

MULTIPLYING



FOR PEOPLE, BUSINESSES, ECONOMIES AND THE PLANET



Property



The Elmina Wildlife Park along the Guthrie Corridor Expressway

ABOUT THIS REPORT

This report covers Sime Darby Property's sustainability performance for the year ended 31 December 2022 (FY22), which was approved by the Board Sustainability Committee on 27 March 2023. It details our Environmental, Social and Governance (ESG) activities, performance and approach during the year, and supplements information published in Sime Darby Property's Integrated Report 2022.

This report has been prepared in reference with the GRI Standards framework. Further details on GRI Standards are available at www.globalreporting.org. The GRI content index can be found on pages 71 to 73 of this report.

We have embedded the United Nations' Sustainable Development Goals (UN SDGs) into relevant sections of the report where Sime Darby Property plays a direct role in making progress toward specific goals.

The report complies with the Bursa Malaysia's Main Market Listing Requirements. It is also benchmarked against best industry practices and local and global frameworks, including Bursa Malaysia's Sustainability Reporting Guide 3rd edition; Task Force on Climate-related Financial Disclosures; Carbon Disclosure Project (for Climate Change and Supplier Engagement); and S&P Global ESG Indices Corporate Sustainability Assessment 2021.

All reporting and performance data are limited to information for owned and operated facilities of Sime Darby Property, unless stated otherwise.

MULTIPLYING VALUE FOR PEOPLE, BUSINESSES, ECONOMIES AND THE PLANET

At Sime Darby Property, we are putting into motion our purpose to multiply value for businesses and economies through initiatives that will shape the future of our industry.

As an industry leader, we aim to transform from a pure play residential-focused property developer into a real estate company by 2025. Our strategy is centred on executing initiatives that align with our priorities to diversify revenue streams, enhance competencies to increase resilience and improve market offerings, cultivate new capabilities that complement our transformation and expansion plans, as well as implement new and innovative technology. We are also focused on prioritising sustainability and integrating ESG practices in all that we do.

Aligned with our future-forward direction, we are ready to advance real estate as a catalyst for collective progress and manage a thriving asset portfolio that delivers value to all our stakeholders. By redefining our purpose, we believe that Sime Darby Property will contribute to making the world a better place for future generations.



ENQUIRIES

All enquiries and correspondence regarding this report or sustainability disclosures should be directed to the team at sustainability@simedarbyproperty.com.



THIS DOCUMENT IS ISSUED BY Sime Darby Property Berhad

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Below are the Business Units included within the boundary of Sime Darby Property Berhad:

Business Units	Townships
BU1 (Property Development)	Bukit Jelutong, Denai Alam, Elmina Business Park, Elmina East, Elmina West
BU2 (Property Development)	Bandar Bukit Raja
BU3 (Property Development)	Serenia City
BU4 (Property Development)	Bandar Ainsdale, Nilai Impian, Planters' Haven
BU5 (Property Development)	Bandar Universiti Pagoh, Taman Pasir Putih
BU6 (Property Development)	Ara Damansara, KLGCC Resort
BU7 (Property Development)	KL East
BU8 (Property Development)	Putra Heights, SJCC, Subang Ria
Investment Management	KL East Mall, Oasis Block G, Ara Damansara
Leisure	Bayuemas, Impian Golf Resort Berhad, Kuala Lumpur Golf & Country Club
Malaysian Vision Valley	Hamilton City

Additional information about Sime Darby Property's ESG disclosures is available from the website, including policies and the published reports on sustainability. These reports can be downloaded at <https://www.simedarbyproperty.com/sustainability>.

REPORT BOUNDARIES

The boundary for this report is defined around the level of ownership and management control through which Sime Darby Property is able to implement its Sustainability Framework or influence ESG outcomes.

The boundary covers:

- Corporate Operations** - Sime Darby Property's corporate policies, workforce, training, emissions and other impacts associated with managing business operations.
- Direct Investment Portfolio** - directly owned property assets are divided into two management groups - operational control and non-operational control. Control is determined by the level to which Sime Darby Property has the capacity to implement its Sustainability Strategy.
 - Operational Control** - where Sime Darby Property is responsible for setting operational standards for the property services and performance as well as for setting and delivering capital works and investment strategies to reduce energy and improve the asset.
 - Non-Operational Control** - across some property assets, the tenant-customer holds a lease with full management control over the entire premises that they occupy. In these assets, as Manager, Sime Darby Property is unable to directly set policy or implement change. Non-operational control property assets are excluded from the reporting boundary of this report.
- Other Exclusions** - Disclosure at the Company level does not include other operational businesses where Sime Darby Property does not have a majority ownership of >51% and/or does not have operational control. Data collected is excluding our joint ventures and associates and those who are not under our operational control.

ABOUT US



Sime Darby Property (the Group) is a leading property developer with outstanding successes in sustainable community development. In the last five decades, we have demonstrated our commitment to sustainable development through various projects ranging from residential, commercial, industrial and logistic properties, which are evident across all 25 of our active townships. Additionally, the Group has approximately 14,700 acres of developable land bank in strategic locations across the west coast of Peninsular Malaysia for future developments.

Apart from property development, Sime Darby Property established its footing in the industrial and logistics sector through its Investment & Asset Management segment, which operates 5.4 million sq. ft. of net area that can be leased out, encompassing retail, commercial, hospitality, education and industrial sectors. Within its Leisure arm, the Group is the proud owner of the Kuala Lumpur Golf & Country Club, one of the region's most prestigious golf clubs. Apart from that, the Group marked its presence in the United Kingdom as part of a Malaysian consortium that redeveloped the iconic Battersea Sea Power Station in Central London.

As a responsible corporate player, Sime Darby Property and its philanthropic arm, Yayasan Sime Darby (YSD) actively implement various initiatives to assist underprivileged communities living within and nearby its townships. On the environmental front, we continue to work with Tropical Rainforest Conservation and Research Centre (TRCRC) on rainforest conservation efforts, resulting in the establishment of the Elmina Rainforest Knowledge Centre (ERKC) and engaging 1,909 people through various activities.

The Group has been recognised with numerous international and local awards, including being named a top property developer in 'The Edge Malaysia's Top Property Developers Awards', achieving the feat for the eleventh year running. Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with MSCI ESG Rating of BBB and was rated by the Carbon Disclosure Project (CDP) where we are rated C for Climate Change and B minus for Supplier Engagement.

We remain steadfast in being a 'Force for Good'; upholding the principles of environmental, social and governance (ESG) in all our business activities, underpinned by our 2030 Sustainability Goals that are aligned with the UN SDGs.

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This Sustainability Report is available at
www.simedarbyproperty.com/sustainability



This Report is printed on environmental friendly paper.



“

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own (foreseeable) needs.

”

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Dear Stakeholders,

The tumultuous period of the last two years demonstrated the important roles that we play in supporting the industry and our nation through unprecedented times.

Realising the significance of this rapid development globally, we continued to make progress in enhancing sustainability as a hallmark in everything we do, with a reinforced commitment to creating positive environmental, social and governance (ESG) impacts.

In June 2022, we launched a brand-new Purpose, which sets the course for Sime Darby Property to be a *Value Multiplier for people, businesses, economies and the planet*. We also introduced our revised Vision, Mission and Values statements, highlighting our deep commitment as a 'Force for Good'.

These new statements help provide a clearer and more constructive guide towards our approach in sustainability through these four imperatives:

- 01 Decarbonise our operations and products
- 02 Observe good biodiversity practices
- 03 Shape inclusive and resilient communities
- 04 Maintaining a socially responsible organisation

These imperatives guide our execution across the Group through structured management systems and practices. The success from this execution is measured via our 2030 Sustainability Goals (2030 SGs), which consist of 18 goals. These goals are aligned with the United Nations' Sustainable Development Goals (UNSDG). The organisation and individual accountabilities are assigned through our corporate scorecard and individual performance KPIs, among others.

During the year, we fulfilled 12 out of the 18 Goals set in our 2030 SGs. The execution was made more disciplined through the introduction of our Safety and Sustainability Playbook for Practitioners (the Playbook). The Playbook has 28 key deliverables across the Group based on the Environmental, Social and Governance (ESG) pillars.

DECARBONISING OUR OPERATIONS AND PRODUCTS

In 2022, we began developing our Net Zero pathway with a strategic partner to help us chart our carbon footprint reduction; focusing on our operational carbon Scope 1 and Scope 2, before moving towards developing a baseline for Scope 3 in 2023.

Following a review of operational boundaries, we restated the boundary of operations which are under contractors' control, that was previously accounted for under Scope 1 and Scope 2. Subsequently, we revised such boundaries to be under Scope 3 which is aligned with the GHG Protocol. As such, the reported carbon under Scope 1 and Scope 2 has changed from previous reporting year.

In 2022, we saw a reduction in emissions for Scope 1 and Scope 2 to 14,254 tCO₂e (tonnes CO₂ equivalent) from 14,743 tCO₂e in 2021. This reduction came from energy efficiency initiatives through retrofitting of components, as well as the implementation of energy-saving practices implemented across the organisation guided by the Playbook.

The World Economic Forum in 2021 estimated that the real estate industry contributed 39% of global carbon emissions. Most of these emissions come from our supply chain or outside of our direct operations which fall under Scope 3. A part of our Scope 3 emission is embodied carbon or 'upfront carbon'. Embodied carbon are emissions by our supply chain in producing our products.

To deepen our understanding on embodied carbon, we commissioned a study on a 20x75 ft. double-storey link house and gathered valuable insights for us to better chart our Net Zero pathway. We have initiated factory visits and talks with our suppliers and manufacturers to

explore commercially ready low carbon solutions to mitigate embodied carbon emission.

GOOD BIODIVERSITY PRACTICES

Protecting and conserving biodiversity is a top sustainability agenda for Sime Darby Property. We understand the vital role we can play in conserving natural ecosystems to minimise impact on flora and fauna. Biodiversity not only benefits the environment, but can also provide recreational opportunities where human and nature can exist in harmony.

Hence, in 2022, we changed our decision-making process in designing and managing our landscapes with a greater emphasis on creating functional ecosystems versus past practices of focusing on aesthetics.

Our landscape design partners will have to look at planting Endangered, Rare and Threatened (ERT) species of trees as part of the landscape design guided by a set criteria. The criteria leverage on the use of native and/or nurturing species with high conservation values.

Since 2011, we have planted more than 125,000 trees of which almost 25,000 are in the ERT category. Through this initiative, it is estimated, that 13,000 tCo₂e- has been sequestered from the atmosphere.

In May 2022, we officially launched the Elmina Rainforest Knowledge Centre (ERKC). Operated in partnership with an NGO, Tropical Rainforest Conservation and Research Centre (TRCRC), ERKC focuses on conservation, research and development, environmental education, eco-tourism and community engagements.

TRCRC also operates the 10-acre Elmina Living Collection Nursery (ELCN), adjacent to ERKC. The nursery acts as a genetic store for the production and conservation of ERT species of trees as assessed by the International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

In addition to developing platforms to protect the environment, we also preserve the already existing natural resources in our townships. For example, in our KL East township, 17 acres of the 53-acre KL East Park are opened to the public. Visitors can hike along a 2km trail which offers unique geological features given its physical connection to the lush Bukit Tabur and the Klang Gates Quartz Ridge, renowned as the world's longest quartz formation. The park has over 300 species of trees, herbs, shrubs and palms.

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MESSAGE FROM GROUP MANAGING DIRECTOR

SHAPE INCLUSIVE AND RESILIENT COMMUNITIES

As a property developer, we understand the critical role we play in shaping the communities where we operate. We believe that a community is only as strong as its most vulnerable members. That is why we are committed to building inclusive and resilient communities that support and uplift all members, regardless of their background or circumstances. We believe that by working together, we can create neighbourhoods that are not only beautiful and functional but also equitable, sustainable, and supportive for all.

We work closely with our philanthropic arm Yayasan Sime Darby (YSD) to extend the imperative of shaping inclusive and resilient communities with various activities that benefit and assist our communities to live in a sustainable manner.

In 2022, through YSD, we contributed over RM11.4 million to the foundation in the form of donations and sponsorships, benefitting more than 50,000 individuals from more than 30 organisations.

Other key programmes in collaboration with YSD include Flood Relief, Back-to-School, Komuniti Lestari 3R, Sinar Harapan Festive Aid, Surplus Food Rescue, and many more.

TRCRC, with fundings from YSD, conducted various community engagement activities including talks, trainings, and events with interest groups which have benefitted close to 2,000 people.

In addition, community programmes and initiatives organised directly by the Group have impacted over 7,000 individuals from various backgrounds. One of our key programmes is community recycling. It aims to educate our township community to live in a more sustainable manner to reduce waste to landfills. In 2022, we recorded 353 tonnes of communities' wastes recycled, marking a 23% increase from the 287 tonnes recycled in 2021 across 18 locations in our townships.

On giving back to society, the Group clocked 2,219 employees' volunteer hours, tripling the numbers achieved in the previous year. This showcases our employees' commitment in aiding the communities through various volunteering programmes such as Celebrating Urban Biodiversity in the City of Elmina, River Cleaning Programme at Sungai Klang, Auxillary Police's Wildlife Weekend at Zoo Negara, Urban Community Garden, and more.

We are proud to share that as part of our commitment to building inclusive and resilient communities, we have partnered with United Nations International Children's Emergency Fund and launched an inclusive playground in the City of Elmina in March 2022. We are thrilled to offer a space where all children, including those with disabilities, can feel included and enjoy the benefits of playtime. A guidance toolkit was released to inspire others to emulate. This is just one example of our ongoing efforts to create communities that are truly inclusive and supportive for everyone.

SAFETY IS ESSENTIAL

Sime Darby Property aims to become a strong proponent of workplace safety and health in the real estate industry in Malaysia.

Starting from the top, senior management team conducted 12 Leadership Engagement and Action Programme (LEAP) that include HSSE site visits, debrief, engagement with Contractor owners and staff.

To embed HSSE culture in our construction sites, our contractors recorded 1,616 toolbox talks and registered an attendance of over 72,000 workers for "Taiso" – a Japanese inspired three-minute daily exercise.

Work-at-Height has been identified as one of our highest risks. As part of the Playbook metric, 24 scaffolds were assembled at different sites serving as a learning experience and compliance to standards.

In November 2022, we organised our annual Safety Day attended by 709 staff. The theme 'Enforce and Record' aimed to raise employees' commitment in enforcing the rules and recording any violation.

On that day, a set of 19 Health, Safety and Environment manuals was launched outlining key mandatory requirements for all staff and contractors that will serve as rules for us to operate safely.

As we reflect on the past year, I want to acknowledge the tragedy that occurred at one of our construction sites on 19 December 2022. Regrettably, it was heart-breaking to have suffered one recordable fatality of a contractor's worker during the year. This is a pain that cannot be undone, and it is one that we will carry with us always. We extend our

heartfelt condolences to the family and loved ones. The tragedy is unacceptable, and we have since worked closely with both our employees and contractors to heighten awareness of safety standards, practices and culture at worksites. We are committed to doing everything within our power to prevent the recurrence of such incidence, and we will continue to prioritise the safety and well-being of everyone.

ADVANCING GOOD GOVERNANCE

The establishment of our Board Sustainability Committee and Management Sustainability Committee solidify our commitment to drive our sustainability agenda. The Board Sustainability Committee, together with the various Board committees, provides the necessary support to the Board and Management by ensuring good corporate governance standards are maintained across the Group. Our business conducts and corporate strategies are inter-dependent to the company’s values and purpose, and as a force for good, we will uphold our commitments to all stakeholders, and the community at large.

ACKNOWLEDGMENTS

Sime Darby Property had an exciting year in 2022, with the success attributable to our customers, partners, shareholders, regulatory bodies and the Government, contractors, and consultants with each group contributing in its own, highly valuable way.

I would like to thank TEAM Sime Darby Property for their commitment and trust in the Group, and to our Board of Directors and leadership team, thank you for the continuous support and guidance.

The support has been instrumental to the Group’s continuous evolution as we strive to fulfill our sustainability agenda. Let’s together fulfill our Purpose to be a *Value Multiplier for People, Businesses, Economies, and the Planet.*

DATO’ AZMIR MERICAN
Group Managing Director



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OVERVIEW OF OUR BUSINESS

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 CORE VALUES


T **Together** We Do What's Right

E We Lead with **Excellence**

A We Embrace New **Approaches**

M We **Make** things Happen

CORE BUSINESS SEGMENTS



Property Development

Contribution to the Group's revenue **93%**

Sales Achieved in FY2022 **RM3.7 billion**


Unbilled sales **RM3.6 billion**



Investment & Asset Management

Total number of assets owned/managed **28**

Total net lettable area **5.4 million sq. ft.**



Leisure KLGCC

- Ranked amongst the Top 50 Platinum Golf & Country Clubs of Asia Pacific
- Retains status as a Top 100 Platinum

Golf & Country Club in the world for 2022 - 2023

2022 HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL PERFORMANCE



125,161 trees planted since 2011 including **24,560** Endangered, Rare and Threatened (ERT) trees



Sequestered **13,072 tCO₂e**



Waste recycling increment of **29%** against **30%** increment target in 2022



Total carbon emissions reduction of **3.3%** against 2021 baseline

CONTRIBUTE TO A BETTER SOCIETY

34 community programmes and initiatives benefitting close to 7,000 people



101,661 hours of training recorded

Recorded **2,219.5 employee** voluntary hours in community programmes

Built **265** units of affordable homes

Lost Time Injury Frequency Rate of **0.11*** compared to **0.08** in 2021



GOOD GOVERNANCE AND ECONOMIC SUSTAINABILITY

3,166 jobs created for the local communities

99.69% of **RM1.56** billion worth of procurements went to local goods and services

Invested **RM530** million in infrastructures and facilities

RM146.7 million of Sukuk proceeds allocated to new eligible assets

FINANCIAL HIGHLIGHTS

Revenue — **RM2,742.1 MILLION**

Profit Before Tax — **RM458.9 MILLION**

Profit After Tax and Minority Interest — **RM315.8 MILLION**

Total Equity — **RM9,644.8 MILLION**

BUSINESS HIGHLIGHTS



Sales Achievement of **RM3.7 BILLION** exceeded Sales target of RM2.6 billion



Number of units sold **3,332 UNITS**



Delivery of completed units **1,855 UNITS**

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

ESG AT SIME DARBY PROPERTY



A Dedicated Jogging-Cycling Track at Elmina Garden. Photo by Yong Kim Lian

As a 'Force for Good', we at Sime Darby Property strive to embed sustainability in all aspects of our operations, guided by our Purpose. At our core, we understand the importance of balancing economic growth with social and environmental responsibility. We thus strive to implement strategies that would achieve this balance. As we continue with our sustainability agenda, we remain committed to sharing our progress and achievements because we believe transparency and accountability are key to success.

A SHARED VALUE

We aspire to continue being a leader in building sustainable communities as we contribute to the well-being of the communities we serve, as well as the conservation and protection of the planet through our business.

At the heart of the Group's sustainability imperatives, we strive to create long-term benefits for our stakeholders through reducing our carbon footprint, good biodiversity practices, shaping a more inclusive and resilient communities and playing a role to improve the well-being of society.

SIME DARBY PROPERTY'S VALUE PROPOSITION

Our mission is to develop, own and manage a thriving asset portfolio, creating value for all stakeholders that enable economic growth. Our core activities are developing residential, commercial and industrial properties, as represented by the 25 strategically located and active townships, integrated and niche developments built to date. With over 50 years of experience, we play a vital role in providing sustainable living to people, ensuring the townships we develop are connected to major highways and transportation hubs within key growth areas from the central region of the Klang Valley to Negeri Sembilan and Johor in the south. In the United Kingdom, Sime Darby Property marked its presence as part of a Malaysian consortium that developed the iconic Battersea Power Station Project in central London.

We are a creator of sustainable communities, and our townships such as Subang Jaya and Bukit Jelutong have matured and continue to flourish as vibrant, sought-after addresses throughout the years.

We work with our value chain to help them through their own ESG journey. Through business relationships with companies large and small, we help them grow, creating jobs and real economic value. We provide support to the Government as we work together in building infrastructures that benefit society.

In the urban environments that we develop which will continue to grow and expand, it is critical that communities, flora and fauna co-exist in harmony for the benefit of all. We recognise the value of biodiversity and put in systems including decision making processes that help us to regenerate urban

biodiversity in our townships. We also partnered with Tropical Rainforest Conservation and Research Centre (TRCRC) to further enhance biodiversity agenda that include knowledge sharing, advocacy and project advisory. We recognise that this is an ongoing journey requiring support from our value chain such as landscape architects, contractors, authorities and technical partners such as TRCRC and Wetlands International in order to succeed.

