

SUSTAINABILITY REPORT

● PROGRESS AGAINST TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”) RECOMMENDATIONS

The Board recognises the scale of the climate emergency, the potential impact on real estate and therefore the urgent need to take mitigating actions. With the built environment accounting for a large proportion of all greenhouse gas emissions, we also recognise our responsibility to do what we can to minimise our carbon footprint and encourage our stakeholders to do the same.

● GOVERNANCE

Board Oversight of Climate-Related Risks and Opportunities

The Board has overall responsibility for Sustainability matters, in which climate-related aspects are included. The Board considers climate-related matters as part of the Group’s strategy development, review and monitoring, in the design of organisation operational and performance targets. The Board monitors the respective performance and targets via the Group’s quarterly performance updates.

The Board has in late 2021 delegated the management of sustainability risks to the Risk Management Committee, where period updates on the progress of the Sustainability blueprints and plans are tabled for review and feedback.

Management’s Role in Assessing and Managing Climate-related Risks and Opportunities

The Group Managing Director (“GMD”) drives the implementation of the Sustainability Strategy at the executive level. GMD ensures sustainability practices are embedded in our business processes down to operations where products and services are delivered.

GMD is assisted by respective management level committees and task forces such as the Health, Safety, Security and Environment (“HSSE”) Committee and the Human Rights Task Force in monitoring and reporting on the status of the sustainability plan.

In FY2021, the Group developed both the integrated sustainability and quality, health, safety, security and environment policies to align all staff with our corporate direction on sustainability matters. Supporting the tone from the top is our bespoke internally developed and administered annual Sustainability Index (“SUSDEX”) Assessment. SUSDEX, is a systematic engagement platform with Township teams, which drives consistency in implementing sustainability standards across the Group.

The Index applies empirical, objective and evidence-based assessments premised on 90 indicators to optimise the use of resources. The focus is to ensure a sensible balance among townships in delivering the four (4) strategic Sustainability Imperatives of *Decarbonise Our Operations and Products, Implement Good Biodiversity Practices, Shape Inclusive & Resilient Communities and Maintain Socially Responsible Operations*. Additionally, the index aids in tracking the delivery of our 2030 SGs.

SUSTAINABILITY REPORT

Our achievements in developing and managing more sustainable spaces have been recognised for more than a decade. Building on this, we have set more robust carbon emissions reduction targets in our bid to be operationally carbon negative. In addition, we aim to achieve zero waste by recycling, reducing, reusing and repurposing our waste materials, and lowering our water intensity by 30.0 percent.

● STRATEGY

Sime Darby Property's sustainability strategy is anchored on the four strategic Sustainability Imperatives – and is measured through the lens of ESG performance. Our focus on sustainability is aligned with our corporate strategy which includes identifying key priorities that will impact our organisation and/or stakeholders.

Simultaneously, ESG opportunities are identified to be pursued as part of the strategy to realise new frontiers in sustainable development. We have also been implementing and embedding sustainability initiatives, goals and targets to improve our business operations and better contribute to the UN SDGs.

We strengthened our sustainability strategy by embedding SDP's 2030 Sustainability Goals within it and developing a sustainability objective as a 'Force for Good', with the goal of creating a legacy of positive economic, social and low-carbon environmental impacts.

Focusing on 4 strategic Sustainability Imperatives, covering ESG core themes, we have identified an aspiration to be operationally carbon negative by pursuing the SBTi to validate this with an embodied carbon emissions reduction target to be determined in due course.

We have also established six priorities, which are high-impact projects that are aligned with our sustainability strategy, to accelerate the implementation of the targets of our 2030 Sustainability Goals.

Apart from that, we continuously advocate our position in sustainability to our stakeholders including the Government, NGOs, our partners, the communities, as well as the media.

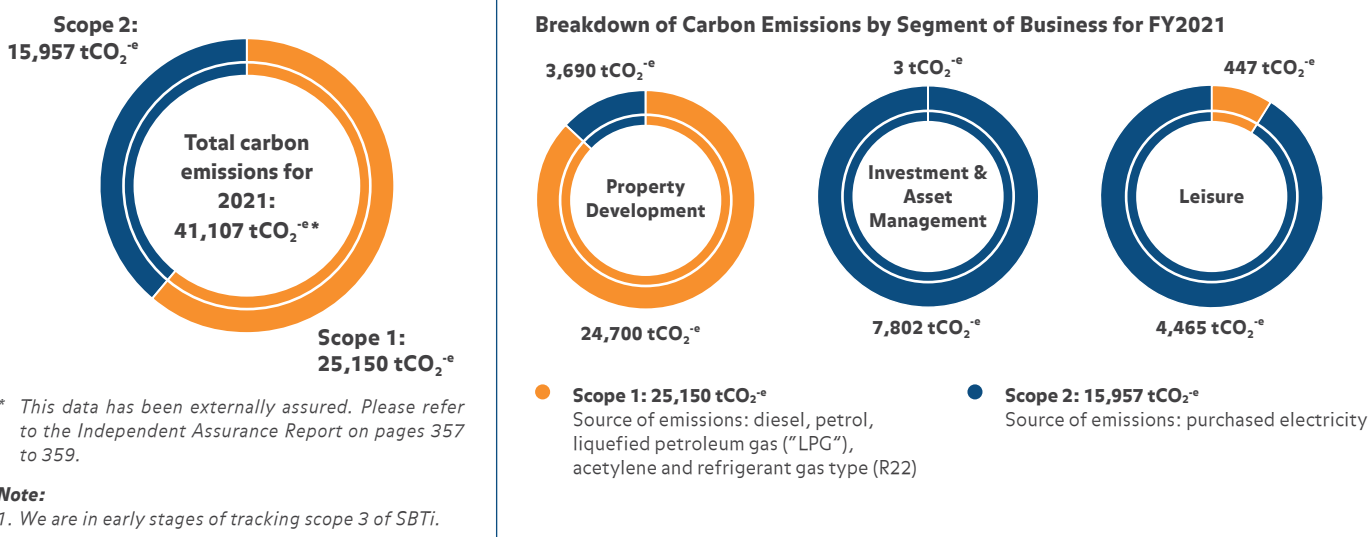
● RISK MANAGEMENT

The Group commenced the process of aligning its Risk Management Framework with ESG related requirements, which include climate-related risks. As part of the alignment plan, the Group intends to comprehensively identify, assess, and measure climate-related risks, which include but not limited to transitional risk and physical risk. The Group recognises that the assessment and measurement of climate related risk will take some time and will be a journey for the Group as its impact, financial or otherwise, are not always clear or direct or easily assessed and quantifiable.

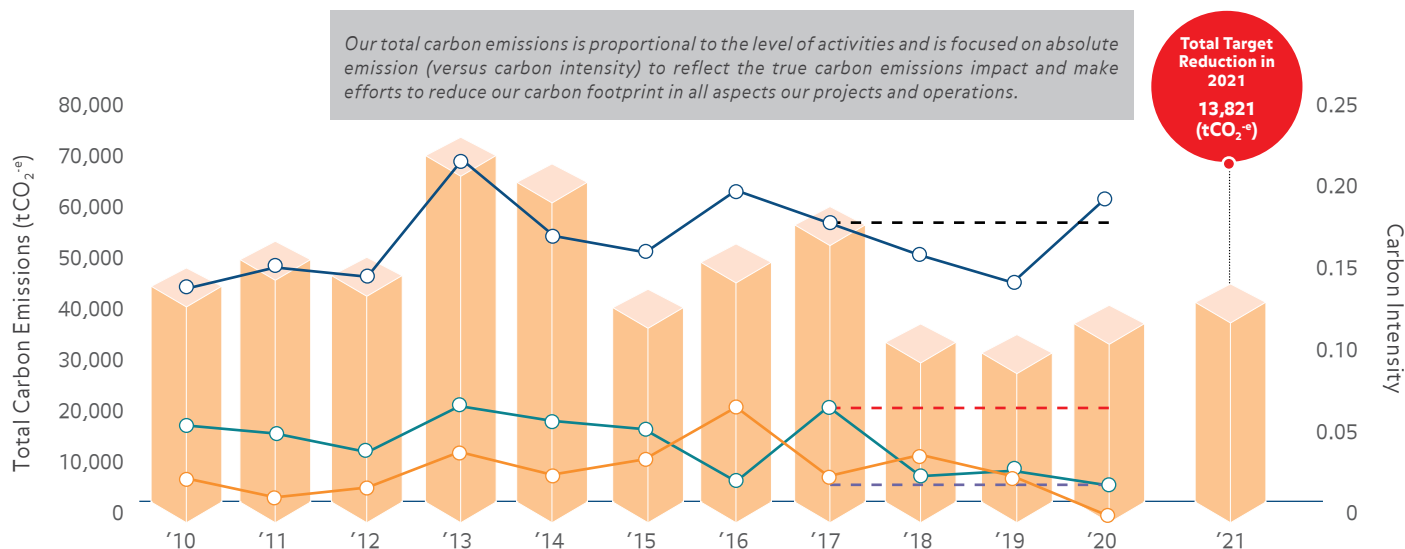
SUSTAINABILITY REPORT

METRICS AND TARGETS

Our largest operational carbon emissions come from the Property Development Segment accounting for 69.06 percent. From this, 71.34 percent comes from earthworks. Trials are underway to improve this 100 year old practice.



Total Carbon Emissions and Intensity by Segment of Business (FY2010 – FY2021)



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Carbon Emissions (tCO ₂ -e)	45,667	51,860	47,134	76,023	69,105	37,324	49,700	55,825	37,666	35,801	38,452	41,107*
Result – Property Development Carbon Intensity (tCO ₂ -e/m ²)	0.0150	0.0070	0.0120	0.0330	0.0170	0.0300	0.0720	0.0165	0.0300	0.0200	0.0034	-
Reduction Target – Property Development Carbon Intensity (tCO ₂ -e/m ²)							0.0720	0.0716	0.0702	0.0702	0.0698	-
Result – Asset Management Carbon Intensity (tCO ₂ -e/m ²)	0.0500	0.0470	0.0380	0.0530	0.0490	0.0460	0.0150	0.0500	0.0200	0.0200	0.0143	-
Reduction Target – Asset Management Carbon Intensity (tCO ₂ -e/m ²)							0.0150	0.0149	0.0146	0.0146	0.0146	-
Result – Leisure Carbon Intensity (tCO ₂ -e/m ²)	0.1330	0.1420	0.1370	0.2090	0.1760	0.1600	0.1980	0.1710	0.1500	0.1300	0.0899	-
Reduction Target – Leisure Carbon Intensity (tCO ₂ -e/m ²)							0.1980	0.1970	0.1931	0.1931	0.1921	-

