

ESG Report



UN SDGs ADOPTED



Sustainable, Innovative and Quality Development

Operating across Malaysia and selected international markets, S P Setia drives sustainable economic value by building well-managed, high-quality developments that deliver positive impacts for people and communities. The following topics highlight how we strengthen financial and operational performance, innovate responsibly and uphold the standards and practices that support long-term growth.

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ECONOMIC PERFORMANCE

Our property development activities and related businesses generate economic value through revenue growth, employment, tax contributions, dividends and targeted community investments across our Malaysian and international operations

WHY IT MATTERS

Strong economic performance underpins S P Setia’s ability to grow sustainably, compete effectively and deliver long-term value to shareholders and stakeholders. By upholding sound financial management and operational efficiency, we remain empowered to seize growth opportunities, maintain development momentum and meet project delivery commitments in a dynamic market environment.

We therefore prioritise a resilient financial strategy that supports long-term growth, strengthens stakeholder confidence and equips the Group to navigate market volatility and industry evolution, while remaining aligned with our sustainable development objectives.



S P Setia Berhad Corporate HQ

OUR APPROACH

Our approach to economic performance is grounded in disciplined, responsible decision-making, supported by robust corporate governance, comprehensive risk management and a zero-tolerance stance on bribery and corruption.

These commitments are reinforced through our Anti-Bribery Management System (ABMS) ISO 37001:2016 and Business Continuity Planning (BCP), which promote transparent, ethical and resilient business operations, while our Enterprise Risk Management (ERM) framework systematically embeds risk management practices across financial, operational and strategic functions.

Together with BCP-established crisis management protocols, this enables timely and effective responses to market disruptions while strengthening the Group’s long-term business resilience.



Setia Ethics & Integrity Workshop



For more details on our risk management framework, please refer to page 301 of this report.

OUR INITIATIVES

Launched 38 project phases comprising 29 residential, 8 commercial and 1 industrial development, with a total GDV of RM5.14 billion.

Detailed descriptions of these initiatives are disclosed in our Sustainability Statement. Strengthened initiatives to eliminate waste, optimise resource utilisation and improve construction productivity through structured efficiency measures.

Reviewed operational costs regularly to identify opportunities for optimisation, focusing on process efficiency, supplier contract negotiations and technology-enabled productivity gains.

Fine-tuned financial roadmaps aligned with our corporate objectives, defining long-term revenue targets, capital allocation priorities and growth plans to support sustainable financial performance.

OUR RESULTS AND ACHIEVEMENTS

Direct Economic Value Generated (RM' billion)

| | 2023 | 2024 | 2025 |
|-------------|------|------|-------------|
| Revenue | 4.37 | 5.29 | 4.22 |
| Net Profits | 0.35 | 0.63 | 0.60 |

Economic Value Distributed (RM' billion)

| | 2023 | 2024 | 2025 |
|----------------------------------|------|------|-------------|
| Operating Costs | 3.10 | 3.55 | 2.57 |
| Employee Wages and Benefits | 0.25 | 0.27 | 0.27 |
| Payments to Providers of Capital | 0.51 | 0.54 | 0.57 |
| Payments to Government | 0.30 | 0.50 | 0.37 |

GOING FORWARD

We remain committed to progressively enhancing our economic resilience and operational readiness, safeguarding financial strength and improving cost efficiency while maintaining close engagement with all shareholders.

Key priorities include maintaining healthy cash reserves, optimising supply chain performance and upholding transparent financial reporting that clearly communicates performance outcomes, strategic priorities and risk management practices.

In parallel, we will continue strengthening Team Setia through sustainability-enabled infrastructure, embedding sustainability into our products and services, workflow innovations and effective engagement, empowering stronger execution and delivery of the Group's long-term economic ambitions.

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INNOVATION

Innovation underpins S P Setia’s ability to deliver sustainable growth, enhance product quality and maintain market leadership. By combining technological advancement with disciplined cost, time and resource management, we continue to elevate operational resilience and boost value creation for our stakeholders.

WHY IT MATTERS

Innovation is a driving force in our sustainability strategy. It enables us to grow and retain market share by delivering differentiated developments that meet evolving customer expectations, while creating value through operational solutions that reduce costs and accelerate delivery timelines. A strong innovation foundation enhances organisational agility, allowing us to respond proactively to changes in customer needs, regulatory requirements and market conditions.

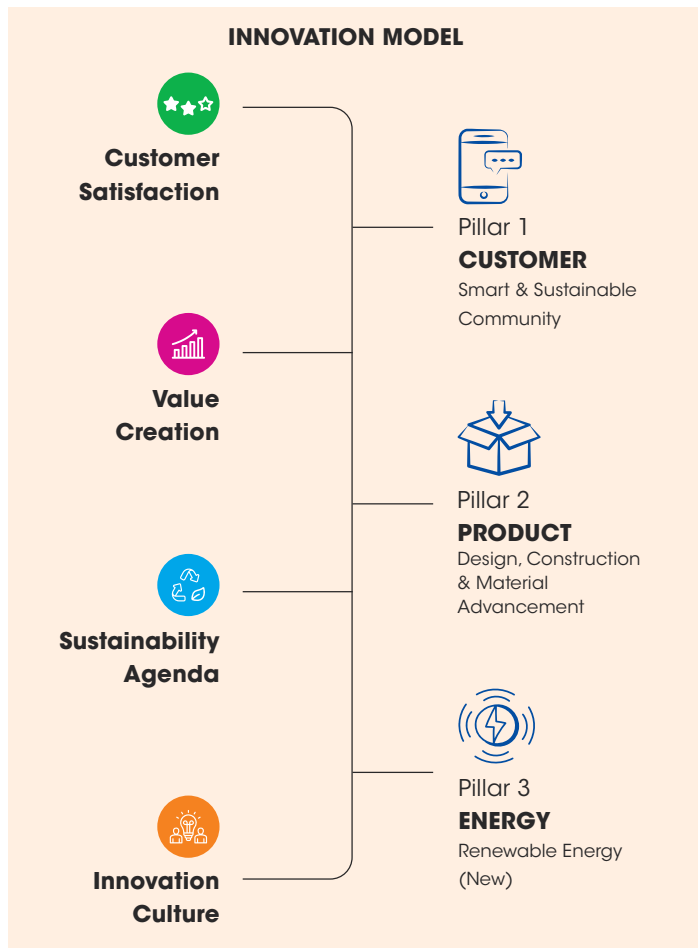
Innovation also supports our sustainability objectives through the adoption of energy-efficient designs, smart technologies and environmentally responsible materials. These initiatives align our developments with green building standards and regulatory expectations, enhance customer experience and reinforce investor confidence.

