



99 Speed Mart Retail Holdings Berhad Sustainability Framework



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1.0 Introduction

99 Speed Mart Retail Holdings Berhad and its subsidiaries (“99 Speed Mart” or “the Group”) recognise that sustainability is a key driver of long-term business success. This Sustainability Framework (the “Framework”) serves as a structured and enhanced approach to strengthen our commitment to environmental, social and governance (“ESG”) practices.

Building upon our existing policy, this framework aims to:

- Integrate sustainability more systematically into both strategic planning and daily operations
- Enhance transparency and accountability through well-defined governance and reporting mechanisms
- Strengthen environmental responsibility by optimising resource efficiency, minimising waste and reducing emissions
- Foster a more structured social impact by prioritising workplace safety, diversity and community engagement

This Framework provides a formalised approach to advancing the sustainability objectives of 99 Speed Mart, ensuring alignment with our core values while delivering meaningful benefits to stakeholders and the wider community.

2.0 ESG Strategy

The ESG Strategy reflects the fundamental principles of our sustainability philosophy, driven by our vision and strategic priorities and aligned with the United Nations Sustainable Development Goals (“UN SDGs”). It is structured around four key pillars:

- Ensuring Quality in Products and Services
- Promoting Ethical Governance and Transparency
- Advancing Environmental Responsibility and Sustainability
- Fostering Employee Well-being and Community Engagement

Each pillar encompasses material sustainability matters deemed significant to the Group, ensuring a focused approach that integrates governance practices, environmental impact reduction and community engagement.

Vision

To maintain our image as one of Malaysia's market leaders in the retail grocery sector, we aim to provide a wide and diverse range of daily use products of the highest quality. Additionally, we provide strong value proposition to our customers to ensure that customers' needs are met with efficiency and care.

Mission

To stay true to our ethos of NEAR n' SAVE, we aim to further save time and money for our customers by improving our economies of scale. To achieve this, we integrate a vast network of distribution centres and advanced logistics system that complement our outlets, resulting in economic efficiency, and more competitive prices for our customers.

Strategic Thrusts

Strengthening Product Excellence and Customer Service for Sustainable Economic Growth	Upholding Transparency and Accountability to Foster Stakeholder Trust	Pursuing Eco-Friendly Practices for Greener Growth and Resilience	Accelerating Human Capital Development and Enhancing Well-being for All
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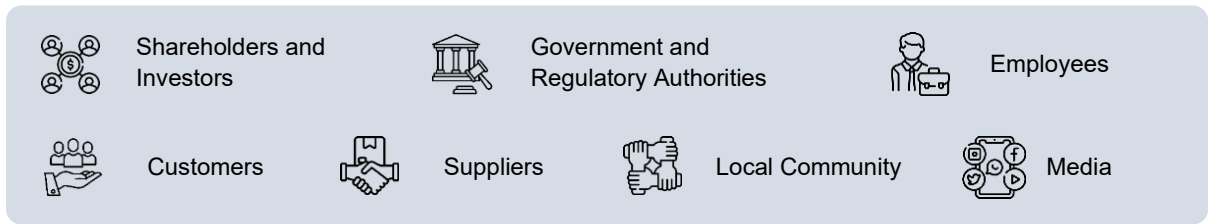
Sustainability Pillars & Material Sustainability Matters

<p>Ensuring Quality in Products and Services</p> <ul style="list-style-type: none"> 1)Economic Performance 2)Market Reach 3)Product Quality & Customer Health and Safety 4)Sustainable Supply Chain 	<p>Promoting Ethical Governance and Transparency</p> <ul style="list-style-type: none"> 1)Regulatory Compliance 2)Corporate Governance and Anti-Corruption 3)Information Security and Data Protection 	<p>Advancing Environmental Responsibility and Sustainability</p> <ul style="list-style-type: none"> 1)Energy Management 2)Emissions Management 3)Waste Management 4)Water Efficiency 	<p>Fostering Employee Well-being and Community Engagement</p> <ul style="list-style-type: none"> 1)Customer Satisfaction 2)Employee Health, Safety and Well-being 3)Human Rights and Labour Practices 4)Training, Education and Talent Development 5)Employment 6)Community Engagement 7)Diversity, Equity and Inclusion (DEI)
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Contribution to the UN SDGs



Key Stakeholder Groups



3.0 ESG Policy

1. Overview

At 99 Speed Mart, we envision a future where business success and sustainability go hand in hand.

