



SUNWAY BERHAD

SUSTAINABILITY POLICY

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Process Owner: Group Sustainability

Intended Users: Sunway Group - All Users

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COMMITTED TO
SUSTAINABLE DEVELOPMENT GOALS



Approved by Sunway Berhad Board Sustainability Committee on 4 April 2022

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1. INTRODUCTION

- 1.1. The Sustainability Policy (the “Policy”) is intended to ensure the alignment of all conducts of Sunway Berhad (the “Company” or “Group”) with its purpose as well as with the Company’s commitment to the United Nations Sustainable Development Goals (“SDGs”).

2. SCOPE

- 2.1. This 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 principles and guidelines that are consistent with those established in this Policy and in the environmental, social and corporate governance (“ESG”) and regulatory compliance policies.

3. PURPOSE

- 3.1. 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.
- 3.2. The Group’s sustainability strategy also places a strong emphasis on equitably compensating all groups that contribute to the success of the Group’s businesses, promoting the values of sustainability, integration and dynamism, favouring the achievement of the SDGs and rejecting actions that contravene or hinder them.
- 3.3. The Group's sustainability strategy revolves around 5 main goals:
- Transforming our Portfolios to Low-Carbon Sustainable Cities
 - Advocating a Responsible Value Chain
 - Developing a Safe, Equal and Dignified Workforce
 - Investing in Community Inclusivity
 - Respecting Ethical Principles

The first two goals contribute towards the Group’s goal of achieving **Net Zero Carbon by 2050**, in line with the Group’s aspiration to build a sustainable future for all.

- 3.4. The general principles and foundations set forth in this Policy are further developed and specified in specific ESG and regulatory compliance policies that address certain needs and expectations of the Group’s key stakeholders.

4. POLICY STATEMENT

- 4.1. Guided by the UN-SDGs, Sunway's sustainability approach is constantly strengthened to achieve its goals and targets by 2030. Sunway also support the goals of the Paris Agreement to limit global warming to below two degrees Celsius compared to pre-industrial levels and aims to achieve a carbon neutral world by 2050.
- 4.2. The Group is committed to serve as a responsible global corporate citizen, which not only takes responsibility for its own development, but also its impact on people, the environment and society in general.
- 4.3. It is also the Group's ambition to continuously develop the business with a broad and long-term perspective – conducting a profitable and strong business today without compromising opportunities to develop and enhance its value in the future.
- 4.4. The Group's sustainability initiatives are guided by three core pillars with strong fundamentals. These include:
- BUSINESS SUSTAINABILITY:
Striving for a stable and profitable progress over time as well as applying good business practice and corporate governance at all times.
 - SOCIAL SUSTAINABILITY:
Undertaking due diligence of a responsible employer, promoting diversity and inclusivity and contributing to improve social progress within the communities where we operate in.
 - ENVIRONMENTAL SUSTAINABILITY:
Protecting the environment by actively reducing our environmental impacts through strategic conservation efforts and resource optimisation.
- 4.5. The Company endeavours to maintain a structured and proactive dialogue with stakeholders in order to identify, analyse and manage their expectations. They also provide alternate perspectives to our potential risks and opportunities which may exist in our business operations.

5. BUSINESS RESPONSIBILITY

5.1. APPROACH

To achieve long-term business sustainability by continuously striving for consistent and strong financial performance over time through the application of good business practice at all times.

5.2. PRINCIPLES

The Group shall focus on the following principles:

- 5.2.1. Maintain a competitive environment and professionalism in all its business conduct, providing enhanced quality and value-added products and services through continual improvement while upholding the highest level of corporate governance.
 - 5.2.2. Perform our duties professionally and in accordance with laws, regulations and sector practice, and actively endeavour to minimise the consequences of potential disruptions through good business continuity planning.
- 5.3. The Group will include stakeholders' value on the foundation of continuous pursuit of good ethics and moral conduct. The Group strongly believe that its mission to deliver value through innovation and strong financial performance, will enable the Group to have the competitive advantage to safeguard its long-term customer relationships and achieve strong shareholder value.
- 5.4. The Group is committed to complying with good business practice as stipulated in its [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.
- 5.5. The Group's operations shall comply with best business practice, as stated in the Malaysian Code on Corporate Governance ("MCCG") 2021 and Bursa Malaysia's Main Market Listing Requirements ("MMLR").

