



Property

SUSTAINABILITY  
REPORT  
2023



*Multiplying Value*  
ADVANCING URBAN BIODIVERSITY

# About This Report



## SCOPE

This report covers Sime Darby Property's sustainability performance for FY2023, which was approved by the Board Sustainability Committee on 27 March 2024. It details our ESG activities, performance and approach during the year, complementing the information published in Sime Darby Property's Integrated Report 2023.

## REPORTING STANDARDS AND FRAMEWORKS

This report adheres to leading sustainability reporting standards and frameworks. Developed using best practices, it provides stakeholders with transparent and relevant information for informed decision-making.

The report has been prepared with reference to the following:

- Bursa Malaysia's Main Market Listing Requirements on Sustainability Reporting
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- The United Nations Sustainable Development Goals ("UN SDGs")
- Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations

For details on the disclosures included in this report, please refer to the Appendix on pages 122–128.

## STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Report, this Sustainability Report has been subjected to the following:

- An internal review by the Group Corporate Assurance Department; and
- Independent limited assurance in accordance with ISAE 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" for selected indicators.

The Group Corporate Assurance Department has reviewed the following subject matter information disclosed as part of the Sustainability Report:

- Percentage of employees by gender and age group, for each employee category;
- Percentage of directors by gender and age group;
- Total number of employee turnover by employee category; and
- Total number of new employees by gender, age group and employee category.

In addition, PricewaterhouseCoopers PLT was engaged to provide an independent limited assurance on the following subject matter information reported for FY2023, in accordance with ISAE 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information":

- Percentage of operations assessed for corruption-related risks;
- Total energy consumption;
- Number of employees trained on health and safety standards;
- Proportion of spending on local suppliers;
- Total waste generated, and a breakdown of the following:
  - Total waste diverted from disposal
  - Total waste directed to disposal;
- Scope 1 emissions in tonnes of CO<sub>2</sub>e; and
- Scope 2 emissions in tonnes of CO<sub>2</sub>e

Please refer to the independent limited assurance report on page 129 to 132 for details on the subject matter information, scope of assurance and the assurance conclusion thereon.

## REPORTING 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:

1. **Corporate Operations** - Sime Darby Property's corporate policies, workforce, training, emissions and other impacts associated with managing business operations.
2. **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, 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.

### THIS DOCUMENT IS ISSUED BY

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### ENQUIRIES

All enquiries and correspondence regarding this report or sustainability disclosures should be directed to the team at [sustainability@simedarbyproperty.com](mailto:sustainability@simedarbyproperty.com).



For more information, visit  
[www.simedarbyproperty.com](http://www.simedarbyproperty.com)



Please scan the QR code for the following documents of the Company which are available at  
<https://www.simedarbyproperty.com/investor-relations/shareholders>

3. **Other Exclusions** - Disclosure at the Group level does not include other operational businesses where Sime Darby Property does not have a majority ownership of more than 51% and/or does not have operational control. Data collected excludes our joint ventures and associates and those who are not under our operational control.

**Table 1.1**

Business Units included within the boundary of Sime Darby Property Berhad

Type of Business	Business Units	Operating Unit
Property Development	BU1	City of Elmina (East & West), Denai Alam, Bukit Jelutong, Elmina Business Park
	BU2	Bandar Bukit Raja
	BU3	Serenia City, Malaysia Vision Valley (Hamilton City)
	BU4	Bandar Ainsdale, Nilai Impian 1 & 2
	BU5	Bandar Universiti Pagoh, Taman Pasir Putih
	BU6	KLGCC Resort, Ara Damansara
	BU7	KL East, Subang Jaya City Centre ("SJCC")
	BU8	Putra Heights, The Glades
Leisure		Sime Darby Convention Centre ("SDCC"), Kuala Lumpur Golf & Country Club ("KLGCC"), Impian Golf & Country Club ("IGCC")
Investment and Asset Management		Bayuemas Sports and Events Complex, Oasis Block G, KL East Mall

## About Us

### Sime Darby Property: A Force for Good

Sime Darby Property ("the Group") is evolving from a pure-play property developer into a comprehensive real estate group. We leverage market-leading expertise in investment management and asset creation, alongside our proven track record in shaping townships and cities. Over the past five decades, we have built a successful portfolio encompassing residential, commercial, industrial and logistics properties, evident through our 25 townships and developments nationwide. Additionally, the Group boasts a land bank of approximately 14,800 acres in strategic locations across the west coast of Peninsular Malaysia, poised for future development.

### Our Purpose: Multiplying Value

Our vision for the future of the urban landscape aligns with our core purpose: to be a value multiplier for people, businesses, economies and the planet. Sime Darby Property's reach extends beyond property development. Our Investment & Asset Management (IAM) segment establishes a foothold in the industrial and logistics sector, managing approximately 7.7 million sq. ft. of total net lettable area, encompassing retail, commercial, hospitality, education and industrial spaces.

### Leisure and International Presence

Within our Leisure segment, the Group proudly owns the prestigious Kuala Lumpur Golf & Country Club ("KLGCC"). Previously known as TPC Kuala Lumpur, holds the distinction of being the only Audubon Cooperative Sanctuary Certified Golf Course in Malaysia, demonstrating our dedication to environmental stewardship alongside its world-class golfing experience.

Furthermore, Sime Darby Property marked its international presence by participating in a Malaysian consortium that redeveloped the iconic Battersea Power Station in Central London.

### Partnership for Progress

In collaboration with our stakeholders, we strive to multiply value for societies, the environment and economies. We hold a proud legacy of creating award-winning townships and delivering positive community experiences through social infrastructure projects.

### Corporate Responsibility

As a responsible corporate citizen, Sime Darby Property, alongside our philanthropic arm, Yayasan Sime Darby ("YSD"), actively implements initiatives to support marginalised communities within and surrounding our townships.

### Championing Urban Biodiversity

Our commitment to urban biodiversity continues through a strategic partnership with Tropical Rainforest Conservation and Research Centre ("TRCRC") on conservation and regeneration efforts. This collaboration led to the establishment of the Elmina Rainforest Knowledge Centre ("ERKC") in 2022 and has encouraged the participation of 1,783 people through various educational and volunteer-based activities.

### Recognitions and Sustainability

2023 marked a year of celebration for the Group. We received recognition through various national and international awards, including being named a top property developer in 'The Edge Malaysia's Top Property Developers Awards' for the eleventh consecutive year. Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with an MSCI ESG Rating of BBB. We were also rated B by the Carbon Disclosure Project ("CDP").

### Remaining a Force for Good

We remain resolute in our commitment to being a 'Force for Good'. We uphold the principles of ESG practices in all our business activities, aligning ourselves with the UN SDGs.

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## Cover Rationale

Sime Darby Property goes beyond building – we cultivate ecosystems. Our commitment to urban biodiversity is proactive, weaving sustainability into our core values to reshape the real estate industry.

Our commitment extends beyond reducing our footprint – we actively enhance ecosystems within our developments which includes creating green spaces, preserving natural habitats, and promoting sustainable landscaping. This is our contribution to a greener future, where economic growth and environmental responsibility go hand-in-hand.

Our focus extends beyond the environment. We are committed to building resilient communities. As we transition into a real estate development leader by 2025, our commitment as a true Value Multiplier remains unwavering.



Sustainability is a key dimension towards excellence in business operations. At Sime Darby Property, we work collaboratively towards achieving net zero, creating urban biodiversity and fostering resilient communities.



# 51<sup>st</sup>

ANNUAL GENERAL  
MEETING OF  
SIME DARBY PROPERTY

**Monday, 20 May 2024**

**10:00 a.m.**

<https://investor.boardroomlimited.com>

## OVERVIEW OF SIME DARBY PROPERTY

### OUR PURPOSE

To be a **Value Multiplier** for **People, Businesses, Economies** and the **Planet.**

### Our Core Values

**T**

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

**E**

We Lead  
with  
**E**xcellence

**A**

We Embrace  
New  
**A**pproaches

**M**

We **M**ake  
It  
Happen

At Sime Darby Property, our TEAM core values are underpinned by strong behavioral actions that are sustainability-centric. We believe that our employees lead the way to embed and instil a sustainable mindset through actionable habits.



**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 PRESENCE**



Figure 1.1: Our Presence

**Who We Are**



Sime Darby Property (“the Group”) is Malaysia’s leading property developer with more than 50 years of experience in building sustainable communities. With over 100,000 homes across 25 active townships and developments under its belt, the Group has a wide reach encompassing assets and operations across the country. We made our presence in the United Kingdom through our involvement as part of a Malaysian consortium that successfully redeveloped the iconic Battersea Power Station in Central London.

Beyond Property Development, Sime Darby Property has a strong footing in the industrial and logistics sector at Bandar Bukit Raja, Elmina Business Park and Serenia City in Selangor; Nilai Impian and Hamilton Nilai City in Negeri Sembilan; and Bandar Universiti Pagoh in Johor. Our strategic partnerships with various global players such as LOGOS SE Asia Pte Ltd, Mitsui & Co. Ltd. and Mitsubishi Estate Co. Ltd., have resulted in the establishment of a few noteworthy industrial and logistics facilities, including the E-Metro Logistics Park in Bandar Bukit Raja. Within our Leisure arm, Sime Darby Property is the proud owner of the Kuala Lumpur Golf & Country Club, one of the region’s most prestigious golf clubs.

As a responsible corporate player, Sime Darby Property and our philanthropic arm, Yayasan Sime Darby (“YSD”) actively implement various social welfare initiatives to assist underprivileged communities living within and nearby its townships.

As at December 2023, the Group has approximately 14,800 acres of land bank, most of which are located strategically on the west coast of Peninsular Malaysia. Within its Investment & Asset Management business, the Group operates approximately 7.7 million sq. ft. of net lettable area across commercial, retail, hospitality, education and industrial segments.

MARKET CAPITALISATION  
**RM4.3** billion  
as at 31 December 2023

TOTAL ASSETS  
**RM15.9** billion  
as at 31 December 2023

TOTAL SALES  
**RM3.3** billion  
as at 31 December 2023

# Awards and Recognitions

Our commitment to sustainable development and eco-conscious initiatives continues to be acknowledged with prestigious awards that highlight our innovative approach to creating resilient communities:

**2023 FIABCI Malaysia Property Award (Environmental Category):**

Our Elmina Rainforest Knowledge Centre in the City of Elmina was honoured for its leadership in environmental education and its contribution to urban biodiversity and sustainability in Malaysia's real estate landscape.

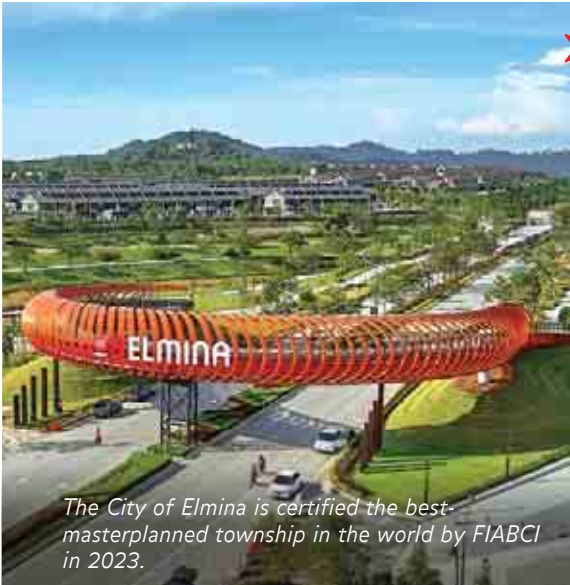


**Talentbank Graduates' Choice Award 2023 (Second Place - Property Developer Sector):**

Our position as a preferred employer for the nation's graduates showcases our strong appeal to emerging professionals and our ability to attract top talent.







*The City of Elmina is certified the best-masterplanned township in the world by FIABCI in 2023.*

## FIABCI World Gold Award (Master Plan):

Our Elmina Central Park was recognised for setting a high benchmark in sustainable urban planning, enhancing community wellness and fostering ecological connectivity in the City of Elmina.

## Level II Arboretum Status:

Elmina Central Park's dedication to urban biodiversity and education in environmental stewardship has merited this esteemed status, underlining our efforts to integrate nature within our communities.



*Cantara Residences in Ara Damansara earned Green Building Index Gold Certification.*



*The 300-acre Elmina Central Park is a certified "Level II arboretum", after surpassing the minimum requirement of 100 species of woody plants and providing a valuable service to the public through various education and awareness initiatives.*

## Green Building Index Gold Certification:

The Group Cantara Residences has been awarded a Gold Rating in the Residential New Construction category by the Green Building Index ("GBI") Accreditation Panel. Located in the distinguished township of Ara Damansara, the family-oriented Cantara Residences was also bestowed with the World Silver award for the Residential Mid-Rise category at the 2023 FIABCI.



*Chua Eng Imm, Chief People Officer, receiving "HR Asia's Best Companies to Work for in Asia 2023" award.*

## HR Asia's Best Companies to Work For in Asia Award 2023:

We were honoured for our continued commitment towards creating a thriving workplace culture and HR practices, affirming our dedication to employee excellence and well-being.

# A Message from Our Leadership



**DATO' RIZAL RICKMAN RAMLI**  
Chairman

**DATO' AZMIR MERICAN**  
Group Managing Director

## Dear Stakeholders,

We are proud to present the Sime Darby Property Sustainability Report for 2023. Sustainability has long been part of our work, underpinning every community and township we develop. In a world with escalating environmental and social issues—such as climate change, resource depletion and social inequality—our resolve has only grown stronger. As an industry leader responsible for over 100,000 homes in 25 active communities and townships across Malaysia, we recognise our significant impact and influence and we are determined to harness this responsibly to foster sustainable advancement in property development.

This commitment is encapsulated in our purpose statement: To be a value multiplier for the people, businesses, economies and the planet. Living this purpose means we help to create the best places for our customers and the communities we serve, inspire our people, preserve our culture and deliver sustainable growth for our securityholders.

In 2023, we advanced to the “Thrive Amidst Uncertainty” phase of our Group’s SHIFT25 strategic roadmap, making significant strides in our transformation, evolving from a traditional property developer into an investment-led real estate enterprise. In this journey of transformation, sustainability remains a key driving force for our company—to stay relevant and competitive while delivering shared value to our stakeholders.

### INSTITUTIONALISING SUSTAINABILITY THROUGH GOOD GOVERNANCE

We regard good governance as a critical catalyst for generating positive impacts. In this context, over the past year, we have concentrated on reinforcing our foundational practices, particularly within the realm of sustainability governance. A key development was the establishment of the Board Sustainability Committee (“BSC”), tasked with steering our sustainability initiatives. This ensures strong sustainability integration into our operations, with the BSC collaborating closely with the leadership team for more effective decision-making and risk management.

Our governance model, a collaborative effort between the board and management, is dedicated to setting and attaining sustainability objectives. This collaborative framework entails incorporating sustainability into our strategic planning, risk management and communication with stakeholders. A designated member of senior management is tasked with ensuring the seamless integration of sustainability practices into our day-to-day operations.

Furthermore, with the introduction of our new executive leadership, we have streamlined our strategies and operational practices to foster sustainable growth and leverage opportunities amidst market challenges. Our initiatives focus on enhancing our capacity to achieve Net Zero targets, uncovering value in our development projects and elevating construction safety standards—all pivotal steps toward future sustainability achievements.

### PROTECTING THE PLANET FOR A RESILIENT FUTURE

Our leadership position in environmental sustainability is more than a commitment—it is a response to the urgent environmental challenges that imperil our planet and society. Rising sea levels, extreme weather events and diminishing natural resources not only threaten our ecological balance but also pose profound risks to global economies, public health and community well-being. In this critical landscape, we uphold our role in championing sustainability practices that address these pressing concerns for both our business and the wider world.

Central to our agenda is addressing climate change. We are striving to remove fossil fuels from our processes and increase our consumption of renewable energy as part of our efforts to lead the real estate sector towards a sustainable transformation. This year, we have announced ambitious Net Zero targets, aiming for a 40% reduction in Scope 1 and 2 emissions by 2030, with a vision to achieve Net Zero emissions across all scopes by 2050. Furthermore, we have enhanced our approach to climate-related risk management by embarking on the Task Force on Climate-related Financial Disclosures (“TCFD”), setting a strategic course for full TCFD framework compliance by 2027.

Our approach to climate change recognises the importance of avoiding “carbon tunnel vision.” Biodiversity and climate efforts must go hand in hand. Malaysia’s own rich ecosystems, abundant with unique flora and fauna, underscores the vital role of biodiversity in maintaining climate and ecological health. Our initiatives in urban biodiversity leverage this insight, focusing on research and actionable strategies to enrich urban ecosystems, informed by Malaysia’s natural diversity.

In collaboration with the Tropical Rainforest Conservation and Research Centre (“TRCRC”), we established the Elmina Rainforest Knowledge Center (“ERKC”) in 2022, to foster forestry research, conservation, education and recreation. Situated beside a 2700-acre forest reserve in Bukit Cherakah, within Sime Darby Property’s City of Elmina, the ERKC aims to bridge the connection between people and nature, featuring community programmes and a nursery to cultivate up to 100,000 trees from endangered, rare and threatened (“ERT”) species. In Elmina, our objective is to plant 210,000 trees, with a significant focus on conserving 21,000 ERT species.



*The abundance of nature at the City of Elmina.*

## A Message from Our Leadership

The KL East Park serves as another benchmark in our nature-based efforts. Following an extensive carbon sequestration analysis in 2023, the park is identified as a potential urban carbon sink. Through strategic afforestation, we aim to boost this capability, contributing to the development of durable and ecologically vibrant urban spaces.

### CONTRIBUTING TO SOCIAL PROGRESS

At the core of our sustainability agenda are the people: the individuals and communities we serve. Our foundational purpose is to enrich lives and contribute to societal well-being, offering value that resonates beyond our immediate business interests. For our residents, this commitment translates into creating environments that enhance their quality of life, build resiliency and foster a sense of community.