The Group is committed to upholding the highest standards of ethical behaviour and governance. We believe that responsible and ethical behavior is essential to building trust, maintaining strong relationships with our stakeholders, and achieving long-term success.

We have an obligation to act responsibly. We acknowledge that acting responsibly and sustainably will help to drive value for our different stakeholders and for our organisation. We have implemented robust policies and procedures to ensure that our business practices are in compliance with all applicable laws and regulations. The Group has also a comprehensive Code of Business Conduct (COBC) for employees and Vendor Code of Business Conduct (VCOBC) for our value chain that guide our decision-making and outline our expectations for ethical behaviour from all employees and partners.

Sime Darby Property is committed to making a positive financial and social impact in the communities we serve. Ultimately, our business decisions must be guided by our purpose which is to be a Value Multiplier for people, businesses, economies and the planet.



Serenia City Central Park

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OUR APPROACH TO SUSTAINABILITY

To achieve our Purpose of multiplying value for people, businesses, economies and the planet, we need to ensure we have a robust business model and that our strategy is both responsive and progressive. This requires an integrated approach to value creation that takes into account the risks and opportunities presented by our operating environment, the needs of our stakeholders, as well as our own aspirations.



Assess Our Operating Context

Our performance and ability to create value is impacted by the macroenvironment, and especially economic, regulatory, social, environmental and competitive dynamics. We therefore constantly monitor our operating context and identify trends that could affect us.

Refer to 'Market Review and Outlook' on page 53 of Sime Darby Property Integrated Report 2022.



Identify and Manage Risks

We identify and are aware of operational, financial, regulatory, market, digital and sustainability risks that could impact our businesses, and integrate them into our risk register. These risks are monitored and managed to ensure they remain within our risk appetite and do not prevent Sime Darby Property from attaining our corporate objectives.

Refer to 'Key Risk and Mitigation' on page 83 of Sime Darby Property Integrated Report 2022.



Take Stock of Our Capitals

Our six capitals are the resources that we have and use to drive our business and create value. Access to and management of the six capitals are critical to managing every aspect of the business.

Refer to 'Our Capitals' on page 42 of Sime Darby Property Integrated Report 2022.



Plan Our Strategy

Consolidating our risks and opportunities, our material matters and capitals, we outlined our SHIFT25 Strategy to transform Sime Darby Property from a pure-play property developer to one of Malaysia's leading and most admired real estate players by 2025 with a diversified business, enhanced competencies and new capabilities, supported by fully digitalised operations.

Refer to 'Our Strategy' on page 92 of Sime Darby Property Integrated Report 2022.



Factor in Stakeholder Needs

Each of our key stakeholder groups – namely our suppliers, contractors, partners, shareholders, investors, employees and the community – contributes to our sustainable growth. Recognising their importance, we build strong relationships with them, engage to understand their needs and expectations, and incorporate these into our strategies.

Refer to 'Stakeholder Engagement' on page 46 of Sime Darby Property Integrated Report 2022.



Define Our Material Matters

Taking into account our macroenvironment, risks, and the needs of our stakeholders, we define our material matters, which are matters that are important to value creation for Sime Darby Property and our stakeholders.

Refer to 'Material Matters' on page 80 of Sime Darby Property Integrated Report 2022.

Our Integrated Business Model

Through our business model, we develop, own and manage a thriving asset portfolio that creates value for all stakeholders.

Leveraging our expertise and land bank, and guided by sound governance, we focus on our core businesses in Property Development, Investment & Asset Management and Leisure to meet our customers' and the market's needs as we protect the environment and biodiversity and create value for all our stakeholders.



DEFINING OUR MATERIAL MATTERS




We report on risks and opportunities that have relevant economic, environmental, social and governance impacts within our operations. We use the concept of materiality to guide our sustainability strategic planning processes. The materiality review and identification serve as an important tool to ensure the Group is responding appropriately to stakeholder concerns and legislative requirements. Accordingly, this enables us to maximise our ability to adapt to rapidly evolving market conditions.

We review materiality periodically, the outcome from which will guide the disclosures and content of Sime Darby Property's Sustainability Report. This allows us to report under the appropriate Global Reporting Initiative standards which are relevant to our strategy and operating model.

We revised our 11 sustainability material issues in 2020, 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 Sustainability Goals (SGs) and our Sustainability Strategy. This is to ensure that we can deliver sustainability in ways that are most relevant to our business for us to contribute to the UN SDGs. We thus align our business and operations to the 2030 SGs by mapping our responses to the goals, key stakeholder groups, as well as our 11 sustainability material issues to make the SGs relevant to our stakeholders' expectations and current and future business strategies.

The table below outlines our material topics and provides a definition by which we report.

 ENVIRONMENTAL		
	Definitions/Relevance to SDP	Key Stakeholders
Climate Change 	<p>We recognise the impact of climate change on our business and our environment. We have therefore started embedding low carbon elements in our township development and where possible, in our residential and industrial products.</p>	<ul style="list-style-type: none"> Investors Shareholders Customers Communities Employees Authorities/Government NGOs
Biodiversity Loss 	<p>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.</p>	<ul style="list-style-type: none"> NGOs Academia Communities Investors Authorities/Government Media Shareholders

Sustainable Products



We seek to build sustainable homes by incorporating sustainable elements and materials and rolling out comprehensive guidelines and checklists.

Customers
Communities
Vendors
Authorities/Government
NGOs
Professional Bodies

Waste & Water Pollution



We are committed to minimising our environmental impacts through championing water optimisation and implementing efficient waste management.

Customers/Community
Authorities/Government
Investors
NGOs



SOCIAL

Definitions/Relevance to SDP

Key Stakeholders

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.

Employees
Local Vendors
Customers
Partners

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.

Employees
Vendors
Labourers
Authorities/Government
Communities
Customers
Partners

Affordability



We embed inclusivity in our business activities by building affordable homes for deserving communities.

Communities
Customers
Authorities/Government
NGOs

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DEFINING OUR MATERIAL MATTERS

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.

Customers
Partners
Communities
Authorities/Government
Investors
NGOs

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

Vendors
Communities
Businesses
Investors
Authorities/Government
Shareholders



GOVERNANCE

Definitions/Relevance to SDP

Key Stakeholders

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.

Customers
Communities
Authorities/Government
Vendors
NGOs
Professional Bodies

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.

Shareholders
Employees
Investors
Authorities/Government
Vendors
Customers
NGOs
Partners

2030 SUSTAINABILITY GOALS

1
SUPPORTING LOCAL BUSINESS
90% Local Companies / Vendors

Target	90%
Actual	98.8%
Variance	+8.8
%	+9.78

2
ECONOMIC INJECTION
RM10 Billion

Target	RM 3 bil.
Actual	4.16 bil
Variance	+1.16
%	+38.67

3
PRODUCT QUALITY
85% QCLASSIC Score

Target	81.5%
Actual	79%
Variance	-2.5
%	-3.07

4
BUILDING TECHNOLOGY
IBS SCORE 80 Points

Target	60 points
Actual	60.6 points
Variance	+0.6
%	+1.00

5
JOB CREATION
100,000 Jobs

Target	7,500 jobs
Actual	3,166 jobs
Variance	-4,334
%	-57.79

6
AFFORDABLE HOMES
15,000 Units below RM600,000

Target	3,000 homes
Actual	4,115 homes
Variance	+1,115
%	+37.17

7
VOLUNTEER HOURS
10,000 hours

Target	2,300 hours
Actual	3,489
Variance	+1,189
%	+51.70

8
CYCLING & JOGGING TRACKS
300 km

Target	50km
Actual	77
Variance	+27.0
%	+129.3

9
HUMAN RIGHTS
All Vendors / Supply Chain Partners have clear commitment to Human Rights

Target	30%
Actual	100%
Variance	+70
%	+233.33

10
OCCUPATIONAL SAFETY & HEALTH
Zero workplace accident related fatalities

Target	0 fatality
Actual	1
Variance	-1
%	-100.00

11
URBAN FARMING
Minimum 1 urban farm per township

Target	6
Actual	3
Variance	-3
%	-50.00

12
RENEWABLE ENERGY
25,000 MWh annually

Target	936 MWh
Actual	556 MWh
Variance	-380
%	-40.60

13
WATER SAVING FITTINGS
30,000 Residential Units

Target	8,000 homes
Actual	7,888
Variance	-112
%	-1.40

14
COMMUNITY RECYCLING
6,570,000 kg / 6570 tonnes

Target	300 tonnes
Actual	353 tonnes
Variance	+53
%	+17.67

15
BIODIVERSITY (IUCN TREES)
50,000 trees

Target	23,500 trees
Actual	24,560 trees
Variance	+1,060
%	+4.51

16
CARBON SEQUESTRATION
330,000 tonnes (from 160,000 trees)

Target	12,865 tCO ₂ e
Actual	13,072 tCO ₂ e
Variance	+207
%	+1.61

18
OPERATIONAL ECO-EFFICIENCY
100% total carbon and 100% total waste reduction and 100% recycling; 30% water intensity reduction

Target	-2%
Actual	-3.3%
Variance	-1.3%
%	+65%

Target	-30%
Actual	+29%
Variance	+59%
%	-196.67

Target	+30%
Actual	+29%
Variance	-1%
%	-3.33

Target	-2%
Actual	+28%
Variance	+30%
%	-1,500

17
ENERGY EFFICIENT HOMES
12,500 homes

Target	5,500 homes
Actual	5,560 homes
Variance	+60
%	+1.09

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STAKEHOLDER ENGAGEMENT

We are committed to maintaining good communication and having constructive dialogue with stakeholders. They are grouped primarily into employees, customers, investment community, supply chain partners, government and regulators and the society or community. Each group of stakeholders has different influence on the business and different impacts on our operations and organisational strategy.

The method and frequency of engagement vary depending on each stakeholder group, the issues of concern and the purpose of engagement. Our communication and engagement with stakeholders essentially contribute to the significant impacts on the four sustainability pillars of economy, environment, social and governance, which are also four of the dimensions in the Global Reporting Initiatives (GRI) Sustainability Reporting Standards to achieve the goal of sustainable development.

Stakeholder Group	Engagement platform	Key concerns raised	Our response
Employees	<ul style="list-style-type: none"> Intra- and interdepartmental meetings. Email announcements. Newsletters. SelfDrvn digital employee engagement platform. Virtual chats with Executive Leadership. Individual performance reviews. Personal and professional development programmes. Focus group discussions. Townhalls. Employee engagement surveys. Learning and development programmes. Volunteering opportunities. HR Business Partner engagements. Jalinan Nurani digital platform. 	Fair and competitive career promotion opportunities.	<ul style="list-style-type: none"> Provide training and project assignments in line with business goals that enhance employees' skills. Rolled out an internal mobility framework.
		Employee well-being and wellness.	<ul style="list-style-type: none"> Continue to enhance the Jalinan Nurani platform to assist employees and family members with mental or physical health concerns. Provide monetary relief in the event of floods and other natural disasters. Organise employee well-being programmes such as webinars on resilience, financial planning, men and women's health, self-care tips for caretakers, and becoming a male ally, among others.
		Work-life balance.	<ul style="list-style-type: none"> Continuation of flexible work arrangements.
		Better understanding of sustainability issues and how employees can add value.	<ul style="list-style-type: none"> Educate employees about sustainability using internal channels. Organise Sustainability Day, focusing on key issues. Involve employees in sustainability-related programmes.

Stakeholder Group	Engagement platform	Key concerns raised	Our response
Investors and Analysts	<ul style="list-style-type: none"> Investor conferences Annual General Meetings and annual reports Investor briefings One-on-one meetings Non-deal roadshows Email or phone communication. Investor Relations webpage and news updates. Site visits. 	Sustainable performance on quarterly basis.	<ul style="list-style-type: none"> Organise quarterly briefings on financial and operational results, as well as updates on key developments and strategies.
		Growth strategy with clear emphasis on long-term shareholder returns.	<ul style="list-style-type: none"> Communicate clear strategic direction, goals & outcomes, broad risk exposures, as well as performance targets of the Group via: <ul style="list-style-type: none"> One-on-one/group meetings. Investor conference calls. Non-deal roadshows. Informative, accurate, timely and transparent quarterly results announcements and annual reports.
		Prospects of the property sector and response to macroenvironment relating to the Group's operating landscape.	<ul style="list-style-type: none"> Allow direct access to the Board members and Executive Leaders at Annual General Meetings. Provide prompt responses to investors' and analysts' queries.
Existing and potential customers	<ul style="list-style-type: none"> Project launches. Virtual showrooms and online booking system. Physical sales and marketing initiatives. PRIME members events. Meetings with joint management bodies and residents' associations. Website, call centre and social media channels. Community events that promote sustainability such as tree-planting, urban farming and recycling efforts. High-5 and Quick-Fix initiatives (upon hand-over of keys). Net Promoter Score (NPS) surveys. 	A responsible property developer that maintains continuous engagement with customers and resolves any property-related issues that may arise.	<ul style="list-style-type: none"> Regular meetings with management bodies and residents' associations. Dedicated personnel for each township and development to serve as points of contact with the community. Quick-Fix programme to resolve any issues upon residents moving into their new homes.
		Community-engaging facilities that promote healthy and sustainable lifestyles.	<ul style="list-style-type: none"> Placemaking features such as jogging and bicycle tracks, as well as community parks, among others. Organise recycling programmes at our townships. Launch of an urban farm in Serenia City in collaboration with BoomGrow.

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Stakeholder Group	Engagement platform	Key concerns raised	Our response
		Eco-efficient townships/homes and safe amenities.	<ul style="list-style-type: none"> • Use of green label construction materials from forestry products such as Forest Stewardship Council (FSC) doors and timber flooring. • Installation of solar panels and water-saving fittings in units. • Tree-to-Tree replacement policy, with focus on endangered, rare and threatened (ERT) species. • Establishment of the Elmina Living Collection Nursery (ELCN) as part of the Elmina Rainforest Knowledge Centre (ERKC) in the City of Elmina.
Suppliers/ Contractors/ Strategic Partners	<ul style="list-style-type: none"> • Annual dialogue. • Eco-efficiency training. • Procurement and appointment process. • Vendor performance evaluation. • Relationship-building and networking sessions. • Data collection process. • Meetings. 	Supply chain challenges such as materials price fluctuations and labour shortage.	<ul style="list-style-type: none"> • Organise design workshops to optimise cost and efficiency. • Performance assessment to keep competitiveness in the future.
		More two-way communication and transparent processes.	<ul style="list-style-type: none"> • Conduct townhalls, workshops with industry experts, knowledge sharing sessions and on-site learning activities. • Enforce Vendor Code of Business Conduct to align with Sime Darby Property's supply chain aspirations.
		Recognition of contribution to sustainability targets such as eco-efficiency and reduction of waste, water and carbon emissions.	<ul style="list-style-type: none"> • Adopted best practices in tackling sustainable development. • Engaged vendors on eco-efficiency programmes and improved data collection.
Media	<ul style="list-style-type: none"> • Press releases & statements, notes to editors. • Networking sessions. • Media briefings. • Annual General Meetings and annual reports. • Product launches and corporate events. • Festive gatherings & media events. • Media site visits. • Award ceremonies. • Participation in feature/news articles. • Joint campaigns and advertising. 	Regular, accurate and transparent updates on performance, developments and financial statements.	<ul style="list-style-type: none"> • Work closely with Executive Leadership on financial and non-financial updates to the media. • Provide Group updates on product launches, sales campaigns, CSR and sustainability initiatives and key appointments, among others.
		Market and industry insights.	<ul style="list-style-type: none"> • Provide access to leadership for Sime Darby Property's perspective on the market and industry.
		Updates on business strategies and tactics.	<ul style="list-style-type: none"> • Share business strategies, market insights and outlook.
		Prompt responses to issues raised in the media.	<ul style="list-style-type: none"> • Group Corporate Communications responds promptly to enquiries and requests from the media.

Stakeholder Group	Engagement platform	Key concerns raised	Our response
Debt providers	<ul style="list-style-type: none"> Email communication. Meetings. Events hosted by debt provider. Site visits. Annual General Meetings and annual reports. 	Ability to service debt obligations and adherence to covenants.	<ul style="list-style-type: none"> Transparent disclosure of operational and financial updates, as well as corporate governance and risk framework.
		Good governance and risk management framework.	
Regulators and industry affiliations	<ul style="list-style-type: none"> Meetings. Email communication. Seminars/webinars. Industry forums. Government consultations. Advisory groups. 	Compliance with rules and regulations, with the Group kept abreast of new requirements.	<ul style="list-style-type: none"> Participate in industry and national-level forums to keep abreast of changes in the regulatory environment. Compliance function in the Group ensures our operations adhere to all relevant requirements.
		Share, contribute and co-create industry best practices or new policies and regulations.	<ul style="list-style-type: none"> Provide industry perspective to help shape new policies and regulations. Share knowledge and best practices in industry forums.
		Support for national agenda.	<ul style="list-style-type: none"> Support and contribute to national development through products and initiatives such as affordable housing, biodiversity inventories as well as wetland construction and maintenance guidelines.

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A 'FORCE FOR GOOD'

Malaysia's First Inclusive Playground in City of Elmina, a partnership with UNICEF

A PROPERTY DEVELOPER WITH A PURPOSE

We believe that as a 'Force for Good', we are committed to creating positive impacts throughout the entire property development ecosystem.

Sustainability has always been a cornerstone that the Group embeds and continues to nurture as a corporate culture.

With our Purpose to be a Value Multiplier for people, businesses, economies and the planet, set to create and generate positive, sustainable results that impact all our stakeholders and the environment through our high-quality products and offerings.

The driving force behind the realisation of this purpose is the enthusiasm of all our employees who firmly uphold our values of TEAM.

Imperatives

Decarbonise
our operations
and products

Observe good
biodiversity
practices

Shape
inclusive and
resilient
communities

Operate as a
socially
responsible
organisation

All these considered, our holistic approach to sustainability is thus a determined effort to put us at the forefront of generating positive impacts in the three spheres of People, Planet and Prosperity.

We are realising our aspiration to be a responsible corporate citizen that makes an impact, transforming real estate into an even robust value generating industry for all stakeholders. To achieve this, we implement carefully designed strategies to make sustainability a hallmark of our business and a signature of everything we do. Our Vision, which is advancing real estate as a force for collective progress, in harmony with the planet's resources, is anchored on four sustainability imperatives:

These four imperatives are tied to our 2030 Sustainability Goals (2030 SGs) which are adapted from the United Nations' Sustainable Development Goals (UN SDGs). They serve as a benchmark to ensure that we are moving in the right direction.

Comprising 18 targets, our Group-specific 2030 SGs cover all the key components of sustainable communities, ranging from supporting the economy to providing affordable homes and tackling climate change. We measure our ESG performance against the 2030 SGs and employees are made accountable through the Corporate Scorecard and individual KPIs. Another measurement of our ESG performance is through external ESG indices such as the MSCI ESG Sustainability Index and the Carbon Disclosure Project.

With our new vision statement in place, we intend to leverage our expertise in a way that benefits the larger community while being responsible in optimising the planet's resources.

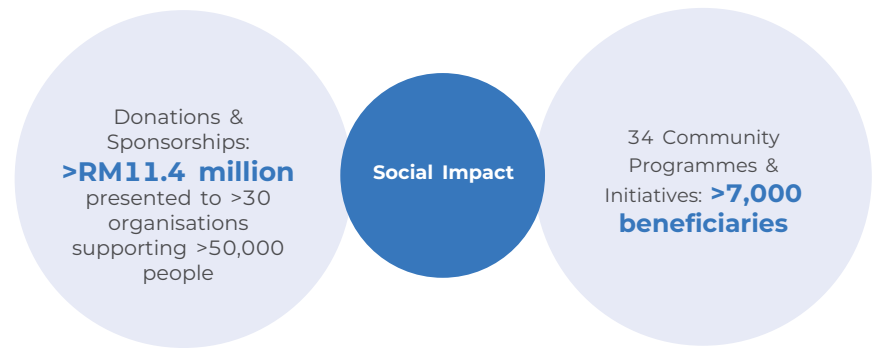
Project arc, which is under construction at Taman Subang Ria in Subang Jaya, will be a 7.5-acre community park where we seek to educate communities to be more resilient through DIY classes, living healthily via the farm-to-table approach and living sustainably in managing their waste. We partner with a social enterprise, Epic to operate the park with support from our philanthropic arm, Yayasan Sime Darby ("YSD"). The park is slated to open in 2023.

On progressing in harmony with the planet's resources, we opened the 53-acre KL East Park. It is a naturally regenerating secondary rainforest and is part of the Bukit Tabur and the Klang Gates Quartz Ridge network. The Group

is currently developing a 84-acre Forest Park in the City of Elmina to give more access to green spaces for the communities and providing habitat for a variety of plant and animal species.