We are committed to aligning our corporate values with our vision of “Near n’ Save” and to sustainably achieving that purpose with a holistic approach to long-term value creation. By placing a strong emphasis on sustainability, we aim to advance the goals of the United Nations Sustainable Development Goals (“UN SDGs”) alongside the growth of our business.

This commitment extends to integrating sustainable business policies and project management directives into our business strategy to optimise costs, whilst considering the external aspects of stakeholders and the environment.

2. Purpose & Objectives

This ESG Policy (the “Policy”) expresses the Group’s commitment to sustainability and provides a framework for ESG integration. It guides alignment with strategic objectives, enforces accountability and compliance, promotes transparency and supports long-term viability, risk management, stakeholder engagement, competitive advantage and brand image.

The Policy focuses on four key areas of sustainability:

- **Ensuring Quality in Products and Services:** We adhere to principles that support responsible business growth while generating positive impacts for our community and the environment.
- **Promoting Ethical Governance and Transparency:** Our commitment to governance sustainability is characterised by transparency, accountability and compliance, ensuring responsible and ethical business practices.
- **Advancing Environmental Responsibility and Sustainability:** We are committed to reducing our environmental impact through sustainable practices across our business, including energy management, waste management, responsible sourcing and supply chain practices.
- **Fostering Employee Well-being and Community Engagement:** We advocate for anti-discriminatory policies and seek to empower underprivileged individuals or those with special needs as part of our commitment to the national community.

The key areas above serve as a blueprint for 99 Speed Mart for the establishment and/or the implementation of sustainability initiatives.

3. Our Principles

a) Ensuring Quality in Products and Services

Our commitment to economic sustainability aims to promote responsible business practices that drive growth and benefit the economy, society and stakeholders. Key approaches include the following:

- **Building Competitiveness:** To continuously improve our products and services to ensure the resilience of our supply chain by forging reciprocal relationships with our suppliers.
- **Local Partnerships for Economic Development:** To prioritise products produced by local suppliers and maximise the employment of local staff.
- **Customer-Centric Approach:** To ensure that employees of the Group accept constructive feedback and endeavour to improve and enhance customer experiences.
- **Innovation for Sustainability:** To promote the continuous exploration of eco-friendly retail practices, embrace technology adoption and encourage sustainable goods.
- **Promoting Supply Chain Transparency and Fair Trade:** To ensure transparency within our supply chain and collaborate with suppliers who adhere to fair labour practices, ethical sourcing standards and sustainable production processes.

b) Promoting Ethical Governance and Transparency

The Group recognises the critical role that strong governance plays in achieving long-term sustainability goals and contributing positively to society and the environment. Our approach to achieving the objective includes:

- **Strong Governance Practices and Anti-Corruption:** To strengthen governance practices through effective oversight, strategic decision-making while implementing anti-corruption measures to uphold ethical standards and mitigate risks related to fraud and unethical practices.
- **Compliance with Laws and Regulations:** To ensure strict adherence to all applicable laws, regulations and industry standards, demonstrating our commitment to responsible business practices.
- **Ethical Business Practices and Financial Integrity:** To uphold the highest standards of ethical conduct, transparency and honesty in our operations, reflecting our values and commitments.
- **Stakeholder Engagement and Communication:** To foster open and effective communication with all stakeholders, including employees, customers, suppliers and communities, to build trust and strengthen relationships.
- **Information Security and Data Protection:** To prioritise the security of customer and employee data, ensure compliance with data protection regulations to safeguard privacy and maintain the integrity of our information systems.

c) Advancing Environmental Responsibility and Sustainability

We are committed to supporting the national goal of achieving net-zero emissions by 2050 at the earliest. In our plans, we will carefully assess the environmental impacts arising from our business operations. Key approaches include the following:

- **Carbon Emission Reduction:** To monitor, manage and reduce our carbon footprint across our business operations towards achieving local and global climate objectives.
- **Efficient Resource Utilisation:** To optimise resource utilisation across our operations which includes the efficient consumption of electricity and water.
- **Waste Minimisation and Recycling:** To implement strategies to reduce waste, promote reuse and foster a culture of recycling.
- **Sustainable Sourcing and Logistics:** To source products responsibly and adopt efficient transportation practices to reduce the environmental impact of our supply chain.
- **Fostering Circular Economy Practices:** To encourage the use of sustainable packaging and recycling initiatives to reduce resource consumption and environmental impact.