Recognising that insufficient innovation can lead to missed opportunities and erosion of market relevance, we prioritise the use of digital solutions and innovative construction practices to strengthen project execution, improve decision-making and enhance resilience across the property development value chain

OUR APPROACH

Our innovation strategy is anchored in a forward-looking culture embedded across all Business Units and applied throughout the project lifecycle, from planning and design to construction, marketing and customer engagement. We focus on practical, scalable solutions that improve efficiency, enhance quality and support sustainability outcomes. Guided by the S P Setia Green Roadmap, Standard Operating Procedures and Setia GreenLiving initiatives, innovation is systematically integrated into our operations. Working closely with Business Units, Group Digital & Innovation (GDI) identifies, tests and implements solutions to strengthen monitoring and performance, including the use of artificial intelligence (AI), data analytics and Internet of Things (IoT) technologies.

To ensure strong governance and value creation, the Group has established a Technology & Innovation Panel (TIP), a senior executive-level steering committee chaired by the CEO. TIP reviews proposals and due diligence outcomes, endorses PoCs and scale-up decisions, and monitors implementation across Business Units. TIP is supported by GDI, in collaboration with Subject Matter Experts (SMEs) and relevant committees, to assess and refine innovation concepts.



OUR INITIATIVES

Our ongoing collaboration with the Malaysian Research Accelerator for Technology & Innovation (MRANTI) and the National Technology and Innovation Sandbox (NTIS) represents Setia's foundational step in institutionalising Corporate Innovation. Through the Setia Smart Community Sandbox, we provide a structured environment for the assessment, testing and validation of emerging solutions in collaboration with technology and ecosystem partners. In FY2025, together with NTIS, Setia launched several additional proofs of concept (PoC) initiatives with technology providers, with a focus on construction quality management.

Progressing from this initial phase, the Bengkel Inovasi GLC (BIG) programme serves as the Group's subsequent organisational effort to embed an innovation-driven culture across Setia through structured capability-building and problem-solving methodologies. S P Setia is one of eight Government-Linked Companies (GLCs) selected to participate in the programme, which aims to empower GLCs to address industry challenges through innovation.

The Smart Community initiative introduces a forward-looking model of modern living and remains a long-term, continuous development priority for the Group. Innovation under this initiative is guided by evolving community needs, technological advancements and sustainability objectives.

Under the programme, we are focused on the following priority areas:

AI-driven home buying journey



Leveraging AI agents to personalise the end-to-end home-buying experience, enabling more efficient matching of buyers with suitable homes.

Flexible ownership and innovative financing



Exploring tokenisation and blockchain-based real-world asset (RWA) models to introduce flexible and progressive ownership and financing structures that complement traditional mortgage solutions.

AI-enabled quality management



Embedding AI-driven visual intelligence and digital quality controls across the project lifecycle, from design and construction to inspection and handover, to systematically reduce defects and elevate build quality.

Autonomous Drone Security Surveillance



Since July 2025, Setia has deployed a 24/7 autonomous drone surveillance system at Setia Alam Impian Lakepoint Park and surrounding LakePoint facilities to enhance real-time security and safety monitoring, supporting its innovation and ESG priorities through improved efficiency and resource use with full regulatory approvals.

Digital Business Card



In January 2025, Setia rolled out NFC/QR-enabled digital business cards integrated with employee access cards, replacing paper cards to support digitalisation, reduce paper waste, strengthen brand consistency and improve data accuracy, while providing usage analytics for more efficient and sustainable operations.

Drone-based LiDAR Land Survey



In 2025, Setia Federal Hill adopted drone-based LiDAR for land surveys and completed a PoC for Phase 1 earthworks, enabling high-resolution terrain and volumetric analysis to improve verification accuracy and efficiency, reduce reliance on conventional surveys and support better land use planning and sustainability outcomes.

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Pioneering a Holistic Approach to Sustainable Living

Our Smart and Sustainable Developments (SSD) initiative integrates smart technologies into our developments to enhance resident well-being, strengthen community connections and reduce resource consumption. SSD focuses on six key impact areas:



Health

Designing communities enriched with greenery, water and air features to support healthier lifestyles.



Community

Creating shared spaces, including clubhouses, that encourage social interaction and foster stronger community bonds.



Mobility

Improving accessibility through well-planned public transport links, pedestrian pathways and quality road infrastructure to support a range of transportation options.



Safety

Enhancing resident safety through the adoption of advanced security technologies, including smart access systems.



Green Energy

Supporting lower-emission living by enabling solar-ready homes and facilitating the use of electric vehicles (EV) through the provision of EV charging facilities.



Water

Incorporating natural water features, including self-cleaning systems and ponds, to immerse residents in nature and enhance their well-being.

Integrating Smart Sustainable Home Features

Guided by our mission to develop smart and sustainable communities, we continuously integrate innovative urban development concepts and infrastructure, including EV charging facilities, across our townships and developments. Our commitment to sustainable living is exemplified by the Setia eGreenLiving initiative, which, as at December 2025, has been integrated into 28 projects throughout the S P Setia Group. The sustainability-focused smart home features currently being deployed include:

- **Smart Home System**
A mobile-enabled system that allows residents to control multiple switches and power plugs remotely.
- **Smart Lock**
Smart access locks that can be controlled remotely and unlocked via fingerprint scanning, card, password or physical key.
- **Solar Panel**
Pre-installed solar photovoltaic panels that enable residents to generate renewable energy for their homes.
- **Solar Switch**
Infrastructure that enables residents to seamlessly connect solar photovoltaic panels and power their homes using renewable energy.
- **Rainwater Harvesting System**
A system designed to collect rainwater, which is connected to an outdoor tap for plant watering, car washing and other uses.
- **EV Port**
A dedicated electrical connector that allows residents to charge their EVs.
- **Box 366**
A drop box that enables safe and contactless delivery of food and parcels.
- **Air Management System**
A system that improves ventilation and indoor air quality.
- **Green Switch**
A master switch that allows residents to activate or deactivate all lights instantly.

In parallel, we enhanced the functionality of Setia GO, our mobile application launched in 2024 to strengthen digital connectivity across our developments as we progress towards smarter communities. In 2025, Setia GO introduced a concierge service to elevate the Citizen Setia digital living experience. The feature enables residents to access trusted home and lifestyle services, including maintenance, repairs and cleaning, directly through the app.

To drive a coordinated, Group-wide focus on expanding Setia eGreenLiving features across our developments, we have begun tracking a range of KPIs to monitor the integration and adoption of sustainable home features across the portfolio.

