

SUNWAY

SUNWAY BERHAD

BIODIVERSITY POLICY

Doc No.

Version #2

Process Owner: Property Development

Intended Users: Sunway Group - All Users

Process / Knowledge Area: Policy Statement

Last updated: 1 April 2026

COMMITTED TO
SUSTAINABLE
DEVELOPMENT GOALS



Approved by Sunway Berhad Board Sustainability Committee on 1 April 2026

CONTENTS

1. INTRODUCTION..... 3

2. PURPOSE..... 3

3. SCOPE 4

4. POLICY STATEMENT..... 4

5. IMPLEMENTATION..... 4

1. INTRODUCTION

- 1.1. Rising urbanisation is inevitable amidst a global population that is continuously growing. More people are moving into towns and cities due to poverty and other related socio-economic factors, particularly in Asia. This leads to rapid and unplanned development of cities and townships, which involves damage to catchment areas and the felling of trees, resulting in biodiversity loss and climate change.
- 1.2. Managing our ecological impacts is vital to the sustainability of our business to ensure continuous value creation. Preserving the biodiversity and natural ecosystems surrounding our business operations will enable us to continue operating over the long term and create value for our stakeholders. Lack of biodiversity efforts will easily expose the organisation to risks of regulatory fines and loss of operating licences, eventually affecting our reputation.
- 1.3. Sunway Berhad ensures conservation and rehabilitation efforts in all Sunway cities in Malaysia by advocating efficient land use to minimise impact from built environment. We do not build on forest gazetted land and continue to acquire transit-linked land in populous areas for development. To move towards low-carbon developments, we ensure our townships are compact and integrated as we continue to reinvest in the towns to minimise urban sprawl and the need for transportation. Apart from maintaining urban forestry, we will enhance green landscaping in our townships to create greener spaces and reduce the carbon footprint where practicable.

2. PURPOSE

- 2.1 Sunway Berhad (the “Company” or “Group”) identifies biodiversity as the combination of elements related to the conservation and sustainable use of biological diverse ecosystems and habitats to create significant public benefits and contribute to social well-being.
- 2.2 The Company’s ability to operate effectively and meet all the needs of its stakeholders depends on the projects on both greenfield sites and brownfield sites that are in or near to sensitive areas such as nature reserves, nature areas as well as areas of biodiversity, marine or riverine interest.
- 2.3 In order to minimise the business’ impact to wildlife and their habitat, the Company carefully considers its responsibilities to stakeholders, employees and the community at large in addressing these biodiversity-related challenges.
- 2.4 The Company’s biodiversity management strategies include mitigating its negative impacts on biodiversity by applying the principle of mitigation hierarchy (avoid, minimise, rehabilitate/restore).

3. SCOPE

Sunway Berhad Biodiversity Policy (the “Policy”) applies at the Group level and may be adopted by companies dependent thereon. At those companies in which the Group has an interest but do not form a part thereof, the Company will promote, through its representatives on the boards of directors thereof, the alignment of their own policies with those of the Company, such that they adhere to commitments that are consistent with those established in this Policy.

4. POLICY STATEMENT

The Group aims to be a catalyst for other developments in the region to reduce the overall impact of the built environment on their surroundings, by focusing on preservation, conservation, restoration and rehabilitation. The Group shall be guided by the following main principles of conduct, which apply to all its activities and businesses:

- 4.1 Comply with all relevant environmental legislation and obligations imposed by the local governments and regulators
- 4.2 Integrate biodiversity considerations in internal strategic and decision-making processes of the Group, as well as in the analysis, management and reporting of long-term risks
- 4.3 Apply the principle of mitigation hierarchy (avoid, minimise, restore and compensate as a last resort) in negative impacts, for all phases of our businesses/ projects
- 4.4 Adopt a zero-tolerance approach to deforestation in non-gazetted areas, in compliance with applicable laws and regulations
- 4.5 Maintain natural water bodies to serve as retention ponds to mitigate flooding and enable aquatic creatures to thrive

5. IMPLEMENTATION

The Group recognises that our business directly benefits from nature, which provides a range of ecosystem services, including provisioning services such as clean water, regulating services such as climate regulation, and cultural services that attract visitors to nature-based experiences in our developments. We also recognise that our activities, such as altering land use and using water for construction, may have an impact on nature.

In line with this, we are committed to minimising our dependence on and impact to nature, while responsibly maximising the benefits it provides. Our approach to reducing negative impacts on the natural ecosystem and biodiversity in the areas where we operate

includes, but is not limited to, establishing principles of conduct to ensure responsible and consistent practices.

