

POLICY

SUSTAINABILITY

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Amendment Record

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0.0 INTRODUCTION

The Sunway Construction Group Berhad (“the Group” or “SCG”) Board of Directors has the overall oversight on matters related to sustainability and climate change. The Board of Directors is supported by the Sustainability Committee (“the Committee”), in reviewing, supervising and recommending sustainability strategy and issues, key environmental, social and governance (ESG) targets and performance and sustainable corporate policies that outline within the Group.

The policies and guidelines forming the Sustainability Agenda are intended to align all actions of SCG and its subsidiaries (“the Group”) with its purpose and the Group’s commitment to the United Nations Sustainable Development Goals (UNSDGs).

As part of the Sunway Group, this Policy aligns with the Sunway Group’s Sustainability Policy, strategies, and goals, supporting its aspiration to achieve carbon neutrality by 2050.

1.0 PURPOSE

1.1 The Sustainability Policy (“the Policy”) outlines the principles and frameworks guiding the Group’s sustainability strategies, ensuring that all corporate activities and business operations foster sustainable value creation for shareholders while addressing the expectations of other stakeholders. The Group’s sustainability strategies emphasize equitable recognition and compensation for all contributors to its success, promoting the values of sustainability, integration, and dynamism, while supporting the achievement of the United Nations Sustainable Development Goals (UNSDGs) and rejecting actions that conflict with or hinder these objectives.

1.2 The Group’s sustainability strategy revolves around 3 main goals:

- a) Enabling sustainable construction practices.
- b) Investing in fair, safe and inclusive workplace.
- c) Ensuring compliance and embracing transparency.

1.3 The general principles and fundamentals set forth in this Policy shall be further developed and expounded in specific environmental, social and corporate governance and regulatory compliance policies that address certain needs and expectations of our key stakeholders.

2.0 SCOPE

- 2.1 This Policy applies to the Group and its subsidiaries. The Group will promote the alignment of policies at companies in which it has an interest by leveraging its representatives on their Board of Directors. The goal is to ensure that these companies adhere to principles and guidelines consistent with the Group's policies, including those related to environmental, social corporate governance, and regulatory compliance, as these policies are continually reviewed and updated.

3.0 POLICY STATEMENT

- 3.1 The Group's ambition is to continually develop its business from a broad and long-term perspective – to conduct a profitable and sound business today without compromising the opportunities to remain so in the future. The Group is committed and steadfast in its stand to serve as a responsible global corporate citizen, which strive to take responsibility not only for its own economic performance, but also its impact on people, environment and society at large.
- 3.2 The Group's sustainability work and initiatives are guided by three core pillars, which encompasses:
- a) **BUSINESS SUSTAINABILITY:**
Strive for a stable and profitable progress over time and adopts good business practices at all times.
 - b) **SOCIAL SUSTAINABILITY:**
Undertake due diligence of a responsible employer, promote diversity and inclusion and contribute to improve social progress within the geographies where we operate.
 - c) **ENVIRONMENTAL SUSTAINABILITY:**
Protect the environment by actively reducing our environmental impacts through strategic conservation efforts and resource optimization.
- 3.3 Within these areas, the Group has developed fundamental positions of sustainability principles, as described in this Sustainability Policy.
- 3.4 To ensure the Group remains relevant within the business environment and in managing the expectations of our stakeholders, we endeavour to maintain a structured and active dialogue with our stakeholders.

These dialogues are crucial in identifying, analysing and addressing stakeholders' expectations. They also serve as alternate perspectives to our potential risks and opportunities which may exist in our business operations.

4.0 BUSINESS RESPONSIBILITY

4.1 Approach

- a) The overarching goal within the business domain is to achieve long-term business sustainability by continually striving for stable and profitable progress over time and adopting good business practices at all times.
- b) To ensure we materialise the point-of-arrival, the Group is committed to maintain a competitive environment and professionalism in all its business conduct, providing value-added products and services through continual improvement while upholding the highest level of corporate governance.

4.2 Principles

- a) Within the business domain, the Group shall focus on the following principles:
 - i. Uphold professionalism in all its business operations, delivering value-added and innovative solutions based on our customers' standards of functionality, finances and reliability.
 - ii. Perform its duties professionally and within the ambit of the relevant laws, regulations and code of practices, and shall endeavour to proactively minimise the impact of potential disruptions through good business continuity planning.
 - iii. Develop, improve and enhance quality of products and services delivered to its customers by adopting continual improvement culture and embracing the constant drive to innovate and value creation.
- b) The Group shall progress stably and profitably with its core built upon foundations of good ethics and moral conduct. We strongly believe that our mission to deliver value through innovation, combining with keen interest on financial performance, will enable the Group to have the competitive

advantage to safeguard its long-term customer relationships and achieve stable financial progress. We are committed to comply with good business practices as stipulated in our Code of Conduct and corporate governance structure, as well as embracing transparency and comparability in its financial reporting in accordance to acceptable standards and principles where applicable.