Adoption of Smart Sustainable Home Features (eGreenLiving)

| Indicators | Methodology to calculate metric | Measuring Unit | Tracking Baseline (Year) | 2025 Results |
|--|---|----------------|--------------------------|--------------|
| Percentage of properties sold with green switch installed | Number of properties fitted with green switch | Percentage (%) | Nil | 79% |
| Percentage of properties sold with solar panel PV installed | Number of properties fitted with solar photovoltaic panels | Percentage (%) | Nil | 45% |
| Percentage of properties sold with solar panel conduit provision | Number of properties fitted with solar panel conduit provision | Percentage (%) | Nil | 50% |
| Percentage of properties sold with energy-efficient water heater | Number of properties fitted with energy efficient water heater | Percentage (%) | Nil | 25% |
| Percentage of properties sold with rainwater harvesting system | Number of properties fitted with rain water harvesting | Percentage (%) | Nil | 38% |
| Percentage of installed water fixtures certified to a water efficiency standards | Number of properties fitted with water fixtures certified to a water efficiency standards | Percentage (%) | Nil | 13% |

Upholding Comprehensive Quality Management Systems

Maintaining quality excellence is central to advancing our innovation ambitions. Guided by the implementation of SIRIM ISO 9001:2015 Quality Management System standards, we ensure our project teams adhere to both internal quality requirements as well as the benchmarks set by Construction Industry Development Board's (CIDB) Quality Assessment System in Construction (QLASSIC) framework.

Quality assurance is led by the Group Quality Management (GQM) team through two core assessments: In-Process Construction Quality (ICQ) audits and QLASSIC inspections. ICQ audits are carried out bi-monthly to evaluate works in progress, while QLASSIC inspections have been mandated for all new projects from 2025. This requirement has been embedded into contractual obligations across all building projects, strengthening accountability and consistency in delivery.

These controls ensure our developments consistently meet defined Quality Standards and project specifications.

Enhancing Construction Techniques

In 2025, the GDI function focused on solutions to address construction quality, carbon emissions and operational efficiency. Key initiatives include testing new green brick material at Property South, deploying IoT-enabled solutions at the Setia City Convention Centre (SCCC) such as footfall counting, flood alerts and waste monitoring, and implementing a Post-VP Defect Reporting System to strengthen defect reporting and follow-through. These initiatives have completed the PoC stage and are now progressing towards adoption, while additional solutions remain in the R&D pipeline.

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Driving Operational Efficiency

In 2025, we continued to enhance our existing Power BI reports and dashboards, with a specific focus on Property Sales Dashboards to strengthen visibility and decision-making. We also implemented a new dashboard for Group Legal to support the tracking of stakeholders' sums.

During the year, the legacy lead management system was sunset and replaced with a more holistic Customer Relationship Management (CRM) platform. The Group implemented an AI-enabled CRM solution with AI Outreach and AI-generated summaries to enhance customer engagement, streamline sales processes and strengthen lead nurturing and conversion through data-driven insights.

Recognising renewable energy as a key path forward for sustainable progress, we completed the installation of solar photovoltaic panels on the roofs of targeted Business Units, including offices and sales galleries during 2025. These systems now contribute 6.6 MWp of solar energy to reduce the carbon footprint of our operations



OUR RESULTS AND ACHIEVEMENTS

In 2025, the Group recorded an average IBS score of 52%, with green cement adopted in 30% and green concrete 52% of the projects launched during the year to reduce embodied carbon emissions.

GOING FORWARD

Moving forward, we will place greater emphasis on low-carbon product design and construction efficiency by continuing to explore and pilot advanced materials that reduce carbon emissions, alongside construction methods that leverage low-energy and modular systems. Emphasis will also be placed on adopting AI-enabled and simulation-based design coordination processes to improve project efficiency.

In parallel, we aim to streamline and automate defects inspection across construction, QAQC and post-VP stages. Under the BIG programme, we have partnered with global start-ups, leveraging hardware such as drones, handheld devices and helmet-mounted cameras for video capture, supported by computer vision to enable more efficient defects inspection.



PRODUCT DESIGN & LIFECYCLE MANAGEMENT

Sustainable outcomes stem from purposeful design and a deep understanding of product lifecycles. By leveraging technology, sustainable materials and resource-efficient practices across every stage of our developments, we enhance long-term quality, reduce environmental impact and create lasting value for our stakeholders.

WHY IT MATTERS

Every decision we make – from design and material selection to construction and end-of-life considerations – shapes our reputation, cost performance and ability to innovate. By adopting an eco-conscious and purposeful approach to product design, we deliver developments that balance innovation, functionality and sustainability. This includes integrating smart design principles, automation and data-driven decision-making to optimise resource efficiency, reduce environmental impact and manage operational costs more effectively.

A strong lifecycle management framework that prioritises using safe and durable materials also helps ensure our developments remain sustainable over the long term. Collectively, these efforts strengthen our competitiveness amid evolving customer and investor expectations, while supporting S P Setia's alignment with national and global sustainability agendas.

We remain committed to continuously improving product design and lifecycle management by adopting emerging solutions that reduce waste, improve efficiency and extend asset life. Proactive management in these areas mitigates risks, optimises resource use and strengthens long-term business resilience. Without this focus, inefficiencies, higher costs and missed innovation opportunities could weaken competitiveness and reduce investment potential.

OUR APPROACH

To ensure a consistent Group-wide approach, our product design and lifecycle management practices are guided by several internal UN SDG-aligned policies, including the S P Setia Sustainability Policy, the S P Setia Green Roadmap and the Setia Climate Change Policy. Together, these frameworks outline our commitments for embedding energy efficiency, eco-friendly design and resource conservation across our developments, ensuring our properties evolve in tandem with customer priorities.

Product design is driven through a multidisciplinary approach led by Group Digital and Innovation Unit. We focus on integrating practical innovations that strengthen efficiency, support sustainability outcomes and improve customer experience. We introduced the Digital Source Channel Sales KPI to optimise marketing efforts by shifting towards digital platforms, reducing reliance on traditional channels and improving cost-effectiveness. Our structured product design framework also prioritises green building elements and initiatives that enhance resource efficiency, while collaborations with like-minded partners strengthen our ability to innovate and improve both operational and sustainability performance.

Our commitment to lifecycle management is underscored by a focus on responsible material selection, including low Volatile Organic Compound (VOC) paint, tempered glass, durable metal steel roofs, asbestos-free cellulose fibre cement boards, reinforced wall panels and eco-label tiles. During 2025, we also explored and tested innovative materials such as geopolymers, concrete, carbon-negative materials, and low-energy wall systems and modular solutions. These materials help reduce environmental impact while improving indoor air quality, creating healthier living environments for our customers.

