

SPB DEVELOPMENT BERHAD
SUSTAINABILITY POLICY

1. INTRODUCTION

- 1.1 SPB Development Berhad (“**Company**”) and its subsidiaries (“**Group**”) are committed to driving sustainable development on the Environmental, Social and Governance (“**ESG**”) and delivering value to all stakeholders of the Group.
- 1.2 The Group pledges to continuously work towards enhancing the efforts (both short-term and long-term) in growing the business sustainably and creating value for the stakeholders while minimising impact on the environment and acting responsibly towards the communities in which the Group operates.
- 1.3 This Sustainability Policy (“**Policy**”) applies at Group level, and is encouraged to be adopted by companies associated therewith. 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 the principles and guidelines that are consistent with those established in this Policy and the regulatory compliance policies.
- 1.4 This Policy should be read and adhered to by all Directors and Employees (“**Employees**”) of the Group and shall be made accessible to all relevant parties dealing or transacting with the Group through the appropriate channels.
- 1.5 This Policy shall be read in conjunction with the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), Sustainability Reporting Guide of Bursa Securities (“**Sustainability Guide**”), the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (“**MCCG**”) and the annual Sustainability Statement included as part of the Company’s annual report.

2. OBJECTIVES

- 2.1 This Policy lays down the general principles and fundamentals governing the sustainability strategy of the Group to ensure that all its corporate activities and businesses are aligned to long-term sustainable value for shareholders and taking into account the expectations of other stakeholders related to its business activities and institutional reality.
- 2.2 The objectives of this Policy are as follows:
- (a) to facilitate decision-making on matters impinging on sustainability;
 - (b) to align the Group’s conduct, practices and performance with the principles, approach and commitment towards sustainability as stated in this Policy; and
 - (c) to ensure continued compliance and adherence to related internal policies/guidelines, external authorities and regulators when dealing with sustainability matters.

3. SUSTAINABILITY GOVERNANCE

- 3.1 The Board of Directors (“**Board**”) of the Company is the ultimate authority over the Group’s sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives. The structure of the Group’s sustainability governance (“**Sustainability Governance Structure**”) is attached herein as Appendix 1.
- 3.2 The Board assumes full accountability and authority of the Group’s sustainability approach and direction with delegation of responsibility to the Audit and Risk Management Committee (“**ARMC**”).
- 3.3 The Sustainability Committee, comprising Chief Executive Officer, Chief Financial Officer and Chief Operation Officer of the Company (collectively referred to as “**EXCO**”), is supported by the Sustainability Working Committee comprising all Head of Departments of the Company and, if required, subject matter experts who are outsourced to ensure sustainability of a certain matter, which is entrusted with the following responsibilities:
- (a) planning and implementing sustainability initiatives, while ensuring that daily operational activities and business decisions made are aligned with this Policy;
 - (b) overseeing key sustainability risks and opportunities, stakeholder engagement as well as materiality assessment;
 - (c) overseeing and monitoring sustainability trends including governance and reporting;
 - (d) reviewing, supervising and recommending the Group’s sustainability strategy and issues, key ESG targets and performance to advance the Group’s sustainability leadership; and
 - (e) assisting the Sustainability Committee to make informed decisions to integrate the Group’s sustainability strategy into the business operations and implement initiatives towards achieving the Group’s sustainability goals.

4. SUSTAINABILITY PRINCIPLES AND APPROACH

- 4.1 The spirit and essence of the Group’s sustainability commitment and efforts are integrated into the Group’s vision and mission to be a long-term business builder that delivers sustainable value to all internal and external stakeholders.
- 4.2 The Group’s vision and mission are reproduced herein for easy reference:
- (a) Vision: To lead the industry in sustainable property development, inspiring positive change by balancing environmental preservation, social equity, and economic prosperity.
 - (b) Mission: To create lasting value by integrating eco-friendly practices, social inclusivity, and economic viability into all our projects.
- 4.3 The Group’s principles towards sustainability are as follows:
- (a) to comply with, and exceed where practical, all applicable legislations, regulations and adopted codes of practice;
 - (b) to consider sustainability risks and opportunities in business strategy and decision-making, guided by the Group’s core values:
 - (i) Sustainability: We are committed to environmental responsibility, striving to minimize our ecological footprint through sustainable practices;

- (ii) Social Inclusivity: We value diversity and inclusivity, fostering an environment where everyone feels respected and empowered;
 - (iii) Community Well-being: We actively engage with and support local communities, contributing to their growth and well-being;
 - (iv) Economic Viability: We seek economic sustainability while making responsible investments that generate long-term value for stakeholders; and
 - (v) Innovation: We embrace innovation and technological advancements to drive efficiency and reduce environmental impact.
- (c) to contribute towards the realisation of national and international sustainability aspirations and agenda, where applicable;
 - (d) to ensure that all Directors and Employees of the Group are fully aware of this Policy and are committed to its implementation, reporting and improvement;
 - (e) to ensure that all external parties involved in any business dealings with the Group are aware of this Policy and to seek relevant external parties' understanding and adherence to this Policy;
 - (f) to communicate with and engage all relevant stakeholder groups i.e. shareholders, Directors, Employees, customers, suppliers, contractors, media, Non-Governmental Organisations (“NGOs”) and the local community to identify and align their concerns with the Group's sustainability direction and initiatives; and
 - (g) to report on the Group's sustainability performance on an annual basis in accordance with the provisions of MMLR.
- 4.4 The Group believes in the spirit of openness and transparency in communication with the stakeholders. Frequent and robust engagement with stakeholders via various methods of communication will allow the Group to keep abreast of their needs and expectations, and identify the areas that matter most to them.