In this vein, we have embarked on a collaboration with Lagenda Properties to provide well-priced, affordable housing, thereby elevating living standards and broadening homeownership opportunities for Malaysians. Our inaugural venture in Gurun, Kedah, epitomises this effort, with plans to construct over 3,000 affordable homes, demonstrating our resolve to address the housing needs of our community effectively.

Given the nature of our work, we also strive to strengthen our supply chain and ensure our suppliers align with our sustainability standards, such as fair practices and responsible environmental practices. This has resulted in an annual supply chain engagement wherein these engagements, a sustainability-themed module is delivered to the main tier contractor. We believe it is crucial to engage our supply chain often and constructively to help us drive and develop a more sustainable supply chain network.

Extending our impact to broader community engagement, we emphasise generating positive social outcomes through the diligent efforts of Yayasan Sime Darby (“YSD”), our dedicated philanthropic branch. This organisation plays a pivotal role in channelling our resources and commitment to areas where they can make a substantial difference. In 2023, Sime Darby Property provided RM9.5 million (including RM9.5 million to YSD) in donations to more than 50 organisations, impacting 68,377 beneficiaries. This was achieved through our proactive partnerships with more than 50 organisations, showcasing our integrated approach to community support and development, aiming to create a ripple effect of positive change across the communities we touch.

### LOOKING TO THE FUTURE

While we are cautious about the challenges still confronting the market today, we maintain an optimistic outlook for 2024, anticipating it to be a pivotal year for strategic investments in real estate. Our focus will be on astute sector positioning, which we foresee as instrumental in driving performance. The emphasis on stringent environmental, social and governance (“ESG”) standards, coupled with strategic location selection, will increasingly influence our decisions, ensuring our actions resonate with our commitment to excellence and sustainability.

Despite persistent market uncertainties, we are poised to seize emerging opportunities, particularly as we transition into a phase marked by a significant need for sustainable infrastructure. Our proactive approach aims to leverage these shifts, reinforcing our dedication to shaping a future where real estate serves as a catalyst for positive, widespread impact.

In closing, we would like to take this opportunity to express our sincere gratitude to all our stakeholders for their and support. You are the reason we exist and are responsible for our continuity and success. Together, we strive to achieve our vision of “Advancing real estate as a force for collective progress, in harmony with the planet’s resources.”

**DATO’ RIZAL RICKMAN RAMLI**

Chairman

**DATO’ AZMIR MERICAN**

Group Managing Director

# Our Sustainability Framework

## SUSTAINABILITY FRAMEWORK

Our sustainability framework serves as a strategic blueprint for integrating sustainable practices into the core of our business. This framework reflects the key sustainability dimensions that are important to our business operations and its impacts and the key dimensions are energy efficiency, low carbon transition, urban biodiversity enhancement, climate-resilient communities and enriching community experiences.

The integration of corporate sustainability practices into our business processes is crucial for long-term resilience and prosperity. It ensures that Sime Darby Property not only thrives but also acts as a catalyst for positive change in the industry, benefiting all stakeholders.

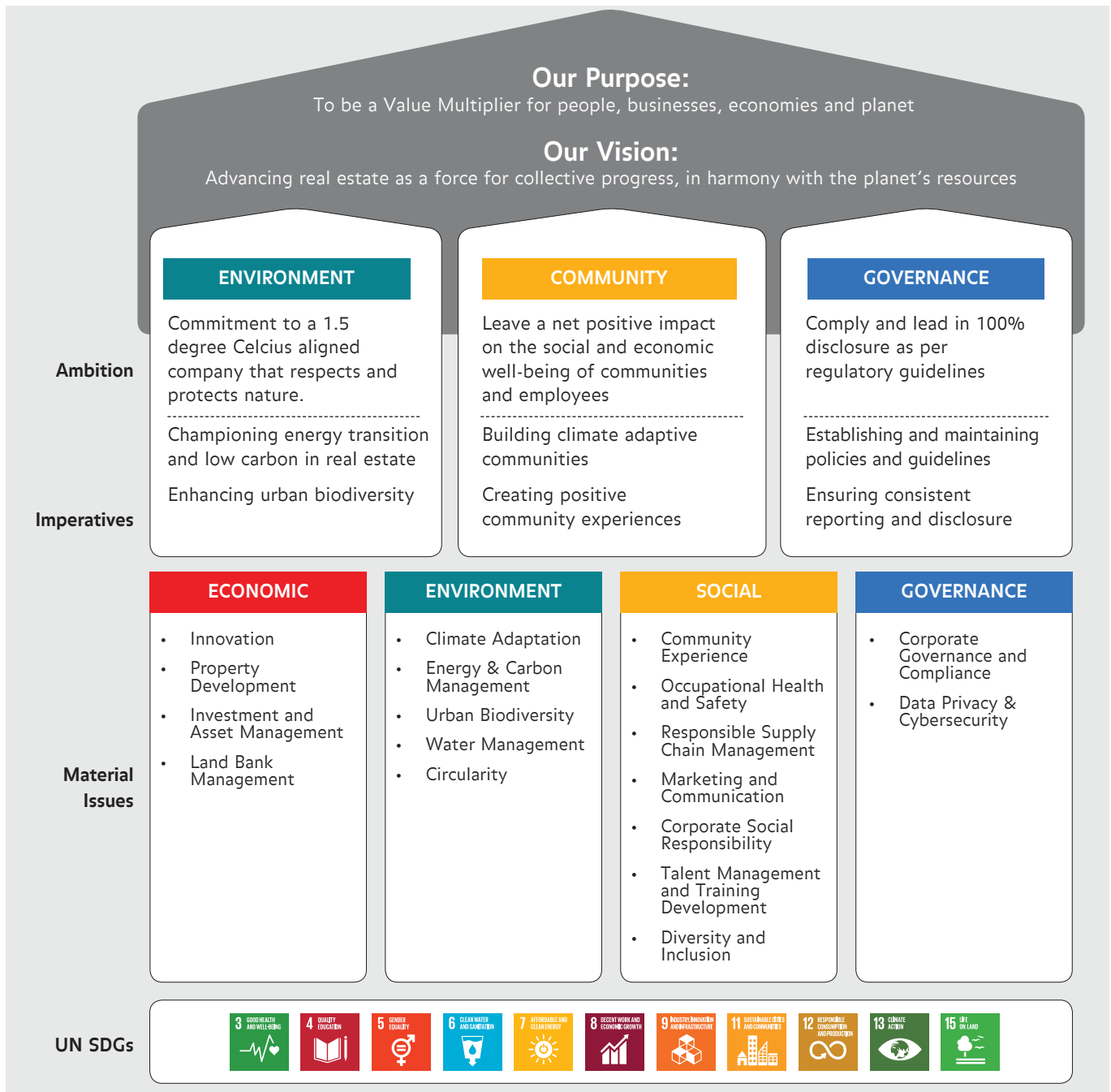


Figure 1.2: Sime Darby Property Sustainability Framework

# Our Sustainability Framework

## Activating Our Sustainability Agenda: Our Four Key Imperatives

We bring our sustainability agenda to life through four key imperatives:



As we push the boundaries of climate leadership, our goal to foster resilient communities is supported by a strong culture of health and safety, good governance and strategic communications.



**Building sustainable townships while nurturing healthy communities and ecosystems should be the way forward for property developments because it would in turn inspire residents and the public to care about and protect the environments they are living in, for a better future. ▮▮**

Dato' Azmir Merican,  
Group Managing Director



# Our Contribution to the UN SDGs

We are committed to driving positive impacts sustainably across our business and ensure our efforts are strategically aligned to the UN SDGs. Based on the UN SDGs, targets and indicators, we have identified 11 SDGs that are relevant to us and in which we can make the most impact. This focused alignment ensures our efforts and contributions are aligned with global priorities.

## Good Health and Well-being



Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

### Our Contribution

We are consistently working with our employees and contractor workers to ensure that everyone is fully vaccinated against COVID-19. This is part of our commitment to ensure their health is protected. We have also implemented the Sime Darby Property Worker Quarters' Hygiene Standards as part of our commitment to ensure all our contractors are in compliance with Act 446.

## Quality Education



Target 4.b: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular programme least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.

### Our Contribution

In 2023, a total of 54 Technical and Vocational Education and Training ("TVET") graduates sponsored as part of the RM1.2 million YSD allocation for a 3-year program (2023 - 2025). We collaborated with *Institut Kemahiran Belia Negara* ("IKBN") for on-job-training at KLGCC under the hospitality industry. We engaged *Akademi Binaan Malaysia* ("ABM"), under the Construction Industry Development Board ("CIDB") for construction-related industry graduates. For 2023, students were enrolled under the Air Conditioning & Mechanical Ventilation Programme. For 2024 and 2025, students are expected to graduate from programmes such as scaffolding, backhoe & excavator operations and mobile crane operations.

## Gender Equality



Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

### Our Contribution

We are making significant strides towards gender balance in leadership. Women now hold half of management positions, with a growing presence in leadership roles: a noteworthy 36% on the Board of Sime Darby Property. This progress fosters a more diverse leadership landscape, which contributes to stronger decision-making.



### Clean Water and Sanitation



Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

#### Our Contribution

Our commitment to water conservation has resulted in a positive 18.23% reduction in water withdrawal for potable water compared to 2022, across our entire business operations. Additionally, the installation of water-saving features in 3,764 residential units aims at encouraging reduction in water use.

By promoting more efficient water use among residents, these features enhance the sustainability of the water management system.

### Affordable and Clean Energy



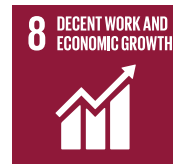
Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

#### Our Contribution

We are driving sustainability in our township developments by implementing innovative solar solutions. This includes installing rooftop solar photovoltaic (“PV”) panels across selected assets. These panels will generate clean energy, reducing our reliance on traditional sources and contributing to a more sustainable future for both residents and the environment.

Our energy consumption in 2023 saw a 2.46% decrease compared to 2022 due to groupwide energy habit practices and retrofitting exercises. While this rise is primarily due to increased activities and events within our developments, we recognise the importance of energy efficiency. We are actively exploring and implementing solutions to address this increase and ensure a more sustainable future for our communities.

### Decent Work and Economic Growth



Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants and those in precarious employment.

#### Our Contribution

We are investing in a safer future by training our top contractors (39 representatives) on human rights according to International Labour Organisation (“ILO”) standards. This focus on ethical practices is complemented by a significant increase in Occupational Safety and Health incident reports (from 4 to 16), indicating an improved reporting culture. It highlights the need for continued awareness and our comprehensive Quality, Health, Safety, Security & Environment (“QHSSE”) policy ensures we prioritise safety in all aspects of our work.

## Our Contribution to the UN SDGs

### Industry, Innovation and Infrastructure



Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

#### Our Contribution

We have constructed 3,764 energy-efficient homes and achieved eco-certifications (BCA Green Mark, GBI, LEED, BREAM, GreenRE) across 18 townships. This commitment helps reduce negative impacts on the natural environment by using less water, energy and other natural resources; employing renewable energy sources and eco-friendly materials; and reducing emissions and other waste.

### Sustainable Cities and Communities



Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

#### Our Contribution

The design and operations of our townships and commercial buildings incorporate green spaces and urban nature features. Placemaking and inclusive social infrastructures are some of the strategies we embark on to ensure that we create community vibrancy and resiliency in the townships.

### Responsible Consumption and Production



Target 12.5: Substantially reduce waste generation through prevention, reduction, reuse and recycling and strive to achieve 40% of waste diverted from landfill annually.

#### Our Contribution

As part of our commitment on promoting circular economy, we have achieved 24.86% waste diverted from landfill in 2023. This progress is driven by our commitment to the 3Rs (Reduce, Reuse, Recycle).

### Climate Action



Target 13.2: Integrate climate change measures into national policies, strategies and planning.

### Our Contribution

We have pledged to achieve Net Zero operational carbon emissions by 2050, referencing the science-based target of limiting global temperature rise to 1.5°C. The Group's comprehensive Net Zero approach involves tackling Scope 1 and 2 emissions with near-term and long-term reduction strategies which includes significant changes to how Sime Darby Property conducts our business.

### Life on Land



15.5: Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

### Our Contribution

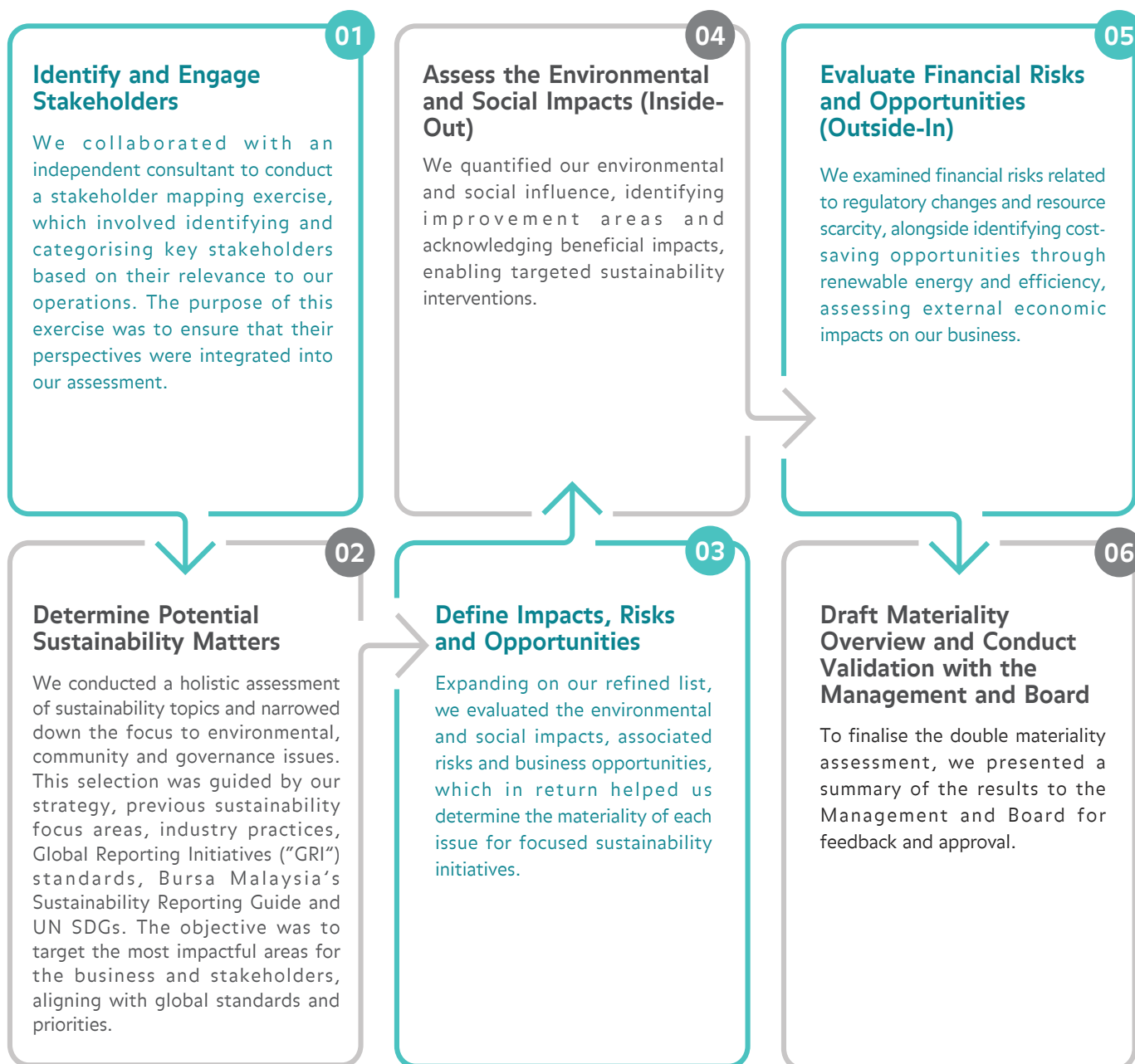
We are seeing positive results in our effort to restore urban landscape with threatened species of trees. Over half (52.17%) of our goal to plant 50,000 Red List Species has been achieved (26,085). Additionally, our overall tree planting initiative is nearing completion, with 143,679 trees planted, reaching 89.7% of our target of 160,000. Demonstrating our commitment to protecting biodiversity, we are the first Malaysian real estate company to achieve ArbNet Arboretum Level II Certification, recognising our dedication to enhance urban biodiversity and uphold environmental stewardship.

# Material Matters

In 2023, we embarked on a double materiality assessment to enhance our analytical capabilities regarding our company’s activities related to the environment, social responsibility and ethical considerations. The principle of double materiality allows us to elevate our sustainability reporting to a more comprehensive level.

## METHODOLOGY

A double materiality approach was our preferred method as the approach helps us navigate both the impact of sustainability on our business and our impacts on sustainability. This allowed us to report both on how our business is impacted by sustainability issues (“outside-in”) and how our business activities impact society and the environment (“inside-out”). Through this method, we hope to build the confidence in our government, our investors and the general public that we are delivering more detailed and transparent disclosures.



## MATERIALITY MATRIX

At Sime Darby Property, we view sustainability as a continuous journey guided by our materiality matrix. We have organised our material matters based on matters we will comply, compete and lead.

