UN SDGs ADOPTED

Best Practices in Environment Management

As a responsible property developer, we recognise the environmental impact of construction and the built environment – from resource use, emissions and biodiversity pressures during development to energy consumption and long-term ecological consequences across a building's lifecycle. By adopting recognised best practices, we aim to reduce our footprint while shaping eco-conscious communities that create enduring value for customers, our people and the business.

Setia Eco Park, Shah Alam, Selangor

ESG Report

EMISSIONS AND ENERGY MANAGEMENT

We at S P Setia are committed to achieving net zero emissions by 2050 across our operations, developments and supply chain. By adopting ISSB-aligned disclosures in 2025, we ensure our business is prepared to navigate the energy transition effectively and responsibly as we continue to deliver sustainable and future-ready developments.

WHY IT MATTERS

As the developer of long-lived assets, we recognise our responsibility to reduce emissions, both in how we build and in how our developments perform over time. At the same time, it is equally important that we identify and respond to the climate-related risks and opportunities arising from our operating context and industry footprint. Our approach to these matters, alongside our commitments, have been set out in great detail within our Sustainability Statement on page 128 of this report, which aligns with both IFRS S2 standards.

Our holistic efforts to manage energy and emissions delivers tangible business value, from optimising construction costs and accelerating sustainability innovation to improving the long-term energy footprint of our operations. More broadly, these efforts support compliance with evolving regulations, attract green investment and enhance customer appeal amid rising sustainability expectations – contributing to a resilient and future-ready business model that sustainably generates shared value benefitting the society and S P Setia.

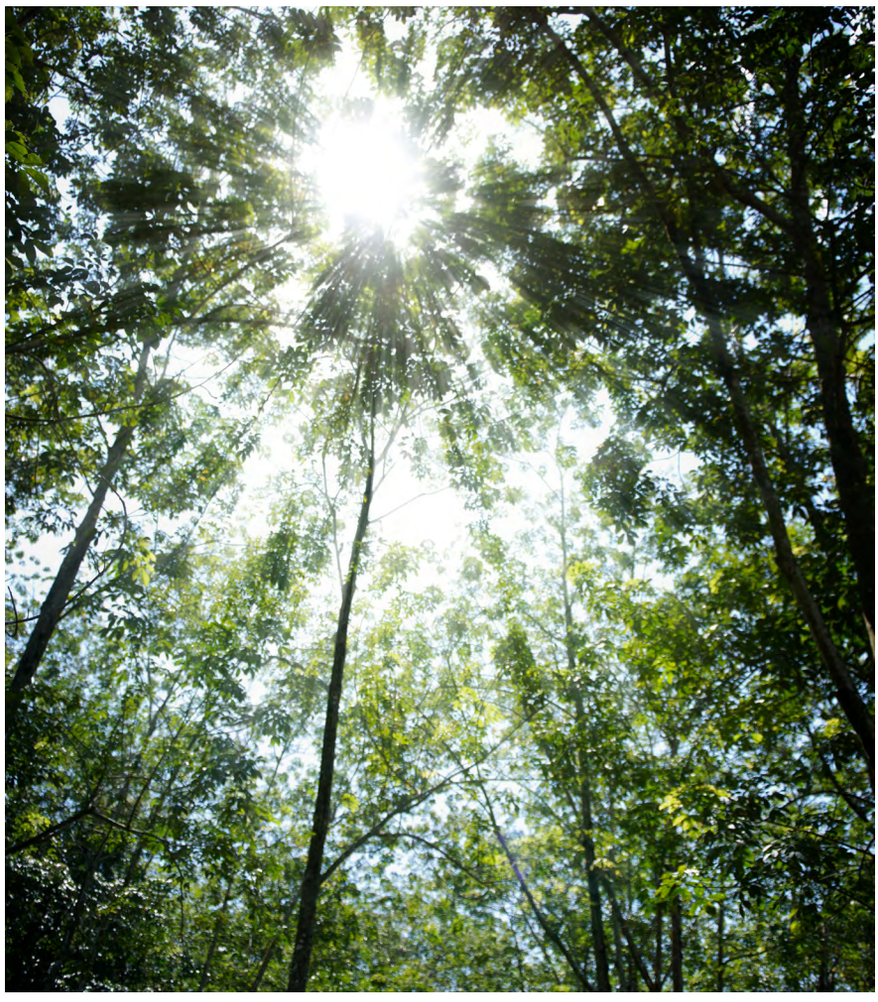
OUR APPROACH

Emissions Management

We are deeply committed to decarbonising our business in alignment with national climate policies and transition objectives, and have established both long-term and interim targets towards net zero emissions by 2050.

From an operational perspective, the introduction of the eDew system and digitisation of our data collection processes has strengthened the efficiency and transparency of emissions reporting across Business Units. We continue to expand our data collection boundary to improve the completeness and consistency of emissions reporting. In 2025, Amari hotels and overseas operations in Australia and Vietnam were included in Group-wide emissions reporting.

A full analysis of our approach, targets and strategies for progressively reducing emissions and achieving net zero has been embedded into our Setia Green Roadmap, disclosed on page 161 of our Sustainability Statement.



