



STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

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

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

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

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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.

Table of Contents

No.	Description	Page Number(s)
1	Introduction	2
2	Scope	2
3	Definitions	3-4
4	Stakeholder Identification	4-6
5	Stakeholder Engagement	6-7
6	External Assurance	7-8
7	Revision	8

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

1.0 Introduction

- 1.1 This Stakeholder Identification and Engagement Policy (“Policy”) provides guidelines governing the identification, management and engagement of internal and external stakeholders of the Group, which is expected when managing Sustainability in the Group.
- 1.2 Details of the Group’s stakeholder identification, stakeholder engagements, and key topics and concerns raised by the stakeholders, will be disclosed 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.

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 Sustainability, and in adherence to the Stakeholder Inclusiveness principle of the internationally recognised Global Reporting Initiative (GRI) Standards for Sustainability management and reporting. The Policy shall be updated in accordance with the latest Sustainability standards and frameworks.
- 2.3 This Policy applies to:
 - a. The Board of Directors;
 - b. Management; and
 - c. Employees.

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

3.0 Definitions

Definitions	Descriptions
Stakeholder	<p>Entities or individuals that can reasonably be expected to be significantly affected by the Group’s activities, products, or services; or whose actions can reasonably be expected to affect the ability of the Group to implement its strategies or achieve its objectives. Stakeholders include entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organisation.</p> <p>Stakeholders also include those who are invested in the Group (such as employees and shareholders), as well as those who have other relationships to the Group (such as other workers who are not employees, suppliers, vulnerable groups, local communities, and NGOs or other civil society organisations, among others).</p>
Stakeholder Engagement	<p>The process for understanding the reasonable expectations and interests of stakeholders, as well as their information needs. The Group initiates different types of stakeholder engagement as part of its regular activities, which can provide useful inputs for decisions on management and reporting. These include routine engagements to inform ongoing organisational or business processes.</p> <p>Stakeholder engagement based on systematic or generally accepted approaches, methodologies, or principles can be implemented. Other means that can be used include monitoring the media, engaging with the scientific community, or collaborative activities with peers and stakeholders. The overall approach is to be sufficiently effective so that stakeholders’ information needs are properly understood.</p> <p>Systematic stakeholder engagement, executed properly, is likely to result in ongoing learning within the Group, as well as increased accountability to a range of stakeholders. Accountability strengthens trust between the Group and its stakeholders.</p>
Material Topic	<p>A topic that reflects the Group’s significant economic, environmental and social impacts; or that substantially influences the assessments and decisions of stakeholders. A combination of internal and external factors can be considered when assessing whether a topic is material. These include the Group’s overall mission and competitive strategy, and the concerns expressed directly by stakeholders through the process of stakeholder engagement.</p> <p>For the purposes of Sustainability reporting in accordance with the GRI Standards, the Group is required to report the list of stakeholders, the details of stakeholder identification and stakeholder engagement, and the list of material topics, in its Sustainability Report.</p>
Sustainability Committee	<p>The officially designated committee within the Group that is delegated to assist the Board of Directors (“Board”) in managing Sustainability matters relating to the Group. The Sustainability Committee shall be the guiding force behind all recommendations to the Board, and is responsible for the implementation of all strategies, programmes, action plans and management approaches that relate to Sustainability within the Group.</p>

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

Affect	Impact or influence that exists between the Group and its Stakeholders; whereby “impact” refers to the effect the Group has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development.
External Assurance	Activities designed to result in published conclusions on the quality of the report and the information (whether it be qualitative or quantitative) contained within it. External assurance also refers to activities designed to result in published conclusions about systems or processes, including the stakeholder engagement process. (This is different from activities designed to assess or validate the quality or level of performance of an organisation, such as issuing performance certifications or compliance assessments).

4.0 Stakeholder Identification

- 4.1 The Group shall establish the basis for identifying and selecting stakeholders, with whom to engage. A list of stakeholder groups to be engaged by the organisation shall be determined annually using methodology such as a Stakeholder Identification Worksheet and/or any type of approach which the Group deems appropriate (if any).
- 4.2 There are Internal Stakeholders and External Stakeholders that will be identified related to the organisational or operational boundaries of the Group.
- 4.3 The terminology “boundary” is a description of where the impacts occur for a material topic, and the Group’s involvement with those impacts. An organisational boundary could mean a subsidiary of the Group whereas an operational boundary could mean a location where the project of the Group significantly operates at.
- 4.4 Internal Stakeholders of the Group include those who are invested in the Group, and are conventionally identified to include, inter alia:
- a. Shareholders
 - b. Employees
 - c. The Board of Directors
- 4.5 External Stakeholders of the Group will be identified using the Stakeholder Identification Worksheet based on the “P.E.S.T.L.E. analysis”, however, this shall not exclude any type of approach (if any) that may arise in the future. A P.E.S.T.L.E. analysis is a framework to analyse the key factors (Political, Economic, Sociological, Technological, Legal and Environmental) influencing an organisation from the outside. Examples of external influences on the Group include:
- a. Political: Government regulations, trade restrictions and reform, tariffs, political stability, etc.
 - b. Economic: Economic growth/decline, interest, exchange, inflation and wage rates – minimum wage, pricing, credit availability, etc.
 - c. Sociological: Cultural norms and expectations, health and safety, population growth, age distribution, career trends, wage impacts, etc.