**Comply:** Ensuring that our business practices and operations are in line with local and international requirements

**Compete:** Demonstrating strong efforts in championing the material matters

**Lead:** Demonstrating leadership in the planning and delivery of our material matters.

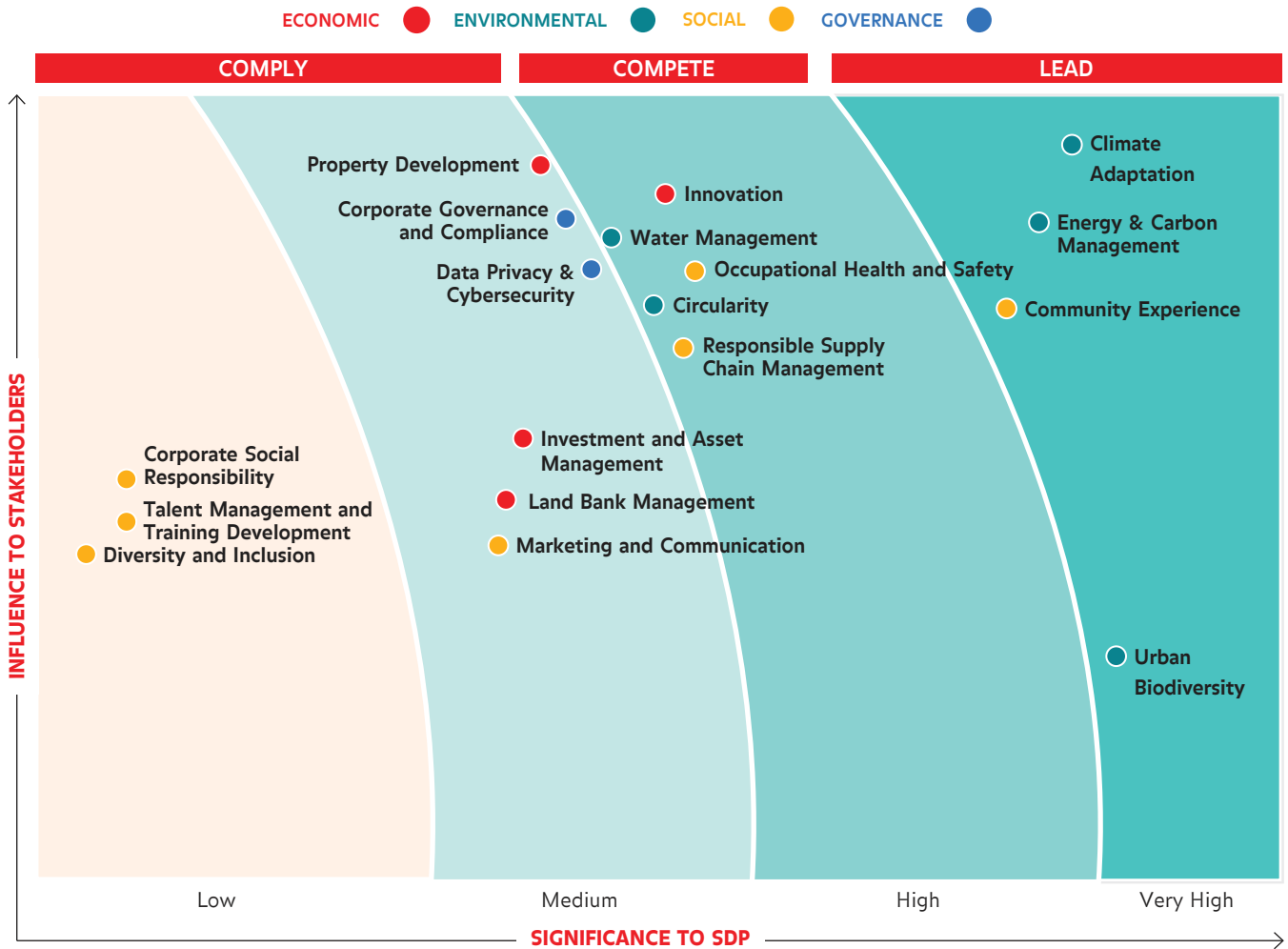


Figure 1.3: Sime Darby Property Materiality Matrix

Through our comprehensive sustainability assessment, we have identified 13 topics that are critical drivers of our overall sustainability performance. Among these, nine (9) stand out as particularly crucial. These key material matters are:

- Climate Adaptation
- Water Management
- Energy & Carbon Management
- Circularity
- Urban Biodiversity
- Community Experience
- Occupational Health and Safety
- Responsible Supply Chain Management
- Innovation

We also ensure transparency by reporting on Bursa Malaysia’s common sustainability matters, which are included in this report.

- Diversity and Inclusion
- Labour Standards and Practices
- Anti-Bribery and Corruption (“ABC”)
- Data Privacy & Cybersecurity

## Material Matters

### INNOVATION



We drive our business competitiveness, enhance customer experiences and improve work efficiency through technology and digitalisation.

### ENERGY & CARBON MANAGEMENT



We manage our greenhouse gas emissions by reporting across various scopes, setting reduction targets and initiating strategies such as improving energy efficiency and adopting renewable energy sources, including rooftop solar PV panels.

### URBAN BIODIVERSITY



We strive to minimise the impact of our urban development on biodiversity and mitigate these impacts through conservation and regeneration efforts. By incorporating several initiatives, we aim to enhance urban biodiversity and their ecosystem services.

### CIRCULARITY



We embed circular principles throughout our value chain by designing for recycling, procuring recycled materials, sustaining low-waste construction processes and managing waste to minimise landfill contributions.

### WATER MANAGEMENT



We optimise water usage by incorporating water considerations into our designs, reducing water intensity, ensuring proper treatment and providing adequate access to water for our employees, contractors and tenants.

### CLIMATE ADAPTATION



We assess and mitigate risks from the physical impacts of climate change (e.g., floods, sea-level rise) in our project design, development and management.

## OCCUPATIONAL HEALTH AND SAFETY

We commit to providing a safe and healthy work environment by adhering to health and safety laws, regulations and standards to prevent job-related injuries and aim for zero fatalities.

## COMMUNITY EXPERIENCE

We foster positive community engagement by collecting and addressing feedback, ensuring adequate infrastructure and employment opportunities and prioritising the health and safety of our tenants.

## DIVERSITY AND INCLUSION

We champion diversity, equity and inclusion as core aspects of our corporate identity, embracing talents of different ages and ethnicities to enrich perspectives and contribute to our success.

## LABOUR STANDARDS AND PRACTICES

We uphold high labour standards and practices, ensuring the fair treatment and well-being of all our employees.

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

We ensure our supply chain partners advance on ESG imperatives, including reducing GHG emissions and upholding human rights throughout the procurement process.

## ANTI-BRIBERY AND CORRUPTION (“ABC”)

We adopt a zero-tolerance policy towards bribery and corruption in all our business dealings, mitigating risks through promoting good governance and ethical practices among our employees, partners and suppliers.

## DATA PRIVACY & CYBERSECURITY

We prioritise our stakeholders’ data privacy, continuously strengthening our cybersecurity measures and elevating our information technology security standards.

# Stakeholder Engagement

We actively engage our key stakeholders – employees, customers, investors, partners, regulators and communities – through tailored strategies built on transparency and collaboration. This ensures their voices shape our operations, strategy and long-term sustainability goals.

## Frequency of Engagement

- A Annually
- W Weekly
- M Monthly
- D Daily
- Q Quarterly
- O Ongoing
- R Regularly
- P Periodically

## EMPLOYEES

### Engagement Platform & Frequency

- Intra- and interdepartmental meetings
- Email announcements
- Newsletters
- Viva Engage digital employee engagement platform
- 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 for Employee Assistance Programmes
- Employee engagement activities
- Skip-level meetings
- New onboarding programme for new hires
- Speak Up Forum

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### Issues and Concerns Raised

- Fair and competitive career advancement opportunities.
- Employee well-being and wellness initiatives.
- Support for work-life balance.
- Enhanced understanding of sustainability issues and ways employees can contribute value.

### Our Response

- Provide training and project assignments in line with business goals that enhance employees' skills.
- Implement an internal mobility framework.
- Continue to make employee aware of Jalinan Nurani platform to assist employees and family members with mental or physical health concerns.
- Organise employee well-being programmes such as webinars on resilience, financial planning, men and women's health and self-care tips for caretakers among others.
- Continue flexible work arrangements.
- Educate employees about sustainability using internal channels.
- Organise Sustainability Day, focusing on key issues.
- Involve employees in sustainability-themed programmes.



## INVESTORS AND ANALYSTS

### Engagement Platform & Frequency

- Investor conferences
- Annual General Meetings and Annual Reports
- Investor briefings
- One-on-one meetings
- Non-deal roadshows
- Email or phone communication
- Investor Relations web page and news updates
- Site visits

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### Issues and Concerns Raised

- A growth strategy with a clear emphasis on long-term shareholder returns.
- Assessment of the property sector’s prospects and response to macro environmental factors affecting the Group’s operating landscape.

### Our Response

- Organise quarterly briefings on financial and operational results, as well as updates on key developments and strategies.
- Communicate clear strategic direction, goals and outcomes, broad risk exposures, as well as performance targets of the Group.
- Allow direct access to the Board members and Executive Leaders at Annual General Meetings.
- Provide prompt responses to investors’ and analysts’ queries.

## CUSTOMERS

### Engagement Platform & Frequency

- 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
- High-5 and Quick-Fix initiatives (upon handover of keys)
- Net Promoter Score (“NPS”) surveys

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### Issues and Concerns Raised

- Engagement and resolution of property-related issues.
- Promotion of healthy, sustainable lifestyles through community facilities.
- Ensuring eco-efficiency and safety standards across all amenities.

### Our Response

- Regularly conduct meetings with management bodies and residents’ associations.
- Assign dedicated personnel for each township and development to serve as points of contact with the community.
- Implement a Quick-Fix programme to promptly resolve any issues upon residents moving into their new homes.
- Utilise green label construction materials, such as Forest Stewardship Council (“FSC”) doors and timber flooring.
- Install solar panels and water-saving fittings in units.
- Implement a Tree-to-Tree replacement policy, focusing on endangered, rare and threatened (“ERT”) species.
- Establish the Elmina Living Collection Nursery (“ELCN”) as part of the Elmina Rainforest Knowledge Centre (“ERKC”) in the City of Elmina.

# Stakeholder Engagement

## VENDORS

### Engagement Platform & Frequency

- Annual dialogue
- Safety and sustainability trainings
- Procurement and appointment process
- Vendor performance evaluation
- Relationship-building and networking sessions
- Data collection process
- Meetings

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### Issues and Concerns Raised

- High construction cost
- Lack of competent contractors
- Lack of technical knowledge coupled with implementation challenges on sustainability practices

### Our Response

- Securing early appointment of contractors as well as retaining them with SDP.
- Implementing new contracting model – buy forward option and cost-led procurement
- Strategic sourcing initiatives - focus on local procurement
- Labour supply – Monitoring the status for key contractors and closely follow up on their action plan.
- Conduct dialogues, 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.
- Adopt best practices in managing sustainable development within the supply chain.
- Engage vendors on eco-efficiency programme and facilitate improved data collection.

## MEDIA

### Engagement Platform & Frequency

- Press releases and statements, including notes to editors
- Networking sessions
- Media briefings
- Annual General Meetings and annual reports
- Product launches and corporate events
- Festive gatherings and media events
- Media site visits
- Award ceremonies
- Participation in feature or news articles
- Joint campaigns and advertising

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### Issues and Concerns Raised

- Transparency and accuracy of updates.
- Provision of market and industry insights.
- Updates on business strategies and tactics.
- Prompt responses to issues raised in the media.

### Our Response

- 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.
- Provide access to Sime Darby Property leadership for their perspective on the market and industry.
- Share business strategies, market insights and outlook.
- Ensure Group Corporate Communications responds promptly to enquiries.

## DEBT PROVIDERS

### Engagement Platform & Frequency

- Email communication
- Meetings
- Events hosted by debt providers
- Site visits
- Annual General Meetings and annual reports

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### Issues and Concerns Raised

- Ability to service debt obligations and adherence to covenants.
- Good governance and risk management framework.

### Our Response

- Demonstrate commitment to good governance and transparent financial disclosures.

## REGULATORS AND INDUSTRY AFFILIATIONS

### Engagement Platform & Frequency

- Meetings
- Email communication
- Seminars or webinars
- Industry forums
- Government consultations
- Advisory groups

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### Issues and Concerns Raised

- Compliance with regulations.
- Contribution to industry best practices and national agendas.

### Our Response

- Participate in industry and national-level forums to stay abreast of changes in the regulatory environment.
- Ensure compliance with all relevant requirements through the Group's dedicated compliance function.
- Offer industry perspective to help shape new policies and regulations.
- Share knowledge and best practices in industry forums.
- Support and contribute to national development initiatives such as affordable housing, biodiversity inventories and guidelines for wetland construction and maintenance.

# Governance Structure

## SUSTAINABILITY GOVERNANCE

### Governance Structure

The Board Sustainability Committee, established in 2023, was tasked to champion our sustainability strategy, ensuring alignment with market trends and addressing the diverse needs of our sector. The BSC works closely with management across all business areas, embedding sustainability into the heart of our decision-making processes, risk management and daily operations.

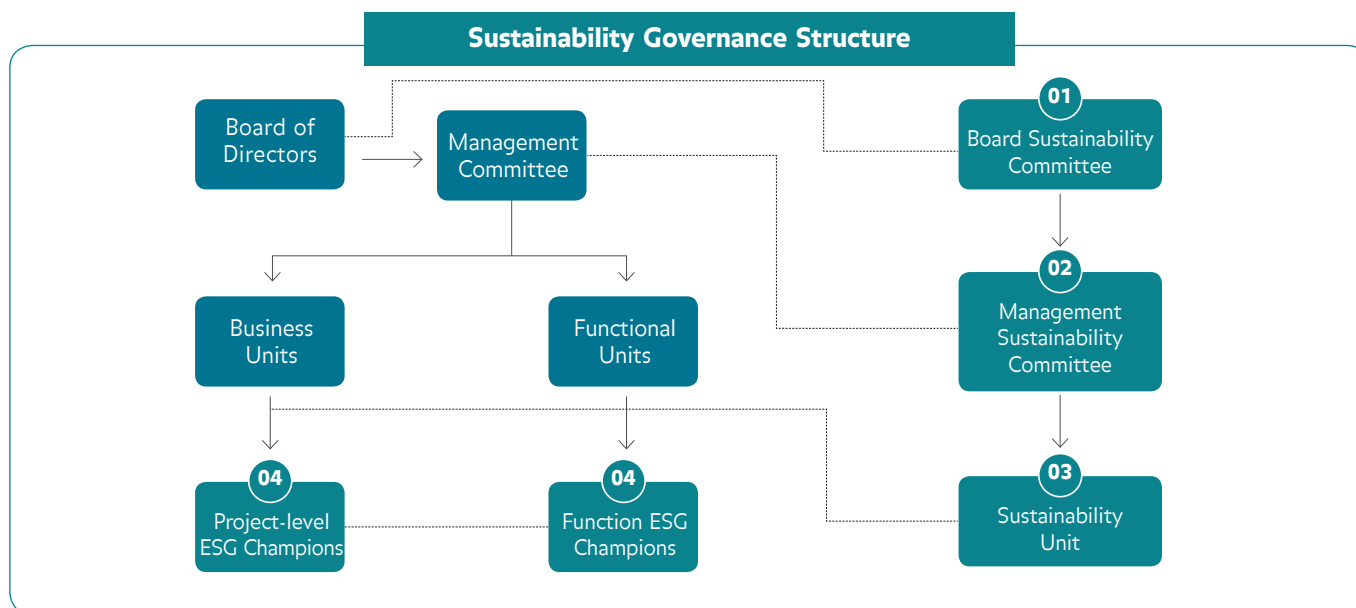


Figure 2.1: Sime Darby Property Sustainability Governance Structure

### Roles & Responsibilities

#### Oversight and Guidance

**Board Sustainability Committee (“BSC”):**

- Provides strategic direction and oversees the Group’s overall ESG framework.
- Composed of diverse sustainability experts who assess the effectiveness of sustainability programmes and initiatives.
- Tasked with engaging in strategic discussions about sustainability assurance indicators with a third-party service provider.

**Management Sustainability Committee (“MSC”):**

- Senior leaders responsible for implementing ESG initiatives across the Group.
- Ensures alignment of our initiatives with material matters.

#### Implementation and Integration

**Sustainability Department:**

- Develops and implements the Group’s ESG strategy across all organisational levels.
- Creates standardised practices through ESG guidelines, frameworks and toolkits.
- Monitors progress and alignment of ESG initiatives through a Project Management Office (“PMO”) function.

**ESG Champions:**

- Embedded within specific business segments and functions.
- Champion the practical application of the ESG strategy in daily operations.
- Integrate ESG considerations into decision-making and everyday activities.
- Oversee alignment with Group’s ESG objectives and facilitate project completion.

## ADVANCING SUSTAINABILITY THROUGH BOARD LEADERSHIP

Our commitment is demonstrated through setting clear strategic direction, fostering accountability via ESG sensitisation, performance metrics and incentivisation programmes. This comprehensive approach ensures a more sustainable future for our organisation and stakeholders.

### Board Sustainability Committee Engagement during FY2023

Area	Key Activities		
<p><b>ESG &amp; Sustainability</b></p>	<p>Reviewed, provided input and recommended on:</p> <ul style="list-style-type: none"> <li>• Sime Darby Property Sustainability Strategy proposal</li> <li>• Net Zero announcement and carbon reduction roadmap</li> <li>• Climate risks and opportunities assessments</li> <li>• Sustainability materiality matters &amp; ESG risks</li> <li>• Human Rights Policy</li> </ul>		
<p><b>Performance &amp; Reporting</b></p>	<table border="0"> <tr> <td data-bbox="492 981 943 1168"> <p>Reviewed:</p> <ul style="list-style-type: none"> <li>• Quarterly updates on ESG performance &amp; sustainability progress</li> <li>• Sustainability Statement for Annual Report 2022</li> <li>• Sustainability Report for FY2022</li> </ul> </td> <td data-bbox="997 981 1455 1168"> <p>Provided input on:</p> <ul style="list-style-type: none"> <li>• Findings on limited assurance by PricewaterhouseCoopers PLT for Sustainability Report for FY2022</li> <li>• Scope of limited assurance for FY2023 Sustainability Report</li> </ul> </td> </tr> </table>	<p>Reviewed:</p> <ul style="list-style-type: none"> <li>• Quarterly updates on ESG performance &amp; sustainability progress</li> <li>• Sustainability Statement for Annual Report 2022</li> <li>• Sustainability Report for FY2022</li> </ul>	<p>Provided input on:</p> <ul style="list-style-type: none"> <li>• Findings on limited assurance by PricewaterhouseCoopers PLT for Sustainability Report for FY2022</li> <li>• Scope of limited assurance for FY2023 Sustainability Report</li> </ul>
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#### Board Trainings

Over the past year, our board members and senior management have engaged in a wide range of training programmes, spanning leadership, global economic trends, sustainability and financial integrity. These sessions were designed to enhance our understanding across key areas such as economic outlooks, ESG principles, compliance standards and cybersecurity, reflecting our commitment to stay abreast of evolving industry standards and regulatory requirements.