In our mission to develop sustainably, we aim to achieve Net Zero emissions across our operations and projects. We are currently developing our Net Zero Pathway and identifying the related risks and opportunities. We are also aligning our pathway to the Science Based Targets initiative (SBTi) and strive to meet the recommendations from the Task Force on Climate Related Financial Disclosures ("TCFD"). We will prioritise to first develop Scope 1 and 2 of the Net Zero Pathway, and in 2023, develop the baseline for Scope 3. We are cognisant that Scope 3 is much more complex to tackle and have taken some steps to deepen our understanding on embodied carbon.

In line with UN SDG principle of 'Leaving No One Behind', we consistently push the boundaries to deliver sustainable value that empowers and enhances the communities in all our townships. Guided by our 2030 SGs, we carry out a number of initiatives and programmes along with YSD, to help underprivileged families and communities.



We are committed to upholding human rights, which is why in 2022, we embarked on an initiative to ensure that our contractors adhere to Act 446 Workers' Minimum Standards of Housing and Amenities Act 1990, where we piloted in 2021 and rolled out at our project sites in 2022, working with the contractors to improve the quality, cleanliness, and safety levels. This due diligence has been an important and practical learning experience for the organisation as we deepen our understanding of human rights practices of our contractors.

Our COBC and VCOBC outline the expected behaviours and standards for employees and our value chains respectively. They serve as boundaries in establishing a clear framework for appropriate conduct and promoting a culture of integrity and accountability within the organisation. In 2022, an e-learning course and e-assessment was conducted for employees to further enhance a culture of integrity and accountability within the Group.

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AWARDS & RECOGNITIONS

The Edge Malaysia Property Excellence Awards 2022

- The Edge Malaysia Top Property Developers Awards – Ranked 4th
- The Edge Malaysia Property Development Excellence Award 2022 – Bandar Bukit Raja Industrial Gateway.

BCI Asia Awards 2022

- BCI Asia Top 10 Developers (Malaysia)

Putra Brand Awards – The People's Choice Awards 2022

- Platinum Award – Property Development Category
- Marketer of the Year

Malaysia Developer Awards 2022

- Top-of-the-Chart Awards – Top 10 (For Market Capitalisation of RM1 billion and above)

British Malaysian Chamber of Commerce ("BMCC") Business Excellence Awards 2022

- Outstanding ESG Award

StarProperty Awards 2022 – Real Estate Developer

- All-Stars Award – Sime Darby Property
- The Business Estate Award (Industrial Park) – Bandar Bukit Raja

- The Neighbourhood Award (Above 2,000 Acres) – Bandar Bukit Raja
- The Close-To-Home Award (Widest Amenities Within Walking Distance) – The Ridge, KL East
- The Family Friendly Award (Landed) Within Greater KL – Serenia City
- The Landscape Development Award (Best Landscape Development) – The Leaf Master Plan, Serenia City
- The Leading Low-Density Award (Low Density Development) – The Glades, Putra Heights
- The Skyline Award (High-Rise Residential Development) – Jendela Residences, KLGCC Resort
- The Pinnacle Award (High-End High-Rise Development) – Jendela Residences, KLGCC Resort
- The Placemaker Award (Best Placemaking Facilities) – City of Elmina



2022

The 40th Malaysian Society for Occupational Safety & Health (“MSOSH”) Occupational Safety & Health Awards

- Gold Class 1 – Kuala Lumpur Golf & Country Club

Malaysia Landscape Architecture Awards 12

- Developer & GLC Category Landscape Master Plan Awards (Honour Award)
 - City of Elmina Master Plan, City of Elmina
 - The Leaf Landscape Master Plan, Serenia City
- Professional Category (Malaysian) Landscape Analysis & Study Awards (Excellence Award)
 - Elmina Sport Park, Elmina East, City of Elmina
- Professional Category (Malaysian) Landscape Analysis & Study Awards (Honour Award)
 - The Living Canal, Bandar Bukit Raja 2

Malaysian Institute of Planners Planning Excellence Awards (“MIPPEA”) 2022

- Silver Award – Placemaking and Public Space Award (Private Sector Category) – The Leaf, Serenia City
- Bronze Award – ‘Inclusive Design Award’ Category – UNICEF Inclusive Playground, City of Elmina

Top 100 Platinum Golf & Country Club of the World 2022-2023 and Top 50 Platinum Golf & Country Club of Asia Pacific Category – 5-Star Private Clubs

- 5-Star Platinum Club – Kuala Lumpur Golf & Country Club



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ECONOMIC IMPACT

As a business entity, we remain focused on balancing economic growth and generating profit with the impact on the environment and people. We acknowledge that economic performance is the key towards achieving sustainable growth.

As Malaysia's biggest property developer in terms of land bank, with approximately 15,000 acres available land bank with a total estimated Gross Development Value (GDV) of RM100 billion, our financial capital indirectly invigorate local economic growth, supports local industries and enables us to maintain good relations with the local communities.

Our Aspiration

As a responsible property developer, we endeavour to make a positive contribution to the economy by creating sustainable, high-quality developments that create value not only for our investors but also for the communities and the environment.

Our Approach

For many years we have been looking at economic sustainability as one of the major drivers to business success. Our goal is to ensure that the business makes a profit while balancing environmental issues and social needs.

We also aim to establish an optimal capital and debt composition by improving our capital efficiency and controlling our capital costs while preserving the right balance of growth investment, shareholder returns, and a strong financial foundation.

With these in mind, we approach economic sustainability in terms of:



Contribution to economic development by creating tangible and intangible value for all stakeholders;



Support for local suppliers which can indirectly increase our contribution to the local economy and enable us to maintain good relations with the local communities; and



Our projects that create new employment opportunities and distribute financial benefits in the form of salaries, Government taxes, payments to vendors, and contributions to ESG causes.

KEY STRATEGIES AND OUTCOME

As a component of the Sime Darby Property 2030 Sustainability Goals (SGs), which was set in 2020, specific goals under Economic are:



We re-allocated the Sustainability Sukuk proceed in 2022 for new selection of eligible assets, as sustainable projects funded from the Sustainable & Responsible Investment (SRI) Sukuk issued in 2020 has been completed under current eligible asset.

No	Description of Eligible Asset	Township	Development Type	Status of Eligible Project	Type of Reallocation (New Project/ Refinancing)	Amount Allocated To Eligible Asset (RM mil)	Eligibility Criteria / Sustainability Goal Achieved
1	Affordable Housing Embun 1	Ainsdale	Double-Storey Link House	Completed	Refinancing	RM 20 mil	Affordable Housing SDP Goal 6
2	Affordable Housing Embun 2	Ainsdale	Double-Storey Link House	Completed	Refinancing	RM 25.4 mil	Affordable Housing SDP Goal 6
3	Subang PARC	Subang Jaya	Park (TSR Park development)	Completed	Refinancing	RM 6.7 mil	Terrestrial & Aquatic Biodiversity Conservation SDP Goal 11, 14, 15
4	Affordable Housing Serenia Amalia 1 & 3	Serenia City	Rumah Selangorku (RSKU)	Completed	Refinancing	RM 12.6 mil	Affordable Housing SDP Goal 6
5	KL East Park	KL East	Park	Completed	Refinancing	RM 2 mil	Terrestrial & Aquatic Biodiversity Conservation SDP Goal 15
6	Affordable Housing EW EG2 (C) Harmoni	City of Elmina	Rumah Selangorku (RSKU)	Target completion in April 2023	Refinancing	RM 49 mil	Affordable Housing SDP Goal 6

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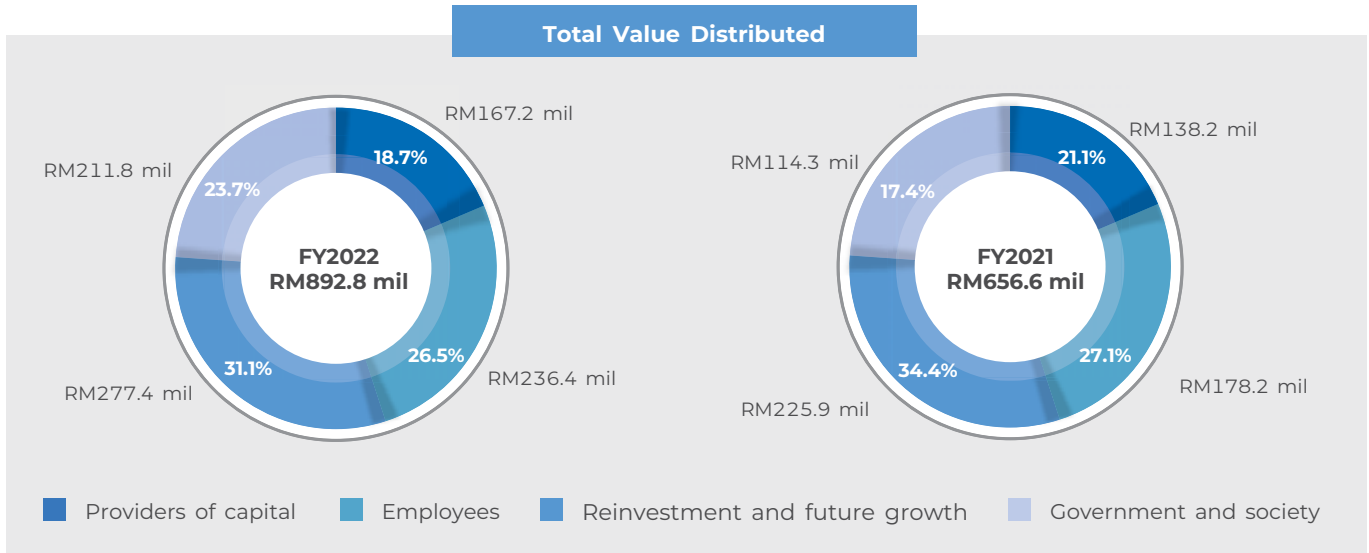
No	Description of Eligible Asset	Township	Development Type	Status of Eligible Project	Type of Reallocation (New Project/ Refinancing)	Amount Allocated To Eligible Asset (RM mil)	Eligibility Criteria / Sustainability Goal Achieved
7	Energy Efficiency (Renewable Energy) Ilham Residence 2 EE F3A EE F3B	City of Elmina	Double-Storey Landed Strata	Target completion in Oct 2023	Refinancing	RM 20 mil	Energy Efficient and Climate Action SDP Goal 17
8	Forest Park	City of Elmina	Park	Target completion in Apr 2023	Refinancing	RM 1.7 mil	Terrestrial & Aquatic Biodiversity Conservation SDP Goal 15,16
9	BBR Community Townpark	Bandar Bukit Raja	Park	Target completion in Jun 2024	Refinancing	RM 9.3 mil	a. Terrestrial & Aquatic Biodiversity Conservation b. Energy Efficiency & Climate Action SDP Goal 12,15,16
Total Eligible Assets Added to Portfolio						RM 146.7 mil	

Direct Economic Impact

We measure the total amount of additional expenditure we incur both inside and outside the Group, which is directly attributed to our financial performance.

We identify such impact as:

01	The value which is delivered to our shareholders;
02	Value which is delivered through our products and services to society;
03	Competitive salaries and benefits offered to our employees;
04	Fulfilment of obligations to suppliers and creditors;
05	Fulfilment of customers' needs; and
06	Investment benefits to local communities.



Indirect Economic Impact

We continue to contribute to economic development in the communities as well as to improve social and environmental conditions.

Our contribution to the community is multifaceted and includes investing in and spending for various aspects of environmental and social causes. Through this contribution, we support job creation which further contribute to national economic prosperity.

We build infrastructures and facilities that benefit the local communities in which we operate, such as the country's first inclusive playground through a collaboration with UNICEF Malaysia.

We invested RM530 million in infrastructures and facilities as outlined below. At the time of reporting, some of these projects are on-going.

Indirect Economic Impact		
Project	Purpose	Total investment
Integrated Water Supply Scheme (IWSS) Northern Corridor Southern Line	To provide sufficient water supply for Sime Darby Property developments, and all participating developers along the Guthrie Corridor Expressway	RM 35.30 million
IWSS Cybersouth	To ensure adequate water supply for the development of projects in Sepang.	RM 49.80 million
IWSS Serenia		RM 20.90 million
Meru Interchange	Upgrading of Jalan Meru's road network to improve connectivity in the area.	RM 73.50 million
Bridge over Express Rail Link Sdn Bhd at Serenia City	To improve road connectivity at Serenia by connecting the existing phases under development with areas that are set to launch in the future.	RM 15.45 million
Upgrading part of Sungai Semarang at Serenia City	To overcome flooding issue at Kampung Ampar, Tenang.	RM 8.75 million
KL East Park	To provide a park that features a new hiking trail for the community's use.	RM 1.60 million

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ENVIRONMENTAL

A total of 162 species of birds has been recorded throughout Sime Darby Property development, reflecting a good ecosystem function provided by our urban green spaces.

Picture of Black-and-Yellow Broadbill (or Great Egret) taken at KL East Park (or Bandar Bukit Raja) by Izereen Mukri, Ecologist at Sime Darby Property

We believe that responsible development goes hand in hand with environmental stewardship. As a property developer, we recognise our impact on the environment and are committed to minimising our footprint while creating sustainable and vibrant communities. We understand the importance of protecting and enhancing biodiversity in our townships and are committed to preserving and restoring ecosystems through our development projects.

With our 2030 Sustainability Goals acting as a beacon, we operate with a management system that tracks the progress of these goals. This is done by systematically setting improvement targets in our operations. Some of the operational targets on eco-efficiency are reducing carbon emissions Scope 1 and 2, waste and recycling and water consumption. On Biodiversity, we track carbon sequestration from planting of trees and planting of endangered, rare, and threatened tree (ERT) species.

Greenhouse gas emissions are reported on an annual basis. Core to the CFP, we track and monitor carbon emissions (absolute and intensity) under Scope 1 and Scope 2 as well as identify and implement key emissions reduction initiatives.

CLIMATE CHANGE

Our Aspiration

We aspire to be a Net Zero company, aligning our pathway with Science Based Target initiatives (SBTi). We are currently developing our Net Zero pathway focusing on Scope 1 and 2 and in 2023, developing a baseline for Scope 3.

We may not have all the answers for Scope 3 reduction now but we are committed to working with experts, manufacturers and suppliers to seek commercially available solutions that can move us towards a low carbon future.

Note:

Scope 1 refers to Sime Darby Property's owned/ controlled machinery, generator sets and company-owned vehicles. The sources of fuel are usually diesel, biodiesel, natural gas, liquefied petroleum gas and other types of fuel used by company-owned vehicles, machinery and generator sets.

Scope 2 refers to greenhouse gas (GHG) emissions from the generation of purchased electricity or other energy sources such as heating, cooling and steam.

Scope 3 refers to GHG emissions that occur outside the organisation, including both upstream and downstream emissions, and also contractor's emissions.

Metrics and Targets

We measure our operational carbon emissions by tracking the Scope 1 and 2 of our GHG emissions. 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.

In 2022, we focused on absolute Scope 1 and 2 emissions to reflect our operational carbon emissions impact. This enables us to take appropriate measures to reduce our carbon footprint across all aspects of our operations.

In mapping our Net Zero pathway, we reviewed our Scope 1 and 2 operational boundaries. We restated the boundary of operations which are under contractors' control, that was previously accounted for under Scope 1 and 2. Subsequently, we revised such boundaries to be under Scope 3 which is aligned to the GHG Protocol.

As such, the basis of preparation for the reporting carbon under Scope 1 and Scope 2 differs from those reported in the prior years. As a result, we have revised the Scope 1 and Scope 2 emissions for 2020 and 2021 to ensure comparability in our emissions disclosures.

The impact of the revision of the reporting boundaries to Scope 1 and Scope 2 emissions for 2020 and 2021 are as follows:

Emission scope	2020				2021			
	Previously Reported (tCO ₂ e)	%	Restated (tCO ₂ e)	%	Previously Reported (tCO ₂ e)	%	Restated (tCO ₂ e)	%
Scope 1	28,145	73	771	8	25,150	61	450	3
Scope 2	10,307	27	9,113	92	15,957	39	14,293	97
Total (Scope 1 and 2)	38,452	100	9,884	100	41,107	100	14,743	100

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Metric (tCO ₂ e)	2021 Baseline	2022 Actual
Scope 1	450.23	743.83*
Scope 2	14,292.82	13,509.95*
Total Scope 1 & 2	14,743.05	14,253.78*

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on 74 to 78.

Scope 1 has increased by 65% due to higher use of LPG (FY2022 vs FY2021) at our kitchens in the Leisure segment. Scope 2 electricity consumption reduced through Playbook KPI to drive good energy habits in our operations.

The Scope 1 and Scope 2 emission have been revised to more accurately reflect activities that are within our operational control.

Our Approach

We strive to reduce emissions from our operations and supply chain in ways that strengthen the performance and resilience of our business.

Key Strategies and Progress

Our Purpose anchors on four Sustainability Imperatives. The progress of our carbon footprint is monitored via:

- Group Corporate Scorecard
- 2030 Sustainability Goals
- Safety and Sustainability Playbook.

Board's Oversight of Climate-Related Risks and Opportunities

The Risk Management Committee (RMC) is delegated by the Board of Directors to review and provide periodic updates of the Group's sustainability strategy and plans.

Acknowledging the importance and the depth and breadth of the sustainability agenda to the Group, the Board has in November 2022 formed the Board Sustainability Committee, which will have oversight of overall sustainability matters in place of the RMC from 1 January 2023. The RMC would continue to review and monitor sustainability risks if they are identified as material key risks of the Group.

Some of our key initiatives to reduce our carbon footprint include:

- Governing our climate change actions strategy through Risk Management Committee (with effect from 1 January 2023, Board Sustainability Committee) and Management Sustainability Committee

- Developing a Net Zero Pathway and assessing climate risk and opportunities (in progress FY2022);

- Play an active advocacy role on climate change through 8 external engagement speaking events and actively contribute as a secretariat to the Property Development and Construction Sector of the CEO Action Network.

- Collaborate with expert partners such as Tropical Rainforest Conservation and Research Centre or Wetlands International on biodiversity conservation;

- Enhanced replication of green/low carbon materials into our products through our Minimum Sustainability Elements framework and working with our suppliers;

- On Scope 3, deepened our understanding on embodied carbon by commissioning a study on a typical product and completed a trial using GPS and drone technology to explore ways to reduce fuel consumption in earthworks.

In 2022, RMC and management discussed the integration of climate mitigation and adaptation into the company's long-term plans, annual operating plans, Sustainability Strategy and Framework. Other topics discussed also include Sime Darby Property's climate policy positions, sustainability initiatives and climate disclosure. Highlights of RMC's discussions with management are shared with the full Board of Directors.

Climate Risk Assessment

When assessing the potential impact of a risk, we consider the financial consequences and how it might affect more qualitative aspects, such as our reputation, our ability to comply with regulations, and possible damage to health, safety, our assets and the environment.

We started conducting two scenario-based transition risk analysis and assessment at 1.5 degrees and 4 degrees, aiming to align with the scenario guidance set forth by the Task Force on Climate-related Financial Disclosures (TCFD).

The on-going exercise also involves having an external consultant assisting us in getting better and in-depth understanding of the physical risk to our assets considering climate related risks in the short, medium and long-term.

Management's role in managing risks and opportunities

The Management Sustainability Committee is currently working with an external consultant to conduct climate related risk and opportunities (both transition and physical risk) that could impact us in the short, medium and long term, using two scenario analysis at 1.5 degrees and 4 degrees, which is aligned with Task Force on Climate-related Financial Disclosures (TCFD) recommendation.

As part of the risk assessment, we will consider the financial and non-consequences of the identified risk when developing the appropriate responses to mitigate the impact of the risk.

Mitigation

Our on-going climate change mitigation strategy centres around reducing our Scope 1 and 2 emissions while we chart our Net Zero pathway for Scope 1, 2 and 3.