** This data has been externally assured. Please refer to the Independent Assurance Report on pages 357 to 359.*

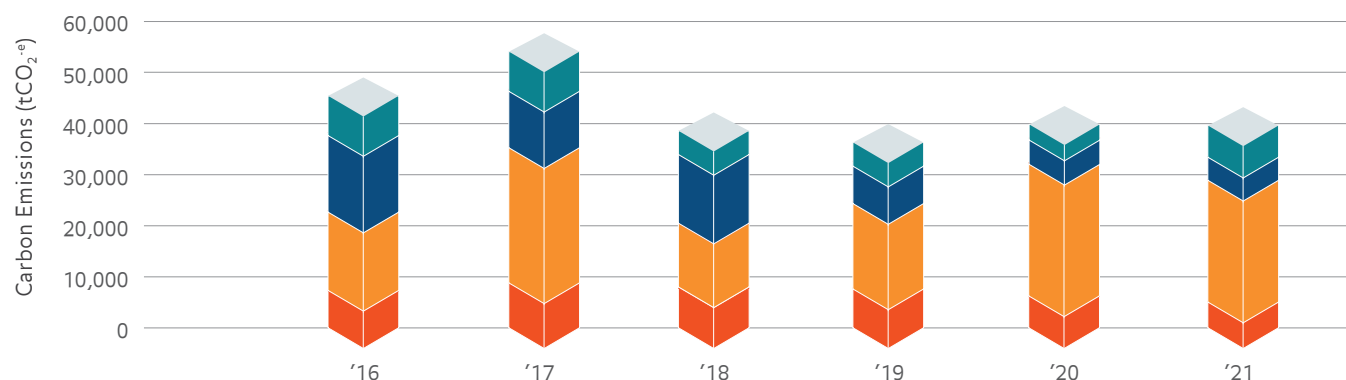
1. FY2021 results as follows:

- a. Total carbon emissions : 41,107 tCO₂-e*
- b. Target Reduction: 27.84 percent (13,821 tCO₂-e)
- c. Actual Reduction: 28.88 percent (14,337 tCO₂-e)

2. Starting from FY2021, we will shift our focus from carbon intensity approach to total carbon emissions (absolute).

SUSTAINABILITY REPORT

Total Carbon Emissions (tCO₂^e) Breakdown by Business Segment for FY2016 – FY2021



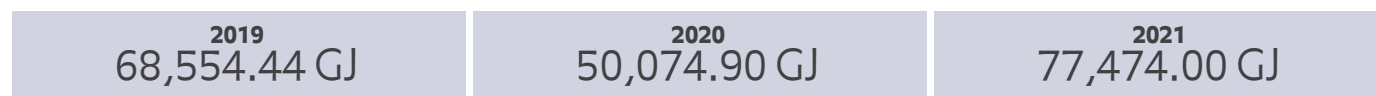
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Investment & Asset Management	8,245.08	6,851.78	1,744.15	1,361.97	1,108.47	7,805.50 [^]
Leisure	11,990.31	12,417.30	14,626.85	9,014.76	6,397.31	4,911.49
Property Development – Infra Works (including earthworks)	21,696.31	23,901.96	9,834.77	15,486.45	22,614.85	20,253.26
Property Development – Building Works	7,768.76	12,654.52	11,460.70	9,938.18	8,330.99	8,137.18

Source of GHG emissions calculations: GHG Protocol Calculation Tools – Emission factors from cross sector tools (March 2017) and the Intergovernmental Panel on Climate Change (“IPCC”) guidelines.

Note:

[^] The increase here is due to the opening of KL East Mall and subsequent inclusion in Carbon Footprint in 2021.

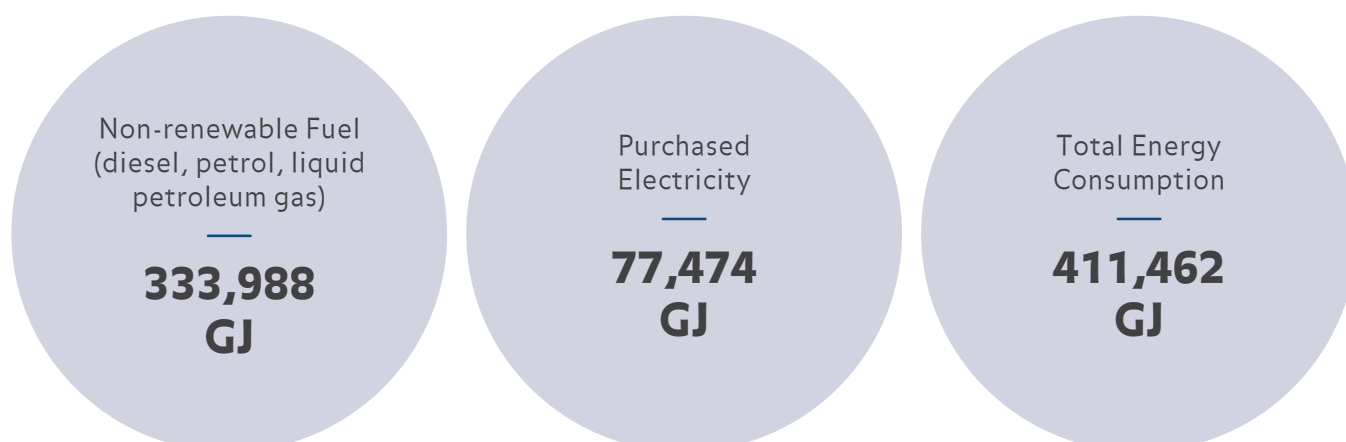
Purchased Electricity



Note:

Electricity consumption at Group-operated sites increased due to the opening of the KL East Mall in November 2020. Excluding the mall, our purchased electricity stands at 68,214 GJ, which is almost equivalent to our consumption in 2019. Hence, the Group is looking at increasing the use of renewable energy and initiated a tender process to install solar PVs at four (4) of the Group's assets.

Energy Consumption



SUSTAINABILITY REPORT

● TOWARDS 2030



The ESG Sustainability agenda gained further traction, even as the pandemic and associated market disruptions continued to require quick response and adaptation of our business execution to maintain growth. The ESG focus was also spurred on by the United Nations Framework Convention on Climate Change (“UNFCCC”) COP 26 in Glasgow where climate change and a growing call for businesses to play a much stronger role especially in decarbonising operations, products and services began to take hold.

Overall, we continued to strengthen our ESG journey by introducing additional components of a business ESG Ecosystem and Sustainability Management System. However, it was not all positive, as we failed to protect a worker which resulted in one (1) work-related fatality in FY2021.

Since the incident, we mobilised our people, from the top management to those working closely with our contractors, to raise awareness of safety standards, practices and culture at worksites. As a result, we are putting more focus on safety compliance and ramping up safety activities to ensure all employees, contractors, and site workers comply with safety standards and culture enforced in our organisation.

SUSTAINABILITY REPORT

OUR SUSTAINABILITY MILESTONES

Sime Darby Property’s sustainability philosophy remains focused on three mutually reinforcing spheres, i.e., Contributing to a Better Society, Optimising Environmental Performance and Delivering Sustainable Development. These are expressed in our 18 company-specific 2030 Sustainability Goals (“2030 SGs”) introduced in March 2020.

The 2030 SGs are also aligned with the intent of United Nations’ Sustainable Development Goals (“UN SDGs”). Our SDP Sustainability Strategy was also developed in 2021, with Board approval, and Sustainability Governance was also augmented in 2021.

During the year under review, our commitment to improving our performance in ESG has kept us focused on leading in building sustainable communities, while contributing to our ongoing inclusion as a constituent in various local and international sustainability indexes or rating systems.

These include the FTSE4Good Bursa Index, FTSE4Good ASEAN 5 and FTSE4Good Emerging Indices (2018-2021), as well as the MSCI Small Cap Index for the fourth consecutive year. We are also effectively the only Malaysian property developer rated by the Carbon Disclosure Project (“CDP”) for climate change (C rated) and Supplier Engagement Rating (B minus rated). 2021 was our third year of being rated by the CDP.

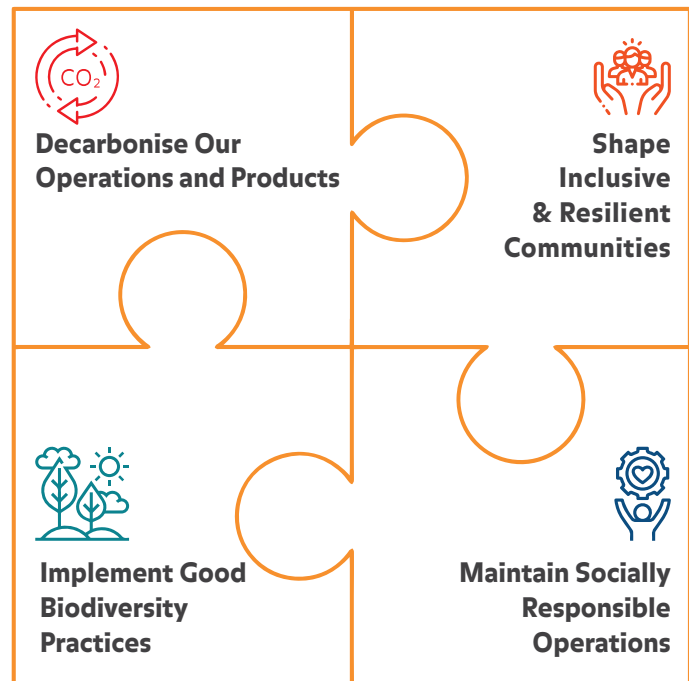
Our commitment to sustainability has also received various awards and recognitions.

In 2021, we won:

- 1 The ‘Responsible Developer: Building Sustainable Development Award’ at the Edgeprop Malaysia’s Best Managed and Sustainable Property Awards 2021
- 2 The MSWG-ASEAN Corporate Governance Awards 2020 – Industry Excellence Award
- 3 MARC Lead Managers Leagues Table Awards 2020 – Sustainability Award (awarded 2021)
- 4 PwC Building Trust Award 2021 - Mid 70 Category
- 5 PwC Building Trust Special Merit Award for ESG Reporting 2021
- 6 The EdgeProp Editor’s Choice Awards: Malaysia’s Exemplary Sustainable Community Park for Elmina Central Park

OUR SUSTAINABILITY STRATEGY & POLICY

At Sime Darby Property, we have integrated sustainability into our business model. As such, our corporate strategy and risk management approach are synergised to our new Board approved Sustainability Strategy where the strategy hinges on four (4) Strategic Sustainability Imperatives – *Decarbonise our Operations and Products, Implement Good Biodiversity Practices, Shape Inclusive & Resilient Communities, and Maintain Socially Responsible Operations.*



Our focus is on operationalising sustainability to improve our organisational effectiveness and contribute meaningfully to the UN SDGs and the Paris Accord. To further strengthen our sustainability efforts, the 2030 SGs are embedded into our business’ operational activities through the introduction of the Safety & Sustainability Playbook, where related sustainability targets are incorporated into Corporate and Operational Scorecard KPIs. This is in line with our role as a ‘Force for Good’, with a vision to create a legacy of positive economic, social and low-carbon environmental impacts.

The Group’s Sustainability Policy outlines objectives to address ESG concerns in a holistic and integrated manner. Among the thematic subjects covered in the policy are *zero primary rainforest deforestation, carbon management, social economic development and human rights*. The target outcome is to provide a north star for everything the Group does to promote a positive legacy across ESG and places expectations on the practices and behaviours of employees, business partners and stakeholders – policy available at <https://www.simedarbyproperty.com/sustainability>.

SUSTAINABILITY REPORT

MATERIALITY ISSUES

Our eleven (11) sustainability material issues were revised in 2020 and subjected to a verification workshop in Q2 FY2021. The material issues (materiality) are a result of what ESG risks and opportunities matter to the business and our stakeholders. The materiality process was aligned to Global Reporting Initiative (“GRI”) Core whereby the matters were also benchmarked against industry peers, and took into account the UN SDGs and aligned to GRI metrics.