Our focus also extended to technological advancements and sector-specific challenges, particularly within real estate and property management. The training covered innovation, the implications of artificial intelligence and strategies for embedding sustainable business practices. This approach signifies our measured effort to weave new technologies and sustainability into our operational fabric.

Additionally, our participation in programmes centred on climate change and environmental awareness underscores our response to global sustainability trends. By taking part in these initiatives, we demonstrate our collective awareness of the need to adapt and align with broader environmental objectives and governance practices.

For further details on Board Trainings, refer to our 2023 Integrated Report, available on page

#### Executive Remuneration and ESG Performance

We reinforce our commitment by tying ESG Key Performance Indicators (“KPIs”) to the remuneration of our C-suite executives, underlining the significance we place on emissions reduction and sustainable practices at the leadership level.

## Governance Structure

### THE BOARD SUSTAINABILITY COMMITTEE

Sime Darby Property's commitment to ESG and sustainability recognises the need for a comprehensive approach, drawing on diverse expertise across various disciplines. Our committee, reflecting this very principle, brings together individuals with a multitude of backgrounds and specialisations. This collective strength directly supports our efforts to integrate sustainability into all aspects of our operations.



#### **DATO' SERI AHMAD JOHAN MOHAMMAD RASLAN**

Committee Chairman

#### **Focuses on Governance and Financial Oversight**

Dato' Seri Johan lays the groundwork with a focus on transparency and governance. His oversight ensures the integrity of our sustainability initiatives, in compliance with regulatory requirements. Under his leadership, we maintain high accountability standards and are inspired to pursue sustainability with authenticity. He is also a Council member of Climate Governance Malaysia and a Steering Committee member of CEO Action Network.

#### **DATIN NORAZAH MOHAMED RAZALI**

Committee Member

#### **Focuses on ESG Governance**

Datin Norazah prioritises transformation and growth with an emphasis on ESG governance. Her experience ensures that our products and operations adhere to high ESG standards, pushing the Group towards sustainable development and ethical practices.





**DATO' HAMIDAH NAZIADIN**

Committee Member

**Focuses on Strategic HR and Community Development**

Dato' Hamidah brings expertise in strategic HR and leadership experience to the committee, primarily from one of ASEAN's leading universal banking group. Her expertise in putting in place effective people strategies in driving human capital agenda coupled with her passion in fostering community development via the CIMB Foundation, significantly enhances our overall talent development agenda and sustainability efforts. With her efforts and steer towards incorporating a robust sustainability dimension, Sime Darby Property's cultural transformation has successfully incorporated a sustainable behavioural aspect as part of our T.E.A.M. values and behaviours.

**DR. LISA LIM POH LIN**

Committee Member

**Focuses on Environmental Sustainability**

Dr. Lisa leverages her passion for the environment and her expertise in academic research and investment management to guide our strategic vision towards environmental stewardship. Her role is essential in aligning our operations with global environmental regulations, ensuring long-term sustainability is embedded in our business model.



**NUR FARAHBI SHAARI**

Committee Member

**Focuses on Sustainable Investments**

Farahbi introduces an investor's perspective, crucial for aligning our sustainability efforts with global market trends and investor expectations. With over 13 years of experience in developing value-creation strategies in real estate, Farahbi's insights ensure our sustainability strategies are both impactful and aligned with investment priorities.



## Risk Management

Sime Darby Property undertook steps to strengthen our sustainability risk management approach. This aligns with our commitment to proactively identify and mitigate ESG risks within our established risk appetite.

We have expanded the scope of our risk assessments to include six (6) key revised and reprioritised material matters identified by the Group, where the assessment of balance of the reprioritised matters that are not covered under the Group's current risk profile will be conducted in FY2024.

We have also commenced the process to assess the physical risk exposure to our asset portfolio, where specific assets were identified for the initial physical risk assessment. The commencement of transitional risk assessment during the year have also allowed us to better understand the potential exposure and our impact to the Group (financial or otherwise). The Group is committed to implementing adaptation and/or mitigation measures to reduce the risk exposure arising from climate risk assessment.


Recognising the materiality of ESG-related risks identified through the current risk assessments, we have integrated two (2) additional broad based ESG risks into our material risk profile:

### Climate-related risk:

We recognise the potential impact and the need to mitigate flood risk exposure to our asset, the achievability of our carbon roadmap and the risk of shortage of water on our operations.

### Supply chain and related human rights risk:

We recognise the importance of responsible sourcing practices and the heightened demand for suppliers/contractors in the market. We will take steps to reduce our related risk exposure to our Group.

Learn about the newly identified ESG risks, their impact on value creation and our mitigation measures in our 2023 Integrated Report on page [127](#) 



# Policies and Guidelines

We have implemented policies and guidelines to ensure consistent integration and enforcement of sustainable practices across all our operations.

**Table 1.2**  
Sime Darby Property Material Matters, Policies and Guidelines

Material Matters	Policies & Guidelines
 <b>Innovation</b>	None
 <b>Energy and Carbon Management</b>	<ul style="list-style-type: none"> <li>• Carbon Footprint Guidelines</li> <li>• Energy Policy (applicable to the Leisure Business Unit)</li> </ul>
 <b>Urban Biodiversity</b>	<ul style="list-style-type: none"> <li>• Tree-to-Tree Replacement Policy</li> <li>• International Union for Conservation of Nature (“IUCN”) Landscape Guideline</li> <li>• Wetlands Construction &amp; Maintenance Guideline</li> <li>• Sime Darby Property Tree Planting Matrix</li> </ul>
 <b>Circularity</b>	<ul style="list-style-type: none"> <li>• Waste Management Guideline</li> </ul>
 <b>Water Management</b>	<ul style="list-style-type: none"> <li>• Water Management Guideline</li> </ul>
 <b>Climate Adaptation</b>	<ul style="list-style-type: none"> <li>• Sustainability Policy</li> </ul>
 <b>Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>• Quality, Health, Safety, Security and Environment (QH SSE) Policy</li> </ul>
 <b>Community Experience</b>	<ul style="list-style-type: none"> <li>• Stakeholder Engagement Policy</li> </ul>
 <b>Diversity and Inclusion</b>	<ul style="list-style-type: none"> <li>• Human Resource Policy</li> <li>• Anti-Discrimination Policy</li> <li>• Whistleblowing Policy</li> </ul>
 <b>Labour Standards and Practices</b>	<ul style="list-style-type: none"> <li>• Human Rights Policy</li> <li>• Code of Business Conduct</li> </ul>
 <b>Responsible Supply Chain Management</b>	<ul style="list-style-type: none"> <li>• Vendor Code of Business Conduct</li> <li>• Vendor Integrity Pledge</li> </ul>
 <b>Anti-Bribery and Corruption</b>	<ul style="list-style-type: none"> <li>• Code of Business Conduct</li> <li>• Anti-Bribery and Corruption Policy</li> <li>• Whistleblowing Policy</li> <li>• Conflict of Interest Policy</li> <li>• Gift, Entertainment and Travel Policy</li> <li>• Donations and Sponsorships Policy</li> <li>• Anti Money Laundering Policy</li> </ul>
 <b>Data Privacy and Cybersecurity</b>	<ul style="list-style-type: none"> <li>• Group Information Security Policy (“GISP”)</li> <li>• Third-Party Security Management Policy</li> <li>• Enterprise Mobile Policy</li> <li>• Cyberattack Policy</li> <li>• Identity Access Management Policy</li> </ul>

## Sustainability Thought Leadership

Lasting change requires collective effort. With this in mind, Sime Darby Property fosters a collaborative approach to sustainability. We actively engage in industry dialogue, forge strategic partnerships and empower stakeholders through knowledge sharing and resource provision. This commitment to collaboration amplifies our sustainability efforts and drives meaningful change across the industry and beyond.



*General Manager, Sustainability, Dr Yasmin Rasyid (2nd from right) at the COP 28 panel discussion in Dubai.*

### CEO Action Network (“CAN”):

CAN is a closed-door, peer-to-peer informal network of CEOs and Board Members committed to driving sustainable action in corporate Malaysia. With over 60 members from more than 20 critical sectors, CAN aspires to catalyse its members and the broader economy towards shaping future-ready and ESG-integrated business models and ecosystems. Sime Darby Property plays a critical role within this network, with our CEO serving on the Steering Committee, thus helping shape the Malaysian corporate sector’s sustainability landscape.

### REHDA Institute:

We moderated a panel discussion on ESG practices in commercial and industrial spaces at the Rehda Institute’s CEO Series 2023 Economy & Business Forum. This engagement focused on the urgent need for clearer consumer insights and the availability of transparent ESG metrics. Our efforts are directed towards bridging the gap between current practices and the potential for sustainable growth, ensuring a more informed and responsible industry.

### United Nations Conference of Parties (“COP”):

Our participation as panellists at the UN COP 28 in Dubai highlights our dedication to global sustainability efforts and collaborative action against climate change. Through the “Multi-Level Action: Whole-of society and nation Approach” discussion, we emphasised the importance of collaborative solutions to the climate crisis. Our involvement at this level highlights Sime Darby Property’s commitment to being part of the solution to the world’s most pressing environmental issues.

## KEY CONTRIBUTIONS IN 2023

### British Malaysia Chamber of Commerce (“BMCC”):

Since its inception in 1963, the BMCC has played a pivotal role in promoting bilateral trade relations between the United Kingdom and Malaysia. As a vital component of the Global Chamber Network and a member of the Britain in Southeast Asia (“BiSEA”) network, the BMCC serves as a dynamic platform for networking, branding, international trade services and industry advocacy. In 2023, Sime Darby Property actively participated in sustainability discussions hosted by the BMCC, engaging with fellow members through meetings and site visits to spotlight sustainable practices. A key event was Climate Action Week, organised by the BMCC, focusing on elevating climate action awareness among its member companies.

# SUSTAINABLE COMMUNITIES, THRIVING PLANET:

## SIME DARBY PROPERTY'S ESG COMMITMENT

Sustainability is more than a commitment; it is a core driver of our strategic vision. We integrate it across all levels, influencing how we innovate, operate, and interact with our communities and the environment, fostering a sustainable legacy for future generations. In the following pages, we delve deeper into our performance this year, addressing our material matters across the following four areas of impact and value creation.



Aerial view of Bukit Cherakah Forest Reserve.

### ECONOMIC

Our economic strategies, centred on innovation, not only drive financial growth but also empower environmental and social advancements.



Innovation

pg 35

### ENVIRONMENT

We are dedicated to reducing our environmental impact, actively addressing climate action, biodiversity, and adopting sustainable practices that foster resilient and vibrant urban environments.



Energy and Carbon Management

page 42



Urban Biodiversity

page 49



Circularity

page 66



Water Management

page 70



Climate Change Adaptation

page 74

### SOCIAL

Our goal is to create communities that are inclusive, safe, and engaging, with high standards of living experiences, well-being and social responsibility.



Occupational Health and Safety

pg 83



Community Experience

pg 86



Diversity and Inclusion

pg 94



Labour Standards and Practices

pg 104



Responsible Supply Chain  
Management

pg 107

### GOVERNANCE

Governance at Sime Darby Property underscores our dedication to ethical operations, risk management, and data security, ensuring trust and transparency.



Anti-Bribery and Corruption

pg 111



Data Privacy and Cybersecurity

pg 115

# Performance Scorecard

## Environment



**Net Zero**  
Operational Carbon Emissions by 2050 announced.



**3.81%** reduction in our operational carbon emissions compared to 2022.



**24.86%** waste diverted from landfill in 2023.



**26,085** Red List species trees planted, achieving a total of **52.17%** of our target to plant **50,000** trees.



**18.23%** reduction in potable water usage compared to 2022.

*Supported by research on the importance of **urban biodiversity** for city resilience, clean air and water and resident well-being, **Sime Darby Property** prioritises these factors in our urban biodiversity strategies.*

## Social



**25 community** programmes implemented with a focus on environmental education, healthcare and other community support areas.



**3,437** safety training hours achieved.



**2,941** volunteer hours clocked in.



No **indigenous** rights violations identified.

## Governance



**31** security training and awareness sessions implemented.



**1** online breach recorded.



**36%** of Board members are women.



**Zero** substantiated reports of corruption have been found.



**36%** of women hold senior management positions.

## Driving Our Vision Through Innovation



*Sime Darby Property's pilot rooftop solar initiative supports the National Energy Transition Roadmap (NETR).*

Our customers can be assured of our commitment of delivering on our promises of being a value multiplier for people, business, economics and the planet. As part of our Engines of Growth, (for example, Engine 3) is our experimental engine which sees us working with third parties to collaborate on new ideas and thinking, look at new ways of design, new method of constructions, innovation and application of Research and Development.

Despite being an established, long-standing company we do not shy away from taking experimental bets and always striving to improve ourselves. This is why innovation has become a cornerstone in Sime Darby Property, helping us transform the way our products are developed, marketed and managed. The rapid evolution of technology and changing consumer preferences has propelled us to embrace innovation as a means

to stay competitive and meet the growing demands of the market. Sime Darby Property has witnessed a dramatic shift towards adopting innovative solutions to enhance customer experience and streamline operations.

Innovation has played a crucial role in reshaping how we operate, offering both new opportunities and challenges. One of the key benefits of innovation for us is the improvement in efficiency and productivity. By leveraging technology and advanced tools, we are able to streamline processes, reduce costs and make informed decisions quicker than ever before. Innovation has also enabled us to differentiate ourselves in a crowded market. With the rise of online platforms and digital marketing strategies, we are able to reach a wider audience and engage with potential clients in a more personalised manner.

## Driving Our Vision Through Innovation

Furthermore, innovation has driven us to make our buildings smarter and enhance more sustainability elements in our construction practices. By incorporating innovative technologies and energy-efficient systems, we are creating buildings that are not only environmentally friendly, but also cost-effective in the long run. Smart buildings offer enhanced security, comfort and convenience for tenants, while also reducing energy consumption and carbon footprint, showcasing our commitment to sustainability and innovation.

For us at Sime Darby Property, innovation is no longer a choice but a necessity to thrive in a competitive market. By embracing new technologies, digital solutions and sustainable practices, we can create value for their clients, improve operational efficiency and stay ahead of the curve, therefore fostering the growth of resilience businesses and communities. The examples highlighted in the following pages demonstrate some of our achievements for 2023.

### CHAMPIONING INNOVATION

This section demonstrates our efforts in achieving our sustainability aspirations particularly through innovative methods in build and landscape. As innovation remains a core focus for us, we have dedicated teams overseeing product innovation in areas such as design, construction and environmental integration. Additionally, we are also supported by our marketing team that are continuously exploring innovative new ways to promote our products while aligning with our sustainability goals – ensuring that we stay ahead in both marketing innovation and sustainability initiatives.

Within this section, we delve into our innovative approaches to product development and marketing, focusing on four (4) key areas of focus: Design, Build, Lifestyle and People. Through these key pillars, we strive to create lasting value and a positive impact on the environment and communities we serve.

#### (a) Championing Product Innovation

In 2023, we have managed to maintain the consistencies our Quality Assessment System in Construction (“QLASSIC”) performance of our residential products, averaging 82-83% for the past four years, despite the high volume of units handed over in 2023 (3,418 units). This high QLASSIC performance is a result of our continuous efforts to ensure exceptional quality in our projects. Among the efforts include:

1. **Engagements with Stakeholders:** Regular meetings with internal and external quality stakeholders to understand challenges, deliberate solutions and align deliverables for a smoother handover of the voluminous number of units in FY2023.
2. **Handyman Team:** Establishment of a pool of contractors under SDP to expedite defects rectification when contractors are not able to meet the committed SPA obligations. This effort enables the improved customer satisfaction in terms of response to complaints.
3. **Enhancement of Interval Inspection:** Use of technology to improve on quality management at site. Integrating Procure (Project Management software ) and Drone technology for inspections. This allows better coverage of inspections and allows for better tracking of rectification status and assignment of work.
4. **Increased Training to all contractors to address Skill Labour Issues:** Increased trade trainings to contractors based on repeated defects recorded.
5. **Other Quick Fixes Implemented/Rolled-out in FY2023:**
  - a. Improvement of Handing Over Vacant Possession (“HOVP”) readiness process – pre-HOVP Inspections carried out to ensure readiness and livability 3 days prior to customers collecting keys to their homes.
  - b. Carry out re-inspections of homes after receiving report from Home Defect Inspectors appointed by and to educate home owners on the type of defects which are in accordance to CIDB guidelines.

Our exploration of technology for quality monitoring and advancement is constant and remains a key agenda.

#### (b) Innovations in Build and Construction

We have embarked on an initiative to reimagine how homes are designed and built, as a response to the challenges brought about by the pandemic. This initiative aims to address crucial questions such as the flexibility of homes for diverse use of space and functions, their ability to adapt to climate change and the possibility of alternative construction methods.

We are currently in the first stage of the comprehensive four-part journey towards the democratisation of homes. In the first stage, we are actively exploring standardising the various Double-Storey Link Home (“DSLH”) layout options before moving towards the second stage, which will encompass the manufacturing of homes through the deployment of Modern Methods of Constructions. Standardisation in the construction industry lends a hand in improving performance and quality. Among the benefits it bring include the reduction in variation in quality; improvement of profitability through cost reduction; reduction of lead times; minimisation of defect Standardisation of DSLH which aims to reduce production timeframes, enhance delivery predictability and quantify potential cost reductions.

