



Property

CELEBRATING 50 YEARS OF EXCELLENCE



SUSTAINABILITY REPORT 2021

As a leader in developing sustainable townships and communities, Sime Darby Property is committed as a 'Force for Good' to create a legacy of positive economic, social and low-carbon environmental impacts.



FORCE FOR GOOD

As a reputable brand, Sime Darby Property has come a long way in developing townships and communities. Today, we are a leading player in the Property Development, Investment & Asset Management, and Leisure industries. For an establishment that has spread its wings globally, we stay true to our sustainability ethos that evolve according to societal needs and expectations, coupled with our accumulated business wisdom. We could be a force to be reckoned with, given our industry accolades but instead, we chose to be a "Force for Good".



For digital version of the report please go to <https://www.simedarbyproperty.com/sustainability>

1



For more information, please refer to pages 24-39.

Related SDGs:



Decarbonise Our Operations and Products

Minimising the environmental impacts across our operations and products has always been our priority. We have put in place Operational Eco-efficiency annual targets covering carbon, waste, recycling, water and trees to closely monitor and track our environmental footprint. This includes setting reduction targets for total carbon emissions reduction, total waste reduction and water intensity consumption reduction, as well as increasing total recycling and tree-planting. We began tracking our operational carbon footprint in 2009, as well as water, waste and recycling footprints in 2016. The annual targets for these footprints are part of our 2030 Sustainability Goals, which encompass 18 areas with measurable targets. To decarbonise our products, we leverage on eco-friendly elements such as incorporating designs with natural lighting and installing solar photovoltaic ("PV") panels in our homes.

2

Implement Good Biodiversity Practices

When building spaces and homes, we think about our future generations, their needs and concerns. We are aware that our development today will impact the future of our children and grandchildren. As such, we have taken proactive measures to protect our biodiversity, which is crucial for the health of our ecosystems and enable a harmonious coexistence between humans and nature. We avoid clearing primary rainforests by developing on our old plantation land. We plant native species trees, as well as protect and conserve Endangered, Rare and Threatened ("ERT") Malaysian rainforest species that have been assessed by the International Union of Conservation of Nature ("IUCN"). We also collaborate with the Tropical Rainforest Conservation & Research Centre ("TRCRC") to establish the Elmina Rainforest Knowledge Centre ("ERKC") and its accompanying Elmina Living Collection Nursery ("ELCN") to preserve biodiversity and educate the public on the importance of biodiversity conservation. Since 2011, we have planted more than 115,000 trees, including over 22,000 ERT trees.



For more information, please refer to pages 29-33.

Related SDGs:



3



For more information, please refer to pages 40-58.

Related SDGs:



Shape Inclusive & Resilient Communities

As a leader in developing sustainable townships, we constantly think of ways to create a thriving society. We reach out to the communities in need through employee voluntary programmes, economic enhancement initiatives, recycling programmes, urban farms, as well as our philanthropic arm, Yayasan Sime Darby. Through our efforts and initiatives, we have empowered thousands of underprivileged and marginalised individuals. They included families and individuals whose incomes were impacted by the COVID-19 pandemic and natural disasters such as floods. In addition, we provide affordable homes for the lower income group, in line with the United Nations' Sustainable Development Goals' ("UN SDGs") principle of 'Leaving No One Behind'. Our aim is to build 15,000 affordable homes valued below RM600,000 by 2030 to meet the demand for affordable homes in the country.

4



Maintain Socially Responsible Operations

In all that we do, we uphold our moral and social obligations by protecting our people and the communities in which we operate while also respecting their rights. Within our organisation, we have put in place robust policies that safeguard the highest standards of corporate governance, inculcate integrity, prioritise the health and safety of employees and contractors' workers, encourage a diverse and inclusive workforce, and respect human and workers' rights. We ensure that our employees are highly engaged in order to meet their needs and embed these values. Externally, we reach out to our business partners, suppliers and vendors through surveys and policies to share our ambitions. We also contribute to sustainable financing through our Sustainable and Responsible Investment ("SRI") Sustainability Sukuk Musharakah Programme besides supporting local businesses and providing job opportunities and infrastructures such as parks, playgrounds and bridges.

For more information, please refer to pages 59-72.

Related SDGs:



About This Report

This is Sime Darby Property’s standalone Sustainability Report (“Report”), which communicates our journey as a ‘Force for Good’ in the three spheres of People, Planet and Prosperity. Describing our efforts in achieving its sustainability goals and targets, this Report explains in detail how we strove to embed sustainability in decision-making processes, policies, strategies, risk management and operations, as well as products and services, making sustainability a hallmark of our business.

This Report also reflects how Sime Darby Property contributed actively to climate change in its commitment to achieving net zero carbon emissions while creating value for its people and the local communities amid the various challenges the Group faced in the year under review.

Sime Darby Property is a listed property developer on Bursa Malaysia’s Main Market and is headquartered in Petaling Jaya, Selangor, Malaysia.

Scope and Boundaries

The sustainability approach, initiatives and comparative historical data (where applicable) in this Report are mainly from Sime Darby Property’s operations in Malaysia, unless stated otherwise. The sustainability initiatives in this Report are aligned with the 17 United Nations Sustainable Development Goals (“UN SDGs”).

Reporting Period

The reporting period for this Report is from 1 January 2021 to 31 December 2021.

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards and complies with the Bursa Malaysia’s Main Market Listing Requirements. It was also benchmarked against best industry practices and local and global frameworks, including:

- Bursa Malaysia’s Sustainability Reporting Guide 2nd Edition
- Taskforce on Climate-related Financial Disclosures (“TCFD”)
- Carbon Disclosure Project (for Climate Change and Supplier Engagement)
- S&P Global ESG Indices Corporate Sustainability Assessment 2021

Feedback

We welcome your feedback and opinions to make our Sustainability Report better. Please write to: sustainability@simedarbyproperty.com

Accessibility

This Report should be read together with our Integrated Annual Report 2021, which is available on our corporate website via www.simedarbyproperty.com

Navigation Icons



Refers readers to related information located in other parts of the Report.



Refers readers to more information online.



Inside This Report

- 2 About This Report
- 4 2021 in Numbers
- 5 A Message From Our Group Managing Director

OUR BUSINESS IN BRIEF

- 9 How We Operate
- 10 What We Do: Core Business Segments

SUSTAINABILITY JOURNEY & PIVOTS

- 12 Our Sustainability Ecosystem
- 13 Our Sustainability Milestones
- 15 Stakeholder Engagement
- 19 We Report on What Matters to You (and Us)
- 21 Priorities & Challenges

ENVIRONMENTAL PERFORMANCE

- 25 Taking Climate Action
- 29 Biodiversity Conservation Programme
- 34 Sustainable Products
- 36 Waste & Water Pollution

CONTRIBUTE TO A BETTER SOCIETY

- 41 Community Resilience
- 46 Affordability
- 47 Workforce Diversity & Inclusion – A Priority
- 55 Health & Safety

GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY

- 60 Sustainability Governance
- 64 Economic Injection
- 68 Corruption Risk & Integrity
- 69 Data and Cyber Security
- 70 Our Foray Into Sustainability Financing

PARTNERSHIPS FOR THE GOALS


















- 72 Tropical Rainforest Conservation and Research Centre
- 72 UNICEF
- 72 Climate Governance Malaysia
- 72 CEO Action Network

APPENDICES

- 73 Performance Metrics
- 81 Global Reporting Initiative (“GRI”) Content Index
- 89 Independent Limited Assurance Report

2021 in Numbers




Sustainability Highlights

| Environmental Performance | Contribute to a Better Society | |
|---|---|--|
|  22,809 Endangered, rare and threatened (ERT) species planted since 2011 |  21 community programmes and initiatives benefitting close to 45,000 people |  Recorded 569 employee voluntary hours in community programmes |
|  Sequestered 10,822 tCO₂^e |  Built 2,228 units of affordable homes |  Lost Time Injury Frequency Rate of 0.08* compared to 0.14 in 2020 |
|  Total carbon emissions reduction of 28.88% against 2020 baseline |  23,520 hours of training recorded |  43%* women representation in the workforce |
|  Water intensity reduction of 14.88% |  30% female board members | |
| <i>* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.</i> | | |
| Good Governance and Economic Sustainability | | |
|  Waste reduction of 35.72% against 10% reduction target |  2,740 jobs created for the local communities |  99% of RM1.38 million worth of procurements went to local goods and services |
|  455 units across 4 townships committed with solar PV panels with 1,697.18 kWp energy saving |  Invested RM530 million in infrastructures and facilities |  RM150 million of Sukuk proceeds allocated to new eligible assets |

Financial Highlights

| | |
|--|----------------------------|
| Revenue | ➡ RM2,219.9 million |
| Profit Before Tax | ➡ RM268.3 million |
| Profit After Tax and Minority Interest | ➡ RM136.9 million |
| Total Equity | ➡ RM9,326.5 million |

Business Highlights

| |
|---|
|  Sales achievement of RM3.0 billion exceeded sales target of RM2.4 billion |
|  Number of units sold 3,111 units |
|  Delivery of completed units 3,129 units |

A Message From Our Group Managing Director



“2021 was yet another tumultuous year, as the effects of the pandemic continued to play a disruptive role in the lives and livelihoods of people all over the world.”

Dato' Azmir Merican
Group Managing Director

DEAR STAKEHOLDERS,

2021 was yet another tumultuous year, as the effects of the pandemic continued to play a disruptive role in the lives and livelihoods of people all over the world. Nevertheless, SDP was able to successfully navigate the difficulties in both business and sustainability contexts. Now, as we look back at the year and take stock of what we have achieved, it gives me great pride to note that we have meaningfully advanced in our sustainability journey. Aside from our ongoing initiatives, which are progressing well, we have identified areas for improvement, established milestones to achieve and executed the right strategies to ensure we remain in a strong position to do more.

We are acutely aware of the pressure on organisations from investors and the wider public to address environmental, social and governance (ESG) issues. The pressure manifests itself differently depending on the organisation, but in the property development space, the urgency to monitor and consequently minimise our impact on climate change and the society takes precedence.

Our future scenarios are becoming dire as science is telling us that an increase of more than 1.5°C in the average global temperature from pre-industrial levels will have a devastating effect on the ecosystems and human population.

A Message From Our Group Managing Director

“

As one of the largest property developers in the country, we understand our influence in shaping communities. Its resultant effect on the surrounding environment is very much dependent on the infrastructure and facilities we create as well as the operational approach we adopt. Therefore, we are striving to find a proven and effective model to develop resilient communities within our townships.

”

While our mindset is one that is calibrated towards urgency, we also understand that putting all the pieces of the puzzle together in ESG is a journey. Just like the distance markers seen in a marathon, we have established the milestones we need to achieve, many of which will become realised as our corporate and sustainability strategies matures over time across the organisation and as solutions become available at scale. We will continue to revisit our strategy time and again to ensure that it is indeed moving the needle and making a difference.

Progressing our Sustainability Journey

In FY2021, we continued to advance our 18 SDP 2030 Sustainability Goals. Compared to 2020, our achievements in 2021 were lower, where only 13 goals were achieved in contrast to 15 goals as many activities were curtailed due to MCO.

We refreshed the Group's sustainability strategy, with a focus on four main strategic imperatives:

1. Decarbonisation our Operations and Products
2. Implement Good Biodiversity Practices



3. Shaping Inclusive and Resilient Communities and,
4. Being a Socially Responsible Organisation.

On carbon footprint reduction, our operational carbon emissions was 41,107 tonnes CO₂ equivalent (tCO₂-e)*. Our highest carbon emissions from fossil fuel comes from our earthwork activities amounting to 49.2% of our total operational carbon emissions. We are working to explore solutions to reduce earthwork related emissions.

The bigger challenge is working with our supply chain to reduce their carbon footprint. We engaged 244 of our 549 vendors to raise their awareness on how they can reduce their carbon footprint. A follow-up survey revealed that 90% of those surveyed do not have a management system to track their carbon footprint. Clearly, the survey taught us that working with the supply chain will need more hand holding to align their practices with us.

We continued with our one-to-one tree planting policy where for every tree felled in our development, another tree is planted. We have planted a total of 115,814 trees since 2012. Of these, 22,809 trees are from the rare, endangered and threatened species as assessed by the International Union for Conservation of Nature (IUCN) red list.

Our efforts in containing the COVID-19 pandemic resulted in the full vaccination of 99.7% of our employees and 97.7% of our contractor workers. We also introduced the SDP Worker Quarters' Hygiene Standard in accordance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) to ensure compliance by our contractor organisations.

Internally, we organised the Group's Sustainability Day conducted virtually, themed '2030 Starts Now!' and our inaugural Safety Day themed 'Comply!' to further entrench the Group's commitment towards the UN Sustainable Development Goals, as well as tackling climate change and instilling a safety culture.

In the Social space; through our philanthropic arm, Yayasan Sime Darby (YSD); our initiatives benefited over 10,000 people which included "Bantuan Khas Masyarakat" for B40 communities in our townships, disaster relief assistance, B40 economic empowerment program and various education programs.

Sorrowfully, a Bangladeshi worker was killed in an incident at one of our construction sites on 4 February 2021. Our last fatality was in 2016 and these incidents are deeply regretted.

A Message From Our Group Managing Director

Our commitment in applying ESG fundamentals be it in our policies, systems and day-to-day practices is reflected in our inclusion as a constituent in various local and global sustainability indexes or rating systems. These include FTSE4 Good Bursa Index (2018 - 2021), as well as the MSCI ESG Sustainability Index. As the only property developer in Malaysia rated by the Carbon Disclosure Project ("CDP"), we have taken various actions such as sustainability activism to improve our CDP ratings of B- for Supplier Engagement and C for Climate Change.

Stakeholder Activism

We believe that in order to tackle the ESG challenges, it will require a "All of Society and Whole of Government Approach". To this end, we support the voluntary CEO Action Network and the NGO Climate Governance Malaysia as the secretariat – jointly with GreenRE Bhd – and have organised 10 engagements with industry experts and government that culminated in nine policy recommendations to address the climate crisis agenda for the property sector.

Further to that, we became a signatory of the British Malaysian Chamber of Commerce's ("BMCC") Climate Action Pledge that was launched in October 2021.



* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

A Message From Our Group Managing Director

Moving Forward

The industry saw a rapid pace of change in the sustainability agenda in 2021 requiring SDP leaders and staff to constantly learn and unlearn be it the journey to net zero, the way we plan our landscape, or how the society will be impacted by these changes.

On Climate Action, we will be working with experts based on our operational carbon baseline to set a realistic operational carbon net zero target (Scope 1 & 2) while continuing to develop a better understanding on setting a net zero target for our hard-to-abate materials and supply chain emissions (Scope 3).

On biodiversity, through our partnership with Tropical Rainforest Conservation & Research Centre; we are developing a plan to ‘re-wild’ selected areas to increase the biodiversity to promote a healthy co-existence between our communities, flora and fauna. This requires a ‘rethink’ on how we design and plan our landscapes with a focus on regenerating the biodiversity in our townships.

On our employees, as we progress in our sustainability efforts, our ‘green capabilities’ will need to be raised. Unlike other skills, sustainability courses are not so easy to get off-the-shelf in a syllabus format. Hence, we developed the Safety & Sustainability Playbook to encourage learning-by-doing where 29 Safety and Sustainability metrics were set for the business units to deliver in 2022.

The above challenges also present future opportunities for us to forge a new path forward by improving our internal processes supported by digitalisation, engaging

differently with our supply chain on reducing their carbon footprint, building new ‘green’ capabilities, and re-think the way we approach construction, biodiversity and operating our assets.

We are cognisant that the scale of our business also means opportunities to support our communities to improve their wellness and livelihood through YSD.

Lastly, we cannot tackle these challenges on our own, it is key that partnerships are forged or strengthened with like-minded entities or individuals and to continuously engage the government as we navigate the transition to a low carbon world.

Awards and Recognition

In recognition of our efforts, SDP has garnered a number of awards in 2021. This included the British-Malaysian Chamber of Commerce ESG Outstanding Award, The EdgeProp Malaysia’s Responsible Developer: Building Sustainable Development Award 2021, as well as being the winner in PwC’s Building Trust Awards 2021 under the FBM Mid-70 Index Category.



How We Operate



OUR PURPOSE

To be a Value Multiplier for people, businesses, economies and the planet

OUR VISION

Advancing real estate as a force for collective progress, in harmony with the planet’s resources

OUR MISSION

To develop, own and manage a thriving asset portfolio, creating value for all stakeholders

OUR VALUES

- T** Together we do what’s right
- E** We lead with Excellence
- A** We embrace new Approaches
- M** We **Make** it happen

Who We Are

As a pioneer in Malaysia’s property development and real estate industry, Sime Darby Property (“the Group”) has successfully developed more than 100,000 homes in 25 townships and developments. With a history of 50 years, the Group has demonstrated its commitment to sustainable development through various projects encompassing residential, commercial, industrial and logistic properties.

Over the years, Sime Darby Property has expanded across other real estate segments such as Investment & Asset Management, and Leisure, in the form of the Kuala Lumpur Golf & Country Club, one of the most reputable golf clubs in Southeast Asia. The Group is also renowned for its work in revitalising the Battersea Power Station in London, United Kingdom.

As of December 2021, the Group owns about 15,400 acres of land bank in strategic locations across the west coast of Peninsular Malaysia. In the Investment & Asset Management segment alone, the Group operates 5.4 million sq. ft. of net area that can be leased out, encompassing retail, commercial, hospitality, education and industrial sectors.

In terms of Environmental, Social and Governance (“ESG”), Sime Darby Property is committed to upholding the principles of ESG in all its business activities as a ‘Force for Good’. This is underpinned by the Group’s 2030 Sustainability Goals that are aligned with the United Nations’ Sustainable Development Goals (“UN SDGs”). The Group is a constituent of the MSCI ACWI Small Cap Index with MSCI ESG Rating of BBB and is rated by the Carbon Disclosure Project (“CDP”).

Part of the Group’s sustainable development includes contributing to society via its philanthropic arm, Yayasan Sime Darby (“YSD”). The Group aspires to create positive impact through supporting entrepreneurial programmes for the marginalised, providing relief to underserved communities during the pandemic, organising initiatives to engage with the community at its townships and initiating volunteering efforts to fulfil its Corporate Social Responsibility goals.

Due to its resilient performance and sustainable development, the Group has received several recognitions in the year under review. In 2021, Sime Darby Property became the top property developer for the tenth consecutive year in ‘The Edge Malaysia’s Top Property Developers Awards’. The Group also received the significant ‘EdgeProp Malaysia’s Responsible Developer: Building Sustainable Development Award 2021’ and won PwC’s ‘Building Trust Awards 2021’ in the FBM Mid 70 Index category.

What We Do: Core Business Segments

What We Do: Core Business Segments



With 50 years of experience in developing sustainable townships and communities, Sime Darby Property is positioned as the forerunner in the Malaysian property development industry. We have successfully executed and completed many of our projects, ranging from high-rise buildings to high-end homes, commercial and industrial and other exclusive developments.

Some of the most notable and iconic townships that we have built include Melawati, Subang Jaya, UEP Subang Jaya, Ara Damansara and Bukit Jelutong, as well as some newer and ongoing developments in the Klang Valley, Negeri Sembilan and Johor. These include the City of Elmina, Putra Heights, Serenia City, Bandar Bukit Raja, Nilai Impian, Hamilton City, Bandar Ainsdale and Bandar Universiti Pagoh. The current townships, together with our new industrial-themed developments in the Malaysia Vision Valley 2.0 and Pagoh Special Economic Zone, form the core existing and future property development projects.

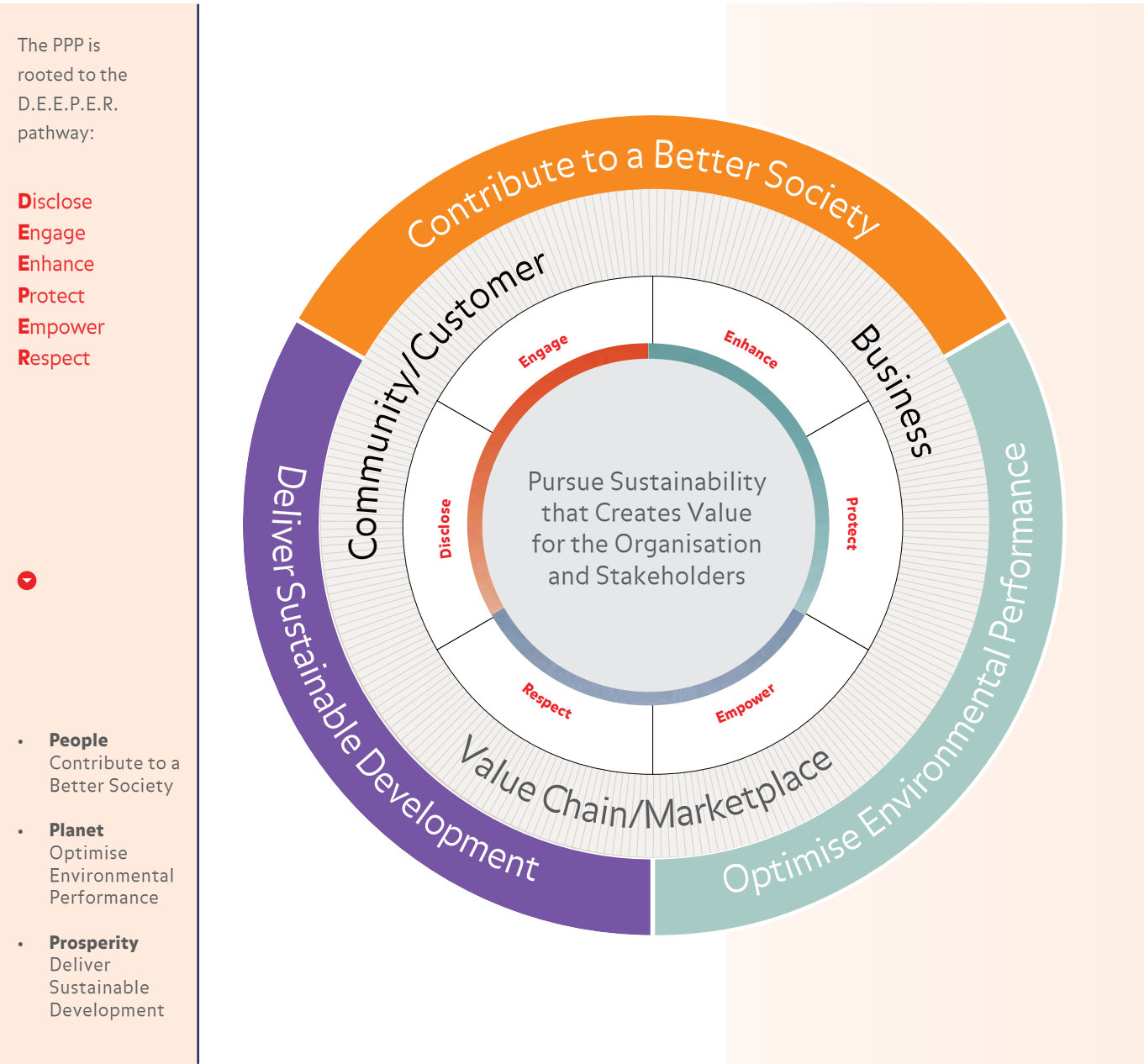
This segment features retail, office and industrial & logistics assets situated throughout the Klang Valley, Singapore and the United Kingdom, where we are part of an international consortium responsible for redeveloping the historic Battersea Power Station in Central London. In 2021, Sime Darby Property entered into a Joint Venture ("JV") partnership to establish a fund management platform to manage funds for the logistics sector, as well as to provide development services.

In this segment, the Group manages the country's finest golf and country club, the Kuala Lumpur Golf & Country Club ("KLGCC"), which boasts a beautiful 36-hole tournament golf course located in the picturesque area of Bukit Kiara, Kuala Lumpur. In addition, the Leisure segment also includes the management of the Impian Golf & Country Club ("IGCC") in Kajang, Selangor, and the Sime Darby Convention Centre ("SDCC") in Kuala Lumpur, a popular location for events, meetings, conferences and exhibitions.

Our Sustainability Ecosystem

Sustainability is core to Sime Darby Property and has been part of its DNA for 50 years. It continues to serve as the foundation of our objectives and leads us in conducting our business responsibly as a ‘Force for Good’ and create long-term value for all our stakeholders.

To fully entrench sustainability in our operations and value chain, we adopt a holistic Sustainability Model that will enable us to lead in sustainable practices and relate them to the masses. Using a holistic ecosystem approach, our Sustainability Model is anchored on the three spheres of People, Planet, Prosperity (“PPP”) to embed sustainability in our business operations, value chain, marketplace, communities and customers.



Our Sustainability Milestones

At Sime Darby Property, pursuing sustainability excellence is all about having measurable goals and targets in order to make impactful contributions that will leave a positive legacy for the future generations. As such, our 2030 Sustainability Goals (“SGs”) cover 18 areas with measurable yearly targets to be achieved. In our second year of implementing the 18 SGs, we achieved or exceeded the targets for 13 of the 18 goals as of 31 December 2021, which was slightly lower than the FY2020 result, whereby 15 of the 18 goals were achieved.

1

SUPPORTING LOCAL BUSINESS

90% Local Companies / Vendors

| | |
|----------|--------|
| Target | 90% |
| Actual | 98.6% |
| Variance | +8.6 |
| % | +9.56% |

2

ECONOMIC INJECTION

RM10 Billion

| | |
|----------|--------------|
| Target | 1 billion |
| Actual | 1.38 billion |
| Variance | +0.38 |
| % | +38.00% |

3

PRODUCT QUALITY

85% CLASSIC Score

| | |
|----------|--------|
| Target | 81% |
| Actual | 82% |
| Variance | +1 |
| % | +1.23% |

4

BUILDING TECHNOLOGY

IBS SCORE 80 Points

| | |
|----------|--------|
| Target | 58 |
| Actual | 59 |
| Variance | 1 |
| % | +1.72% |

5

JOB CREATION

100,000 Jobs

| | |
|----------|--------|
| Target | 5,000 |
| Actual | 2,740 |
| Variance | -2,260 |
| % | -45.2% |

6

AFFORDABLE HOMES

15,000 Units below RM600,000

| | |
|----------|---------|
| Target | 1,000 |
| Actual | 2,228 |
| Variance | +1,228 |
| % | +122.8% |

7

VOLUNTEER HOURS

10,000 hours

| | |
|----------|---------|
| Target | 1,300 |
| Actual | 1,269.5 |
| Variance | -30.5 |
| % | -2.35% |

8

CYCLING & JOGGING TRACKS

300 km

| | |
|----------|----------|
| Target | 35 |
| Actual | 76.96 |
| Variance | +41.96 |
| % | +119.89% |

9

HUMAN RIGHTS

All Vendors / Supply Chain Partners have clear commitment to Human Rights

| | |
|----------|-------|
| Target | VCOCB |
| Actual | VCOCB |
| Variance | 0 |
| % | 100% |

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.
- Community Resilience – Goal 1,2,5,6,8,11,12,13,14,15,17.

Note:

* Cumulative 2020-2021. Actual 2021 result 106 tonnes.