Scope 1 by Emissions Source	2021 Emissions (tCO ₂ e)	2022 Emissions (tCO ₂ e)
Diesel	225.83	195.37
Natural gas	0	0
Liquefied petroleum gas	51.83	200.09
Petrol	172.57	141.22
Refrigerants fugitive emissions and others	0	207.15
Total Scope 1 GHG emissions	450.23	743.83*

Scope 2 by Business Segment	2021 Emissions (tCO ₂ e)	2022 Emissions (tCO ₂ e)
Head Office-Oasis, Ara Damansara	962.06	857.13
Sales Gallery & Operations Office	2,026.05	2,152.71
Leisure	4,464.56	5,146.71
Investment & Asset Management	6,840.15	5,353.40
Total Scope 2 GHG emissions	14,292.82	13,509.95*

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

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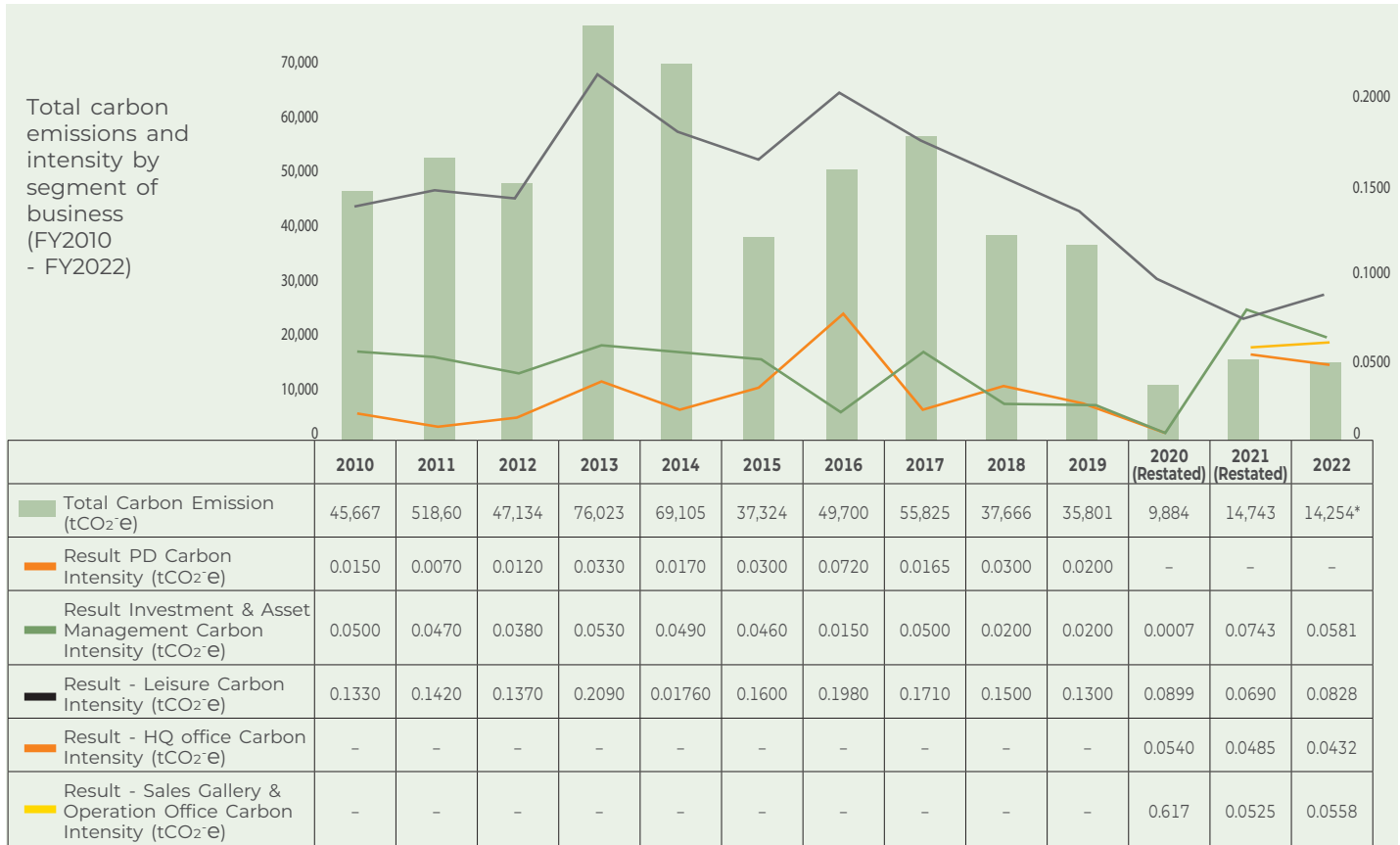
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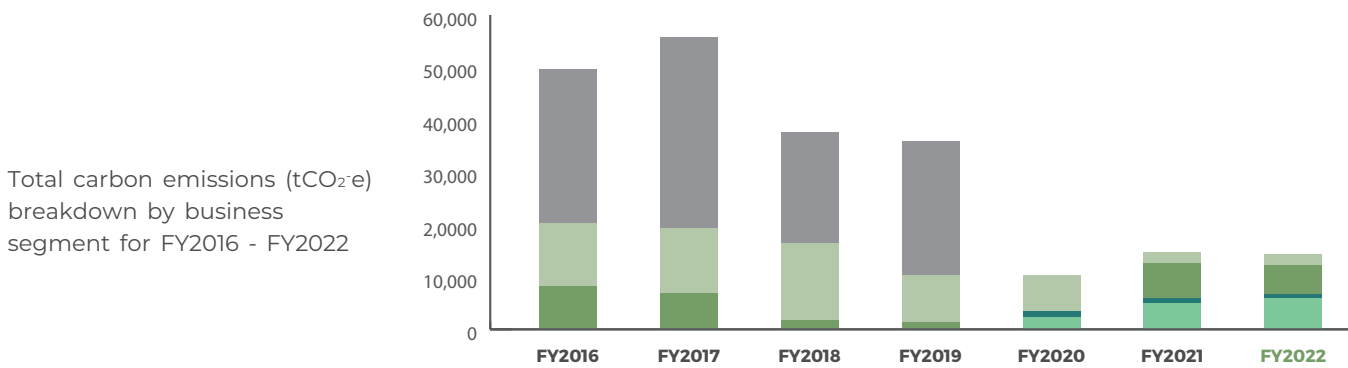
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* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.



	2016	2017	2018	2019	2020 (Restated)	2021 (Restated)	2022
Property Development	29,465.07	36,499.21	21,295.47	25,424.63	-	-	-
Leisure	11,990.31	12,417.30	14,626.85	9,014.76	6,397.31	4,911.49	5,887.12
Investment & Asset Management	8,245.08	6,851.78	17,44.15	1,361,397	38.70	6,843.45	5,355.88
HQ Office	-	-	-	-	1,069.77	962.06	857.13
Sales Gallery & Operation Office	-	-	-	-	2,377.64	2,026.05	2,153.65

^ Note : The reporting for carbon emissions breakdown by business segment for FY2016 - FY2019 where boundaries Scope 1 and 2 included contractors emissions. However, from FY2020 onwards, the boundaries Scope 1 and 2 have correctly reflected emissions under our operational control and excluded contractors due to reclassification of boundary for Scope 1 and Scope 2 emissions.

ENERGY

Our Aspiration

As a large proportion of our operational carbon emissions is from Scope 1 and Scope 2 (95% in 2022), we strive to continually focus on reducing our electricity consumption in all our operations.

Our Approach

Our key Scope 2 initiatives are:

- Implement good energy habits practices by making staff accountable through the Playbook.
- Businesses identify and retrofit energy saving components in the offices and sales galleries.
- Explore use of solar panels at our offices and sales galleries.

Key Strategies and Progress

In 2022, our total emissions for Scope 1 and Scope 2 reduced by 3.3% compared to 2021. Fuel usage increased by 65% while electricity consumption reduced by 5.5%. While the fuel usage percentage is large, it constitutes only 5% of our total emissions for Scope 1 and Scope 2.

Energy Consumption within the Organisation:

Type of Energy (Scope 1)	2021			2022			Purpose/Source
	Litres	Gigajoules	tCO ₂ e	Litres	Gigajoules	tCO ₂ e	
Diesel	83,639.90	3,021.07	225.83	72,263.93	2,610.17	195.37	Transportation, Genset, Machinery
Petrol	75,189.75	2,464.72	172.57	61,537.03	2,017.18	141.22	Transportation and Machinery
Natural gas	N/A	N/A	N/A	N/A	N/A	N/A	Stoves
LPG	32,075.57	819.21	51.83	123,834.15	3,162.72	200.09	Stoves
Refrigerant Gas Type (i.e. R22)	NA	NA	0	NA	NA	207.15	Refrigerant Fugitive emission
Total	190,905.22	6,305.00	450.23	257,635.12	7,790.07	743.83*	

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

Type of Energy Purchased:

Type of Energy Purchase (Scope 2)	2021 Gigajoules	2022 Gigajoules
Electricity	69,438.79	83,138.15
Heating	N/A	N/A
Cooling	N/A	N/A
Steam	N/A	N/A
Total	69,438.79	83,138.15

Total Energy Consumed FY2022: 90,928.22 Gigajoules*

The 2021 and 2022 energy consumption figure was based on reclassified reporting boundary for Scope 1 and Scope 2 emission subsequent to the reassessment of reporting boundaries made in 2022.

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

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BIODIVERSITY

Our Aspiration

Urban expansion and land-use change are among the main drivers for biodiversity collapse. Real estate development often involves the conversion of natural habitats, such as forests, wetlands, or grasslands, into human-dominated landscapes, such as residential, commercial, or industrial areas. This land-use change can have significant impacts on biodiversity by reducing the quality, quantity, and connectivity of natural habitats, leading to the loss, fragmentation, and degradation of ecosystems and their associated species.

Acknowledging that biodiversity plays a key role in ensuring our ecosystems function effectively so that all beings and nature can coexist, we aspire to have a positive impact on biodiversity in our townships.

Our Approach

SDP has committed to help protect, conserve and sustainably manage our sizeable landbank. Our priority is to avoid negatively impacting biodiversity and ecosystems in the name of urban development.



Picture of a well-camouflaged Dead Leaf Mantis taken in KL East Park by Izereen Mukri, Ecologist at Sime Darby Property

As a property developer, ensuring responsible use of land is key in order to safeguard our biodiversity. Towards this end, we do not develop on primary rainforest ecosystem, highlighted in our Sime Darby Property Sustainability Policy. We introduced the Tree-to-Tree Replacement Policy in 2011 under which we committed to replace every oil-palm tree that were fell for our development with another tree, putting emphasis on multi-species planting strategy. In return, our development areas are planted with a good diversity of flora species rather than monoculture oil-palm trees. A healthy mix of diverse flora is able to provide a good habitat and food resources for wildlife to thrive within the urban environment.

In mitigating soil erosion and sedimentation, we have strict compliance and assurance to minimise these impacts by:

conducting environmental monitoring system;

ensuring compliance to Environmental Impact Assessment; and

employing approved Erosion and Sediment Control Plan.

Impact of Our Activities on Biodiversity

In 2022, we tightened our protocols in managing biodiversity in our active townships that we are developing. These include:

- Multi species planting, including the planting of ERT species requirements were incorporated into the management decision process for landscape design.
- Capability building of our landscape architects and staff to change the traditional approach of planting landscape for aesthetics to one that promotes a functioning ecological system.
- Developed and piloted in two townships to draw a biodiversity baseline adapted from Singapore's Cities' Biodiversity Index

While the above are implementing biodiversity in our day-to-day operations and decision making, we are undertaking several key projects to regenerate our urban biodiversity in our active townships:

- 14.7 acres of forest tree species in our Forest Park in the City of Elmina (ongoing)
- 53 acres of secondary forest in KL East Park (opened to public in 2022)

These projects would mitigate some of the impacts of habitat fragmentation.

Biodiversity Conservation Strategies

SDP sets priorities for conservation and better management of biodiversity based on perspectives from regulatory bodies, leading NGOs and other stakeholders regarding urban biodiversity conservation and opportunities to enhance nature through better planting strategies within township developments.

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. Apart from emphasising on having diverse and multispecies planting across our township development, we also work with strategic partners to protect and conserve Endangered, Rare, and Threatened (ERT) species that have been assessed by the International Union of Conservation of Nature. Further adding to the conservation value of our developments, planting species which are being threatened with extinction will help to propagate them outside of a protected area, bringing back precious biodiversity into the urban fabric and help to raise awareness of the importance of biodiversity conservation and the threats faced by these species to the local communities. Our ultimate goal is to plant a total of 160,000 trees across all our townships by 2030, with at least 50,000 trees assessed as ERT species. Since 2011, we have planted almost 25,000 trees that are facing extinction.

Partnership for Goals

Partnership for goals is a critical component of the United Nations Sustainable Development Goals (UNSDG) framework

Goal 17 'Partnerships for the Goals'. It requires a collaborative effort from all stakeholders, including governments, civil society, private sector, and individuals, to work together towards achieving these goals. Partnership for goals recognises that each stakeholder brings unique strengths and expertise, and by working together, they can leverage these strengths to achieve common goals. Through partnerships, resources can be pooled, knowledge can be shared, and solutions can be developed that are more effective, efficient, and sustainable.

Similarly, at Sime Darby Property, we partnered with the Tropical Rainforest Conservation and Research Centre (TRCRC) in realising our biodiversity agenda. Together, we set up the Elmina Rainforest Knowledge Centre (ERKC) where regular engagement programmes are being held with the local communities with the intent to raise awareness among urbanites on the importance of biodiversity conservation. This is achieved through activation of the "Friends of ERKC" programmes throughout the year. Next to ERKC, we established a 10-acre Elmina Living Collection Nursery (ELCN) which houses samplings of various species especially those that are assessed as ERT, operated by TRCRC. In ELCN, saplings are grown from seedlings, experienced hardening processes before being planted across the City of Elmina.

ERKC Engagement Programme

Since 2021, the ERKC engaged 10,775 individuals via 145 programmes that featured knowledge sharing, webinars, virtual tours, as well as hands-on experience on rainforest conservation. Among the programmes included are talks, biodiversity education, school outreach programme, nursery volunteering, botanical tours, bird watching and workshops.

	2021			2022			
Programmes	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nursery Management Workshop	46	36	24	8	-	43	80
School Outreach Programme	43	-	148	15	5	69	76
Biodiversity Education Programme	-	23	104	87	7	110	107
Photography Course/Competition	-	-	30	590	-	-	-
Talk/Event/Exhibition	3,515	4,386	88	440	139	60	68
Community Interest Group Activation	102	1	-	2	1	2	-
Total	3,706	4,766	394	1,142	152	284	331
Total Overall	10,775						



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Elmina Living Collection Nursery & Elmina Rainforest Knowledge Centre

The City of Elmina, our 6,500-acre township showcases Sime Darby Property's largest rewilding efforts which aims to restore ecosystem health by protecting core wild or wilderness areas and conserve biodiversity.

We collaborated with the Tropical Rainforest Conservation and Research Centre (TRCRC) to run the conservation programmes at the Elmina Rainforest Knowledge Centre (ERKC) with funding support from Yayasan Sime Darby.

The ERKC and its neighbouring Elmina Living Collection Nursery (ELCN) make it possible for both Sime Darby Property to have some of our supply of native forest trees for planting in the townships and outside parties to carry out forestry projects.

Through our partnership with TRCRC, we have translated the learnings into our day-to-day management systems to ensure that good biodiversity practices are implemented in our townships. We understand that our role is to meet the demand of the property market, and also help regenerate urban biodiversity. This partnership supports our journey as we bridge the gap between property development and biodiversity conservation.

By 2040, we expect to plant a total of 210,000 trees throughout the City of Elmina, out of which 10% will consist of trees that are assessed as Endangered, Rare and Threatened (ERT) by the IUCN Red List of Threatened Species. So far, we have planted almost 50,000 trees. Of this total, 6,579 of them are trees with high conservation values, adding to the existing trees across Sime Darby Property's developments over the past decade.



Native tree species are grown at the Elmina Living Collection Nursery



Elmina Rainforest Knowledge Centre, City of Elmina

Green spaces and carbon sequestration through landscaping

Sime Darby Property's Tree-to-Tree Replacement Policy came into effect in 2011, and since then, we have successfully planted an average of 12,000 trees per year amounting to a total of 125,161 trees planted across our development.

The policy outlines our commitment to replace an oil palm tree which is 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). In 2022, the tree replacement ratio across the group level is recorded at 0.6:1 as compared to 0.5:1 in 2020. This is due to the fact that a lot of planting works is still being carried out progressively while new phases of development and land clearing are being continued elsewhere.

Through planting of trees, we have sequestered an estimated 13,072 tCO₂e from our tree-planting efforts since 2011.



WATER MANAGEMENT

Our Aspiration

Water resource management is an integral part of protecting the environment and at the same time, an essential part of our everyday work and life. We recognise the importance of water in in our construction process, in the operations of our offices, sales galleries, townships, leisure and investment management assets; and its absolute necessity for the communities that we serve.

Value Creation Through Infrastructure Development in 2022

Project	Purpose	Total investment (RM mil)
Integrated Water Supply Scheme (IWSS), Northern Corridor Southern Line	To provide water supply for Sime Darby Property and third-party developments along the Guthrie Corridor Expressway	35.30
IWSS Cybersouth	To ensure adequate water supply for the development of projects in Sepang	49.80
IWSS Serenia		20.90

Our constant aim is to minimise consumption of water at our business premises and throughout our business operations through sound water saving practices built into our management systems. We strive to design homes that use water efficiently such as rainwater harvesting, water saving fixtures or use of plants that require less water. We also aim to work with authorities to invest in water infrastructures that benefit communities surrounding some of our townships.

Our Approach

We take a holistic approach to water management. Some of our initiatives include:

Designing products that use less water as part of the Minimum Sustainability Element framework. Invested more than RM100 million in the Integrated Water Supply Scheme (IWSS) in Northern Corridor (Southern Line)

Monitor and track use of water savings fittings and water consumption in our 2030 Sustainability Goals.

Key Strategies and Progress

Some of our progress:

Water saving fittings in 30,000 residential units by 2030 as per the SDP 2030 Sustainability Goals. The annual target for 2022 was 2,500 and the actual was 3,948 residential units installed with water savings fitting.

Investment in water infrastructure as tabled below.

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We continue to implement strict adherence:

- Erosion and Sediment Control Plan (ESCP) implemented during construction phase.
- Monitoring of water bodies (mostly rivers) during the development process as required by regulation through the Environmental Management Plan.

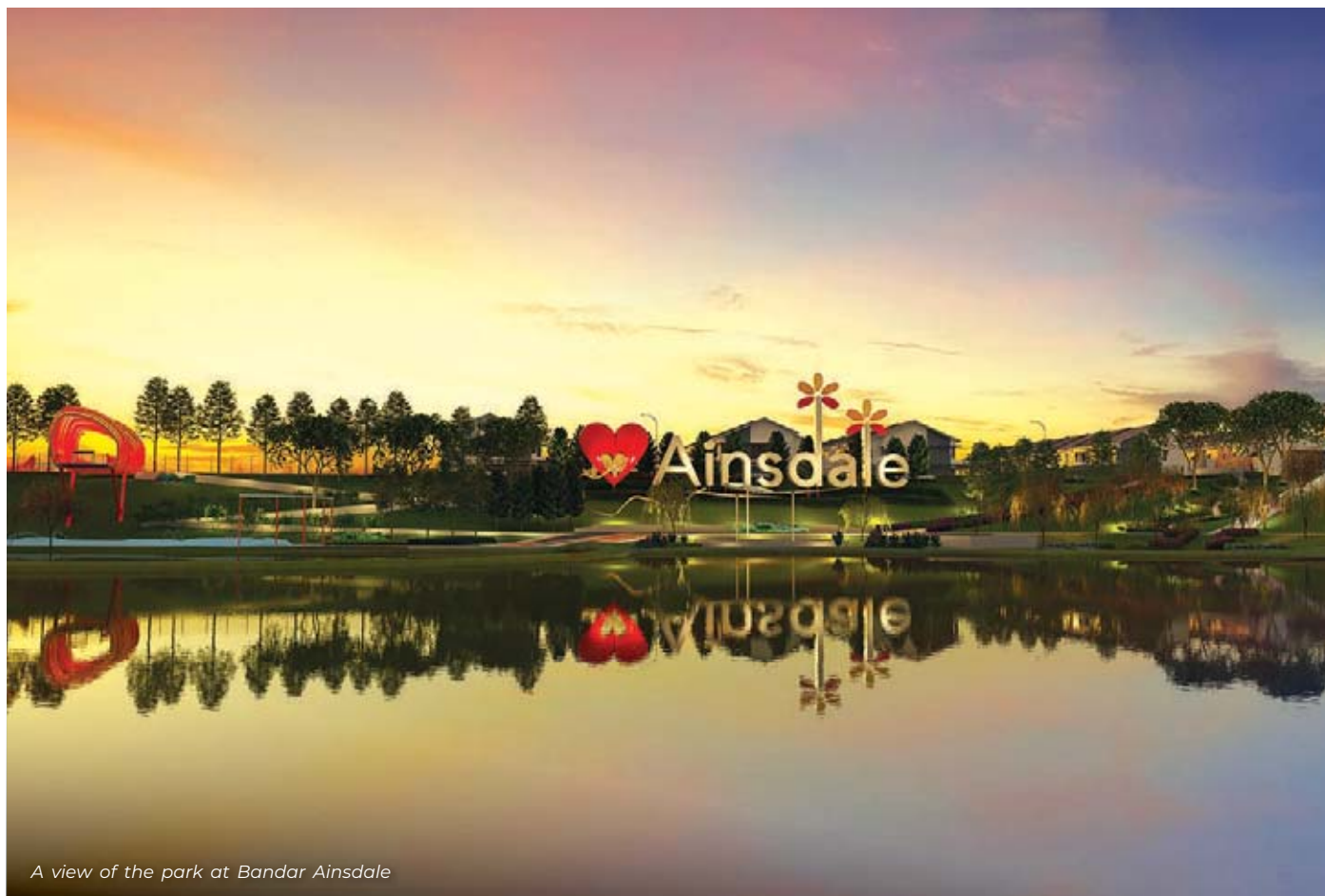
We also ensure that any water or effluent discharged from our sites comply with the latest limits stipulated in the Environmental Impact Assessment (EIA) Approval Conditions while our contractors are required to strictly comply with the EIA.