Our 2030 SGs and our Sustainability Strategy dictate how we focus on delivering sustainability in ways most relevant for our business, and where we can best contribute to global goals. To align our business and operations to the 2030 SGs, we have developed and mapped our responses to the goals, our stakeholders and 11 sustainability material issues identified. Our integrated approach makes the 2030 SGs relevant in the context of stakeholders’ expectations, as well as our current and future business strategies.

We then identify ways to address stakeholder concerns and manage our material issues.

	No.	Sustainability Issue	Definition	Stakeholders	Stakeholder’s Concern	Our Response
ENVIRONMENTAL	1.	CLIMATE CHANGE	We adapt to and mitigate climate change risk by integrating climate risks into our business model and embedding low-carbon elements in our township communities and residential home products.	<ul style="list-style-type: none"> Investors Shareholders Customers Communities Employees Authorities/ Government NGOs 	<ul style="list-style-type: none"> Carbon emissions Water supply and flooding 	<ul style="list-style-type: none"> Carbon emissions reduction Flood reduction design in townships Landscaping to reduce heat island effect Renewable energy in products Water-saving fittings Energy efficient homes
	2.	BIODIVERSITY LOSS	We recognise the potential impacts of property development and construction on local biodiversity, and we continuously work with independent third parties to protect and preserve our flora and fauna.	<ul style="list-style-type: none"> NGOs Academia Communities Investors Authorities/ Government Media Shareholders 	<ul style="list-style-type: none"> Impact of our operations on the biodiversity of the area under development 	<ul style="list-style-type: none"> Tropical Rainforest Conservation & Research Centre (“TRCRC”) collaboration for Elmina Rainforest Knowledge Centre (“ERKC”) and Elmina Living Collection Nursery (“ELCN”) 22,809 International Union for Conservation of Nature (“IUCN”) Red List trees planted 115,814 total trees planted IUCN Landscape Guideline by SDP Two Biodiversity Inventories Avoid mono-culture planting Developed Wetlands Construction & Maintenance Guideline
ECONOMIC	3.	SUSTAINABLE PRODUCTS	We seek to build sustainable homes by incorporating sustainable elements and materials and rolling out comprehensive guidelines and checklists.	<ul style="list-style-type: none"> Customers Communities Vendors Authorities/ Government NGOs Professional Bodies 	<ul style="list-style-type: none"> Functional and inclusive design Defects rate Unsustainable infrastructure Supply chain inefficiencies and governance issues, environmental impact and project performance 	<ul style="list-style-type: none"> 513 solar-ready homes at Elmina and further 455 units at other locations First IBS strata development for B40 community - 536 units, 30 percent faster, less construction waste and 10.0 percent lower cost Built 2,379 insulated homes since 2017. 1,968 under construction Apply minimum standard sustainability elements checklists to all products design from 2021
ENVIRONMENTAL	4.	WASTE & WATER POLLUTION	We are committed to minimising our environmental impacts through championing water optimisation and implementing efficient waste management.	<ul style="list-style-type: none"> Customers/ Community Authorities/ Government Investors NGOs 	<ul style="list-style-type: none"> Water consumption Impact of development on water bodies surrounding our townships Proper wastewater treatment 	<ul style="list-style-type: none"> 15.88 percent water intensity reduction Waste recycling rate 2021 - 4.44 percent Continued to monitor water quality in compliance with Department of Environment’s Environmental Management Plans Created a Wetlands Construction and Maintenance Guideline 35.72 percent Waste reduction in 2021
SOCIAL	5.	DIVERSITY & INCLUSION	Diversity & inclusion are part of our corporate DNA. Our diverse group of talents comprises various age groups and nationalities, which enables vast and unique perspectives to contribute to the overall success of the Group.	<ul style="list-style-type: none"> Employees Local Vendors Customers Partners 	<ul style="list-style-type: none"> Equal opportunities Non-discrimination Upskilling/Reskilling 	<ul style="list-style-type: none"> Increased percentage of women in our workforce to 43.0 percent* and percentage of women on the Board to 30.0 percent Conducted 23,520 hours of training for 1,348 employees Invested RM1.15 million in upskilling and reskilling programmes Collaborated with UNICEF Malaysia on the launch of Malaysia’s first Inclusive Playground in the City of Elmina Built over 2,000 multi-generational inclusive homes that also provide disabled access

* This data has been externally assured. Please refer to the Independent Assurance Report on pages 357 to 359.

SUSTAINABILITY REPORT

No.	Sustainability Issue	Definition	Stakeholders	Stakeholder's Concern	Our Response
SOCIAL	6. HEALTH & SAFETY	We strive to provide a safe and healthy working environment for our people, as well as our contractors and vendors, so that they can continue to deliver excellence.	<ul style="list-style-type: none"> Employees Vendors Labourers Authorities/ Government Communities Customers Partners 	<ul style="list-style-type: none"> Safe working environment 	<ul style="list-style-type: none"> Completed 76.96 km of cycling and jogging circuits Introduced the new Vendor Code of Business Conduct ("VCOBC") with a focus on human rights commitment among our vendors
	7. AFFORDABILITY	We embed inclusivity in our business activities by building affordable homes for deserving communities.	<ul style="list-style-type: none"> Communities Customers Authorities/ Government NGOs 	<ul style="list-style-type: none"> Ease of home ownership Product pricing 	<ul style="list-style-type: none"> Constructed 1,659 RSKU Harmoni Putra Heights statutory units of affordable housing for lower income communities (priced at RM200,000 to RM270,000)
	8. COMMUNITY RESILIENCE	The Group is committed to creating a fulfilling space for local communities and reaching out to those in need in its effort to build sustainable communities.	<ul style="list-style-type: none"> Customers Partners Communities Authorities/ Government Investors NGOs 	<ul style="list-style-type: none"> Community welfare and social responsibility 	<ul style="list-style-type: none"> Three (3) urban farms (2 urban farms at City of Elmina & 1 urban farm at KL East) 569 volunteer hours in 2021 by employees Communities recycled 106 tonnes of waste Close to 80.0 percent of participants from four (4) townships recorded increased income during the six months EEP
SOCIAL	9. ECONOMIC INJECTION	The Group contributes to economic development by creating tangible and intangible value for all stakeholders. This includes launching the Sustainable and Responsible Investment ("SRI") Sustainability Sukuk Musharakah Programme, supporting local suppliers and vendors and providing job opportunities to local communities.	<ul style="list-style-type: none"> Vendors Communities Businesses Investors Authorities/ Government Shareholders 	<ul style="list-style-type: none"> Value of contracts Impact of COVID-19 on ability to meet contractual obligations Sourcing and procurement processes Vendor support Job creation 	<ul style="list-style-type: none"> Awarded 98.6 percent of contracts to local vendors, worth RM1.38 billion To aid small and medium enterprises with their cashflow during the second year of the pandemic, if they made a request for quick invoice processing within two weeks, that request would be fulfilled
	10. DATA/CYBER SECURITY	Our stakeholders' data privacy is a priority for the Group. We will continuously strengthen our cyber security and increase our information technology security standards.	<ul style="list-style-type: none"> Customers Communities Authorities/ Government Vendors NGOs Professional Bodies 	<ul style="list-style-type: none"> Protection of personal data and IT security 	<ul style="list-style-type: none"> Conducted annual security posture assessment and external cyber security maturity assessment Continuously raised awareness on cyber security through e-learning modules Carried out 24/7 security monitoring
GOVERNANCE	11. CORRUPTION RISK & INTEGRITY	The Group has a zero-tolerance stance towards any form of bribery and corruption in all our business dealings. We strive to mitigate corruption risks through various measures which include but not limited to inculcating good governance and ethical business practices among its employees, business partners and suppliers.	<ul style="list-style-type: none"> Shareholders Employees Investors Authorities/ Government Vendors Customers NGOs Partners 	<ul style="list-style-type: none"> Criminal prosecution Reputational damage Business disruptions Productivity and performance level Cost/penalties of non-compliance 	<ul style="list-style-type: none"> Institutionalised compliance requirements to the Code of Business Conduct ("COBC") Established annual employees Compliance and Integrity Pledge VCOBC established for business partners and suppliers Vendor Integrity Pledge ("VIP") required as part of supplier onboarding requirements Ongoing management of whistleblowing channel Recorded zero proven bribery or corruption cases through our whistleblowing channel Constant reminders about the Group's No-Gift policy

SUSTAINABILITY REPORT

OUR SUSTAINABILITY MILESTONES

Our 2030 SGs have annual targets which affirm our commitment to the environment, society and economy. As of 31 December 2021, we achieved or exceeded the targets for 13 out of the 18

SUSTAINABILITY : OUR 2030

 <p>1</p> <p>SUPPORTING LOCAL BUSINESS</p> <p>90% Local Companies / Vendors</p>	Target	90%	 <p>2</p> <p>ECONOMIC INJECTION</p> <p>RM10 Billion</p>	Target	1 billion	 <p>3</p> <p>PRODUCT QUALITY</p> <p>85% QCLASSIC Score</p>	Target	81%
	Actual	98.6%		Actual	1.38 billion		Actual	82%
	Variance	+8.6		Variance	+0.38		Variance	+1
	%	+9.56%		%	+38.00%		%	+1.23%
 <p>7</p> <p>VOLUNTEER HOURS</p> <p>10,000 hours</p>	Target	1,300	 <p>8</p> <p>CYCLING & JOGGING TRACKS</p> <p>300 km</p>	Target	35	 <p>9</p> <p>HUMAN RIGHTS</p> <p>All Vendors / Supply Chain Partners have clear commitment to Human Rights</p>	Target	VCOBC
	Actual	1,269.5		Actual	76.96		Actual	VCOBC
	Variance	-30.5		Variance	+41.96		Variance	0
	%	-2.35%		%	+119.89%		%	100%
 <p>13</p> <p>WATER SAVINGS FITTINGS</p> <p>30,000 Residential Units</p>	Target	6,000	 <p>14</p> <p>COMMUNITY RECYCLING</p> <p>6,570,000 kg / 6570 tonnes</p>	Target*	125	 <p>15</p> <p>BIODIVERSITY (IUCN TREES)</p> <p>50,000 trees</p>	Target	22,500
	Actual	6,806		Actual*	354.19		Actual	22,809
	Variance	+806		Variance	+229.19		Variance	+309
	%	+13.43%		%	+183.35%		%	+1.37%

Key Takeaways

- 13 Goals on or above target, 5 Goals below target (2 of the 5 just below annual targets)
- Goal targets affected by MCO should be caught up by next year
- Climate Change: Towards Carbon Negative using SBTi framework - Goal 16 and 18
- Community Resilience – Goal 1,2,5,6,8,11,12,13,14,15,17

Note:

* Cumulative 2020-2021. Actual 2021 result 106 tonnes

SUSTAINABILITY REPORT

goals. The FY2021 result was slightly lower than the outcome of FY2020, during which 15 out of 18 targets were met.