Our Sustainability Milestones



12

RENEWABLE ENERGY

25,000 MWh annually

13

WATER SAVINGS FITTINGS

30,000 Residential Units

14

COMMUNITY RECYCLING

6,570,000 kg / 6570 tonnes

15

BIODIVERSITY (IUCN TREES)

50,000 trees

16

CARBON SEQUESTRATION

>30,000 tonnes (from 160,000 trees)

17

ENERGY EFFICIENT HOMES

12,500 homes

18

OPERATIONAL ECO-EFFICIENCY

103.2% total carbon and 100% total waste reduction and 100% recycling, 30% water intensity reduction

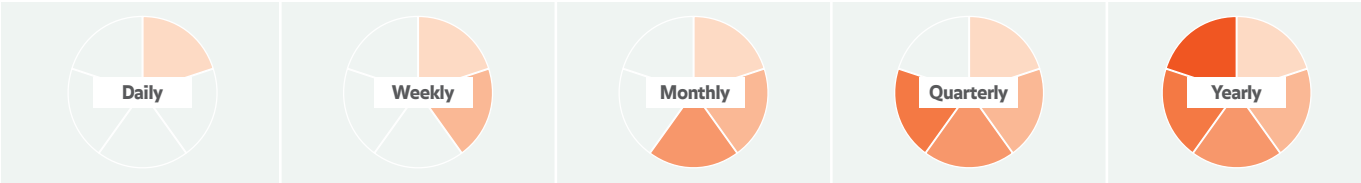
Audited by Group Corporate Assurance Department ("GCAD").

Stakeholder Engagement

We identify stakeholders as a group of individuals whose actions and decisions are capable of affecting or being affected by all our business decisions, actions, products and services.

To ensure a continuous value creation journey, we recognise the need to engage with our stakeholders regularly to respond to their concerns and expectations. In FY2021, we engaged with our seven key stakeholder groups through various platforms to build trust and relationships, apart from identifying opportunities, addressing key issues, as well as mitigating risks.

Frequency of Engagement
















| INVESTORS AND ANALYSTS | Engagement Platforms | Frequency of Engagement |
|--|---|-------------------------|
| Key Concerns <ul style="list-style-type: none">Transparent disclosure of financial and operational information for better understanding of the Group's developmentsConsistent and concise financial and operational performance on a quarterly basisDisciplined growth strategy with clear emphasis on long-term, sustainable shareholders' returnsGood governance and risk management framework | Annual General Meeting ("AGM") and Annual Report ("AR") | <div></div> |
| | Investor conferences | <div></div> |
| | Investor briefings | <div></div> |
| | One-on-one meetings and surveys | <div></div> |
| | Investor Relations web page | <div></div> |
| | Site visits | Upon request |
| | Email and phone communication | Upon request |

Responses






- Organised quarterly briefings for results announcements and updates on key developments
 - Communicated clear strategic direction, goals and outcomes and broad risk exposures, as well as performance targets of the Group via:
 - a. One-on-one/group meetings and conference calls
 - b. Conferences
 - c. Non-deal roadshows
 - d. Informative, accurate, timely and transparent quarterly results announcements and annual reports
- Allowed direct access to the Board members and Executive Leadership at Annual General Meetings
 - Site visits per key investor requests
 - Conducted meetings and engagement sessions to reach local and foreign-based investors
 - Maintained relationships with investors and analysts through various channels








Stakeholder Engagement

| <div>MEDIA</div> <div>Key Concerns<ul style="list-style-type: none">Timely, fair, balanced, accurate and transparent updates on performance, developments and financialsInsights on the market and industryUpdates on business strategiesTimely responses to issues highlighted in the media</div> | Engagement Platforms | Frequency of Engagement |
|---|-------------------------|---|
| | AGM and AR |  |
| | Township/project visits |  |
| | Media briefings |  |
| | Interviews |  |
| | Press releases |  |
| | Email (every fortnight) |  |
| Responses <ul style="list-style-type: none">Transparent and prompt in our information-sharing through press releases & statements, response to email enquiries, branded content, media briefings and Q&AsEngaged the Executive Leadership for financial and non-financial updates for the mediaShared regular Group updates which included launches, sales campaigns, key appointmentsShared business strategies, market insights and outlook | | |

| <div>DEBT PROVIDERS</div> <div>Key Concerns<ul style="list-style-type: none">Ability to service debt and interest paymentsAdherence to covenantsGood governance and risk management framework</div> | Engagement Platforms | Frequency of Engagement |
|---|--------------------------|---|
| | AGM and AR |  |
| | Events hosted by lenders |  |
| | Site visits |  |
| | Meetings |  |
| | Email communication |  |
| | Website updates | (As and when required) |
| Responses <ul style="list-style-type: none">Transparent disclosure of operational updates on sustainability projectsIssued updates and timely disclosures in corporate reports and other communication materialsMaintained regular engagement with debt providers to keep them informed of the latest developmentsLaunched the Sukuk Musharakah Programme | | |

Stakeholder Engagement

| <div>EXISTING AND POTENTIAL CUSTOMERS</div> <div>Key Concerns<ul style="list-style-type: none">A trusted and responsible property developer that provides regular engagement opportunities for both individuals and communitiesPromoting healthy lifestylesOngoing community programmes such as recycling efforts and urban farmingEco-efficient homes and safe amenities</div> | Engagement Platforms | Frequency of Engagement |
|---|--|---|
| | Project launches, sales and marketing drives |  |
| | Community activities in respective townships |  |
| | Meetings with joint management bodies |  |
| | Website and social media channels |  |
| Responses <ul style="list-style-type: none">Appointed dedicated personnel for each active township and development for community engagement and township upkeepOrganised long-term sustainable lifestyle programmes for the community such as community recycling efforts and urban farmingImplemented various online sales campaigns and explored the use of virtual technology to enable ease of property viewingsEngaged with communities in recycling programmes, urban farming initiatives and biodiversity programmesLaunched Multi-generational homes and smart green homes to cater to the next generation of customer demands | | |


| <div>SUPPLIERS/ CONTRACTORS/ STRATEGIC PARTNERS</div> <div>Key Concerns<ul style="list-style-type: none">More two-way communication and transparent processesFaster decision-making to enhance efficienciesFulfil the Group’s requirements during the duration of projects/ contracts and for future referenceRecognition of contributions to sustainability targets, e.g., eco-efficient reductions such as in waste, water and carbon emissions</div> | Engagement Platforms | Frequency of Engagement |
|---|---|---|
| | Auditing process |  |
| | Procurement and appointment process |  |
| | Eco-efficiency briefings |  |
| | Relationship-building and networking sessions |  |
| | Meetings |  |
| | Data collection process |  |
| Responses <ul style="list-style-type: none">Townhall, workshops with industry experts, knowledge-sharing sessions and on-site learning activitiesPerformance assessment to foster competitiveness in the futureAdopted best practices in tackling sustainable developmentOrganised design workshops to optimise cost and efficiencyEngaged with vendors on eco-efficiency programmes and improved data collectionUpdated the Vendor Code of Business Conduct (“COBC”) to outline human rights standards in the supply chain | | |

Stakeholder Engagement

We Report on
What Matters to You (and Us)

| <div>EMPLOYEES</div> <div>Key Concerns<ul style="list-style-type: none">Creating work-life balanceCompetitive remuneration practicesUnderstanding how sustainability relates to their functions and how they can apply sustainability to add valueRecognition for their continuous contributions and sustainability target achievements</div> | Engagement Platforms | Frequency of Engagement |
|--|--------------------------------------|---|
| | Individual performance reviews |  |
| | Employee engagement survey |  |
| | Townhalls |  |
| | Intra and interdepartmental meetings |  |
| | Lunch talk sessions |  |
| | Focus group discussions |  |
| | Learning and development programmes |  |
| | Workplace communication platforms |  |

| Responses | | |
|---|--|--|
| <ul style="list-style-type: none">Maintained engagement level with employees via digital channels and internal channels during the work-from-home periodConducted online training and knowledge-sharing sessions for employeesLaunched <i>Jalanan Nurani</i>, a digital well-being platform to assist employees and their family members with their mental and physical health concernsPromoted work-life balance via Staggered Working Hours, 90-day Maternity Leave, allowing expectant mothers to leave 1.5 hours earlier from work, one-week Paternity Leave, as well as organised volunteer initiatives | <ul style="list-style-type: none">Provided HR On-Cloud, a user-friendly digital platform for HR solutions and servicesProvided financial assistance to affected employees during the pandemicOrganised knowledge-sharing sessions on sustainabilityOrganised bi-annual seminars and achievement recognition | |

| <div>REGULATORS AND INDUSTRY AFFILIATIONS</div> <div>Key Concerns<ul style="list-style-type: none">Compliance with rules and regulations, with the Group kept abreast of various requirementsShare, contribute and co-create industry best practices or new policies and regulations</div> | Engagement Platforms | Frequency of Engagement |
|---|--------------------------|---|
| | Advisory groups |  |
| | Government consultations |  |
| | Industry forums |  |

| Responses | | |
|--|--|--|
| <ul style="list-style-type: none">Ensured full compliance with the applicable rules and requirementsEngaged with all stakeholders with transparency, honesty and integrityParticipated in industry or national-level forumsSupported and contributed to national development through products and initiatives such as affordable housing products, biodiversity inventories and wetland construction and maintenance guidelines | | |

Conducting a materiality assessment is an important part of our sustainability journey. Apart from enabling us to identify the sustainability material issues that matter most to our business and our stakeholders, it also helps us to identify the key risks and opportunities for each material matter.

In 2020, we revised our 11 sustainability material issues and subsequently validated them in a verification workshop in the second quarter of 2021. The materiality process included alignment to the Global Reporting Initiative (“GRI”) Core, benchmarking against industry peers, taking into consideration UN SDGs before aligning with the GRI metrics.

The implementation of our sustainability initiatives across our operations is determined by our 2030 SGs and our Sustainability Strategy. This is to ensure that we can deliver sustainability in ways that are most relevant to our business in order for us to contribute to the UN SDGs. As such, we align our business and operations to the 2030 SGs by mapping our responses to the goals, key stakeholder groups, as well as our eleven (11) sustainability material issues to make the SGs relevant to our stakeholders’ expectations and current and future business strategies.

| | 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">InvestorsShareholdersCustomersCommunitiesEmployeesAuthorities/ GovernmentNGOs | <ul style="list-style-type: none">Carbon emissionsWater supply and flooding | <ul style="list-style-type: none">Carbon emissions reductionFlood reduction design in townshipsLandscaping to reduce heat island effectRenewable energy in productsWater-saving fittingsEnergy 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">NGOsAcademiaCommunitiesInvestorsAuthorities/ GovernmentMediaShareholders | <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 endangered, rare and threatened (ERT) as assessed by the International Union for Conservation of Nature, “IUCN Red List” trees planted115,814 total trees plantedIUCN Landscape Guideline by SDPTwo Biodiversity InventoriesAvoid mono-culture plantingDeveloped 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">CustomersCommunitiesVendorsAuthorities/ GovernmentNGOsProfessional Bodies | <ul style="list-style-type: none">Functional and inclusive designDefects rateUnsustainable infrastructureSupply 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 locationsFirst IBS strata development for B40 community - 536 units, 30.0 percent faster, less construction waste and 10.0 percent lower costBuilt 2,379 insulated homes since 2017. 1,968 under constructionApply 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/ CommunityAuthorities/ GovernmentInvestorsNGOs | <ul style="list-style-type: none">Water consumptionImpact of development on water bodies surrounding our townshipsProper wastewater treatment | <ul style="list-style-type: none">15.88 percent water intensity reductionWaste recycling rate 2021 - 4.44 percentContinued to monitor water quality in compliance with Department of Environment’s Environmental Management PlansCreated a Wetlands Construction and Maintenance Guideline35.72 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">EmployeesLocal VendorsCustomersPartners | <ul style="list-style-type: none">Equal opportunitiesNon-discriminationUpskilling/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 percentConducted 23,520 hours of training for 1,348 employeesInvested RM1.15 million in upskilling and reskilling programmesCollaborated with UNICEF Malaysia on the launch of Malaysia’s first Inclusive Playground in the City of ElminaBuilt over 2,000 multi-generational inclusive homes that also provide disabled access |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

We Report on
What Matters to You (and Us)

| | 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">EmployeesVendorsLabourersAuthorities/ GovernmentCommunitiesCustomersPartners | <ul style="list-style-type: none">Safe working environment | <ul style="list-style-type: none">Completed 76.96 km of cycling and jogging circuitsIntroduced 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">CommunitiesCustomersAuthorities/ GovernmentNGOs | <ul style="list-style-type: none">Ease of home ownershipProduct 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">CustomersPartnersCommunitiesAuthorities/ GovernmentInvestorsNGOs | <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 employeesCommunities recycled 106 tonnes of wasteClose 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">VendorsCommunitiesBusinessesInvestorsAuthorities/ GovernmentShareholders | <ul style="list-style-type: none">Value of contractsImpact of COVID-19 on ability to meet contractual obligationsSourcing and procurement processesVendor supportJob creation | <ul style="list-style-type: none">Awarded 98.6 percent of contracts to local vendors, worth RM1.38 billionTo 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">CustomersCommunitiesAuthorities/ GovernmentVendorsNGOsProfessional 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 assessmentContinuously raised awareness on cyber security through e-learning modulesCarried 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">ShareholdersEmployeesInvestorsAuthorities/ GovernmentVendorsCustomersNGOsPartners | <ul style="list-style-type: none">Criminal prosecutionReputational damageBusiness disruptionsProductivity and performance levelCost/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 PledgeVCOBC established for business partners and suppliersVendor Integrity Pledge ("VIP") required as part of supplier onboarding requirementsOngoing management of whistleblowing channelRecorded zero proven bribery or corruption cases through our whistleblowing channelConstant reminders about the Group's No-Gift policy |

Priorities & Challenges



Recognising that our core business has a direct and lasting impact on both society and the surrounding environment, it is incumbent on us to understand how we can continue to prosper while reducing our negative footprints and building lasting communities. At the heart of it is sustainability, in the context of how we approach it and how we prioritise resources to capitalise on opportunities and to overcome inherent challenges.

Thus, we are very clear about Sime Darby Property's sustainability priorities as a 'Force for Good'. Firstly, our approach is one that is holistic as we seek to ensure that sustainability is not a patchwork of piecemeal solutions but instead deeply embedded into our corporate strategy and culture. We have set clear sustainability strategy and targets, which are supported with strategic initiatives. Our holistic sustainability approach is about finding a balance between the three sustainability spheres of People, Planet and Prosperity. Reinforcing our efforts to achieve sustainability excellence, we revised our Sustainability Strategy to focus on four (4) imperatives which are decarbonise our operations and products, good biodiversity practices, shape inclusive and resilient communities, as well as socially responsible organisation. These four (4) imperatives will help us intensify our efforts towards realising the 2030 SGs that are aligned to the UN SDGs.

We have been quite successful in embedding and embracing sustainability at the Group level for over ten (10) years but at the same time, we recognise that there remains a lot more work to be done to align our vendors to our expectations. While we are focused on the strategic imperatives, we want sustainability to take root right down to the teams that are laying the foundations of our developments.

Beyond our employees, the people and partners who are working on our project sites day in and day out must understand that they are also crucial to the continued success of the Group.

Given the lack of sustainability awareness in our supply chain, as proven in the Sustainability Vendor Engagement Programme undertaken in 2021, we acknowledge that it will take persistence and time to move our supply chain towards the correct trajectory and we are prepared for this effort. We are committed to gearing up sustainability awareness among our suppliers in order to truly embed sustainability across our operations.

As for climate change, we are under no illusions regarding the severity and urgency of the climate change issue. While we have made some progress in reducing carbon emissions, we know that much more needs to be done and as such, climate change remains a top priority within our larger sustainability agenda. We are committed to achieving full net zero carbon and are set to combat climate change through reducing operational carbon, as well as embodied carbon.

Priorities & Challenges

Case Studies

CEO ACTION NETWORK/CLIMATE GOVERNANCE MALAYSIA

As the world population grows, demand for natural resources will rise in tandem with the increase of human activities. Demand for more water and energy, and the generation of more waste will lead to higher emissions of greenhouse gases (“GHG”) and contribute to global warming. As it is, 70 percent of cities in the world are already facing climate impacts, while nearly all cities are at risk.

As an aspiring leader in sustainable development, we acknowledge that the built environment contributes to about 40 percent of Malaysia’s GHG, including emissions throughout its entire lifecycle. We believe that the property development and construction sectors should consolidate their climate change efforts to accelerate decarbonisation in cities.

In leading by example, we took a proactive approach in 2021 and were actively involved in programmes that aimed to raise awareness on climate action. As a member of the CEO Action Network (“CAN”), we took part in ten (10) engagement sessions from CAN, which were organised to expedite climate action. We were also part of the Property & Construction Sector Roundtable III, which was one of the four roundtable discussions held through a collaboration between CAN and Climate Governance Malaysia (“CGM”) for the property sector. Themed “Improving Resilience and Minimising Ecological Damage”, the roundtable discussion touched on net-zero pathways for Malaysia, with various speakers touching on issues related to current policies, as well

as those that should be implemented to boost environmental protection.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican, highlighted the Group’s role as a ‘Force for Good’ through building resilience via preserving biodiversity, offering sustainable design and products, and developing inclusive communities. He also touched on the challenges faced by the property sector and shared ideas that will incentivise/disincentivise property developers to accelerate their climate action for future generations.



Priorities & Challenges

DECARBONISATION CHALLENGE

While there is an urgent need for climate action among the property sector, we acknowledge that the journey to decarbonise cities is filled with hurdles that range from policy implementation to cost and raising awareness.

The Group has its very own set of decarbonisation challenges which we are working to overcome. For instance, we need to consider the practicality and cost of an initiative prior to its implementation. The limited number of local suppliers for sustainable products is also a hindrance, as well as contractors’ misperception of having to pay more for sustainable products such as green cement, Forest Stewardship Council (“FSC”) wood and green tiles. Another challenge is contractors’ slow adoption

of technology in using green materials such as biodiesel and hybrid machineries for fuel efficiency on site.

Further to that, the majority of our suppliers have low awareness about carbon footprint and using green materials, as shown in the result of our vendor engagement survey in 2021. This leads to slow adoption of green procurement for our processes. Internally, our employees’ awareness of reducing the Group’s footprint is generally still low at the operations level.

Going forward, we will ramp up awareness measures and instil sustainability practices in our value chain to accelerate our climate action and realise the 2030 SGs.

2021 FATALITY

Despite upholding high standards of occupational health and safety in our operations, we recorded one fatality involving a Bangladeshi national in February 2021. As an organisation that strongly believes in providing a safe environment for its workers, we were disappointed with the incident and have since taken strategic measures to improve workplace health and safety.

Since the incident, we have mobilised our team to increase awareness from the top management down to the people who work closely with our contractors.

This includes raising awareness on safety standards and practices, inculcating safety culture at worksites and emphasising on safety compliance. Safety activities have also been improved to ensure all employees, contractors and site workers comply with safety standards and the safety culture enforced by the Group. We update our Board of Directors on safety issues every quarter of the year to ensure efficient management on workplace health and safety.

Taking Climate Action

ENVIRONMENTAL PERFORMANCE

Sime Darby Property remains committed to preserving natural resources and where possible, conserving the environment while conducting business. This includes mitigating operational impacts and reducing carbon emissions, underpinning our environmental commitment as a ‘Force for Good’.

We closely monitor and track our operational eco-efficiency (waste, recycling, water and carbon) footprints. This is done by systematically setting reduction targets for total carbon emissions reduction, total waste reduction and water intensity consumption reduction, or increasing total recycling and tree-planting focusing on native species and Endangered, Rare and Threatened (ERT) species through our Operational Eco-efficiency Programme. We now have had our operational carbon footprint project in place over ten (10) years (since 2009), and our water, waste and recycling footprints in place since 2016. While we have made progress against our eco-efficiency targets, we acknowledge that we still have some way to go before achieving our long-term goals set out within Goal 18 of our 2030 SGs.

Operational Eco-efficiency (Carbon, Waste, Recycling, Water and Trees) 2021 annual targets were mostly achieved or exceeded; however, we observe that our recycling target was far below target. Based on our analysis, we missed our recycling target mostly due to not yet seeing a culture of complete and consistent recycling data reporting, practices and systems being strong enough. This has led us to focus on this matter in the following years (2022 onward) to getting this basic matter righted.

Our 18 2030 SGs provide us focus and steer us on a journey toward decarbonisation, reducing water intensity and moving toward low or possibly zero waste by 2030. This direction based on our 2030 SGs began from 2019 when the goals were developed. The goals are our interpretation of how our business translates with the UN SDGs based on our value chain and business model.

 For more information about SDP's 2030 Sustainability Goals, please refer to Our Sustainability Milestones on pages 13 to 14.

FY2021 Eco-Efficiency Footprint Summary

| | | |
|---|--|---|
| Total Carbon Emissions (Scope 1 and Scope 2) (Assured) | Total Operational Solid Waste to Landfill (Assured) | Total Tress Planted (September 2011-December 2021) |
| 41,107 tCO ₂ -e* | 4,623,459 kg* | 115,814 trees |
| Total Operational Potable Water Use (Assured) | Total Operational Recycling | Total ERT species assessed by the IUCN Red List Trees Planted (September 2011-December 2021) |
| 722,598 m ³ * | 205,282 kg | 22,809 ERT trees |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

As one of the largest property developers, we recognise the urgent need for climate action to combat climate change impacts that are increasingly affecting daily lives, our supply chains and business operations, as well as our communities.

Acknowledging the built environment as a major contribution to the world’s GHG emissions (in reality atmospheric pollution), we are aware of the possibility to take a leadership role to accelerate climate action and the transition towards a low-carbon future through decarbonising our products and services. We are committed to contributing to the Paris Agreement’s goal of limiting global warming to 1.5°C by taking proactive measures in sustainability activism to raise awareness and educate our stakeholders to join us in adapting to climate change, reducing carbon emissions and preserving the environment. Our initial aim was to cut operational carbon emissions to net zero (an earlier aspiration still held but in view of an improving realisation of our Scope 3 emissions covering 15 categories, which we have just began to estimate and baseline and move towards developing a better absolute carbon baseline and eventually reduction targets), achieve zero waste through recycling, reducing, reusing and repurposing our waste materials, and lowering our water intensity by 30 percent. We are currently developing decarbonisation roadmaps for operational carbon emissions, covering Scope 1, 2 and 3.

Task Force on Climate-Related Financial Disclosures (“TCFD”)

The Task Force on Climate-Related Financial Disclosures (“TCFD”) is a global framework for financial and non-financial organisations to better disclose their climate-related financial risks and opportunities. At SDP, the Board recognises the urgent need to decarbonise our business and the potential impact of climate risks on real estate. As such, climate-related matters are incorporated in the Group’s strategy and this includes integrating climate risks into our business model and embedding low-carbon elements into our township communities and residential home products. In 2021, we adopted the TCFD recommendations in our climate action disclosures to bolster our sustainability reporting and keep our stakeholders informed of our efforts in transitioning towards a low-carbon future.

Governance

Board Oversight of Climate-Related Risks and Opportunities

The Board holds ultimate responsibility on sustainability matters, which include climate-related matters. Climate-related matters are part of the Group’s strategy development, review and monitoring, from the aspect of organisation operational and performance targets. All climate-related performance and targets are monitored by the Board via the Group’s quarterly performance updates. In 2021, the Board delegated the management of sustainability risks to the Risk Management Committee, who are responsible for reviewing and providing feedback on the periodic updates and progress report of the Group’s Sustainability strategy and plans.

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

The implementation of our Sustainability Strategy is led by the Group Managing Director (“GMD”) at the executive level. The GMD ensures that sustainability practices are embedded across our business processes, as well as when products and services are

delivered. The GMD is supported by the respective management level committees monitoring and reporting on the status of the sustainability execution. In FY2021, the Group’s Sustainability Policy and the Quality, Health, Safety, Security and Environment (“QHSSE”) Policy were developed to guide our employees with regards to the Group’s sustainability direction.

Our top-down approach in sustainability governance is supported by the Group’s bespoke internally developed and administered annual Sustainability Index (“SUSDEX”) Assessment. A systematic engagement platform with Township teams, Leisure and Industrial & Logistics teams, SUSDEX ensures consistency in the implementation of sustainability practices across the Group. SUSDEX utilises an empirical, objective and evidence-based assessment anchored on 90 odd indicators to optimise the use of resources, capital and the social/human dimension of the business. Aside from tracking our performance against the 2030 SGs, it aims to provide a sensible balance among townships in delivering four (4) strategic Sustainability Imperatives:

- Decarbonising Our Operations and Products;
- Implementing Good Biodiversity Practices;
- Shaping Inclusive & Resilient Communities; and
- Maintaining a Socially Responsible Organisation.

Strategy

The Group’s sustainability strategy is based on the four (4) strategic Sustainability Imperatives – and is measured through the lens of ESG performance. Our sustainability focus is in line with the Group’s corporate strategy that includes identifying key priorities that will impact SDP and its stakeholders. At the same time, ESG opportunities are also identified to be included as part of the strategy towards achieving sustainable development.

Taking Climate Action

In 2021, we stepped up our sustainability strategy by incorporating our 2030 SGs and establishing a sustainability objective as a ‘Force for Good’, with the purpose of generating long-term positive economic, social and low-carbon environmental impacts.

With our focus on the strategic Sustainability Imperatives that encompass ESG core themes, we have identified an aspiration to be carbon negative. This is the next step in decarbonisation maturity, which will be updated publicly in due course. Six priorities have been established, consisting of high-impact projects that are aligned with our sustainability strategy, to accelerate the implementation of the targets of our 2030 SGs. Beyond that, we continuously play the role of an ESG proponent to our stakeholders including the Government, NGOs, our partners, our communities, as well as the media.

Risk Management

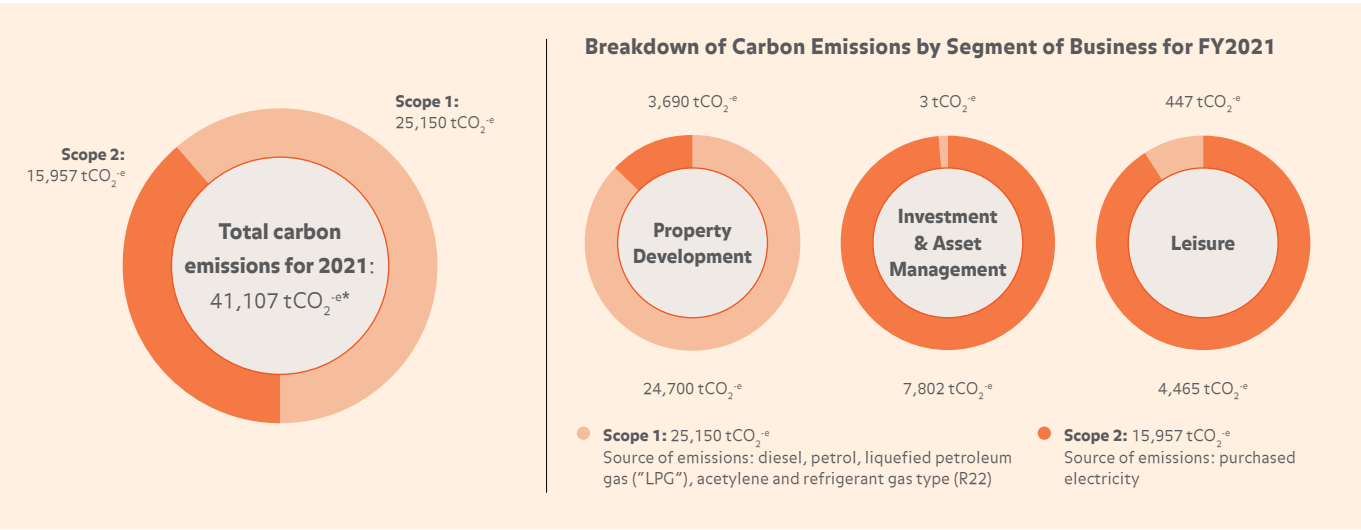
In the year under review, we started aligning our Risk Management Framework with ESG-related requirements that include climate-related risks. As part of the alignment plan, we intend to comprehensively identify, assess, and measure climate-related risks, which include, but not limited to, transitional risk and physical risk. We acknowledge that climate-related risk assessment and measurement is a time-consuming process and a journey, as the Group’s impact, financial or otherwise, are not always clear, direct or easily assessed and quantifiable.

