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## **HUMAN RIGHTS POLICY**

**RENEUCO BERHAD**  
(Formerly known as KPower Berhad)  
Registration No. 199701003731 (419227-X)

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DULY APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF RENEUCO BERHAD (FORMERLY KNOWN AS KPOWER BERHAD) AT THE BOARD OF DIRECTORS' MEETING HELD ON 17 OCTOBER 2022

# HUMAN RIGHTS POLICY

Doc. No.: RENEUCO-HRP-01

## Note

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The Group reserves the right to review, amend or update this Policy from time to time.

For any enquiries, please contact the Sustainability Unit, Corporate Finance and Strategy.

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## 1.0 Introduction

- 1.1. This Human Rights Policy (“Policy”) provides guidelines governing the identification and management of human rights issues. This Policy reflects the commitment of the Group, to promote human rights in accordance with the UN Guiding Principles on Business and Human Rights in the Group’s business processes and in the Group’s business relationships.
- 1.2. Details of the Group’s human rights policy, processes, procedures and management outcomes shall be reported in accordance with the Global Reporting Initiative (GRI) Standards.
- 1.3. This Policy may be reviewed and updated from time to time to comply with local law(s) and directives, and international conventions and standards.

## 2.0 Scope

- 2.1. This Policy shall by no means be exhaustive nor is it inclusive of all the policies of the Group.
- 2.2. The Policy is central to the management of human rights matters in terms of upholding the “protect, respect and remedy” principles as stated in the UN Guiding Principles in order to avoid, mitigate and manage any human rights impacts.
- 2.3. This Policy applies to:
  - a. The Board of Directors;
  - b. Management; and
  - c. Employees.

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## 3.0 Definitions

Definitions	Descriptions
Actual human rights impacts	Adverse impact that has already occurred or is occurring.
Potential human rights impact	Adverse impact that may occur but has not yet done so.
Adverse human rights impact	Any action that removes or reduces the ability of an individual to enjoy his or her human rights.
Business relationships	Those relationships the Group has with business partners, entities in its value chain and any other non-State or State entity directly linked to its business operations, products or services.
Due diligence	Measure of prudence, activity, or assiduity, as is properly to be expected from, and ordinarily exercised by, a reasonable and prudent [person] under the particular circumstances; not measured by any absolute standard, but depending on the relative facts of the special case. Human rights due diligence comprises an ongoing management process that the Group needs to undertake, in the light of its circumstances to meet its responsibility to respect human rights.
Prevention	Actions taken to ensure adverse human rights impact does not occur.
Mitigate or mitigation	Actions taken to reduce the extent of adverse human rights impact, with any residual impact then requiring remediation. The mitigation of human rights risks refers to actions taken to reduce the likelihood of a certain adverse impact occurring.
Remediation	Both the processes of providing remedy for an adverse human rights impact and the substantive outcomes that can counteract, or make good, the adverse impact. These outcomes may take a range of forms, such as apologies, restitution, rehabilitation, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.
Stakeholder	Any individual who may affect or be affected by the Group's activities. An affected stakeholder refers here specifically to an individual whose human rights has been affected by the Group's operations, products or services.