SUSTAINABILITY GOALS

 <p>4 BUILDING TECHNOLOGY IBS SCORE 80 Points</p>	<table border="1"> <tr><td>Target</td><td>58</td></tr> <tr><td>Actual</td><td>59</td></tr> <tr><td>Variance</td><td>1%</td></tr> <tr><td>%</td><td>+1.72%</td></tr> </table>	Target	58	Actual	59	Variance	1%	%	+1.72%	 <p>5 JOB CREATION 100,000 Jobs</p>	<table border="1"> <tr><td>Target</td><td>5,000</td></tr> <tr><td>Actual</td><td>2,740</td></tr> <tr><td>Variance</td><td>-2,260</td></tr> <tr><td>%</td><td>-45.2%</td></tr> </table>	Target	5,000	Actual	2,740	Variance	-2,260	%	-45.2%	 <p>6 AFFORDABLE HOMES 15,000 Units below RM600,000</p>	<table border="1"> <tr><td>Target</td><td>1,000</td></tr> <tr><td>Actual</td><td>2,228</td></tr> <tr><td>Variance</td><td>+1,228</td></tr> <tr><td>%</td><td>+122.8%</td></tr> </table>	Target	1,000	Actual	2,228	Variance	+1,228	%	+122.8%
Target	58																												
Actual	59																												
Variance	1%																												
%	+1.72%																												
Target	5,000																												
Actual	2,740																												
Variance	-2,260																												
%	-45.2%																												
Target	1,000																												
Actual	2,228																												
Variance	+1,228																												
%	+122.8%																												
 <p>10 OCCUPATIONAL SAFETY & HEALTH Zero workplace accident related fatalities</p>	<table border="1"> <tr><td>Target</td><td>0</td></tr> <tr><td>Actual</td><td>1</td></tr> <tr><td>Variance</td><td>-1</td></tr> <tr><td>%</td><td>-100%</td></tr> </table>	Target	0	Actual	1	Variance	-1	%	-100%	 <p>11 URBAN FARMING Minimum 1 urban farm per township</p>	<table border="1"> <tr><td>Target</td><td>4</td></tr> <tr><td>Actual</td><td>3</td></tr> <tr><td>Variance</td><td>-1</td></tr> <tr><td>%</td><td>-25.00%</td></tr> </table>	Target	4	Actual	3	Variance	-1	%	-25.00%	 <p>12 RENEWABLE ENERGY 25,000 MWh annually</p>	<table border="1"> <tr><td>Target</td><td>405.79</td></tr> <tr><td>Actual</td><td>405.79</td></tr> <tr><td>Variance</td><td>0</td></tr> <tr><td>%</td><td>100%</td></tr> </table>	Target	405.79	Actual	405.79	Variance	0	%	100%
Target	0																												
Actual	1																												
Variance	-1																												
%	-100%																												
Target	4																												
Actual	3																												
Variance	-1																												
%	-25.00%																												
Target	405.79																												
Actual	405.79																												
Variance	0																												
%	100%																												
 <p>16 CARBON SEQUESTRATION >30,000 tonnes (from 160,000 trees)</p>	<table border="1"> <tr><td>Target</td><td>10,775</td></tr> <tr><td>Actual</td><td>10,615.42</td></tr> <tr><td>Variance</td><td>-159.58</td></tr> <tr><td>%</td><td>-1.48%</td></tr> </table>	Target	10,775	Actual	10,615.42	Variance	-159.58	%	-1.48%	 <p>17 ENERGY EFFICIENT HOMES 12,500 homes</p>	<table border="1"> <tr><td>Target</td><td>1,750</td></tr> <tr><td>Actual</td><td>4,225</td></tr> <tr><td>Variance</td><td>+2,475</td></tr> <tr><td>%</td><td>+141.43%</td></tr> </table>	Target	1,750	Actual	4,225	Variance	+2,475	%	+141.43%	 <p>18 OPERATIONAL ECO-EFFICIENCY 103.2% total carbon and 100% total waste reduction and 100% recycling; 30% water intensity reduction</p>	<table border="1"> <tr> <td>Targets</td> <td>Carbon -27.84% Waste -10.00% Recycling +10.00% Water -1.00%</td> </tr> <tr> <td>Actual</td> <td>Carbon -28.88% Waste -35.72% Recycling +4.44% Water -15.88%</td> </tr> <tr> <td>Variance</td> <td>Carbon -1.04% Waste -25.72% Recycling -5.56% Water -14.88%</td> </tr> <tr> <td>%</td> <td>Carbon +3.74% Waste +257.20% Recycling -55.60% Water +1,488.00%</td> </tr> </table>	Targets	Carbon -27.84% Waste -10.00% Recycling +10.00% Water -1.00%	Actual	Carbon -28.88% Waste -35.72% Recycling +4.44% Water -15.88%	Variance	Carbon -1.04% Waste -25.72% Recycling -5.56% Water -14.88%	%	Carbon +3.74% Waste +257.20% Recycling -55.60% Water +1,488.00%
Target	10,775																												
Actual	10,615.42																												
Variance	-159.58																												
%	-1.48%																												
Target	1,750																												
Actual	4,225																												
Variance	+2,475																												
%	+141.43%																												
Targets	Carbon -27.84% Waste -10.00% Recycling +10.00% Water -1.00%																												
Actual	Carbon -28.88% Waste -35.72% Recycling +4.44% Water -15.88%																												
Variance	Carbon -1.04% Waste -25.72% Recycling -5.56% Water -14.88%																												
%	Carbon +3.74% Waste +257.20% Recycling -55.60% Water +1,488.00%																												

 Audited by Group Corporate Assurance Department ("GCAD")

SUSTAINABILITY REPORT

● SUSTAINABILITY GOVERNANCE

SUSTAINABILITY OVERSIGHT

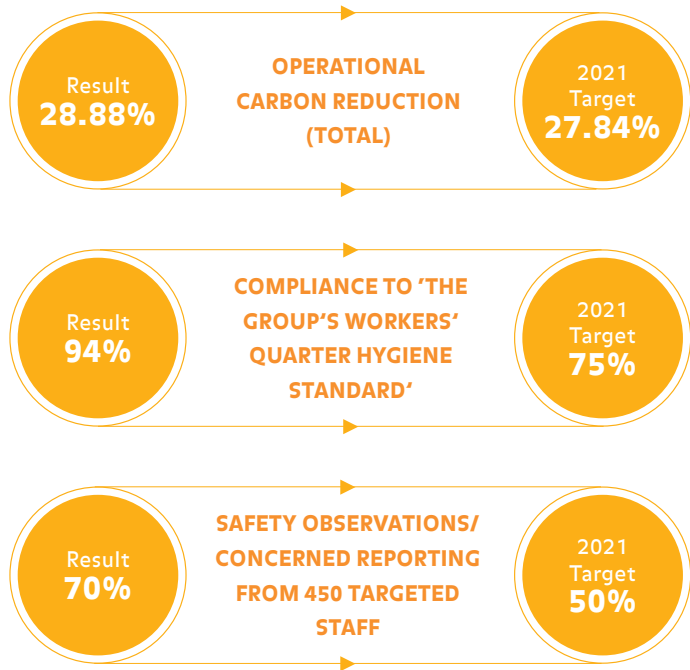
The Group has established a 3-tier oversight and decision-making structure for sustainability policy, strategy, goals and implementation:

- Tier 1: Board of Directors provides high level oversight fulfilling the requirements of the Securities Commission revised Malaysian Code of Corporate Governance (“MCCG”).
- Tier 2: Risk Management Committee (delegated by the Board) takes on responsibility to monitor key sustainability risks of the Group, which include monitoring and advising Management on the progress update against the Sustainability Strategy, Climate Change actions and the broader sustainability risks.
- Tier 3: Group Managing Director and Executive Leadership ensure the tone from the top is implemented within business products and services and that sustainability is embedded into our business processes and systems.

Regular engagements between Safety & Sustainability Department and Board of Directors is held to report on performance results, updates on key programmes and overall progress on the Group’s 18 2030 SGs. These engagements ensure continuous adherence and accountability at every layer of the Group’s activities throughout each year.

● 2021 CORPORATE SUSTAINABILITY KPI

For the second financial year in a row, a sustainability KPI Index was included within the Corporate Scorecard with 10.0 percent weightage. The KPI Index comprised three (3) sub-KPIs (covering ESG):



DATA QUALITY

Our sustainability KPIs are either assured by our Group Corporate Assurance Department (“GCAD”) or by third party (PwC) for five (5) ESG Metrics.

Eight (8) out of our 18 Goals were assured by GCAD during the year based on their potential impact and significance.

It was concluded that the reporting of goal achievements was well-coordinated between the relevant stakeholders and Group Corporate Sustainability, with KPIs adequately supported by verifiable data from the respective data owners.

As a result of the assurance, GCAD identified a number of process and data verification improvements to be executed during the next financial year.

SUSTAINABILITY REPORT

SUSTAINABILITY ACTIVISM

As a champion of the climate change agenda, Sime Darby Property remained deeply involved in sustainability activism to raise awareness on the risks of global warming.

During the year under review, we were involved in ten (10) engagement sessions held by the CEO Action Network (“CAN”) to move the agenda forward in regards to climate action items that were included within a white paper to the Federal Government. Under a collaboration with CAN and Climate Governance Malaysia (“CGM”), four (4) engagement topics were produced specifically for the property sector for roundtable discussions and subsequent white paper documents in which Sime Darby Property played the role of the secretariat.

These topics were:

- ‘Reducing Embodied Carbon in the Built Environment’
- ‘Reducing Operational Carbon in the Built Environment’
- Improving Resilience & Minimising Ecological Damage
- Fireside Chat with Ministry of Housing and Local Government

To further reinforce the Group’s commitment to climate change action, Sime Darby Property signed the British Malaysian Chamber of Commerce’s (“BMCC”) Climate Action Pledge, which was launched on 28 October 2021. This represented a significant step in our role as a ‘Force for Good’, and put us in a network of 22 other businesses of various sizes and sectors that are similarly committed to raising awareness and tackling climate change.



As a signatory, the Group has pledged to accelerate its efforts to fulfil its commitments and goals towards decarbonisation. We are expected to make the first report of our progress within the chosen goals to the BMCC by November 2022.

Internally, the Group had organised its first virtual Sustainability Day, themed ‘2030 Starts Now!’. 684 employees participated in the virtual event held to create a sense of urgency in tackling climate change and raise awareness of the Group’s commitment in supporting the UN SDGs. The event served as a platform for our staff members to share ideas on reducing carbon emissions.

It also highlighted the formation of our 48-member ‘Team 2030’, led by Group Managing Director, Dato’ Azmir Merican, to drive our sustainability movement. In addition, we awarded several of our own township and development teams for their sustainability performance.

Besides Sustainability Day, the Group also held its inaugural ‘Safety Day’ in FY2021. Themed ‘Comply!’, the event was held in ten (10) locations involving 838 employees with an aim to instil a safety culture among employees and raise awareness of the importance of having on-site safety standards, supervision, self-regulation and basic safety compliance and reporting. The event reflected our aspiration to be a leader in HSE within the real estate industry.

SUSTAINABILITY REPORT



Safety Day 2021

Our initiatives aside, we are aware that our sustainability journey will not be complete without the involvement of our supply chain partners. For that reason, we have actively engaged with our vendors and suppliers to encourage them to align their business aspirations with our sustainability objectives as supported by our CDP B-rating for supplier engagement.

Since the relaunch of our structured vendor sustainability engagement programme towards the end of 2020, we conducted eight (8) vendor engagement sessions virtually via Microsoft Teams by the start of 2021. These sessions saw the participation of 124 consultants, 152 contractors and 165 suppliers from our supply chain.