Metrics and Targets

We measure our operational carbon emissions by tracking the Scope 1 and 2 of our GHG emissions. Scope 1 accounts for direct GHG emissions from sources controlled or owned by SDP while Scope 2 refers to indirect emissions from the generation of purchased electricity. Our carbon emissions are calculated based on the GHG Protocol Calculation Tools-Emission factors from cross-sector tools (March 2017) and the Intergovernmental Panel of Climate Change (“IPCC”) guidelines.

Our total carbon emissions are proportional to the Group’s level of activities. In 2021, we focused on absolute emission to reflect the true carbon emissions impact. This enables us to take appropriate measures to reduce our carbon footprint across all aspects of our projects and operations. In the year under review, the Group’s total carbon emissions reduced by 14,337 tCO₂-e or 28.88 percent to 41,107 tCO₂-e*. The reduction was higher than our target reduction of 13,821 tCO₂-e or 27.84 percent.

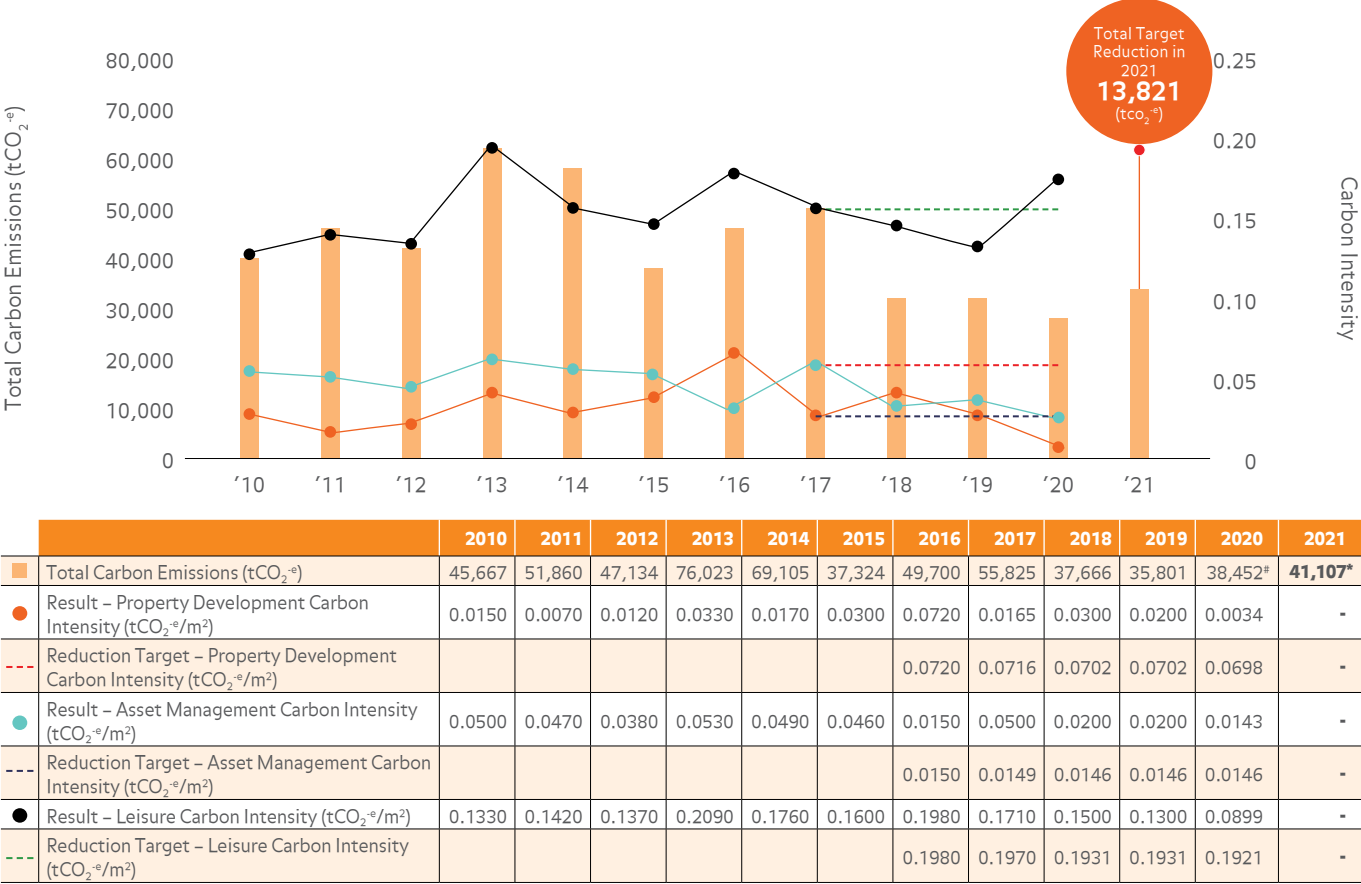
The Group’s Scope 1 GHG emissions reduced by 10.64 percent from 28,145 tCO₂-e in 2020 to 25,150 tCO₂-e in 2021, while Scope 2 GHG emissions increased by 35.41 percent from 10,307 tCO₂-e in 2020 to 15,957 tCO₂-e in 2021, largely due to the opening of the KL East Mall.



* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

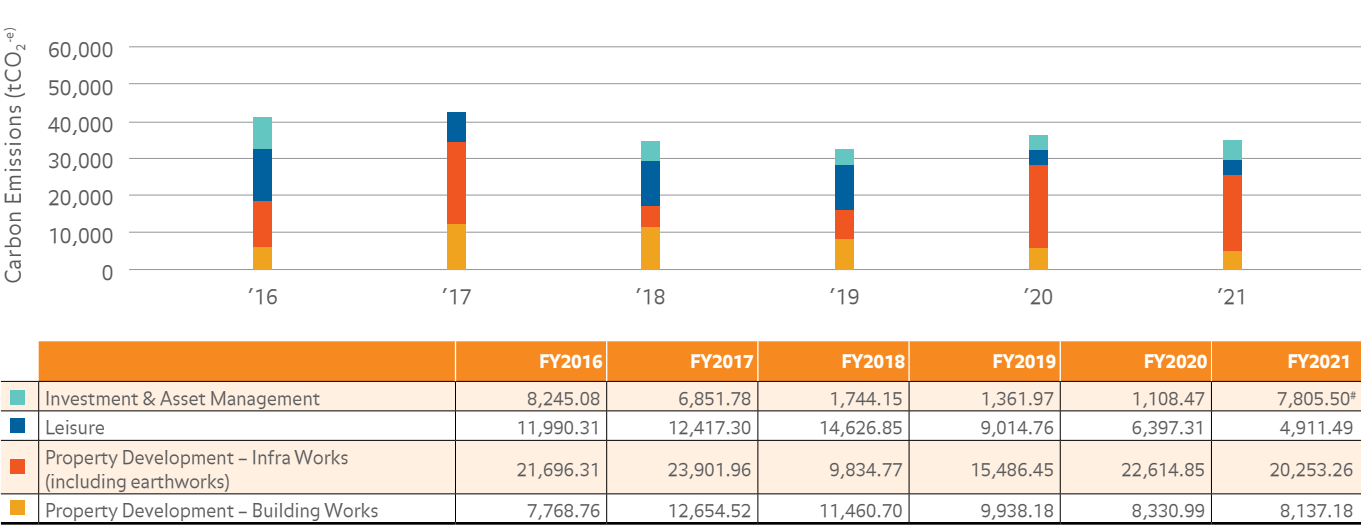
Taking Climate Action

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



The Property Development segment emitted the highest carbon emissions (69.06 percent) in the Group, mainly due to earthworks, and the business segment is working towards improving the century-old practice.

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



Source of GHG emissions calculations: GHG Protocol Calculation Tools – Emission factors from cross sector tools (March 2017) and the IPCC guidelines.

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

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Taking Climate Action

Energy Management

Energy management is one of the most crucial aspects that determines our environmental footprint. Our business operations generally rely on non-renewable fuel and purchased electricity due to our upstream business activities that mostly require heavy machinery, generators and transportation. While petrol and diesel are our main sources of energy, natural gas and liquefied petroleum gas are needed for oxy-fuel cutting at construction sites in the Property Development segment, as well as in kitchens in the Leisure segment.

In 2021, our total energy consumption reduced by 3.7 percent compared to 2020 due to a reduced consumption in non-renewable fuel, mainly in petrol and diesel, as a result of our fuel efficiency initiatives. Our purchased electricity consumption increased by close to 55 percent at Group-operated sites due to the opening of the KL East Mall in November 2020. However, our purchased electricity consumption was 68,214 gigajoules (GJ) excluding the mall’s electricity consumption, which was about the same as the Group’s total consumption in 2019. Thus, to further improve our energy efficiency and carbon footprint, we are looking at moving gradually from fossil fuel to renewable energy and have initiated a tender process to install solar photovoltaic (“PV”) across four (4) of our assets.



Biodiversity Conservation Programme

The world’s biodiversity continues to decline amid rising global population and urbanisation. Human activities such as land use change and urban sprawl are among the factors that have impacted our natural ecological systems.

Biodiversity plays a key role in ensuring our ecosystems function effectively so that all beings and nature can coexist. At SDP, we aim to improve urban biodiversity through improving the range of species of trees planted by selecting native trees and planting species that are at risk of extinction (ERT).

Planting the ‘correct’ species increases ecosystem resilience where the green spaces created will act as habitat for wildlife such as birds and small mammals to thrive within an urban matrix. Consequently, creating nature in urban areas enhances the provision of spaces for recreational purposes that promotes healthy physical and mental well-being of local communities. Biodiversity is a key component within our SUSDEX tool, which has been applied to all our townships and developments annually since 2010.

Our land bank, which is almost entirely plantation land and had its land use changed, allows us to develop without having to clear primary rainforest. We work with strategic partners to protect and conserve Endangered, Rare, and Threatened (ERT) Malaysian rainforest species that have been assessed by the International Union of Conservation of Nature (“IUCN”). Apart from habitat restoration that provides habitats, planting species that are threatened with global extinction helps with increasing the numbers of available trees thus ensuring longevity of this species outside of its current range. Our effort in planting this species will also promote awareness on the importance of biodiversity conservation to local communities residing within the township.

Apart from compliance and assurance to minimise environmental impacts (as below), SDP takes proactive actions to improve biodiversity conservation within our development through:

- conducting environmental monitoring system (“EMS”);
- ensuring compliance to Environmental Impact Assessment (“EIA”) approval condition and electromagnetic pulse (“EMP”);
- engaging an independent third-party for Emergency Medical Services (“EMS”) audit; and
- employing approved Erosion and Sediment Control Plan (“ESCP”).

Elmina Living Collection Nursery & Elmina Rainforest Knowledge Centre

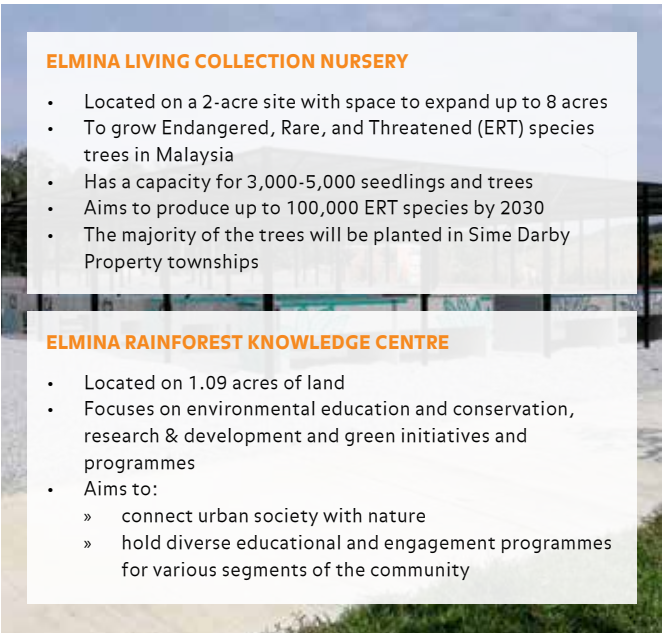
As part of our commitment to preserving biodiversity and creating awareness, the Group partnered the Tropical Rainforest Conservation & Research Centre (“TRCRC”) to establish the Elmina Living Collection Nursery (“ELCN”) and the Elmina Rainforest Knowledge Centre (“ERKC”).

The initiatives, which were completed in 2020, are within an 84-acre Forest Park of the 300-acre Elmina Central Park in the City of Elmina. Leveraging on City of Elmina’s proximity to Bukit Cherakah Forest Reserve that spans across 2,700 acres, SDP aims to create an extension of urban rainforest ecosystem.

The objective of the collaborative effort between SDP and TRCRC via ERKC and ELCN is to connect urban society with nature via a diverse educational and engagement programme. During 2021, TRCRC engaged 5,386 people via 19 programmes and events. The business model applied to the collaboration between SDP and TRCRC is that we purchase trees grown in ELCN where a portion of the profits are directed to environmental educational programmes at ERKC. Concurrently, the trees that were grown at the ELCN will then help SDP to reach our target of planting 50,000 ERT species according to our 2030 Sustainability Goals. These trees are usually

planted in our parks to create a genetic store of plants that are threatened with global extinction.

As part of our educational programme, we have shared our online publication ‘The Malaysian Threatened and Rare Tree Identification and Landscape Guideline’ on our corporate website. The purpose of the book is to widen the knowledge of landscape architects and relevant stakeholders on native species that are currently facing extinction threats and the environmental conditions required by the species. The book is also accessible via the websites of Institute of Landscape Architects Malaysia (“ILAM”), Universiti Putra Malaysia (“UPM”), Forest Research Institute Malaysia (“FRIM”) and Yayasan Sime Darby.



Biodiversity Conservation Programme

ERKC Engagement

In 2021, the ERKC impacted 5,386 individuals via 19 programmes that featured knowledge sharing, webinars, virtual tours, as well as hands-on experience on forestry. Among the programmes included:

| Topic | Event/Programme Description | Location |
|---|--|----------|
| Selangor Youth Community (SAY) Volunteer Programme | A programme for volunteers to gain hands-on experience in the forestry field | ERKC |
| TEAM Programme ERKC Visit | DYTM Raja Muda Selangor, the royal patron of Selangor Youth Community ("SAY") visited ERKC to see the TEAM participants. Apart from a presentation at TRCRC and a tour of the nursery, the volunteers shared their experience and explained about the growth of a seed to a tree | ERKC |
| Zurich Malaysia 'Conservation in Our Malaysian Backyard' | A virtual tour about volunteering at the ERKC and how to be part of the programme | Webinar |
| Positive Living Community Welfare: Nursery Volunteer Programme Collaboration | Together with the TRCRC, the residents of Positive Living Community Welfare Home and participants of the volunteer programme were able to cross-skill permaculture farming practices with the rainforest tree conservation | Webinar |
| SACF Community Dipterocarp Seed Workshop | Volunteers from the Shah Alam Community Forest ("SACF") community collected seeds for TRCRC and attended a workshop at ERKC on dipterocarp seeds, nursery management and ecosystem restoration | ERKC |
| A Voluntary Dipterocarp Seed Project: Dipterocarps 101 | A workshop for basic knowledge of the dipterocarpaceae family of trees and breakdown of identification to genus level | Webinar |
| A Voluntary Dipterocarp Seed Project: Handling Seedlings & Nursery Management | Knowledge sharing on caring for dipterocarp seeds and nursery flow for dipterocarp | Webinar |
| 100M Trees Campaign Webinar Series 2: Capitalising on Mass Fruiting | TRCRC was invited as speakers and technical partners Malaysia's 100M trees campaign. The topic shared was 'Community-powered Conservation', converging Banun and Elmina projects | Webinar |

Biodiversity Conservation Programme

Green Spaces and Carbon Sequestration Through Landscaping

Since the establishment of our Tree-to-Tree Replacement Policy in 2011, we have successfully planted an average of 12,000 trees per year. The policy outlines our commitment to replacing an oil palm tree removed from our site with a new tree (often a forest tree) to revive the ecosystems and create long-term carbon sinks. This is done by taking a baseline of 55 trees per-acre (typical number of oil-palm trees planted in an acre of land).

The tree planting targets have also been embedded in the Group's Standard Sustainability Design Element Checklist, which states our tree replacement ratios by location in a development:

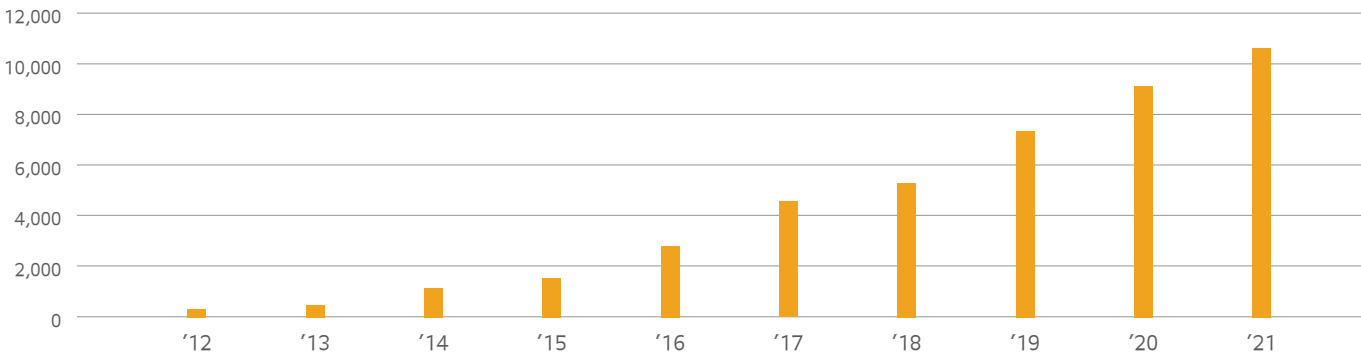


In 2021, the tree replacement ratio across the group level is recorded at 0.5:1 as compared to 0.7:1 in 2020. This is due to the fact that this is a lagging indicator where most of our current development is at earthwork stage. Any tree replanting and habitat restoration approaches can only be conducted after earthwork has concluded. We expect to achieve the 1:1 target ratio when the landscaping for the townships is completed. Since 2011, we have planted a total of 115,814 trees, including 22,809 ERT trees.



We have sequestered an estimated 10,822 tCO₂-e from our tree-planting efforts since 2011.

Cumulative CO₂ Sequestered



- Assumptions:
- 1. Each tree is assumed to sequester around 0.02 tCO₂-e per year on average.
 - 2. The amount of carbon sequestered per tree increases year-on-year, considering the growth of the trees.
 - 3. Every five (5) years, the formula assumes up to 10,000 trees removed by the local authorities after infrastructure and park handover.

- Sources:
- 1. Dexter B. Dombro, "How Much Carbon does a tropical trees sequester?", <http://www.truevaluemetrics.org/DBpdfs/Forests/Tree-Nation-Tropical-treesequestration-of-CO2>.
 - 2. "How to calculate the amount of CO₂ sequestered in a tree per year?", https://www.unm.edu/~jbrink/365/Documents/Calculating_tree_carbon.pdf
 - 3. "Tropical trees solution for climate change", Community Carbon Trees, <http://www.communitycarbontrees.org/climate-change-solutions>
 - 4. "Carbon-sequestration In Sepang", Majlis Perbandaran Sepang, 2017, <http://smart.mpsepang.gov.my>
 - 5. "Agroforestry Carbon Sequestration Rates", Green Earth Appeal, <https://greenearthappeal.org/co2-verification/>

Biodiversity Conservation Programme

| Year | Cumulative Tree-Planting | Cumulative CO ₂ Sequestered |
|------|--------------------------|--|
| 2012 | 8,090 | 161.80 |
| 2013 | 12,161 | 566.82 |
| 2014 | 7,855 | 1,128.94 |
| 2015 | 14,498 | 1,781.02 |
| 2016 | 24,450 | 2,922.10 |
| 2017 | 6,436 | 4,191.90 |
| 2018 | 7,561 | 5,612.92 |
| 2019 | 11,529 | 7,264.52 |
| 2020 | 15,545 | 8,959.88 |
| 2021 | 22,809 | 10,822.00 |

Biodiversity Loss

The rapid rate of biodiversity loss in the recent years has been alarming. A United Nations (“UN”) report released in 2019 states that the number of animal and plant species under threat of extinction is at a record high due to various factors including human activities and climate change. About 1 million animal and plant species are at risk of extinction unless action is taken now to slow down the rate of biodiversity loss*. At SDP, some of our townships are near or adjacent to forested areas, which makes biodiversity conservation a key focus area for us. Thus, we take this opportunity to protect existing biodiversity, enhancing biodiversity in certain areas and ultimately aim to create ecological corridor that connect fragmented green areas.

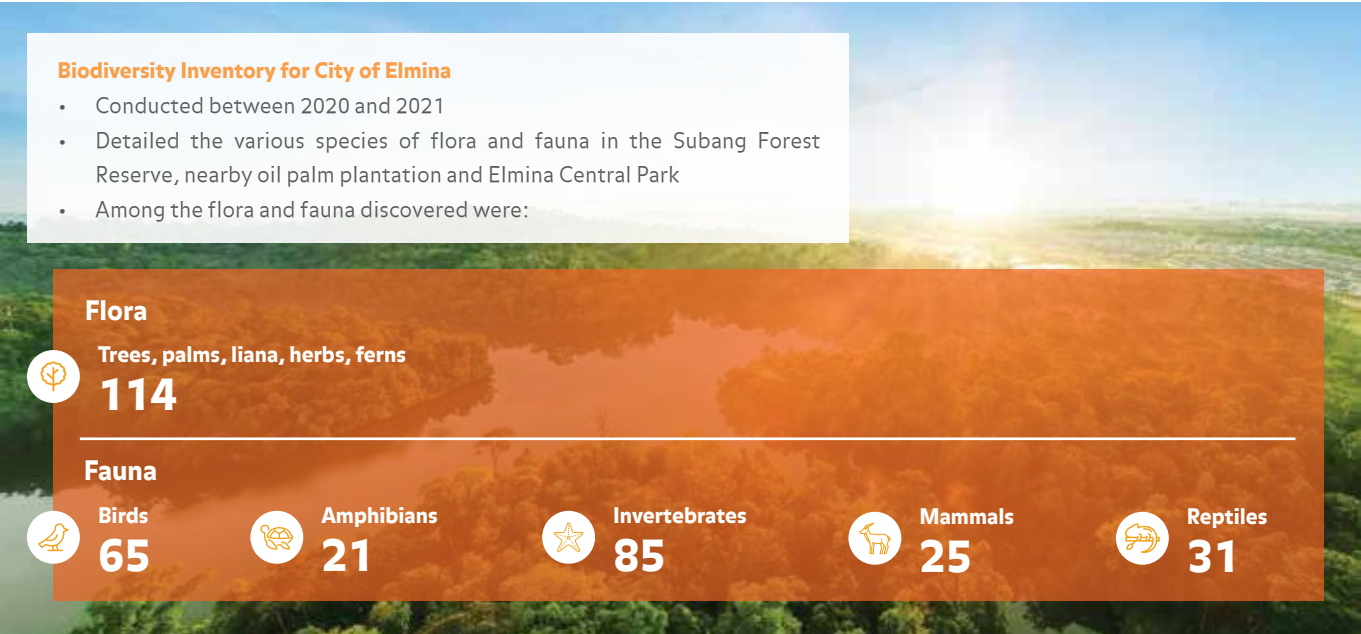
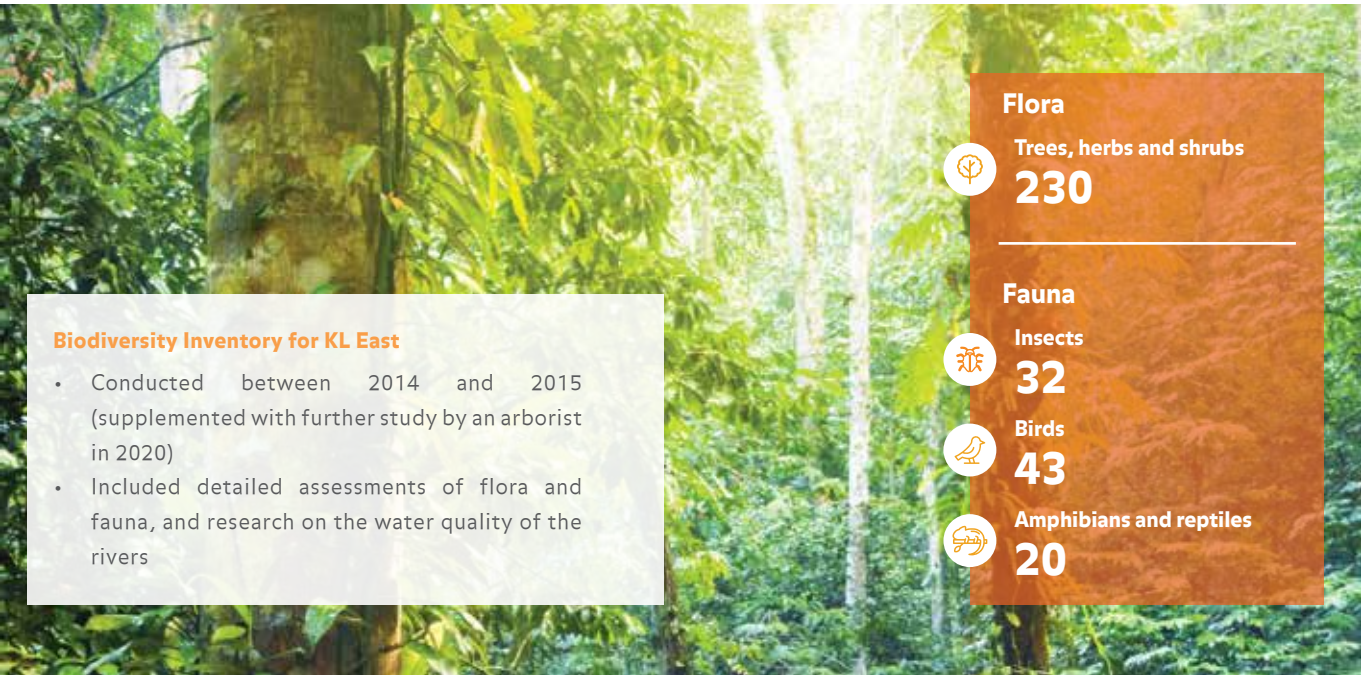
* Source: IPBES Global Assessment Report on Biodiversity and Ecosystem Services. <https://www.un.org/sustainabledevelopment/blog/2019/05/nature-decline-unprecedented-report/>

The Group currently has three (3) developments that are adjacent to the following forested landscapes:

| Development | Area | Biodiversity Value | Size (acres) |
|---|--|-----------------------|--|
| City of Elmina | 6,500 acres (near Bukit Subang Forest Reserve, Selangor) | Terrestrial ecosystem | 2,700 |
| KL East | 153.71 acres (near Klang Gates Quartz Ridge, Selangor) | Terrestrial ecosystem | 9,950 |
| Bandar Hamilton, Malaysia Vision Valley | 2,720 acres (near Galah Forest Reserve, Negeri Sembilan) | Terrestrial ecosystem | Not available as there is no known boundary (14 km long and 200 meters wide) |

As part of our conservation efforts, we conducted biodiversity inventory assessments on KL East and the City of Elmina. The objectives of the assessments were to develop biodiversity baselines, identify endangered flora or fauna species and determine how our park developments may improve the level of biodiversity over time.