The Group will remain informed on emerging policies and/or technologies to progressively work towards decarbonisation and waste minimisation.

d) Fostering Employee Well-being and Community Engagement

We prioritise social sustainability and aim to have a positive impact on our employees, customers and the broader communities we serve. Our approach to achieving the above includes:

- **Health and Safety:** To maintain a safe working environment and promote best practices in health and safety across all our operations, encouraging safe operations and low injury rates.
- **Diversity and Inclusion:** To embrace diversity and foster a vibrant community that values differences in gender, age, physical ability, ethnicity and background by practicing non-discriminatory employment.
- **Human Rights and Fair Labour Practices:** To align and apply ethical standards in our operations, ensuring that all individuals are treated with respect, dignity and fairness.
- **Community Engagement:** To support our local community with various initiatives, ensuring a strong relationship with the communities we serve.
- **Training and Workforce Development:** To embrace the value of continuous learning and growth, ensuring that our employees are equipped with the necessary skills for personal development while nurturing new talent.
- **Customer Satisfaction:** To satisfy customer expectations through excellent service and high-quality products while continuously improving based on feedback.
- **Employment:** To provide stable and fair employment opportunities, ensuring that a diverse, inclusive and well-compensated workforce.

4. Applicability

The Sustainability Policy is applicable to all employees of the Group, as well as external parties including our vendors, suppliers and contractors. We encourage all employees to adhere to the commitments set forth in this policy.

This policy references and should be read together with the Group's other relevant codes and policies:

- Anti-Bribery and Anti-Corruption Policy
- Code of Conduct and Business Ethics (COBE) Policy
- Board Charter
- No Receipt Policy
- Privacy Policy
- Whistleblowing Policy
- Related Party Transactions Policy & Procedures
- Conflict of Interest Policy
- Fit and Proper Policy
- Succession Planning Policy

5. Reports and Disclosure

We track and measure our sustainability progress by setting specific targets for each Key Performance Indicator ("KPI") to achieve our sustainability goals. Regular monitoring of the KPIs enhances transparency and reports our actual performance to the public in accordance with Bursa Malaysia's Main Market Listing Requirements ("MMLR").

We will also ensure that the Group's operations and communications meet the minimum standards and requirements of the Malaysian Code on Corporate Governance ("MCCG").

6. Adoption and Review

This Policy was last updated by the Group on 14th April 2025. The Policy will be reviewed and updated regularly, or when necessary to keep abreast of new developments in the ESG landscape.

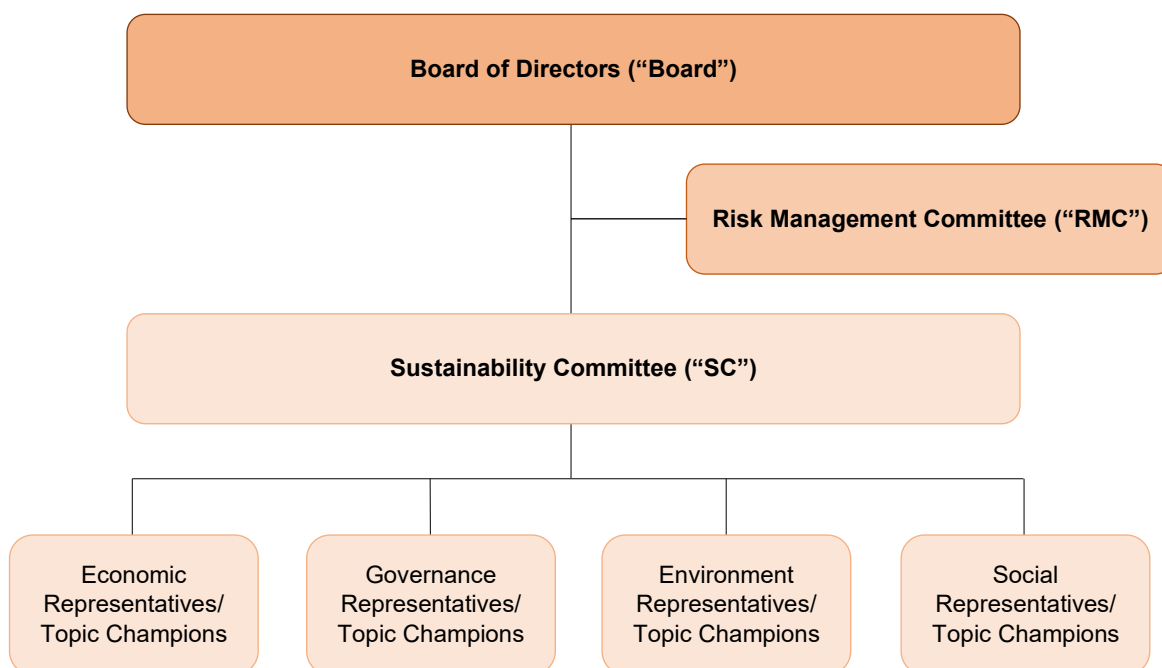
4.0 Sustainability Governance Structure Terms of Reference

1. Objective

The Sustainability Governance Structure provides strategic support to the Board of Directors (the “Board”) in providing directive and oversight on the Group’s sustainability strategy. It ensures that sustainability efforts are effectively aligned with the Group’s business objectives, while also ensuring compliance with relevant regulations and industry standards.