The objectives of these sessions were to share Sime Darby Property's approach to sustainability, specifically on human rights and our eco-efficiency programmes involving carbon, waste, recycling, water management and labour practices for foreign workers; create awareness about UN SDGs and the ten (10) principles of the UN Global Compact; as well as the threats of global warming and climate change on businesses and the society at large.

SUPPLY CHAIN VENDOR ENGAGEMENT

In January 2021, the Group's VCOBC and VIP were launched to enhance best practices among our vendors and business partners.

Highlighting the expected standard of behaviour, the VCOBC and VIP cover compliance requirements; governance and management systems; ethical practices; protection of assets and information; environmental protection; and employment practices. This is in tandem with our hope to inspire our vendors and business partners to join us in our sustainability movement.

From an online vendor-engagement survey conducted between 19 November 2021 and 3 December 2021, we had 34.7 percent response rate from vendors with contracts during 2021. We discovered 90 to 95 percent of respondents do not have a structured eco-efficiency programme to manage carbon, water and waste. Other key findings included 21.0 percent of respondents claiming to either have ESG tools and processes in place or in progress, whilst 50 percent do not; and at least 50 percent of our vendors are considering implementing sustainable practices in all four aspects of eco-efficiency, i.e., carbon, waste, recycling and water, within five (5) years.

The survey findings implied opportunities for Sime Darby Property to conduct further engagement/coaching sessions with vendors to promote the sustainability agenda. We will continue to engage and work with our vendors as they will be key to seeing the reduction of Scope 3 carbon emissions reduction and improvement in how fair labour practices are further improved along our value chain.



Sustainability Day 2021

SUSTAINABILITY REPORT

SUSTAINABILITY MONITORING TOOLS

Sime Darby Property carries out annual sustainability assessments to measure its sustainability delivery to ensure it remains on the right track.

The assessment framework is based on Global Reporting Initiative (“GRI”), Green Building Index (“GBI”), Leadership in Energy and Environmental Design (“LEED”), Crime Prevention Through Environmental Design (“CPTED”), BCA Greenmark and the Group’s 2030 SGs, covering up to 90 indicators.

The internally developed Sustainability Index (“SUSDEX”) was originally applied only to the Group’s Property Development segment’s business units in past years since its implementation in 2009. However, in 2021, the Group expanded the application of the refined SUSDEX tools to include all business segments, namely, (i) Property Development (19 townships); (ii) Investment & Asset Management (5 assets); and (iii) Leisure (3 operating units).

The main reasons for applying SUSDEX across the business segments were to measure sustainability levels across the PPP, encourage engagement with operational teams, and position the Property Development segment for green certification.

The Group also adopts other monitoring tools and guidelines to ensure minimum sustainability elements or standards are embedded into its products according to their categories.

In the area of landscaping, for instance, the Group is required to meet the minimum 1:1 tree replacement ratio, i.e., to replant one (1) tree for every tree removed from its sites. In addition, the Group is also expected to ensure a balanced mixed of multi-species planted in landscaping, and conduct biodiversity assessment and inventories to mitigate ecological impact and to

improve biodiversity a 10.0 percent IUCN Red List tree planting target. The Group’s Carbon, Waste/Recycling and Water Footprint projects continue to collect data and monitor targets.

FY2021 marked the beginning of standardisation of sustainability elements in landed and high-rise products and within infra and landscape with the introduction of ‘Minimum Sustainability Elements Guidelines’ and ‘Checklists monitoring tools’. As an example, a two-story terrace landed property has a range of 30 odd elements to be incorporated into it. The compliance level is monitored during the design process, whereby products based on price range will have standardised sustainability elements included, such as insulation, energy efficient design, security systems, green label items such as water efficient fittings and Forest Stewardship Council (“FSC”) wood elements, solar PV, multi-generation design and more. The checklist system was tested the year before. In 2022 the checklists will be updated, as well as one being developed for industrial products.



Implementation of SUSDEX on Our Products

●
Property Development

19 townships

● ●
Investment & Asset Management

5 assets

● ● ●
Leisure

3 operating units

SUSTAINABILITY REPORT

● PEOPLE (CONTRIBUTING TO A BETTER SOCIETY)



SUSTAINABILITY STRATEGY



Sustainability is also about caring for our people and communities.

In this context, our priorities include reaching out and responding to the needs of communities, from empowering the underprivileged to building affordable homes. Within the organisation, our focus is on promoting diversity and inclusion, investing in our people and safeguarding their health, safety and well-being.



Our efforts include to implement initiatives to uplift the lives of those in need and alleviate their financial burdens, where possible, to ensure no one is left behind.

Our contributions are in cash and in kind through employee volunteerism and collaborations with our philanthropic arm, *Yayasan Sime Darby* ("YSD"), and non-governmental organisations. In 2021 the Group contributed RM20 million to YSD to support its CSR efforts across the country.

SUSTAINABILITY REPORT

RESPONSE TO COVID-19 AND FLOODS

Sime Darby Property was not spared from the impacts of the COVID-19 pandemic, with 163 staff members and 818 contractor workers infected in FY2021.

The Crisis Management Team (“CMT”), chaired by our Group Managing Director and with the support of the senior management team, was specially formed to manage the unprecedented situation. Over weekly meetings, the CMT approved necessary policies and SOPs to assist employees and stakeholders to navigate through the new working environment. These policies and SOPs were regularly updated in accordance with the Government’s national health and safety mandates.

In summary, the following was achieved:

- Fully vaccinated (staff) as of December 2021 – 99.5 percent.
- Fully vaccinated (contractor workers) as of December 2021 – 96.0 percent.
- A total of 127 Auxiliary Police officers were assigned to monitor and enforce COVID-19-related compliance in the workplace.
- COVID-19 Compliance Assessment covering 14 projects – 99.0 percent compliance.

The Group enforced strict adherence to the policies and SOPs, with daily monitoring of employees and stakeholders’ compliance to the mandated rules. While most employees were allowed to Work from Home, individuals at all Sime Darby Property premises and work sites were required to use KN95/N95 or KF94 masks as an upgrade from the normal three-ply masks. In view of safeguarding the staff and stakeholders’ well-being, group activities and travels were drastically curtailed, with exemption of those with permissions.

As part of Sime Darby Property’s extensive ‘COVID-19 Care Support’ programme, each employee received a specially curated care package that included a pulse oximeter, COVID-19 self-test kits, face masks, face shields, thermometer, and cash vouchers from a leading pharmacy in Malaysia.

Amid the prolonged pandemic, we provided help in the form of food assistance and vouchers for grocery supplies, among others, to help communities reeling from the impact of the health crisis. Our efforts were aimed at responding to the needs of underprivileged communities within and around our townships across the Klang Valley, Negeri Sembilan and Johor, as well as our contribution of 6,000 food packs to underprivileged communities through the *Bakul Makanan Selangor* programme.

And in response to the unprecedented floods that hit Selangor at the end of 2021, Sime Darby Property provided support to about

2,500 affected households in the Bandar Bukit Raja township and communities in Shah Alam, as well as Serenia City in Sepang. Through our collaboration with YSD, we provided food packs, drinking water and other essential items to the flood victims, while our employees helped with house clean-ups and our contractors carried out road cleaning works at townships.

For the benefit of the underprivileged communities, we continue to organise Economic Empowerment Programmes which involved entrepreneurship training and mentoring sessions to help them improve their living standards and achieve success in their businesses.



Volunteers distributing aid to the flood victims in Dengkil

ADAPTING TO THE NEW NORMAL

Within our organisation, we went beyond safeguarding the well-being of our employees by including their immediate family members in our digital well-being programme, *Jalinan Nurani*. Launched in July 2020, the programme has proved to be invaluable during the lockdowns by serving as an avenue to address the psychological and emotional needs of employees and their family members.

Jalinan Nurani offers a wide range of engaging and interactive programmes and activities such as a wellness website, health talks, webinars, digital coaching and mentoring services.

To protect our employees and help them adapt to the new normal, we implemented special initiatives such as work-from-home arrangements and flexible working hours during the lockdowns to benefit employees who had to tend to their children and family at home. In addition, we amended the Compassionate Leave criteria to include caring for children undergoing quarantine. Our employees were also equipped with digital tools to work remotely from home and attend online meetings via digital platforms such as Microsoft Teams.

SUSTAINABILITY REPORT

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Sime Darby Property has always prioritised its target of zero work-related fatalities, but a contract labourer's death in 2021 had reinforced the importance of creating a safe work environment.

To kick-off the Group's HSSE and sustainability transformation journey, the HSSE, Quality and Sustainability functions were combined into one department in 2021. A new Head of Department, with 25 years of experience in the oil & gas industry, was appointed to spearhead the department.

The action plan was to focus on going back to the basics and working on the highest risk which is 'Work at Height'. The team completed the first series of eight (8) manual sections of the Group's minimum HSSE Mandatory Requirements under its new HSSE Management Framework.

Among the programmes introduced for employees is the Leadership Action Programme ("LEAP") for Senior Management, which saw four (4) LEAP visits completed, involving six (6) Executive Leadership team members. Apart from that, we also conducted sessions on Learning From Incidents (Work at Height), as well as Systems Thinking for 186 employees.

We also introduced the Safety Observation reporting towards encouraging staff to report incidents/unsafe acts and conditions at the workplace and at home. The Safety reporting culture was a gap that was identified with low number of injuries reported. A system was put in place to encourage the organisation to report safety observations. By December 2021, 45 injuries were reported by the contractors while the staff submitted 890 Safety Observations, a good start in the transformation journey.

On our engagement with contractors, we rolled out the Workers' Quarters Hygiene Assessment at 14 sites to enhance HSSE awareness and compliance among contractors.

We recorded 45 injuries among workers due to slips, falls, cuts, and other types of afflictions occurring at our work sites. Our Lost Time Injury Frequency Rate ("LTIFR") was reduced to 0.08* in 2021 from 0.14 in 2020 due to lower number of activities during the pandemic, which in turn, minimised the likelihood of incidents occurring.

WORKERS' WORKING CONDITIONS

Throughout the pandemic, the Group implemented strict standard operating procedures ("SOPs") and safety measures, such as daily body temperature checks and social distancing rules, across all our operating units. All contractors were also required to comply with the Pandemic Management Prevention of COVID-19 Infection for Construction Activities Guideline.

During the year under review, as a result of strict SOPs, the Group managed to contain the spread of COVID-19 at our workplaces as well as project sites.

We piloted the Workers' Quarters Hygiene Assessment at 14 sites to enhance HSSE awareness and compliance. In addition, we monitored contractors' compliance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446), which was fully enforced by the Government in September 2020. The assessment adds a suite of checks on livability and comfort on top of the requirements of the Act. The contractors at the 14 sites scored 91.0 percent in the assessment.

