

Selangor Dredging Berhad (“SDB” or ‘the Group’) acknowledges and recognises the importance of sustainability as a critical enabler for its long-term growth. The Group’s sustainability tenets and commitments are aligned with its Brand Promise of “Driving Excellence, Building Lifelong Relationships”, and guided by the Group’s Core Values, which are Passionate, Innovative, Results-Oriented and Caring & Respectful.

In line with the global sustainability agenda, the Group is determined to align its sustainability practices with the United Nations Sustainable Development Goals (“UNSDG / Global Goals”). Since 2019, SDB has adopted 5 (five) UNSDG that are most relevant to its core business as a boutique property developer. Going forward, the Group will strive to integrate more of these Global Goals, as well as other sustainable targets and initiatives into its long-term sustainability journey.

1 DEFINITIONS FOR ‘KEY TERMS’ (in alphabetical order)

- 1.1 Developments / Projects : Developments refer to property projects that are undertaken and/or develop by SDB, which consist of residential and mixed-use developments.
- 1.2 Emissions : Emissions refer to the release of substances or pollutants into the atmosphere, often as a result of human activities. These substances can include greenhouse gases, particulate matters, and other pollutants.
- 1.3 Operations : Office operations refer to the day-to-day administrative activities and routine tasks that are necessary for the smooth functioning of SDB’s businesses.
- 1.4 SDB / the Group : Selangor Dredging Berhad and its subsidiaries which is engaged in property development, property management and hospitality business in Malaysia and Singapore.
- 1.5 UNSDG : The United Nations’ Sustainable Development Goals.

2 POLICY STATEMENT

- 2.1 In line with SDB’s sustainability vision, the Group is committed to adopting a holistic approach in undertaking and managing the Group’s businesses and operations by upholding the Economic, Environmental, Social and Governance (“EESG”) aspects of sustainability.

3 SCOPE

- 3.1 This sustainability policy is applicable to all companies in the Group.

4 GOVERNANCE

- 4.1 The Group has formed a Risk Management & Sustainability Committee ("RMSC") in 2019, chaired by the Managing Director and its other members comprises the Group General Manager and the Head of Finance.
- 4.2 The RMSC reports to the Board of Directors on the findings and recommendations of the RMSC for sustainability-related matters. Sustainability functions across the business operations are assisted by the ESG Working Committee and all Heads of Departments ("HOD") to ensure sustainable practices are embedded within every department and business unit.
- 4.3 To support the sustainability initiatives, representatives from key departments and business units are involved. They play a role in implementing sustainability plans, monitoring progress, evaluating impact, and reporting on the Group's EESG initiatives and practices at the operational level.

5 ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

- 5.1 SDB contributes to the UNSDGs in the following areas; UNSDG 3: Good Health & Well Being through the well-being of SDB's homebuyers, tenants and the community at large, UNSDG 5: Gender Equality through gender equality and diversity at SDB's workplace, UNSDG 8: Decent Work & Economic Growth through job creation and economic contribution by SDB, UNSDG 9: Industry, Innovation & Infrastructure through SDB's innovative, practical and resilient building designs and UNSDG 11: Sustainable Cities & Communities through SDB's quality, niche and premium developments with sustainable features. Going forward, the Group will strive to integrate more of these Global Goals into its long-term sustainability journey.

6 SUSTAINABILITY APPROACH

- 6.1 The Group's Sustainability Policy provides a foundation for its journey towards sustainability. This policy directs the Group in minimising the environmental footprint of its operations by adopting innovative building designs, encouraging use of sustainable materials, advocating for ethical and responsible business conduct, prioritising employees' well-being, and making positive contributions to the communities in which it operates. The 4 (four) pillars of the Group's Sustainability Policy are as follows:
- 6.2 In Economic, SDB strives to grow its business responsibly and sustainably by delivering value-added products and services to its customers and stakeholders.
- 6.3 In Environmental, SDB aims to build healthy living spaces by conserving resources and maintaining a strong connection to the natural environment. The Group complies with all necessary legal and regulatory requirements relating to the environment and seeks to protect and enhance biodiversity. SDB also strives to incorporate more sustainable features across all its operations while encouraging innovation that reduces its ecological footprint.

- 6.4 In Social, SDB promotes inclusivity and diversity throughout its operations through Corporate Social Responsibility and by building and maintaining long-term relationships with all of its stakeholders. SDB is also against employment of child labour and remain committed to upholding the Malaysian Employment Act 1955 and international labour standards.
- 6.5 In Governance, SDB implements strategy to further strengthen its sustainability performance and governance in the short, medium and long-term. This includes the incorporation of SDB's Sustainability Framework, a structured approach for the Group to plan, implement and monitor its sustainability initiatives and performances.

7 SUSTAINABILITY COMMITMENTS

- 7.1 Ensuring Product Quality – SDB priorities and measures the level of customer satisfaction for its homebuyers and tenants and conducts its own internal Quality Assurance and Quality Control to maintain its product quality standards. Quality check and assurance is carried out at each phase of construction till post construction monitoring.
- 7.2 Enhancing Procurement Practices & Supply Chain Management – SDB adheres to stringent procurement practices to choose companies that align with its quality expectations and uphold social and environmental management standards.
- 7.3 Reducing Energy Consumption & Emissions – SDB strives to reduce its energy consumption and emissions by advocating for various energy-saving practices that can reduce its carbon footprint in the long run. The Group is tracking its Scope 1, Scope 2 and Scope 3 emissions to set mid to long term environmental goals.
- 7.4 Conserving Water & Redirecting Wastes – SDB is committed to reducing its water usage and enhancing wastes diversion away from landfilled.
- 7.5 Championing Diversity & Inclusivity – SDB is committed to promoting a diverse and inclusive workplace. It provides equal opportunities to all regardless of age, gender, race, religion, political beliefs or disability.
- 7.6 Maintaining Safe Working Environments – As a responsible employer, SDB strives to maintain a safe working environment for its employees to prevent any injuries or illnesses resulting from its operations.
- 7.7 Investing In Community – SDB believes in sustainable community investment. The Group advocates for inclusion, empowerment and equality by facilitating support and opportunities for individuals with special needs to actively contribute to society.
- 7.8 Conserving Biodiversity – SDB will strive to incorporate the protection and conservation of biodiversity into the planning of its projects.