Concurrently, we prioritise staying ahead of industry developments, investing in employee training, seminars and conferences focused on emerging technologies and design trends. Equipping our teams with current knowledge supports the effective adoption of new tools, strengthens innovation capability and helps us maintain a competitive edge.

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OUR INITIATIVES

Our product design and lifecycle initiatives place emphasis on harmonising the use of technology and innovative construction methods to enhance sustainability, project quality and customer satisfaction.

Building Information Modelling (BIM)

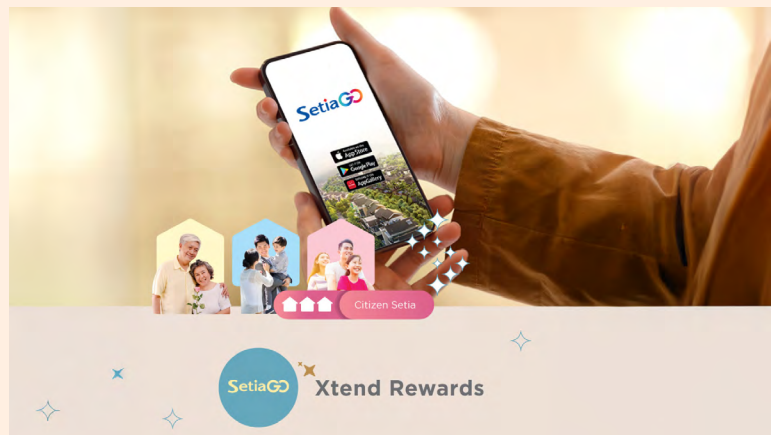
To identify and address potential issues early, we implement BIM during project planning across all S P Setia projects. This includes clash analysis to detect and resolve conflicts between architectural, structural, mechanical and electrical layouts before construction begins, alongside comprehensive 3D modelling that supports more innovative design with greater confidence. BIM strengthens material planning and decision-making, helping us improve efficiency, reduce rework, minimise waste and mitigate the risk of additional costs. We have also begun exploring the use of higher Levels of Development (LOD 350 and 400), as well as simulation capabilities, to further strengthen the effectiveness and impact of our BIM practices.

AI Internal Knowledge Chatbot

In 2025, we successfully deployed an AI-driven internal knowledge chatbot, integrating more than 40 percent of our corporate knowledge bases. This provides employees with 24/7 on-demand access to standard operating procedures (SOPs), significantly reducing time spent on manual searches. By streamlining information retrieval, we have enhanced operational agility and reinforced a self-service culture across the organisation.

AI Sales Chatbot

Our digital sales channels have been significantly enhanced through the integration of an AI-driven chatbot on the corporate website. This enables visitors to resolve property-related enquiries independently, strengthening a self-service experience while reducing the volume of routine queries handled by sales personnel. As a result, our sales teams can focus more effectively on high-value client engagement.



Setia GO App

In 2025, we introduced a new convenience feature on Setia GO, an exclusive concierge service designed to enhance everyday living for Citizen Setia. Through the app, residents can easily request trusted home and lifestyle services, including repairs, maintenance, cleaning and household assistance, without the need to search for external providers.

The feature connects Citizen Setia to a curated network of verified service professionals, offering greater peace of mind through reliable service quality, reasonable pricing and faster response times. All requests are managed seamlessly within Setia GO, delivering an integrated digital living experience.

This enhancement reflects our commitment to elevating the Citizen Setia journey by making daily living more convenient, efficient and worry-free, while further strengthening Setia GO as a one-stop platform for smart community living.

Setia Management Executive Dashboard

To strengthen performance oversight, GDI implemented a unified executive dashboard that consolidates key metrics across departments. The platform supports near-real-time monitoring and analysis to enable faster, data-driven decision-making, while reducing manual consolidation effort. Designed for scalability, it also provides a foundation for future analytics initiatives and continued technology-enabled growth.

Adopting Green Materials

Construction material manufacturing contributes significantly to carbon emissions. Green materials such as green cement and green concrete, which feature improved manufacturing processes and the use of eco-friendly raw materials, provide a solution for reducing this impact. The past year has seen us made significant progress in these areas. At our Johor developments, we have begun using Green Bricks as well as a new type of composite rebar made from fibreglass as a corrosion-free and sustainable alternative to steel reinforcement. We are currently exploring the use of geopolymers cement and concrete, carbon-negative screeding and low-energy lightweight IBS panels to further reduce embodied carbon across our developments. Through the increasing use of green materials, we can enhance sustainability in construction, prolong the lifecycle of our buildings, and reduce the overall carbon footprint of our developments.



Eco Green Bricks

Turning Waste into Landscaping

Extending material lifecycles supports the circular economy by keeping materials in use for longer and reducing unnecessary waste. One practical way we do this is by repurposing construction and organic waste for landscaping – as demonstrated through the initiatives implemented at the developments below.

Setia Alamsari

We repurposed stones excavated from site works by retaining them on-site and reusing them as landscape boulders and natural edging for parks, water features and waterways. This reduces the need for imported decorative materials and minimises construction waste sent off-site. To further support durable infrastructure, parks and waterways also adopt Glass Fibre Reinforced Polymer ("GFRP") reinforcement in place of conventional steel for non-structural applications such as walkways. Compared with steel, GFRP provides strong corrosion resistance, is lightweight, offers high tensile strength, is non-conductive, and delivers a longer service life.



Glass Fibre Reinforced Polymer at Setia Alamsari, Kajang, Selangor



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

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Engaging Suppliers for Sustainable Product Briefings

To accelerate the adoption of sustainable materials and technologies, we actively engage sustainability solution providers across our value chain, including suppliers, service providers and technology partners. Through structured product briefings and knowledge-sharing sessions, we evaluate emerging solutions that can strengthen supply chain collaboration, improve data readiness and support more efficient decision-making. As documentation requirements evolve, we work closely with relevant parties to enhance information accessibility and preparedness, enabling the Group to respond proactively to market expectations for sustainable products that are both high quality and competitively priced.

GOING FORWARD

We will continue ensuring all Business Units adopt technology solutions guided by Group Digital and Innovation to strengthen efficiency, sustainability and governance across our developments and product design processes. A dedicated task force will monitor market trends and evaluate cost-effective solutions that support evolving business needs. In parallel, training programmes will equip employees with the skills to adopt and leverage emerging technologies effectively.

We will also expand the integration of sustainable materials, advance circular economy practices and maintain systematic records to strengthen lifecycle decision-making and improve material selection – including across our future key commercial developments.