This initiative serves as a foundation for further standardising of other building typologies, variations and disciplines within the project such as building fixtures, sustainability features, structure and mechanical elements and more. This subsequently allows future projects to leverage the same processes, design, or plans and pre-estimated costing information, increase productivity, and improve environmental, health and safety measures.

**(c) Innovations in Township Design (Main Infrastructure and Landscape) and Environmental Integration**

The Group has more than 50 years track record of delivering landed and high-rise properties covering residential, commercial and industrial development. Our broad product spectrum – from affordable to luxury homes, malls, eco-parks, office buildings, shop lots and industrial business parks – captures various market segments and caters to different lifestyle preferences, affordability and business needs.

In 2023, we launched the Planting Matrix which helped the landscape team identify the best plants to plant, at the right place. This is an effort towards having a resilient ecosystem within our townships. Three key types of planting are encouraged, namely bio-centric (fruiting trees or seed-producing trees to attract insects and birds), carbon-centric (trees with high carbon sequestration capacities) and people-centric (broad leafy canopy trees that offer shade along pedestrian walkways).

**› OUR COMMITMENT**

Innovation is at the heart of Sime Darby Property’s success. It fuels our competitiveness, helps us meet evolving customer needs, fosters sustainability and drives business growth.

We guide our innovative practices by these core principles:

**Sustainability**

We prioritise solutions that minimise environmental impact, exploring modern construction methods, low-carbon materials, energy efficiency and alternative designs.

**Efficiency**

We optimise resources, improve processes and seek alternative solutions to maximise value creation.

**Customer Focus**

We leverage technology and innovation to meet the evolving needs and expectations of our customers.

**Quality Assurance**

We adopt technological advancements to consistently meet quality standards and enhance customer experience.

# Driving Our Vision Through Innovation

Innovation is crucial in our industry for sustainable growth and tackling ESG challenges. It empowers us to:



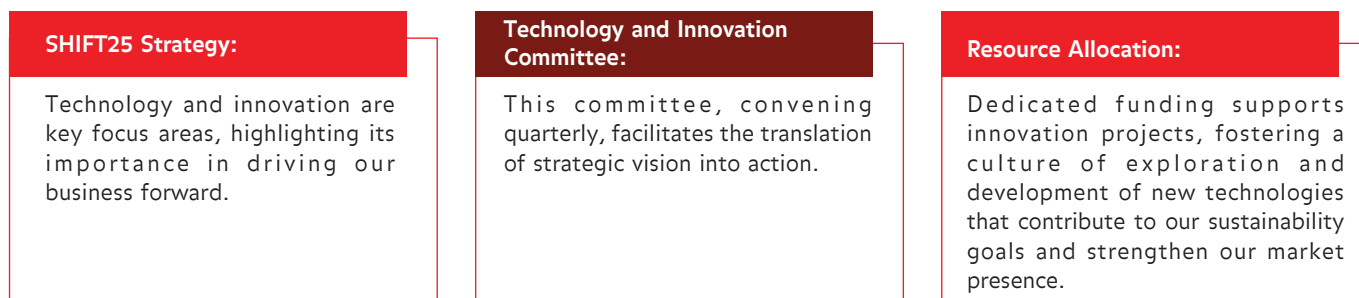
By embracing innovation, we lay the foundation for a sustainable future for all stakeholders



## › OUR APPROACH

Our real estate innovation focuses on sustainability and efficiency, aiming to reduce environmental impact and enhance social and economic outcomes. We dedicate resources to explore and implement innovative solutions aligned with our ESG commitments.

Structured Innovation Approach:



By integrating innovation into our operations, we aim to further our commitment to ESG principles and contribute to responsible growth within the real estate sector. This approach allows us to explore sustainable solutions and enhance our overall sustainability efforts.



## › OUR VALUE CREATION IN 2023

In 2023, we focused on driving innovation to deliver high-impact solutions, prioritise efficiency and promote sustainable practices throughout our property development lifecycle.

### 1. Driving Innovation in Build and Construction

Why It Matters:	What We Did:
<p>Reducing our environmental footprint is a core responsibility. By exploring innovative construction techniques, we aim to minimise waste, shorten construction time and improve energy efficiency in our built environments, contributing to a greener future.</p>	<p>We conducted in-depth studies on prefabrication and modular construction methods, evaluating their feasibility, potential environmental benefits and suitability for different project types. This research will inform future development decisions and guide us towards more sustainable construction practices.</p>

### 2. Enhancing Operational Efficiency Through Technology

Why It Matters:	What We Did:
<p>Delivering exceptional value to our customers is paramount. Standardising builds through manufactured homes and embracing digitalisation in construction have the potential to expedite construction, potentially reduce costs and ensure higher quality homes.</p>	<p>We made significant progress towards standardised builds by developing prototypes for manufactured homes with standardised components and streamlined processes. Additionally, we integrated Procore, a construction management platform, to streamline defect management and implemented drone usage for quality inspections. These initiatives allow for early identification and resolution of issues, reduced rework and ultimately, faster delivery of higher-quality homes for our customers.</p>

### 3. Championing Innovative Solutions

Why It Matters:	What We Did:
<p>Empowering residents to make eco-conscious choices and fostering resilient communities are at the heart of our commitment. By putting in place the innovative planting selection matrix, we are creating a more ecologically vibrant environment for residents. This matrix acts as a guide, ensuring the right plant species are chosen for their specific function within the landscape. This, alongside implementing renewable energy solutions, empowers residents to make sustainable choices and reduce our overall carbon footprint.</p>	<p>We installed residential solar rooftops on new homes, allowing residents to consume clean energy, reduce their electricity bills and contribute to a sustainable future. We also explored the feasibility of microgrids in townships and managed industrial parks. Additionally, we developed a planting selection matrix aims to balance species composition and function, bolstering urban biodiversity, improved air quality and enhanced aesthetics within our communities.</p>

# Driving Our Vision Through Innovation

## OUR IMPACT AND ACHIEVEMENTS

### Short-term

#### Prioritising Engines of Growth:

We are aligning with the organisational strategy to focus on areas that drive the most value, enhancing profitability and accelerating revenue.

#### Product and Service Excellence:

We prioritise customer-centricity, making product and service quality the cornerstone of successful development, upholding our brand reputation and achieving a competitive edge through excellence.

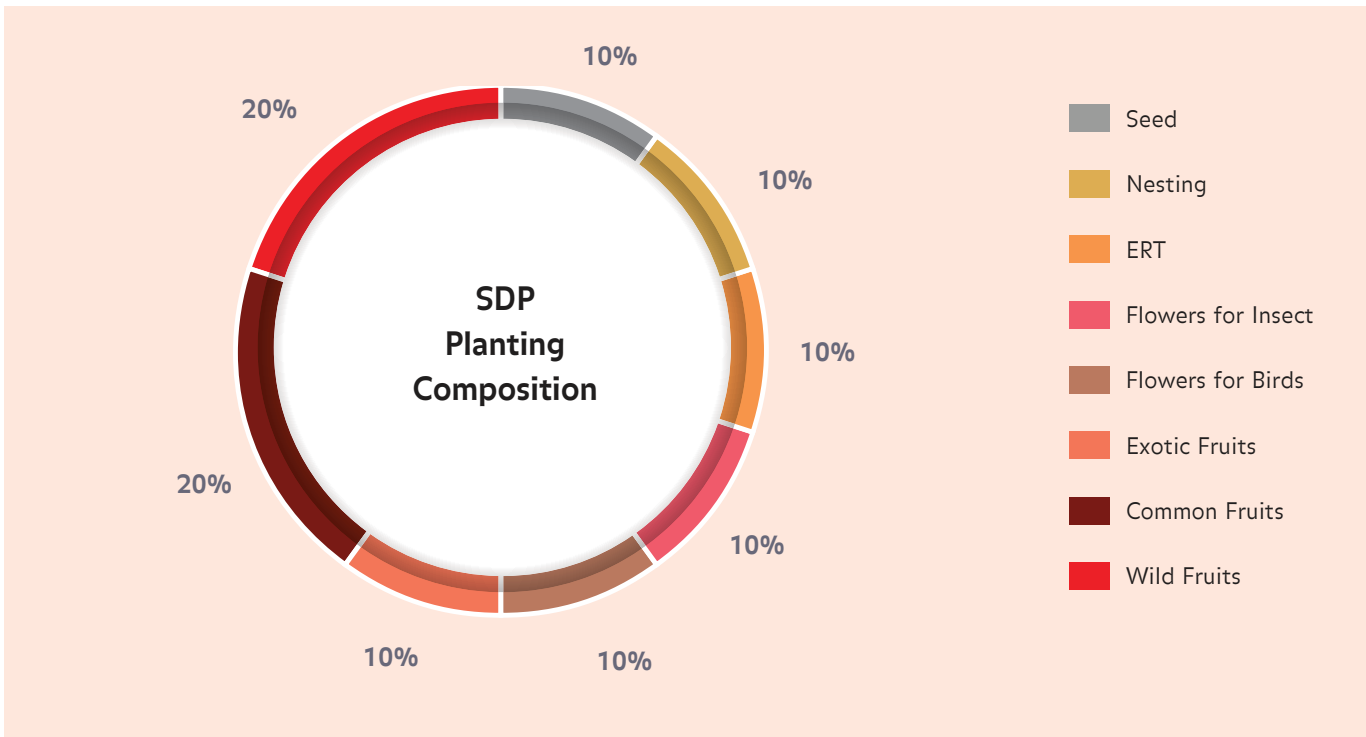
### Medium- to Long-term

#### Fostering Innovation:

We are cultivating an innovation culture throughout the organisation, encouraging experimentation, idea sharing and pushing boundaries to become a forward-thinking and agile company. This builds internal capabilities to thrive in challenging times.

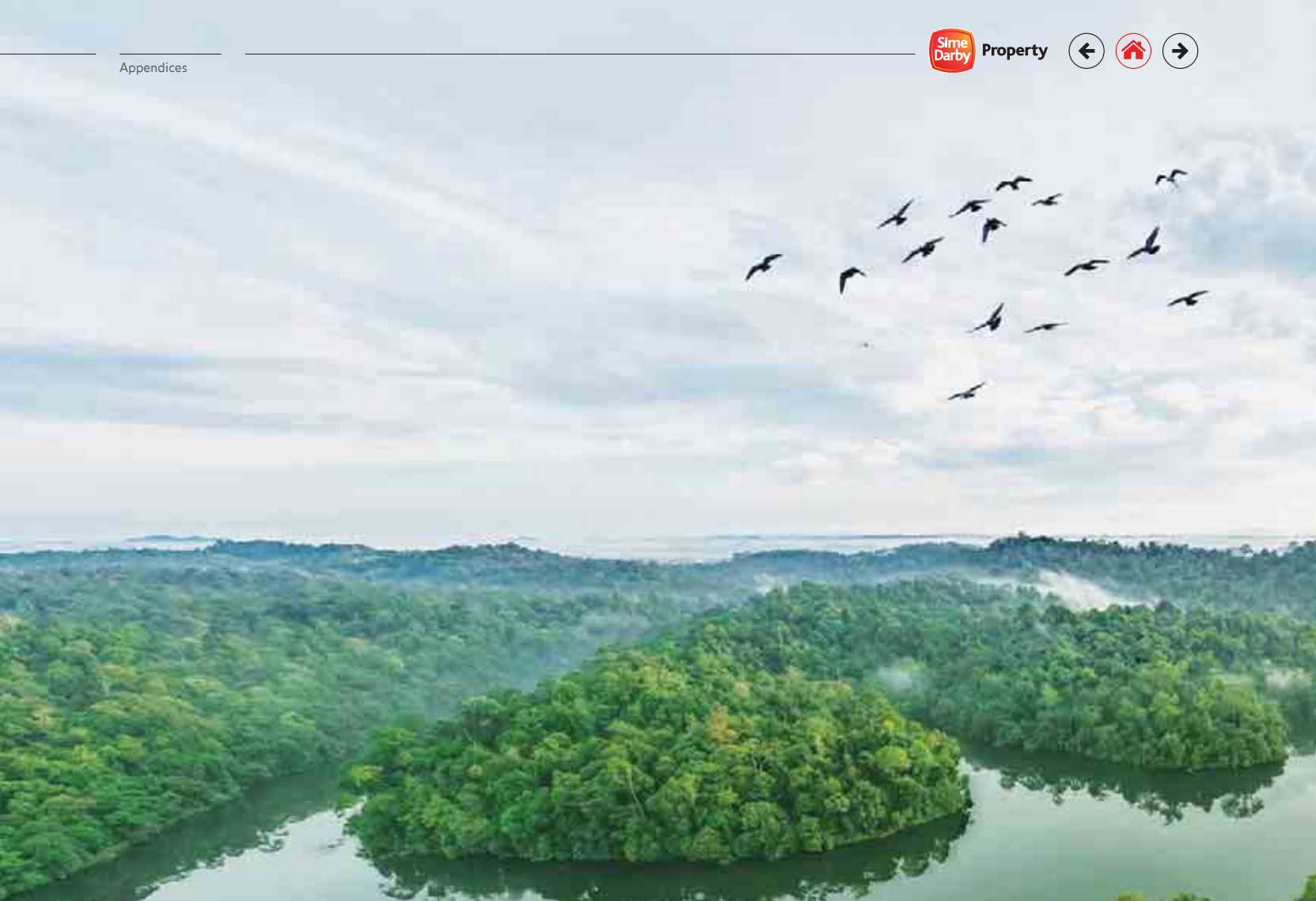
#### Competitive Advantage Through Innovation:

We aim to create unique value propositions through sustainability, innovative products and services, differentiating ourselves from competitors and standing out in the marketplace.



## OUR OUTLOOK

In 2023, we have managed to maintain the consistency of our Quality Assessment System in Construction (“QLASSIC”) performance in our residential offerings. This achievement reflects Sime Darby Property’s commitment to innovative practices in construction. With an average of 82% in 2020 and 83% in 2021 as well as 2022, we have consistently exceeded the QLASSIC national average of 73% in 2020, 77% in 2021 and 2022. This performance indicates we are on the track to meet our 85% average goal across all developments by 2030.



*Aerial view of Elmina Biodiversity Park.*



# Environment

# Energy and Carbon Management



Banded Woodpecker, KL East Park.

## OUR COMMITMENT

Climate change is the defining challenge of our time, with the potential to disrupt our operations and impact communities. As a leading property developer, we recognise our pivotal role in confronting this crisis. Managing energy and carbon effectively is not just about business – it is about protecting the environment and ensuring the long-term sustainability of our developments, contributing to a better future for all.

Our dedication to sustainability aligns with the objectives of the Paris Agreement, specifically its target to limit global warming to below 1.5°C. In prioritising energy and carbon management, we fulfil a crucial responsibility and actively contribute to a sustainable future for our business, the communities we engage with and generations yet to come.

## OUR APPROACH

Driven by this concern, Sime Darby Property is committed to achieving Net Zero emissions by 2050. We are committed to a comprehensive approach that tackles greenhouse gas (“GHG”) emissions across all scopes.

### Scope 1: Direct GHG Emissions



#### What It Covers:

Emissions from Sime Darby Property’s direct control including fuel consumption by our agricultural machineries, heavy machineries, corporate vehicle fleet, on-site generators, refrigerant from cold room and fuel used for cooking equipment.

#### Our Approach:

1. GHG Protocol Calculation Tools - Emission Factors from Cross-Sector Tool (March 2017)
2. 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories

### Scope 2: Indirect GHG Emissions from Electricity Use



#### What It Covers:

Indirect emissions from electricity use in our operations building, corporate office and sales galleries.

#### Our Approach:

1. Grid Emission Factor for Peninsular Malaysia 2017-2021

### Scope 3: Other Indirect GHG Emissions



#### What It Covers:

All indirect emissions (not included in Scope 2) that occur in the value chain of Sime Darby Property, including both upstream and downstream emissions.

#### Our Approach:

1. GHG Protocol - Technical Guidance for Calculating Scope 3 Emissions.

Sime Darby Property is actively developing a carbon reduction roadmap aligned with the Science Based Targets initiative (“SBTi”). This framework provides a scientifically rigorous pathway for reducing greenhouse gas (“GHG”) emissions. Aligning with SBTi ensures our ambitious goals contribute to global climate change mitigation efforts.

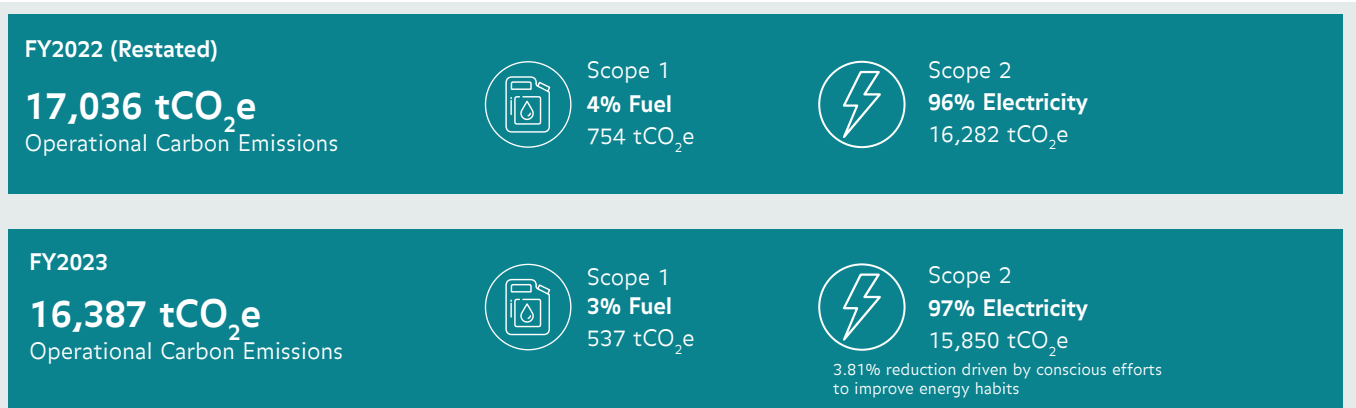
Our roadmap outlines a 10-year plan (2021-2030) to achieve carbon neutrality. We are focusing on achieving measurable reductions in carbon emissions. This plan reflects our commitment to implementing a long-term, scalable sustainability practices that can be consistently rolled out and expanded over time.

