

Sime Darby Property Determined to be a Force for Good

THE LEADING PROPERTY DEVELOPER IN MALAYSIA AIMS TO DEVELOP A MORE SUSTAINABLE TOMORROW BY UPHOLDING ITS COMMITMENT TO THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRINCIPLES.

THE LATEST BUZZWORD in the corporate world is an acronym – ESG. Although short in stature, the three letters that stand for Environmental, Social and Governance have a long-term effect on businesses, collectively forming a group of factors that has now become an important element in determining the value of an organisation.

According to the PwC 2021 Global Investor ESG Survey, companies that fail to act on ESG issues risk losing investors, and the research concludes that the guiding principles are now possibly regarded as crucial determinants for leading investors around the world.

Almost 49 percent of the respondents showed readiness to divest from companies that don't take adequate actions on ESG issues. A majority of them also shared that how a company

manages its ESG risks and opportunities would also influence their business decision-making process.

That sentiment is reciprocated in a recent Reuters article titled “ESG Trends: Improving and Standardising Disclosure”, which also states that poor environmental performance and undesirable corporate impacts may result in operational disruptions as well as cause negative reputational effects.

The article elaborates that business leaders, some of whom may be driven by personal goals, are paying close attention to the trend, demanding to see that “their companies are effectively grappling with the realities of social change, the challenges of operations environmental impacts, and opportunities to engage with community stakeholders.”

Understanding the importance of well-designed and carefully implemented ESG practices, Sime Darby Property is determined to deliver on these commitments via its company-specific **2030 Sustainability Goals** (“2030 SGs”) which are aligned with the United Nations’ Sustainable Development Goals.

Consisting of 18 Goals, the 2030 SGs focus on the company's efforts towards creating positive impact across

four sustainability-strategic spheres, namely “Decarbonise Our Operations & Products”, “Good Biodiversity Practices”, “Shape Inclusive Resilient Communities” and “Socially Responsible Organisation”.

The Goals allow the company to contribute towards the betterment of society, play an active role in reducing carbon footprint, and create long-term economic value responsibly. The company also measures its performance through its Sustainability Strategy Framework, and inclusion in global sustainability indices such as MSCI ACWI Small Cap Index, FTSE4Good Bursa Malaysia, Emerging and ASEAN 5 Index series and Carbon Disclosure Project.

Sime Darby Property Group Managing Director, Dato’ Azmir Merican believes that as the nation's pioneer property developer, the company has a great responsibility in maintaining a scorecard on how the company manages ESG for its business and stakeholders.

“Firstly, it is heartening to see sustainability finally receiving the attention and importance that it deserves. This concept may still be new to some organisations but Sime Darby Property has actively trailblazed on this journey since 2007, and we are proud to continue our mission in generating positive impacts



in the three pillars of People, Planet and Prosperity,” he said.

Adding that sustainability is now a hallmark of Sime Darby Property’s business and a signature element in all that the company stands for and achieves, Dato’ Azmir said: “We have already set the wheels in motion towards achieving net zero carbon, on top of being an industry leader in sustainability as well as health and safety.

“We will continue our engagements with stakeholders for crucial feedback to help us identify and minimise risks, as well as optimise the opportunities to embed sustainability in our operations. We are a Force for Good and our 2030 Sustainability Goals will guide us in the right direction,” he said.

The 2030 SGs cover key components of sustainable communities ranging from supporting the economy to developing affordable homes and tackling climate change. Despite the debilitating pandemic beginning last year, the company had exceeded its initial targets set for the year 2020, in which 15 out of the 18 Goals were achieved within the first 12 months of implementing the 2030 SGs.

Sime Darby Property proves to be on the right track in maintaining good ESG practices as evinced in the World Economic Forum’s “Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution”, which emphasises that in addition to shareholders, businesses should also serve customers, employees, suppliers, and communities. The study showed that businesses are finding a balance between purpose and profit, with respond-

ents stating that a company’s efforts to increase their positive impact on society was among their top five expectations for Industry 4.0.