To enhance efficiency, sustainability and governance, we will continue to innovate through the adoption of new technological solutions to address business challenges, ranging from AI vision and blockchain to green materials and sustainable construction technologies, in collaboration with technology partners.



BUSINESS ETHICS

Strong business ethics are essential to long-term sustainability and trust. At S P Setia, we employ a structured and comprehensive approach to upholding ethical conduct across our operations, as well as our supply chain.

WHY IT MATTERS

Ethical conduct and professionalism are fundamental to S P Setia's commitment to integrity, accountability and sustainable development. Within the context of our business operations, upholding compliance with regulations protects our reputation, safeguard stakeholder interests and support business continuity. Just as importantly, preventing bribery, corruption and other unethical practices is essential to maintaining confidence across our customers, business partners and communities.

Protecting personal data is equally critical. Homebuyers and customers entrust us with sensitive personal and financial information throughout the property journey. Any lapse could result in regulatory action, financial penalties, reputational harm and a loss of trust that can take years to rebuild.

We therefore take a proactive approach to strengthening governance by embedding ethical standards into the way we operate and reinforcing data protection practices. This enables greater transparency and accountability, while supporting a secure, responsible and resilient business environment that protects our operations, employees and customers.

OUR APPROACH

Regulatory Compliance

S P Setia's approach to regulatory compliance is guided by strong corporate governance that supports long-term business continuity while balancing the interests of shareholders and stakeholders. Our governance framework is guided by the Terms of Reference (ToR) of the Board Sustainability Committee, supported by clearly defined Authority Limits, the Management Sustainability Committee, and comprehensive policies and procedures that safeguard accountability and operational excellence.

Oversight of integrity and anti-corruption is led by the Integrity and Governance Unit (IGU), headed by the Chief Risk, Integrity and Governance Officer. Reporting to the Risk Management Committee (RMC), with updates provided to the Board, the IGU ensures strong governance, Board-level oversight and the effective implementation of anti-corruption measures across the Group.

A healthy corporate culture and an effective governance framework are critical to sustaining operational excellence and managing the challenges of a complex and evolving business. We are firmly committed to refining our governance practices to support resilient performance, improve stakeholder outcomes and ensure long-term economic sustainability.

We also undertake regular assessments of our governance structures, practices and processes, ensuring they remain effective, relevant and aligned with regulatory developments, market dynamics and the expectations of the communities in which we operate.



 For more information, kindly refer to the Corporate Governance Overview Statement on page 270

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Anti-Corruption

Our anti-corruption framework is built on a governance structure led by the IGU. Headed by our Chief Risk, Integrity and Governance Officer and supported by Certified Integrity Officers, the IGU reports to the RMC, which provides updates to the Board to maintain Board-level oversight of our anti-corruption efforts.

Core Functions of the IGU

The IGU plays a central role in strengthening integrity across the Group through four core functions. As part of its complaints management responsibilities, the IGU receives and responds to reports of potential violations, including through information processing related to improper conduct. Through detection and verification, the IGU investigates complaints, reports criminal offences to enforcement agencies when required, and ensures appropriate actions are taken.

The unit also strengthens integrity by embedding and institutionalising integrity practices across the organisation, addressing bribery, corruption and malpractice risks. Its governance role includes periodic policy reviews, ensuring alignment with regulatory requirements and driving continuous improvement.

Policy Framework

Our approach is supported by a robust policy framework that guides ethical conduct across the Group. This includes the Anti-Bribery and Corruption Policy (aligned with Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009), the Code of Conduct and Business Ethics (CoCBE), as well as related policies on gifts and hospitality, donations and sponsorships, and third-party engagement. Our whistleblowing system also adheres to ISO 37002:2021 standards, supporting structured reporting and investigation processes.

To strengthen implementation across the organisation, we currently have 33 appointed Integrity and Governance Champions (IGCs) across Business Units and Corporate Units. These IGCs serve as frontline advocates, helping to embed a culture of integrity and ensure consistent adherence to our anti-bribery and anti-corruption standards across the Group.



Setia's Anti-Corruption Plan 2024-2026

Setia's three-year Anti-Corruption Plan (SACP) 2024-2026 was another significant thrust in progressing our integrity journey. Building on our previous Organisational Anti-Corruption Plan (2021-2023), the SACP sets out 78 initiatives under TRUST guiding principles to further reinforce anti-corruption controls across the Group.

The SACP addresses five key risk areas:

- **Interaction with government officials:** strengthening open dialogue and transparent communications
- **Third-party engagement:** centralising due diligence to minimise corruption exposure
- **Procurement and kickbacks:** increasing transparency through centralised procurement processes
- **Sponsorships and donations:** implementing interactive awareness modules and structured consultation procedures
- **Gifts and hospitality:** strengthening awareness through interactive training and systematic transaction reviews

As at 2025, 22 initiatives had been completed in line with the approved SACP. Key initiatives delivered during the year included:

- Internal ABMS Audit and ABMS Surveillance Audit**
 To maintain continual compliance with ISO 37001 Anti - Bribery Management System ("ABMS") requirements and related anti-bribery and corruption policies, both internal and external audits were conducted across Business Units and Corporate Units. Led by the Integrity & Governance Unit and the certification body, these audits provided independent assessments and practical recommendations to strengthen controls. In 2025, nine audits were completed, with findings escalated to the Management Risk Team for review and subsequently presented to the Risk Management Committee.
- Setia Integrity Healthcheck**
 The annual Setia Integrity Healthcheck provides a structured benchmark of Setia's integrity maturity across key dimensions, including clarity of ethical conduct expectations, leadership exemplarity and tone from the top, commitment to Setia's core values, whistleblowing culture, openness in discussing ethical matters, and the effectiveness of disciplinary and reward mechanisms.
- Annual Integrity Quiz**
 To reinforce a culture of integrity, we conducted the Annual Integrity Quiz across the Group. Beyond raising awareness, the quiz also serves as a Key Performance Indicator ("KPI") for Business Units and Corporate Units, strengthening accountability and compliance across all levels of the organisation.
- Integrity Award for Best IGC**
 The Annual Integrity & Governance Champion ("IGC") Award recognises individuals who consistently demonstrate integrity, transparency and leadership in advancing good governance within their respective Business or Corporate Units. In 2025, the Best Integrity & Governance Champion title was awarded to Nazrul Azmi bin Md Nasir from Property South, who successfully retained the award for a second consecutive year.

Monitoring and Compliance

Our commitment to ethical business practices is reinforced through monitoring mechanisms embedded within our compliance framework. Throughout the year, we conduct quarterly assessments to evaluate risks across our operations and track the implementation and effectiveness of control measures.