Water Footprint

We have been monitoring our water usage since 2016 to help us measure the Group's water intensity with the aim of reducing water intensity by 30% by 2030, as outlined in Goal 18 of our 2030 SGs. We withdraw water from potable treated water (municipal water), and to a lesser extent, from surface water and groundwater. Presently, we track metered potable water used (mostly), while non-potable water is tracked but is not a part of the overall intensity calculations at present.

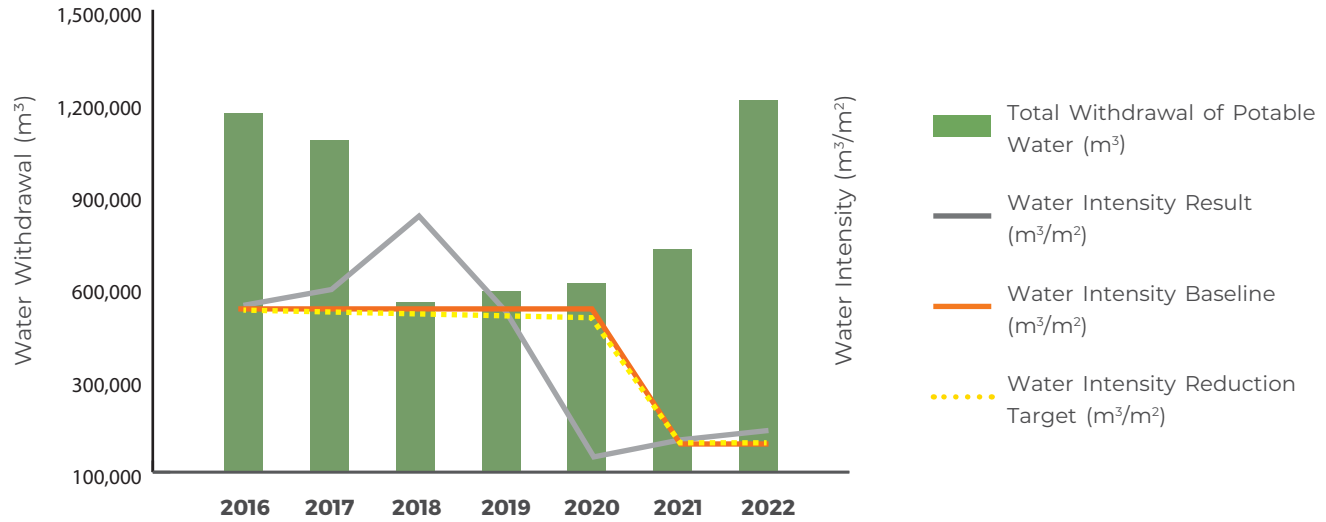
The water intensity increased by 28% in 2022 compared to 2020 baseline due to the increased activity post lifting of the Movement Control Order where we saw a full year of activities.

A range of factors influenced this increase, and we are committed to improve our water consumption practices and will work to implement solutions that will help us achieve our 2030 water intensity goals.



A view of the park at Bandar Ainsdale

Total Withdrawal of Potable Water from 2016 - 2022



	2016	2017	2018	2019	2020	2021	2022
Total Withdrawal of Potable Water (m³)	1,164,280.00	1,077,114.00	551,550.00	587,175.00	612,830.00	722,598.00	1,205,794.49*
Water Intensity Baseline (m³/m²)	0.618	0.618	0.618	0.618	0.1265	0.1265	0.1265
Water Intensity Result (m³/m²)	0.618	0.686	0.954	0.604	0.068	0.128	0.1622
Water Intensity Reduction Target (m³/m²)	0.618	0.612	0.606	0.587	0.587	0.125	0.124

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

Note: We revised our preliminary water intensity baseline from 0.618 m³/m² in 2016 to 0.1265 m³/m² in 2020 due to the divestment of assets under the Investment & Asset Management and Leisure segments between 2016 and 2019.

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WASTE MANAGEMENT

Our Aspiration

We recognise the importance of reducing waste to landfill in our operations and construction activities.

To effectively reduce waste in day-to-day operations of offices, sales galleries, leisure operations and mall, our goal is to ensure that we have an effective management system to track waste to landfill and empower these locations to reduce their waste and practice recycling.

Our aim is to implement sustainable construction practices and minimising the use of non-renewable resources. We strive to design our buildings to incorporate sustainable materials and minimise waste during the construction process.

Our Approach

Waste data is collected from our operations and construction sites.

- Waste to landfill data.
- Recycling data.
- Compost is from our Leisure segment.

These data are collated centrally and tracked as part of the 2030 Sustainability Goals.

On the design part, we track our Industrialised Building System score, which we are currently at 60.6 in 2022 vs 59 in 2021. The higher the IBS scoring, the more standardise building components are re-used during construction, the less waste generated.

To promote efficient waste management and smooth daily operations, we rolled out our in-house Waste Management Guidelines (WMG) in August 2020. It serves as a guidance in establishing, measuring and monitoring waste generation and recycling at Sime Darby Property.

The scope of WMG is on the handling, storage, collection, transportation, treatment and disposal of waste generated, and the recycling activities undertaken by all Sime Darby Property sites, facilities and functions.

WMG sets out the principle of waste reduction, comprising a waste management hierarchy that starts with prevention and ends with disposal. The hierarchy for waste management within Sime Darby Property is:

01 Prevention: Strict avoidance of waste generation at source.

02 Reduction: Reducing amount of waste generated.

03 Reuse/Recycle: Reuse waste into usable products or recycle waste to reduce depletion of sources

04 Treatment: Common waste treatments such as composting etc.

05 Disposal: Ensuring waste disposed at legal landfill.

The guidelines, accessible on our corporate website, lay out the laws and regulations that we are required to comply with as well as waste reporting procedure, measuring of waste generation, monitoring, waste category, vendor and storage. WMG also incorporates among others, the waste reduction initiatives, as follows:

01 Recycling bins available throughout the area;

02 Implement no plastic policy at site;

03 Eliminate or combine processes that could generate less waste;

04 Reuse recyclable item at site;

05 Conduct recycling awareness campaign for all staff; and

06 Conduct competition on the most recyclables collected.

Key Strategies and Progress

We empower our operations and construction to reduce their waste and increase their recycling. We will continue to track waste reduction as part of our 2030 Sustainability Goals. We aim to incorporate into our design construction methods and practices that reduces waste. Post movement control order (MCO), we saw increased activities in our construction and leisure segments. The rapid growth has resulted in an increase in our waste footprint, doubling our waste to landfill tonnage.

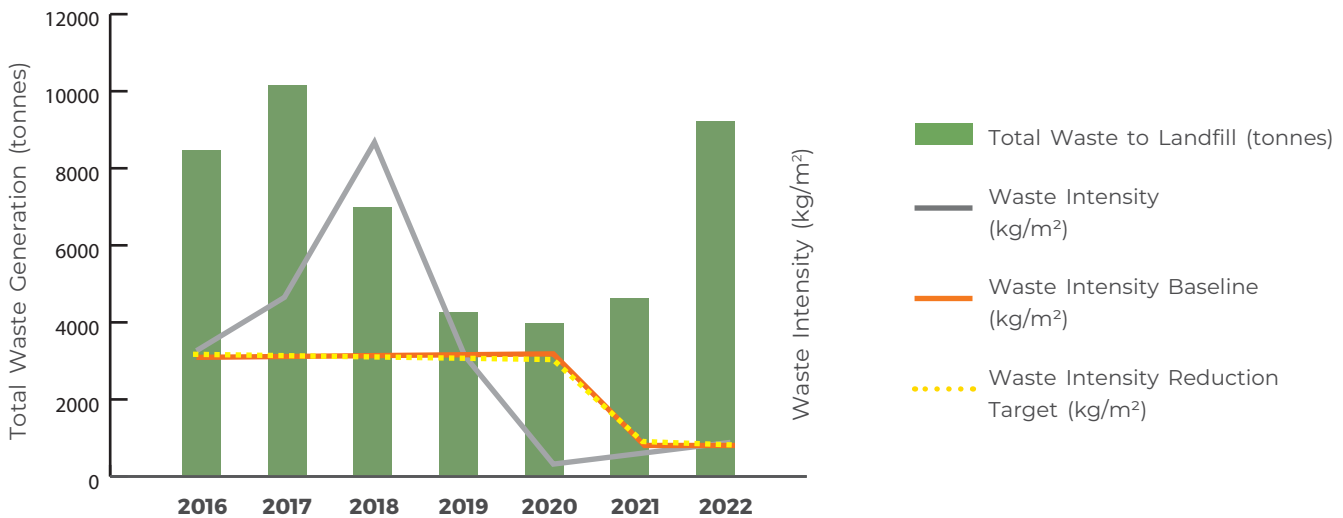
At the back of this increase, we saw a 14-fold increase in recycling. This is mainly due to a better collaboration between Sime Darby Property project teams and contractors in ensuring accurate submission of their recycling data.

While we track and monitor our waste, we acknowledge that our waste management practices is a work-in-progress as evidenced by the recycling effort and will take steps to address the issue of waste reduction.

Year	2021 (tonnes)	2022 (tonnes)
Waste to Recycling Centre	259.09	3,276.14*
Waste to Composting	96.17	446.04
Total Waste Recycled (recycling centre and composting)	355.26	3,722.18
Total Waste to Landfill	4,623.46	9,180.24*
Total Waste to Scheduled Waste Facility	41.62	58.65
Total Waste Generated	5,020.34	12,961.07*

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

Total Waste to Landfill from 2016 - 2022



	2016	2017	2018	2019	2020	2021	2022
Total Waste to Landfill (tonnes)	8,465.00	10,148.00	7,005.00	4,267.00	3,980.00	4,623.46	9,180.24*
Waste Intensity Baseline (kg/m²)	4.490	4.490	4.490	4.490	1.223	1.223	1.223
Waste Intensity (kg/m²)	4.490	6.459	12.118	4.389	0.440	0.816	1.235
Waste Intensity Reduction Target (kg/m²)	4.490	4.445	4.400	4.266	4.266	1.210	1.198

Note: We revised our preliminary waste intensity baseline from 4.490 kg/m² in 2016 to 1.223 kg/m² in 2020 due to the divestment of assets under the Investment & Asset Management and Leisure segments between 2016 and 2019.

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Community Recycling

We believe that community recycling is a critical component of waste management beyond the company's operations and construction. We have implemented a range of initiatives to promote community recycling in our townships, offices and mall. We work closely with our tenants, customers, and stakeholders to educate them about the importance of recycling and to provide the necessary infrastructure to facilitate recycling such as recycling bins and education materials.

We have set a long-term target of 6,570 tonnes of community-based recycling each year by 2030 and in 2022, our community recycling tonnage was 353.1 against cumulative target of 300.

A dedicated pilot programme kicked off at Bandar Bukit Raja in 2017 followed by Denai Alam, Bukit Jelutong, Melawati and elsewhere. In one recycling scheme, the community is paid for their recyclables which amounted to RM16,676.39 in 2022 at the Seruling Apartment, Bandar Bukit Raja. Arising from this practical experience, Biji-biji – the social enterprise that is working on the Seruling Apartment programme will develop a guideline on how communities can setup their own community recycling programmes.

Community recycling is a complex endeavour requiring the cooperation of several interested parties, and we will continue to explore more avenues to expand our community recycling programmes, working with YSD.



Komuniti Lestari 3R programme at Seruling, Bandar Bukit Raja

SUSTAINABLE PRODUCTS

Our Aspiration

Our motivation at Sime Darby Property is to help people live happy and healthy lives. To do this, we are committed to developing and delivering products that people trust and to enable a healthier and more sustainable future for everyone.

We aim to keep innovating in terms of sustainable design and to up the ante in our placemaking efforts. Central to this ambition is designing products that are sustainable and to reduce environmental impact and carbon footprint.

For 50 years, we have contributed to nation-building initiatives. In support of the key tenet of the United Nations Sustainable Development Goals to “leave no one behind”, we will continue to conscientiously introduce products that fit various price points for different segments of society.

Our Approach

With the growth in population and the increasingly severe effects of climate change, Sime Darby Property is rising to the challenge as we look into creating not only liveable spaces and homes but also sustainable ones.

As Malaysia's leading property developer, we are committed to driving sustainable developments on the environmental, social and governance (ESG) fronts, both in our operations and in the communities we serve. We believe that by embedding sustainable design and installing green features in our properties, we can reduce the impact on the environment.

We consciously strive to develop sustainable townships by building multigenerational homes where the three generations live comfortable under one roof. We create spaces where young children can grow and adults can age, with home features that are flexible to suit their different needs.

Our products feature spaces that can be converted into work or play areas, as well as designs that promote independent living such as ramps for wheelchair access and sliding doors for better accessibility.

Another element is the incorporation of low-carbon and green accessible lifestyle options. Our townships and products are designed with multiple green features to realise our vision of building sustainable communities.

Key Strategies and Progress

The key to our sustainable development is the constant effort in institutionalising sustainability standards for our townships and communities.

We developed the Product and Main Infrastructure & Landscape (MIL) Standard Sustainability Minimum Element Guidelines & Checklists to integrate the Group's 2030 Sustainability Goals into all our products. The guidelines cover the four main areas of Building Materials, Industrial Building System (IBS), Eco-Efficiency (energy, water and waste) and Wellness & Safety under Product whilst Construction Material, Eco-Efficiency, Wellness, Connectivity & Safety and Natural Ecosystem for MIL.

In addition to this, we have other sustainability-related guidelines which are Built-Form Guideline, Urban Design Guideline, Standard Design and Specification Guidelines, Crime Prevention Through Environmental Design (CPTED) Approach and Urban Farm Guidebook.

We apply the concept of standardisation for our double-storey link houses, a staged approach towards the visionary goal of manufacturing homes. Productisation and modularisation of components and builds is a fundamental step where success is reflected through higher IBS Scoring for developments and projects.

Standardisation in construction industry can assist in improving performances and quality. It reduces variation in quality and improves profitability through reduction in cost. It also results in shorter lead time, lesser defects, lesser waste, higher productivity, as well as improved environment and health and safety measures.

Concept Home 2030

To ensure that our typical homes can keep up with the changing times, we initiated the Concept Home 2030 to create a platform for industry experts and consumers to exchange innovative solutions and challenge the way homes are designed and built in the future.

We partnered with the Malaysian Institute of Architects (PAM) in August 2021 to organise the Concept Home 2030 Competition, inviting the nation's visionaries of the built realm to radically reimagine how homes would and should look like in 2030. The competition challenges participants to push the limits of conventional terrace houses by focusing on four key pillars — sustainable solutions, modern construction methods, modular designs that are expandable as well as customisable, and AI or tech-infused homes. Receiving 171 registrations, the highest number of entries

in the history of PAM's competitions, the competition pushed the participants to return to the drawing board, redesign the built environment and incorporate futuristic methodologies without compromising on aesthetics.

In Q1 2022, we selected the winners from 10 finalists at a live judging event based on the ingenuity of their design and how they demonstrated a holistic approach in incorporating the competition's four pillars.

The competition is the first step of the Concept Home 2030 initiative, and it will remain ongoing as part of Sime Darby Property's effort to continuously innovate and lead the way in creating future-proof homes that address consumer and environmental needs more holistically.

In Q3 2022, a series of Product Visioning Workshops were held internally to further understand the winning submission from the CH2030 competition for innovation advocacy and User Experience Formulation. The sessions were attended by over 20 cross-functional team members across the organisation to share perspectives and learn together about what the virtual realm could offer property development.

In Q4 2022, we invited students from Malaysian schools to participate in the "Innovators of Tomorrow – Reimagine the Future Home" competition to get a different perspective on homes of the future, while we aim to advance real estate as a force for collective progress, in harmony with the planet's resources. Working with The Star Media Group as the coordinators and supported by Yayasan Sime Darby, the competition was a success, having recorded 198 team registrations. On 10 December 2022, we held the judging finale which saw the top 10 teams presenting their ideas, such as a home built completely out of timber amongst others.

Moving forward, we are looking to collaborate with leaders in construction, digital technology, and sustainability initiatives to bring these innovative home solutions a step closer to reality. We will also continue to engage the public for feedback as it works towards building future homes that truly meet the evolving needs of homeowners.

We believe that the initiative could encourage the industry to work together to build homes that are modular, innovative, smart, and sustainable. Ultimately, this would put Malaysia at the forefront of future living and technology, ensuring future generations will be able to enjoy the best standard of living possible.



ENVIRONMENTAL

PARC at Taman Subang Ria in SJCC

“Project A Reka Cipta” or PARC is a sustainably driven community hub for people from all walks of life: a space to harness the collective good and accentuate the values of people, planet, and prosperity. It is a place-based approach to influencing behavioural change. It is currently under construction and slated to be opened in 2023.

PARC embodies the idea of innovating and creating, anchoring the redevelopment from its design to the curation of placemaking programmes to be held within this space.

PARC's Vision

Sustainable, resilient, and well-connected communities creating a better tomorrow for all.

PARC's Mission

Creating a replicable community centre model to influence the communities of Sime Darby Property to be advocates of sustainable living.

PARC's Objectives

Objective 1 - Built for the people, by the people

Encourage ownership via co-creation that includes the immediate community in contributing to the development of spaces, assets, and programming of PARC to support community needs.

Objective 2 – Bringing Together People and Place

Provide avenues for sharing economies to flourish that create resilient, supportive social capital & networks accessible by all.

The design and construction of the place are upon the following principles, aimed at guiding and informing the various parties on the outcome of the community hub and its surrounding.

01

A clear design narrative of “A walk in the PARC”; therefore PARC should provide the feeling to visitors that the sustainability journey they are taking can be simple and easily adopted. This means lowering barriers for public to participate in creating sustainable outcomes together.

02

Maintain existing structural footprints and hardscapes. The existing building and any structural footprints/hardscapes shall be maintained. Instead, any upgrade works and new build shall be built upon the confines of the existing footprint.

03

Reuse of existing materials such as roof trusses to hold new roofing, metal frames of the tennis court to become bollards and sculptures and retaining existing walls where possible.

04

Selected structures are maintained and refurbished in white paint to allow for future community participation to create sense of ownership.

05

Existing environmental features such as large trees and the grassed areas shall have minimal intervention to not encroach on the existing biodiversity. Any landscape additions shall add to the biodiversity of the place.

PARC aims to create long-term impact through its programming activities, which aim to encourage the following key behaviours:

Adoption of Environmentally Sustainable Practices

- Recurring recycling efforts through proper recycling channels, established buy-back partners, incentivising behaviour through reward programmes;
- Responsible consumption habits by building awareness of sustainable materials, products and brands through retailers, vendors and use of materials on site;
- Zero waste practises that can be implemented at home through reducing waste, reusing, repairing, rot, recycling waste, and upcycling at the Circular Zone;
- Enable and drive better practices within individual, family and community ecosystems; and
- Empower environmental stewardship.

Increased Self-sufficiency and Resilience

- Implementation of urban farming to address current concerns regarding food insecurity and to educate on food systems;
- Adoption of healthier personal habits regarding nutrition, fitness and wellbeing;
- Empower individuals through better emotional health, life skills, exposure, and educational support;
- Implementation of renewable energy system to showcase off-grid living.

Support & Collaboration to Foster Positive Social Capital

- Recurring volunteering efforts;
- Shared resources and spaces that are accessible for the community's use;
- Idea generation & solutioning to uncover and address community needs;
- Appreciation of cultural context of locality;
- Enable communities through better data, sharing knowledge, building networks, and enabling collective action.

GreenRE Certification

Selected projects based on local authority requirements were awarded the Green Real Estate (GreenRE) Provisional Gold Certification, namely KLGCC Resort's Jendela Residences and Maya Ara Residences. The achievement solidifies the Group's sustainability focus to fully support the world's climate change mitigation and impact reduction agenda.