DESIGNING FOR THE FUTURE

As an innovative property developer, Sime Darby Property is well ahead in understanding how its decisions today can impact the social and environmental factors of the future.

It has built over 24 townships and developments in Malaysia within almost 50 years, with a distinguished presence in the United Kingdom as part of the Malaysian consortium to rejuvenate the iconic Battersea Power Station in Central London.

Sustainability is surely at the forefront with Sime Darby Property. The company, in collaboration with the Malaysian Institute of Architects, organised the **Concept Home 2030 Competition** in August 2021 to redesign the quintessential Malaysian

terrace homes to fit the wants of today, while anticipating the needs of tomorrow. The Competition winners will be announced in January 2022.

“Let’s be frank, our terrace homes have had the same look and feel for decades and are in need of a major uplift to be future-ready. The Competition is not just about designing a house with a green façade but is also a platform to push participating architects to disrupt the way we design and build people-centric homes,” he elaborated.

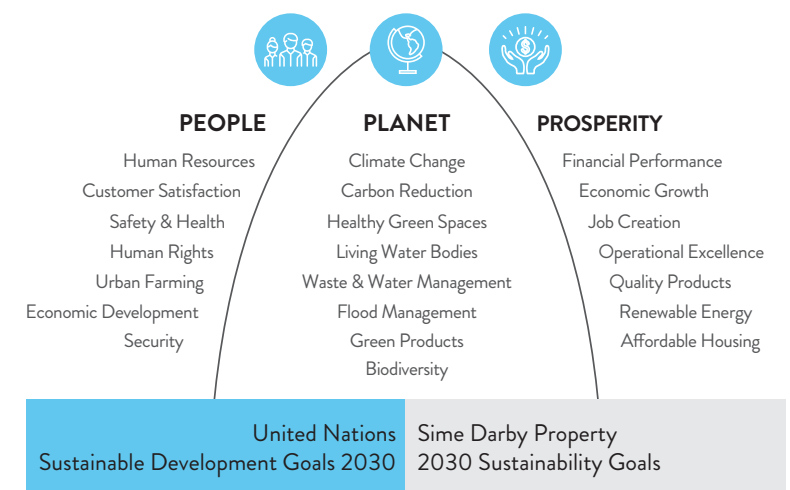
The ongoing Competition is just the first step in creating a fully sustainable development, an idea that is currently being perfected via Sime Darby Property’s Project Arc at Taman Subang Ria in Subang Jaya, Selangor. Touted as the backbone for sustainable development, the project will be designed as a new era of community placemaking to bring to life the pulse of the township.

“We look at this as an opportunity to showcase what can transpire when great minds come together, and ideas are brought to life. Project Arc will be a testbed for our technology and where the community can come and experience the township of the future.

“There are so many ideas that we can incorporate in our developments to suit people’s evolving lifestyles. We are very keen on experimenting with battery-powered homes, and can you imagine the monumental impact it would have on the industry in Malaysia when Sime Darby Property successfully makes it a reality? I am just excited thinking about the possibilities,” Dato’ Azmir enthused.



Sime Darby Property is focused on implementing sustainable elements in its townships and products, as seen in its flagship township of the City of Elmina



MAKING CONSCIOUS ENVIRONMENTAL IMPACTS

If you want to make a joke about a property developer that tries to conserve the environment – don't worry, Sime Darby Property gets the irony and in fact would be the first to point out the paradox.

"Climate change is one of the biggest global challenges that humanity faces and as a responsible property developer, Sime Darby Property is taking the necessary actions to change the way we do things to minimise our operations' impact on nature," said Dato' Azmir.

He added: "It is that realisation that pushes us to introduce sustainable features in our homes that are designed to offset the impact on the environment and rejuvenate our townships. Our future aspirations will be in support of the Paris Agreement, which aims to limit global warming and achieve a climate-neutral world by mid-century."