Energy Management

To effectively manage our energy consumption and footprint, we prioritise the quality and transparency of how energy use is measured and reported. Our approach is therefore guided by established standards and methodologies that support accuracy, consistency and credible reporting.

Key elements include:

- Alignment with the GHG Protocol to ensure consistent measurement, monitoring and reporting of energy consumption across our operations, supported by assumptions based on typical consumption patterns, industry averages and historical data
- Application of energy consumption databases, carbon footprint calculators and energy audits to estimate and track energy usage across the value chain
- Use of national databases and industry-specific reports, alongside global standards, to apply locally relevant conversion factors – enabling more accurate calculations, better identification of inefficiencies and stronger alignment with regulatory requirements and sustainability objectives
- Ongoing monitoring of our green buildings to ensure they maintain high energy-efficiency standards, including the S P Setia Headquarters building, KL Eco City Mercu Office Tower, KL Eco City Mall and Setia City Convention Centre 1 (SCCC1 & SCCC2)

The ESG SOPs developed in 2024 were continued throughout 2025 for data management and data tracking, we have embedded energy tracking within the eDew system to strengthen oversight of data management and tracking. Data recorded by designated owners in eDew is reviewed and validated by Sustainability Officers before Group-level tabulation of energy use and emissions. Together, these SOPs standardise data collection and strengthen our ability to track energy performance consistently across the organisation.

OUR INITIATIVES

REDUCING OUR EMISSIONS

Setia Climate Change Policy

Our emission reduction efforts are guided by the Setia Climate Change Policy in Sustainability Statement page 160, which provides a structured and consistent framework for implementation across the Group.The policy strengthens our ability to manage climate-related impacts and reinforces our commitment to minimising our environmental footprint in line with our broader sustainability objectives.

Designing Sustainable and Resilient Communities

From the earliest stages of development, we incorporate design strategies that reduce heat exposure and improve long-term liveability. During the pre-construction phase, we orient homes to face north or south where possible, and integrate green buffers, waterways and ponds to support cooling and flood mitigation. Parks are located within walking distance of homes and connected through cycling paths and walkways to encourage walking and cycling, helping to reduce vehicle usage and associated emissions.

We also implement Industrialised Building System (IBS) solutions in housing projects to minimise waste, reduce reliance on foreign labour and accelerate construction.

Further details on the above initiatives and practices, alongside relevant performance outcomes, are disclosed on page 189.

Integrating Sustainable Technologies in Our Development

In 2025, we strengthened our ongoing focus on reducing embodied carbon by shifting from conventional construction materials to lower-carbon alternatives that reduce overall lifecycle emissions. Following the contractual provisions introduced in 2024 to encourage and assess the use of green cement — alongside engagement with key suppliers to secure competitive pricing and reliable supply — we progressed efforts in 2025 to advance the adoption of green concrete as a pathway to further decarbonise our developments. This will remain a priority moving forward.

Building on insights from our Scope 3 baseline study, we also identified other key contributors to embodied carbon emissions and have worked closely with material suppliers to source certified eco-friendly materials. Leveraging the

ESG Report

scale of our Group-wide business activities, we are able to generate sufficient volume demand across the supply chain to unlock cost-effective production of these green materials without placing cost pressures on our contractors.

To ensure this remains a priority moving forward, we have set a target of identifying at least two new materials or processes that can reduce embodied carbon each year.

BOX 366

Green Switch

Advancing Operational Efficiency Through Sustainable Practices

We continue to implement practical measures to reduce emissions and optimise resource use across our operations. At selected sites, we are phasing down diesel-powered equipment by transitioning to electric alternatives, where feasible. This helps lower operational emissions and noise while supporting more efficient, cleaner site practices. These efforts are complemented by the continued expansion of on-site renewable energy initiatives across offices and sales galleries to reduce Scope 2 emissions.

Beyond energy, we remain committed to resource conservation by promoting the principles of reduce, reuse and recycle across the organisation. Supported by established SOPs and digital tracking of emissions data, we are better able to identify improvement areas and implement targeted actions to reduce our environmental impact.

REDUCING OUR ENERGY CONSUMPTION

To lower Group-wide energy use and enhance green building performance, we have implemented the following measures:

Smart Lighting and Air Conditioning

We deploy advanced systems with IoT-enabled monitoring to detect when lighting or air conditioning is not in use and switch it off accordingly, minimising energy wastage.

Double-Glazed Windows and Louvres

By incorporating double-glazed windows and louvres, we reduce heat gain within buildings and lessen reliance on air conditioning.

Sun-Facing Designs

We apply sun path analysis during the design stage to maximise natural daylight and reduce the need for artificial lighting.

By integrating these technologies and approaches, we aim to reduce energy consumption across our developments, lower operational energy costs for homeowners and support national net zero aspirations through improved energy efficiency.

OUR RESULTS AND ACHIEVEMENTS

Renewable Energy and Energy Efficient Solutions

- The installation of solar power panels at our office buildings, sales galleries and malls was completed in 2025, expanding our on-site renewable energy generation to 3,483 MWh.
- We continued to drive awareness across all Business Units to strengthen sustainability practices, including energy and water conservation and waste reduction.
- We organised Setia Sustainability Day on 24th September 2025 to engage employees and other stakeholders on our sustainability commitments and drive greater collective effort towards our ambitions.