Biodiversity Conservation Programme



Environmental Compliance

Across our operations, we comply with all the relevant rules and regulations to ensure smooth daily operations apart from minimising negative environmental impacts. We regularly engage with the local authorities and regulators to keep abreast with the latest regulatory rules and communicate them to our contractors and other relevant stakeholders.

In addition, we incorporate sustainable practices in our project sites where possible to mitigate any negative impacts. To this end, we employ the Urban Stormwater Management Manual for Malaysia (“MSMA”) when designing and planning townships to ensure our developments do not affect the hydrological systems in the areas which we operate. The HSSE & Environmental Management Plan and Erosion Sediment Control Practice (“ESCP”) are implemented to ensure efficient flood management in all our developments. In the year under review, there were zero compounds and fines related to environmental compliance.

Sustainable Products

At Sime Darby Property, our products are designed to be sustainable and to reduce environmental impact and carbon footprint. As outlined in our Product Standard Sustainability Minimum Element Guidelines & Checklists, we are encouraged to include sustainable design elements and materials such as FSC doors and timber flooring. The guidelines and checklists, which aim to integrate the 2030 SGs into all our products, cover the three (3) main areas of Building Materials, Eco-Efficiency (energy, water and waste) and Wellness & Safety. Other sustainability-related guidelines include Built-Form Guideline, Urban Design Guideline, Standard Design and Specification Guidelines and Crime Prevention Through Environmental Design (“CPTED”) Approach.



CONCEPT HOME 2030

In 2021, we embarked on Concept Home 2030 (“CH2030”), an initiative that seeks to reimagine future home via the four pillars shown below. Serving as a platform for architects and industry experts to share knowledge and exchange solutions with consumers and the public, CH2030 aims to transform ideas into prototypes. It also allows stakeholders within the property development industry to work closely to build sustainable and future-proofed homes to contribute to being a force for good.

The sharing of knowledge and ideas on CH2030 will be able to push boundaries and challenge property developers to move away from the ‘form follows function’ method of building homes. This means revamping the design of future homes by combining diverse

features and allowing flexible use of space, adaptability to climate change and more. It will enable property developers to relook at the concept of the ideal home of the future and incorporate new technology and capabilities that are already being used in some parts of the world.

In 2021, we held the first phase of CH2030, the Concept Home 2030 Competition, which challenged visionaries to revamp the archetypal Malaysian terrace home. The competition, which was in collaboration with the Malaysian Institute of Architects (“PAM”), saw 171 registered participants, with several entrees showing potential in disrupting the industry. Among them were ideas to gamify property-owning experience and innovative construction methods that are expandable and customisable to evolving lifestyles.

Four Pillars of Concept Home 2030

Sustainable Solutions

Modular, Expandable & Customisable

Modern Methods of Construction

Tech-Infused: A Home Brain

Sustainable Products

RENEWABLE ENERGY

In our bid to build sustainable development, we recognise the need to focus on product-level operational future carbon emissions and customer energy cost. As such, we entered into a Memorandum of Understanding with TNBX Sdn Bhd, a subsidiary of Tenaga Nasional Berhad (“TNB”) in September 2019 to enable us to incorporate energy-efficient elements such as solar photovoltaic (“PV”) panels into our homes.

The partnership has proven to be successful and allowed us to deliver 513 double-storey homes solar PV panels in the City of Elmina with a capacity of 1,026 kWp. This allows the homeowners to lower their carbon emissions, as well as monthly electricity bills.

In 2021, we continued to incorporate solar PV panels in residential and industrial units. As at December 2021, 455 units in four (4) townships have been allocated with solar PV panels, which are expected to generate 1,697.18 kWp of renewable energy.



| 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 |

Waste & Water Pollution

Water Management


Water is an important natural resource in our projects and business operations, especially in our construction process and office, leisure and investment management assets. Water is also an absolute necessity for the communities that we develop. We prioritise water stewardship in the communities in which we operate and strive to ensure sufficient water supply for all stakeholders. For instance, we invested more than RM100 million in the Integrated Water Supply Scheme (“IWSS”) in Northern Corridor (Southern Line), as well as Cybersouth and Serenia developments in 2021 to benefit the communities along the Guthrie Highway and in Sepang.

Our Water Footprint Project, which was launched in 2016 aids us to measure if we are moving toward our Group’s water intensity reduction target of 30 percent by 2030. This target is a part of Goal 18 of our 2030 SGs. In 2021, we recorded a water intensity reduction of 14.88 percent. Our water intensity baseline was restated from 0.618 m³/m² in 2016 to 0.1625 m³/m² in 2020 due to improved data and the divestment of assets under the Investment & Asset Management and Leisure segments between 2016 and 2019.

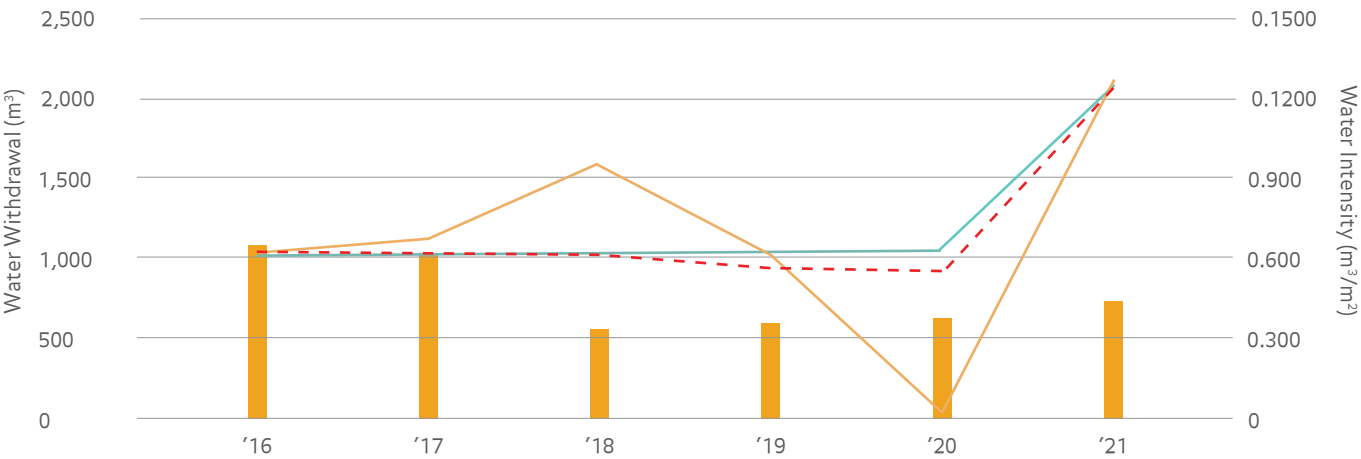
We withdraw water from potable treated water (municipal water), and to a lesser extent, from surface water and groundwater.

In the year under review, our water withdrawal increased by about 18 percent compared to 2020 due to differences in the business operating environment between these years, which are primarily attributable to restrictions on business operations amid various lockdown periods (referred to as Movement Control Order) during the pandemic.

Our Property Development segment employs best practices on-site including the Erosion Sediment Control Practice (“ESCP”) to monitor the quality of the wastewater and effluents discharged into nearby rivers. This is in compliance with the Environmental Impact Assessment (“EIA”) and Department of Environment’s Environmental Management Plans (“EMPs”). While we have yet to start tracking our wastewater, we comply with the Environmental Quality Act 1974 and ensure that the quality of wastewater and effluents discharged from our operations meet the local regulatory requirements and the latest limits stipulated in the EIA Approval Conditions. Additionally, we require our contractors to comply with the EIA conditions.

 For more information about the Group’s Integrated Water Supply Scheme projects, please refer to Indirect Economic Impacts on page 65.

Total Withdrawal of Potable Water from FY2016 – FY2021



| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------|-----------|---------|---------|---------|----------|
| Total Withdrawal of Potable Water (m³) | 1,164,28 | 1,077,114 | 551,550 | 587,175 | 612,830 | 722,598* |
| Water Intensity Baseline 2020 (m³/m²) | 0.618 | 0.618 | 0.618 | 0.618 | 0.618 | 0.1265 |
| Water Intensity Result (m³/m²) | 0.618 | 0.686 | 0.954 | 0.604 | 0.068 | 0.1276 |
| Water Intensity Reduction Target (m³/m²) | 0.618 | 0.612 | 0.606 | 0.587 | 0.587 | 0.1252 |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Waste & Water Pollution

Waste Management

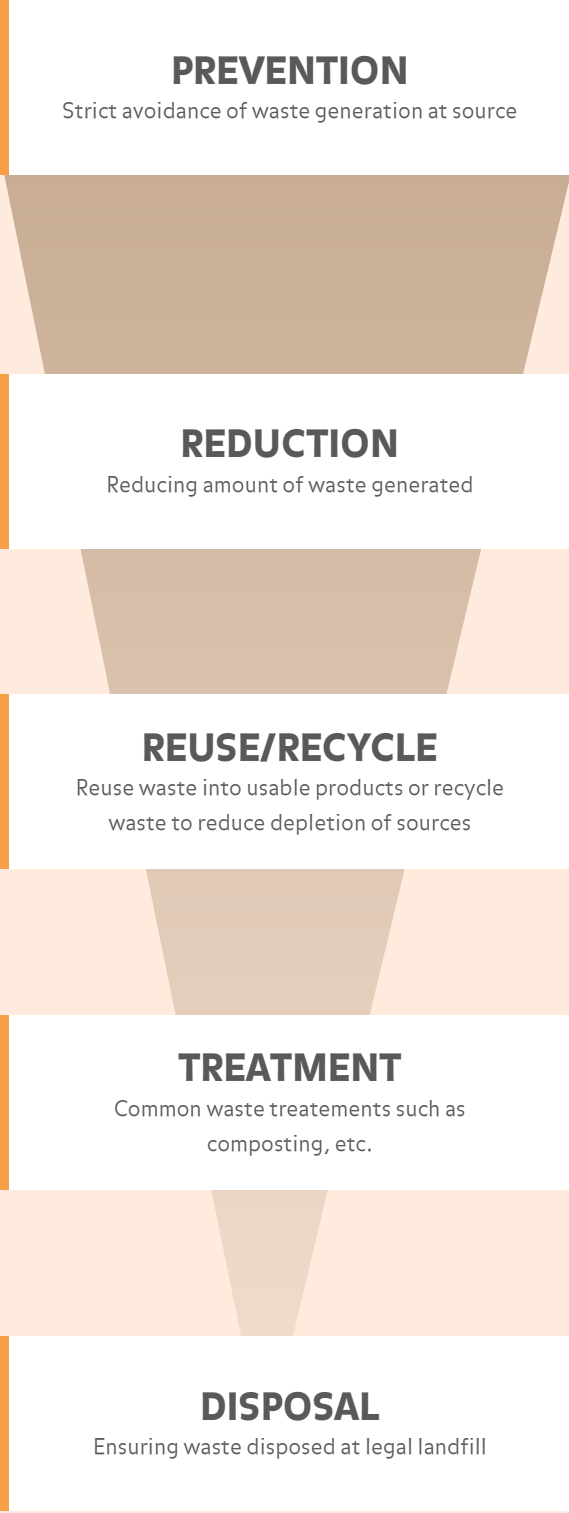
Waste Management and reduction is a priority as it reduces stress on natural resource extraction. Reducing waste to landfill through applying circularity such as 3R’s (reduce, reuse and recycle) or circular economy will help to reduce GHG emissions. However, inadequate waste management will lead to environmental pollution, in particular to water bodies and their ecosystems. This will eventually lead to disrupted potable water supply as pollution loads are too high, and affecting supply chains and the economy.

We acknowledge that our reduction journey still has some way to go. As such, we have identified some of the key issues of waste reduction roadblocks and set in place plans to improve our waste reduction and recycling rates moving ahead. For the year under review, we had a target of 10 percent recycling, yet due to various challenges we achieved 4.44 percent. While the recycling rate was not up to target, we did have a waste reduction of 35.72 percent against a 10 percent reduction target. Our operations, activities and communities develop several types of waste, including construction waste, food waste from our Leisure segment, domestic waste, green waste, and scheduled waste, among others. Licensed vendors are appointed to dispose of scheduled waste in authorised facilities according to the law.

To promote efficient waste management and smooth daily operations, we put in place our very own Waste Management Guidelines (“WMG”) that aims to provide guidance in establishing, measuring and monitoring waste generation and recycling at Sime Darby Property. Implemented in August 2020, the WMG sets out the principle of waste reduction comprising a waste management hierarchy that starts with prevention and ends with disposal. The guidelines, which are accessible via our corporate website, lay out the laws and regulations that we are required to comply with, waste reporting procedure, measuring of waste generation, monitoring, waste category, vendor and storage. In addition, the WMG includes six waste reduction methods:

- 1 Recycling bins available throughout the area
- 2 Implement no plastic policy at site
- 3 Eliminate or combine processes that could generate less waste
- 4 Reuse recyclable items at site
- 5 Conduct recycling awareness campaign for all staff
- 6 Conduct competition on the most recyclables collected

The Hierarchy for Waste Management within Sime Darby Property to Reduce the Quantity of Waste Disposal



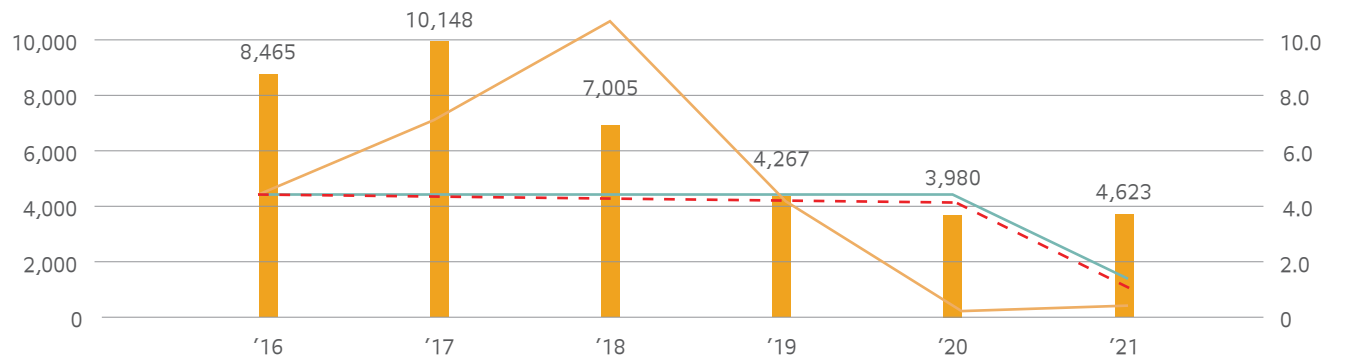
Waste & Water Pollution

We revised the 2016 preliminary waste intensity baseline in 2020 and target to achieve zero solid waste by 2030. In the year under review, our total solid non-hazardous waste showed a reduction of 35.72 percent against the 10 percent reduction target for 2021.



| Non-hazardous Waste Disposal for 2021 (tonnes) | |
|--|-----------|
| Landfill | 4,623.46* |
| Recycling | 205.28 |
| Composting | 96.17 |
| Hazardous Waste Disposal for 2021 (tonnes) | |
| Scheduled waste facility | 41.62 |

Total Solid Waste Generation (tonnes) from FY2016 – FY2021



| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------|--------|--------|-------|-------|--------|
| Total Waste Generation (tonnes) | 8,465 | 10,148 | 7,005 | 4,267 | 3,980 | 4,623* |
| Waste Intensity Baseline 2020 (kg/m²) | 4.490 | 4.490 | 4.490 | 4.490 | 4.490 | 1.223 |
| Waste Intensity (kg/m²) | 4.490 | 6.459 | 12.118 | 4.389 | 0.440 | 0.816 |
| Waste Intensity Reduction Target (kg/m²) | 4.490 | 4.445 | 4.400 | 4.266 | 4.266 | 1.101 |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Waste & Water Pollution

KL East Mall's Sustainable Waste Management

To promote sustainable waste management, KL East Mall rolled out its "Total Waste Management Programme" to monitor and implement effective waste reduction solutions. The programme, which began since the opening of the mall in November 2020, requires the retail and F&B tenants to separate their waste into recyclable, bio-organic/food and non-recyclable waste. Proceeds from the sold recyclable waste is used to hire vendors to collect the daily waste from door-to-door while food waste is sent for composting.

| Waste Collected at KL East Mall in 2021 | |
|---|------------|
| Recycled solid waste: | 64,772 kg |
| Recycled organic and food waste: | 96,169 kg |
| Landfill waste: | 683,614 kg |



Community Recycling Replication

Beyond operational waste management, we advocate community-centric recycling programmes to cut down on waste generation and promote sustainable living. We are looking at establishing a system that educates and encourages our community to make recycling as part of their daily lives. We believe that if the system is easy to adopt, and supported with a monetary incentive, a community recycling system can be realised.

For example, our Solid Waste Recycling programme has achieved 354.2 tonnes of total solid waste community recycling as at end of

2021. The programme kickstarted in 2016 in Bandar Bukit Raja and was subsequently introduced in Bukit Jelutong and Saujana Impian's Vista Mahogani.

In 2021 alone, 106.0 tonnes of community recycling was achieved, of which 5.7 tonnes were recycled by two communities from the Bandar Bukit Raja affordable homes. The two communities took part in a company facilitated recycling and education scheme that is set for two years and sponsored by Yayasan Sime Darby. The recycling scheme, which allows the communities to be paid for their recycling, has channelled RM3,600 (approximately RM11/household) to the residents.

CONTRIBUTE TO A BETTER SOCIETY

As the leading developer of sustainable townships and communities, responding to the needs of our people and the communities around us continues to be our focal point. Within Sime Darby Property, we strive to promote diversity and inclusion, investing in our talents, the needs, health, safety and well-being and of our valued workforce, as they are needed to drive the Group’s objectives. Moving forward, we will make more efforts towards achieving our 2030 Sustainability Goals to create a positive impact on people.

RESPONSE TO COVID-19

99.5% fully vaccinated staff as of December 2021

96% fully vaccinated contractor workers as of December 2021

Provided **RM126,280** worth of food assistance and grocery vouchers to the vulnerable communities in and around our townships in Klang Valley, Negeri Sembilan and Johor

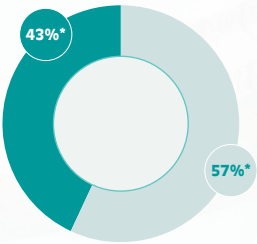
Distributed **6,000** packed food to underprivileged communities through the Bakul Makanan Selangor programme

DIVERSITY & INCLUSION

BOARD DIVERSITY

30%
Women Represented

EMPLOYEE DIVERSITY



Gender: Male Female

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

EMPLOYEE PERFORMANCE REVIEW

100%

NEW HIRES

194

TURNOVER RATE

9.07%

TOTAL TRAINING HOURS

23,520

HEALTH & SAFETY

Developed the **Quality, Health, Security, Safety and Environment ("QHSSSE") Policy**

Lost Time Injury Frequency Rate ("LTIFR") decreased to **0.08** in 2021 from 0.14 in 2020

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

FLOOD MANAGEMENT

Provided food, drinking water and other essentials to about **2,500** affected households in the Bandar Bukit Raja township and communities in Shah Alam, as well as Serenia City in Sepang

22 employees volunteered to clean the affected houses while **2** contractors cleaned the affected roads

COMMUNITY RESILIENCE

Launched **#SDPCares** initiative to support employees and the community via 13 roadshows

Recorded **569** employee voluntary hours in community programmes

AFFORDABILITY

Produced **2,228** units of affordable homes, exceeding the target of 2,000 affordable homes

Community Resilience

Sime Darby Property remains committed to building community resilience by continually creating a fulfilling space for local communities and empowering the underprivileged and marginalised to build sustainable communities. In 2021, we organised various impactful programmes and initiatives to provide community welfare and demonstrate the Group’s social responsibility. These included:

Establishing three urban farms

2
in City of Elmina

1
in KL East

Employees volunteering

1,269.5 hours
and benefiting the communities in need

Organising waste recycling programmes within the townships of Bandar Bukit Raja, Bukit Jelutong and Saujana Impian’s Vista Mahogani and enabling the communities to recycle

106 tonnes of waste

Increasing the income of close to

80.0%
of the Economic Empowerment Programme participants from four townships during the six-month programme

Responding to COVID-19 & Floods

As a responsible corporate organisation, we aspire to support thriving, inclusive and sustainable communities throughout the Group’s townships. In 2021, we focused on alleviating the impacts of COVID-19, as 163 employees and 818 contractor workers were infected with the virus.

The CMT enabled us to ensure:

The Group assembled a Crisis Management Team ("CMT") that was led by our Group Managing Director and supported by the Executive Leadership to manage the unforeseen situation. The CMT implemented necessary policies and Standard Operating Procedures ("SOPs") to enable employees and stakeholders to adapt to the rapidly changing regulations according to the Government’s national health and safety directives.

99.5%
fully vaccinated staff as of December 2021

96%
fully vaccinated contractor workers as of December 2021

99%
Compliance Assessment covering 14 projects

127
Auxiliary Police Officers were assigned to monitor and enforce COVID-19 compliance in the workplace

Community Resilience

To keep our employees safe, we ensured strict compliance with the SOPs and allowed employees to work remotely from home. Employees who needed to work at the premises and worksites were required to use three-ply KN95/N95 or KF94 masks. Additionally, group activities and travelling were prohibited, except for the programmes that were granted special permission.

The Group also extended its care to employees through the ‘COVID-19 Care Support’ programme, where each employee received a specially curated care package. Each package consisted of a pulse oximeter, COVID-19 self-test kits, face masks, face shields, thermometer and cash vouchers for pharmaceutical products in Malaysia. In September 2021, we launched #SDPCares to lend our support to the community and our employees during the pandemic, which saw 13 roadshows that were held to raise awareness on issues relating to COVID-19 at the workplace and at home, conducted in compliance to strict SOPs. This led us to produce a COVID-19 Care Plan Handbook, which directs our employees to the proper channels for advice and support as an additional measure against COVID-19.

Throughout the pandemic, we also provided support in the form of food assistance and grocery vouchers to communities who were financially impacted. Focusing on the vulnerable communities in and around our townships in the Klang Valley, Negeri Sembilan and Johor, we implemented various programmes that included distributing 6,000 packed food to underprivileged communities through the Bakul Makanan Selangor programme.

When flood disasters struck Selangor at the end of 2021, the Group 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. Together with our philanthropic arm, Yayasan Sime Darby (“YSD”), we provided food, drinking water and other essentials to the flood victims. Our staff also volunteered for house clean-ups and while our contractors carried out road cleaning works at townships.

We also organised initiatives to benefit underserved communities, by rolling out Economic Empowerment Programmes which involved providing training and mentoring for entrepreneurs to enable them to increase their quality of life and achieve success in their businesses.

Security Bow Tie Risk Assessment (Case Study)

- Completed the Bandar Bukit Raja (“BBR”) security bow-tie risk assessment in July 2021.
- By having this assessment in place, potential security risks in BBR had been identified and registered as part of a mitigation plan, which had also been communicated to the township’s Auxiliary Police Officers to help conduct their daily operations.
- Continuous updates are done to the assessment to address new risks/gaps.

Community Resilience

Supporting our Communities

The Group continues to be dedicated towards its obligation as a corporation and to this end, we partnered up with Yayasan Sime Darby (“YSD”), to create a positive impact through various environmental and social initiatives to support communities in areas which we operate. Since its inception in June 1982, YSD has contributed greatly towards funding significant conservation, outreach and development programmes. To date, it has managed to impart sustainable values by helping communities through its five (5) focus areas in CSR: Education, Environment, Community & Health, Sports and Art & Culture.

YSD Achievements in FY2021

| EDUCATION | ENVIRONMENT | COMMUNITY & HEALTH |
|---|---|---|
| NO. OF ONGOING EDUCATION PROGRAMMES | NO. OF ONGOING PROJECTS | NO. OF ONGOING PROJECTS |
| 37 | 22 | 22 |
| NO. OF ORGANISATIONS SUPPORTED (FY2021) | NO. OF ORGANISATIONS SUPPORTED (FY2021) | NO. OF ORGANISATIONS SUPPORTED (FY2021) |
| 13 | 20 | 20 |
| NO. OF SCHOLARSHIPS & BURSARY RECIPIENTS (FY2021) | AMOUNT COMMITTED SINCE 2009 | AMOUNT COMMITTED SINCE 2009 |
| 504 | RM159.0 million | RM188.9 million |
| AMOUNT COMMITTED SINCE INCEPTION (1982) | | |
| RM373.2 million | | |

| SPORTS | ART & CULTURE |
|---|---|
| NO. OF ONGOING PROJECTS | NO. OF ONGOING PROJECTS |
| 4 | 14 |
| NO. OF ORGANISATIONS SUPPORTED (FY2021) | NO. OF ORGANISATIONS SUPPORTED (FY2021) |
| 4 | 11 |
| AMOUNT COMMITTED SINCE 2009 | AMOUNT COMMITTED SINCE 2009 |
| RM200.45 million | RM27.95 million |

Community Resilience

In FY2021, the Group contributed RM20 million to YSD to support its CSR efforts across the country which went towards providing financial support, funding for research and development, grants, equipment and operators and more. The following are some significant initiatives which were carried out in the year under review:

Scholarship & THRIVE Programme

Our educational focus has always been to provide quality education to the underserved. As such, YSD grants scholarships and bursaries to Malaysians with outstanding academic results to enable them to further their studies, pursue certificates, diplomas and undergraduate studies. In August 2021, over 5,000 scholarships and bursaries worth RM316.5 million were accorded to students from mid-to-low-income families. Additionally, 504 scholarships and bursaries were given to those in areas where we operate.



Sinar Harapan Festive Aid Programme

Established to serve underprivileged communities with urgent needs, we provided support to assist them during festive seasons throughout the year:

- In May 2021, RM9,500 worth of daily essentials were delivered to 179 beneficiaries of Pusat Jagaan Cahaya Kasih Bestari in Kampung Melayu Subang, Pusat Jagaan Penyayang Nur Iman, Setapak and Pertubuhan Pemulihan Dalam Komuniti Labu, Seremban.
- More than RM10,000 worth of daily essentials were donated to over 300 senior residents and orphans at Nobel Care, Subang Jaya and Pertubuhan Kebajikan Lindungan Ikhlas, Kuala Lumpur in November 2021.
- In December 2021, approximately 200 residents from Persatuan Rumah Caring Kajang, Selangor Cheshire Home, Joseph Shelter Home and Trinity Children’s Home in Selangor benefitted from daily essentials which were donated by YSD.

Since the programme was set up in 2012, RM7.65 million has been donated and this year, 11 welfare homes, over 700 individuals and families have benefitted from this programme.



Community Resilience

Bakul Prihatin Negara – 1-30 September 2021

YSD contributed financial support in this collaborative initiative with Yayasan Kebajikan Negara towards the following:

- 60,000 food baskets worth RM3 million that benefitted B40 families in 13 states and 2 federal territories during COVID-19.
- YSD rolled out food initiatives for marginalised communities worth RM7.2 million, supplying food to over 99,000 families and individuals, mainly from B40 categories, flood victims, teachers and students, frontliners, volunteers, artists, old folks, orphans, refugee families and Orang Asli families.
- Provided surplus food to 1,200 underprivileged families in Lembah Pantai and 2,400 families from Program Perumahan Rakyat (“PPR”) in partnership with The Lost Food Project.



Biji-biji Initiative

An environmental and social initiative, the intention of this campaign is to arm the community with robust sustainable practices in everyday living. YSD engaged the Rumah Selangorku Seruling community to provide support in generating sustainable living habits such as recycling, and practices related to clean energy and farming. The first workshop was held on 20 November 2021 and in subsequent workshops, community members will gain more knowledge on waste, recycling and other sustainable living habits.