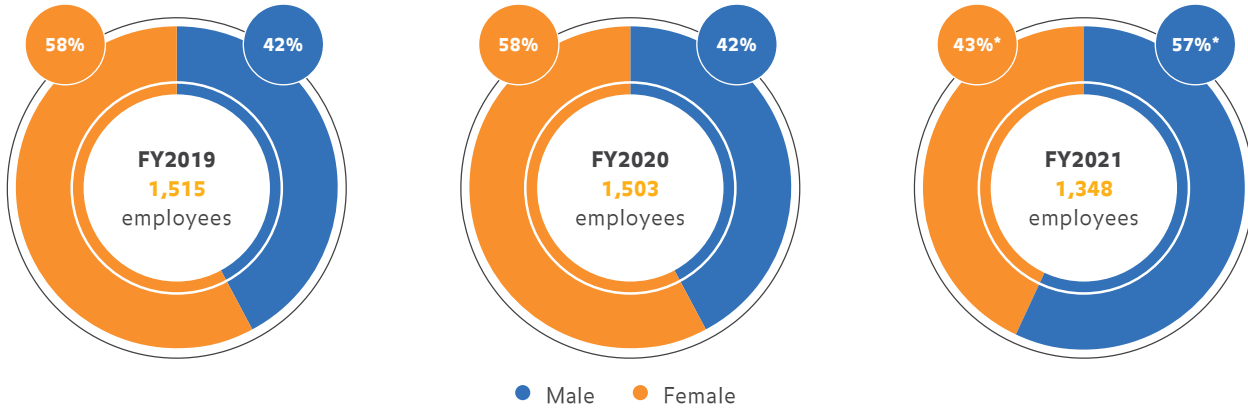
* This data has been externally assured. Please refer to the Independent Assurance Report on pages 357 to 359.



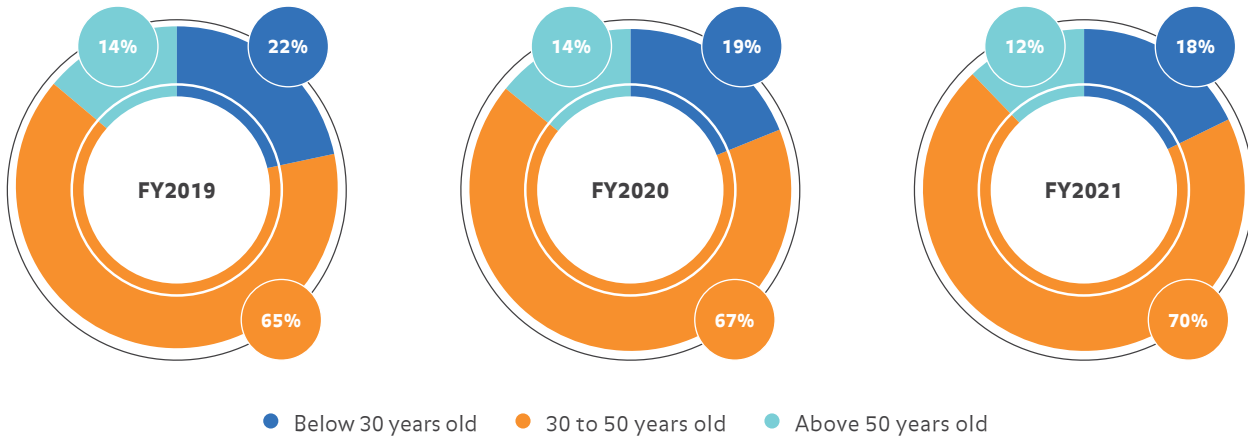
Leadership Engagement Action Programme ("LEAP")

SUSTAINABILITY REPORT

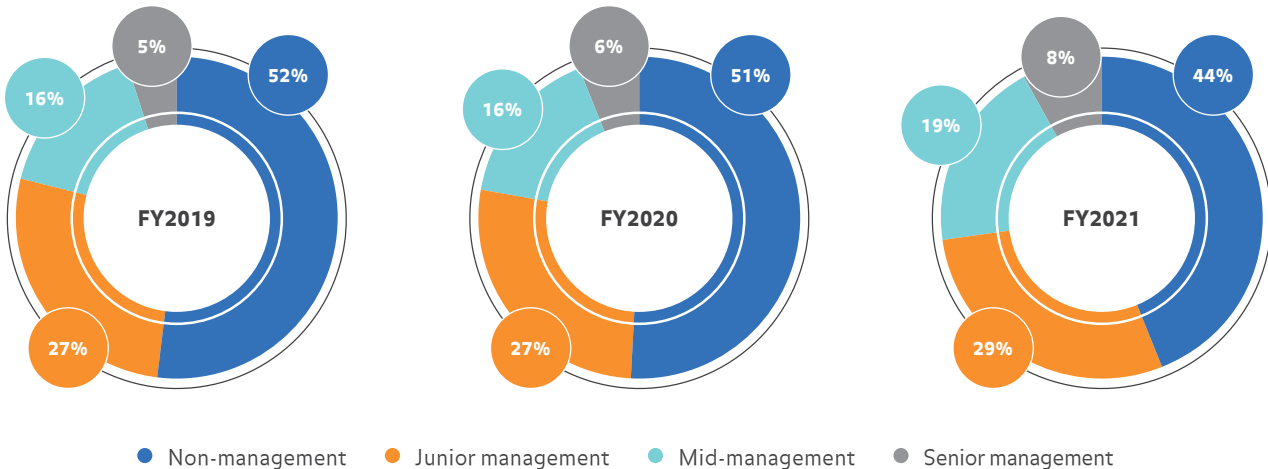
Total Employees



Age Group



Job Level



* This data has been externally assured. Please refer to the Independent Assurance Report on pages 357 to 359.

SUSTAINABILITY REPORT



Chinese New Year 2022 Lion Dance at Sime Darby Property Headquarters

DIVERSITY AND INCLUSION

As a progressive organisation that strives towards a sustainable future for all, we ingrain diversity (in terms of age, gender and ethnicity) and inclusion at our workplace by enforcing anti-discrimination policies and practices across all levels, with hiring and promoting based on merit.

Our diversity and inclusion practices are guided by our Group Policies and Authorities ("GPA"). Our employment principles comply with the Equal Opportunity and Anti-Discrimination policies that are embedded in our internal GPA on Human Resources.

Of our total 1,348 employees as at 31 December 2021, 57.0 percent* were male, whilst 43.0 percent* were female. In terms of Board diversity, the Group achieved the 30.0 percent threshold of women representation following the appointments of Dato' Hamidah Naziadin and Dr. Lisa Lim Poh Lin to the Board as independent and non-executive directors on 1 October 2021.

By age group, 18.0 percent of our employees were below the age of 30; 70.0 percent were between 30 and 50 years old; and the remainder 12.0 percent were above 50 years old.

Non-management staff accounted for the biggest group of our employees at 44.0 percent, followed by junior management at 29.0 percent, mid-management at 19.0 percent and senior management at 8.0 percent.

Our employees are also protected by the Group's Whistleblowing Policy, which serves as a grievance mechanism for employees to file complaints on discrimination without fear of reprisals. In the year under review, there were zero reported cases of discrimination in Sime Darby Property.

To develop an agile workforce, we continue to invest in our people across all levels. Our employee training and development programmes are aimed at keeping our people up to date with the latest knowledge and skills in the industry, as well as helping them develop soft skills and interpersonal skills. In 2021, employees attained 23,520 training hours, an average of 2.2 days per staff. Our learning and development programmes have been increasing steadily in terms of total learning hours since 2018.

In addition, we have various programmes and platforms aimed at creating an engaging and conducive workplace, ensuring the well-being of our employees and enabling the Group to retain our talents.

We are also committed to safeguarding human rights in our labour-intensive business operations and across our supply chain. We prioritise matters such as the welfare of foreign workers, fair employment terms and the provision of humane living quarters in our consideration of ethical labour practices. We are against all forms of slavery and forced labour, as well as child labour.

Moving forward, we will continue to step up reasonable efforts to minimise and mitigate negative social impacts, including human rights, in our operations, products, services and/or business relationships.

SUSTAINABILITY REPORT

● PLANET (OPTIMISING ENVIRONMENTAL PERFORMANCE)



SUSTAINABILITY
STRATEGY



Subang Forest Reserve Dam, adjacent to City of Elmina

CLIMATE ACTION

High on Sime Darby Property's agenda is the decarbonisation of its business operations and products in the context of climate change. This is in line with our commitment to reduce the negative impact of our operations on the environment for the benefit of the present and future generations.

The Group continued to make progress in terms of total operational carbon emissions reduction as shown above; however, a proportion of close to half the total carbon reduction (28.88 percent reduction) is estimated to result from business operations reduction due to the pandemic lockdowns that took place in 2021.

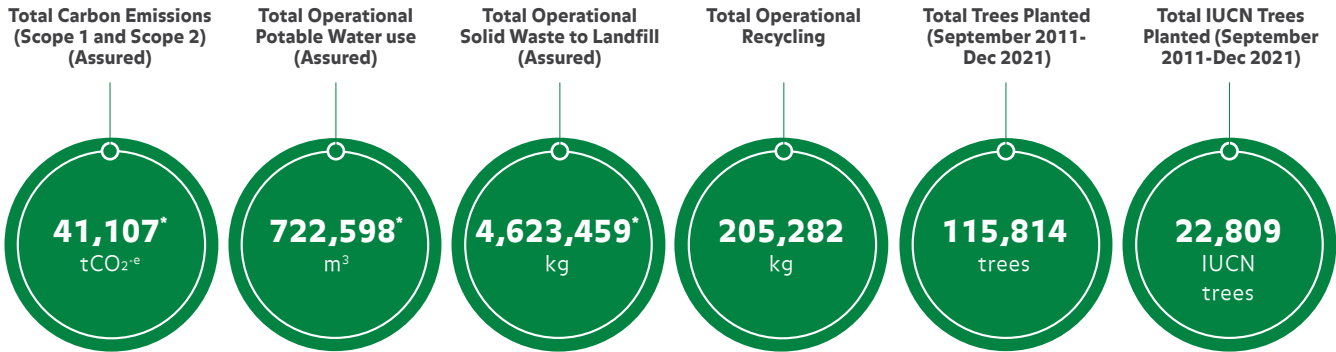
The Group is mindful that the Property Development segment, especially infrastructural works, has consistently contributed to the highest carbon emissions due to substantial fuel usage from heavy machinery. To address this, we are gradually moving towards installing renewable energy to reduce fossil fuel usage. Decarbonisation roadmaps for operational and embodied carbon are being developed in FY2022.

SUSTAINABILITY REPORT

OPERATIONAL ECO-EFFICIENCY PROGRAMME

The Group optimises environmental performance by systematically setting reduction targets for total carbon emissions, total waste generation and water intensity consumption, or increase total recycling and tree-planting initiatives through our Operational Eco-efficiency Programme and engagements.

FY2021 Eco-efficiency Footprint Summary



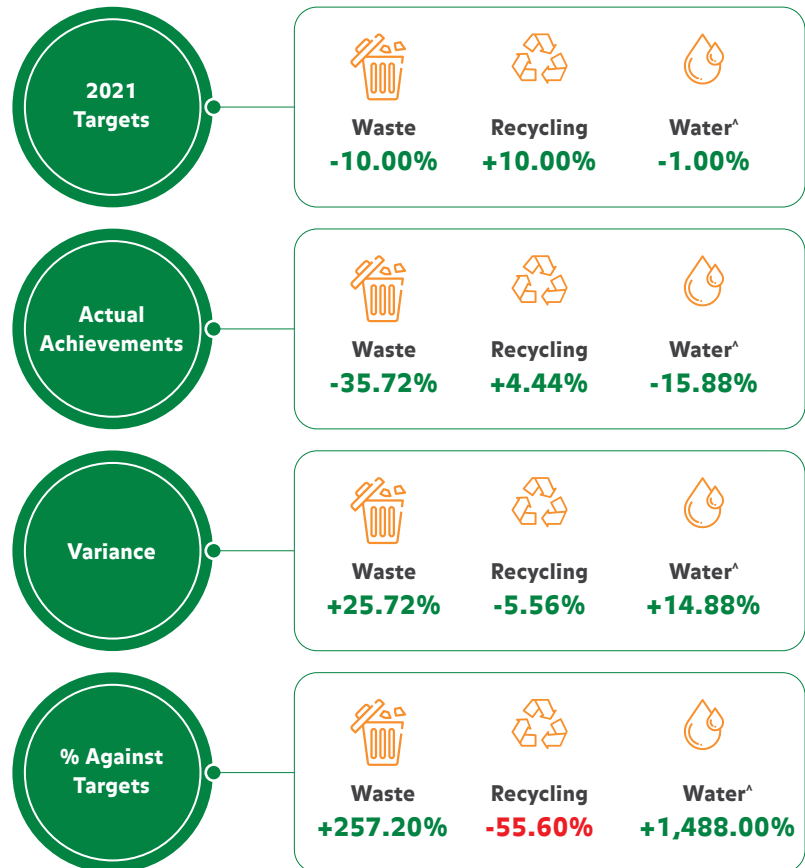
* This data has been externally assured. Please refer to the Independent Assurance Report on pages 357 to 359.