Our Energy-Efficient Buildings: Setia Federal Hill – Redefining Urban Living

Setia Federal Hill, a joint development with Mitsui Fudosan, reflects the Group's commitment to energy-efficient, low-carbon urban living. Phase 1 of the development is GreenRE certified, while the overall Setia Federal Hill township is LEED certified, recognising the adoption of green design and sustainability practices across the township. These achievements were supported by suppliers adhering to Setia's low-impact material requirements and sustainable site practices. The first phase was launched in 2025 and integrates the following green features:

Energy-Efficient Envelope
Laminated tinted glass (RETV< 22W/m²) to reduce heat gain

Renewable Energy
Solar power for common areas

Rainwater Harvesting
Reduces potable water use by 30%

Natural Ventilation & Daylighting
Reduces lighting needs by 70%

Efficient Cooling & Lighting
5-star air conditioning and sensor-based lighting

EV Charging & Green Transport
EV stations and priority parking

Heat Island Reduction
Solar Reflective Index (SRI) materials and greenery to lower temperature

Holistic Initiatives to Manage and Reduce Emissions

In 2025, we continued to ensure optimal utilisation of IBS solutions across the Group to drive efficiency and sustainability. We also reinforced the adoption of green cement in all developments, with 19 out of 33 projects launched during the year already using this eco-friendly material to reduce embodied carbon emissions. Further to this, we have also progressed our planned utilisation of green concrete, with 52% new developments adopted in 2025.

To embed a sustainability-conscious culture across the Group, we leverage close engagement between our Group Corporate Sustainability team and all Business Units, with extensive awareness programmes utilised to drive improvements to internal practices. During 2025, this included a Climate Risks and Opportunities awareness programme tailored for key business units, namely Project Planning and Design, Group Contracts and Procurement, and Group Finance.

Collectively, these initiatives reinforce our commitment to environmental stewardship, operational sustainability and responsible corporate practices across the Group.

Scope 1, 2 & 3 Emissions Performance (tCO_2e)

The Group's Scope 1, Scope 2 (location-based) and Scope 3 emissions are summarised below by reporting segment (Malaysia, International operations and Amari Hotels), based on data available during the reporting period.

Details of our Scope 1 and Scope 2 emissions, together with energy consumption disclosures are provided in our Sustainability Statement on page 161.

Segment	Scope 1 tCO_2e	Scope 2 (Location-based) tCO_2e	Scope 3 (Gross other indirect)* tCO_2e
Malaysia	3,219.19	31,377.41	2,297.16
Australia		38.10	4.18
Vietnam		204.02	20.75
Amari Hotels	213.90	8,260.90	258.47

* Scope 3 figure disclosed covers Category 6 (Business travel) and Category 7 (Employee commuting) based on data available during the reporting period.

ESG Report

Total Energy Consumption

Energy Consumption (kWh)	2023	2024	2025
Malaysia	96,174,521	45,037,889	**40,592,690**
Australia	N/A	N/A	**45,809**
Vietnam	N/A	N/A	**221,763**
Amari	N/A	N/A	**10,672,991**

Year	Energy Intensity Ratio (kWh/m²)
2023	13.16
2024	36.93
2025	**33.28**

Note: Malaysia Operations

Sustainability in Action at Callista Green, Taman Rinting, Johor Bahru

At Callista Green, sustainability is advanced through practical, residents-focused energy initiatives. A key highlight is the Solar Mobile Charger, introduced as part of the development's renewable energy integration. Designed for public use, it provides a convenient community charging point while promoting awareness of clean energy solutions. This initiative is positioned as the first solar mobile charger introduced by Setia in Malaysia, reinforcing Setia's commitment to pioneering accessible renewable energy applications at the township level.

In parallel, the development supports energy reduction through motion sensor lighting in selected public areas. The lighting operates only when movement is detected and turns off during periods of inactivity. This helps reduce unnecessary electricity consumption, optimise operating costs and extend the lifespan of lighting assets, while maintaining safety and comfort for residents.

Solar Mobile Charger, Callista Green

GOING FORWARD

Looking ahead, we remain firmly committed to accelerating emissions reduction in alignment with global and national climate action frameworks. Our clear pathway towards net zero is set out in detail within our Sustainability Statement, providing stakeholders with clear visibility on our mitigation approach, transition plans and the opportunities we intend to capture.

To strengthen delivery, we are driving concerted Group-wide action through compulsory energy reduction targets for senior management, mandated by a CEO memo issued to all Business Unit and asset heads in early 2025. We will also intensify efforts to address Scope 3 emissions through targeted strategies across our supply chain and end-user activities. Building awareness from within remains a priority, and we will continue to improve employee awareness and education to drive collective action towards achieving meaningful sustainability outcomes.

Together, these actions will mitigate risk, create long-term value and support alignment with global and national climate goals, positioning S P Setia for enduring success in a low-carbon economy.

WASTE AND WATER MANAGEMENT

Waste and water management are vital to our sustainability strategy, enabling us to improve operational efficiency while minimising environmental impact, optimising resource use, supporting regulatory compliance and strengthening the long-term sustainability of our developments.