The GreenRE, developed in 2013 by Real Estate & Housing Developers' Association (REHDA), is a recognised green building rating system tailored for the property development and construction industry. The certification, aligned with the United Nation's Sustainable Development Goals and the World Green Building Council's commitment to attaining a net-zero future, drives the Malaysian real estate industry's sustainability standards and certification processes. Buildings or township projects submitted for the certification are assessed based on six pillars of sustainability, mainly energy and water efficiency, carbon emission, environmental protection, indoor environmental quality and other green features.

Renewable Energy

We conscientiously introduce energy-efficient and renewable energy elements in our products, as evidenced by our collaboration with TNBX, a subsidiary of Tenaga Nasional Berhad, to install Solar Photovoltaic panels, smart metres at all 513 units of Ilham Residence in the City of Elmina. This partnership in the first of its kind in Malaysia, which is in line with the Group's strategic sphere to "Lead in Sustainable Technology Solutions.

The homes come equipped with solar panels and smart green metres. Some of these initiatives will allow home owners to manage their energy. This allows the home owners to lower their carbon emissions, as well as monthly electricity bills.

We continued to incorporate solar PV panels in industrial units and PARC in Taman Subang Ria. As at December 2022, 29 units in two townships have been allocated with solar PV panels, which are expected to generate 673.36 kWp of renewable energy.

Township	Product Type	Launch/Awarded Date	No. of Units	PV system/unit (kWp)	Total PV system (kWp)
Kota Elmina	Factories	June '22	28	20	560
SJCC, PARC Taman Subang Ria	Commercial/Recreational	Dec '22	1	113.36	113.36

Most of our landed, high-rise residences and ready-built factories are solar PV infrastructure ready (with solar pipe sleeve), and building owners/ managers are free to choose their preferred solar PV brands.

Green Mobility

Electric Vehicle (EV) car charging stations are provided at Serenia Sales Gallery, KLGCC Resort Golf Club, KL East Mall. Site studies and assessment are on-going to evaluate viability of power source at all existing SDP sales galleries & offices. As with renewable energy, most of our new landed, high-rise residences, commercial and ready-built factories are EV Charger Isolator Point ready.

Embodied Carbon

To reduce embodied carbon or sometimes referred to as "upfront carbon", we engaged with vendors on readiness, acceptance and application based on eight projects which adopted green concrete from partial to full adoption such as the main structure (column, slab and beam), podium and infrastructure/external works.

Taking our engagement with YTL Cement as example, if Ordinary Portland Cement (OPC) concrete is taken as baseline, the general supply concrete of 20% fly ash/OPC the CO2 would contribute to a reduction in embodied carbon emissions (the emission reduction from the green cement is currently being validated).



Social

Promoting birdwatching and instilling nature appreciation with local B40 fenceline communities during the Celebrating Urban Biodiversity in Elmina (CUBE) programme. Photo by Izereen Mukri, ecologist at Sime Darby Property

We strive to instill a sustainability mindset, both for our employees and other stakeholders so that they have a sense of personal responsibility and awareness.

For many years, Sime Darby Property has placed great importance on the quality of relationships and engagement with its stakeholders. We acknowledge that directly or indirectly, what we do impacts all our stakeholders including employees, customers, workers in the supply chain and local communities.

Therefore, it is important for us to continuously identify and manage business impacts proactively to ensure social sustainability. In this regard, we focus on the development of processes and programmes that promote social interaction. We emphasise on the vulnerable, respecting social diversity and ensuring the Group's priority on social capital.

Our reporting on the Social segment of sustainability is centred around each of Sime Darby Property's priority ESG issues:

Human capital	Health & safety; employees' well-being; compensation & benefits; training/ upskilling; freedom of association; human rights.
Equity and inclusion	Executive and workforce diversity metrics; representation, equity and inclusion strategies; inclusive sourcing.
People in supply chain	Responsible sourcing; economic opportunity; responsible recruitment; worker safety.
Communities	Community resilience; affordable quality homes; community resilience; local causes and philanthropy.

HUMAN CAPITAL

Our Aspiration

Our people’s expertise and capabilities drive our vision and mission, deliver strategic priorities and achieve business outcome. We are thus committed to making Sime Darby Property a place of inclusive and equitable opportunity where people, regardless of their background, can gain the skills and experiences they need to advance in their careers. Doing so allows us to attract, develop and retain the talent we need to deliver our distinctive customer proposition.

Our Approach

As a leading property developer and a major contributor to Malaysian economy, we aim to accelerate the professional development and advancement of our workforce through competitive compensation and benefits, training and development programmes, and growth-oriented career paths. Our approach to human capital in 2022 is based on the following key priorities:



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Key strategies and progress

Employment

Committed to fair recruitment practices, we select individuals on the basis of their abilities and personal qualities. For example, we offer people to apply for positions without regard to nationality, gender, age, or other attributes, such as the universities from which they graduated.

Total new hires in 2022 was 256, out of whom 51%* were male and 49%* female.



* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

In 2022, we recorded a higher turnover rate of 10.4%. This was due to 98 employees within the 30 to 50 age group made up for the majority of turnover rate of 67.1%. This turnover may be due to career change and progression in majority of the age group, which made up to 53%, and another 30.7% left due to personal reasons.



* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

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Diversity and Inclusion

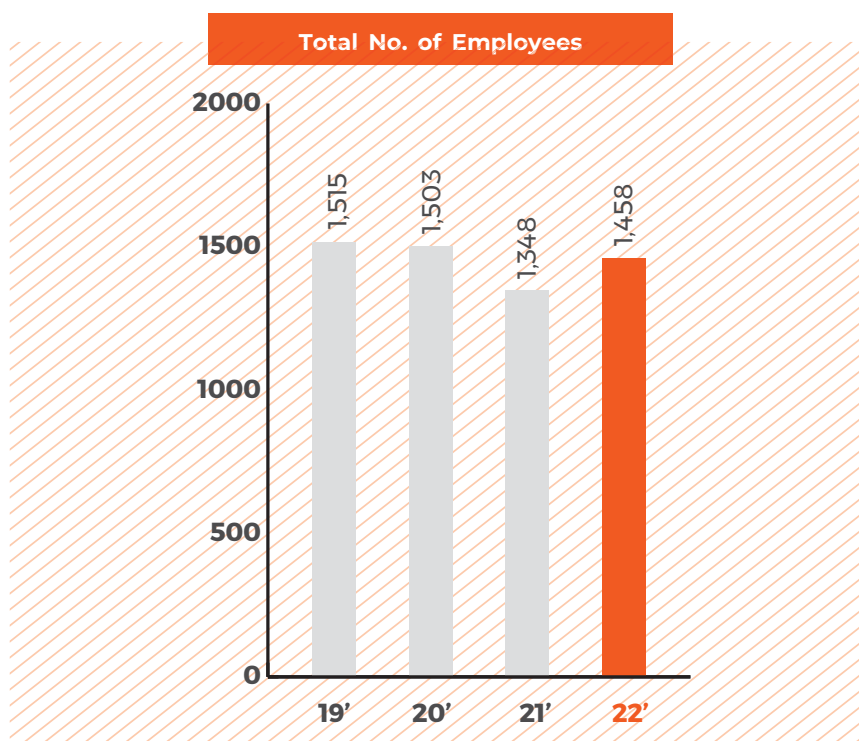
At Sime Darby Property, advancing our culture of inclusion and belonging continues to be a priority. In 2022 we continued with such approach and enhance our strategy in ensuring equity and inclusion are embedded in everything that we do.

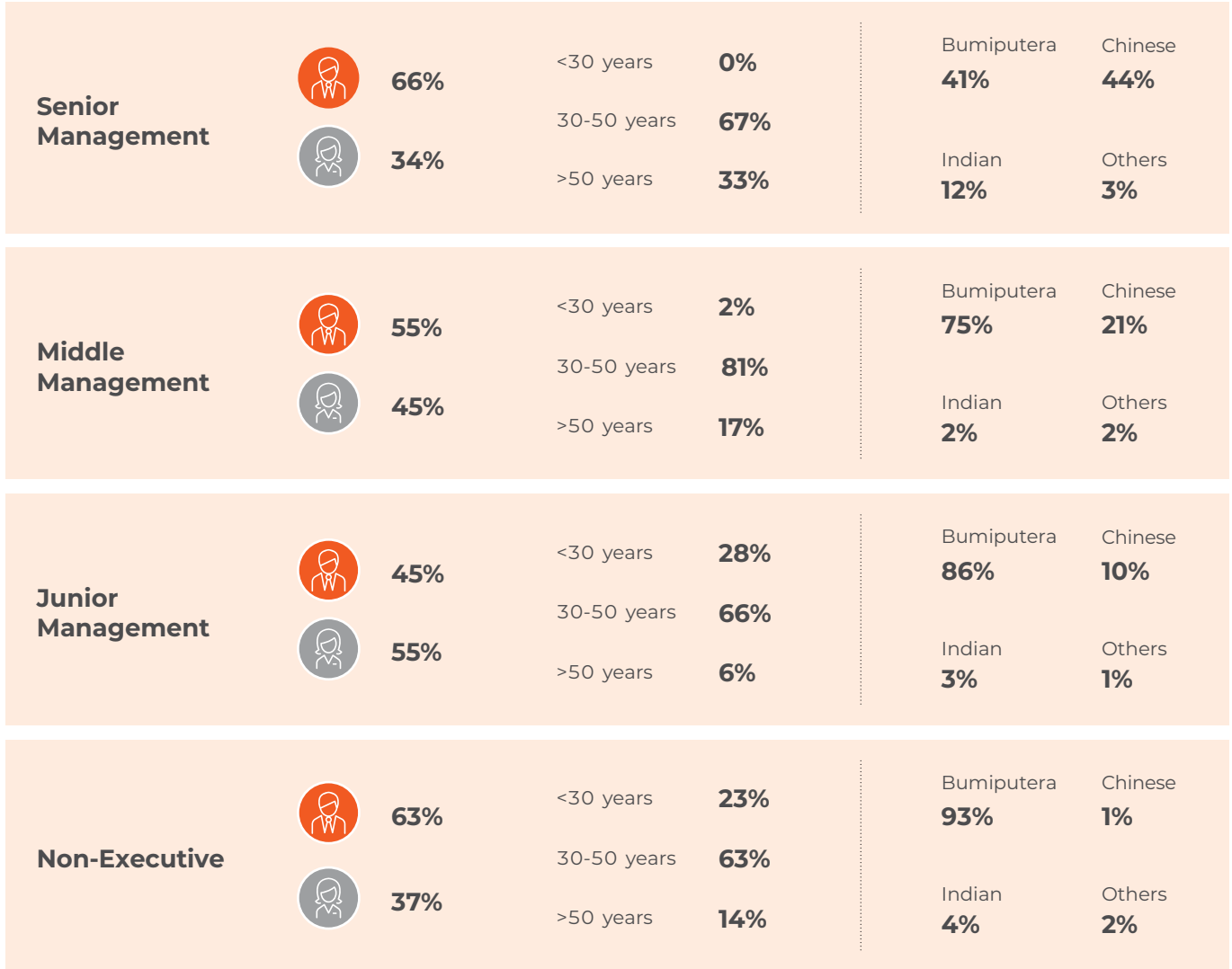
Our workforce of 1,458 reflects our commitment to a culture in which everyone has access to opportunities that support his development and in which everyone can reach his potential without barriers.

Furthermore, we recognise that the diversity of our workforce, including the different skills, mind-sets, knowledge and experience of our employees, gives us a better understanding of our customers' expectations. Ensuring our working environment is one where everyone feels he belongs and can bring the full scope of his talents, will drive our collective ability to innovate and deliver cutting-edge ideas, products and services to our customers.

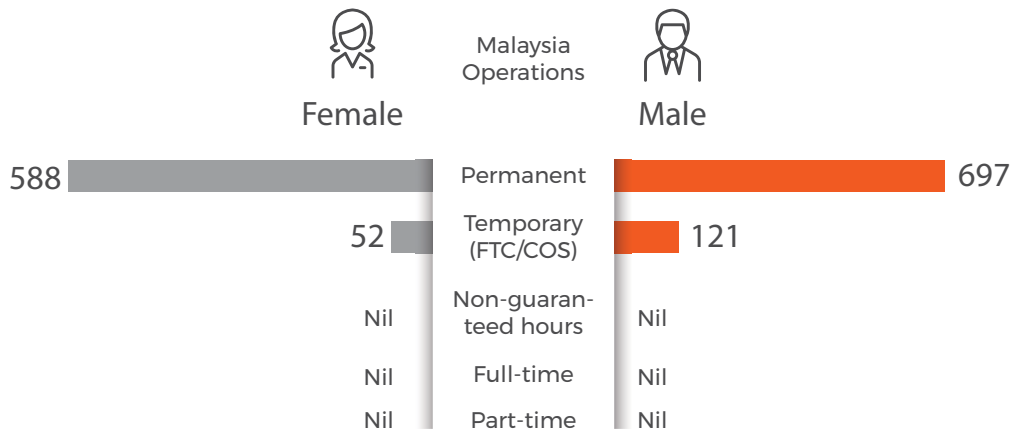
Our effort in building a more diverse and inclusive workforce is attested by the 43% composition of female employees. As for the composition of the Board, 30% of the members are represented by female directors.

Data of Workforce According to Specific Categories





Employment Type



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Total no. of non-employees whose work is controlled by Sime Darby Property

Types of worker	No. of Headcount
Agency workers (HR First)	86
Apprentices	Nil
Contractors	Nil
Home workers	Nil
Interns	28
Self-employed persons	Nil
Sub-contractors	Nil
Volunteers	Nil

Training and Development

Our culture fosters an environment where everyone can grow, contribute and raise the bar on their performance. We have embedded training throughout the employee experience.

Developing our people supports our preference to recruit from within as roles become available, so that existing employees are provided with career opportunities. When the required key skills and qualifications are not available internally, Sime Darby Property relies on its Employer Brand to attract external candidates.

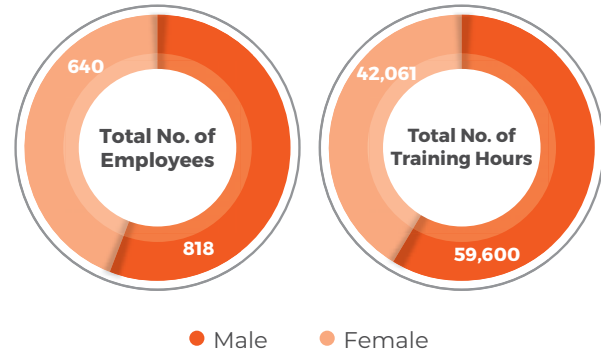
Career growth and opportunity continues to be an area we focus on. We continue to work on our Job Analysis Project which give our people insight into the career pathways and opportunities at Sime Darby Property.

To enhance learning and development, we provide a dynamic platform for employees to be updated with knowledge and skills particularly in critical business functions, professional development and relevant business processes. Our employees also get the opportunity to upskill internally or externally via training approvals process.

In 2022, we invested RM2,845,854 in 4,385 learning and development programmes to enhance employee knowledge and skills. These totaled to 101,661.09 training hours with an average of 8.7 days in training hours per employee.

In addition, we avail our employees to several other programmes for them to increase their knowledge on other related skills such as negotiation, motivational, English communication and coaching skills.

Total Training Hours



By Gender

Training hours/ Gender	Male	Female
Total no. of employees	818	640
Total no. of training hours	59,600	42,061
Average training hours per employee	73	66

By Employee Category

Employee Category	Total no. of Training Hours	Head Count	Average Training Hours Per Employee
Non-Management	43,395	606	72
Jr Management	28,285	434	65
Mid Management	21,889	303	72
Senior Management	8,092	115	70
Total	101,661	1,458	70

Pay and Rewards

Our strategy to grow diverse talent pool includes rewarding our employees fairly. Our pay equity analysis confirms that we have met the minimum wage requirements. We have embarked on a two-year roadmap to progressively improve the living wage for affected employees. This is part of our efforts to enhance the well-being of all employees and to support overall equity and inclusion. Taking into account relevant factors such as position, tenure and skills, Sime Darby Property pays employees equitably regardless of race, ethnicity and gender.

We are committed to recognising our employees' achievements in living the Group's high-performance culture. Our remuneration and benefits programmes have financial and non-financial rewards to recognise individuals and teams who drive the execution of the Group's strategy.

Sime Darby Property believes in fair and competitive remuneration, and we have policies and practices that keep us aligned to this.

- We pay employees fairly based on the market rate for their roles, experience and performance.
- We regularly benchmark compensation against peers within the industry to keep our pay levels competitive.
- Our philosophy of compensation is pay-for-performance.

We review the remuneration and benefits annually by collecting information, results from the employee engagement survey (both formal and informal), and analysis compared to the industry in order to review the remuneration structure, benefits, welfare and privileges for continued improvement of the remuneration and benefits for employees to align with local market practices and be competitive with other companies.

Across the organisation, remuneration is the same for men and women working full-time, in the same grade, in the same role. Likewise, the remuneration is neither based on age nor race. All employees go through an annual performance appraisal which is used to measure their opportunity for pay increase or job promotion, among others.

In order to recognise employees' exceptional performance, we give special attention on their competencies. In line with the Group's business direction and growth, Human Resources and other departments and business units join in evaluating the competencies and workforce during the annual strategic plan.

Human Resources assesses employee competencies required by the Group by analysing core competencies, strategic challenges, and required skills according to the strategic goals. This information is then used to formulate the short-term and long-term human resource development plan to support business expansion and to enhance the capabilities of employees to enable them to grow in their career path.

Employees who achieved their key performance indicators (KPI) were duly recognised either with increment in their salaries or job promotion. During the year, 171 deserving employees were promoted to higher positions.

Employee Well-being

We provide our workforce with benefits options for their physical, emotional and financial well-being and that of their families.

To ensure the physical well-being of our employees, we offer comprehensive medical plans together with a range of health and fitness resources. For emotional well-being, we support our employees as they navigate everyday challenges and life's most special events. These include maternity leave for employees who give birth, financial aid in the event of death of employees and their immediate family members, including parents.

We support financial well-being and help our employees realise their short-term and long-term financial goals. All employees enjoy additional percentage (on top of the statutory rate) of the company's contribution to the pension plan namely the Employees Provident Fund.

We also provide access to other income security benefits such as company-paid life insurance, healthcare, disability and invalidity coverage, parental leave and retirement provision.



SOCIAL

Standard benefits offered to Full-Time Employees	Malaysia
Life insurance	Provided to all employees
Health care	Provided to all employees & family
Disability and invalidity coverage	Provided to all employees
Parental leave	Provided to all employees
Retirement provision	Provided to all employees
Stock ownership	N/A
Other	-

Parental Leave for 2022

	Male	Female
No. of employees entitled to parental leave	808	628
No. of employees who took parental leave	32	25
No. of employees who returned to work after parental leave ended	32	25
No. of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	31	25
Return to work rate	100%	100%
Retention rate	97%	100%

Employee Relations and Freedom Of Association

The pursuit for economic growth through employment should be balanced with protection for basic rights of employees. Our goal is to create positive relationships with employees and their unions to achieve a high performing organisation and operational excellence. We respect the rights of employees to bargain collectively under the National Union Commercial Workers (NUCW) that represent 10 (1%) employees from the non-executive level.

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.

A constructive employee-management relationship and fair treatment of employees contribute to safe and healthy working conditions. In this regard, we document and communicate to all employees their working conditions and terms of employment. These include their entitlement to wages and benefits, hours of work, overtime arrangements and overtime compensation,

and leave for illness, maternity, vacation or holiday, that at a minimum comply with national law.

In the event of any operational changes that may take place, we serve a minimum notice period of two weeks to our employees before implementing any significant operational changes that might affect their work.

Human Rights

We respect human rights and are committed to defending it throughout our business operations, and across our supply chain. We also seek to use our scale, capabilities and influence to help people and communities improve their lives, with a focus on our salient human rights issues.

We are currently developing our Human Rights Policy and in conversations with stakeholders before finalising it.

We engage in diverse business activities that touch thousands of people across the nation, multiple communities in and around our 25 townships from a variety of ethnicities,

orientations, backgrounds and life experiences; a supply chain of over 2,400 suppliers, who in turn employ and do business with many others.

Respecting human rights is essential for us in building and sustaining trust among customers and other stakeholders. We identify salient human rights issues in our business as: treating workers with respect; providing a fair and inclusive work environment; and combating forced and underage labour; and promoting a safe and healthy work environment, among others.

The responsibility to respect human rights is embedded into our Code of Business Conduct for our employees (some components of which have been detailed in earlier sections):

- We will be respectful in our conduct when dealing with our superiors, peers, subordinates and external stakeholders.
- We are committed to providing an inclusive environment that promotes diversity and free from discrimination, racism and bias.
- We do not tolerate all forms of harassment, abuse or violence.
- We strive to provide a safe and healthy work environment for all.
- We strive to uphold basic principles of human rights including freedom of association, protecting children’s rights and eradicating any form of exploitation.
- We respect the rights of employees to join and form organisations of their own choice and to bargain collectively.