Affordability



Sime Darby Property is steadfast in its commitment to providing sustainable and affordable homes to communities from low-income groups, as emphasised in the UN SDG’s principle of ‘Leaving No One Behind’. We aim to build 15,000 reasonably priced homes valued below RM600,000 by year 2030, to address the shortage of affordable homes in the country.

Our emphasis is not only on the price point, but we also make sure that the homes we build are designed to address the usual inadequacies of conventional affordable homes such as insufficient natural lighting, bad ventilation, poor functionality in space planning and generally uncomfortable living environments. To fulfil this,

we implemented a human-centric design approach that increases energy efficiency and provides activity spaces for individuals and communities. We also ensure that we utilised environmentally friendly and sustainable materials and adopted the Modern Method of Construction (“MMC”), which implements systems and methods like Industrial Building System (“IBS”) and Building Information Modelling (“BIM”).

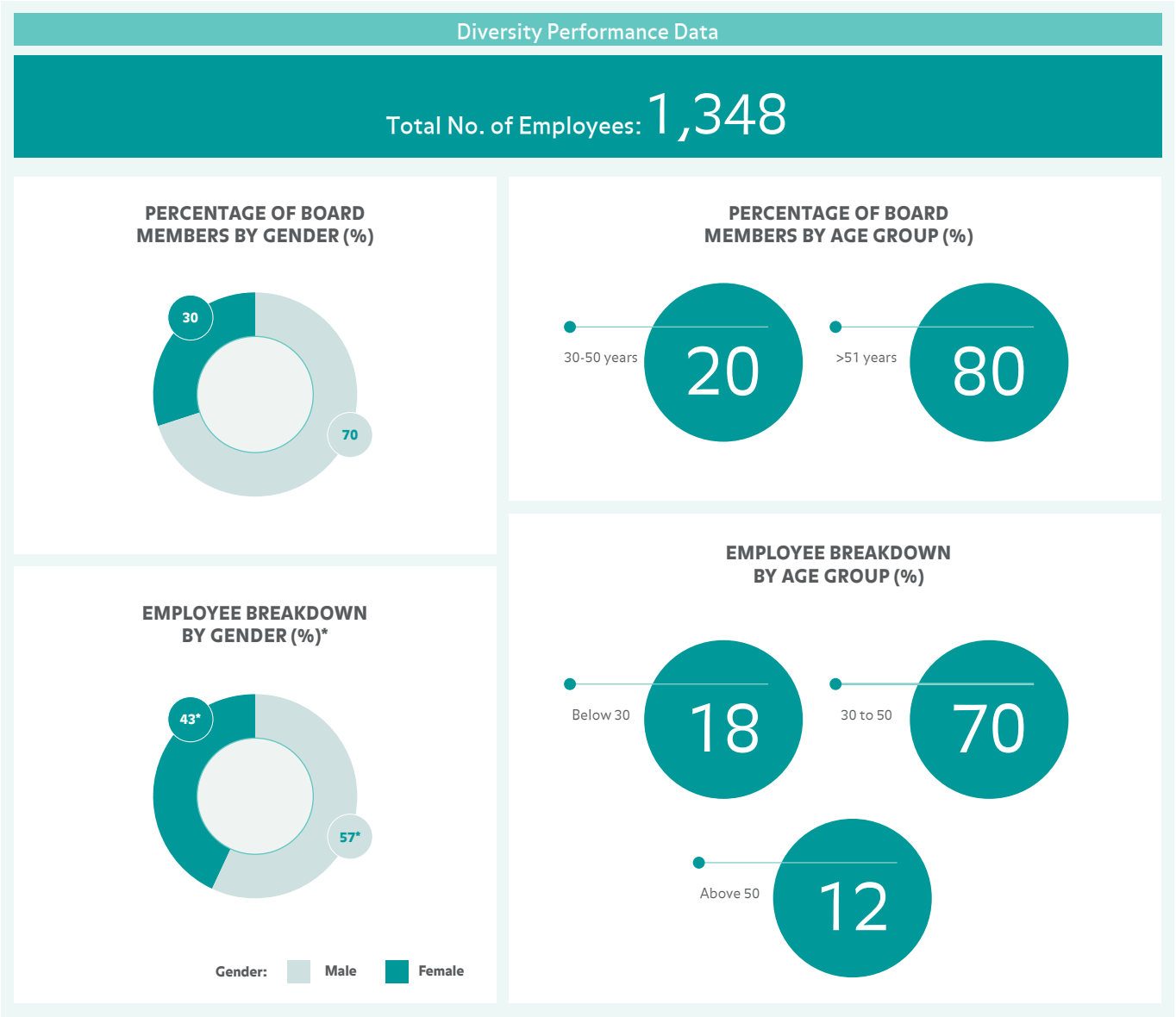
In 2021, we produced 2,228 units of affordable homes, exceeding our target of 2,000 affordable homes. Of the total units we delivered, 1,659 were statutory housing units that were priced between RM200,000 and RM270,000.

Workforce Diversity & Inclusion – A Priority

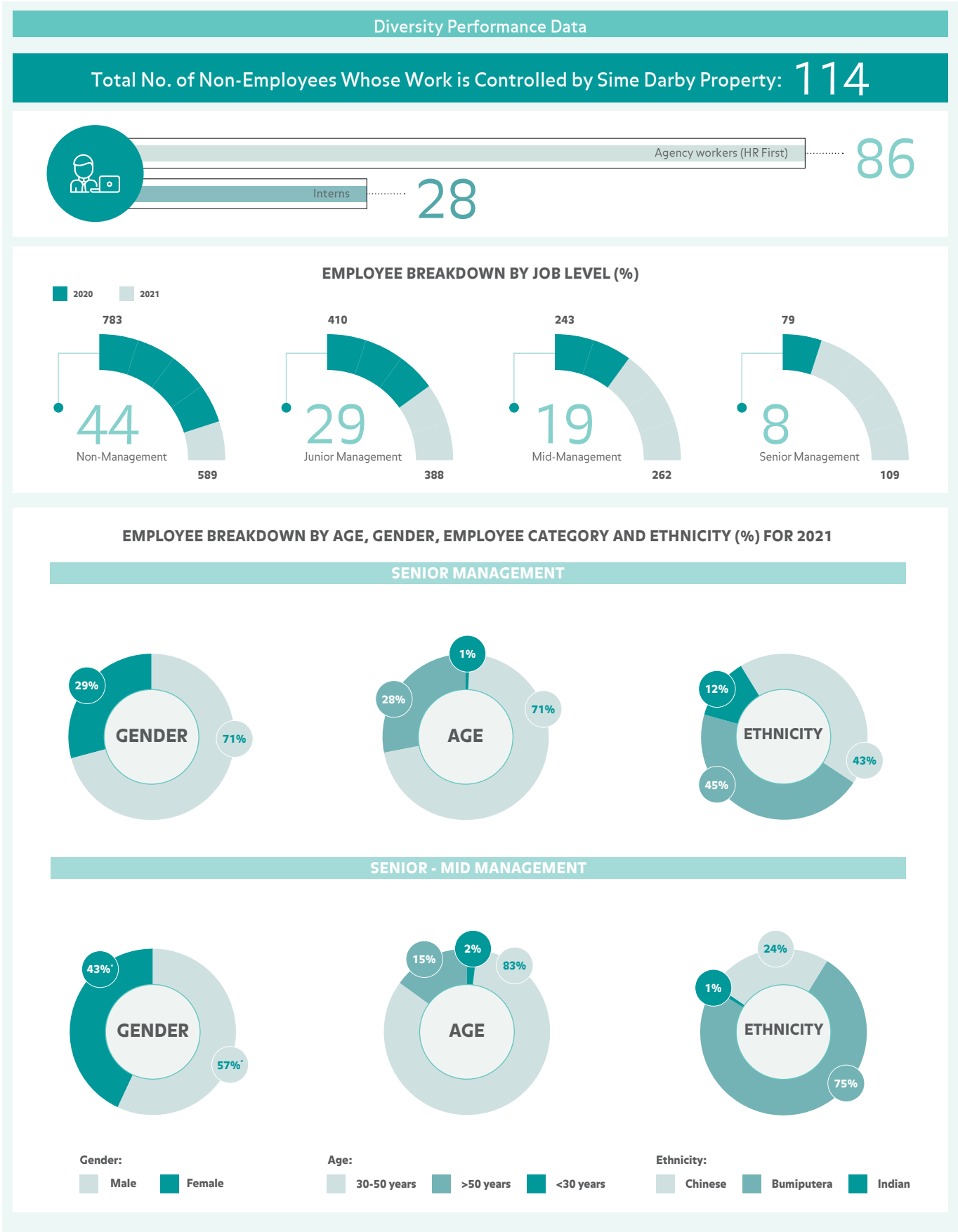
In our journey towards sustainability for all, we strive to embed diversity and inclusion across all divisions in our organisation by enforcing anti-discrimination policies and practices, including employment, and promoting based on merit. Our diversity and inclusion practices are aligned with the Group Policies & Authorities (“GPA”) and our employment principles are in compliance with Equal Opportunity and Anti-Discrimination policies that are ingrained in our internal GPA on Human Resources. It is our belief that diversity is essential to a thriving working environment and that all employees should be treated fairly. For instance, we ensure that the basic salary and remuneration for women is equivalent to that of men, and their salaries are in line with and above the statutory minimum living wage requirement in all regions across our operations.

Our employees are protected by the Group’s Whistleblowing Policy, which functions as a grievance mechanism for employees to file complaints on cases of discrimination without fear of reprisal. There were zero reported cases of discrimination in Sime Darby Property, in the year under review.

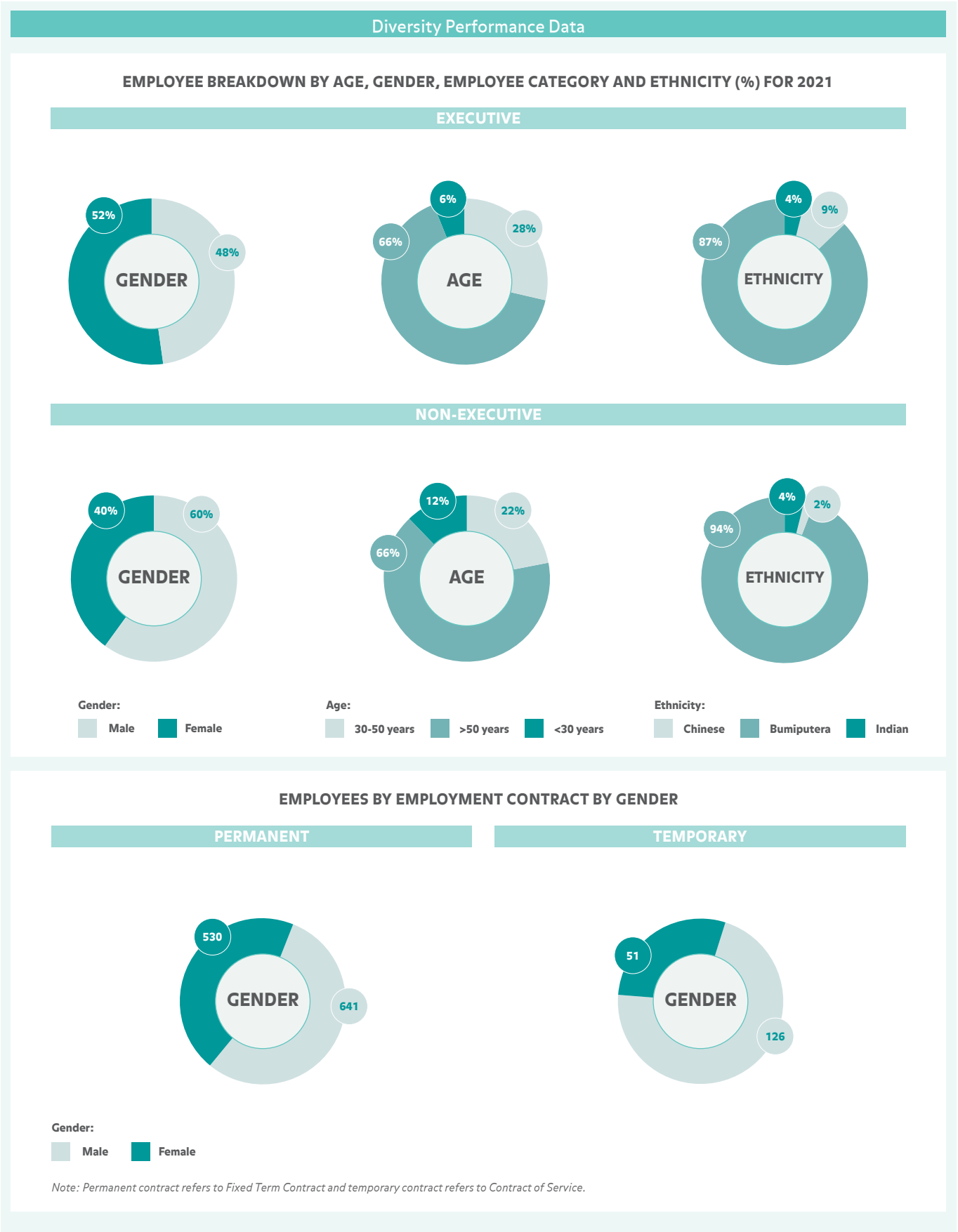
The Group’s total new hires was 194 compared to 139 in FY2020. From the total new hires, 57 percent* were male and 43 percent* were female employees. In FY2021, the Marketing & Sales division accounted for the most newly hired employees amounting to 35 employees, primarily due to a new business plan. SDP recorded a turnover rate of 9.07 percent, which was an improvement from the previous year’s 11.51 percent, with a large majority of turnover mainly in the 30 to 50 age group at 58.4 percent.



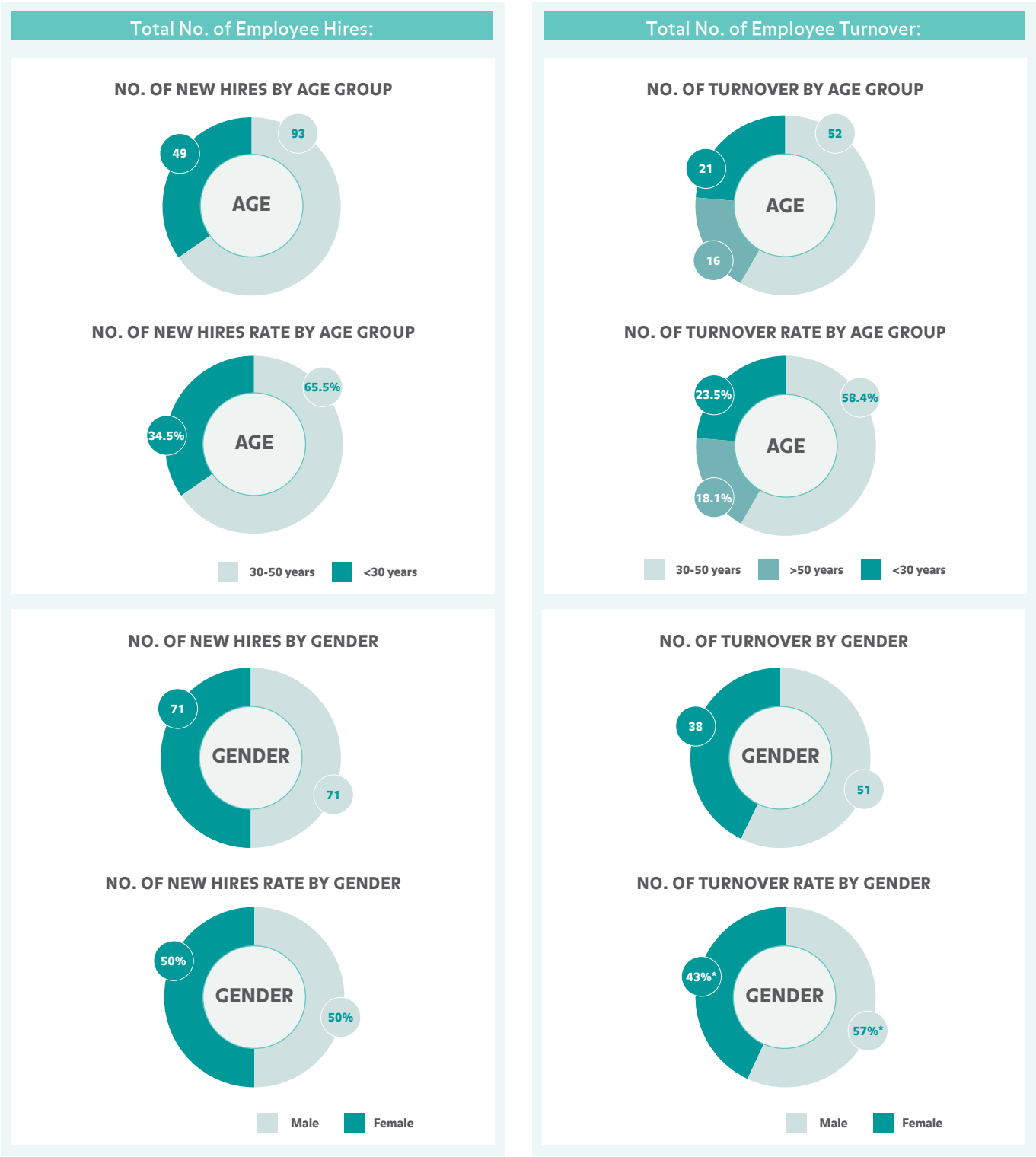
Workforce Diversity & Inclusion – A Priority



Workforce Diversity & Inclusion – A Priority



Workforce Diversity & Inclusion – A Priority

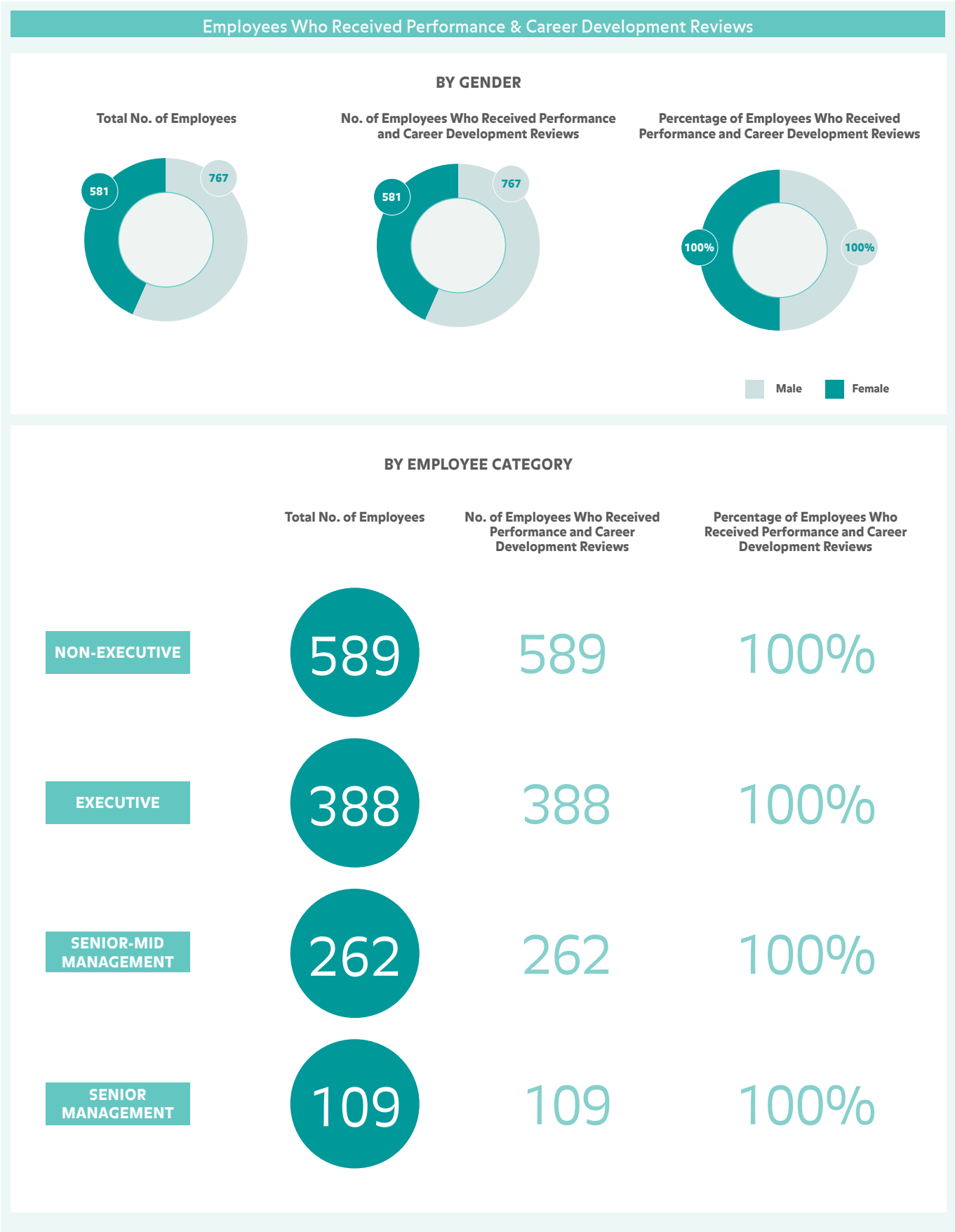


* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Employee Engagement

Employee engagement is vital for the sustainability of our organisation, as it allows us to identify and meet the needs of our people and ensure job satisfaction. Our employees receive an annual performance review, which serves as a useful platform to gather feedback, share ideas and determine if they require further training and development, to ensure the performance and growth of our workforce. In the year under review, 100 percent of our employees received annual performance and career development reviews.

Workforce Diversity & Inclusion – A Priority



Workforce Diversity & Inclusion – A Priority

Workforce Diversity & Inclusion – A Priority

Leadership Talk Series

In 2021, we organised a series of Leadership Talks to expose employees to prominent public figures from various industries. The aim of the initiative was to enable employees widen their knowledge and be inspired by the various successful personalities. During our first session, we had the honour of having Dato’ Sheila Majid as our guest speaker at the virtual Leadership Talk series.



Minimum Wage and Benefits

The Group is appreciative of the time, effort and dedication of its employees and compensates their hard work through payment of wages and benefits. The Group practises minimum wage payment and ensures that there is no discrimination in wages paid across the organisation. All employees are compensated for overtime as stipulated in labour laws and accorded benefits such as life insurance, health care, disability and invalidity coverage, parental leave, and provision for retirement.

| Parental Leave for 2021 | Men | Women |
|---|-----|-------|
| No. of Employees Entitled to Parental Leave | 692 | 518 |
| No. of Employees Who Took Parental Leave | 46 | 23 |
| No. Employees Who Returned to Work After Parental Leave Ended | 45 | 19 |
| No. of Employees Who Returned to Work After Parental Leave Ended and Were Still Employed 12 Months After Their Return to Work | 45 | 19 |
| Return to Work Rate | 98% | 83% |
| Retention Rate | 98% | 83% |

Freedom of Association

We are mindful that our employees have the right to freedom of association and the right to participate in labour unions and collective bargaining. We do not deter them if they wish to form or join a union. In the year under review, one percent of our workforce was covered by collective bargaining agreements. Those who are not covered by collective bargaining agreements are provided terms of employment and their working conditions stated clearly according to the Group’s Employee Handbook. We are pleased to note that there were no violations to freedom of association or collective bargaining among the workers of suppliers and vendors in the year under review.

Labour Management Relations

In terms of labour management relations, we continue to enforce good management of labour relations to nurture a harmonious environment within the Group to enable us to meet our goals. In the event of any operational changes that may take place, we provide a minimum notice period of two weeks to our employees before implementing any significant operational changes that might affect their work.

Human Rights

We are committed to defending human rights throughout our business operations, and across our supply chain. We prioritise matters such as protecting the welfare of foreign workers, ensuring equal employment terms and providing adequate accommodation as emphasised in ethical labour practices. We continue to maintain zero tolerance against all forms of slavery, child labour and forced labour.

We uphold the rights of our employees, vendors and suppliers with our own Human Rights Taskforce (“HRTF”) that was developed to ensure the rights of all stakeholders in our operations. The taskforce is managed by nine (9) members from various departments that work hand-in-hand with local and international NGOs to continuously strengthen human rights across SDP. In 2021, eight (8) Vendor Engagement Sessions with contractors, consultants and suppliers were conducted and a total of 244 attendees (44 percent from 549 vendors) of our Tier-1 vendors participated in the programme. One of the objectives was to share the Group’s approach to sustainability – more specifically on eco-efficiency (carbon, waste, recycling, and water) and human rights. We conducted a Human Rights Assessment Survey among internal stakeholders and revised the Group’s Human Rights Framework.

In the years to come, we hope to make more improvements to reduce and mitigate negative social impacts, enforce human rights across our operations, and continue to drive sustainability in our products, services, and business relationships.

Additionally, all registered vendors and potential vendors are required to read, understand, and adhere to the Vendor COBC, which emphasises our expectations of vendors’ conduct. Vendors are also required to implement and comply to the ‘Employment Practices’ section in the Vendor COBC.

Training & Development

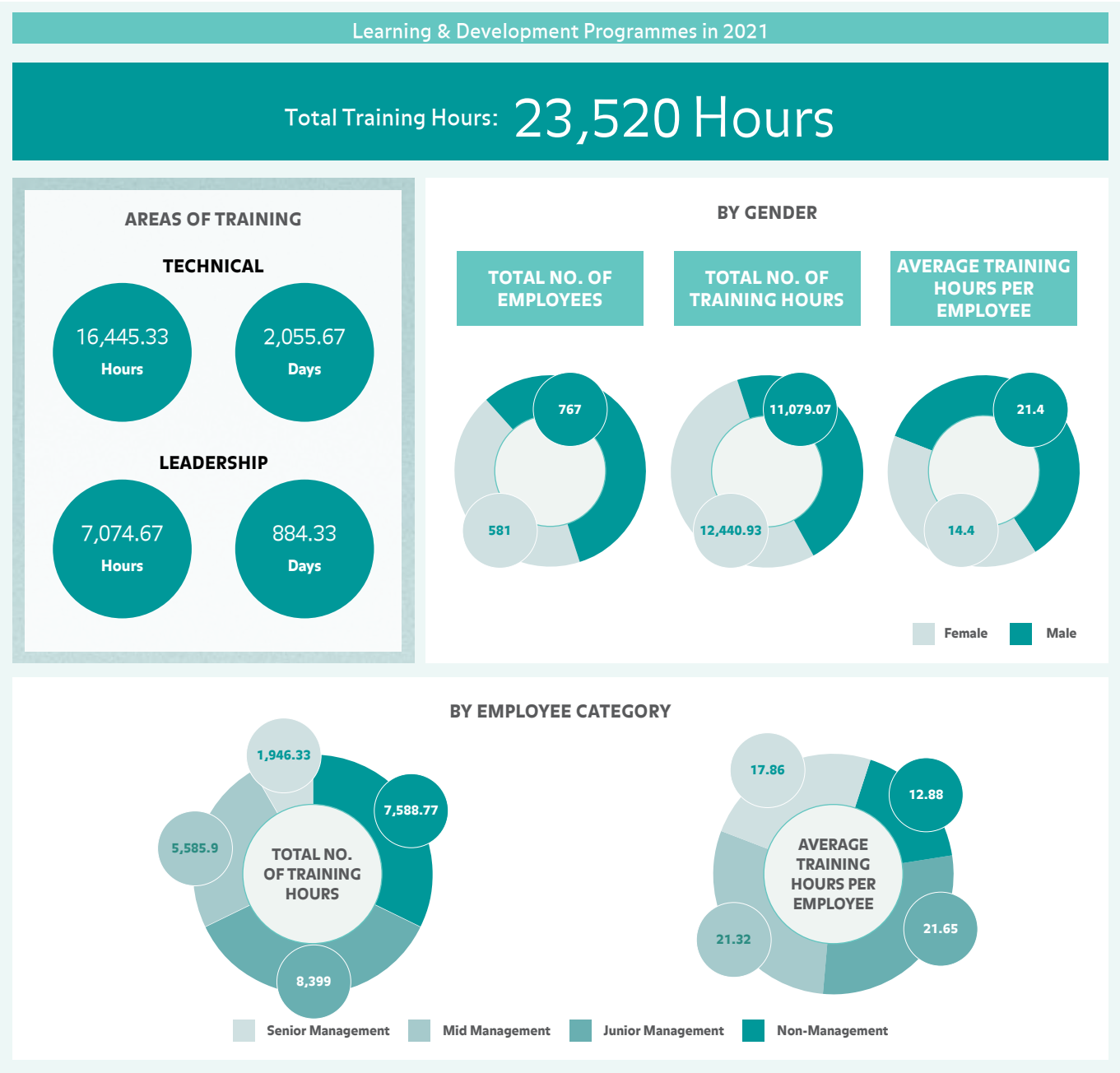
To cultivate an agile and thriving workforce, we continue to invest in our employees across all levels of SDP. We keep our talents updated with the latest knowledge and skills to enable them to have the competency to achieve their goals at work and help them to develop better interpersonal and functional skills. We also organise initiatives to increase productivity, nurture a culture of learning to close gaps and employ digital approaches to have more reach and influence on people.