WHY IT MATTERS

Effective waste and water management is a fundamental aspect of our role as a responsible developer. It supports operational excellence, preserves the trust of our stakeholders and strengthens environmental stewardship in numerous ways.

Through strong waste practices, we can reduce the volume sent to landfill, help prevent pollution and support compliance obligations. Likewise, responsible water use helps protect local resources and safeguards the quality of water discharged into waterways.

Accordingly, we remain committed to implementing sustainable waste disposal methods and responsible water extraction, consumption and discharge practices across our operations and development projects — supporting both long-term business performance and environmental sustainability.

Rainwater Harvesting

OUR APPROACH

Waste Management

Our approach to waste management is guided by our Setia Sustainability Policy and Setia Green Roadmap, as well as our Environmental Management System (EMS), which is based on the ISO 14001:2015 standard. Together, these frameworks provide a structured and systematic approach to managing waste across our operations while minimising environmental impact.

During the planning stage, we align our developments with recognised green building principles, using frameworks such as GBI and LEED as design and performance benchmarks to guide sustainable design, construction and operational practices.

A robust compliance monitoring and verification framework ensures our practices align with the Environmental Quality Act 1974. We maintain oversight through regular site inspections and compliance checks, supported by monitoring protocols tailored to different operational areas.

For office locations, we utilise the eDew platform for waste monitoring and data collection. At construction sites, selected Business Units conduct manual monitoring of construction waste, with contractors required to submit disposal documentation to verify proper handling at authorised locations. Construction waste management is further strengthened through contractual obligations, with clear terms and conditions communicated at the tendering stage, including requirements for responsible disposal.

This operations-specific approach enables us to maintain strong oversight while identifying continuous improvement opportunities in our waste management practices.

ESG Report

Below we outline our approach to managing the various categories of waste across our business:

Designated large recycling bins at the back-of-house of D'Network, Setia Eco Park, Shah Alam, Selangor

Office/Domestic Waste

Waste such as paper, printer cartridges, packaging materials and food waste from our offices and properties is sorted for recycling where possible, with remaining waste disposed of at approved landfills.

Construction Waste

Waste generated from construction activities — including debris such as concrete, bricks, wood, steel and plastic, as well as unused materials — is disposed of at approved landfills.

Maintenance Waste

Waste from property maintenance activities, including landscaping works, food waste from convention centres and malls, and other organic materials, is managed through appropriate disposal channels based on waste type and local authority requirements.

Clubhouse Waste

General waste, recyclables, organic waste and single-use plastics generated during events and daily activities are managed appropriately and disposed of at approved landfills.

Scheduled Waste

Scheduled (hazardous) waste includes materials that may cause environmental harm, such as spilled oil, contaminated soil and oil-soaked rags. This waste stream is handled by licensed contractors and reports to the Department of Environment (DOE) in accordance with regulatory requirements and contractors contractual obligations.

Water Management

We treat water as a shared resource that demands deliberate and responsible management. Across our operations, we prioritise progressive consumption reduction while expanding opportunities for reuse. Our water is drawn primarily from municipal supply networks and supplemented through rainwater harvesting and catchment systems. It supports a range of operational needs, including drinking water supply, general cleaning and sanitation and landscape maintenance. Discharge is managed through sewerage treatment plants and approved drainage systems.

We maintain strict discharge management practices to protect waterways and water-dependent ecosystems, including flora and fauna. Our practices adhere to the Environmental Quality Act 1974 and the Sewerage Services Act 1993, with all discharges requiring prior approval from the Department of Environment and compliance with specified pollutant limits. Our minimum standards are guided by Environmental Impact Assessment (EIA) Approval Conditions and the National Water Quality Standard (Class IIA), with internal regular Environmental Monitoring Reports including discharge point sampling and the tracking of key parameters such as pH, dissolved oxygen and the presence of pollutants.

Additionally, in Selangor, we comply with the Lembaga Urus Air Selangor (LUAS) Licensing Regulation 2024 on Discharge of Return Water and Entry or Discharge of Waste and Pollutants (State of Selangor) ("Sel. PU 19/2024"), which came into force in 2024.

Rainwater Harvesting System

OUR INITIATIVES

Township drainage systems are designed in accordance with MSMA (Manual Saliran Mesra Alam). This approach integrates flood mitigation, water quality protection and environmental management, while enabling the creation of new biodiversity locations and habitats. Design elements include networks of small ponds to reduce runoff and manage stormwater during peak periods. Where appropriate, we prioritise natural ground waterways over drain culverts to improve permeability and support township groundwater recharge.

Water quality is further strengthened through the installation of gross pollutant traps (GPTs) and integrated sediment traps. Special attention is placed on areas designated as Kawasan Tadahan Air in our Kebenaran Merancang (KM), where we develop wetlands, bio-swales and landscape parks to enhance both aesthetics and biodiversity.

Through our eDew platform, we maintain comprehensive monitoring of water consumption across our offices and sales galleries. The system also tracks water quality discharge at construction sites in accordance with EIA parameters, monitoring indicators across air, noise and water. Its analytical capabilities enable the detection of irregularities and the issuance of early warning alerts for timely remedial action. This data-led approach supports alignment with local regulatory requirements and the ISO 14001:2015 standard.