Sime Darby Property continues to exercise its **Operational Eco-efficiency Programme** which covers the management of the company's carbon, water, and waste footprints. Since 2011, Sime Darby Property has planted over 100,000 trees within its townships to help mitigate the effects of climate change and last year, more than 21,000 endangered trees red-listed by the International Union for Conservation Nature ("IUCN") were planted, bringing it closer to meeting its goal of planting 50,000 IUCN trees by 2030.

"The Elmina Central Park in the flagship township of the City of Elmina epitomises our efforts in supporting 'Good Biodiversity Practices' as it allows the company to study and preserve biodiversity and tackle climate crisis," said Dato' Azmir.

Shaped like a basin, the Central Park transforms into a natural floodplain in the unlikely occurrence of a 'once in a thousand years' flood (engineered to Q1000), providing insights on how to design wetlands and forest areas into parklands to complement as flood mitigation infrastructure.

Sime Darby Property has joined forces with the Tropical Rainforest Conservation & Research Centre to develop its **Elmina Rainforest Knowledge Centre** and the **Elmina Living Collection Nursery**, to collect Endangered, Rare & Threatened tree species' seeds from the adjacent



CARBON DISCLOSURE PROJECT ("CDP")

Sime Darby Property is the only Malaysian property developer to be rated by the Carbon Disclosure Project (CDP) for carbon management (C-Rated) and Supplier Engagement rating (-B-Rated).

CDP is, a not-for-profit global organisation that runs a global disclosure system, for corporations to measure and manage risks and opportunities on climate change, water security and deforestation. For Sime Darby Property, these ratings provide the foundation to achieve its company specific 2030 Sustainable Goals.

Beyond CDP, Sime Darby Property is also a constituent of various local and global sustainability indices, including MSCI ACWI Small Cap Index, FTSE4Good Bursa Malaysia, Emerging and ASEAN 5 Index series.

2,700-acre rainforest reserve and plant them within its townships.

The eco-efficiency programme also aims to reduce water intensity by 30 percent and achieve zero waste by 2030 through recycling, reducing, reusing, and repurposing materials in the company's operations and construction activities. The company actively conducts recycling efforts with residents in three of its townships, namely Bandar Bukit Raja, Bukit Jelutong and Saujana Impian in Selangor, to reduce waste and adopt the circular economy principle.

Sime Darby Property is also focused on the ongoing implementation of sustainable elements in its townships and products, designed to include a variety of sustainable and eco-positive features.

The company conscientiously introduces energy-efficient and renewable

energy elements in its products, as evidenced by its collaboration with TNBX, a subsidiary of Tenaga Nasional Berhad, to install Solar Photovoltaic panels, smart meters and home energy management systems at all 513 units of Ilham Residence in the City of Elmina. This first of its kind partnership in Malaysia is in line with the Company's strategic sphere to "Lead in Sustainable Technology Solutions".

UPHOLDING ITS SOCIAL RESPONSIBILITY

In support of the "Shape Inclusive & Resilient Communities" principle, Sime Darby Property has launched developments via the 'Inspirasiku' effort, under the people-centric **Rumah Selangorku** solution by the Lembaga Perumahan dan Hartanah Selangor, to provide communities with quality

accommodations at affordable prices starting from RM200,000. Sime Darby Property aims to build 15,000 affordable homes that are below RM600,000 by 2030.

In May, the company successfully completed its inaugural **Economic Empowerment Programme** aimed to empower the B40 communities living within its Ara Damansara, Bandar Bukit Raja, Bukit Subang and Putra Heights townships in Selangor. The participants were equipped with social media marketing knowledge and the opportunity to enhance their e-commerce business skills, with close to 80 percent of the 49 participants successfully increasing their monthly income during the 6-month programme.