5. THE GROUP'S COMMITMENTS AND DIRECTION

- 5.1 The Group adopts an integrated view towards sustainability by integrating our enterprise risk management processes with our shared values and business objectives to enable better decision-making and enhance our ability to create value for our stakeholders.
- 5.2 In the pursuit of sustainable development, the Group commits to take responsible actions in the following areas in a timely manner:
- (a) Good Governance and Good Business Practices**
 - (i) The Group upholds integrity, good governance and ethical behaviour in all its business practices in order to maintain the trust of stakeholders and social license to operate.
 - (ii) The Group is committed to providing quality products and services to all customers and residents in its developments, and strives to conduct its business responsibly, causing minimal disruption to the communities around its developments.
 - (iii) The Group also pledges to conduct its business in accordance with applicable laws and regulations.

- (iv) In the event of shortcomings, the Group will take the necessary and appropriate remedial actions as soon as it is able to, and within reasonable timelines.

(b) Displaying Exemplary Labour Practices & Protecting Human Rights

- (i) The Group will provide a safe, healthy and equal opportunity working environment for the Employees and the Group positively engages with its supply chain partners to encourage and incentivise them to do the same.
- (ii) The Group is committed to ensuring that the appropriate labour standards will be applied and that the Employees will receive fair salaries / wages for fair working hours.
- (iii) The Employees shall receive equal access to training and development programmes as well as opportunities for career growth.
- (iv) The Group will put in place (and continuously improve) health and safety procedures and measures to ensure the safety of all who are present at the business premises.
- (v) The Group strives to uphold the human rights of the Employees and the communities and stands strongly against practices such as child labour and forced labour. Discrimination (in respect of race, religion, gender, age, disabilities, nationality, etc.), bullying and harassment will also not be tolerated.

(c) Addressing Climate Change & Protecting Biodiversity and the Environment

- (i) The Group is committed to operating responsibly and safeguarding the environment.
- (ii) The Group acknowledges the negative impacts of climate change, biodiversity loss and environmental degradation resulting in global warming. With this in mind, the Group will endeavour to assess and control the greenhouse gas emissions, pollution and waste production.
- (iii) The Group will also monitor and conserve (where possible) the use of energy, water and resources, including recycling and reuse wherever practicable.
- (iv) The Group seeks to work with supply chain partners who consider environmental issues in their everyday business and encourage them to provide solutions, materials and goods that are sustainable and eco-friendly.
- (v) Priority is given to (1) the purchase of items produced that take environmental and social issues into consideration and (2) to supply chain partners who are proactive in caring for and conserving the environment. This applies to all the Group's supply chain partners, including but not limiting to contractors, consultants, suppliers, vendors, product manufacturers and product distributors.

(d) Supporting the Community

- (i) The Group acknowledges the role as good corporate citizen in being responsible towards the communities.
- (ii) The Group is committed to engaging with the communities in and around the Group's developments, as well as supporting them by providing the infrastructure necessary for economic and social development besides opportunities for employment.

5.3 The Group will undertake the following procedures to ensure that the Group's chosen sustainability strategies are carried out effectively:

- (a) conducting awareness and training programmes to ensure that the Employees, business associates and the community are well informed on matters relating to sustainability and to obtain their buy-in and cooperation in sustainability-related initiatives;
- (b) developing guidelines for the implementation of sustainability initiatives and templates to enable efficient and effective collection of data for monitoring purposes;
- (c) monitoring the implementation status of sustainability-related programmes and assessing their effectiveness and impacts;
- (d) accurate and timely reporting on the implementation status of sustainability activities to the Board; and
- (e) annual sustainability reports to be prepared with the principles of balance, meaningfulness, comparability, clarity, accuracy, timelines and reliability for the purpose of public disclosure.

6. POLICY SUBJECT TO PERIODICAL REVIEW

- 6.1 The ARMC is responsible for regular reviews of this Policy and making any recommended changes to ensure that it continues to remain relevant, appropriate and consistent with the Group's practices, MMLR, Sustainability Guide, MCCG, the Company's annual Sustainability Statement or any other applicable regulatory requirements.
- 6.2 Any revisions and/or changes to the terms of this Policy as recommended by the ARMC shall be subject to the approval of the Board.

This Policy is approved and adopted by the Board on 18 July 2024.

Appendix 1 – The Sustainability Governance Structure