While this holistic programme has been progressively in place since 2009, where the carbon footprint was the first initiative of those listed, the Group still has some way to go before we could achieve our targets; e.g., operational recycling stands at less than 5.0 percent of solid waste footprint. After five (5) years of executing the Waste and Recycling Footprint Programme, it will be an area of further focus to see recycling replication standardised moving ahead.

Our long-term targets, as outlined in the Group’s 2030 SGs, include being operationally carbon negative; achieving zero waste by reducing, recycling, reusing and repurposing our waste materials; and reducing our water intensity by 30.0 percent by 2030.

FY2021 Waste, Recycling and Water Targets

(For carbon performance, please refer to 2021 Corporate Sustainability KPI on page 85):



[^] Intensity reduction.

SUSTAINABILITY REPORT

CLIMATE CHANGE RISKS & OPPORTUNITIES

Increasing human activities such as rapid urbanisation and development are a leading factor to climate change, which poses a variety of physical threats to industries and businesses including the property development and construction sector. To mitigate the Group's exposure to climate risks, Sime Darby Property is presently evaluating our climate change risks to quantify to what extent generically identified risk items may impact the company. For example, 'Water Scarcity' - to what extent it may impact the business and stakeholders in the context of climate change scenario modelling.

While risk quantification is ongoing, a number of mitigation practices are already practised and opportunities related to climate change risk are already in implementation, such as improving housing energy efficiency, flood mitigation, installation of renewable energy in products as mentioned in page 82.

ENVIRONMENTAL COMPLIANCE PERFORMANCE

We are guided by the Group's QHSSE Policy and the Environmental Management System Manual to ensure efficient environmental management, inclusive of environmental legal compliance. In 2021, we launched our 'Sustainability Policy' (further outlined in page 86) and QHSSE, which highlighted multiple commitments as guidance to conduct business in a responsible manner.

When it comes to township planning and design, Sime Darby Property applies the Urban Stormwater Management Manual for Malaysia ("MSMA") to ensure our developments do not affect the hydrological systems in the areas in which we operate. The HSSE & Environment Management Plan and Erosion Sediment Control Practice ("ESCP") are also implemented to ensure efficient flood management is in place at all times.

KL EAST MALL'S SUSTAINABLE WASTE MANAGEMENT

Since its opening in November 2020, KL East Mall has been running its 'Total Waste Management Programme' to monitor waste production and implement effective reductions solutions.

The programme involves the separation of waste by its retail and F&B tenants into three categories, i.e. recyclable, bio-organic/food and non-recyclable waste. To ensure full compliance by tenants, the waste is collected door-to-door daily by hired vendors.

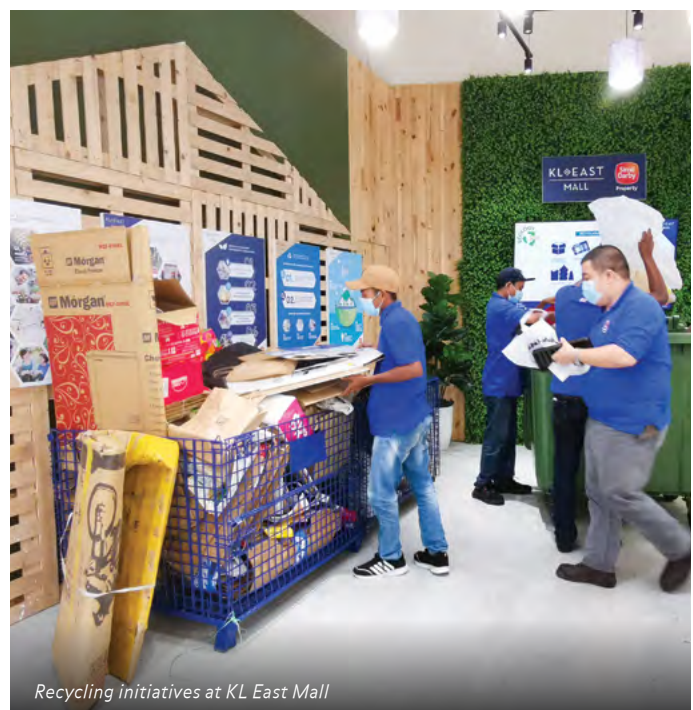
Recyclable waste is sold, and proceeds from the sales are used to pay for the door-to-door waste collection service. Food waste, on the other hand, is sent for compost recycling to reduce the amount of food collected at waste collection centres. Through its Total Waste Management Programme, which helps keep waste

collection sustainable and environmentally friendly, KL East Mall has managed to reduce its waste generation and has in its first year set a baseline to make further improvement from FY2022 onwards.

In FY2021, the KLEM Total Waste Management Programme resulted in a recycled solid waste of 64,772 kg; recycled organic and food waste of 96,169 kg; and landfill waste of 683,614 kg. Moving ahead, targets have been set to reduce landfill waste, as well as increase the reduction and recycling of waste.

COMMUNITY RECYCLING REPLICATION

Sime Darby Property has been a strong proponent of community-centric recycling programmes to reduce waste and promote more sustainable living. In 2016, the Group initiated a Solid Waste Recycling programme in Bandar Bukit Raja. Simultaneously two other township locations; Bukit Jelutong and Saujana Impian's Vista Mahogani undertook community recycling as well. Since then, 354.2 tonnes of total solid waste community recycling has been achieved based on data collected. In FY2021, a total of 106.0 tonnes community recycling was achieved and of that, 5.7 tonnes were recycled by the two Bandar Bukit Raja affordable high-rise communities. These two communities participated in a company facilitated recycling and education scheme in 2021. This scheme is set for two years and the educational campaign is sponsored by YSD. They are paid for their recycling by a vendor, and thus far it is estimated that this scheme has benefitted this community to an amount of RM3,600 (an average of RM11/household).



Recycling initiatives at KL East Mall

SUSTAINABILITY REPORT

IMPLEMENT GOOD BIODIVERSITY PRACTICES

Sime Darby Property makes every effort to improve biodiversity levels within our townships during the development process to ensure the well-being of our communities and the nature.

The Group's Biodiversity Programme Elements and Initiatives:



- Zero primary rainforest deforestation clause in the Group's 'Sustainability Policy'.
- Tree-to-tree replacement ratio of 1:1 at Group-level (since 2011);
 - o Presently at 0.5:1 as it is a lagging indicator – it takes time to replant).
 - o Total planted since 2011 – 115,814 trees.
- 10.0 percent IUCN Red List tree quota within all landscaping (since 2020).
 - o Total planted since 2011 – 22,809 trees.
- Endangered, Rare and Threatened ("ERT") Tree Landscape Identification and Maintenance Guideline.
- Wetlands Construction & Maintenance Guideline (published 2018/19).
- 84-acre forest park (under construction) within City of Elmina's 300-acre Central Park.
- Two biodiversity inventories (KL East and Elmina) adjacent sensitive forested areas.
- Partnership under MoU with TRCRC to operate the ERKC and ELCN built by Sime Darby Property in 2019.
- Audubon Golf Course accreditation for KLGCC.

Through our collaboration with the TRCRC, Sime Darby Property introduced the ERKC and ELCN, both located within the 84-acre Forest Park District of the 300-acre Elmina Central Park in the City of Elmina.





The ERKC focuses on environmental education and conservation, research & development and other green initiatives and programmes, whilst the ELCN serves as a dedicated nursery for the propagation and growth of ERT trees found in Malaysia that are on the IUCN Red List. The Group's aim is to produce up to 100,000 IUCN Red List trees by 2030, with the majority being planted within our townships. Under the scheme, Sime Darby Property purchases the trees from TRCRC and a proportion of the profits is used by TRCRC to deliver educational programme at the ERKC.

Meanwhile, the Group has also conducted biodiversity inventory assessments on KL East and the City of Elmina to further mitigate our ecological impact and preserve our natural resources for future generations.

SUSTAINABILITY REPORT







The biodiversity inventory for KL East was conducted between 2014 and 2015 (and supplemented with further study by an Arborist in 2020), and it included detailed assessments of the flora and fauna, and research on the water quality of the rivers. Most of the species found were not endangered or rare. Among them were:

Total Number of Flora & Fauna Species

Flora  Trees, herbs and shrubs 230		
Fauna		
 Insects 32	 Birds 43	 Amphibians and reptiles 20



The inventory assessment for the City of Elmina, which was undertaken between 2020 and 2021, detailed the various species of flora and fauna in the adjacent 2,700-acre Subang Forest Reserve, the nearby oil palm plantation, and in Elmina Central Park. Among the flora and fauna discovered were:

Flora		Fauna			
 Trees, palms, liana, herbs, ferns 114	 Birds 65	 Amphibians 21	 Invertebrates 85	 Mammals 25	 Reptiles 31



Subang Forest Reserve Dam, adjacent to City of Elmina

SUSTAINABILITY REPORT

PROSPERITY (DELIVERING SUSTAINABLE DEVELOPMENT)



Sime Darby Property’s Prosperity sphere and related 2030 Sustainability Goals involve tracking and measuring the financial and economic impacts of our business activities. One of our core objectives as a leading property developer in Malaysia is to play an active role in building a resilient and competitive economy. In this context, our focus is on creating tangible and intangible value for all stakeholders, including supporting local suppliers and vendors and providing job opportunities to local communities.

Performance Review



ECONOMIC IMPACT (LOCAL SPENDING)

We support local industries by engaging local vendors and contractors in most of our projects, as this can indirectly increase our contribution to the local economy. Our target is to meet the 90.0 percent threshold of contracts awarded to local vendors by 2030 as stated in Goal 1 of our 2030 SGs. In FY2021, contracts were awarded to 98.6 percent local vendors. In FY2020 it was 99.0 percent.

In 2020, our total economic injection to our contractors and vendors stood at RM1.22 billion and RM1.38 billion in 2021. Job creation was slightly higher in 2021 at 2,740 compared to an estimated 2,471 in 2020 via our commercial and industrial and logistic developments.

To help small and medium enterprises (“SMEs”) stay afloat amidst the economic fallout from the pandemic, we accelerated invoice payment to two (2) weeks to ease vendors’ cash flow during the MCO.