For our supply chain, the responsibility to respect human rights is embedded in our Vendor Code of Business Conduct.

HEALTH AND SAFETY

We take the safety of our employees and contractors very seriously. We believe that everyone has the right to work and live in a safe and healthy environment, and we are committed to ensuring that this is the case on all our sites.

Our activities are governed by our Quality, Health, Safety, Security and Environment Policy (QHSSE) which outlines our commitment to QHSSE.

Our highest risks are in our construction and maintenance activities and we aim to ensure that our workplace have systems in place with strict implementation by our staff and contractors.

Safety is a journey requiring the key elements of Leadership, Culture, Health and Safety Management Systems and People Capabilities need to line up.

Our Approach

To achieve this, some of the key measures are:

- Leadership is felt and visible on the ground to demonstrate SDP’s commitment to health and safety.
- Heighten contractor owners’ involvement in health and safety conversations through engagements with senior management of the company.
- Develop a holistic management system from policy, mandatory requirements, guidelines, auditing and management review.
- Rollout key health and safety processes in parallel of the development of the holistic management system.
- Raise health and safety awareness among employees.
- Raise staff and health and safety practitioners’ capabilities in safety moving away from generic knowledge to specific skills such as tackling working at height, conducting risk assessment via bowtie methodology,
- Involve frontline workers in the health and safety activities.

Progress

We have made significant progress in health and safety in 2022:

- Conducted 12 LEAP (Leadership and Action Programme) site visits by senior management.
- 709 staff attended Safety Day to secure commitment on 2023 theme of “Enforce and Record”.
- Technical trainings on scaffold and risk assessment using the Bow-Tie methodology are among 30 trainings conducted with 536 attendees.
- Launched 19 HSSE Manuals outlining minimum mandatory requirements for implementation in 2023.
- “Brown Bag” sessions, Townhalls are key engagements with staff with 3,261 attendees.
- 400 contractors, suppliers and contractors attended the Partners’ Dialogue Day where we shared our expectations on them on health and safety.

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We are aware that improvements are still needed in the reporting of near misses and injuries. In 2022, we worked with the contractor organisations and have seen an increase in first-aid cases reporting to 152 in 2022 compared to a low 45 in 2021. Through our 2022 theme of 'Enforce and Record', we aim to embed the reporting culture into the contractor organisations. Our Lost Time Injury Frequency Rate LTIFR increased from 0.08 in 2021 to 0.11* in 2022 due to higher contractor activities after the pandemic.

Safety and health practices are widely implemented across the Group. These include HSSE Compliance Controls, HSSE Management Systems, and Safety & Health Management Plans. We have included the safety statistics for the contractors as we are able to implement our QHSSE Policy at our construction site, which includes the contractors.

Despite our many efforts, regrettably, we had one* fatality in December 2022. A 31-year-old Bangladeshi national, a construction worker at one of our construction sites, was hit by a falling object and passed away one hour later. Our prayers are with him, his colleagues and family. This incident serves as a reminder on how fragile our safety performance is and increased our determination to cement people's commitment in safety, tighten our management systems via the HSSE manuals and enforce safety rules on sites.

Safety Statistics for Employees and Contractors' Workers

Employees

	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0	0	0	0	0
Work-related injuries	2	0.64	1	0.30	2	0.57
Number of hours worked	3,124,000		3,313,856		3,539,744	

Non-employees

	2020		2021		2022	
	Number	Rate	Number	Rate	Number	Rate
Fatalities	0	0	1	0.10	1	0.07
Work-related injuries	5	0.47	3	0.31	1	0.07
Number of hours worked	10,590,664		9,790,235		14,039,430	

Work-related Ill Health

Employees

	2020	2021	2022
	No. of cases	No. of cases	No. of cases
Fatalities due to work-related ill health	0	0	0
Recordable work-related ill health	0	0	0

Non-Employees

	2020	2021	2022
	No. of cases	No. of cases	No. of cases
Fatalities due to work-related ill health	0	0	0
Recordable work-related ill health	0	0	0

* This data has been externally assured. Please refer to the Independent Limited Assurance Report on pages 74 to 78.

Employee Participation in Health and Safety

During the year, we rolled out the Safety and Sustainability Playbook to drive accountabilities into the organisation. Through the playbook, some of the key achievements are:

- Business managers and frontline managers conducted six safety visits
- Contractors completed 24 scaffold mockups for learnings and improvements
- Our employees submitted 4,216 Safety Observations
- Our contractors conducted 1,360 Toolbox talk sessions
- Prework exercise called “Taiso” registered an attendance of 72,225.

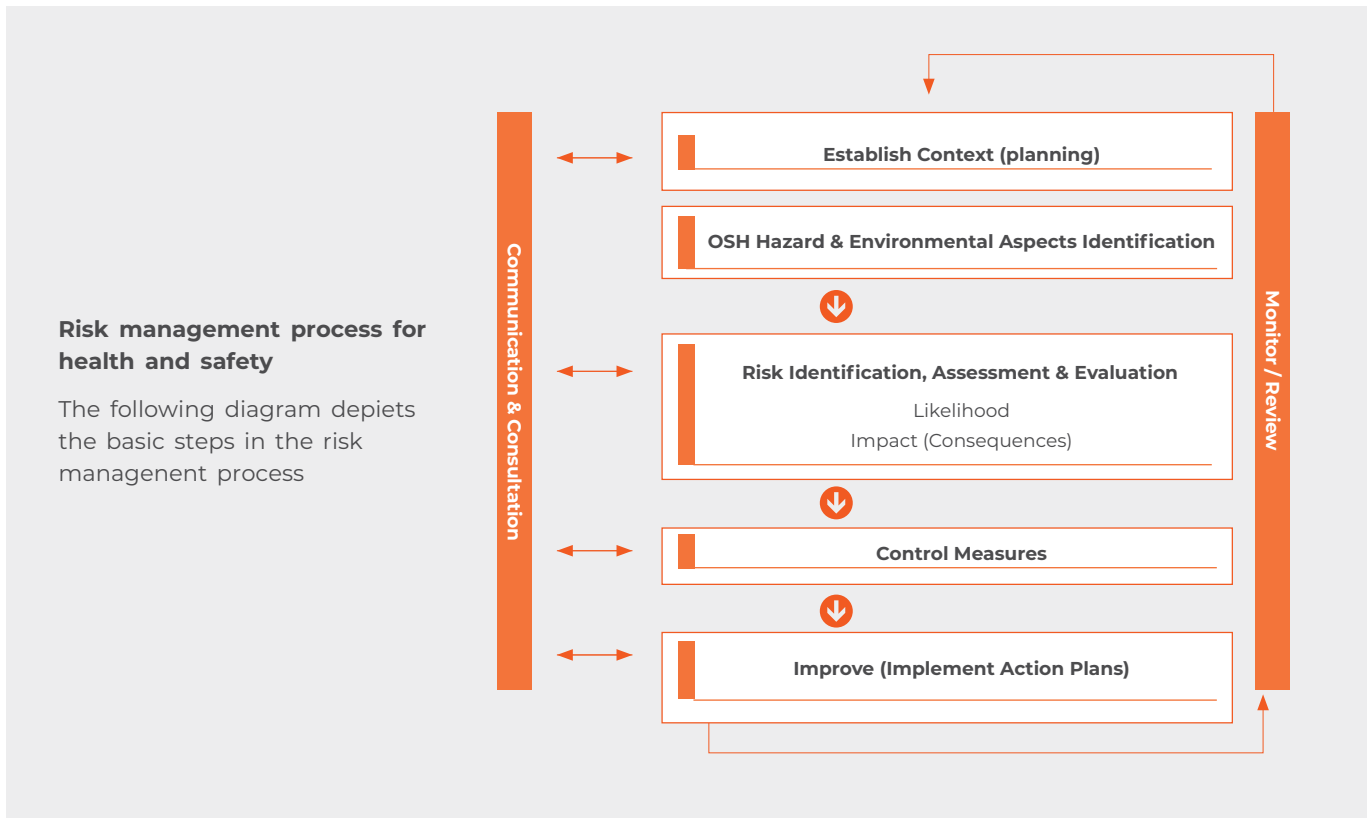
Hazard and Risk Identification

The identification of hazards is crucial for ensuring safe workplaces. We perform a risk assessment and record our assessment in the Safety & Health Risk Register.

In 2021 and 2022, we deepened our expertise in risk assessment through the Bow-Tie methodology attended by 24 participants. This sophisticated risk assessment tool will be used for our highest risk activities.

Compliance to Safety and Health Standards

SDP complies with all applicable legislations such as Occupational Safety and Health Act 1994, Factories and Machinery Act 1967, Construction Development Board Act 1994 and applicable standards associated to the safety, health and well-being of our employees. To ensure alignment with the forthcoming revision of Occupational Safety & Health Act 1994 and revocation of Factories and Machinerics Act 1967, SDP has been keeping updated on details of such changes including on the proposed inclusion of OSHCIM Regulations and conversion of the Guidelines on Occupational Safety and Health in Construction Industry (Management) (OSHCIM) into industrial scope of practice.



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Prevention and mitigation of occupational health and safety impacts

In 2022, we launched 19 Health, Safety, Security and Environment manuals outlining the minimum mandatory requirements that we expect employees and contractors to adhere to. This is a multi-year exercise as part of the holistic management system that we will institutionalise in the coming years.

We carried out the Environmental Impact Assessment (EIA) and Environmental Monitoring Programme 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.

Sime Darby Property seeks meaningful long-term relationships with local communities. For many years, we have placed great importance on supporting the development of resilient local communities and contributing to their quality-of-life improvements.

We understand our roles and responsibility in managing social impacts and building the resilience of the communities such as providing spaces for community urban farms or the upcoming Project arc. We do this by continually creating a fulfilling space for local communities and empowering the underprivileged and marginalised to build sustainable communities.

In this regard, we focus on the development of processes and programmes that promote social interaction. We emphasise on the vulnerable, respecting social diversity and ensuring the Group's priority on social capital.

We view our community projects as investments, leveraging on the experience of our philanthropic arm, YSD. All activities must conform to our Code of Conduct, which means that we do not engage in any activities of political or unlawful nature, or in projects that may be viewed as hazardous to health or the environment.

The pathway to resolving social issues and creating value through our business thus requires us to:

- actively encourage our people to get involved in charity work through volunteerism;
- respond in a professional and timely manner to public needs; and
- continue to improve public perception and experience of the Group.
- partner with other bodies such as non-government organisations or social enterprises to pool strengths for a greater positive impact such as Epic for Project arc at Taman Subang Ria, Subang Jaya or with Biji-biji for community recycling at Seruling apartments in Bandar Bukit Raja.

Social Contribution Activities

Sime Darby Property contributes to society through its business operations while interacting proactively with local communities as corporate citizen, thereby contributing to the sustainable development of society. We also participate in various other activities to foster co-existence with communities by extending support to persons or groups of concern.

We partnered up with Yayasan Sime Darby (YSD) to create a positive impact through various environmental and social initiatives to support communities in areas in which we operate.

Established in 1982, Yayasan Sime Darby is the philanthropic arm of Sime Darby Property Berhad, Sime Darby Plantation Berhad and Sime Darby Berhad. Over the years, the Foundation has expanded its wings from offering scholarships to outstanding and deserving individuals to funding impactful conservation, outreach and development programmes. The Foundation revolves around its five pillars: Education; Environment; Community & Health; Sports; and Arts & Culture.

Key initiatives undertaken by Sime Darby Property Volunteers in 2022 include:

Event	Description
Celebrating Urban Biodiversity in the City of Elmina (C.U.B.E) - Sakura Lake Park	36 participants – including 20 youth from underprivileged families – planted 20 saplings and enjoyed a guided bird-watching session at Sakura Lake Park in December 2022.
River Cleaning Programme – Sungai Klang	45 volunteers helped to clear weeds, plant new vegetation, set up a trellis for coral vines and mulch the ground to prevent soil erosion. The programme was held in collaboration with Friends of Sungai Klang Taman Melawati River Three in August 2022.
Auxiliary Police's Wildlife Weekend at Zoo Negara Malaysia	90 of our auxiliary police (AP) personnel experienced to be horticulturalists and zookeepers for a day of volunteering at Zoo Negara Malaysia in May 2022.
Fabric Recycling & Collection Drive	38 volunteers collected 460 kg of unwanted fabrics from 150 beneficiaries during the collection drive in Bandar Bukit Raja Townpark (September 2022) and KL East Sales Gallery & Harmoni RSKU in Elmina (October 2022). Since the start of the campaign in 2018, the Group has collected 100,527.1 kg of unwanted fabrics across 13 locations.
Urban Community Garden	30 beneficiaries participated in the setting up of Urban Community Garden at Cantara Residences, Ara Damansara in October 2022.

Key initiatives undertaken with YSD in 2022:

Event	Description	Beneficiaries
Flood Relief Assistance	The Group provided RM640,450 worth of necessities and cash vouchers to flood victims in Pagoh and Bandar Bukit Raja following the floods in December 2021.	<ul style="list-style-type: none"> • 899 families • 10 single households
Sinar Harapan Back-to-School Programme	Under our Back-to-School programme, we provided students from 13 schools in Selangor, Kuala Lumpur, Negeri Sembilan and Johor new school bags, face masks and RM150 cash vouchers for school uniforms.	<ul style="list-style-type: none"> • 1,755 students
Dance Workshop	Employees' children and students from two schools learned the basic steps of traditional dances i.e., Joget and Zapin.	<ul style="list-style-type: none"> • 87 children
Komuniti Lestari 3R @ Bandar Bukit Raja	Together with the community, we recycled 4,403.2 kg of waste; and established two recycling hubs in Rumah Selangorku Seruling Apartment, Bandar Bukit Raja.	<ul style="list-style-type: none"> • Bandar Bukit Raja community
Sinar Harapan Festive Aid Programme	Through our Festive Aid Programme, we contributed daily essentials and hygiene products worth RM25,815.00 as part of our Sinar Harapan Festive Aid Programme that supports underprivileged communities with various critical needs, especially during the festive period.	<ul style="list-style-type: none"> • >711 dependents • 13 welfare homes in Kuala Lumpur, Selangor, Negeri Sembilan and Johor

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SOCIAL

<p>The Lost Food Project's (TLFP) 'Surplus Food Rescue Programme'</p>	<p>19 TEAM Sime Darby Property volunteers assisted TLFP with collecting, packaging and distributing fruits and vegetables from 250 Pasar Borong Kuala Lumpur vendors and dry goods to more than 500 families in need. In July 2022, about four metric tonnes of fresh food and dry goods were distributed to families who gathered at PPR Kerinchi Lembah Pantai to receive their goods. In addition, TLFP was provided with a truck to address their food collection expansion from only dry goods to including fresh foods.</p>	<ul style="list-style-type: none"> • >500 families
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Social Impact

We act in ways to improve people's lives, from our employees to those who touch our business to the many communities we are involved with. Our programmes and activities have been much focused on improving communities and their standard of living.

The contributions we made during the year, in the form of donations and sponsorships amounted to more than RM11.4 million. This contribution, channelled to more than 30 organisations has benefitted more than 50,000 people. Additionally, the many community programmes and initiatives that we carried out during the year have positively impacted 7,000 beneficiaries.



Sime Darby Property volunteers joined Friends of Sungai Klang Taman Melawati River Three to protect, restore and rehabilitate the riverbank in Taman Melawati



Governance

The Group recognises the value and importance of good corporate governance and the role it plays in supporting the long-term success and sustainability of the business. A well-managed company which prioritises and practices good governance with corresponding sustainable practices will provide confidence to its various stakeholders. This will enhance the value of the company in the long run.

This report provides a brief disclosure of the Group's corporate governance practices where details of which are available in Sime Darby Property Annual Report 2022 and Sime Darby Property website at <https://www.simedarbyproperty.com/who-we-are/corporate-governance>.

Our Aspiration

We aim to be a company that is founded not just on size and profitability but also recognised as one with strong governance, value and work ethics of its people.

Our Approach

Corporate governance provides the framework for the Group to achieve its objectives and encompasses every area of management, from management, risk and internal controls, performance measurements and corporate disclosures.

As such, the Group's corporate governance practices are premised on having the following key governance pillars in place:

- Governance frameworks (effective boards, transparency on roles and responsibilities, accountability, and engagement with stakeholders).
- Governance documentations that provide guidance and/or compliance requirements on behavioral, business and operational matters which at minimal, in compliance with applicable laws and regulations, and where possible, aligned with industry good practices.
- Risk management and internal controls to manage the achievability of the Group's strategy and objectives, while providing the necessary assurance to Management and Board.
- Performances are set, measured, monitored and reported to drive the achievement of the Group's goals and targets.
- Effective communication and reporting to Management, Board and relevant stakeholders to ensure transparency and to facilitate decision making, where required.

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Details in relation to the application of the above corporate governance pillars can be obtained from SDP Annual Report and/or SDP websites as follows:

Governance Pillar	Available in SDP Annual Report	SDP Website
Governance framework	Corporate Governance Statement	www.simedarbyproperty.com/who-we-are/corporate-governance
Governance documentations	Statement of Risk Management and Internal Control	www.simedarbyproperty.com/who-we-are/corporate-governance
Risk Management and Internal Controls	<ul style="list-style-type: none"> • Audit Committee Report • Risk Management Report • Statement of Risk Management and Internal Control • Key Risk and Mitigation 	www.simedarbyproperty.com/who-we-are/corporate-governance
Performance Measurement	<ul style="list-style-type: none"> • Nomination and Remuneration Committee Report 	https://www.simedarbyproperty.com/investor-relations/shareholders
Communication and Reporting	<ul style="list-style-type: none"> • Corporate Governance Statement • Investor information • Stakeholder engagement 	www.simedarbyproperty.com/who-we-are/corporate-governance www.simedarbyproperty.com/mediacentre/news-and-announcements

Our corporate governance practices are also guided by the updated principles and best practices as set out in the Malaysian Code of Corporate Governance (MCCG) published by the Securities Commission of Malaysia, the Main Market listing requirements issued by Bursa Malaysia Securities Berhad and the Companies Act 2016 (collectively referred to as the Requirements). The Group's application and compliance to MCCG are reviewed annually and the result of the review is published on our website.

We strive to comply to the requirements as prescribed by various regulatory bodies and if those requirements are not met, are adequately disclosed for transparency purposes.

Key Strategies

In an ever-evolving business environment, with new challenges being introduced to the operations of the Group, the Board has taken proactive steps to review the governance requirement, which includes but is not limited to its leadership structure and provide the necessary feedback to Management on their operating needs to ensure that adequate oversight and guidance is provided at all levels of the organisation. This includes the review of the governance and people requirement to support the Group's sustainability agenda.

Sustainability Oversight

A) Board Sustainability Committee

Recognising the ever evolving and challenging sustainability landscape, the Board in FY2022 decided to form the Board Sustainability Committee, effective 1 January 2023, to provide necessary oversight to the Group's sustainability agenda. The decision to form a dedicated board oversight committee was after experiencing the different governance structures that have been put in place to manage sustainability matters. The formation of the Board Sustainability Committee solidifies the Board's commitment on the importance of the sustainability agenda for the Group.

The Board Sustainability Committee will now take over the role of RMC and support the Board in fulfilling its oversight responsibility in relation to the ESG strategy and framework for the Group and regularly assess the adequacy and effectiveness of such strategy and framework. BSC consists of members who are experts/experienced in different aspects of sustainability which are appropriate for the oversight of the Group's ESG strategies. The terms and reference for the Board Sustainability Committee can be obtained from SDP website www.simedarbyproperty.com/who-we-are/corporate-governance [overview tab]

B) Management Sustainability Committee

Management also recognises that collective effort across the Group at the highest level is required to achieve the set sustainability agenda, goals and targets. As such, GMD, who was previously leading the ESG implementation effort for the Group, formalised the structure via the formation of the Management Sustainability Committee in FY2022. The Management Sustainability Committee, which comprises the Group's senior leadership is now tasked to drive the ESG implementation for the Group.

C) Safety and Sustainability Department

Recognising the importance of sustainability to the Group, the Group has dedicated resources in the form of Safety and Sustainability department to manage the implementation of the sustainability agenda.

The sustainability department's roles and responsibilities can be illustrated below:



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ETHICS AND INTEGRITY

Our Aspiration

We believe that a profitable and sustainable business cannot exist without sound ethics and integrity. Good corporate governance and culture will enable us to navigate the evolving challenges and emerge stronger than before.

We continue to strive and maintain the highest standard of ethical conduct, integrity and accountability in all our business operations. We conduct business in an ethical and principle-based manner, even in the absence of applicable regulatory requirements.

Our Approach

The expectation of ethics and integrity from our directors and employees are embedded in our Group's values, TEAM.