These assessments feed into detailed action plans, with progress monitored through each stage of execution. Findings and recommendations are communicated directly to the Management Risk Team, with regular updates provided to the RMC and the Board. This multi-layered oversight supports timely and effective responses to emerging concerns while maintaining strong standards of corporate governance.


Whistleblowing Channel

We maintain clear whistleblowing procedures to encourage the reporting of actual or suspected bribery, corruption or misconduct. Our Whistleblowing Policy, enhanced since 2022 and aligned with ISO 37002:2021 Whistleblowing Management Systems, supports the Group's commitment to integrity while ensuring confidentiality and protection from retaliation. Reporting channels are available to employees, Business Associates, residents and members of the public.

To strengthen awareness and uptake, we actively promote the Whistleblowing Channel across operational areas, including construction sites. Banners are placed at strategic on-site locations to ensure high visibility and accessibility for workers and stakeholders, carrying our tagline, "We Speak Up, We Care!", to reinforce a culture of openness and shared responsibility in reporting concerns relating to misconduct, fraud or policy breaches.

Group Health, Safety & Environment (HSE) further reinforces this message through regular engagement with workers, including toolbox talks, safety briefings and induction programmes. By integrating information on the Whistleblowing Channel into routine HSE communications alongside safety protocols, we embed ethical reporting into daily operations and strengthen transparency and accountability, ensuring individuals feel empowered to speak up without fear of retaliation.

Reporting channels include:

-  **Whistleblowing e-Form:** <https://whistleblowing.spsetia.com.my/whistleblowing/eWhistleblowing.aspx>
-  **Dedicated IGU line:** 012-302 0742 (Monday to Friday, 9am-5pm)
-  **Direct communication** with the Chairman of RMC at jivsammanthan@spsetia.com or via the IGU
-  **IGU email:** igu@spsetia.com
-  **Walk-in/appointment** options with the IGU or the Chairman of RMC

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Data Privacy

To address evolving cybersecurity risks, we deploy security technologies to safeguard customer information from loss, theft, misuse and unauthorised access, as well as alteration and destruction. We strictly adhere to the Personal Data Protection Act (PDPA) 2010, ensuring our data retention practices align with Privacy Policy requirements to minimise the risk of data breaches across our operations.

Our privacy and data protection efforts are led by Group Legal, Group Digital and Business Units through systematic threat monitoring and response protocols. We also recognise the role of employee awareness in strengthening data protection, and implement targeted initiatives that include:

- Talks and roadshows led by qualified legal personnel on the importance of data privacy and potential repercussions of a breach
- Reviews of relevant documents and correspondence involving customers by Group Legal to ensure PDPA compliance
- Regular communications from Group Legal via email on review outcomes and key learnings

In addition, employees undergo regular cybersecurity training, including a monthly Cybersecurity Awareness e-learning programme led by Group Digital, to strengthen data protection standards and practices in daily work.

OUR INITIATIVES

Strengthening Governance Through Regulatory Compliance

S P Setia upholds high standards of corporate governance by complying with statutory requirements, guidelines and best practices set out in the Malaysian Code on Corporate Governance (MCCG) 2021. For FY2025, the majority of Practices encapsulated in the MCCG were applied, as detailed in our Corporate Governance (CG) Report, reflecting our commitment to transparency, accountability and robust governance processes across the Group.

Our Corporate Governance Overview Statement for FY2025 was prepared in line with MCCG requirements and covers key governance areas including:

- Board Leadership and Effectiveness
- Effective Audit and Risk Management
- Integrity in Corporate Reporting and Meaningful Stakeholder Engagement

In addition to the MCCG, the Group also adheres to:

- Bursa Malaysia's Corporate Governance Guide (4th Edition)
- Companies Act 2016 ("CA 2016")
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")

Together, these frameworks underpin our governance processes and control mechanisms, ensuring the Group remains focused on long-term value creation while upholding strong standards of integrity and accountability.

This statement is to be read alongside the CG Report, which is available at pages 270 – 300.

Awareness and Training on Anti-Bribery and Anti-Corruption

Our training framework embeds ethical conduct and integrity across every level of the organisation. New team members begin their journey with mandatory CoCBE sessions and anti-corruption briefings, formalising their commitment through our Individual Corruption-Free Pledge. Board members also receive anti-corruption policy briefings during onboarding, while our existing workforce participates in continuous learning programmes aligned with evolving regulatory and compliance requirements.

In 2025, key training and awareness initiatives included:

• Ethics and Integrity Training

In 2025, a total of 31 training sessions were conducted to strengthen governance awareness and ethical conduct among employees. These sessions emphasised the importance of human governance as a critical enabler of effective corporate governance, supporting continuous improvement in line with evolving regulations, policies, procedures and industry best practices.

The Integrity and Governance Unit (IGU) developed and implemented a dedicated training module on workplace ethics and integrity, with a strong focus on ethical decision-making at all organisational levels. The programme strengthened Setia's position as a workplace that values harmony, respect and meaningful engagement, while supporting the development of human potential. Strong employee participation contributed to a noticeable improvement in ethical behaviour across Team Setia. The effectiveness and practicality of the module also received external recognition, with a Government-Linked Company (GLC) adopting it as a reference model for its simplicity, practicality and impact.

Guided by our zero-tolerance stance on bribery and corruption, these initiatives continue to promote transparency and responsible decision-making, reinforcing a culture of shared accountability, trust and sustainability across our operations. Guided by our zero-tolerance stance on bribery and corruption, these initiatives continue to promote transparency and responsible decision-making, reinforcing a culture of shared accountability, trust and sustainability across our operations.

- **Setia Integrity Clinic**

Building on the initiative introduced in 2024, we continued to organise light hybrid integrity sharing sessions exclusively for employees in 2025. These interactive sessions provided a platform for the IGU to reinforce awareness on key governance topics, including Corporate Liability under Section 17A of the MACC Act 2009, integrity and governance principles, and lessons learned from relevant cases identified during the quarter.

The hybrid format enabled participation from both local and international offices through online platforms, supporting broad engagement across our global operations. The initiative strengthened employees' understanding of integrity risks and reinforced the importance of preventing bribery and corruption, ensuring integrity remains a cornerstone of our business practices.

- **Communication of Policies and Pledge**

Online annual acceptance of the Code of Conduct, Individual Corruption-Free Pledge and Conflict of Interest declaration was conducted by Group Human Capital in January 2025. Full compliance was achieved, with 100 percent of employees completing the required declarations.