SUSTAINABILITY REPORT

CONCEPT HOME 2030

In a bid to transform the homes in Malaysia, Sime Darby Property introduced Concept Home 2030 (“CH2030”), an initiative that aims to reinvent how houses can be designed and built in the future. It is a platform that allows architects and visionaries to engage and exchange solutions with industry experts, consumers, and the public to turn great ideas into great designs, and great designs into prototypes.

With the pandemic inadvertently forcing us to take a good, hard look at the industry and ponder whether the homes now are flexible to support our future needs, the CH2030 is a timely initiative to push innovators of the built realm to produce ideas and home designs that stand the test of time.

The first phase of CH2030 featured the Concept Home 2030 Competition (“Competition”) which challenged visionaries to redesign the quintessential Malaysian terrace homes. We partnered with Malaysian Institute of Architects (“PAM”) and received 171 registered participants which marked the highest number of registrants in the history of PAM’s competitions.

A number of impressive submissions showed excellent potential in disrupting the industry, such as the ideas to gamify property-owning experience using blockchain technology, and innovative construction methods that are expandable and customisable to evolving lifestyles.

CH2030 seeks to push property developers from the ‘form follows function’ method of building today’s homes and redesign future homes which incorporate diverse features and flexible use of space, adapt to the effects of climate change, and more.

The initiative aims to encourage the industry to work together to build tomorrow’s homes equipped with new technology and capabilities that are of the emerging technology, vision and capabilities that are already in use in some parts of the world. Now more than ever, property developers have the opportunity to rethink the ideal home of the future and push the possibilities to the next level.



Four Pillars of Concept Home 2030



Sustainable Solutions



Modern Methods of Construction



Tech-Infused: A Home Brain



Modular, Expandable & Customisable

For more information on Concept Home 2030, visit <https://concepthome2030.simedarbyproperty.com/>

SUSTAINABILITY REPORT

SUSTAINABILITY SRI SUKUK

Strengthening financial resilience is a key priority at Sime Darby Property, as we seek to maintain sustainable business growth, whilst creating long-lasting positive impacts on the community. Towards this end, the Group activated the Sustainable and Responsible Investment (“SRI”) Sustainability Sukuk Musharakah Programme in 2020 to generate funds for current and future projects that are aligned with our 2030 SGs and the UN SDGs.

Our Sukuk Musharakah Programme is rated ‘AA+_{IS}’ by the Malaysian Rating Corporation Berhad (“MARC”), reflecting our sound business fundamentals.

In December 2020, we successfully made the first issuance of RM800 million Sukuk Musharakah, out of which RM150 million with a tenor of five years was ASEAN Sustainability SRI Sukuk Musharakah.

2021 SRI SUKUK IMPACT SUMMARY

No.	Description of Eligible Assets	Township/Location of Eligible Assets/ Projects	SDP 2030 Sustainability Goal	Date of Addition or Substitution of Eligible Assets to Portfolio	Amount Allocated to Eligible Assets (RM)
1	Affordable Housing Phase A2 (Serenia City)	Serenia City	Goal 6	3 December 2020	100,000,000.00
2	Affordable Housing Phase 17B (Serunai)	Bandar Bukit Raja (“BBR”)	Goal 6	3 December 2020	46,700,000.00
3	Elmina Rainforest Knowledge Centre	City of Elmina (“CoE”)	Goal 7, 15, 16	3 December 2020	1,800,000.00
4	Inclusive Playground (City of Elmina)	City of Elmina (“CoE”)	Goal 10	3 December 2020	700,000.00
5	Elmina Living Collection Nursery (“ELCN”) to grow IUCN Red List Trees at Central Park	City of Elmina (“CoE”)	Goal 15, 16	3 December 2020	800,000.00
Total Eligible Assets Added to Portfolio					150,000,000.00

SUSTAINABILITY REPORT

The ASEAN Sustainability SRI Sukuk tranche was the first its kind from a property developer globally. It was fully subscribed upon issuance, and the proceeds raised were used to fund five projects, comprising two affordable housing developments, a biodiversity educational centre, a plant nursery for endangered trees and Malaysia's first inclusive playground conceived in partnership with UNICEF Malaysia.

This was in line with our Sustainability Sukuk Framework, which has set out five categories to be funded by proceeds raised through the SRI Sustainability Sukuk Musharakah Programme. These include Pollution Prevention and Control; Terrestrial and Aquatic Biodiversity Conservation; Energy Efficiency and Climate Action; Affordable Housing; and Socioeconomic Advancement and Empowerment.

Type of Utilisation (New Project/ Refinancing)	Purpose of Eligible Assets/ Projects	Status of Eligible Assets/ Projects	Sustainability Impact
Refinancing	Affordable Housing	Completed	<ul style="list-style-type: none"> 302 Double Storey Link Homes ("DSLH") completed, measuring 20'x75' with 4 bedrooms per unit. 1,208 residents (assuming 4 residents per unit) estimated to benefit from this affordable housing phase.
Refinancing	Affordable Housing	Completed	<ul style="list-style-type: none"> Total 570 strata units completed. 120 units of 900 sq. ft. (Type C2) and 450 units of 1,000 sq. ft. (Type D), both types with 3 bedrooms. 2,280 residents/570 families (assuming 4 residents per unit) estimated to benefit, after handover scheduled in January/February 2021. Homes were reserved to families with household monthly income below RM10,000.00.
Refinancing	Terrestrial and Aquatic Biodiversity Conservation; Energy Efficiency; Climate Action	Completed	<ul style="list-style-type: none"> As at 31 December 2021, 5,386 children and adults have been engaged through activities, events and workshops from the ERKC (in person and virtually). 14.96 MWh of renewable energy from the Solar PV panels installed.
Refinancing	Socio-economic Advancement and Empowerment	Completed	<ul style="list-style-type: none"> 13 inclusive playground features to benefit children with and without disabilities to play together as equals. An open-source Best Business Practice Circular and Guidance Toolkit guideline developed. Key inclusive playground design principles to be replicated into future playgrounds.
Refinancing	Terrestrial and Aquatic Biodiversity Conservation; Energy Efficiency; Climate Action	Completed	<ul style="list-style-type: none"> Total ELCN area of 2.5 acres (present size) defined. ELCN current capacity of 3,000 to 5,000 IUCN Red List rainforest trees (depending on tree size) and 5,800 IUCN seedlings. Growing stock of IUCN Red List saplings. Nearly 22,000 seedlings of 94 rainforest species growing at ELCN in 2021. Up to 5 nursery trainees to be hired from the local community. Up to a minimum of 100,000 IUCN Red List trees to be supplied across the Group's townships and for other biodiversity conservation purposes by 2030. In 2021 approximately 2,000 IUCN Red List Trees supplied for planting in Elmina Central Park.

SUSTAINABILITY REPORT

AFFORDABLE HOMES

In support of the UN SDGs principle of ‘Leaving No One Behind’, Sime Darby Property is committed to providing sustainable and affordable homes to communities from the low-income segment. Our target is to build 15,000 affordable homes priced below RM600,000 by 2030, as we play our part to address the shortage of affordable homes in Malaysia.

Our focus is not just on the pricing, but we also put great emphasis in ensuring that the homes we build are designed to overcome the typical shortcomings of conventional affordable homes such as inadequate natural lighting and ventilation, poor functionality in space planning and uncomfortable living environments. To achieve this, we focus on a human-centric design approach that optimises energy efficiency and provides individual and community-oriented activity spaces; environmentally friendly and sustainable material selection; and the Modern Method of Construction (“MMC”) that utilises systems and methods such as Industrial Building System (“IBS”) and Building Information Modelling (“BIM”).

As of 31 December 2021, we delivered 2,228 units of affordable homes, surpassing the cumulative target of 2,000 affordable homes. Of the units we delivered, 1,659 were statutory housing units priced at RM200,000 and RM270,000.

RENEWABLE ENERGY

Product level operational future carbon emissions and customer energy cost have led us to undertake a partnership with TNBX Sdn. Bhd., a subsidiary of Tenaga Nasional Berhad (“TNB”). The MoU signed in September 2019, in conjunction with the Asian Utility Week, will help us realise our aim of delivering energy-efficient homes with renewable energy by incorporating the use of solar photovoltaic (“PV”) panels.

● **2,228**
units of
affordable homes

●● **1,659**
were statutory
housing units priced
below **RM270,000**

●●● 513 double-storey homes with
total **1,026 kWp** and additional
1,697.18 kWp
of future renewable energy
from 455 units



Serunai Apartment, Bandar Bukit Raja

This partnership has resulted in 513 double-storey homes with total 1,026 kWp in the City of Elmina being equipped with solar PV panels, enabling homeowners to reduce carbon emissions, as well as lower their monthly electricity bills.

Replication of solar PV inclusion in our products is ongoing and as at December 2021, the following list of residential and industrial products were slated for solar PV inclusion totalling an additional 1,697.18 kWp of future renewable energy from 455 units.

SUSTAINABILITY REPORT

No	Township	Product Type	Launch Date	No of units	PV system/unit (kWp)	Total PV system (kWp)
1	Elmina East	Double Storey Link Homes	December 2021	277	2	554.00
2	Bandar Bukit Raja	Detached Factories	December 2021	49	18.36 x 8 = 146.88* 12.42 x 41 = 509.22*	656.10
3	Kota Elmina	Factories	November 2021	22	20	440.00
4	KLGCC Resort	Serviced Apartment	May 2021	107	0.44	47.08
Total kWp committed to in 2021 product sales						1,697.18

Note:

* 8 units have larger solar PV systems than the other 41 units.

DIGITAL MARKETING

In FY2021, the Group intensified its digital marketing and online campaigns to continue engaging with our customers throughout the various stages of lockdowns in the country. We take pride in the fact that we are among a handful of property developers in the country that could provide customers with a full end-to-end digital and online sales experience.

Our enhanced digital marketing solutions, built in-house, helped drive our sales during what was the most challenging time we had ever faced in recent history, and this, in turn, enabled us to contribute to maintaining jobs and employment in the economy.

DATA & CYBERSECURITY

With technology and innovation becoming increasingly embedded into our business processes to improve operational efficiencies, organisational improvement with digitalisation, digitisation and automation, we have stepped up our efforts to improve our capabilities in managing and mitigating data and cybersecurity risks.

On this note, our Information Technology ("IT") capabilities are constantly enhanced through awareness, robust policies and procedures that are governed by the RMC and Technology Innovation Committee ("TIC"), while our cybersecurity is safeguarded by our Group Policy and Authority A2 – Information Technology and Group Information Security Policy ("GISP").

The Group also focuses on updating and upgrading its infrastructure and processes regularly in addition to building data & cybersecurity awareness and capacity within the organisation, as well as implementing the Security Operations Centre ("SOC") to monitor and manage all cybersecurity matters.

To further strengthen our security measures, a security posture assessment is conducted annually and an external consultant is engaged to evaluate the health of our data infrastructure and security systems.

Backed by such comprehensive measures, the Group managed to keep its record of zero cybersecurity violations in 2021. We continue to aim for zero violations in 2022, as we remain committed to protecting our customers' data and privacy while adhering to IT security standards.

DATA-DRIVEN DECISION-MAKING

Sime Darby Property has built its own data warehouse on Microsoft Azure, utilising cloud computing technology. The Group has connected all systems data into a master depository to enable data-driven decision-making.

Data-driven decision-making provides businesses with the capability to generate real time insights and predictions to optimise their performance. This will provide the Group with many benefits of different strategies to make informed business decisions for sustainable growth.