensuring that participation is voluntary, safe and properly supervised.
- Review the annual CSR report and provide recommendations to the Board.
- Suspend, modify or terminate activities that breach this Policy or expose KBCS Group or beneficiaries to unacceptable risk.

5.4 Meetings and decisions

The Committee intends to meet periodically, generally at least twice each financial year, with additional meetings arranged when useful. As a general guide, meetings should include at least three (3) members, including one Director, where practicable. Decisions should be made by consensus; where consensus is not possible, a simple majority of members present may decide. If views are equally divided, the Chairman may provide the deciding view. Minutes and declared conflicts should be recorded.

6. CSR Planning and Project Selection

6.1 Annual planning

The Committee may establish an annual CSR plan based on stakeholder needs, strategic relevance, prior-year outcomes, available resources and risk. The plan should identify intended beneficiaries, programme owners, budgets, timing, partners and measurable outputs or outcomes.

6.2 Proposal assessment

- A clearly evidenced social or environmental need and identifiable beneficiaries.
- Alignment with at least one CSR focus area and KBCS's values or professional strengths.
- Expected benefits, measurable outputs and reasonable prospects for sustainable impact.
- A realistic implementation schedule, defined ownership and suitable capacity.
- Proportionate cost and value for money, including non-cash contributions.
- Legal, ethical, health and safety, environmental and reputational risks.
- Credibility and governance of any beneficiary or delivery partner.
- Absence of improper influence, undisclosed conflicts or discriminatory exclusion.

6.3 Due diligence

Before approval, the programme owner should perform due diligence proportionate to the value and risk of the initiative. This may include verifying the recipient's legal identity, purpose, office bearers, bank account, track record, safeguarding arrangements, licences, quotations, site conditions and relationship with KBCS personnel or clients.

Higher-risk or higher-value initiatives may require written legal, finance, safety, environmental or technical review before commitment.

6.4 Exclusions

- Political parties, election candidates, political campaigning or partisan activity.
- Activities intended to improperly influence procurement, regulatory, licensing or client decisions.
- Personal requests that do not demonstrate a legitimate community or charitable purpose.
- Organisations or activities involving fraud, corruption, discrimination, hate, violence, exploitation or unlawful conduct.
- Initiatives that conflict with KBCS Group's professional duties, contractual obligations, safety standards or reputation.
- Commitments made without written authority or adequate supporting documentation.

7. Financial Governance and Contributions

- CSR expenditure should be supported by an approved budget and processed through the Company's established finance and procurement controls.
- Employees and Committee members should avoid promising or disbursing CSR funds, services or assets without appropriate written approval.
- Payments should be made to the verified bank account of the approved recipient or directly to a verified supplier. Cash payments should be avoided and, where unavoidable, require enhanced documentation and approval.
- All expenditure should be supported by appropriate records, such as proposals, approval papers, quotations, invoices, receipts, acknowledgements and completion evidence.
- Restricted funds or donations should be used only for the approved purpose. Any unspent balance should be reported and returned or reallocated only with written approval.
- In-kind contributions and professional services should be recorded at a reasonable basis for internal reporting.
- The Finance Manager should monitor expenditure against approved budgets and report material variances to the Committee.

DELEGATED AUTHORITY CSR approval limits should generally follow the Company's prevailing Limits of Authority. Where no specific CSR limit exists, Board endorsement should normally be obtained before any financial or contractual commitment is made.

8. Implementation and Partnerships

Each initiative should have an appointed KBCS Group programme owner responsible for delivery, coordination, records, risk controls and reporting. Implementation plans should be proportionate to the programme and may include milestones, responsibilities, beneficiary criteria, safety measures, communications and close-out requirements.

- Written agreements should be used where KBCS Group provides material funding, technical services, equipment or access to Company resources.
- Partners are expected to observe applicable laws and KBCS Group requirements relating to integrity, safety, safeguarding, environmental protection, privacy and branding.
- Participation by employees should be voluntary unless the activity forms part of assigned duties. Approved working-time participation should be agreed with the relevant manager.
- All activities should be planned to protect employees, volunteers, beneficiaries and the public. Appropriate risk assessments, supervision, insurance or consent should be obtained where relevant.

- Personal data and images should be collected, used and published only for a legitimate purpose and with appropriate notice or consent. Special care should be taken with children and vulnerable persons.

9. Monitoring, Evaluation and Reporting

KBCS Group should monitor CSR performance using measures appropriate to each programme. Reporting should focus on genuine outcomes and should not overstate impact.

Measure	Illustrative Evidence
Inputs	Approved expenditure, employee volunteer hours, in-kind support and professional time.
Outputs	Number of activities, participants, beneficiaries, facilities supported, training hours or items delivered.
Outcomes	Evidence of improved capability, access, safety, well-being, environmental condition or other intended benefit.
Governance	Budget variance, completion status, incidents, complaints, partner compliance and corrective action.
Learning	Beneficiary feedback, lessons learned and recommendations for continuation, redesign or closure.

The Committee should provide the Board with an annual summary of approved initiatives, beneficiaries, expenditure, outcomes, significant incidents and planned improvements. Public reporting, where undertaken, should be accurate, balanced, respectful of beneficiaries and approved through the Company's communication process.

10. Ethics, Conflicts and Anti-Bribery

- Committee members and employees should disclose any actual, potential or perceived conflict of interest relating to a proposal, recipient, supplier or partner.
- A conflicted person should not influence the assessment or approval and should withdraw from the relevant discussion and decision. The declaration and recusal should be minuted.
- Contributions should not be offered or made to obtain or retain business, secure favourable treatment or reward a decision.
- Gifts, benefits or hospitality offered in connection with CSR activity should be handled under applicable Company integrity rules.
- Suspected fraud, bribery, diversion of funds or misconduct should be reported promptly and investigated through the appropriate Company process. Payments or activities may be suspended pending review.

11. Communication and Stakeholder Engagement

KBCS aims to engage affected stakeholders respectfully and, where practicable, involve them in understanding needs, designing programmes and assessing results. Communications should protect dignity, avoid exploitative imagery or claims and acknowledge partners fairly.

Use of the KBCS Group of companies' name, logo, photographs, project information or public statements in relation to CSR should receive prior authorisation. No partner or beneficiary may imply endorsement beyond the approved initiative.

12. Complaints and Grievances

Employees, partners, beneficiaries and members of the public may raise concerns regarding CSR selection, conduct, safety, misuse of funds, discrimination or impact through the Company's designated reporting or grievance channels. Reports should be handled confidentially to the extent practicable, assessed promptly and escalated according to seriousness.

KBCS Group prohibits retaliation against any person who raises a concern honestly and in good faith. Corrective action may include investigation, remediation, recovery of funds, suspension or termination of an initiative, appropriate internal action or referral to the relevant authority.

13. Records, Review and Compliance

13.1 Records retention

CSR records should be retained in accordance with applicable law and the Company's record-retention requirements. Records should include proposals, due diligence, approvals, declarations of interest, agreements, financial evidence, attendance or beneficiary data where appropriate, monitoring results, incidents, complaints and close-out reports.

13.2 Review

The Board CSR Committee should review this Policy at least once every three (3) years, or earlier following material changes in law, Company structure, stakeholder expectations or significant incidents. Material amendments should be presented to the Board of Directors for approval.

13.3 Compliance

Where the guidance in this Policy is not followed, KBCS may review the circumstances and take proportionate steps to protect the Company, its partners and beneficiaries. Questions on interpretation may be referred to the Board CSR Committee.