During the year, we invested RM729,000 in 129 learning and development programmes, where our employees put in 23,520 training hours, on an average of 2.2 days per staff. The number of hours invested in learning and development have been steadily rising since 2018. Apart from that, we launched several programmes and platforms to nurture an engaging and conducive work environment, ensure the well-being of our employees and enable us to retain our talents. These include increasing knowledge on negotiation skills, finding motivation at the workplace, building confidence in English communication, and sharpening of coaching skills. These programmes were in addition to other learning programmes that cultivated creative design thinking and innovative solutions, and increased knowledge on Microsoft Excel and data storytelling.

Annual Management Dialogue – 9-10 February 2021

We hold an Annual Management Dialogue (“AMD”) comprising small engagement sessions and townhalls with employees to encourage sharing of workplace concerns across the organisation. In 2021, the AMD sessions encouraged employees to maintain communication with one another and remain fully engaged throughout the trying times of the COVID-19 pandemic.

Workforce Diversity & Inclusion – A Priority



Transition Assistance Programme

In 2021, SDP provided transition assistance programmes to support employees who have opted for the mutual separation scheme offered by the Group. We initiated an outplacement programme in January 2021, where 20 percent of our affected employees participated in this programme. The programme provided support in the following:

- Social/Emotional and Psychological Support/Coaching
- Resume Writing
- Job Interview Skills
- Enhancing Social Media Presence
- Financial Management Talk
- Debt Management and Advisory Services by Agensi Kaunseling & Pengurusan Kredit ("AKPK")
- Entrepreneurship Talk by SMECorp Malaysia
- Financial Solutions by Bank Muamalat
- Psychological Talk on Self-Branding, Employability & Motivation by Naluri Hidup Sdn Bhd's Executive Coaches & Certified Counsellors

Health and Safety



Sime Darby Property continues to step up its efforts in prioritising the health and safety of employees and contractors' workers. We strive to provide peace of mind to our employees by establishing a safe work environment, through the implementation of safety and health practices such as HSSE Compliance Controls, HSSE Management Systems, and Safety & Health Management Plans across our operations.

Occupational Health and Management Safety System

As the health, well-being and safety of our people are our priority, the Group established a new Quality, Health, Security, Safety and Environment ("QHSE") Policy to accelerate the Group's HSSE and sustainability transformation journey. Introduced in 2021, the policy was initiated to ensure that all HSSE, Quality and Sustainability functions were incorporated under one division, executed under the guidance of a new Head of Department with 25 years of experience in the oil and gas industry.

The Group continues to ensure occupational health and safety policies and practices are complied with and implemented across the board as we aspire to lead HSSE in the industry. Further to that, the Group strives to ensure it complies with the Occupational Safety and Health Act ("OSHA") 1994, Factories and Machinery Act ("FMA") 1967, Construction Industry Development Board Act 1994, as well as other applicable regulations and standards.

Additionally, the Group also complies with its HSSE Manual Management System which protects all employees in the supply chain to further reinforce its current Occupational Health and Management Safety System.

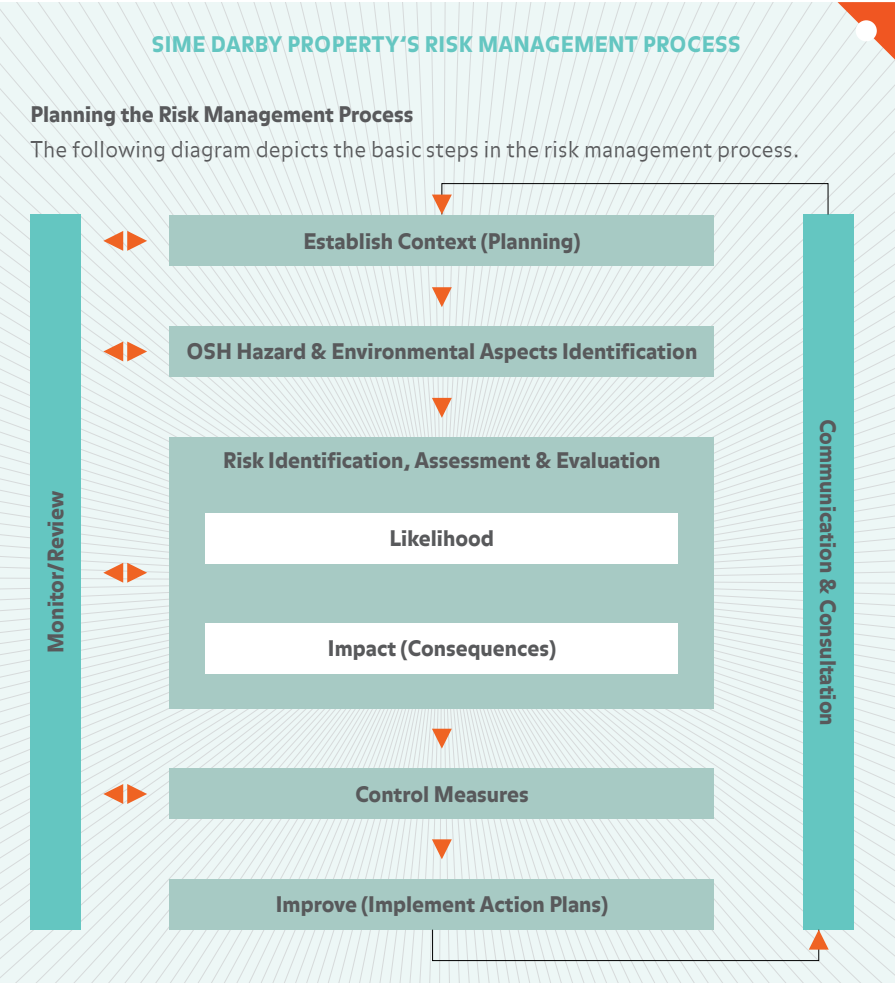
Hazard Identification, Risk Assessment and Incident Investigation

As the Group strives to minimise injuries and prevent accidents from occurring, we continuously identify potential hazards, risks and accidents at the workplace. We determine potential safety and health hazards by first identifying and listing all our activities, hazardous work areas or dangerous machinery. We then establish if there is any source or situation arising from any of these hazardous aspects that have the potential to cause work-related injuries or illnesses. After that, we ascertain if the circumstances of these activities, work area or machinery can potentially control or influence any routine, non-routine or emergency circumstances.

We will then identify risk and site factor, establish control measures, assess risk probability and determine the severity and conduct risk ranking. Once we establish the ranking for low and high risks, we will implement additional control measures and then record an assessment result as Safety & Health Risk Register. The final step in the process would be to execute action plans towards ensuring that employees and others who may be affected are kept at a safe distance from our business activities.

Health and Safety

Health and Safety



Employee Participation in Health and Safety

The participation of our employees is crucial in health and safety governance as it will ensure the efficacy of our health and safety management system across our operations.

In terms of employee participation, consultation and communication on occupational health and safety management system at the Corporate level, HSSE matters are discussed at Risk Management Committee (“RMC”) and Executive Leadership level. At the Operations level, the operating units and relevant department deliberates on issues during internal or development meetings. Meanwhile, HSSE matters are brought up during quarterly meetings, to the Safety & Health Committee where members include representatives from management and employees on issues at the Leisure business segment. Matters that remain unresolved at Operations are escalated to Corporate level. All employees across our operations at Sime Darby Property are guided by the HSSE management system.

Prevention and Mitigation of Occupational Health and Safety Impacts

- We strive to prevent and mitigate occupational health and safety impacts directly linked to our operations, products and services. To this end, we apply the following approach:
- Ensuring that HSSE requirements are included in tender and contract documents
 - Conducting risk assessment, audit and monitoring
 - Learning from incident
 - Conducting Leadership Action Programme (“LEAP”) visit

During the year, we also introduced Safety Observation reporting, to enable employees to report incidents, unsafe acts, or conditions at the workplace and at home. The Safety Reporting practice was initiated to close the gaps, as the number of reported injuries was low and to this end, a system was adopted to encourage the organisation to report safety observations. By December 2021, there was a positive response as 45 injuries were reported by contractors while employees submitted 890 Safety Observations.

To safeguard the health, safety and well-being of the communities in areas which we operate, we monitored our project sites to learn about the impact of our construction activities in the year under review. Environmental Impact Assessment (“EIA”) and Environmental Monitoring Programme were carried out to ensure water, air and noise levels were not hazardous to the health and well-being of communities in the area. The findings revealed that the local community reported about noise caused by machinery, especially in integrated developments that are near other communities, and dust exposure during construction periods in our operations across all locations.

Moving forward, we will continue to mitigate these negative impacts on the community, by adopting strategies such as utilising hybrid technology in machinery to reduce air pollution and putting up sound barriers to manage levels of noise.

Health and Safety Training

Apart from having a robust HSSE Management System and policies, we go beyond good governance and regulatory compliance to instil a workplace safety culture by providing health and safety training throughout the year.

We implemented an action plan to ingrain health and safety into the hearts and minds of our employees, to make it part of their daily practice at work.

The action plan required employees to make use of their basic knowledge in health and safety, by identifying the highest risk, ‘Work at Height’. The team completed the first series of eight (8) manual sections of the Group’s HSSE mandatory requirements under its HSSE Management Framework.

Some of the programmes introduced for employees during the year under review were:

- LEAP visits for Executive Leadership – Four LEAP visits completed by six (6) Executive Leadership team members
- Sessions on Learning from Incidents (Work at Height)
- Systems Thinking – 186 employees benefitted

Improving Workers’ Working Conditions

The Group continued to work towards implementing strict SOPs and safety measures, such as daily body temperature checks, and social distancing rules across all our operations, as COVID-19 continued its onslaught during the year. Additionally, all contractors were required to comply to the Pandemic Management Prevention of COVID-19 Infection for Construction Activities Guideline. As a result of strict SOPs to contain the COVID-19 infection, the Group managed to control the spread at its workplaces and project sites, in the year under review.

Workers’ Quarters Assessment

In 2021, we assessed 75 percent of our operational areas where Contractors’ Workers Quarters were established in the project sites due to COVID-19. We engaged with our contractors and conducted Workers’ Quarters Hygiene Assessments at our sites to ensure HSSE awareness and compliance among contractors. We also continued to make sure our contractors followed the Workers’ Minimum Standards of Housing & Amenities (Amendment) Act 2019 (ACT 446), which was enforced by the

Government since September 2020. The assessment is required to ensure workers’ living quarters are liveable and have facilities for added comfort. In the year under review, the contractors at 14 sites reportedly scored 91 percent in the assessment.

Employee Well-being

We nurture mental wellness across our organisation and enhance the well-being of our employees, by including their family members in our digital platform Jalinan Nurani. Since July 2020, the programme has become a valuable resource during lockdowns by addressing the psychological and emotional needs of our employees and their family members. Jalinan Nurani also offers an extensive range of exciting and interactive programmes and activities including a wellness resource site, health talks, webinars, digital coaching and mentoring services. In 2021, the programme benefitted 1,348 employees.

Through this programme, we also implemented initiatives to help our employees adapt to the new normal, such as enabling work from home arrangements and flexible working hours during lockdowns to support employees with children and responsibilities at home. We also adapted the Compassionate Leave to include caring for children undergoing quarantine for COVID-19. Our staff were provided with digital tools to allow them to work from home and attended online meetings through digital platforms like Microsoft Teams.



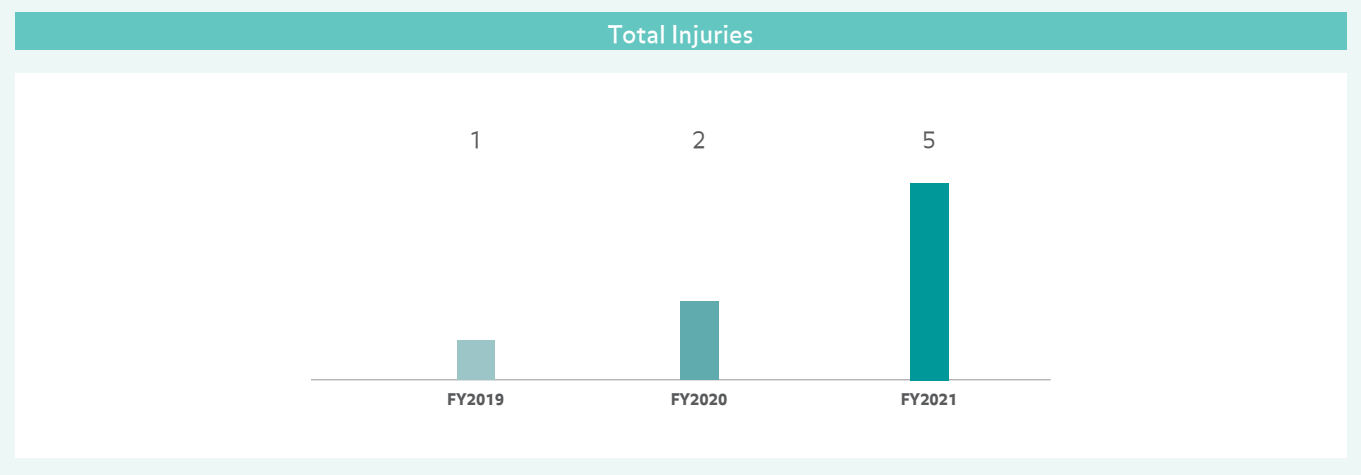
Health and Safety

Health and Safety Performance

There were 45 injuries among workers due to slips, falls and cuts that took place at our project sites, in the year under review. Our Lost Time Injury Frequency Rate (“LTIFR”) decreased to 0.08* in 2021 from 0.14 in 2020, due to less activities in our operations during the pandemic.

There was one fatal accident involving a contractor’s worker in the year under review. This was despite robust occupational health and safety measures and procedures in all our workplaces, which

enabled us to maintain zero fatalities from 2016 to 2020. Following the incident in 2021, we have increased workplace health and safety awareness among employees across all categories, particularly, the groups who work closely with contractors. Stringent measures such as improving safety compliance on safety standards, procedures and practices were implemented at all worksites. Moving forward, we will continue to increase workplace safety efforts through intensified safety programmes and initiatives to keep our employees and contractors’ workers safe.



| Employees | | | | | | |
|---|-----------|------|-----------|------|-----------|------|
| Year | 2019 | | 2020 | | 2021 | |
| | Number | Rate | Number | Rate | Number | Rate |
| Fatalities | 0 | 0 | 0 | 0 | 0 | 0 |
| Work-related injuries | 5 | 1.46 | 2 | 0.64 | 1 | 0.30 |
| High-consequence work-related injuries (excluding fatalities) | 0 | 0 | 0 | 0 | 0 | 0 |
| Recordable work-related injuries (including fatalities) | 5 | 1.46 | 2 | 0.64 | 0 | 0 |
| Number of hours worked | 3,434,589 | | 3,124,000 | | 3,313,856 | |

| Non-employees | | | | | | |
|---|------------|------|------------|------|-----------|------|
| Year | 2019 | | 2020 | | 2021 | |
| | Number | Rate | Number | Rate | Number | Rate |
| Fatalities | 0 | 0 | 0 | 0 | 1 | 0.10 |
| Work-related injuries | 13 | 0.91 | 5 | 0.47 | 3 | 0.31 |
| High-consequence work-related injuries (excluding fatalities) | 0 | 0 | 0 | 0 | 0 | 0 |
| Recordable work-related injuries (including fatalities) | 1 | 0.07 | 0 | 0 | 1 | 0.10 |
| Number of hours worked | 14,308,723 | | 10,590,664 | | 9,790,235 | |

Note: Rates were calculated based on 1,000,000 hours worked.
* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY

Good governance and economic sustainability are the foundation for long-term sustainable business growth.

At Sime Darby Property, we utilise the financial and economic impacts of our business activities as the indicators of our Prosperity sphere and the relevant 2030 SGs. This supports our pursuit to actively contribute to building a resilient and competitive economy, as we seek to create tangible and intangible value for all stakeholders, including creating job opportunities for the local communities and supporting the local industries. Our value creation journey is strengthened by our commitment to upholding the highest standards of governance and having zero tolerance for corruption.

ECONOMIC INJECTION

Economic Value Retained for Reinvestment

RM673.6 million

No. of jobs created for the local communities

2,740 jobs

Indirect Economic Impact

Invested RM530 million in infrastructures and facilities to benefit the communities in which we operate

Total economic injection to vendors and suppliers

RM1,380.43 million

SUSTAINABILITY GOVERNANCE

Expanded the application of SUSDEX to all business segments across the Group

CORRUPTION RISK & INTEGRITY

0 Confirmed incidents of corruption

Sustainability Governance

Sustainability Oversight

Sime Darby Property practises tone from the top in its sustainability governance, which is led by the Group’s Board of Directors. The approach consists of a three-tier oversight and decision-making structure to govern matters related to the Group’s sustainability policy, strategy, goals and implementation.

In addition, the Safety & Sustainability Department updates the Board regularly on the Group’s sustainability performance, key programmes and initiatives, and overall progress on the 18 2030 SGs. This is to ensure adherence and to instil accountability across all layers of the Group’s programmes every year.

Tier 1

Board of Directors provides high-level oversight, fulfilling the requirements of the Securities Commission’s revised Malaysian Code of Corporate Governance (“MCCG”)

Tier 2

Risk Management Committee (delegated by the Board) is responsible for monitoring the Group’s key sustainability risks. This includes monitoring and advising Management on the progress update against the Sustainability Strategy, Climate Change actions and the broader sustainability risks

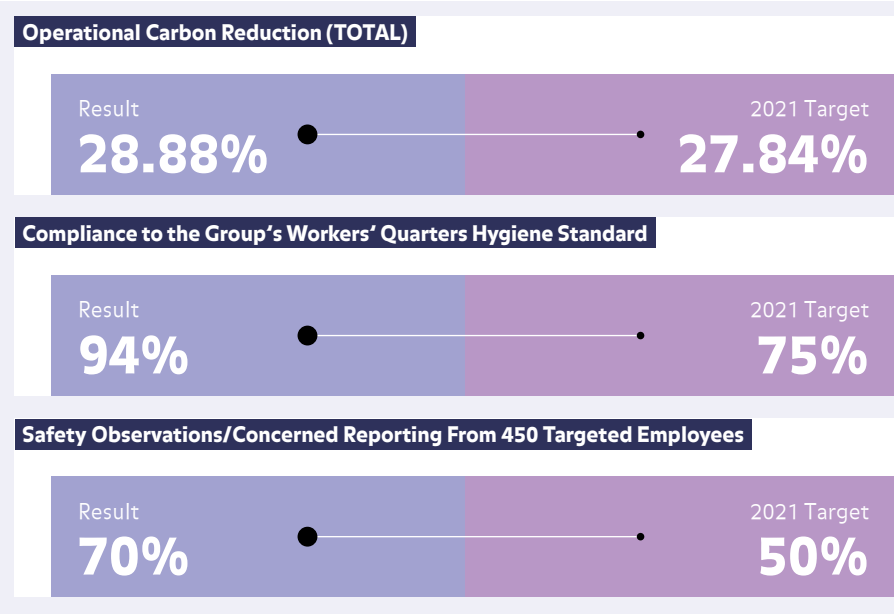
Tier 3

Group Managing Director and Executive Leadership ensure the tone from the top is implemented within the Group’s products and services, and that sustainability is embedded across the Group’s processes and systems

2021 Corporate Sustainability KPI

In 2020, we strengthened our sustainability journey by implementing Green Sustainability KPI for the Group’s Executive Leadership and incorporating the KPI within our Corporate Scorecard to boost accountability. The Green Sustainability KPI, which is developed based on the yearly targets in the 2030 SGs is under the portfolios of the GMD and the relevant Executive Leadership.

In 2021, we continued to incorporate a sustainability KPI Index in the Corporate Scorecard for the second consecutive year, with a 10.0 percent weightage. The KPI Index focused on three (3) sub-KPIs that cover ESG, and we are pleased to report that all the 2021 targets in the KPI Index were exceeded:



Data Quality

Assuring the quality of our sustainability data will improve the credibility of our sustainability reporting and boost stakeholder confidence. In 2021, five of our ESG metrics were assured by external consultant (PricewaterhouseCoopers PLT Malaysia) while eight of our 18 2030 SGs were assured by our Group Corporate Assurance Department (“GCAD”) based on their potential impact and significance.

The assurance concluded that the reporting of goal achievements was well-coordinated between the relevant stakeholders and Group Corporate Sustainability, as the respective data owners were able to provide sufficient data for verification.

Sustainability Activism

As an aspiring leader in sustainable community development, we champion the climate change agenda and prioritise climate action. We are committed to sustainability activism and are actively involved in raising awareness on climate change and global warming.

In the year under review, we participated in ten (10) engagement sessions on climate change organised by the CEO Action Network (“CAN”). The purpose of the engagement sessions was to accelerate the climate action items that were included within a white paper to the Federal Government. As a result of a collaboration with CAN and Climate Governance Malaysia (“GCM”), the following four (4) topics were established for the property sector for roundtable discussions and subsequent white paper documents in which Sime Darby Property was part of the secretariat:

- 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

In addition, we became a signatory of the British Malaysian Chamber of Commerce’s (“BMCC”) Climate Action Pledge that was launched on 28 October 2021. This places us among a network of 22 business organisations that share a similar commitment to raising awareness and combatting climate change. We pledge to accelerate the Group’s efforts to fulfil its goals and commitments towards decarbonisation, and we are expected to submit the first report of our progress within the chosen goals to BMCC by November 2022.



Sustainability Activism Within the Group



Internally, we implemented various initiatives to embed sustainability into our DNA and instil awareness of climate change across the Group.

In June 2021, we organised our first virtual Sustainability Day, themed ‘2030 Starts Now!’, which saw 684 employees taking part and exchanging ideas on reducing carbon emissions. The event was held to create a sense of urgency in tackling climate change and to raise awareness of the Group’s commitment to the UN SDGs.

Among the highlights of the event was the establishment of the Group’s 48-member ‘Team 2030’, led by Group Managing Director, Dato’ Azmir Merican, to drive sustainability movement within the Group. Other than that, several Sime Darby Property township and development teams received awards for their sustainability performance.

Within the same month, we organised ‘Safety Day’, themed ‘Comply’, which was held in ten (10) locations involving 838 employees. The objective of the event was to instil a safety culture among employees and increase awareness on the importance of implementing on-site safety standards, supervision, self-regulation and basic safety compliance and reporting.

Sustainability Governance

Entrenching ESG in the Supply Chain

To ensure long-term value creation, it is vital for us to embed good sustainability practices into our supply chain network. In the year under review, we actively engaged with our suppliers and vendors to extend our sustainability approach across the supply chain and encourage them to align their business practices with our sustainability goals. Our commitment towards entrenching ESG practices in the supply chain is reflected in our CDP B- rating for supplier engagement.

Towards the end of 2020, we restructured our vendor sustainability engagement programme and by the start of 2021, we have conducted eight (8) online sessions with our vendors via Microsoft Teams, which were participated by 124 consultants, 152 contractors and 165 suppliers. The sessions were aimed at sharing the Group’s sustainability approach, specifically on human rights and eco-efficiency programmes involving carbon, waste, recycling and water management and labour practices for foreign workers. The sessions also covered the Group’s efforts in creating awareness about the 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 society at large.

In January 2021, the Group launched its Vendor Code of Business Conduct (“Vendor COBC”) and the Vendor Integrity Pledge (“VIP”) to help its vendors employ best business practices. The Vendor COBC is to ensure vendors’ compliance with the Group’s standards of behaviour and business ethics while the VIP ensures vendors and suppliers uphold the Group’s anti-bribery and corruption practices. Focusing on human rights, the Vendor COBC is especially important with regards to employees, consumers, as well as our environmental impact. Both policies are in tandem with the Group’s aspiration of enabling its vendors and business partners to join its sustainability journey. The comprehensive policies cover:

- Compliance requirements
- Governance and management systems
- Ethical practices
- Protection of assets and information
- Environmental protection
- Employment practices

The requirements and conduct expected from our suppliers include:

- Compliance with all local laws
- Adherence to agreed upon standards of quality, timeliness and delivery
- Responsible employment practices
- Zero-tolerance for human rights violations and
- Business practices that minimise the environmental impact

To assess the sustainability awareness of our vendors, we conducted an online vendor-engagement survey from 19 November 2021 to 3 December 2021 and garnered 34.7 percent response rate from active vendors in the year under review. While the findings revealed that majority of our vendors do not employ sustainability practices in their activities and operations, the results implied that there are vast opportunities for us to instil the Group’s sustainability agenda within our supply chain. To this end, we will step up our engagement efforts with our vendors, who have a vital role in reducing the Group’s Scope 3 carbon emissions and in improving labour practices in our value chain.

| Online Vendor-Engagement Survey | |
|--|---------------|
| Categories of Response | Response Rate |
| Vendors with no structured eco-efficiency programme to manage carbon emissions, water resources and waste | 90% - 95% |
| Vendors with ESG tools and processes in place or in progress | 50% |
| Vendors considering implementing sustainable practices in all 4 aspects of eco-efficiency i.e., carbon, waste, recycling and water, within 5 years | 50% |

Sustainability Governance

Sustainability Monitoring Tools

Measuring our sustainability delivery is part of our value creation journey to ensure we are on the right track towards generating long-term positive impacts for our business and our stakeholders. Each year, we conduct sustainability assessments using the internally developed Sustainability Index (“SUSDEX”), which measures the delivery of our sustainability performance against internal, local and global assessment frameworks. These include 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.

Since its implementation in 2009, SUSDEX was initially applied only to the Group’s Property Development segment’s business units. In 2021, we expanded the refined SUSDEX tools to all our business segments to produce a comprehensive result. This means we are able to measure sustainability levels across the PPP, encourage engagement with operational teams, and position the Property Development for green certification.