5.0 SOCIAL RESPONSIBILITY

5.1 Approach

- a) The overarching goal within the social domain is to strive for a better society by playing its role as a responsible and respectful employer, as well as contributing to an improved social progress within the geographies where we operate.
- b) To ensure we materialise the point-of-arrival, the Group is committed to provide a fair, safe and inclusive workplace for all its employees. The Group also focuses on capacity building of its people, while continually endeavouring to create value in indirect economic impact through job creation and involvement in local community.
- c) The Group complies with the United Nations Global Compact and the Universal Declaration of Human Rights, where the key focus lies in treating our people equally and with respect, rejects all forms of human rights abuse, forced labour and child labour, as well as safeguarding occupational health, safety and welfare of its workforce.

5.2 Principles

- a) Within the social domain, the Group shall focus on the following principles:
 - i. Commit to protect the well-being of its employees and provide conducive and safe working environment.
 - ii. Ensure the health, safety and welfare of its employees by upholding highest level of occupational safety, health and welfare compliance at its workplaces and a pronounced culture of continual improvement.

- iii. Promote and improve diversity, inclusion and equality in workplaces.
- iv. Perform yearly appraisals for all employees and invest in employee competence development by focusing on expanding employees' skill sets and enhancing personal value through enrichment programs.
- v. Provide all employees with fair and equitable market remuneration and benefits.
- vi. Uphold the highest quality and safety of products and services delivered, continually improving and innovating to meet the highest standards of work quality and service excellence.
- vii. Ensure proper and adequate protection of personal data within the Group's control in compliance with the Personal Data Protection Act 2010 (PDPA).
- viii. Contribute to social progress through local community involvement.
- ix. Not condone the hiring of child labour under any circumstances.
- x. Promote career opportunities to youth through apprenticeships, and graduate placement in the construction industry.

6.0 ENVIRONMENTAL RESPONSIBILITY

6.1 Approach

- a) To foster good environmental stewardship in all our business operations by continually promoting the responsible use through sustainable management of materials, to reduce and ultimately eliminate waste in construction.
- b) To enhance biodiversity and carbon sequestration through tree-planting initiatives to reduce environmental impacts.
- c) To tackle climate change through effectively managing our energy and water usage, waste generations, carbon emissions from our operations.
- d) To ensure resource use efficiency by integrating energy-efficient equipment and sustainable materials, minimizing environmental

impacts from energy, resource consumption, and hazardous substances.

- e) To promote sustainable procurement where possible.

6.2 Principles

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- a) Within the environmental domain, the Group shall focus on the following principles:
 - i. Endeavour to proactively reduce the environmental impacts and carbon footprint in all operations.
 - ii. Advocate good environmental management practices in its construction activities at all times.
 - iii. Strive to minimize the environmental impacts arising from its own operations through targeted environmental stewardship actions on environmental protection and conservation, sustainable procurement, resource management, generation and emissions management, as well as inculcating organization awareness on environmental responsibility and accountability in carbon footprint reduction.

7.0 THE GOVERNANCE OF OUR SUSTAINABILITY PRACTICES

- 7.1 At the highest level of sustainability governance, the Group's Board of Directors has overall oversight on matters related to sustainability and climate change.
- 7.2 The Group's sustainability governance is led by the Committee which comprises Directors from the Group's Board of Directors. The Committee reviews, supervises and recommends sustainability strategies and issues, key economic, social and governance (ESG) targets and performance, progress and scorecard to advance the Group's sustainability agenda and leadership. The Committee is responsible for reporting to the Board of Directors on the Group's progress and updates regarding its sustainability agenda, climate change risk management strategies, ESG performance, and strategic direction on sustainability initiatives.
- 7.3 The Committee is supported by the Sustainability Working Team ("working team") which consist of members across key functioning departments within the Group. The working team is responsible to

assist the Committee in making informed decisions to integrate the Group's sustainability strategies into business operations and implement initiatives towards achieving its sustainability goals and targets. The working team is also responsible to identify key sustainability risks and opportunities and recommends mitigation measures to the Committee; to oversee and monitor sustainability trends including governance and reporting; and to communicate the Group's sustainability strategies and directions across its business units.

- 7.4 To ensure the Group remains aligned and in sync with Sunway Group, the Sustainability Working Team shall work closely with the Sunway Group Sustainability Department with regards to sustainability strategies, initiatives, reporting and partnership.

8.0 EFFECTIVE DATE

The effective implementation date of this policy is from 20 February 2025.

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