- **Annual Integrity Message for Business Associates**

To reinforce our commitment to ethical business practices, we delivered the Annual Integrity Message to business associates during the CEO Dialogue for Business Associates 2025. This engagement served as a platform to communicate our zero-tolerance stance on corruption, fraud and unethical conduct, while reiterating the importance of compliance with our Integrity and Governance framework. The session was attended by 292 active business associates, reflecting strong participation and a shared commitment to upholding integrity throughout our supply chain.

- **Setia Governance Risk and Audit Forum (SGRAF) 2025**

An integrity talk titled "Adequate Measures: How Adequate is Adequate?" was delivered during the Setia Governance Risk and Audit Forum (SGRAF) 2025 by guest speaker Mr Hatta Hashom, further strengthening governance awareness and ethical discourse across the Group.

SETIA INTEGRITY ROADSHOWS

We extend our ethics framework beyond internal operations through targeted engagement with business partners, ensuring we uphold consistent ethical standards across our value chain. Primary undertakings during the year included:

- **Setia Integrity Roadshow for Business Associates**

In line with our commitment to ethical business practices and strong governance, we conducted the Setia Integrity Roadshow for business associates. The programme was designed to strengthen awareness of integrity principles, anti-corruption measures and compliance standards across our value chain.

Beyond engaging local partners, the roadshow was extended to business associates in Australia and Vietnam, reinforcing our commitment to upholding integrity across our international footprint. These sessions covered key themes such as responsible business conduct, transparency and adherence to relevant regulatory requirements.

By engaging both domestic and international partners, we help to embed a culture of integrity beyond the organisation, ensuring ethical practices and long-term sustainability remain central to our collaborative relationships, while strengthening trust and accountability across the broader ecosystem in which we operate.



Setia Integrity Roadshow for Business Associates (Setia HQ)

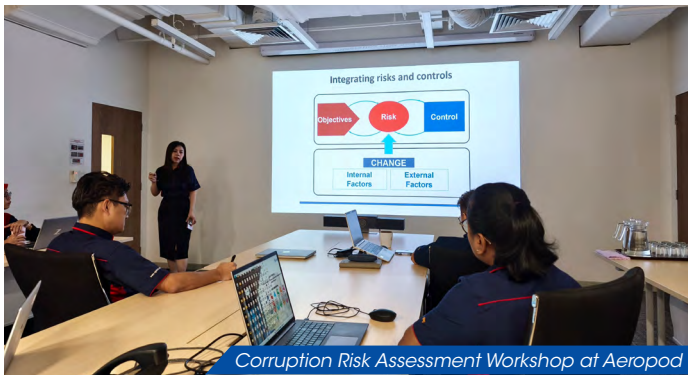
ESG Report

• Knowledge sharing sessions

In 2025, we conducted a series of integrity-focused knowledge sharing sessions with key institutional stakeholders, namely Tenaga Nasional Berhad (TNB), Lembaga Tabung Angkatan Tentera (LTAT) and Permodalan Negeri Selangor Berhad (PNSB).

These sessions facilitated the exchange of best practices and practical insights on integrity, ethics and governance, while enhancing mutual understanding of integrity frameworks, risk management approaches and compliance expectations. Participants shared experiences on strengthening organisational integrity, managing integrity-related risks and promoting ethical decision-making within their respective organisations.

Collectively, these engagements reflect our ongoing commitment to fostering integrity and transparency through continuous learning, while staying responsive to emerging trends, evolving practices and new challenges in ethical governance.



OUR RESULTS AND ACHIEVEMENTS

Embedding a Culture of Integrity

To strengthen compliance and reinforce adherence to ethical standards, we intensified our Group-wide efforts through 73 engagement programmes conducted across all levels of the organisation in 2025. This represents a significant increase from 44 programmes in 2024, demonstrating the expansion of our initiatives to embed a stronger culture of integrity across the Group.

Whistleblowing Performance

Our Malaysian operations demonstrated strong performance in business ethics and anti-corruption efforts in 2025. A total of 31 complaints were received through our whistleblowing channels. Three cases involved allegations of improper conduct and were investigated by an internal team, with the necessary actions taken in accordance with the Group's Human Capital disciplinary procedures for substantiated cases. The remaining 28 cases related to customer complaints concerning our products or services, and were referred to the relevant Business Units or corporate functions for follow-up and further action.

Corruption Risk Assessment

We recognise that robust anti-corruption practices are essential to sustaining stakeholder trust and strengthening long-term business resilience. In 2025, we conducted a comprehensive Corruption Risk Assessment training and workshop across the Group, including our international operations.

The programme provided a deep dive into operational processes, strengthening understanding of how and why corruption risks may arise within business units. Through interactive sessions, participants identified potential corruption risks and developed mitigation plans tailored to their respective business units.

| | 2023 | 2024 | 2025 |
|---|------|------|-------------|
| Percentage of operations assessed for risks related to corruption | 100% | 100% | 100% |

| Communication on anti-corruption policies and procedures | | | |
|--|--------|--------|------------|
| Total percentage of Board of Directors, employees who have been informed about S P Setia's Anti-Corruption Policies and Procedures | 2023 % | 2024 % | 2025 % |
| Board Members (including C-Suite) | | 100 | 55 |
| Senior Management | 94.74 | 100 | 100 |
| Management | 93.72 | 100 | 100 |
| Junior Management | 85.02 | 100 | 100 |
| Executive | 97.76 | 100 | 100 |
| Non-Executive | 99.28 | 100 | 100 |

Consumer Privacy and Customer Data

In 2025, we recorded:

- Zero substantiated complaints regarding breaches of consumer privacy or losses of customer data, from either external parties or regulatory bodies
- Zero confirmed incidents of corruption reported, and no corrective actions were required



Confirmed Incidents of Corruption

The Malaysian Anti-Corruption Commission confirmed through its letter dated 5th January 2026 that there were zero confirmed incidents of corruption involving the Group during 2025. As a result, no employees were terminated, no business contracts were cancelled, and no individuals resigned or left unrenewed due to corruption-related issues.

GOING FORWARD

Moving forward, S P Setia remains committed to maintaining our ISO 37001 Anti-Bribery Management System (ABMS) certification, ensuring that policies, internal controls and procedures remain robust, effective and aligned with evolving regulatory requirements and industry best practices. Ongoing initiatives will include periodic risk assessments, internal audits, management reviews and continuous improvement measures to further strengthen the effectiveness of our ABMS.

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SUPPLY CHAIN MANAGEMENT

We engage a diverse range of suppliers to support efficient, timely delivery across our operations, prioritising responsible partners who share our commitment to quality and sustainability.