In 2021, SUSDEX was expanded to:

1

Property Development (19 townships)

2

Investment & Asset Management (5 assets)

3

Leisure (3 operating units)

Other than SUSDEX, we utilise other monitoring tools and guidelines to ensure minimum sustainability elements or standards are incorporated into our products according to their categories. For instance, in landscaping, we are required to replace one tree for every tree removed from its site to meet the minimum 1:1 tree replacement ratio. Furthermore, we are expected to plant a balanced mix of multi-species in landscaping, conduct biodiversity assessment and inventories to mitigate ecological impact, and improve biodiversity based on the 10.0 percent endangered, rare, and threatened (ERT) tree planting target. Our sustainability measurement efforts are further supported by the Group’s Carbon, Waste/Recycling and Water Footprint projects, which collect data and monitor targets.

Additionally, we rolled out two new sustainability monitoring tools in the year under review. The introduction of ‘Minimum Sustainability Elements Guidelines’ and ‘Checklists monitoring tools’ signified the beginning of standardisation of sustainability elements in landed and high-rise products and within infra and landscape. For instance, for a two-storey terrace house that requires the incorporation of about 30 sustainability design elements, we will monitor the compliance level during the design process. This means products based on price range will have standardised sustainability elements included, such as insulation, energy efficient design, security systems, green label items including water efficient fittings, FSC wood elements and solar PV, among others. The checklist system, which was tested in 2020, will be updated in 2022 and will be developed for industrial products.



Economic Injection

Sime Darby Property views economic performance as the key towards achieving sustainable growth. We are accountable to our investors for the management of our assets and capital.

As a leading property developer with a total estimated Gross Development Value (“GDV”) of RM104 billion, our financial capital indirectly invigorate local economic growth, supports local industries and enables us to maintain good relations with the local communities. We measure our economic and financial performance by conducting a yearly external and internal audit on selected data to evaluate the effectiveness of our assets and capital management. This helps to ensure that we are on track towards achieving our financial goals.

Our projects distribute economic value in the form of salaries, taxes, payments to vendors and contributions to environmental, social, and governance causes. In 2021, we retained RM673.6 million for reinvestment.



SIME DARBY PROPERTY ECONOMIC VALUE GENERATED AND DISTRIBUTED FOR 2021

| Economic Value Generated (RM ‘thousand) | | Economic Value Distributed (RM ‘thousand) | |
|--|--|---|-----------|
| Operating Value: RM589,423 Other Income: RM 115,525 | | Operating Costs | 1,940,877 |
| | | Employee Wages and Benefits | 178,176 |
| | | Dividends | 68,008 |
| | | Taxes | 137,265 |
| | | Community Investment | 27,700 |
| | | Economic Value Retained for Reinvestment | 673,626 |

Economic Injection

Indirect Economic Impact

As a sustainable developer, we go beyond contributing direct economic value by building infrastructures and facilities to benefit the local communities in which we operate. This includes building Malaysia’s first inclusive playground through a collaboration with UNICEF Malaysia in 2020. In 2021, we invested RM530 million in infrastructures and facilities to create positive impacts in various areas including providing water supply, building a bridge and upgrading a road and a river. Except for KL East Geopark, all projects are still in progress including:

Our aim to provide sufficient water supply for Sime Darby Property developments, and all participating developers along the Guthrie Corridor Expressway

RM35.30 million

Integrated Water Supply Scheme (“IWSS”) Northern Corridor Southern Line

IWSS Cybersouth:
RM49.8 million

IWSS Serenia:
RM20.9 million

Sime Darby Property is one of the developers contributing to the project to ensure adequate water supply for the development of projects in Sepang

IWSS Cybersouth & Serenia




Meru Interchange

RM73.50 million

Upgrading Jalan Meru’s road network to improve connectivity in the area

Economic Injection



Central Park/Town Park

Sime Darby Property’s townships aim to have more green public spaces for the community, specifically:

- a central park and urban park area at City of Elmina,
- a town park at Bandar Bukit Raja, and
- a Central Park at Serenia City.

RM15.45 million


Sime Darby Property aims to improve road connectivity at Serenia by connecting the existing phases under development with areas that are set to launch in the future.



Bridge over Express Rail Link Sdn Bhd at Serenia City

RM8.75 million

Part of upgrading works to the existing river to overcome flooding issue at Kampung Ampar, Tenang.



Upgrading part of Sungai Semarang at Serenia City

RM1.6 million

The park features a new hiking trail for the community’s use.



KL East Park

Economic Injection

Procurement

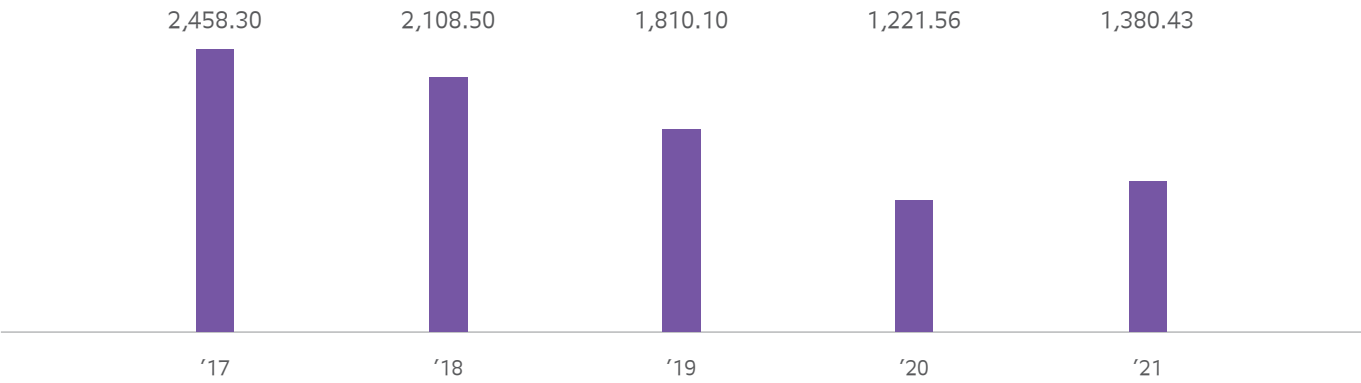
Our procurement budget accounts for a large part of our costs and we rely on thousands of contractors, consultants, suppliers and non-construction vendors to ensure smooth daily operations. As a leading developer in Malaysia, we aim to support local businesses as much as possible by procuring local products and services. This does not only lower our operational costs and carbon footprint, but also enables timely delivery.


In 2021, we engaged 2,387 suppliers, whereby 99 percent of them were local vendors with businesses registered in Malaysia. This surpassed our Goal 1’s target of ensuring 90 percent of our supply chain is by local industries, which indirectly increased our contribution to the local economy.

We were aware that disruptions from the pandemic had affected the cash flow of some vendors who struggled to stay afloat. As such, we took a proactive approach to help ease their cash flow by expediting payments in 14 days instead of our standard 30 days.

Our total economic injection to our vendors in 2021 stood at RM1,380.43 million, a 13 percent increase compared to the previous year, as more business sectors resumed activities amid the relaxation of movement control regulations.

Yearly Procurement Spend (RM’ mil)





No. of Jobs Generated in 2021: 2,740 jobs
(+10.89% from 2,471 jobs in 2020)

Corruption Risk & Integrity

This section should be read together with the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control in Sime Darby Property’s Integrated Annual Report 2021 on pages 172 to 206 and 207 to 213, respectively.

A strong foundation of good governance, ethics and integrity will lead to sustainable business growth and long-term value creation in Sime Darby Property. We believe sound corporate governance and good work ethics and values among employees will enable us to navigate the rapidly evolving economic challenges and adopt and adapt to change.

In our aspiration to be a leading sustainable community developer, we are committed to upholding the highest standards of ethical conduct, integrity and accountability in all our business activities and operations. We comply with the Group’s Anti-Bribery & Corruption Policy, and maintain a ‘zero tolerance’ stance against bribery and corruption. We will not hesitate in taking the necessary and appropriate actions against any incidents involving bribery and corruption, including but not limited to, disciplinary and/or termination action (for employees), termination of contracts (for counterparts) and/or lodging reports to the relevant authorities (employees and counterparts). The Board of Directors and Executive Leadership are committed to implementing and enforcing effective, robust policies and procedures to prevent, monitor and eliminate bribery, as well as to continually improve the Group’s Anti-Bribery Management System. In the year under review, there were no proven incident of corruption.

While we recognise that it is not possible to fully detect, prevent or mitigate corruption risk due to the inherent concealed nature of the act itself, we strive to minimise and reduce corruption risk where possible across the Group. A Group-wide corruption risk assessment was conducted in late 2019 and thereafter on a quarterly basis, whereby the exposure and impact of the identified corruption risks are re-assessed and updated to ensure its applicability to the Group. The updated corruption risk profile is reported to the Risk Management Committee and the Board on a quarterly basis.

Further to that, we have in place various frameworks, policies and guidelines to mitigate and reduce bribery risks, including:

- Anti-Bribery Management System (“ABMS”) Manual: Guided by and designed to reflect the requirements of ISO 37001:2016 Anti-Bribery Management System
- Code of Business Conduct (“COBC”): Sets out detailed policy statements on the standard of behaviour and ethical conduct expected of all Directors, employees, counterparts and business parts of the Group
- Vendor COBC: The Vendor COBC and Vendor Integrity Pledge lay out the expected standard of behaviours of our vendors and counterparts

- Whistleblowing Policy: Provides a transparent mechanism and avenue for all stakeholders to report or raise genuine concerns on any misconduct without fear of retaliation or intimidation. The policy also sets out a clear procedural guide for whistleblowing and assures confidentiality and anonymity of whistleblowers. In the year under review, the whistleblowing channel received various reports of potential misconducts. All whistleblowing reports are investigated and reported to the Audit Committee, and where appropriate, to the Board. Appropriate actions are taken for proven cases
- Gift, Entertainment and Travel Policy: Enables Directors, Management and employees to uphold integrity and professionalism when conducting business with external stakeholders
- No Gift Policy: Reflects the Group’s commitment to the highest standards of integrity and good governance in all its business conducts
- Anti-Bribery and Corruption, Anti-Money Laundering, Conflict of Interest, Sponsorship and Donation Policies: Reflects the Group’s zero tolerance stance against all forms of bribery and corruption
- Corporate Liability: The Group has taken proactive actions to comply with the Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act 2009”)

Communication and Training on Anti-Corruption

Effective communication of the Group’s zero tolerance against bribery and corruption is essential in combating unethical business conducts. Thus, we communicate our anti-corruption policies and procedures to all internal and external stakeholders through various engagement channels. The policies in relation to Anti-Bribery and Corruption are reviewed annually as part of the Group’s annual policy review. These policies including any changes therein, are approved by the Board prior to its implementation. Changes to the policies are communicated to all employees as part of the Group’s communication process.

In 2021, all employees were required to confirm their understanding of the Group’s Anti-Bribery and Corruption policies via the Annual Integrity and Compliance Pledge. All new employees are also provided Anti-Bribery and Corruption training as part of the employee onboarding exercise. Anti-Bribery and Corruption policies and requirements are also communicated to the Group’s vendors as part of the Group’s vendors on-boarding and renewal process. All vendors are required to confirm their understanding and compliance to the Group’s Anti-Bribery and Corruption policies (and the related law and regulations) via the Vendor Integrity Pledge.

Data and Cyber Security



While pivoting to online platforms allows business organisations to navigate disruptions from the pandemic and reach out to their customers, it also increases the risk of data and cybersecurity breaches. At Sime Darby Property, we acknowledge that protecting the personal details and privacy of our stakeholders is crucial in establishing trust and demonstrating responsible business conduct, apart from ensuring smooth daily operations.

We constantly enhance our Information Technology capabilities through awareness, policies and procedures governed by the Risk Management Committee and the Group’s Technology Innovation Committee. Our cybersecurity is safeguarded by our Group Policy and Authority A2 – Information Technology and Group Information Security Policy (“GISP”).

To manage and mitigate data and cybersecurity risk, we focus on updating and upgrading our infrastructure and processes regularly, increasing data and cybersecurity awareness and capacity within the organisation, as well as implementing the Security Operations Centre (“SOC”) to monitor and manage all cybersecurity matters.

We also conduct an annual security posture assessment and engage an external consultant to evaluate the health of our data infrastructure and security systems to bolster our security measures. In the year under review, we maintained our record of zero cybersecurity violations due to stringent security measures. We will remain committed to protecting our stakeholders’ data and privacy and continue to aim for zero violations in 2022 by complying with IT security standards.

Our Foray Into Sustainability Financing

At Sime Darby Property, we strive to strike a balance between meeting our financial and business goals and generating long-lasting positive impacts for our communities. This necessitates the implementation of strategies that enable us to leverage on financing facilities in the market to achieve optimum results while carrying out socially beneficial projects, in line with the UN SDGs’ aim of leaving no one behind.

We 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 18 SGs and the UN SDGs. The Sukuk Musharakah Programme is rated ‘AA-IS’ by the Malaysian Rating Corporation Berhad (“MARC”), which demonstrates the Group’s sound business fundamentals.

The use and management of the SRI Sustainability Sukuk Musharakah Programme’s proceeds, project evaluation and selection and reporting are governed by Sime Darby Property’s Sustainability Sukuk Framework. Rated ‘Gold’ by MARC, the framework is based on local and global guidelines, and reflects Sime Darby Property’s positive environmental and social impacts of the projects funded by the Group’s Sukuk Musharakah Programme. It outlines five (5) key categories that are eligible to be funded by proceeds from the SRI Sustainability Sukuk Musharakah Programme:

- i

Pollution Prevention and Control
- ii

Terrestrial and Aquatic Biodiversity Conservation
- iii

Energy Efficiency and Climate Action
- iv

Affordable Housing
- v

Socioeconomic Advancement and Empowerment




On December 2020, we issued RM800 million Sukuk Musharakah under its Islamic Medium Term Notes Programme (“IMTN”) of RM4,500 million. Out of the RM800 million issuance, RM 150 million with 5-year tenor was identified as ASEAN Sustainability SRI Sukuk Musharakah, where proceeds from this tranche were utilised towards projects that meet the criteria as set out in the Group’s Sustainability Sukuk Framework.

The first tranche in December 2020 covered five (5) projects comprising two (2) affordable housing developments, the ERKC, the ELCN and Malaysia’s first inclusive playground. As a result, 872 units of landed and high-rise affordable housing were completed, which benefitted 3,488 residents, while 5,386 children and adults were engaged in educational activities and programmes to learn about rainforest through the ERKC. Further to that, the ELCN grew about 22,000 seedlings of 94 rainforest species while the playground enables all children with and without disabilities to play together as equals.

As projects under current Eligible Assets are completed, new Eligible Assets are identified to fully allocate the Sukuk proceed on annual basis. The Eligible Assets identified comprised five (5) Affordable Housing projects and two (2) Terrestrial and Aquatic Biodiversity Conservation projects and are aligned with four (4) UN SDGs.



Our Foray Into Sustainability Financing

| Company | Township | Development Type | No. of Units | Status | GDC or other cost (RM mil) | Cost Incurred (RM mil) | Proposed Allocated Sukuk Proceeds | Eligibility Criteria/ Sustainability Goal Achieved |
|----------------|-------------------------|-------------------------------|--------------|----------------------------|----------------------------|------------------------|-----------------------------------|---|
| SDP Bukit Raja | Putra Heights Harmoni 1 | RSKU | 1,659 | Completed on 8 Aug 2021 | 258.4 | 258.4 | 60 | Affordable Housing SDP Goal 6  |
| SDP Bukit Raja | Elsa (14 B2) | DSLH | 165 | Completed on 30 Sept 2021 | 53.3 | 48.3 | 20 | Affordable Housing SDP Goal 6  |
| SDP Nilai | Anggerik (NU3 A6) | DSLH | 142 | Completed on 9 June 2021 | 46.2 | 46.2 | 20 | Affordable Housing SDP Goal 6  |
| SDP Ainsdale | Embun 1 | DSLH | 76 | Target completion Feb 2022 | 30.2 | 26.7 | 20 | Affordable Housing SDP Goal 6  |
| SDP Ainsdale | Embun 2 | DSLH | 113 | Target completion Feb 2022 | 47.6 | 40.8 | 25.4 | Affordable Housing SDP Goal 6  |
| SDP KL East | KL East EcoPark | Park | 1 unit | Target completion Q2 2022 | 1.9 | 1.1 | 1.1 | Terrestrial & Aquatic Biodiversity Conservation SDP Goal 15  |
| SDP (Subang) | Subang Jaya | Park (TSR Park redevelopment) | 1 unit | Target Completion Q3 2022 | 4.5 | 0.2 | 0.2 | Terrestrial & Aquatic Biodiversity Conservation SDP Goal 11, 14, 15    |
| TOTAL | | | | | | | 146.7 | |

Partnerships for the Goals



Tropical Rainforest Conservation and Research Centre

As a sustainable developer that believes in township parks for biodiversity conservation, we partnered the Tropical Rainforest Conservation Research Centre (“TRCRC”), a local non-governmental organisation that aims to restore tropical rainforests in Malaysia. Established in 2019, the partnership enabled us to set up the Elmina Living Collection Nursery (“ELCN”) and the Elmina Rainforest Knowledge Centre (“ERKC”). While the ELCN serves as a dedicated nursery to grow rare, threatened and endangered trees, the ERKC acts as a “Gateway to Malaysia’s Natural Heritage”, focusing on environmental education and conservation, research and development, eco-tourism and educational green programmes.

UNICEF

As a ‘Force for Good’, we aspire to touch as many lives as we can. In 2018, we were able to realise this aspiration through our Memorandum of Understanding (“MoU”) with UNICEF. The MoU allowed us to build the country’s first all-inclusive playground that caters to all children, including children with different capabilities. Equipped with ramps, spinners, swings and sensory poles, the park was launched on 2 March 2022, in conjunction with Zero Discrimination Day. The innovative collaboration also led to the release of the ‘Best Business Practice Circular and Guidance Toolkit’ to inspire the industry to provide more inclusive spaces for children.

Climate Governance Malaysia

Acknowledging the inevitable impacts the built industry has on the environment, we cannot ignore the urgent need to tackle climate change. As an active proponent of the climate change agenda, we joined Climate Governance Malaysia (“CGM”), the Malaysian chapter of the World Economic Forum’s Climate Governance Initiative, to support their cause of steering companies through an effective climate transition strategy. In FY2021, we were part of a roundtable discussion organised by CGM and CEO Action Network.

As we seek to leave a positive legacy for our future generations, we collaborate with strategic partners who share the same goal of providing a sustainable future for our children. We work closely with our partners to implement programmes and initiatives that will leave long-lasting positive impacts.

CEO Action Network

We understand that decarbonising cities cannot be done alone and requires the collaboration of all industries. To champion climate action, we became a member of the CEO Action Network (“CAN”), a closed-door peer-to-peer informal network of CEOs and Board members focused on sustainability advocacy, capacity building, action and performance. Being part of CAN has helped deepen our commitment to sustainability activism and enables us to accelerate the transition to a low carbon future. In the year under review, we took part in ten (10) engagement sessions on climate action by CAN.

Performance Metrics

Percentage of Board Members by Gender (%)

| Gender/ Year | 2021 | 2020 | 2019 |
|--------------|------|------|------|
| Male | 70 | 78 | 78 |
| Female | 30 | 22 | 22 |

Percentage of Board Members by Age Group (%)

| Age Group/ Year | 2021 | 2020 | 2019 |
|------------------------|-------|-------|-------|
| 30-50 years | 20 | 58 | 22 |
| >51 years | 80 | 42 | 78 |
| Total No. of Employees | 1,348 | 1,503 | 1,515 |

Employee Breakdown by Gender (%)

| Gender/ Year | 2021 | 2020 | 2019 |
|------------------------|-------|-------|-------|
| Male | 57* | 58 | 58 |
| Female | 43* | 42 | 42 |
| Total No. of Employees | 1,348 | 1,503 | 1,515 |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Employee Breakdown by Age, Gender, Employee Category & Ethnicity (%)

2021

| Employee Category | Gender | | Age | | | Ethnicity | | | |
|----------------------------------|--------|--------|-----------|-------------|-----------|-----------|------------|--------|--------|
| | Male | Female | <30 years | 30-50 years | >50 years | Chinese | Bumiputera | Indian | Others |
| Senior Management (VP11 & Above) | 71 | 29 | 1 | 71 | 28 | 43 | 45 | 12 | 0 |
| Middle Management (AVP1 & Above) | 57 | 43 | 2 | 83 | 15 | 24 | 75 | 1 | 0 |
| Junior Management (SE&E) | 48 | 52 | 6 | 28 | 66 | 9 | 87 | 4 | 0 |
| Non-Management | 60 | 40 | 12 | 22 | 66 | 2 | 94 | 4 | 0 |

2020

| Employee Category | Gender | | Age | | | Ethnicity | | | |
|----------------------------------|--------|--------|-----------|-------------|-----------|-----------|------------|--------|--------|
| | Male | Female | <30 years | 30-50 years | >50 years | Chinese | Bumiputera | Indian | Others |
| Senior Management (VP11 & Above) | 7 | 4 | 0 | 5 | 16 | 22 | 4 | 15 | 0 |
| Middle Management (AVP1 & Above) | 17 | 16 | 2 | 19 | 22 | 37 | 14 | 14 | 4 |
| Junior Management (SE&E) | 22 | 54 | 38 | 28 | 12 | 23 | 28 | 14 | 28 |
| Non-Management | 54 | 47 | 60 | 48 | 50 | 0 | 54 | 57 | 68 |

Performance Metrics

Training Hours by Gender and by Employee Category

By Gender

| | 2021 | | 2020 | |
|-------------------------------------|-----------|-----------|-----------|-----------|
| Training Hours/ Gender | Male | Female | Male | Female |
| Total No. of Employees | 767 | 581 | 867 | 654 |
| Total No. of Training Hours | 11,079.07 | 12,440.93 | 16,429.68 | 12,394.32 |
| Average Training Hours Per Employee | 21.4 | 14.4 | 18.5 | 18.5 |

By Employee Category

| | 2021 | | | 2020 | | |
|----------------------------------|------------------------|-----------------------------|-------------------------------------|------------------------|-----------------------------|-------------------------------------|
| Employee Category | Total No. of Employees | Total No. of Training Hours | Average Training Hours Per Employee | Total No. of Employees | Total No. of Training Hours | Average Training Hours Per Employee |
| Non-Management | 589 | 7,588.77 | 12.88 | 761 | 13,835.52 | 18.18 |
| Junior Management (SE&E) | 388 | 8,399 | 21.65 | 405 | 8,070.72 | 19.92 |
| Middle Management (AVP1 & Above) | 262 | 5,585.9 | 21.32 | 247 | 5,188.32 | 21.26 |
| Senior Management (VP11 & Above) | 109 | 1946.33 | 17.86 | 90 | 1,729.44 | 19.22 |

Employees Who Received Performance & Career Development Reviews in 2021

By Gender

| Total No. of Employees | 2021 | | 2020 | |
|---|------|--------|------|--------|
| | Male | Female | Male | Female |
| Total No. of Employees | 767 | 581 | 866 | 637 |
| No. of Employees who Received Performance & Career Development Reviews | 767 | 581 | 866 | 637 |
| Percentage of Employees who Received Performance & Career Development Reviews | 100 | 100 | 100 | 100 |

By Employee Category

| | Non-Management | Junior Management (SE&E) | Middle Management (AVP1 & Above) | Senior Management (VP11 & Above) |
|---|----------------|--------------------------|----------------------------------|----------------------------------|
| Total No. of Employees | 589 | 388 | 262 | 109 |
| No. of Employees who Received Performance & Career Development Reviews | 589 | 388 | 262 | 109 |
| Percentage of Employees who Received Performance & Career Development Reviews | 100 | 100 | 100 | 100 |

Performance Metrics

2020

| | Non-Management | Junior Management (SE&E) | Middle Management (AVP1 & Above) | Senior Management (VP11 & Above) |
|---|----------------|--------------------------|----------------------------------|----------------------------------|
| Total No. of Employees | 761 | 405 | 247 | 247 |
| No. of Employees who Received Performance & Career Development Reviews | 761 | 405 | 90 | 90 |
| Percentage of Employees who Received Performance & Career Development Reviews | 100 | 100 | 100 | 100 |

New Employee Hires

By Age Group

| Age Group | 2021 | | 2020 | |
|-----------|------------------|------|------------------|-------|
| | No. of New Hires | Rate | No. of New Hires | Rate |
| <30 | 49 | 34.5 | 59 | 21.93 |
| 30-50 | 93 | 65.5 | 69 | 7.96 |
| >50 | | | 11 | 4.07 |

By Gender

| | 2021 | | 2020 | |
|--------------------------|------|--------|------|--------|
| No. of New Hires/ Gender | Male | Female | Male | Female |
| Total No. of New Hires | 71 | 71 | 82 | 57 |
| Rate (%) | 50 | 50 | 9.47 | 8.95 |

Employee Turnover

By Age Group

| | 2021 | | 2020 | |
|-----------|-----------------|----------|-----------------|----------|
| Age Group | No. of Turnover | Rate (%) | No. of Turnover | Rate (%) |
| <30 | 21 | 23.5 | 35 | 13.01 |
| 30-50 | 52 | 58.4 | 125 | 12.97 |
| >50 | 16 | 18.1 | 13 | 4.81 |

By Gender

| | 2021 | | 2020 | |
|--------|-----------------|----------|-----------------|----------|
| Gender | No. of Turnover | Rate (%) | No. of Turnover | Rate (%) |
| Male | 51 | 57 | 97 | 6.45 |
| Female | 38 | 43 | 75 | 4.99 |

Performance Metrics

Parental Leave (by Gender)

| | 2021 | | 2020 | |
|---|------|-------|----------------|-------|
| | Men | Women | Men | Women |
| No. of Employees Entitled to Parental Leave | 692 | 518 | 64 | 446 |
| No. of Employees Who Took Parental Leave | 46 | 23 | 0 | 22 |
| No. Employees Who Returned to Work After Parental Leave Ended | 45 | 19 | Not Applicable | 22 |
| No. of Employees Who Returned to Work After Parental Leave Ended and Were Still Employed 12 Months After Their Return to Work | 45 | 19 | Not Applicable | 22 |
| Return to Work Rate (%) | 98 | 83 | Not Applicable | 100 |
| Retention Rate (%) | 98 | 83 | Not Applicable | 100 |

Occupational Health and Safety

Total Injuries

| Year | FYE2021 | FYE2020 | FYE2019 |
|------------|---------|---------|---------|
| Fatalities | 1 | 2 | 5 |

Work-related Injuries

Employees

| Year | 2021 | | 2020 | | 2019 | |
|---|-----------|------|-----------|------|-----------|------|
| | Number | Rate | Number | Rate | Number | Rate |
| Fatalities | 0 | 0 | 0 | 0 | 0 | 0 |
| Work-related injuries | 1 | 0.3 | 2 | 0.64 | 5 | 1.46 |
| High-consequence work-related injuries (excluding fatalities) | 0 | 0 | 0 | 0 | 0 | 0 |
| Recordable work-related injuries (including fatalities) | 0 | 0 | 2 | 0.64 | 5 | 1.46 |
| Number of hours worked | 3,313,856 | | 3,124,000 | | 3,434,589 | |

Performance Metrics

Non-employees

| Year | 2021 | | 2020 | | 2019 | |
|---|-----------|------|------------|------|------------|------|
| | Number | Rate | Number | Rate | Number | Rate |
| Fatalities | 1 | 0.1 | 0 | 0 | 0 | 0 |
| Work-related injuries | 3 | 0.31 | 5 | 0.47 | 13 | 0.91 |
| High-consequence work-related injuries (excluding fatalities) | 0 | 0 | 0 | 0 | 0 | 0 |
| Recordable work-related injuries (including fatalities) | 1 | 0.1 | 0 | 0 | 1 | 0.07 |
| Number of hours worked | 9,790,235 | | 10,590,664 | | 14,308,723 | |

Note: The rates were calculated based on 1,000,000 hours worked.