## 4.0 Human Rights Commitment

- 4.1 The Group commits to respecting human rights. This means that it shall avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
  - 4.2 The responsibility of the Group to respect human rights refers to internationally recognised human rights such as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
  - 4.3 The responsibility to respect human rights requires that the Group:
    - a. Avoid causing or contributing to adverse human rights impacts through its own activities, and address such impacts when they occur; and
    - b. Seek to prevent or mitigate adverse human rights impacts that are directly linked to its operations, products or services by its business relationships, even if it has not contributed to those impacts.
  - 4.4 In order to meet their responsibility to respect human rights, the Group should have in place policies and processes appropriate to their size and circumstances, including:
    - a. A human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights; and
    - b. Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.
  - 4.5 In order to identify, prevent, mitigate and account for how they address their adverse human rights impacts, the Group should carry out human rights due diligence. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed. Human rights due diligence:
    - a. Should cover adverse human rights impacts that the Group may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships; and
    - b. Should be ongoing, recognising that the human rights risks may change over time as the Group's operations and operating context may evolve.
  - 4.6 The Group should identify and assess any actual or potential adverse human rights impacts with which it may be involved either through its own activities or as a result of business relationships. This process should:
    - a. Draw on internal and/or independent external human rights expertise; and
    - b. Involve meaningful consultation with potentially affected groups and other relevant stakeholders, as appropriate to the size of the Group and the nature and context of the operation.
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- 4.7 In order to prevent and mitigate adverse human rights impacts, the Group should integrate the findings from its impact assessments across relevant internal functions and processes, and take appropriate action, deliberated as follows:
- a. Effective integration requires:
    - (i) Responsibility for addressing such impacts is assigned to the appropriate level and function within the Group; and
    - (ii) Internal decision-making, budget allocations and oversight processes enable effective responses to such impacts.
  - b. Appropriate action will vary according to:
    - (i) Whether the Group causes or contributes to an adverse impact, or whether it is involved solely because the impact is directly linked to its operations, products or services by a business relationship; and
    - (ii) The extent of its leverage in addressing the adverse impact.
- 4.8 In order to verify whether adverse human rights impacts are being addressed, the Group should track the effectiveness of its response. Tracking should be based on:
- a. Appropriate qualitative and quantitative indicators; and
  - b. Feedback from both internal and external sources, including affected stakeholders.
- 4.9 In order to account for how it addresses human rights impacts, the Group should be prepared to communicate this externally, particularly when concerns are raised by or on behalf of affected stakeholders. In all instances, communications should:
- a. Be of a form and frequency that reflect the Group's human rights impacts and that are accessible to its intended audiences;
  - b. Provide information that is sufficient to evaluate the adequacy of the Group's response to the particular human rights impact involved; and
  - c. In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.
- 4.10 Where the Group identifies that it has caused or contributed to adverse impacts, it should provide for or cooperate in their remediation through legitimate processes.
- 4.11 In all contexts, the Group should:
- a. Comply with all applicable laws and respect internationally recognised human rights, wherever they operate;
  - b. Seek ways to honour the principles of internationally recognised human rights when faced with conflicting requirements; and
  - c. Treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever they operate.
- 4.12 Where it is necessary to prioritise actions to address actual and potential adverse human rights impacts, the Group should first seek to prevent and mitigate those that are most severe or where delayed response would make them irremediable.

- 4.13 The Group commits to stakeholder engagements which is the ongoing process of interaction and dialogue between the Group and its potentially affected stakeholders that enables the Group to hear, understand and respond to their interests and concerns, including through collaborative approaches.

## **5.0 Human Rights Related Commitments**

### **5.1 Equality, Diversity and Inclusion**

The Group is committed to the principles of equal opportunity and equal pay and maintains a zero-tolerance policy on discrimination. The Group works to maintain workplaces that are free from discrimination on the basis of race, sex, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law.

### **5.2 Freedom of Association and Collective Bargaining**

The Group respects its employees' right to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. The Group also respects and supports the right to collective bargaining. It is committed to establishing a constructive dialogue in good faith with employees and/or their representatives.

### **5.3 Workplace Security**

The Group is committed to maintaining a workplace that is free from violence, harassment, bullying, intimidation and other unsafe or disruptive conditions due to internal and external threats. Violence, harassment, bullying, and intimidation is not tolerated in the workplace and in any work-related circumstance outside the workplace.

### **5.4 Forced Labour and Human Trafficking**

Forced or compulsory labour are work and service that is exacted from any person under the menace of any penalty and for which the said person has not offered herself or himself voluntarily. The Group prohibits the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery and any form of human trafficking.

### **5.5 Child Labour**

Child labour is work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age as stated by the International Labour Organization. The Group prohibits the hiring of individuals that is under eighteen (18) years of age for any position in the Company.

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## 5.6 Minimum Wages

The Group is committed to complying to the latest minimum wages regulation set by the authorities to protect employees against any unduly low pay. The Group also believes that minimum wages can also be one element of a policy to overcome poverty and reduce inequality, including those between men and women, by promoting the right to equal remuneration for work of equal value.

## 6.0 Whistleblowing and Grievance Mechanism

6.1 To make it possible for grievances to be addressed early and remediated directly, the Group shall establish or participate in effective whistleblowing and grievance mechanisms for individuals and communities who may be adversely impacted.

6.2 In line with good corporate governance and with the introduction of the Whistleblower Protection Act 2010, the Group has implemented a Whistleblowing Policy and Procedures to encourage its employees and parties in the business relationships to disclose alleged, suspected and/or known improper conduct, without fear of retribution or detrimental action.

6.3 Any employee or members of the public can raise their concerns regarding any known breaches or suspected breaches of the Policy through the Group's Whistleblowing Policy and Procedures, which is available on the Group's corporate website. Whistleblowers shall be accorded the protection as set out in the Whistleblowing Policy.

## 7.0 Revision

7.1 The procedures contained in this Policy may be amended and supplemented from time to time by a resolution of the Board.