WHY IT MATTERS

Engaging closely with suppliers and upholding regulatory compliance across our supply chain are essential to sustainable value creation. At S P Setia, we recognise that strong supply chain governance directly influences operational reliability, the quality of our products and services and the integrity of our reputation.

A well-managed supplier network supports the timely delivery of quality outcomes while reinforcing compliance with social and environmental standards. By prioritising local suppliers registered in Malaysia, we also generate economic value that cascades to subcontractors and other local businesses, contributing to wider economic growth. This approach brings clear benefits, including reduced supply chain costs and lead times, a lower carbon footprint and more efficient communication across our value chain.

We therefore remain committed to maintaining stringent procurement practices that prioritise suppliers who meet our quality expectations, uphold ethical and sustainable practices, and comply with relevant regulations. This reduces the risk of unnecessary costs, penalties and reputational damage, while supporting a resilient supply chain that contributes to long-term business growth. Local sourcing context: 100% of procurement spend was with local suppliers in FY2025 (scope includes contractors and construction consultants), reinforcing domestic supply resilience and oversight proximity. Customer outcomes linkage: Supplier-enabled features underpinned 41% of FY2025 housing products with Setia eGreenLiving enabled sales.

OUR APPROACH

Our approach to supply chain management is centred on strengthening sustainability and ensuring our environmental and social commitments are upheld across our operations. To achieve this, we have established clear protocols and guidelines within our supplier screening and evaluation processes.

All third parties we engage, including subcontractors, are required to comply with our Code of Conduct and Business Ethics (CoCBE), which sets out our expectations on values and standards, respect for human rights principles and the avoidance of conflicts of interest. Suppliers are also expected to comply with relevant regulatory requirements at federal, state and municipal levels, follow industry standards for workmanship quality, and adopt best practices to minimise environmental and social impacts. These include Health, Safety and Environment (HSE) considerations such as environmental conservation and reducing noise, land and air pollution.



S P Setia's ISO Certifications: ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018.

During the tendering stage, contractors are thoroughly screened by Group Contracts and Procurement (GCP). Assessments cover financial standing, past performance and experience, compliance with environmental laws and regulations, adherence to health and safety procedures, and alignment with S P Setia's internal policies and standards such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. As part of our checks and balances, all documents related to these assessments are incorporated into the final contract upon project award.

Once appointed, contractors are monitored through ongoing assessments across the project lifecycle. This includes monthly audits at project sites, supported by a Contractor Performance Evaluation (CPE) conducted twice a year. These evaluations assess contractor performance against HSE criteria, including environmental and social impacts throughout the project. Contractors also submit monthly progress reports to support early identification and resolution of issues, ensuring continued alignment with our safety and environmental objectives.

While the majority of our contractors meet the required HSE criteria during the CPE, those that do not are placed on a watch list for follow-up and improvement.



For governance and oversight, our Vendor Management Unit (VMU), established in 2024, strengthens due diligence, optimises supplier relationships, and enhances transparency across the supply chain.

We conduct an on-site monitoring, with monthly audits at project sites; CPE conducted twice a year; monthly progress reports; corrective action and watch-list follow-up as needed. Furthermore, our Anti-Bribery and Anti-Corruption standards apply to business partners through onboarding and contract terms; 100% employee training achieved in FY2025. Separately, the Malaysian Anti-Corruption Commission confirmed by letter dated 5 January 2026 that there were zero confirmed incidents of corruption involving the Group during 2025. Our whistleblowing channel is accessible to contractors and workers and administered by the Integrity and Governance Unit (refer to page 183).

In the areas of privacy and data protection, vendor access to customer data is governed by ISO-aligned practices, and in FY2025 we recorded zero substantiated complaints regarding breaches of consumer privacy or losses of customer data from external parties or regulators.

OUR INITIATIVES

Since 2024, we have leveraged the newly-formed Vendor Management Unit (VMU) to strengthen oversight over the Group's direct supply chain. This centralised function further enhances vendor due diligence and reinforces compliance with ethical and sustainability standards. The VMU is also tasked with optimising supplier relationships, mitigating risks and improving transparency and efficiency across the supply chain.

In 2025 we introduced enhanced ESG questionnaires for selected vendors covering ethical conduct, labour practices, environmental management and regulatory compliance.

We advanced low-carbon construction with our suppliers by achieving an average IBS score 52%, replacement of green cement 30% and replacement of green concrete 52% across eligible works. We continued engaging main infrastructure and building contractors to expand ISO 14001:2015 and ISO 45001:2018 adoption across our supply chain.

Drainage and climate adaptation saw MSMA-aligned solutions are implemented through our contractors as part of site infrastructure delivery, alongside routine desilting and erosion-control works.

ESG Report

OUR RESULTS AND ACHIEVEMENTS

| | 2023 | 2024 | 2025 |
|--|------|------|------|
| Percentage of procurement spent on local suppliers, defined as contractors and consultants whose businesses are registered in Malaysia | 100% | 100% | 100% |

From 2024, the scope of our procurement spend disclosure has been expanded beyond contractors to encompass all consultants involved in construction activities, including architects, engineers, planners and landscape consultants. With this enhanced scope, we are pleased to have sustained 100% procurement with locally registered companies, strengthening supply-chain resilience and oversight. As of December 2025, 64% of active contractors have adopted ISO 14001:2015 and ISO 45001:2018, exceeding our target of 30%, reflecting our proactive engagement and commitment to strong ESG practices.

- Achieved**
64% engagement of ISO-certified contractors
 (ISO 14001 / ISO 45001), exceeding the ≥30% target
- Recorded**
52% IBS adoption
 across eligible works
- Attained**
30% usage of green cement
 for eligible works
- Achieved**
52% usage of green concrete
 for eligible works
- Maintained**
100% local procurement
 spend across contractors and construction consultants
- Delivered**
a QCLASSIC score of 82%,
 for eligible works, reflecting strong quality performance
- Sustained full compliance with zero environmental fines and zero confirmed corruption incidents** in FY2025
- Maintained strong data privacy practices with zero substantiated complaints** from external parties or regulators
- Generated 41% of FY2025 sales from green-enabled launches,** reflecting positive customer uptake

GOING FORWARD

To further strengthen supply chain monitoring within S P Setia, we will persist in enhancing our due diligence efforts with enhanced environmental and social screening criteria. We will also continue engaging central infrastructure and building contractors to encourage the adoption of ISO 14001:2015 and ISO 45001:2018.

As a leading developer, we will leverage our influence to encourage stronger ESG practices across the broader supply chain, support the growth of green products and services, and strengthen sustainability practices across the industry.