Water data collection is governed by rigorous methodologies customised for different operational areas. For office facilities, consumption is recorded through detailed monthly utility bills from service providers. At construction sites and townships, discharge water quality monitoring involves sample collection by DOE-approved third-party service providers at fixed monitoring points, including ponds, silt trap ponds and waterways. The samples are subsequently analysed by separate DOE-approved laboratories, with detailed reports typically issued within days of collection. This dual-approval process reinforces strong data integrity and supports regulatory compliance.

Our technical controls are complemented by active engagement with employees, residents and communities to promote sustainable water practices. Regular monitoring and reviews of our water impacts help ensure the effectiveness of our approach while continuously identifying opportunities for improvement.

ESG Report

Construction Excellence

We continue to strengthen construction efficiency through the wider adoption of Industrialised Building System (IBS) techniques across our development projects. The average IBS score of 52% achieved in our KPI scorecard during 2025 reflects our commitment to more precise material forecasting through systematic modelling and the use of precast and prefabricated building components.

Complementing this, we maintain robust sorting protocols at project sites and strengthen construction waste oversight through regular inspections. Sustainability considerations are embedded throughout our planning and development process to ensure responsible construction outcomes.

Office Environmental Stewardship

Our corporate offices demonstrate a strong commitment to waste reduction through strategically placed recycling stations that enable segregation of paper, plastic, and glass. Digitalisation initiatives, which include the adoption of Microsoft 365 and OneDrive for document management, alongside the implementation of e-registration and e-brochure systems, continue to reduce paper consumption and support our progress toward paperless offices

For food waste, we operate a dedicated composting system at Setia Eco Park, which obtains food waste from Setia City Convention Centre and food & beverage tenants of D'Network for composting. The compost produced supports landscape maintenance activities across our developments.

Food Waste Compost Machine at D'Network Setia Eco Park, Shah Alam, Selangor

Community-Focused Solutions

We continue to advance circular economy initiatives across our developments through practical, community-centred solutions. Notable efforts include:

- Operating a recycling facility at Setia Fontaines Heritage Park, complemented by composting solutions that transform fallen leaves, coffee grounds and tea leaves into fertiliser.
- Expanding resident engagement through partnerships such as collaboration with Tzu Chi for Recycle Day events and awareness campaigns at Setia Fontaines.
- Strengthening the food composting programme at D'Network @ Setia, supported by RSVP systems for events and structured food diversion programmes to reduce waste.
- Implementing digital solutions such as e-registration and e-brochures to cut paper use.
- Conducting Business Unit-level awareness and education initiatives for staff and residents to strengthen waste-conscious behaviours.

Underground rainwater management at Callista Green, Taman Rinting, Johor Bahru

Sustainability in Action at Callista Green, Taman Rinting, Johor Bahru

Callista Green also incorporates underground rainwater management to support more effective stormwater control within the township. By channeling and managing rainwater below ground, the system helps regulate runoff during heavy rainfall, reduce surface ponding and minimise the risk of localised flooding. This approach contributes to a cleaner, safer and more resilient neighbourhood environment, while strengthening the development's overall water stewardship and long term liveability.

Third-Party Waste Management

Robust procurement and contracting processes have been established to ensure we work with responsible and licensed waste management partners. For scheduled waste, all required documentation is submitted to the Department of Environment in accordance with regulatory requirements. Ongoing compliance is reinforced through regular site inspections, ensuring alignment with both internal standards and applicable regulations.

ESG Report

OUR RESULTS AND ACHIEVEMENTS

Waste

In 2025, we continued strengthening our office waste management performance through consistent monitoring and measurement across our operations. In 2025, reported office waste volumes increased due to an expanded reporting boundary, as we incorporated additional operational locations and waste streams into our monitoring and measurement. We diverted 40 tonnes of waste from disposal, while 1,227 tonnes were directed to disposal. Through our food waste recycling initiatives, we processed 2.3 tonnes of food waste. Meanwhile, construction-related waste is managed separately through appropriate control measures implemented by contractors.