**Our strategy prioritises a two-pronged approach:**

- Expanding Renewable Energy: We are continuously investing in solar energy capacity to promote cleaner energy generation.
- Enhancing Efficiency: Our efforts in infrastructure retrofits and adopting energy-efficient practices aim to optimise energy consumption across our operations. This comprehensive approach ensures we address both energy generation and consumption.

**Sime Darby Property’s Net Zero Target**

**Carbon Emissions** (Scope 1 & 2 only)



**Setting a clear pathway towards operational carbon Net Zero by 2050**

- Current focus on reducing Scope 1 and 2 emissions whilst baselining Scope 3
- Scope 1 and 2 carbon reduction targets are referenced against SBTi, measuring from our FY2021 baseline emissions
- Continuous assessment of our external indicators

**Key Initiatives**

- Activation of Renewable Energy
- Energy Efficient Initiatives
- Urban Biodiversity Conservation
- Low Carbon Operations

Our commitment to environmental responsibility is further underscored by our ambitious target of a 40% reduction in Scope 1 and 2 emissions by 2030. This target aligns with Malaysia’s commitment under the Paris Agreement.

# Energy and Carbon Management

## ► OUR VALUE CREATION IN 2023

### GHG restatement

We have conducted a comprehensive reassessment of our Scope 1 and Scope 2 emissions for 2021 and 2022, prompted by the revised 2022's emissions factors announced by the Energy Commissions in December 2023. Our updated emissions reporting now accurately reflects these changes, ensuring our data for 2021 and 2022 adheres to the latest calculation methodologies.

### Scope 1 GHG emissions

We have updated our Scope 1 GHG emissions data to include Liquefied Petroleum Gas ("LPG") consumption data from SDCC that was previously unavailable and corrected a conversion error for LPG gas consumption in IGCC.

Scope 1 Emission	2021	2022
As previously reported in tCO <sub>2</sub> e	450.23	743.83
Additional emission source in tCO <sub>2</sub> e	6.51	10.24
<b>Restated in tCO<sub>2</sub>e</b>	<b>456.74</b>	<b>754.07</b>

### Scope 2 GHG emissions

Our Scope 2 emissions data now reflects the Energy Commissions' updated emission factor ("EF") which was announced in 2023. Additionally, we have reclassified the electricity consumption of tenants at KLGCC, International Gallery and KL East Gallery from Scope 2 to Scope 3 emissions.

Scope 2 Emission	2021	2022
As previously reported in tCO <sub>2</sub> e	14,292.82	13,509.95
Impact from revised emission factor in tCO <sub>2</sub> e	699.55	3,995.24
Impact from exclusion of locations in tCO <sub>2</sub> e	(597.47)	(1,223.32)
<b>Restated in tCO<sub>2</sub>e</b>	<b>14,349.90</b>	<b>16,281.87</b>

### Energy consumption

The reclassification of the electricity consumption of tenants at KLGCC, International Gallery and KL East Gallery from Scope 2 to Scope 3 emissions resulted in the following revision of our energy consumption.

Energy Consumption in GJ	2021	2022
As previously reported (GJ)	75,743.79	90,928.22
Impact from restatement in Scope 1 and Scope 2 (GJ)	(2,699.80)	(5,520.26)
<b>Restated in GJ</b>	<b>73,043.99</b>	<b>85,407.96</b>

**1. Scope 1: Direct Emissions**

As part of our commitment to mitigate the effects of climate change, we are committed to take action to reduce our carbon emissions. Our goal is to achieve Net Zero Emissions by 2050. This will require us to transform how we operate, the selection of our materials and resources and also in how we support the transition of the supply chain towards a more sustainable approach.

**2030 Target**

**Near-term strategy**

- a. Implement energy efficiency and retrofiting technologies
- b. Increase awareness on good energy habits among all Sime Darby Property employees

**Long-term strategy**

- a. Transition towards utilising renewable energy sources for all our operations

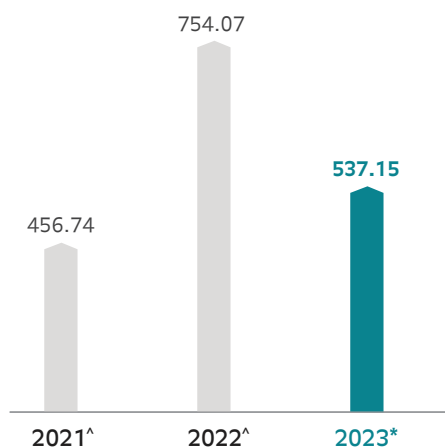
**Net Zero by 2050**

**Near-term strategy**

- a. Transition towards electrification of corporate fleet and equipment long-term strategy

**Long-term strategy**

- b. Implement nature-based solutions and carbon removal through urban biodiversity enhancement and regeneration efforts



**Figure 5.1:** Total GHG Emissions (tCO<sub>2</sub>e) for Scope 1 (2021-2023)

*\* This data was subjected to an external limited assurance by an independent third party. Refer to the independent limited assurance report on pages 129 to 132.*

<sup>^</sup> Restated

**2. Scope 2: Indirect Emissions from Electricity Use**

Scope 2 emissions were reduced by 2.65% from 2022, primarily due to energy efficiency initiatives undertaken.

**Energy Audit at KL East Mall**

**What We Did:**

At KL East Mall ("KLEM"), an energy audit completed in July 2023 played a critical role in advancing our energy conservation efforts. The audit assessed the building's energy consumption, identified areas of energy efficiency and led to the prioritisation of significant energy user ("SEU") measures. These energy-saving measures were stratified into three cost-based categories:

**Low/Zero Cost Initiatives**

- Adjusting thermostat settings to optimise energy use without sacrificing comfort.
- Switching off display TVs after 10 pm to reduce electricity usage during times of low activity.



**Medium Cost Measures**

- Balancing airflow systems to enhance Heating, Ventilation, and Air Conditioning ("HVAC") efficiency.
- Optimising chiller plant operations for better energy management.



**High Cost Investments**

- Retrofitting existing fluorescent lighting to LED lights, offering long-term energy savings despite the initial expense.



**Progress and Achievements:**

This led to a reduced Scope 2 emission in KL East Mall by **6%**

# Energy and Carbon Management

## Retrofit Initiatives

### What We Did:

We continue to prioritise our environmental responsibility by implementing a portfolio of retrofit initiatives across various properties. These initiatives focus on maximising energy efficiency through upgrades to existing infrastructure and equipment.

### Progress and Achievements:

We have significantly reduced energy consumption by replacing traditional bulbs with energy-efficient T5 and LED alternatives. For instance, switching to LED streetlights at Taman Pasir Putih and car parks is estimated to save 3,500 kWh annually per location, translating to a reduction of approximately 2 tCO<sub>2</sub>e emissions each. Similarly, replacing fluorescent lights with T8 bulbs at the Leisure Complex resulted in an impressive estimated 80,000 kWh reduction over three (3) months (approximately 46 tCO<sub>2</sub>e). Additionally, integrating light sensors in designated areas targets a 3,500 kWh annual reduction (or 1,750 kWh for half-year implementation), resulting in an estimated 1 tCO<sub>2</sub>e reduction.

## Energy Savings at Sime Darby Property Corporate Office

### What We Did:

Following the successful implementation at KLEM, similar energy-saving measures were adopted at Sime Darby Property Corporate Office, Ara Damansara.

### Progress and Achievements:

This reduced Scope 2 emission in Sime Darby Property Corporate office by **6.6%**

## Rooftop Solar PV Project

### What We Did:

We have identified 14 of 21 assets as viable for rooftop solar photovoltaic ("PV") installations. These installations are planned to become operational during the period 2024-2025. This initiative is estimated to achieve a reduction of approximately 4.2 thousand metric tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) in our Scope 2 emissions.

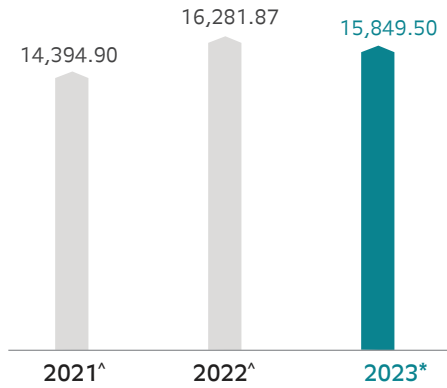


Figure 5.2: Total GHG Emissions (tCO<sub>2</sub>e) for Scope 2 from 2021–2023

\* This data was subjected to an external limited assurance by an independent third party. Refer to the independent assurance report on pages 129 to 132.

<sup>^</sup> Restated

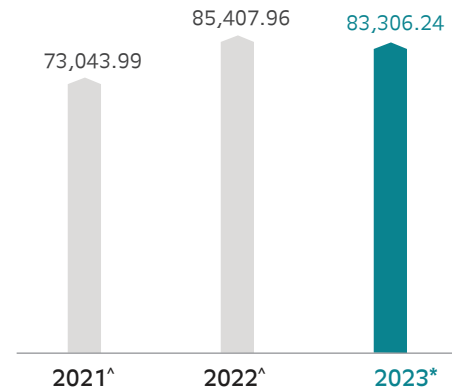


Figure 5.3: Total Energy Consumption (GJ) from 2021–2023

\* This data was subjected to an external limited assurance by an independent third party. Refer to the independent assurance report on pages 129 to 132.

<sup>^</sup> Restated

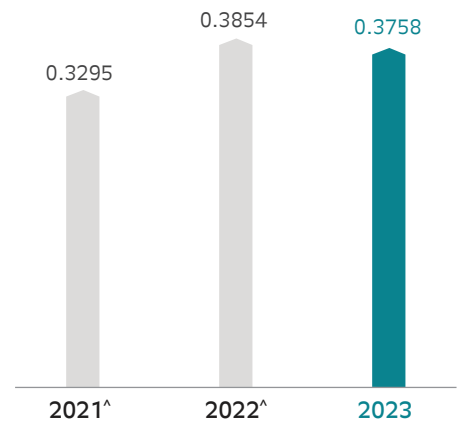


Figure 5.4: Energy Intensity (GJ/m<sup>2</sup>) from 2021–2023

<sup>^</sup> Restated



### 3. Other Indirect Emissions

To inform our Net Zero strategy, we are assessing key Scope 3 emissions, beginning with waste diverted from landfill and employee commuting. This initial assessment lays the groundwork for a more comprehensive analysis in future.

Collaboration with tenants, consultants, contractors and suppliers will further enhance our understanding and contribute to the development of impactful emission reduction strategies moving forward.

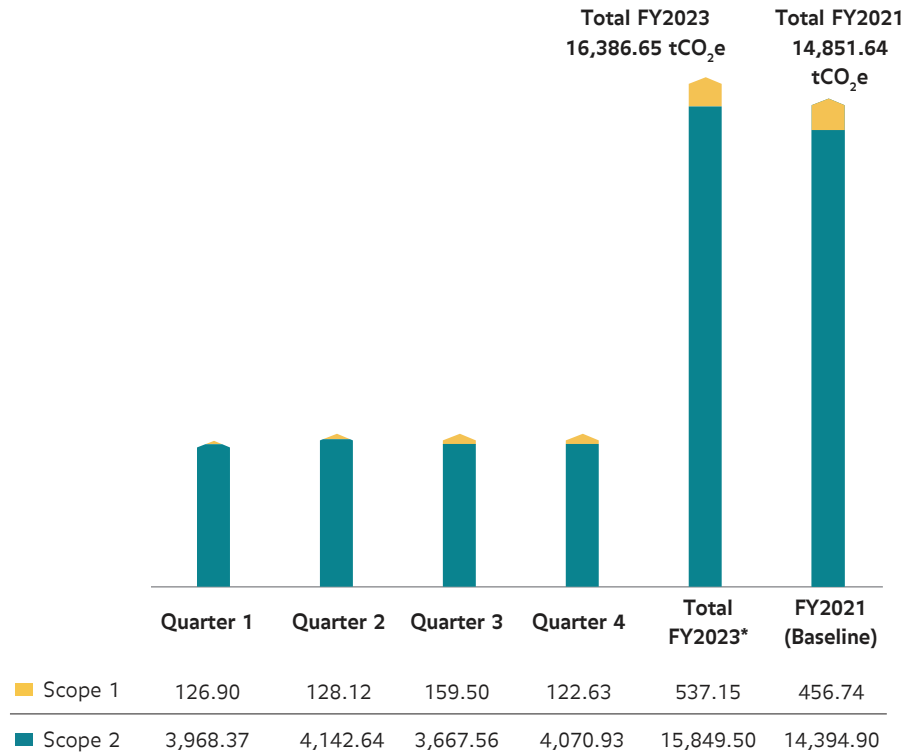


## OUR IMPACT AND ACHIEVEMENTS

### 1. Overall Impact

In 2023, the Group's total emissions amounted to 16,386.65 tCO<sub>2</sub>e.

Operational Carbon FY2023 (Scope 1 and 2)



\* Total for Scope 1 and Scope 2 only

Figure 5.5: Total FY2023 carbon emissions compared to FY2021 baseline

Further analysis reveals the largest share of these emissions originated from our Investment & Asset Management business, contributing 46%, followed by our Leisure division at 39% and Property Development at 15%.

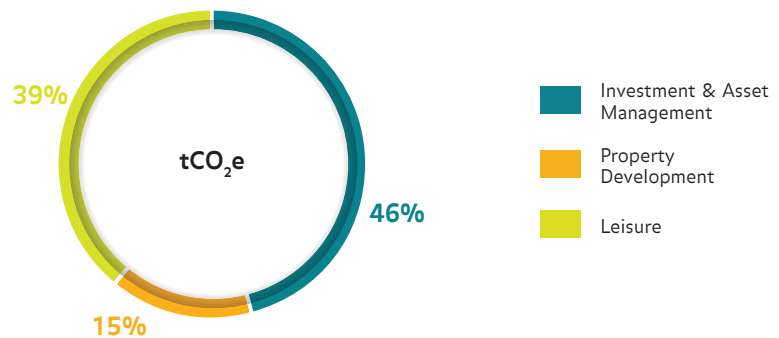
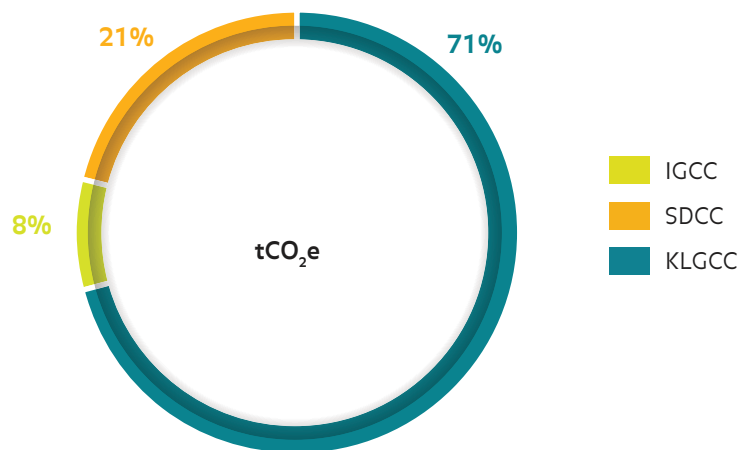


Figure 5.6: Breakdown of emissions in 2023

# Energy and Carbon Management

## ► OUR IMPACT AND ACHIEVEMENTS



**Figure 5.7:** Breakdown of emissions within Leisure Division in 2023

Within the Leisure division, the Kuala Lumpur Golf & Country Club (“KLGCC”) emerged as the top emissions contributor, followed by Sime Darby Convention Centre (“SDCC”) and Impian Golf & Country Club (“IGCC”) in emissions intensity. Recognising the need for targeted interventions, we have initiated energy audits for KLGCC and SDCC to identify key areas for improvement.

## ► OUR OUTLOOK

As we enter 2024, two (2) assets have been identified as high energy consumers i.e. KLGCC and SDCC. The Group decided to prioritise the implementation of energy savings measure identified through comprehensive energy audits. These initial actions lay the groundwork for enhanced environmental integration, supported by a following strategy aligned with the SBTi.

### Short-term

- Retrofitting infrastructure with energy-efficient technologies.
- Transitioning to renewable energy sources.
- Fostering a culture of sustainability within our workforce.

### Medium-term

- Expanding renewable energy projects, including solar panel installations.
- Intensifying waste reduction and recycling initiatives.
- Adopting energy-efficient appliances and practices for enhanced operational sustainability.

### Long-term

- Significantly reducing GHG emissions through:
  - ↳ Electrification of transportation and machinery.
  - ↳ Sustainable design principles in our developments.
  - ↳ Adoption of green procurement methods.
  - ↳ Creation of biodiversity corridors and the conservation of natural habitats.
- Investing in nature-based solutions, including biodiversity corridors and natural habitat conservation, to enhance urban biodiversity and increase carbon sequestration.

# Urban Biodiversity

## ► OUR COMMITMENT

As a responsible organisation with a significant land bank, we understand the critical role of nature-based solutions in achieving Net Zero targets. Despite the environmental challenges of urbanisation, we are committed to leveraging its potential for a sustainable future. Therefore, we are deeply committed to leading the way in enhancing urban biodiversity.



## ► OUR APPROACH

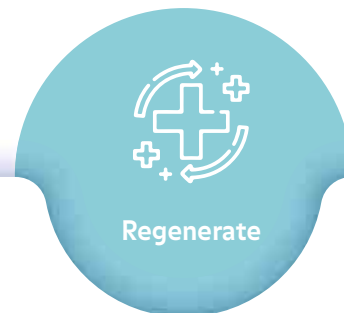
Our approach integrates nature with development to foster a harmonious relationship between people and the environment. This is built on the following foundational pillars:



We embed the protection and conservation of biodiversity in our planning and maintain a strict policy against rainforest removal.