2. Sustainability Governance Structure

The Board provides strategic oversight of the Group’s sustainability-related matters. The Risk Management Committee (“RMC”) monitors sustainability-related risks and opportunities while the Sustainability Committee (“SC”) implements initiatives that are aligned with the Group’s overall objectives.



3. Roles and Responsibilities

Key Roles and Responsibilities of the Board

- i. Provides strategic oversight on the Group's sustainability agenda, ensuring strategies, performance and material sustainability matters comply with relevant regulation, standards and alignment with business objectives.
- ii. Guides the integration of ESG-related risks and opportunities within the Group's strategy and risk management framework, including climate-related risks and opportunities.
- iii. Approves sustainability policies, strategies, material sustainability matters and the annual Sustainability Statement put forward by the SC.
- iv. Promotes a strong sustainability culture within the Group, driving sustainable practices across all levels.

Key Roles and Responsibilities of the RMC

- i. Reviews and communicates to the Board, critical risks (present or potential) including ESG risks the Group faces, their changes, and management's action plans to manage and mitigate the risks identified from time to time.
- ii. Reviews and monitors the integration of ESG risks into the Group's risk management framework.
- iii. Reviews the risk profile of the Group to ensure integration of ESG risks and develops plans to mitigate risks as identified from time to time.
- iv. Oversees the management of principal business risks and significant / material ESG risks.
- v. Ensures resources and processes are in place to enable the Group to achieve its sustainability commitments and targets.
- vi. Reviews the performance evaluations of the Board and senior management in addressing the Group's material sustainability risks and opportunities.
- vii. Ensures appropriate action is taken to ensure that the Group understands the sustainability issues relevant to the Group and its business, including climate-related risks and opportunities.
- viii. Reviews disclosures statements relating to management of sustainability matters of the Group in Annual Report.

Key Roles and Responsibilities of the SC

- i. Develops, recommends and implements sustainability policies, strategies, initiatives and targets.
- ii. Manages and tracks key sustainability metrics to measure progress toward set targets.
- iii. Evaluates and integrates the Group's ESG and climate-related risks and opportunities into its business strategy, in coordination with the RMC.
- iv. Analyses and reports on the Group's sustainability performance, providing updates to the Board as necessary.
- v. Collaborates with different departments to ensure their activities align with sustainability targets.
- vi. Recommends and facilitates the adoption of enhanced sustainability practices where necessary.

4. Committee Meetings

- i. The SC shall convene at least four meetings annually, with one meeting held each quarter, and may schedule additional meetings as necessary.
- ii. The Chairman of the SC shall be the Chief Executive Officer ("CEO"). In the Chairman's absence, a designated SC member, deemed best suited to assist and resolve issues, shall act as the interim chair.
- iii. The quorum for the SC meetings shall consist of at least 50% of the attendance of the Key Senior Management team, including the Chairman.
- iv. Any member of the SC may participate in a meeting via telephone, video conferencing, or other modes of communication, and shall be considered present.
- v. All SC members and any required attendees will receive the notice and agenda at least two days before each meeting.
- vi. The minutes of the meeting shall be confirmed by the SC Chairman before circulation to all members.

5. Chairman

In the absence of the Chairman, the meeting shall be chaired by a member of the SC who is deemed most suitable to assist, attend and advise in addressing and resolving issues raised during the meeting.

6. Authority

The SC, in the performance of its duties, shall have access to the necessary resources required to fulfil its duties and investigate any relevant activities within the scope of its terms of reference. The SC may engage independent professional advisers and service providers, as deemed appropriate, to assist the SC in carrying out its responsibilities.

7. Reporting Responsibilities

- i. The SC shall communicate its conclusions and recommendations to the Board following each meeting.
- ii. Any significant issues deemed of major importance shall be referred to the Board for review, at the discretion of the Chairman and SC members.

8. Review of Terms of Reference

The Terms of Reference for the Sustainability Governance Structure shall be reviewed annually, or as necessary. Any proposed revisions or amendments, whether suggested by the SC or an external party, shall be submitted to the Board for approval.