Office and retail areas equipped with proper recycling bin for waste segregation

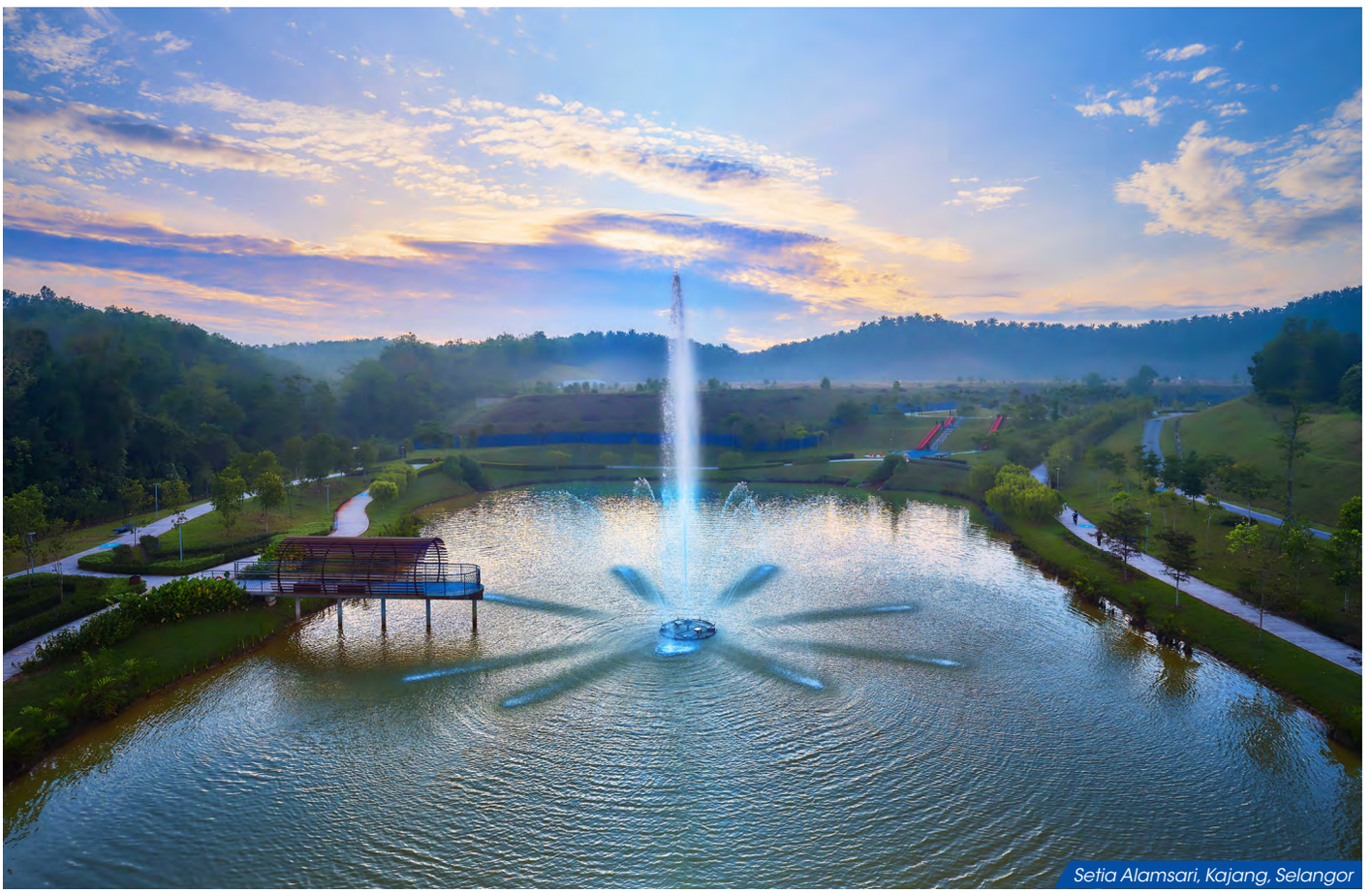
Waste Management	2023	2024	2025
Total waste generated (tonnes)	2,730.70	521.21	**1,267**
Total waste diverted from disposal (tonnes)	2,001.70	11.37	**40.00**
Total waste directed to disposal (tonnes)	729.00	509.84	**1,227**
Food waste recycled (tonnes)	24.74	2.19	**2.3**

Water

In 2025, we continued to monitor and manage our water impacts across all areas of operation. Our eDew data management system continues to strengthen the quality and consistency of data collection, supporting improved visibility across operational boundaries. Total water consumption for the year reached 868 megalitres, with no operations located in water-stressed areas. Water consumption across managed assets improved through ongoing efficiency measures. During development, contractors implement site water controls under Setia's supervision, supported by MSMA-aligned drainage and detention systems delivered across long-build townships.

Total Water Consumption (ML)	2023	2024	2025
Malaysian based offices	501.56	1,868.76	**74.54**
International Australia and Vietnam	N/A	N/A	**0.35**
AMARI	N/A	N/A	**123.49**

Year	Water Intensity Ratio (m^3/m^2)
2023	0.34
2024	1.53
2025	**0.06**



Setia Alamsari, Kajang, Selangor

GOING FORWARD

Going forward, we will maintain our focus towards tackling waste at source, prioritising preventive measures, particularly during the planning and design stages of construction projects, to minimise waste generation from the outset. In parallel, we will expand the use of digital solutions to strengthen efficiency, traceability and waste reduction across our operations, including:

BIM 3D software for early-stage clash analysis, enabling better coordination, improved planning and reduced material waste.

Digital workflows to reduce paper usage across office operations and project implementation.

Alongside waste reduction, we will continue strengthening our water management by improving measurement and monitoring processes across offices, sales galleries, hotels and convention centres. Digitising water usage data will enhance analysis, management and target setting, with 2024 serving as the baseline year for future indicators. We will also continue sourcing non-potable water for construction-related activities — such as road and vehicle cleaning — by drawing from ponds within our townships where feasible.

Collectively, these efforts reinforce our broader sustainability objectives, enabling continuous improvement in waste and water management while maintaining operational efficiency, reducing environmental impact and optimising the use of material and water resources across our operations. In FY2025, we recorded zero environmental fines across Setia's operations, including supplier interfaces on our sites.

ESG Report

BIODIVERSITY

Thriving ecosystems sustain thriving communities. By conserving biodiversity and restoring natural habitats, we create healthier places to live while protecting the natural systems that support community well-being and long-term development sustainability.