We safeguard non-forest land that holds significant biodiversity value.



We restore degraded land marked for urban biodiversity within our development regions.

## Urban Biodiversity

Our commitment is driven by several key considerations:



*Malayan Horned Frog KL-East Park  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*

### Minimising our impact and fostering regeneration:

We strive to minimise the environmental impact of our operations and actively seek opportunities to conserve existing biodiversity and regenerate degraded ecosystems. This is particularly relevant considering the majority of our developments occur on degraded areas, typically disused oil-palm plantations.

### Promoting co-existence and awareness:

We believe in promoting harmonious coexistence between communities and urban biodiversity. We strive in raising awareness among stakeholders about the critical role biodiversity plays in various aspects of urban life and benefits of ecosystem services, including climate change adaptation, flood mitigation, food security and recreational opportunities. By integrating these considerations into our development practices, we aim to contribute to a more sustainable and resilient future for both people and nature.

### Alignment with global and national frameworks:

We actively support the United Nations Sustainable Development Goals ("UN SDGs"), the Kunming-Montreal Global Biodiversity Framework and the National Policy on Biological Diversity 2022-2030. These frameworks highlight the importance of protecting and restoring biodiversity for a sustainable future.

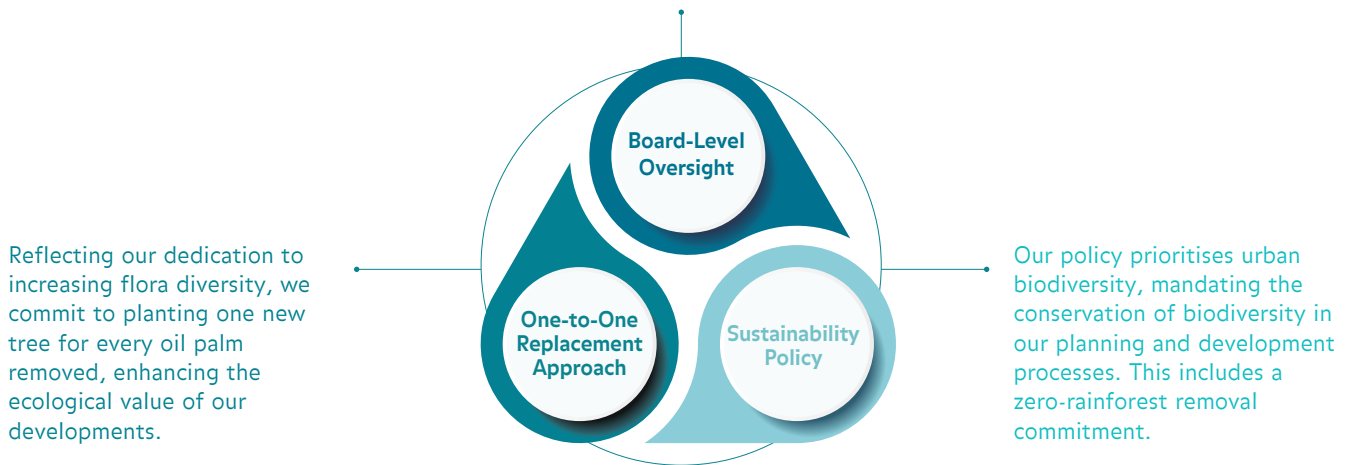


*Purple Heron, City of Elmina  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*

### Governance and Policy:

Our approach is underpinned by a strong governance structure and policy frameworks that ensure sustainability is at the core of our operations.

The MSC and BSC set the strategic direction and alignment with our overarching sustainability goals.



### Biodiversity Management Strategies:

To effectively manage biodiversity, we implement several key strategies:

- **Biodiversity Impact Assessment:** Ensuring biodiversity impact assessment are conducted prior to any development, during Environmental Impact Assessment stage.
- **Endangered, Rare and Threatened ("ERT") Species Planting:** We aim to bolster the populations of ERT species by integrating them into our landscaping, with over 26,000 ERT trees planted as part of our commitment to their preservation.
- **Tree Planting Commitment:** We aim to plant 160,000 trees by 2030, which is expected to sequester 30,000 tCO<sub>2</sub>e, with a focus on native species to support local ecosystems.
- **Stringent Review Process:** Ensuring compliance with our sustainability objectives, every project undergoes rigorous reviews, including Design Review Meetings and Special Landscape Presentation Meetings chaired by the CEO. These reviews evaluate species selection, planting locations and the overall impact on biodiversity.

### Operational Practices and Tools:

Our operational framework includes a range of practices and tools designed to support and enhance our biodiversity efforts:

- **Internal Expertise:** A dedicated resident ecologist spearheads our biodiversity initiatives, supported by continuous training for our staff and collaboration with external experts to stay at the forefront of ecological conservation.
- **Sustainable Land Use:** We strategically convert monoculture oil palm plantations into rich, diverse real estate developments, interspersed with habitat enrichment focusing in our main parks, buffer areas, in-phase parks and streetscapes, thereby promoting urban biodiversity.
- **SDP Planting Selection Matrix:** To guide our planting decisions, we apply the SDP Planting Selection Matrix, which recommends plant species that support ecosystem services based on the type of development. Our directive prioritises ecosystem functionality over aesthetic considerations.
- **SDP Biodiversity Index ("SDP-BI"):** The SDP-BI, launched in 2022, is a self-assessment tool adapted from Singapore's City Biodiversity Index. It allows us to benchmark our biodiversity efforts against established indicators and identify areas for improvement. Initially focusing on urban fauna in green spaces and built environments, future assessments will be broader to provide a comprehensive picture of our biodiversity practices.

# Urban Biodiversity

## › OUR VALUE CREATION IN 2023

Focusing on both conservation and regeneration, our 2023 initiatives created and enhanced valuable green spaces, prioritising urban biodiversity. This commitment reflects our dedication to environmental stewardship and sustainable development.

### 1. Investing in Green Spaces to enhance Ecosystem Services

#### Why It Matters:

Urban green spaces counteract biodiversity loss due to urbanisation, providing essential ecosystem services such as habitat provisions, air and water purification, flood mitigation and carbon sequestration. They also enhance residents' quality of life by offering recreational opportunities, reducing stress levels and promoting physical and mental well-being.

#### What We Did:

- Dedicated 888.74 acres of green space across 16 main parks for urban biodiversity conservation and regeneration. These parks boast various plant species, promoting biodiversity and supporting various ecosystem services.
- Established 18.45 km of ecological corridors to connect these green spaces. This vital network allows for the movement of diverse species, contributing to a healthy ecosystem and fostering resilience to disturbances.

### 2. Connecting Fragmented Habitats

#### Why It Matters:

Connecting fragmented habitats through ecological corridors is critical for wildlife movement and genetic diversity. This allows species to access essential resources, find mates and escape from disturbances, ultimately ensuring ecosystem resilience.

#### What We Did:

- Collaborated with Tropical Rainforest Conservation and Research Centre ("TRCRC"), a non-governmental forest conservation organisation, to establish an ecological corridor strategically connecting 2,700-acre Bukit Cherakah Forest Reserve and 300-acre Elmina Central Park.
- Initiated the ongoing restoration of Sungai Subang riparian buffers, with a focus on a diversity of native plant species to continuously promote and attract biodiversity throughout the area.
- Conducted a comprehensive Biodiversity & Connectivity Assessment to understand the current state of the area and inform future restoration planning.
- Established Experimental Restoration Plots within the riparian zone to test and refine restoration techniques for future implementation.
- Developed a Maintenance Operating Manual to guide ongoing maintenance and ensure the long-term success of the restored corridor.



*Planting native tree species to create ecological corridor along Sungai Subang.*

#### Progress and Achievements:

- Trialling a riverbank reforestation technique to later be replicated along 2.1 km of riverine corridor as a way to enhance connectivity for urban wildlife.
- In the progress of developing a holistic biodiversity and ecologically sound biodiversity management masterplan to guide future efforts. This plan provides a structured approach for future initiatives, informed by ecological data and best practices.

**3. Advancing Biodiversity Conservation in the City of Elmina And fostering coexistence through education and awareness**

**Why It Matters:** **What We Did:**

In the City of Elmina, a thriving ecosystem is essential for clean air, water and community vibrancy. Our focused strategy on urban biodiversity underscores its critical role in ensuring a sustainable future. By fostering a balance between urban development and the natural world, we aim to enhance community well-being and environmental health.

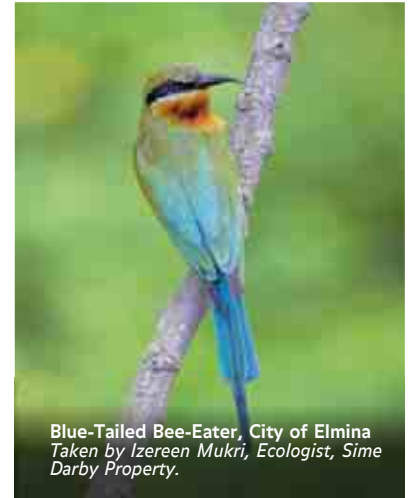
- Established the Elmina Rainforest Knowledge Centre ("ERKC") to lead in the research and conservation of urban biodiversity, while engaging the community through educational programmes and eco-tourism.
- Collaborated with the Tropical Rainforest Conservation and Research Centre ("TRCRC") to establish the Elmina Living Collection Nursery ("ELCN"). Focused on cultivating plant species of conservation importance for replanting across developments, the ELCN boasts the cultivation of 187 species, with over 35,000 seedlings and 10,000 tree saplings currently under care.
- Developed Elmina Central Park, a 300-acre area certified as a Level II arboretum, showcasing over 100 species of woody plants to contribute to biodiversity and sustainability in urban spaces.

**Progress and Achievements:**

- Establishment of ERKC and ELCN enhances research, conservation and community engagement for urban biodiversity preservation.
- Elmina Central Park's Level II arboretum recognition highlights its role in urban biodiversity and sustainability, providing habitat for endangered species and promoting environmental education and community involvement.



# Urban Biodiversity

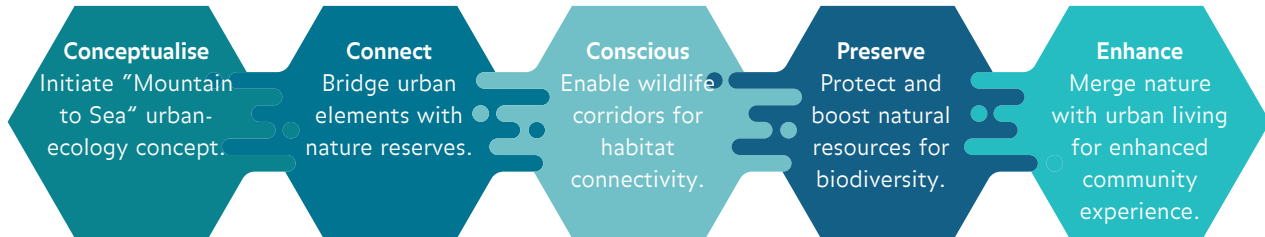




#### 4. Transforming Disused Land into Thriving Ecosystems In Hamilton City

##### Why It Matters:

Repurposing unused land into green spaces is vital for strengthening ecological networks, providing habitats for diverse species and improving community well-being. In Hamilton City, our approach relies on five (5) strategic pillars which advances the regeneration of the area.



##### What We Did:

Transforming 284 acres of disused oil-palm plantation into a vibrant ecosystem, including a 10km Green Belt, using photogrammetry for land assessment to advance urban biodiversity in Hamilton City.

#### 5. Enhancing Urban Wetlands and Waterways In Bandar Bukit Raja

##### Why It Matters:

Urban wetlands and waterways are critical for flood mitigation, water purification and providing habitats for diverse aquatic and terrestrial species. They serve as nature-based solutions to mitigate urban environmental challenges such as floods.

##### What We Did:

- In Bandar Bukit Raja, we are establishing an urban wetland system combining grey and green infrastructure to enhance water storage capacity.
- Implemented the "Reroute-Retain-Restore-Release" strategy:
  - Rerouted excess water through swales and dry creeks into wetlands using redesigned drainage systems.
  - Increased water storage capacity beyond regulatory requirements, holding the equivalent of 25 Olympic-sized swimming pools.
  - Restored the natural wetland habitat to support diverse flora and fauna.
  - Facilitated controlled water release back into the drainage system.



Great Egret, Bandar Bukit Raja  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.

##### Progress and Achievements:

- Increased water storage capacity and mitigated flood risks through the development of a 180-acre urban wetland system.
- Enhanced water storage capacity beyond regulatory requirements by retaining the equivalent of 25 Olympic-sized swimming pools within the wetlands.
- Improved water quality through the natural filtering capabilities of the wetland system.
- Enhanced community well-being by combining flood control with recreational opportunities and fostering environmental awareness.

## Urban Biodiversity

### 6. Nurturing a Wetland Sanctuary in Bandar Universiti Pagoh

#### Why It Matters:

Bandar Universiti Pagoh hosts a vibrant ecosystem of interconnected wetlands that is crucial for local biodiversity and environmental sustainability. Wetlands serve as natural water filtration systems, habitats for diverse wildlife and buffer zones that enhance resilience to climate change. In *Bandar Universiti Pagoh*, the canals play a vital role in maintaining ecological balance by connecting various water bodies, thereby facilitating wildlife movement and supporting a thriving ecosystem.

#### What We Did:

- Developed a 1.9km canal network to connect Laguna Park (90.95 acres) with Eco-Laguna Pond (22.77 acres).
- Maintained the integrity of the Pagoh River and its connected pond, as well as Eco-Laguna Pond, ensuring continuity of natural habitats.
- Preserved densely packed riparian buffers, fostering primary growth essential to the ecosystem.
- Utilised ponds and canals for effective stormwater management, integrating environmental care with infrastructure development.

#### Progress and Achievements:

- Recorded 84 species of birds, which includes both residents and migratory species, enhancing the ecological value of the area.
- Maintained a variety of aquatic plants in canals and Eco-Laguna Pond, creating microhabitats for a multitude of species.
- Highlighted the presence of notable wildlife such as the Lesser Whistling-ducks and the globally threatened Lesser Adjutant.



*Medium Egret, Bandar Universiti Pagoh.  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Brown Shrike, Bandar Universiti Pagoh  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Gray-Headed Swamphen, Bandar Universiti Pagoh  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Red-Wattled Lapwing, Bandar Universiti Pagoh  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Southeast Asian Box Turtle, Bandar Universiti Pagoh  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Black-Winged Kite, Bandar Universiti Pagoh  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*

## Urban Biodiversity

### 7. Enhancing Urban Biodiversity and Wellbeing in Kuala Lumpur Golf and Country Club

#### Why It Matters:

In densely populated urban areas, integrating nature-based solutions like green corridors is crucial for maintaining ecological balance and providing green spaces for community wellness.

#### What We Did:

- Transformed the "Spine Road", a roadway within the development strategically located to connect nearby green spaces, into an ecological corridor. Dense tree plantings along its sides and median form a connected canopy. This allows safe passage for arboreal and semi-arboreal species between Bukit Kiara Federal Park ("BKFP") and Rimba Ilmu, while also offering thermal comfort to joggers and cyclists using the road.
- Collaborated with Forest Research Institute Malaysia ("FRIM") to conduct pre-development assessments. These assessments helped identify existing species and provided guidance for planning and design to minimise disruptions to wildlife and reduce potential human-wildlife conflicts.

#### Progress and Achievements:

- Secured recertification of KLGCC as an Audubon Certified Course in 2023, a testament to our sustained excellence in biodiversity practices required for recertification every few years.

### 8. Revitalising Mature Urban Parks

#### Why It Matters:

Mature urban parks, such as Taman Subang Ria ("TSR"), are essential for sustaining urban biodiversity. They provide established ecosystems that support various species. These areas are vital green spaces in urban settings, contributing to ecological balance and offering nature access to residents.

#### What We Did:

To address the decrease in usage and ecological oversight of TSR, spanning 72.63 acres, we undertook a project aimed at:

- **Habitat Maintenance:** Preserving and enhancing the diverse habitats within TSR, including aquatic and densely vegetated areas, to support an array of species.
- **Biodiversity Support:** Activities were carried out to sustain habitats for a variety of biodiversity, including 66 species of birds, small mammals and ERT species such as the Smooth-coated Otter and King Cobra.
- **Community Involvement:** TSR was developed into an area focused on sustainability and community engagement, encouraging environmental awareness among residents.



Smooth Otter, Taman Subang Ria  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.

## 9. Assessing Biodiversity at The Glades

### Why It Matters:

Conducting comprehensive assessments of biodiversity is critical for developing informed and targeted conservation strategies. By understanding the complex network of species and their interdependencies, we can identify essential conservation needs and implement protective measures for diverse habitats. This is particularly crucial in urban areas, where biodiversity faces the greatest pressure.

### Progress and Achievements:

- Identified 45 bird species from 29 families, highlighting ecological richness.
- Detected predatory birds and migratory species, emphasising ecological significance.
- Identified 31 species of butterflies – important pollinators and food source for birds and other wildlife.
- Identified 14 species of dragonflies and damselflies - important biological control for mosquitoes and indicator of healthy water bodies.
- Identified 13 species of bees, wasps and hornets - important pollinators and predators of other insects.

### What We Did:

- Teamed up with experts from Universiti Putra Malaysia to conduct a comprehensive biodiversity survey at The Glades, employing both visual and auditory observation techniques.



# Urban Biodiversity

## 10. Safeguarding, Sustaining and Connecting Nature in the City

### Why It Matters:

Encompassing 53 acres, KL East Park ("KLEP") serves as an urban wildlife sanctuary, boasting rich biodiversity with 316 plant species, over 120 bird species and a diverse array of fish, reptiles and insects. In 2023, KLEP sequestered an estimated 7,983 Mg CO<sub>2</sub>e (with annual potential sequestration of 345 Mg CO<sub>2</sub>e), significantly contributing to climate change mitigation. Besides its ecological role, the park offers valuable educational and recreational opportunities, fostering public understanding of environmental issues and appreciation for nature.