6. SOCIAL RESPONSIBILITY

6.1. APPROACH

To strive for an equitable society by being a responsible and respectful employer and good corporate citizen by contributing to improved social progress within the communities where the Group operates in.

6.2. PRINCIPLES

The Group supports the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights as well as the rights of all employees, contractors and the communities in which we operate. The Group aims to provide a fair, [safe](#) and [non-discriminatory](#) environment and treatment for all relevant stakeholders. Further details on our human rights approach are outlined under our [Human Rights Policy](#).

7. ENVIRONMENTAL RESPONSIBILITY

7.1. APPROACH

To foster good environmental stewardship in all of the Group's business operations and reduce its negative contribution towards climate change by protecting the natural environment through conservation and sustainable practices.

7.2. PRINCIPLES

The Group shall focus on minimising the environmental impact arising from its own operations and its [suppliers](#) through responsible resource management, pollution control, as well as inculcating organisation-wide awareness on environmental responsibility and accountability.

8. THE GOVERNANCE OF OUR SUSTAINABILITY PRACTICES

8.1. The Board Sustainability Committee ("BSC") reviews, supervises and recommends Sunway's sustainability strategy and issues, key ESG targets and performance, progress and scorecard to advance the Group's sustainability leadership.

8.2. Acting as the 'executive arm' of the BSC, the Group Sustainability ("GS") helps the BSC 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. Apart from overseeing key sustainability risks and opportunities, stakeholder engagement as well as materiality assessment, the GS also oversees and monitors sustainability trends including governance and reporting.

8.3. The GS chairs the Sustainability Committee ("SC"), which consists of members across all departments and operational units in the Group, and communicates the Group's sustainability direction to the SC across business and operational units. The SC comprises Business Units' Heads of Departments and their line managers, who are accountable for their ESG performances that are linked to their yearly appraisal scorecards.

8.4. To further strengthen the Group's sustainability strategy, the BSC is advised and supported by the Jeffrey Sachs Center on Sustainable Development ("JSC") at Sunway University, which acts as the Advisory Panel.

9. APPENDIX

Sunway Board, Corporate and Sustainability Policies:

- a) Anti-Bribery & Corruption Policy <https://www.sunway.com.my/wp-content/uploads/2021/05/Sunway-Anti-Bribery-and-Corruption-Policy.pdf>
- b) Anti-Money Laundering Policy <https://www.sunway.com.my/wp-content/uploads/2021/05/Sunway-Anti-Money-Laundering-Policy.pdf>
- c) Diversity & Inclusion Policy <https://www.sunway.com.my/wp-content/uploads/2021/05/Sunway-Diversity-and-Inclusion-Policy.pdf>
- d) External Auditors Selection Policy <https://ir2.chartnexus.com/sunway/doc/cg/External%20Auditors%20selection%20policy.pdf>
- e) Group Occupational Health, Safety & Environment Policy <https://www.sunway.com.my/wp-content/uploads/2021/04/Sunway-Berhad-OHSE-policy-2021.pdf>
- f) Human Rights Policy <https://www.sunway.com.my/wp-content/uploads/2021/07/Sunway-Human-Rights-Policy.pdf>
- g) Members of the Board of Directors & Board Composition Selection & Assessment Policy <https://ir2.chartnexus.com/sunway/doc/cg/Members%20of%20the%20BOD%20and%20Board%20composition%20selection%20and%20assessment%20policy.pdf>
- h) Non Audit Services Policy <https://ir2.chartnexus.com/sunway/doc/cg/Non%20audit%20services%20policy.pdf>
- i) Remuneration Policy for Directors and Senior Management <https://ir2.chartnexus.com/sunway/doc/cg/Remuneration-Policy-for-Directors-Sunway-Bhd.pdf>
- j) Sustainable Procurement Policy <https://www.sunway.com.my/wp-content/uploads/2021/05/Sunway-Sustainable-Procurement-Policy.pdf>
- k) Whistle-blowing Policy & Procedure <https://www.sunway.com.my/wp-content/uploads/2021/05/Sunway-Whistleblowing-Policy-and-Procedures.pdf>