WHY IT MATTERS

Rymba Creek, Setia Eco Park, Shah Alam, Selangor

Biodiversity plays a critical role in sustaining the natural systems that support healthy, liveable communities — from clean air and water to climate regulation, soil stability and flood management. When ecosystems are degraded, natural habitats are disrupted and environmental risks intensify, including erosion, water pollution, heat stress and water scarcity. These impacts can affect community well-being, increase development costs, delay project delivery and undermine the long-term viability of the places we build.

The context of our business operations, protecting biodiversity emerges as both an environmental priority and a strategic imperative. Without this focus, we may face heightened operational and financial exposure — including regulatory penalties, increased restoration costs and erosion of stakeholder confidence. We therefore prioritise biodiversity management across our projects by aligning our practices with global environmental goals and supporting ecosystem restoration efforts where needed. By embedding responsible land-use planning, conservation measures and green technologies into our developments, we help ensure urban growth progresses in balance with ecosystem health — strengthening long-term resilience for our communities and the environment.

OUR APPROACH

Our approach to biodiversity is guided by the UN SDGs and Malaysia's Environmental Quality Act 1974 (Act 127), and embedded within our ISO 14001:2015-aligned Environmental Management System. Internally, we are further guided by the S P Setia Sustainability Policy, S P Setia Green Roadmap, Sustainability Framework, Setia Climate Change Policy and Setia Biodiversity Policy. Setia Biodiversity Policy, ensuring biodiversity considerations are consistently integrated into environmental planning and compliance across the Group. Through ongoing community engagement and targeted programmes, we also promote shared stewardship of natural ecosystems.

We recognise that development activities can affect natural landscapes. As such, we take a balanced approach that prioritises the protection of ecosystems while delivering liveable, well-planned communities. This includes investing in the conservation and restoration of natural habitats within our landbanks, enabling humans, flora and fauna to coexist harmoniously. Through these efforts, we enhance residents' quality of life while advancing biodiversity-conscious development across the communities we build.

To minimise disruption to natural habitats, we systematically assess and manage the key impacts of our development activities, including:

Ecosystem Disruption	Land clearing may result in the removal of vegetation and disruption of existing ecosystems, potentially leading to habitat loss for plant and animal species.
Air Pollution	Machinery, vehicles and construction activities may generate particulate matter and emissions that contribute to air pollution.
Water Pollution	Runoff from construction sites may carry pollutants into nearby water bodies, potentially affecting aquatic ecosystems.
Noise Pollution	Noise from construction activities may disturb wildlife and alter natural behaviour patterns.
Reduction of Flora and Fauna Species	Habitat disturbance during construction may threaten existing flora and fauna, potentially contributing to population decline or local extinction.

We take an integrated approach to mitigating these impacts by applying technological solutions, adopting industry best practices and maintaining active engagement with key stakeholders. Our biodiversity considerations begin from the earliest stages of project planning. During the pre-development phase, we conduct in-house ecological assessments and identify mature trees that can be preserved through transplanting to appropriate locations such as parks, roadside green areas or buffer zones. Only non-invasive mature tree species are used in these efforts.

In parallel, we assess biodiversity-related risks and opportunities to inform sustainable design decisions and minimise disruption to nature. Our teams work closely with multidisciplinary consultants to refine development plans, ensuring designs are more sensitive to surrounding ecosystems.

Where appropriate, we introduce urban greenery and create new habitat features to attract desirable fauna such as birds, butterflies and bees, enhancing both ecological value and the appeal of our developments. Environmental Impact Assessments (EIAs) are also conducted where required to evaluate potential impacts on biodiversity and ensure environmental considerations remain prioritised throughout development.

OUR INITIATIVES

Biodiversity Conservation and Habitat Protection

Our dedication to ecosystem stewardship was recently underscored with the introduction of a Group-wide Biodiversity Policy in 2025, formalising our commitments and providing a structured, Group-wide approach to biodiversity protection.The policy guides the identification, management and monitoring of biodiversity risks and opportunities across our developments, ensuring alignment with regulatory requirements, global biodiversity frameworks, and evolving investor and stakeholder expectations.

Guided by this policy, we will continue to responsibly integrate biodiversity considerations into the way we plan and deliver our developments, balancing built environments with the protection of natural ecosystems. Our efforts at Setia Fontaines serve as a prime example, where we preserved 36 acres of green parkland and 63 acres of water bodies to safeguard habitats on land and underwater, while maintaining sustainable site practices throughout project delivery. Working with environmental consultants and landscape architects, we conducted a thorough EIA and embedded effective biodiversity protection measures at the design stage, enabling us to address potential risks to local ecosystems, wildlife habitats and natural resources from the outset.

To strengthen sustainability performance across our value chain, we collaborate with business partners to ensure alignment with environmental standards. Contractors are encouraged to obtain ISO 14001:2015 and ISO 45001:2018 certifications, with these requirements clearly communicated during tender briefings and incorporated into contractual expectations prior to project commencement.