"We know we can make an impact and are keen to extend this programme at our other townships. The success stories show how the programme makes a resonating difference in our participants' livelihoods," said Dato' Azmir.

Sime Darby Property also works via its philanthropic arm **Yayasan Sime Darby ("YSD")** to uplift the community and had doubled its efforts during the pandemic, to assist with COVID-19 relief efforts at all levels.

In support of the Government's Tabung Cerdik and Program Bakul Prihatin Negara initiatives, the company through YSD contributed RM4.0 million and RM1.0 million respectively towards the funds to benefit more than 1,800 students and 20,000 families.

"In Selangor, we contributed 6,000 essential food packs to the **Bakul Makanan**

Selangor programme for distribution across the state to B40 communities affected by the pandemic. We also partnered with the Malaysian Medical Relief Society to provide a month's worth of packed meals for those on duty at the COVID-19 Assessment Centre at Titiwangsa Stadium in Kuala Lumpur," said Dato' Azmir.

While in Negeri Sembilan, transportation and logistics support were provided to the COVID-19 Low-Risk Quarantine and Treatment Centre at Nilai Indoor Stadium during the peak period of the COVID-19 spread in July 2021.

"Internally, we reintroduced the COVID-19 CSR Relief fund to respond immediately to requests for assistance whether in-kind or for financial assistance. We have also been assisting welfare homes within and around our townships to ensure that their essential needs are met during these trying times," added Dato' Azmir.

The significance and importance of Environmental, Social and Governance factors have increased in recent years, playing a more vital role in the economic and wider societal debates. These ESG principles also carry more weight now than they did pre-pandemic, illustrating how these factors have become far more central to an organisation's business approach.

"As the leading property developer in Malaysia, we are pushing the boundaries on ESG and sustainability today, allowing us to reimagine how sustainable townships of tomorrow can be designed and built," said Dato' Azmir.



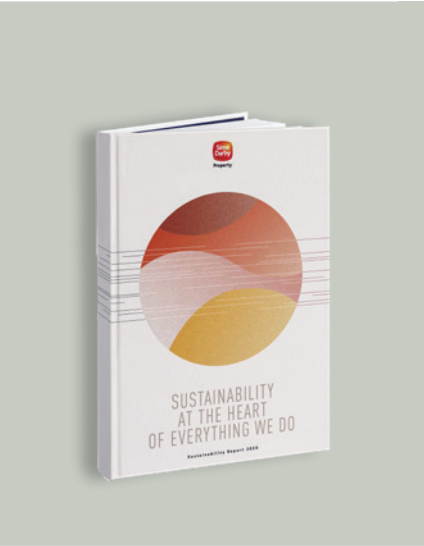
A symbolic handover of 6,000 boxes of essential food packs to Selangor Menteri Besar, YAB Dato' Seri Amirudin bin Shari by Dato' Azmir Merican (right) for the Bakul Makanan Selangor Programme



A participant of the Economic Empowerment Programme who managed to increase her monthly income



Sime Darby Property partnered with MERCY Malaysia to distribute daily meal packs to frontliners at the Titiwangsa Stadium COVID-19 Assessment Centre



SIME DARBY PROPERTY'S SUSTAINABILITY REPORT 2020

The Sime Darby Property Sustainability Report 2020 encapsulates the company's journey of reporting its progress and challenges in Global Reporting Initiative-aligned sustainable material issues.

The report reflects the company's close to 50 years of experience in building sustainable townships and communities across Malaysia, and communicates the company's approach in embracing and embedding sustainability in its business policies, management, and daily operations.

It also highlights Sime Darby Property's achievements in meeting the global standards of ESG policies, as well as providing a glimpse on how the company overcomes challenges in creating positive impacts that will benefit the communities of today without sacrificing the generations of tomorrow.

To read more about Sime Darby Property's sustainability journey and reports, visit www.simedarbyproperty.com/sustainability.