PLANET

| | | 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 | - |

The increase in total carbon emissions was due to the opening of KL East Mall and subsequent inclusion in Carbon Footprint in 2021.
* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Carbon Emissions

Total Carbon Emissions by Scope (tCO₂e)

| | 2021 | | | 2020 | | |
|-------------------------------|---------|---------|---------|---------|---------|---------|
| Business Segments | Scope 1 | Scope 2 | Scope 3 | Scope 1 | Scope 2 | Scope 3 |
| Property Development | 24,700 | 3,690 | N/A | 27,375 | 3,092 | 3,572 |
| Investment & Asset Management | 3 | 7,802 | N/A | 6 | 1,102 | 2 |
| Leisure | 447 | 4,465 | N/A | 764 | 5,633 | 556 |
| Total Carbon Emissions | 25,150 | 15,957 | N/A | 28,145 | 10,307 | 3,650 |

Performance Metrics

Carbon Emissions by Business Segment from 2016 to 2021 (tCO₂e)

| Business Segments | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Investment & Asset Management | 7,805.50* | 1,108.47 | 1,361.97 | 1,744.15 | 6,851.78 | 8,245.08 |
| Leisure | 4,911.49 | 6,397.31 | 9,014.76 | 14,626.85 | 12,417.30 | 11,990.31 |
| Property Development – Infrastructure Works | 20,253.26 | 22,614.85 | 15,486.45 | 9,834.77 | 23,901.96 | 21,696.31 |
| Property Development – Building Works | 8,137.18 | 8,330.99 | 9,938.18 | 11,460.70 | 12,654.52 | 7,768.76 |

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

Energy Consumption (GJ)

| Energy Consumption | 2021 | 2020 | 2019 |
|---|---------|-----------|------------|
| Total Energy Consumption | 411,462 | 427,179.9 | 349,525.09 |
| Total Purchased Electricity | 77,474 | 50,075 | 68,554.44 |
| Total Fuel Usage from Non-Renewable Sources | 333,988 | 377,105 | 280,970.65 |

Water Management

| Water | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------|---------|---------|---------|-----------|----------|
| Total Withdrawal of Potable Water (m³) | 722,598* | 612,830 | 587,175 | 551,550 | 1,077,114 | 1,164,28 |
| Water Intensity Baseline 2020 (m³/m²) | 0.1265 | 0.618 | 0.618 5 | 0.618 0 | 0.618 | 0.618 |
| Water Intensity Result (m³/m²) | 0.1276 | 0.068 | 0.604 | 0.954 | 0.686 | 0.618 |
| Water Intensity Reduction Target (m³/m²) | 0.1252 | 0.587 | 0.587 | 0.606 | 0.612 | 0.618 |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Waste Management

| Waste | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------|-------|-------|--------|--------|-------|
| Total Waste Generation (tonnes) | 4,623* | 3,980 | 4,267 | 7,005 | 10,148 | 8,465 |
| Waste Intensity Baseline 2020 (kg/m²) | 1.223 | 4.490 | 4.490 | 4.490 | 4.490 | 4.490 |
| Waste Intensity (km/m²) | 0.816 | 0.440 | 4.389 | 12.118 | 6.459 | 4.490 |
| Waste Intensity Reduction Target (km/m²) | 1.101 | 4.266 | 4.266 | 4.400 | 4.445 | 4.490 |

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on page 89 to 91.

Performance Metrics

Recycling

| Total Community Recycling Collection (Tonnes) | | | |
|---|-------------------|--------------------|---------------------------------|
| Year/Recycling Point | Bandar Bukit Raja | Bukit Jelutong | Saujana Impian (Vista Mahogany) |
| 2021 | 5.7 | N/A | N/A |
| 2020 | 2.1 | 29.7 | 2.5 |
| 2019 | 17.2 | 108.6 | Data not available |
| 2018 | 0.7 | Data not available | Not started |
| 2017 | 2.1 | Data not available | Not started |

Tree Planting

| Ratio of Tress Planted to Trees Cut Down | |
|--|-------|
| 2021 | 0.5:1 |
| 2020 | 0.7:1 |

| | Additional Tree Planting | Cumulative CO2 Sequestered |
|------|--------------------------|----------------------------|
| 2021 | 22,809 | 10,822.00 |
| 2020 | 15,545 | 8,959.88 |
| 2019 | 11,529 | 7,264.52 |
| 2018 | 7,561 | 5,612.92 |
| 2017 | 6,436 | 4,191.90 |
| 2016 | 24,450 | 2,922.10 |
| 2015 | 14,498 | 1,781.02 |
| 2014 | 7,855 | 1,128.94 |
| 2013 | 12,161 | 566.82 |
| 2012 | 8,090 | 161.80 |

Performance Metrics

Biodiversity Inventory

| KL East | |
|-------------------------|----------------|
| Fauna | No. of Species |
| Insects | 32 |
| Birds | 43 |
| Amphibians and reptiles | 20 |
| Flora | |
| Trees, herbs and shrubs | 230 |

City of Elmina
Bukit Cherakah Forest Reserve
Subang Forest Reserve, nearby oil palm plantation and Elmina Central Park

| Fauna | No. of Species |
|-----------------------------------|----------------|
| Birds | 65 |
| Amphibians | 21 |
| Invertebrates | 85 |
| Mammals | 25 |
| Reptiles | 31 |
| Flora | |
| Trees, palms, liana, herbs, ferns | 114 |

Community Contributions

| Prosperity – Community Resilience | 2021 | 2020 |
|--|---------|-------|
| Total Volunteer Hours Contributed (hours) | 1,269.5 | 700.5 |
| Total Volunteers Engaged (no of employees) | 569 | 264 |
| Total Contribution to Community Investment (RM ‘million) | 27.7 | 12.5 |

Affordable Homes

| | 2021 | 2020 |
|--|-------|-------|
| Total Affordable Homes Delivered (units) | 2,228 | 1,188 |

Governance & Economic Injection

| | 2021 | 2020 |
|--|---------------|---------------|
| SDP’s Direct Economic Value Distributed in | RM (‘million) | RM (‘million) |
| Operating cost | 1,940.1 | 2,079.1 |
| Employee wages and benefits | 178.2 | 217.5 |
| Dividends | 68.0 | 320.2 |
| Taxes | 137.3 | 71.0 |
| Community investment | 27.7 | 12.5 |

Procurement Spent (2017-2021)

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|----------|----------|--------------------|--------------------|--------------------|
| Yearly Procurement Spend (RM’mil) | 1,380.43 | 1,221.56 | 1,810.10 | 2,108.50 | 2,458.30 |
| Percentage of Contracts Awarded to Local Companies and Vendors in 2021 (%) | 98.6 | 99 | Data not available | Data not available | Data not available |

Employment Opportunities

| Total Estimated Jobs Created | |
|------------------------------|-------|
| 2021 | 2,470 |
| 2020 | 2,471 |

GRI Content Index

GRI Universal Standard

| | |
|------------------|---|
| Statement of Use | Sime Darby Property Berhad has reported the information cited in this GRI content index for the period 1 January to 31 December 2021 with reference to the GRI Standards. |
| GRI 1 Used | GRI 1: Foundation 2021 |

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|--|--|-------------|---------|------------|---|
| GRI 2: General Disclosures 2021 | | | | | |
| The organisation and its reporting practices | | | | | |
| 2-1 | Organisational details | 10-11 | | | Refer also to Sime Darby Property IAR2021 |
| 2-2 | Entities included in the organisation’s sustainability reporting | 2, 10-11 | | | About This Report; What We Do: Core Business Segments |
| 2-3 | Reporting period, frequency and contact point | 2 | | | |
| 2-4 | Restatements of information | - | | | No restatements in the year under review. |
| 2-5 | External assurance | 89 | | | |
| Activities and workers | | | | | |
| 2-6 | Activities, value chain and other business relationships | 9-11 | | | Refer also to SDP IAR2021 |
| 2-7 | Employees | 48-51 | | | |
| 2-8 | Workers who are not employees | 48 | | | |
| Governance | | | | | |
| 2-9 | Governance structure and composition | 60 | 16 | Governance | <p>The Board of SDP is guided by its Board Charter, which is available on the Group’s corporate website. The Board has put in place a robust Corporate Governance Framework where specific powers of the Board are delegated to the relevant Board Committees and the Group Managing Director (“GMD”). The Board is assisted by the following Board Committees in the year under review:</p> <ul style="list-style-type: none">• Audit Committee (“AC”)• Nomination and Remuneration Committee (“NRC”)• Risk Management Committee (“RMC”)• Board Tender Committee (“BTC”) <p>Refer also to:</p> <ul style="list-style-type: none">• IAR2021 (Pages 153 to 164): Board Composition and Board of Directors’ Profile• IAR2021 (Page 174 to 180): Board Leadership and Effectiveness AR2021 (Page 178): Management Committees• SDP Corporate Website https://www.simedarbyproperty.com/who-we-are/corporate-governance (Overview, Board, Independence Governance Function)• Corporate Governance Report 2021 (Pages 2 to 7): Practice 1.1 https://www.simedarbyproperty.com/investor-relations/shareholders <p>Additionally, the Board oversees the Group’s sustainability governance and provides Management with the cadence to implement impactful activities. The Board is supported by the GMD at the executive level, who ensures the tone from the top is understood to embed sustainability in business processes down to operations where products and services are delivered.</p> <p>The RMC has been delegated to assist and support the Board’s responsibility of overseeing the Group’s objectives, strategy, policies and practices pertaining to sustainability which comprise contributing to a better society, combating climate change and delivering sustainable development.</p> <p>Please refer to:</p> <ol style="list-style-type: none">1. Corporate Governance Report (Pages 26 to 40) https://www.simedarbyproperty.com/investor-relations/shareholders.2. AR2021 (Pages 195 to 197) (RMC Report) |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|----------------|---|-------------|---------|------------|--|
| 2-10 | Nomination and selection of the highest governance body | - | 16 | | SDP practises a formal and transparent Board Appointment Process for the sourcing, selection, nomination and appointment of new directors. The NRC is responsible for assessing a potential candidate for a proposed directorship and submitting its recommendation to the Board for decision. Refer to: <ul style="list-style-type: none">Corporate Governance Report 2021 (Page 48): Practice 5.5 (Appointment of Directors)IAR2021 (Pages 183 to 190): Nomination and Remuneration Committee Report |
| 2-11 | Chair of the highest governance body | - | 16 | | The Board is chaired by Encik Rizal Rickman Ramli, representing Permodalan Nasional Berhad (“PNB”), a major shareholder of SDP. He is a Non-Independent Non-Executive Director. Refer to: <ul style="list-style-type: none">IAR2021 (Page 176): Board Leadership and EffectivenessCorporate Governance Report 2021 (Pages 9 to 10): Chairman of the Board |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | 60 | 16 | Governance | The RMC has been delegated to assist and support the Board’s responsibility of overseeing the Group’s objectives, strategy, policies and practices pertaining to sustainability which comprise contributing to a better society, combating climate change and delivering sustainable development. Management reports are submitted to the RMC on a quarterly basis. Please refer to: Corporate Governance Report (Pages 26 to 28) : RMC |
| 2-13 | Delegation of responsibility for managing impacts | 60 | 16 | Governance | Refer also to Corporate Governance Report 2021 (Pages 39 to 40) on designated person within management dedicated to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company. |
| 2-14 | Role of the highest governance in sustainability reporting | 60 | 16 | Governance | The Board, through the RMC, reviews in detail the key risk profile of the Group on a quarterly basis, including on Sustainability Risks. Please refer to: Corporate Governance Report (Page 5) : RMC |
| 2-15 | Conflicts of interest | - | 16 | | Directors must immediately declare if they have any interest in transactions that are to be entered directly or indirectly with SDP or the Group. The Board of Directors had, on annual basis, disclosed their Board memberships in listed and non-listed companies and made relevant declaration in their respective profile: Refer to: <ul style="list-style-type: none">IAR2021 (Pages 154 to 164): Board of Directors’ ProfileIAR2021 (Pages 177 to 178): Responsibility and DelegationIAR2021 (Page 188): Assessment of Independent DirectorsCorporate Governance Report 2021 (Pages 16 to 18): Practice 1.6 |
| 2-16 | Collective knowledge of the highest governance body | - | 16 | | The Board and Board Committees receive training, including in specialist areas, and updates on issues relevant to the Group’s business, including legal, regulatory and governance developments and operational and technological updates. Refer to: <ul style="list-style-type: none">IAR2021 (Page 180): Board Induction & Professional DevelopmentCorporate Governance Report 2021 (Pages 30 to 36): Practice 4.3 |
| 2-17 | Collective knowledge of the highest governance body | - | 16 | | The Board and Board Committees receive training, including in specialist areas, and updates on issues relevant to the Group’s business, including legal, regulatory and governance developments and operational and technological updates. Refer to: <ul style="list-style-type: none">IAR2021 (Page 180): Board Induction & Professional DevelopmentCorporate Governance Report 2021 (Pages 30 to 36): Practice 4.3 |
| 2-18 | Evaluation of the performance of the highest governance body | 60 | 16 | Governance | Refer also to: <ul style="list-style-type: none">IAR2021 (Page 182): Board Effectiveness EvaluationCorporate Governance Report 2021 (Page 37): Practice 4.4Corporate Governance Report 2021 (Pages 56 to 57): Practice 6.1 |
| 2-19 | Remuneration policies | | 16 | | The Board has established a remuneration policy for the Non-Executive Directors that aligns remuneration with strategy to drive the long-term success of the Company together with a comprehensive and fair remuneration package to continue to attract, retain and motivate Directors. Refer to: <ul style="list-style-type: none">IAR2021 (Page 180): Principle A: Board Leadership and EffectivenessIAR2021 (Page 190): Principle B: Effective Audit and Risk Management – Audit CommitteeCorporate Governance Report 2021 (Page 37): Practice 4.4Corporate Governance Report 2021 (Pages 58 to 62): Practice 7.1 |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|------------------------------------|--|-------------|---------|---------------------------------------|---|
| 2-20 | Process to determine remuneration | - | | | The NRC, on an annual basis before the AGM of the Company, reviews and recommends the Directors’ Remuneration to the Board for consideration to be tabled to at the AGM for shareholders’ approval. Shareholders’ approval is sought on an annual basis to approve the payment of Non-Executive Directors’ Fees and Benefits at the Annual General Meeting (“AGM”) of the Company. Poll results are announced by the Independent Scrutineers at the end of the AGM after conclusion of the voting session and also announced to Bursa Securities Malaysia on the same day. Refer to: <ul style="list-style-type: none">Corporate Governance Report 2021 (Pages 58 to 61): Practice 7.1IAR2021 (Pages 360, 364 and 365): Notice of Annual General Meeting |
| 2-21 | Annual total compensation ratio | - | | | This section was not disclosed due to sensitivity of information. |
| Strategy, policies and practices | | | | | |
| 2-22 | Statement on sustainable development strategy | 5-8 | 16 | Governance | Refer also to SDP AR2021 page 25-30 – Chairman’s Statement. |
| 2-23 | Policy commitments | 68 | 16 | | Refer also to: <ul style="list-style-type: none">https://www.simedarbyproperty.com/who-we-are/corporate-governancehttps://www.simedarbyproperty.com/sustainability/sustainability-approachhttps://www.simedarbyproperty.com/sites/default/files/2022-02/Sustainability%20Policy.pdfIAR2021 pages 81, 181, 193 and 196 to 197 |
| 2-24 | Embedding policy commitments | 68 | | | <ul style="list-style-type: none">https://www.simedarbyproperty.com/who-we-are/corporate-governancehttps://www.simedarbyproperty.com/sustainability/sustainability-approachIAR2021 pages 181, 193 and 196 to 197 |
| 2-25 | Processes to remediate negative impacts | 47, 68 | 16 | | |
| 2-26 | Mechanisms for seeking advice and raising concerns | 47, 68 | 16 | | |
| 2-27 | Compliance with laws and regulations | 68 | 16 | | There were zero instances of non-compliance with laws and regulations in 2021. |
| 2-28 | Membership associations | 72 | 17 | | Institute of Corporate Directors Malaysia (“ICDM”) Minority Shareholders Watch Group (“MSWG”) CEO Action Network (“CAN”) Climate Governance Malaysia (“CGM”) |
| Stakeholder engagement | | | | | |
| 2-29 | Approach to stakeholder engagement | 15-18 | | | |
| 2-30 | Collective bargaining agreements | 53 | 8, 10 | | |
| GRI 3: Material Topics 2021 | | | | | |
| 3-1 | Process to determine material topics | 19-20 | - | - | |
| 3-2 | List of material topics | 19-20 | - | - | |
| Standard Disclosures | | | | | |
| Environmental Performance | | | | | |
| Material Matter: Climate Change | | | | | |
| 3-3 | Management approach | 25 | 13 | | |
| GRI 201: Economic Performance 2016 | | | | | |
| 201-2 | Financial implications and other risks and opportunities due to climate change | 25-27 | 13 | Governance, Risk Management, Strategy | |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|---|--|-------------|----------|---------------------|--------------------|
| GRI 302: Energy 2016 | | | | | |
| 3-3 | Management approach | 28 | 13 | | |
| 302-1 | Energy consumption within the organisation | 28 | 13 | | |
| 302-2 | Energy consumption outside the organisation | 28, 35 | 13 | | |
| 302-4 | Reduction of energy consumption | 28 | 13 | | |
| GRI 305: Emissions 2016 | | | | | |
| 3-3 | Management approach | 26-27 | 13 | | |
| 305-1 | Direct (Scope 1) GHG emissions | 26-27 | 13 | Metrics and Targets | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 26-27 | 13 | Metrics and Targets | |
| 305-5 | Reduction of GHG emissions | 26-27 | 13 | Metrics and Targets | |
| GRI 308: Supplier Environmental Assessment 2016 | | | | | |
| 308-2 | Negative environmental impacts in the supply chain and action taken | 53 | 13 | | |
| Material Matter: Biodiversity Loss | | | | | |
| 3-3 | Management approach | 29 | 15 | | |
| GRI 304: Biodiversity 2016 | | | | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas | 32 | 11,15 | | |
| 304-2 | Significant impacts of activities, products and services on biodiversity | 29-33 | 11,15,17 | | |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | 33 | 15 | | |
| Material Matter: Sustainable Products (Non-GRI Indicator) | | | | | |
| 3-3 | Management approach | 34-35 | 7, 11,12 | | |
| Material Matter: Waste and Water Pollution | | | | | |
| 3-3 | Management approach | 36-37 | 6,12 | | |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|--|--|-------------|----------|------|--------------------|
| GRI 303: Water and Effluents 2018 | | | | | |
| 303-2 | Management of water discharge-related impacts | 36 | 6,12 | | |
| 303-3 | Water withdrawal | 36 | 6 | | |
| GRI 306: Waste 2020 | | | | | |
| 306-1 | Waste generation and significant waste-related impacts | 37 | 6 | | |
| 306-2 | Management of significant waste-related impacts | 39 | 6,12 | | |
| 306-3 | Waste generated | 38-39 | 12 | | |
| 306-5 | Waste directed to disposal | 38-39 | 12 | | |
| CONTRIBUTE TO A BETTER SOCIETY | | | | | |
| Material Matter: Diversity & Inclusion | | | | | |
| 3-3 | Management approach | 47-54 | 5,8,10 | | |
| GRI 401: Employment 2016 | | | | | |
| 401-1 | New employee hires and employee turnover | 50 | 5, 8, 10 | | |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 52 | 8,10 | | |
| 401-3 | Parental Leave | 52 | 5,8,10 | | |
| GRI 402: Labour/ Management Relations 2016 | | | | | |
| 402-1 | Minimum notice periods regarding operational changes | 53 | 8 | | |
| GRI 404: Training and Education 2016 | | | | | |
| 404-1 | Average hours of training per year per employee | 54 | 5, 8,10 | | |
| 404-2 | Programmes for upgrading employee skills and transition assistance programmes | 53-54 | 4,8,10 | | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | 51 | 5,8,10 | | |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|--|--|-------------|---------|------|--------------------|
| GRI 405: Diversity and Equal Opportunity 2016 | | | | | |
| 405-1 | Diversity of governance bodies and employees | 47 | 5, 10 | | |
| GRI 406: Non-Discrimination 2016 | | | | | |
| 406-1 | Incidents of discrimination and corrective actions taken | 47 | 5, 10 | | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | | | | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 53 | 8 | | |
| GRI 408: Child Labour 2016 | | | | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labour | 53 | 8 | | |
| GRI 409: Forced or Compulsory Labour 2016 | | | | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | 53 | 8 | | |
| GRI 414: Supplier Social Assessment 2016 | | | | | |
| 414-2 | Negative social impacts in the supply chain and actions taken | 53 | 8 | | |
| Material Matter: Health and Safety | | | | | |
| 3-3 | Management approach | 55 | 8 | | |
| GRI 403: Occupational Health and Safety 2018 | | | | | |
| 403-1 | Occupational health and safety management safety | 55 | 8 | | |
| 403-2 | Hazard identification, risk assessment and incident investigation | 55 | 8 | | |
| 403-3 | Occupational health services | 56-57 | 8 | | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | 56 | 8 | | |
| 403-5 | Worker training on occupational health and safety | 56-57 | 8 | | |
| 403-6 | Promotion of worker health | 57 | 8 | | |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|---|---|------------------|----------------|------|--------------------|
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 56-57 | 8 | | |
| 403-8 | Workers covered by an occupational health and safety management system | 55 | 8 | | |
| 403-9 | Work-related injuries | 58 | 8 | | |
| 403-10 | Work-related ill health | 58 | 8 | | |
| Material Matter: Affordability | | | | | |
| 3-3 | Management approach | 46 | 1, 8, 10, 11 | | |
| Material Matter: Community Resilience | | | | | |
| 3-3 | Management approach | 41-45 | 1,2,4,11 | | |
| GRI 413: Local Communities 2016 | | | | | |
| 413-1 | Operations with local community engagement, impact assessments and development programmes | 41-45 | 1,2,3,4, 10,11 | | |
| CONTRIBUTE TO A BETTER SOCIETY | | | | | |
| Material Matter: Economic Injection | | | | | |
| 3-3 | Management approach | 64 | 8,10,17 | | |
| GRI 201: Economic Performance 2016 | | | | | |
| 201-1 | Direct economic value generated and distributed | 64 | 8 | | |
| GRI 203: Indirect Economic Impacts 2016 | | | | | |
| 203-1 | Infrastructure investments and services supported | 46, 65-66 | 8, 10, 11 | | |
| 203-2 | Significant indirect economic impacts | 40-46, 67, 70-71 | 1,2,6,8, 10,17 | | |
| GRI 204: Procurement Practices 2016 | | | | | |
| 204-1 | Proportion of spending on local suppliers | 67 | 8,10 | | |
| Material Matter: Data/Cyber Security | | | | | |
| 3-3 | Management approach | 69 | 16 | | |
| GRI 418: Customer Privacy 2016 | | | | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 69 | 16 | | |

GRI Content Index

| GRI Disclosure | GRI Disclosure Description | Page Number | UN SDGs | TCFD | Remarks/ Omissions |
|--|--|-------------|---------|------|--------------------|
| Material Matter: Corruption Risk & Integrity | | | | | |
| 3-3 | Management approach | 68 | 16 | | |
| GRI 205: Anti-Corruption 2016 | | | | | |
| 205-1 | Operations assessed for risks related to corruption | 68 | 16 | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | 68 | 16 | | |
| 205-3 | Confirmed incidents of corruption and action taken | 68 | 16 | | |

Independent Limited Assurance Report



Independent Limited Assurance Report on Selected Sustainability Information in Sime Darby Property’s Annual Report 2021

To the Board of Directors of Sime Darby Property Berhad

We have been engaged by Sime Darby Property Berhad (“Sime Darby Property” or “the Company”) to perform an independent limited assurance engagement on selected sustainability information, comprising the information set out in the Subject Matter (hereinafter referred to as “Selected Information”) for the financial year ended 31 December 2021 as reported by Sime Darby Property in its Annual Report 2021.

Management’s Responsibility

Management of Sime Darby Property is responsible for the preparation of the Selected Information included in the Sime Darby Property’s Annual Report 2021 in accordance with Sime Darby Property’s internal sustainability reporting guidelines and procedures.

This responsibility includes the selection and application of appropriate methods to prepare the Selected Information reported in the Sime Darby Property’s Annual Report 2021 as well as the design, implementation and maintenance of internal control relevant for the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Sime Darby Property which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements (“ISAE”) 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”.

This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Selected Information is free from material misstatement.

The accuracy of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our limited assurance report should therefore be read in conjunction with Sime Darby Property’s internal sustainability reporting guidelines and procedures on the reporting of its sustainability performance.

A limited assurance engagement involves assessing the suitability in the circumstances of Sime Darby Property’s use of the Criteria as the basis for the preparation of the Subject Matter, assessing the risks of material misstatement of the Selected Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Subject Matter

The Selected Information reported and marked with asterisks (*) in the Sustainability Report within the Sime Darby Property’s Annual Report 2021, on which we provide limited assurance, consists of:

- 1. Total carbon emissions (Scope 1 and Scope 2);
- 2. Total operational potable water use;
- 3. Total operational solid waste to landfill;
- 4. Lost time injury frequency rate; and
- 5. Employee breakdown by gender.

Our assurance was with respect to the year ended 31 December 2021 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Sime Darby Property’s Annual Report 2021 and, therefore, do not express any conclusion thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants, Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

Independent Limited Assurance Report

**Criteria**

The Selected Information needs to be read and understood together with the reporting criteria, which Sime Darby Property is solely responsible for selecting and applying. The reporting criteria used for the reporting of the Selected Information by which the Selected Information is gathered, collated and aggregated internally are Sime Darby Property's internal sustainability reporting guidelines and procedures, available on the website of Sime Darby Property at www.simedarbyproperty.com.

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Inquired personnel responsible for the Selected Information reported in Sime Darby Property's Annual Report 2021 regarding the processes to prepare the said report and the underlying controls over those processes;
- Inquired personnel responsible for data collection, collation and reporting of the Selected Information at the corporate and operating unit level;
- Inspected on a sample basis of internal documents, contracts, reports, data capture forms, delivery orders, invoices, where applicable, to support the Selected Information including observation of management's controls over the processes; and
- Checked the formulas, proxies and default values used in the Selected Information against Sime Darby Property's internal sustainability reporting guidelines and procedures.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that, in all material respects, the Selected Information in the Subject Matter has not been fairly stated in accordance with Sime Darby Property's internal sustainability reporting guidelines and procedures.

**Restriction on use**

This report, including our conclusions, has been prepared solely for the Board of Directors of Sime Darby Property in accordance with the agreement between us, in connection with the performance of an independent limited assurance on the Selected Information as reported by Sime Darby Property in its Sime Darby Property's Annual Report 2021. Accordingly, this report should not be used or relied upon for any other purposes. We consent to the inclusion of this report in the Sime Darby Property's Annual Report 2021 to be disclosed in the website of Sime Darby Property at www.simedarbyproperty.com, in respect of the financial year ended 31 December 2021, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Information in connection with the preparation of Sime Darby Property's Annual Report 2021. As a result, we will not accept any liability or assume responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
6 April 2022

Independent Limited Assurance Report

www.simedarbyproperty.com

Mail : Sime Darby Property Berhad (Company No. 15631-P)
Level 10, Block G, No. 2, Jalan PJU 1A/7A, Ara Damansara,
PJU 1A, 47301 Petaling Jaya, Selangor

Phone : +(603) 7849 5000

Fax : +(603) 7849 5690

Email : sustainability@simedarbyproperty.com