5.1 Biodiversity Commitment

Sunway is committed to minimising biodiversity impacts and promoting ecosystem restoration across all projects, in alignment with the United Nations Sustainable Development Goals (UN SDGs) and Malaysia's National Policy on Biological Diversity 2022–2030.

5.2 Compliance & Participation

Sunway shall comply with all relevant environmental legislation, national laws and regulatory obligations. The Company will actively participate in biodiversity conservation initiatives that protect ecosystems, support natural regeneration and restore ecological balance wherever feasible.

5.3 Disclosure & Standards

Sunway aims to monitor emerging nature-related initiatives and progressively align its biodiversity risks and impacts management approach with recommendations of Taskforce on Nature-related Financial Disclosures (TNFD) and Global Reporting Initiative (GRI) standards. The Company shall assess the impacts of its business activities on biodiversity using methodologies aligned with internationally recognised biodiversity frameworks and target-setting approaches.

5.4 Materiality Assessment

The Company will identify material biodiversity aspects across its value chain. Materiality assessment will be conducted every two years, based on the magnitude of each activity's impact on biodiversity and the urgency to conserve, restore, and regenerate biodiversity associated with that activity.

5.5 Impact Reduction

Sunway aims to minimize the impact of its business on biodiversity and reduce dependence on and impacts to natural ecosystems. Efforts to achieve these objectives will be guided by the following processes:

- Conduct Environmental Impact Assessment (EIA) for projects listed under prescribed activities in the Environmental Quality Act (EQA) 1974
- Review and address biodiversity-related risks and opportunities regularly in potential new and existing operations
- Operate all the relevant sites responsibly, especially in areas with sensitive biodiversity values
- Introduction of green space landscaping practices (e.g., parks, native plantings) where practicable

- Manage and mitigate environmental impacts by prioritising nature-based solutions where possible
- Identify proposed conservation areas to preserve the ecosystem and ensure the least disturbance to these conserved areas where practical
- Disclose Biodiversity Action Plan (BAP) audits when required by authority

5.6 Sustainable Resource Management

Sunway is committed to minimising the dependence and impact of its business activities on biodiversity across all stages of its products and services by applying lifecycle assessments, considering ecosystems, local communities, and stakeholders, and conducting due diligence in supply chains with high biodiversity risks.

The Company also promotes resource efficiency and the sustainable use of natural capital by responsibly consuming raw materials and resources, while adopting technologies that enhance biological resources and ecosystem services. Sunway further prioritises sustainable procurement by utilising low carbon, recycled, and circular materials and promoting responsible sourcing across all operations.

5.7 Capacity Building

Sunway will build knowledge of biodiversity and nature-related risks and opportunities among staff, board members and across the organisation. Biodiversity-focused training will be incorporated into employee education programs, with ongoing efforts to raise awareness throughout the organisation.

5.8 Monitoring & Reporting

Sunway shall implement a structured programme to engage with business units and monitor progress in managing biodiversity risks. Regular updates will be provided to staff, outlining our approach to mitigating climate and biodiversity risks and the measures undertaken to address them.

5.9 Community Engagement & Stakeholder Collaboration

Sunway aims to promote biodiversity protection and conservation through research, preservation, and education initiatives with authorities, employees, local communities, and other stakeholders.

5.10 Respect for Local Community

Sunway shall conduct its business activities with respect for local communities and shall support the ecosystems of forests, rivers, wetlands, and oceans that sustain local livelihoods, lifestyles, and cultures. The Company aims to assess biodiversity impacts at each worksite, including surrounding areas, where feasible and shall implement measures to mitigate and improve these impacts.

5.11 Chemicals & Pollution Control

The Company seeks to assess and manage the impacts of chemicals on nature and biodiversity, focusing on minimising waste, pollution, and contamination by placing proper

control measures in compliance with the Environmental Quality Act 1974. It also seeks to develop products and solutions that manage environmental harm and waste while supporting biodiversity and climate objectives, where practical.

5.12 Sustainable Land Use & Development

Sunway adopts sustainable land use and biodiversity-sensitive planning. We will ensure that new developments avoid ecologically sensitive habitats and undergo Environmental Impact Assessments with biodiversity-specific criteria, where necessary.

Green infrastructure and native landscaping will be used to support pollinators, wildlife, and ecosystem health, following the mitigation hierarchy: avoid → minimize → restore → offset.

5.13 Green Finance

Sunway aims to allocate a portion of project budgets to biodiversity conservation and restoration activities. In addition, the Company seeks to explore investment opportunities in green bonds or sustainability-linked loans linked to biodiversity performance.