ESG Report

Preservation of Natural Habitats

Where possible, we incorporate forest parks, wetlands, natural hills and waterways into our developments to conserve biodiversity and preserve ecological character. Examples include Adventure Park and EcoHill Park in Setia EcoHill, as well as Canal Park and Pixel Park, which feature protected natural environments integrated harmoniously with urban living comforts.

Green Infrastructure and Eco-Friendly Designs

We incorporate green infrastructure solutions that support biodiversity while advancing climate resilience. We also work with engineers, landscape architects and environmental consultants to create green corridors, pocket parks and habitats for pollinators and other species. In LakePoint Park at Setia AlamImpian, engineered infrastructure is seamlessly integrated with public recreation spaces, including a retention pond designed with natural aesthetics and aquatic habitats to support biodiversity.

Urban Green Spaces

Our township planning prioritises native plants, green corridors, and landscaped areas that provide habitats for wildlife. All our developments feature public parks and green spaces, which together account for over 10% to 15% of the project area. Including water bodies and buffer zones further enhances biodiversity and community well-being.

Sustainable Landscaping

We apply sustainable landscaping approaches that prioritise native species, require minimal maintenance and reduce reliance on chemical fertilisers and pesticides. At Setia Fontaines, cleared vegetation and oil palm leaves are composted for use in park and landscape areas. Water-efficient landscaping practices — including rainwater harvesting and irrigation systems, further minimise environmental impacts while reducing resource consumption.

Monitoring and Reporting

We use systems such as the eDew monitoring platform to track environmental pollutants in real time during construction and operational phases, enabling quicker responses to potential issues and reducing harm to ecosystems. In our view, the air and the soil are part of the biodiversity ecosystem which is essential for flora and fauna to thrive. Our biodiversity efforts are supported by ongoing monitoring and adaptive management approaches, complemented by periodic stakeholder reporting to maintain transparency and accountability.

Recycling and Upcycling Initiatives

We repurpose selected materials from site works to reduce waste while creating functional environmental features. Examples include tree trunks from land clearing being transformed into walkway elements, and boulders uncovered during earthworks being used to create habitats for aquatic life.

LakePoint Gallerie, Setia AlamImpian, Shah Alam, Selangor

At LakePoint Park, Setia AlamImpian, these reclaimed boulders have also been integrated as landscape and art visual features, enhancing the park's natural character while minimising construction waste. This approach supports circular resource use by repurposing on-site materials, reducing reliance on newly sourced landscape elements and enhancing the aesthetic and ecological value of our public parks.

Terracotta Sculpture and Boulder at LakePoint Park, Setia AlamImpian, Shah Alam, Selangor

Community Engagement

With the aim of revitalising our natural parks and strengthening employee engagement with nature, we organised a Park Revival Competition during Sustainability Day 2025. The initiative formed part of the rollout of our Biodiversity Policy and engaged employees and stakeholders in reimagining underutilised green spaces through biodiversity-friendly design. It reinforced awareness of habitat restoration, native planting and ecosystem value, while fostering shared ownership of conservation efforts.

In addition, employees were engaged through park-based outings featuring a range of activities that enhanced their understanding and appreciation of environmental sustainability and biodiversity.

OUR RESULTS AND ACHIEVEMENTS

Advancing Biodiversity and Sustainable Landscaping Initiatives

Our commitment to environmental sustainability was recently underscored with the introduction of a Group-wide Biodiversity Policy in March 2025. This policy provides a structured approach to biodiversity protection, ensuring alignment with evolving investor expectations and market requirements.

In parallel, we have enhanced our landscaping strategy by prioritising the planting of species listed on the International Union for Conservation of Nature and Natural Resources (IUCN) Red List, supporting the preservation of vulnerable and at-risk species. Additionally, we introduced Tree Planting Guidelines for Carbon Sequestration to ensure our greening initiatives contribute meaningfully to carbon capture efforts.

Accountability and Outcomes

In 2025, we further strengthened accountability by introducing the tracking of IUCN Red List tree species as an ESG Key Performance Indicator (KPI) for the group.This encourages developments and projects to increase biodiversity-positive initiatives while enabling consistent performance monitoring across Business Units.To ensure effective delivery, Business Unit's project planning team work closely with landscape contractors to align all planting designs and specifications with the Biodiversity Policy and resulted in out of 9,667 total trees planted being species listed on the IUCN Red List.

Barringtonia Acutangula – Setia Eco Park

GOING FORWARD

Moving forward, we will continue supporting government-led sustainability initiatives by strengthening disclosures on environmental performance and advancing our approach to managing biodiversity risks and opportunities. We will deepen biodiversity planning across our developments, guided by a commitment to minimising biodiversity impacts and enhancing ecological value, and supported by green infrastructure solutions such as green roofs, wetlands and habitat corridors.

Our approach will incorporate sustainable construction practices, the protection of native ecosystems and the adoption of green-certified design principles to minimise environmental impacts, alongside continued community engagement to advance biodiversity awareness and conservation. To strengthen long-term resilience, we will complement our efforts with ecosystem restoration initiatives.

In parallel, we will progressively implement biodiversity risk and opportunity assessments aligned with the Taskforce on Nature-related Financial Disclosures (TNFD), applying the LEAP (Locate, Evaluate, Assess and Prepare) framework in stages commencing in 2026, with a focus on priority developments and locations.