VALUES

- T** - Together We Do What's Right
- E** - We Lead with Excellence
- A** - We Embrace New Approaches
- M** - We Make things Happen

Together, We Do What's Right

We play a part in an entire value chain.
We collaborate effectively to unlock greater benefits for all and for a thriving future, through teamwork, respect and integrity.

The expected behaviours are further defined through the Group's Code of Business Conduct (COBC). Recognising the importance of Ethics and Integrity, the Group's Policies and Authorities has dedicated a section to address Ethics and Conduct requirements. This policy section provides mandatory compliance requirements on related party transactions, insider trading, whistleblowing, gift, entertainment and travel, anti-bribery and corruption, conflict of interest, sponsorship and donations amongst others.

The Group's expectation on what is acceptable behavior when dealing with or on behalf of the Group is communicated to our business partners via our Vendor Code of Business Conduct (Vendor COBC). The Group strives to develop, work and strengthen relationships with business partners that share the same values and practices as the Group.

Key Strategies

Anti-Bribery & Corruption

When bribery or corruption occurs in the workplace, it brings about a negative perception of the business as it breaks the public trust in the organisation and damages its reputation in the long run. All bribery and corruption acts come with legal ramifications, which include fines and jail sentences. With the introduction of Section 17A of the Malaysian Anti-Corruption Commission Act (MACC Act), such liability can now be attributed to the Company, its directors, and officers. Bribery and corruption acts will also increase the cost of doing business, place companies in unfair position to compete and can have devastating impact on the environment and human rights.

As such, the Group has a zero tolerance stand against any form of bribery and corruption in all our business dealings. We will comply with all anti-bribery and corruption laws and regulations in all countries that the Group operates in. We will not hesitate to take the necessary and appropriate actions for incidents involving bribery and corruption, including but not limited to, disciplinary action and/or termination (for employees), termination of contracts (for business partners) and/or lodging reports to the relevant authorities.

The Board of Directors and Executive Leadership are committed to implement and enforcing effective policies and procedures to prevent, monitor and reduce bribery risk. We recognise that it is not possible to detect all bribery and corruption acts due to the inherent concealed nature of the act itself, as such we strive to reduce the risk where possible, across the Group.

The bribery and corruption risks are monitored, managed and reduced based on the following governance structure and activities:

A) Board Driven Agenda via RMC

RMC assists the Board in fulfilling its responsibilities and oversees the GCO which doubles up as the Group's Integrity Unit.

The Integrity Unit is responsible for the two out of the four core functions of the Integrity & Governance Unit (IGU) as prescribed by the Malaysian Anti-Corruption Commission's (MACC) Guidelines for the Management of IGU, i.e., governance and integrity enhancement, while detection and verification and complaints management will be managed by GCAD.

The activities undertaken by GCO on anti-bribery and corruption areas are reported to RMC on a quarterly basis and to MACC on a twice-yearly basis.

B) Policies and Manual

The Group has put in place the following policies and manual in relation to Anti-Bribery and Corruption matters:

- Anti-Bribery Management system (ABMS) manual to guide the management of bribery and corruption across the Group.
- Anti-Bribery and Corruption policy, whistleblowing policy, conflict of interest policy, gift, entertainment and travel policy as well donations and sponsorships policy which provides guidance to reduce the bribery and corruption risk exposures in specific higher risk transactions.
- COBC and Vendor COBC which reinforce the Group's expectation of its employees and business partners in adhering to highest levels of integrity and ethics.

C) Bribery and Corruption Risk Assessment

The Group conducted a bribery and corruption risk assessment across the Group. The bribery and corruption risks are monitored and updated on a quarterly basis. Material Bribery and Corruption risks are reported to GOMC, RMC and the Board as part of the Group's Quarterly risk Reporting.

D) Whistleblowing

The Group has set up whistleblowing channels as avenues for employees and external stakeholders to raise genuine concerns on any misconduct without fear of retaliation or intimidation. The whistleblowing process and channels are managed by GCAD for which incidents and the outcome of any investigations are reported to the Audit Committee.

Whistleblowing policy has also set its protection and confidentiality afforded to whistleblowers.

During the year, the whistleblowing channel received various reports of potential misconduct. All whistleblowing reports are investigated and reported to the Audit Committee, and where appropriate to the Board. Appropriate actions are taken on proven cases.

For FY2022, there were no proven incident of corruption involving employees, or legal cases related to fraud, bribery or corruption brought against us.

Please refer to the Group's COBC and website for further details on the whistleblowing policy and channels.

E) Communication and Education

Effective communication of the Group's zero tolerance against bribery and corruption is essential in combating unethical business conduct. Thus, we communicated our anti-bribery and 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 addition, the Group continues to enforce its No Gift Policy, for which reminders of the No Gift Policy are provided during festive periods.

All new employees are also provided with Anti-Bribery and Corruption training as part of the employee onboarding exercise.

In FY2022, we launched the COBC e-learning and e-assessment which are made compulsory to all employees. The COBC e-learning and e-assessment comprises Anti-Bribery and Corruption modules which are designed to strengthen their understanding and application of the Group's Anti Bribery and Corruption stance and policy.

F) Compliance Attestation and Declaration (Employee and Vendor)

Employees are required on an annual basis to confirm and declare that they have observed the principles as articulated by the COBC, the Group's Anti-Bribery & Corruption and Ethical Policies and procedures amongst others.

Our Vendors as part of their onboarding and renewal process are required to sign a Vendor Integrity Pledge which they undertake to comply with the Vendor COBC and not to engage in any form of corruption.



GOVERNANCE

CYBERSECURITY AND DATA PRIVACY

Cybersecurity and data privacy is crucial for Sime Darby Property because we deal with sensitive information such as personal data of customers, financial information, and confidential business data.

In today's digital age, where data breaches and cyber threats become increasingly common, it is essential for the Group to have robust security measures in place to protect its data and ensure the privacy and confidentiality of its customers.

A security breach or data theft can have significant consequences for Sime Darby Property, including loss of customer trust, damage to the company's reputation, and financial losses. Additionally, we may be subject to legal penalties and regulatory fines if it fails to comply with data protection laws and regulations.

Our Aspiration

Ensuring the protection of our information and systems and that of our customers and other stakeholders is of critical importance. We seek to build and maintain the trust of all our stakeholders with respect to our use of technology and data, and therefore, have stringent protocols and practices addressing both cybersecurity and data privacy.

Our Approach

We mitigate significantly the risk of data breaches by a robust cybersecurity approach and data privacy standards.

The Group's Risk Management Committee and the Technology Innovation Committee govern and constantly enhance our Information Technology capabilities through awareness, policies and procedures.

Our Group Policy and Authority A2 – Information Technology and Group Information Security Policy (GISP) safeguards our cybersecurity and information security.

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

Key Strategies

Our strategies in managing data and cyber security involves:

- **Policies:** We have in place a range of data and cyber security policies to ensure the confidentiality, availability, and integrity of our data. These policies cover areas such as data protection, access control, incident response, and security awareness. The policies are reviewed and updated regularly to keep pace with changing security threats and to ensure compliance with relevant laws and regulations.
- **Goals and targets:** We have set specific goals and targets related to data and cyber security. These goals and targets may include reducing the risk of data breaches, ensuring the privacy and confidentiality of customer data, and improving the company's overall security posture.
- **Responsibilities:** We assign specific responsibilities related to data and cyber security to key individuals within the organisation. This may include responsibility for managing access to data, responding to security incidents, and ensuring compliance with security policies and regulations.
- **Resources:** We allocate sufficient resources to manage data and cyber security effectively. This may include funding for security initiatives, training and awareness programs, and the deployment of security technologies.
- **Grievance mechanisms:** We establish grievance mechanisms to address any security-related concerns or incidents that may arise. This includes reporting mechanisms for security incidents, procedures for handling security-related complaints, and processes for conducting security investigations.
- **Specific actions:** We take specific actions to manage data and cyber security effectively. These actions include regular security audits, employee training, and the deployment of encryption, firewalls, and intrusion detection systems.

We design our data and cybersecurity programme to protect and preserve the confidentiality, integrity and continued availability of all information that we own or is in our care. Our programme is compliant with data protection laws and regulations, including the EU General Data Protection Regulation (GDPR) and Personal Data Protection Act (PDPA) in Malaysia.

Our programme includes a cyber incident response plan that provides controls and procedures for timely and accurate reporting of any material cyber security incident. For example, we conduct an annual security posture assessment and engage an external consultant to evaluate the health of our data infrastructure and security systems to strengthen our security measures.

We collect and process personal data from customers, partners, and suppliers. This means that we have a responsibility to protect their information from unauthorised access and misuse. Additionally, Sime Darby Property may be at risk from cyber-attacks that target its business partners, suppliers, or customers. Therefore, we have implemented a range of security measures to ensure the confidentiality, availability, and integrity of data. These measures include regular security audits, employee training, and the use of encryption, firewalls, and intrusion detection systems. At the same time, we continue to strictly comply with data protection laws and regulations, including the EU General Data Protection Regulation (GDPR) and the Personal Data Protection Act (PDPA) in Malaysia.

By investing in robust security measures and complying with data protection laws, we mitigate the risks associated with data and cyber security and ensure the privacy and confidentiality of its customers and partners.

In addition to the above, we may from time to time have specific projects, programmes, or initiatives to improve the Group's overall security posture, such as penetration testing or vulnerability assessments.

In 2022, we maintained our record of zero cybersecurity violations, as a result of stringent security measures.

Evaluation of Success

We evaluate the effectiveness of our approach to and strategies on cybersecurity and data privacy through a combination of methods.

- **Performance metrics:** Involves measuring specific indicators such as revenue growth, customer satisfaction, employee engagement, and project completion rates. The company uses these metrics to assess the effectiveness of its management approach in achieving its goals and objectives.
- **Surveys and feedback:** On a regular basis, we seek feedback from employees, customers, and stakeholders to understand how well our approach to cybersecurity is working. The feedback is used to identify areas of improvement and make necessary adjustments to the management approach.
- **Benchmarking:** We compare our performance against industry standards and best practices to determine the effectiveness of our approach. This helps us to identify areas where we can improve and stay ahead of the competition.

The results of these evaluations inform any related adjustments to the management approach. For example, if the evaluation reveals low employee engagement, the company may implement changes to its management approach to improve employee satisfaction and motivation.

If the evaluation shows a need for improved customer service, we may invest in training programmes for employees or implement new technology solutions to enhance customer experience.

In conclusion, the evaluation of Sime Darby Property's management approach and strategies is a continuous process that helps us identify areas for improvement and make necessary adjustments to ensure the Group's long-term success and sustainability.

In 2022, we did not receive any complaint on or from customers, external organisations nor regulatory bodies. There has also been no leak, theft or loss of customer data during the year.

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RESPONSIBLE PROCUREMENT

Responsible procurement to us is the act of sourcing goods and/or services, in a way that takes into account ethical and sustainable considerations including economic, environmental, social and governance factors. By this, we emphasise on procuring and acting in a way that is morally right, open, fair and transparent.

Our Aspiration

We aspire to remain committed to implementing and monitoring ongoing practices of procurement. We want to look beyond the traditional economic parameters and make procurement decisions based on the whole life cost, the associated risks, measures of success and implications for society, economy and the environment.

Our Approach

Sime Darby Property has a diverse supply chain approach for Property Development, Investment and Asset Management and Leisure businesses.

We observe transparent business approach to promote and protect fair competition. Through our partnerships and industry collaborations, we strive to adopt best practices in environmental, social and governance.

Key Strategies

Policies and procedures

All vendors who are interested to have a business with Sime Darby Property are required to register their companies via online vendor registration platform at <https://procurement.simedarbyproperty.com>. Vendors are required to provide accurate and complete information and documents during the registration process.

They are also required to read, understand, and comply with Sime Darby Property's Vendor Code of Business Conduct. This is to ensure the vendors will adhere to SDP's standards of behaviour and business ethics when working with, providing goods and/or services or entering business transactions with us.

Our procurement activities are guided by our Group Procurement Policies & Authorities (GPPA), which ensure all procurement activities are governed by best practices with integrity and transparency.

Key Achievements in 2022

We support local industries by awarding local vendors in most of our projects. 'Local' refers to vendors whose registered businesses are located within Malaysia. Supporting local vendors can indirectly increase our contribution to the local economy and enable us to maintain good relations with the local communities.

As at December 2022, Sime Darby Property has awarded to 1,630 vendors, of which 98.8% of total vendors are awarded to local vendors. This surpassing our target of 90%, which is in Goal 1 of our 2030 Sustainability Goals.

Our total procurement spends in FY2022 stood at RM1.56 billion (FY2021: RM1.38 billion), which is 13% increase from the previous year.

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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 2022 with reference to the GRI Standards.

GRI Used: GRI 1: Foundation 2021

GRI standards	Disclosure description	Page reference	TCFD	Additional info.
GRI 2: General disclosures				
The organisation and its reporting practices				
2-1	Organisational details	8		Refer also to Sime Darby Property IR2022
2-2	Entities included in the organisation's sustainability reporting	2, 8		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			
Activities and workers				
2-6	Activities, value chain and other business relationships	2, 8		Refer also to Sime Darby Property IR2022
2-7	Employees	48 - 60		
2-8	Workers who are not employees	58		
Governance				
2-9	Governance structure and composition	63 - 65	Governance	Refer also to Sime Darby Property IR2022
2-10	Nomination and selection of the highest governance body	-		Sime Darby Property practises a formal and transparent Board appointment process for the sourcing, selection, nomination and appointment of new directors. (Refer to Sime Darby Property IR2022)
2-11	Chair of the highest governance body	-		The Board is chaired by a Non-Independent Non-Executive Director (Refer to Sime Darby Property IR2022)
2-12	Role of the highest governance body in overseeing the management of impacts	63 - 65	Governance	Refer to Sime Darby Property IR2022
2-13	Delegation of responsibility for managing impacts	63 - 65	Governance	Refer also to Sime Darby Property IR2022
2-14	Role of the highest governance in sustainability reporting	63 - 65	Governance	Refer also to Sime Darby Property IR2022
2-15	Conflicts of interest	-		Refer to Sime Darby Property IR2022
2-16	Collective knowledge of the highest governance body	-		Refer to Sime Darby Property IR2022
2-17	Collective knowledge of the highest governance body	-		Refer to Sime Darby Property IR2022
2-18	Evaluation of the performance of the highest governance body	63 - 65	Governance	Refer also to Sime Darby Property IR2022
2-19	Remuneration policies	-		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 Sime Darby Property IR2022)
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 company's AGM. 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 also to Sime Darby Property IR2022)
2-21	This section was not disclosed due to sensitivity of information.	-		Undisclosed due to sensitivity of information.

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GRI standards	Disclosure description	Page reference	TCFD	Additional info.
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	4 - 7	Governance	
2-23	Policy commitments	66		Refer also to Sime Darby Property IR2022
2-24	Embedding policy commitments	66		Refer also to Sime Darby Property IR2022
2-25	Processes to remediate negative impacts	59, 66 - 67		
2-26	Mechanisms for seeking advice and raising concerns	59, 66 - 67		
2-27	Compliance with laws and regulations	66 - 67		Full compliance with laws and regulations in 2022.
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Stakeholder engagement				
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403-2	Hazard identification, risk assessment and incident investigation	59 - 60		
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403-4	Worker participation, consultation and communication on occupational health and safety	58		
403-5	Worker training on occupational health and safety	59		
403-6	Promotion of worker health	57		
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INDEPENDENT LIMITED ASSURANCE REPORT



Independent Limited Assurance Report to the Directors of Sime Darby Property Berhad on selected sustainability information

To the Board of Directors of Sime Darby Property Berhad

We have been engaged by Sime Darby Property Berhad ("SDP" or the "Company") to perform an independent limited assurance engagement on selected sustainability information, comprising the information set out in the Subject Matter Information and Reporting Criteria section (hereinafter referred to as "Subject Matter Information") for the financial year ended 31 December 2022 as reported by the Company in its Sustainability Statement within the 2022 Integrated Report and its 2022 Sustainability Report (together the "2022 Reports").

Our Limited Assurance 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 the Subject Matter Information contained in the Company's 2022 Reports has not been prepared, in all material respects, in accordance with the reporting criteria that is included in the Subject Matter Information and Reporting Criteria section (hereinafter referred to as "Reporting Criteria").

Subject Matter Information and Reporting Criteria

The Subject Matter Information reported and marked with the asterisk (*) symbol in the 2022 Reports on which we provide limited assurance consist of:

No	Selected sustainability metrics	Related reporting criteria	Reporting Location
1	Scope 1 and Scope 2 GHG emissions	GRI 305-1: Direct (Scope 1) GHG emissions GRI 305-2: Energy indirect (Scope 2) GHG emissions	IR, SR
2	Total energy consumption (GJ)	GRI 302-1: - Energy consumption within the organisation	SR
3	Total operational potable water use	GRI 303-3: Water withdrawal	SR
4	Total waste generated	GRI 306-3: Waste generated	SR
5	Total waste to landfill and recycling	GRI 306-4: Waste diverted from disposal (only recycling) GRI 305-5: Waste directed to disposal	SR
6	Employee breakdown by gender and age group	GRI401-1: New employee hires and employee turnover	SR
7	New employee hires and employee turnover	GRI401-1: New employee hires and employee turnover	SR
8	Number of fatalities	GRI 403-9: Work-related injuries	IR, SR
9	Lost Time Injury Frequency Rate	GRI 403-9: Work-related injuries	IR, SR

IR Included in the Company's Sustainability Statement within the 2022 Integrated Report

SR Included in the Company's 2022 Sustainability Report



Independent Limited Assurance Report to the Directors of Sime Darby Property Berhad on selected sustainability information (continued)

Subject Matter Information and Reporting Criteria (continued)

Our assurance was with respect to the financial year ended 31 December 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Company's 2022 Reports and, therefore, do not express any conclusion thereon.

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which the Company is solely responsible for selecting and applying.

The reporting criteria used for the reporting of the Subject Matter Information are (collectively referred to as the "Reporting Criteria"):

- the Company's internal sustainability reporting guidelines and procedures by which the Subject Matter Information are gathered, collated and aggregated internally; and
- Global Reporting Initiative's Sustainability Reporting Standards ("GRI standards") for disclosures.

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure the Subject Matter Information allows for different, but acceptable, measurement basis and can affect comparability between entities and over time. Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The Subject Matter Information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

Management's Responsibility

Management of the Company is responsible for the preparation of the Subject Matter Information included in the 2022 Reports in accordance with the Reporting Criteria.

This responsibility includes the selection and application of appropriate methods to prepare the Subject Matter Information as well as the design, implementation and maintenance of internal controls relevant for the preparation of the Subject Matter 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 the Company which are reasonable in the circumstances.

INDEPENDENT LIMITED ASSURANCE REPORT



Independent Limited Assurance Report to the Directors of Sime Darby Property Berhad on selected sustainability information (continued)

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information 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 Subject Matter Information is free from material misstatement.

The accuracy of the Subject Matter 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 the Reporting Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Reporting Criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter 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 Information. 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.

Our Independence and Quality Management

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 Management 1 "Quality Management 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 management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Independent Limited Assurance Report to the Directors of Sime Darby Property Berhad on selected sustainability information (continued)

Main Assurance Procedures

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

- Evaluated the suitability in the circumstances of the Company’s Reporting Criteria as the basis for preparing the Subject Matter Information;
- Inquired personnel responsible for data collection and collation by entity and/or Operating Unit (“OU”) and reporting of the Subject Matter Information, regarding the processes to prepare the said report and the underlying controls over those processes. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- Performed analytical procedures for consistency of data with trends and our expectation;
- Performed limited substantive testing by inspecting on a sample basis of internal documents, reports, data capture forms, delivery orders, invoices, where applicable, for the above in-scope by entity and/or OU to support the Subject Matter Information including observation of management’s controls over the processes;
- Checked mathematical formulas, proxies and default values used in the Subject Matter Information against the Company’s internal sustainability reporting guidelines;
- Reviewed of consolidation of data from each entity and/or OU within the Company; and
- Evaluated the appropriateness of the disclosures and presentation of the Subject Matter Information based on the Reporting Criteria.

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Restriction on Distribution and Use and Disclaimer of Liability to Third Parties and For Any Other Purpose

This report, including our conclusion, has been prepared solely for the Board of Directors of the Company in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Subject Matter Information as reported by the Company in the 2022 Reports. Accordingly, this report should not be used or relied upon for any other purposes. We consent to the inclusion of this report in the Company's 2022 Reports which will be disclosed on the website of the Company at <https://www.simedarbyproperty.com/sustainability> and <https://www.simedarbyproperty.com/investor-relations/annual-report> in respect of the financial year ended 31 December 2022, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Subject Matter Information. 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.

Yours faithfully,



PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
7 April 2023

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