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

- d. Technological: New/emerging/existing technologies, disruptive technologies, technological trajectory, technological collaborations, etc.
 - e. Legal: Changes to legislation impacting employment, access to materials, quotas, resources, imports/exports, taxation, compliances and reporting, etc.
 - f. Environmental: Global warming and the increased need to switch to sustainable resources; ethical sourcing (both locally and nationally), supply chain intelligence, pandemics and other emergencies.
- 4.6 The Stakeholder Identification Worksheet will be used to identify stakeholders by utilising the P.E.S.T.L.E. analysis with the following consideration and prioritisation, whereby priority is given to stakeholders related with the most direct influences or impacts:
- a. Directly Affected by the Group
 - b. Indirectly Affected by the Group
 - c. Directly Affects the Group
 - d. Indirectly Affects the Group
- 4.7 The External Stakeholders of the Group, may include, inter alia:
- a. Customers
 - b. Suppliers
 - c. Government departments, regulators, authorities, and other agencies
 - d. Financial institutions and insurance companies
 - e. Standards bodies
 - f. Utilities companies
 - g. CSR Partners and Zakat Authorities
- 4.8 The influences or impacts – direct or indirect, of any stakeholder may change over time, and hence would result in changes to the list of identified stakeholders.
- 4.9 The Stakeholder Identification Worksheet shall be completed by Authorised Persons or the management Committee of each organisational boundary or operational boundary, and thereafter submitted to the Sustainability Committee (along with the external ESG/Sustainability Consultant, if any) to be tabulated, processed and recorded; and subsequently the list of identified stakeholders shall be submitted to the Board for approval.
- 4.10 The final list of identified stakeholders is to be used for the purpose of stakeholder management, stakeholder engagement and Sustainability reporting.
- 4.11 It is recommended for the Stakeholder Identification Worksheet to be reviewed and updated (with or without changes) every year with regards to every organisational boundary or operational boundary, as the business, activities and jurisdictional presence of the Group grows and expands.

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

- 4.12 For the purposes of Sustainability reporting according to the GRI Standards, the Group shall report:
- a. A list of identified stakeholder groups engaged by the organisation
 - b. The basis for identifying and selecting stakeholders with whom to engage, whereby the Group should describe the process for:
 - i. defining its stakeholder groups; and
 - ii. determining the groups with which to engage and not to engage.

5.0 Stakeholder Engagement

- 5.1 Methods of “stakeholder engagement” may include surveys (such as supplier, customer, or worker surveys), focus groups, community panels, corporate advisory panels, written communication, management or union structures, collective bargaining agreements, and other mechanisms. Engagements may also include voluntary engagement with initiatives and stakeholders to improve the broader operating environment and culture, in order to combat corruption.
- 5.2 Designated Authorised Persons shall be responsible and accountable for stakeholder engagements that are in the scope of their respective organisational boundary or operational boundary. The designated Authorised Persons shall be assisted and guided by the Sustainability Committee in terms of frequency, engagement method, data collection method etc.
- 5.3 Depending on the stakeholder groups, the Group’s engagement and communication channels shall include:
- a. Emails, letters, memorandums, notices and other forms of correspondences
 - b. All forms of physical and virtual meetings, seminars, briefings, forums, focus groups and trainings
 - c. All forms of physical and digital publications including websites, presentations, reports, newsletters, and press releases
 - d. Surveys, studies, reviews, appraisals and/or inspections
 - e. Other mechanisms deemed necessary to engage with the stakeholders
- 5.4 The outcome of the stakeholder engagements should include only key topics and concerns raised by stakeholders which the Group deems reasonably applicable for:
- a. the improvement of the Group’s business strategy, practices, operational processes and performances; and
 - b. the determination and prioritisation of material topics to be managed by the Group in terms of Sustainability.

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

- 5.5 The quantitative and qualitative outcome of the stakeholder engagements would be collected by the Sustainability Committee, from the relevant Authorised Persons of the organisational boundary or operational boundary who is tasked to perform the stakeholder engagement activity or programme, upon its completion. The Sustainability Committee shall then organise, tabulate and analyse these outcomes to be presented to the Board via annual or semi-annual Stakeholder Engagement Reports in order for the Board to plan for further response or management decisions in view of the engagement outcomes.
- 5.6 For the purpose of effective Sustainability reporting, the Group shall report on its approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
- 5.7 For the purpose of effective Sustainability reporting, the Group shall report on key topics and concerns that have been raised through the stakeholder engagement, of which only topics and concerns the Group deems reasonably applicable in which includes but not limited to:
- a. how the organisation has responded to those key topics and concerns, including through its reporting; and
 - b. the stakeholder groups that raised each of the key topics and concerns.
- 5.8 In Sustainability, materiality is the principle that determines which relevant topics are sufficiently important that it is essential to manage and report on them, whereby not all material topics are of equal importance. Hence, for the purposes of Sustainability management and reporting, the outcomes of stakeholder engagements shall be used as one of the main bases to determine and prioritise Material Topics for a particular (reporting) period.

6.0 External Assurance

- 6.1 The Group can use a variety of approaches to seek external assurance, such as the use of professional assurance providers, or other external groups or persons. Regardless of the specific approach, it is expected that external assurance is conducted by competent groups or persons who follow professional standards for assurance, or who apply systematic, documented, and evidence-based processes ('assurance providers').
- 6.2 The use of external assurance for Sustainability Reports is not required in order to make a claim that a report has been prepared in accordance with the GRI Standards. The Group can have systems of internal controls in place, which are important to the overall integrity and credibility of a report.
- 6.3 For the purposes of Sustainability reporting in accordance with the GRI Standards, whether or not the Group has used any external assurance, the Group shall report the following information:
- a. A description of the organisation's policy and current practice with regard to seeking external assurance for the report;
 - b. If the report has been externally assured;

STAKEHOLDER IDENTIFICATION AND ENGAGEMENT POLICY

Doc. No.: RENEUCO-SIEP-01

- c. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the Sustainability Report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;
- d. The relationship between the organisation and the assurance provider; and
- e. The involvement of the highest governance body or senior executives in seeking external assurance for the Sustainability Report.

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.