



SUNWAY BERHAD

BIODIVERSITY POLICY

Doc No.

Version #1

Process Owner: Property Development

Intended Users: Sunway Group - All Users

Process / Knowledge Area: Policy Statement

Last updated: 4 April 2022

COMMITTED TO
SUSTAINABLE DEVELOPMENT GOALS



Approved by Sunway Berhad Board Sustainability Committee on 4 April 2022

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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 global warming 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 critical sites 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 also cultivate urban farms in our townships to create green spaces and reduce carbon footprint where practicable.
- 1.4. Starting its transformation close to four decades ago, Sunway City Kuala Lumpur has been rehabilitated from a desolate and abandoned wasteland and restored into a smart, green and integrated township with a thriving eco-system. The biodiversity in terms of flora and fauna is now self-sustaining and absorbing more than 500 tonnes of CO₂ annually. This is Malaysia's first Green Building Index certified sustainable city. It is also a living lab that serves as a testbed for researchers, experts and academia to innovate and incubate ideas in addressing the pressing challenges facing humanity.
- 1.5. Sunway City Ipoh was developed on a former tin mining site that was surrounded by 260-million-years-old limestone hills with natural caves, virgin tropical forest and geothermal hot springs. Various elements of sustainability were taken into consideration to ensure that the development was built on the principles of conservation and preservation.
- 1.6. Sunway City Iskandar Puteri in Johor is being developed as Nature's Capital City. It is modelled after the flagship sustainable integrated townships of Sunway City Kuala Lumpur (SCKL) and Sunway City Ipoh (SCI) in Perak. The township is surrounded by a riverine estate and pristine mangrove forest whilst traversed by the majestic Pendas River, all of which are preserved and kept in its natural state during development. The conservation of a 50m strip of mangroves on both sides of the river is being used for

educational, research and recreational purpose. Additionally, efforts are put in to ensure Sungai Pendas stays healthy so as not to adversely affect the livelihood of fishermen.

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).
- 2.5. 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.

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 governments or 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. Avoid or reduce deforestation associated with their activities and supply chain
- 4.5. Maintain natural water bodies to serve as retention ponds to mitigate flooding and enable aquatic creatures to thrive

5. IMPLEMENTATION

Our approach to reduce negative impacts to the ecology and biodiversity in areas we operate include but is not limited to establishing standard operating procedures to:

5.1. Compliance

Comply with all relevant environmental legislation and obligations imposed by the governments or regulators

5.2. Operations

- a. Conduct ecological assessments at the pre-development stage where practicable
- b. Review and address biodiversity-related risks and opportunities regularly in potential new and existing operations
- c. Operate all the relevant sites responsibly, especially in areas with sensitive biodiversity values

- d. Introduction of urban agriculture practices (E.g. local farming, organic farming) where practicable
- e. Manage and compensate in quantity and quality the negative impacts produced on the environment, giving priority to solutions based on nature and encouraging the development of special protection or private conservation area (E.g. preservation of natural caves in Sunway City Ipoh)
- f. Disclose Biodiversity Action Plan (BAP) audits where required by authority

5.3 Stewardship

- a. Protect biodiversity and make sustainable use of natural capital by adopting a hierarchy of conservation, preservation, integrating best practices throughout the life cycle in the management thereof and promoting actions for the regeneration and conservation of natural heritage
- b. Identify proposed conservation areas where practical to preserve the ecosystem and ensure the least disturbance to these conserved areas

5.4. Awareness

- a. Highlighting and raising awareness of the importance of biodiversity protection and conservation
- b. Participate in carrying out research, preservation, education projects cooperating with authorities, employees, local communities and other stakeholders on importance of biodiversity protection and conservation