### What We Did:

- Secured 53 acres of forest, opening 17 acres to the public for educational and recreational use.
- Conducted comprehensive surveys to document the park's flora and fauna.
- Partnered with experts to evaluate the park's carbon capture potential.
- Established a 0.5-acre Miyawaki microforest using native species for ecosystem restoration.
- Initiated the development of ecological corridors to connect KLEP with surrounding green spaces.

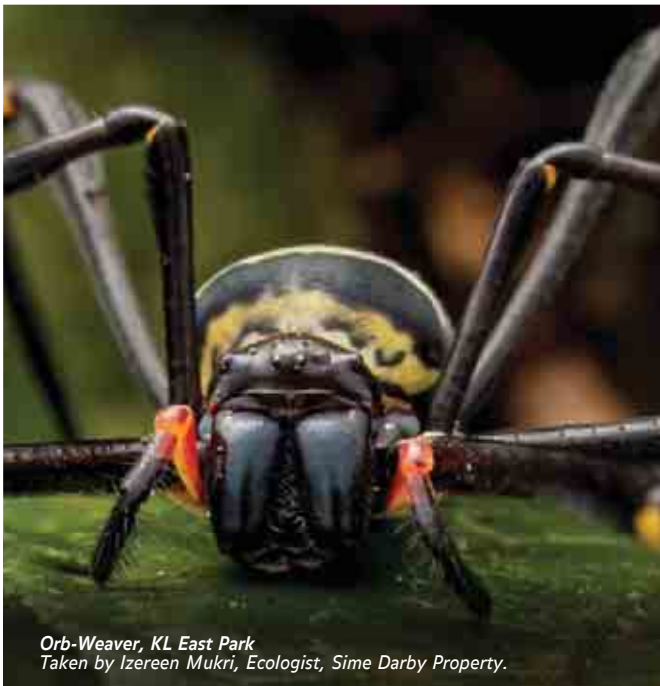




*Oriental Scops-Owl, KL East Park  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Four-Lined Tree-Frog, KL East Park  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Orb-Weaver, KL East Park  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*



*Sunda Colugo, KL East Park  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.*

# Urban Biodiversity

## ▶ OUR IMPACT AND ACHIEVEMENTS

### 1. Impact



**942 acres** 38,000,000 m<sup>2</sup> restored/conserved.



**172** species of birds, **17** species with conservation concerns.\*



Over **140,000 trees** planted across all townships.



**39 species** of reptiles, **5 species** with conservation concerns.\*



**29 mammals** species, **17 species** with conservation concerns.



**3 citizen scientist projects** involving **160 community** members for biodiversity awareness.



**4 ecological corridors**, totaling a **length of 18.45 km**, have been identified and enhanced to promote biodiversity connectivity.

\* Based on IUCN Red List of Threatened Species

\*\* Based on IUCN Red List of Threatened Species and Red List of Mammals for Peninsular Malaysia



Wetlands of Bandar Bukit Raja.



Selangor Silvered Langur, Taman Subang Ria  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.



Triangle Keelback, KL East Park  
Taken by Izereen Mukri, Ecologist, Sime Darby Property.



**Table 2**

Areas allocated for Urban Biodiversity Focused Area.

Business Unit	Township	Area of Interest	Acceage (ac)	Metre square (m <sup>2</sup> )	Length (km)
1	Elmina East	Elmina Urban Biodiversity Corridor		0	3.20
1	Elmina East	Forest Park	84	339,936.24	
1	Elmina East	Community Park	36	145,686.96	
1	Elmina East	Sakura Lake	21	84,984.06	
1	Elmina West	Wildlife Park	25	101,171.50	
2	Bandar Bukit Raja 2	Community Wetland Park	60	242,811.60	
3	Serenia City	Central Park	32	129,499.52	
3	Serenia City	Serenity Park	8.39	33,953.15	
3	Serenia City	Aman North Park	11	44,515.46	
3	Serenia City	Aman South	5.94	24,038.35	
3	Serenia City	Wild Meadow Crossing	6.73	27,235.37	
3	Serenia City	Rare Fruit Park	2.39	9,672.00	
3	Serenia City	Bamboo Trail	3.15	12,747.61	
3	Serenia City	Serenia Hill	10.34	3,800,000	
3	Hamilton City	Plot 6	284	1,149,308.24	
3	Hamilton City	Green Belt		0	10
4	Nilai Impian	Taman Ujana	20	80,937.20	
4	Nilai Impian	Townpark	4.61	18,656.02	
4	Nilai Impian	The Parc	8	32,374.88	
4	Bandar Ainsdale	Taman Tasik Ainsdale	11.50	46,538.89	
5	Bandar Universiti Pagoh	Laguna Park	90.95	368,061.92	
5	Bandar Universiti Pagoh	Pond 1C	22.77	92,147.00	
5	Bandar Universiti Pagoh	Canals		0	1.90
6	KLGCC Resort	Spine Road		0	3.35
6	KLGCC Resort	Parcel A and B	12	48,562.32	
7	KL East	KL East Park	53	214,483.58	
7	KL East	Microforest	0.50	2,023.43	
7	KL East	KL East Ecological Corridor		0	
7	SJCC	Taman Subang Ria	72.63	2,939,234.42	
8	The Glades	Gated Residence integrated with green and blue spaces	56	226,624.16	
		<b>TOTAL</b>	<b>941.90</b>	<b>3,811,737.43</b>	<b>18.45</b>

# Urban Biodiversity

## 2. Performance Data

We strive to plant more threatened species of trees from 19,520 in 2019 to 26,085 in 2023 across our development. Introducing trees with conservation significance is an important ex-situ efforts taken by Sime Darby Property. To date, 53 species has been identified and planted across our development.

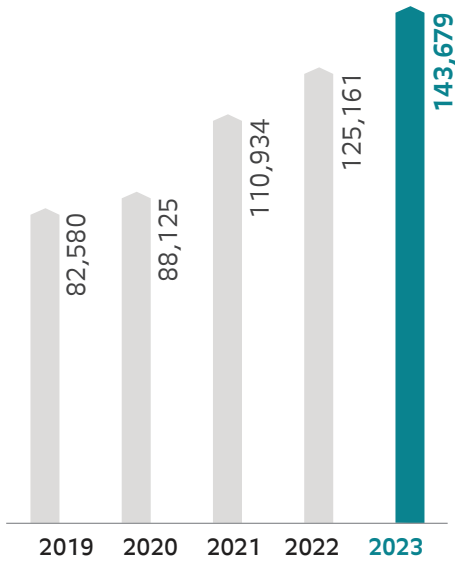


Figure 5.71: Total number of trees planted

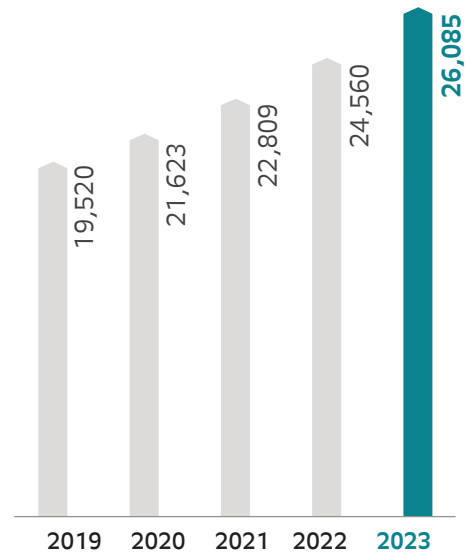


Figure 5.72: Total number of threatened tree species from the IUCN list planted

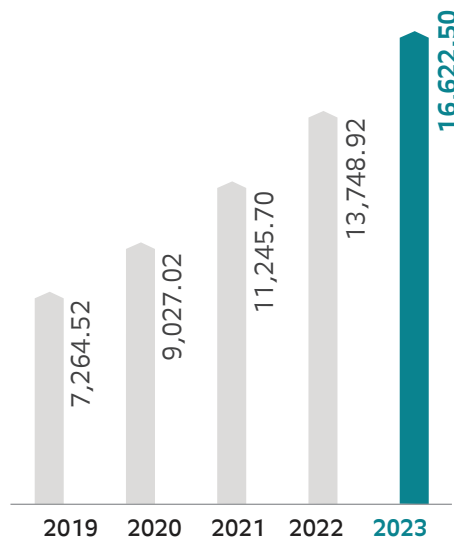


Figure 5.73: Total carbon sequestered\*

\* Based on conservative estimates, a tree sequesters carbon dioxide (CO<sub>2</sub>) at a rate of approximately 0.02 tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) per year.

## › OUR OUTLOOK

We remain committed to leading the way in urban biodiversity. We are establishing a robust framework aligned with global and national agendas, outlining clear goals, targets and action plans for streamlined biodiversity approaches.

### Our focus areas include:

- **Strategic green asset management:** Identifying other potential areas for conservation and regeneration within our land-banks, leveraging advanced technology and digitalisation.
- **Enhancing connectivity and functionality:** Creating more ecological corridors and optimising plant selection to establish functional ecosystems.
- **Addressing key challenges:** Combating invasive species and promoting community engagement through citizen science initiatives.



### Key projects include:

- **Urban Biodiversity Framework:** Launching in 2024, a comprehensive framework will guide Sime Darby Property's biodiversity efforts. Specifically, it will outline clear goals, targets and scientific approaches for green asset conservation and regeneration. A robust baseline established through the SDP-Biodiversity Index will inform decision-making and track progress over time. Additionally, collaboration with stakeholders and Citizen Science programmes will tackle invasive species, while placemaking initiatives like birdwatching will foster community connection.
- **Urban Biodiversity Conference 2024:** Sime Darby Property's inaugural Urban Biodiversity Conference will unite local and international communities focused on Nature-Based Solutions ("NBS"). The conference aims to share knowledge on local case studies, methodologies, government initiatives and financial tools that incentivise real estate industry involvement in NBS.
- **Elmina Urban Biodiversity Corridor Phase 2:** Launching in 2024, this phase focuses on restoring a 2.1 km corridor. Native trees (dipterocarps and fruit trees) will be planted to attract wildlife, promote natural regeneration and improve soil stability. Restoration extends beyond the corridor, addressing invasive species in the Triangle Plot and diversifying flora in the Wildlife Park for a more resilient ecosystem.
- **Hamilton City Biodiversity and Ecosystem Assessment:** Following a digital survey, a comprehensive Biodiversity and Ecosystem Assessment ("BESA") will analyse existing biodiversity in Plot 6. This assessment is crucial for developing a plan to manage and restore biodiversity in the area. The BESA findings will ultimately help measure the success of restoration efforts in promoting a healthy and resilient ecosystem.

Through these efforts, we aim to create sustainable and ecologically sensitive developments that benefit both nature and human communities.

# Circularity

## › OUR COMMITMENT

It is imperative to shift from linear to circular economic models, particularly within the property sector, where the impact of waste and resource mismanagement is profound. Circularity allows us to address these challenges head-on, promoting the reuse and recycling of materials, reducing waste and driving sustainable construction practices.

Incorporating circularity into our business model helps us to design out waste and pollution, keep products and materials in use for as long as possible and regenerate natural systems. This approach aligns with our commitment to sustainability and responsible stewardship of the environment, ensuring that we contribute positively to the communities we serve and the planet at large.

Our operational efforts in waste management are focused on areas known for substantial waste production, including:

**Table 5.2**  
Operational efforts in Waste Management

Areas of High Waste Production	Our Practices
Construction	<ul style="list-style-type: none"> <li>Adopt the SDP Waste Management Hierarchy.</li> <li>Utilise reusable formwork systems to reduce wood waste.</li> <li>Establish on-site sorting stations for the segregation and recycling of construction materials like concrete, metal and wood.</li> <li>Implement Integrated Building Systems ("IBS"), modular construction and utilise Building Information Modelling ("BIM") for clash detection to streamline material use.</li> <li>Protect stockpiled materials from weather damage by storing away from demolition areas and off the ground.</li> <li>Enforce a policy against single-use plastics on construction sites.</li> </ul>
Site Clearance	<ul style="list-style-type: none"> <li>Process green waste (such as shrubs and clippings) on-site into compost, enriching soil and reducing landfill use.</li> </ul>
Landscaping and Gardening	<ul style="list-style-type: none"> <li>Recycle materials from renovations for new constructions and landscaping projects.</li> <li>Compost food waste to enhance soil quality.</li> </ul>
Investment & Asset Management	<ul style="list-style-type: none"> <li>Implement the SDP Waste Management Hierarchy.</li> <li>Minimise product packaging and encourage tenants to adopt this practice.</li> </ul>
Leisure	<ul style="list-style-type: none"> <li>Run educational campaigns to foster waste reduction and responsible consumption.</li> <li>Collaborate with charities for the donation of unused items.</li> <li>Install and signpost recycling bins for paper, plastic, glass and metal to facilitate proper waste segregation.</li> <li>Work with certified recycling firms to ensure efficient waste management.</li> </ul>

Additionally, we undertake Environmental Impact Assessments ("EIA") or Detailed Environmental Impact Assessments ("DEIA") in compliance with the Environmental Quality Act 1974. This ensures that our development activities are conducted in a manner that minimises environmental and socio-economic impacts, adhering to the regulations set by the Department of Environment ("DoE") Malaysia.

## ▶ OUR VALUE CREATION IN 2023

In 2023, we undertook a series of initiatives to enhance our circularity efforts, focusing on efficient waste management and promoting sustainable living practices across our developments and townships.

### Implementing Waste Management Initiatives at Sime Darby Property’s Sites

What We Did:	Progress and Achievements:
<ul style="list-style-type: none"> <li>Introduced a Gravity and Full Vacuum Automated Waste Collection System to enhance waste collection efficiency and promote a cleaner living environment.</li> </ul>	<ul style="list-style-type: none"> <li>The Automated Waste Collection System at The Glades Putra Heights marks a forward step in enhancing operational efficiency and environmental stewardship, with ongoing evaluation of its impact on carbon emissions and cost savings.</li> </ul>



Used cooking oil repurposing workshop at KL East Sales Gallery.

### Promoting Community Engagement and Recycling

What We Did:	Progress and Achievements:
<ul style="list-style-type: none"> <li>Revitalised the "Invest in Our Planet" campaign at the KL East Sales Gallery, encouraging the community to participate in used cooking oil recycling for rewards, in a collaborative effort between the Township &amp; Community Services Unit of Business Unit 7, the Safety &amp; Sustainability department and FatHopes Energy.</li> <li>Conducted workshops in partnership with Pertubuhan Alam Sekitar EcoKnights Kuala Lumpur and Selangor, teaching community members how to convert used cooking oil into soap bars, thus empowering them to reduce waste.</li> <li>Implemented sustainability projects at the Kuala Lumpur Golf &amp; Country Club ("KLGCC"), including wood chipping, dry leaf composting and food waste composting, to convert waste into resources that enhance soil quality and reduce methane emissions.</li> <li>Introduced a food waste management system at KL East Mall to reduce food waste disposal at landfills, mandating all tenants to segregate food waste for collection in accordance with environmental regulations.</li> </ul>	<ul style="list-style-type: none"> <li>The partnership with FatHopes Energy led to the repurposing of 68.9kg of used cooking oil, translating into a reduction of 183 kgCO<sub>2</sub> emissions, showcasing our commitment to reducing greenhouse gas emissions.</li> <li>The soap-making workshops resulted in the production of 33 bars of soap, demonstrating the practical application of recycling and waste reduction techniques within the community.</li> <li>Our sustainability initiatives at KLGCC have improved soil quality and reduced methane emissions by repurposing organic waste, highlighting our dedication to environmental stewardship.</li> <li>The food waste management initiative at KL East Mall represents a step towards zero food waste contribution from SDP's retail business, enforcing food waste segregation and responsible disposal practices among tenants, in line with Act 672.</li> </ul>

## Circularity

### Strengthening Waste Management across Operations

#### What We Did:

- Collaborated with contractors to enhance the reuse and recycling of construction waste, significantly reducing its volume and minimising environmental impacts. This initiative directly tackled the challenge of managing the large amounts of waste generated by construction activities.
- Streamlined site clearance processes by emphasising waste separation at source, ensuring responsible disposal and reducing the environmental footprint of site clearance activities. This approach effectively addressed the challenge of managing waste during site clearance.
- Implemented the principles of Reduce, Reuse and Recycle (3Rs) to manage organic waste from landscaping activities efficiently. This strategy helped in addressing the challenge of disposing of organic waste in an environmentally friendly manner.
- Launched awareness campaigns and competitions to improve waste disposal and recycling habits among residents, alongside implementing a "No Single-Use Plastic" initiative. These efforts targeted the challenge of changing tenant behaviour towards more sustainable waste practices.
- Enhanced the robustness of waste management data for greater traceability and transparency. This improvement addressed the challenge of ensuring data integrity and transparency in waste management efforts, enabling better tracking, reporting and continuous improvement.

#### ► OUR IMPACT AND ACHIEVEMENTS

Sime Darby Property generated a total of 14,402.01 tonnes\* of waste in 2023. Of this amount, 10,821.86 tonnes were diverted to disposal while the remaining 3,580.15 tonnes were reused and recycled throughout our operations in 2023. This action demonstrates our commitment to resource efficiency and aligns with our long-term goal of implementing a circular economy model.

While we are continually exploring the potential of sustainable materials in construction and material packaging issues, challenges were encountered in 2023. These challenges are being actively assessed and solutions are being explored for future implementation.

We have initiated the process of reporting data on carbon avoidance. Therefore, FY2023 will be the inaugural year in which we report this data.

*\* This data was subjected to an external limited assurance by an independent third party. Refer to the independent assurance report on pages 129 to 132.*

Landfilling remains the dominant method of waste disposal, accounting for 75.14% of our waste stream (transfer station, controlled landfill and unspecified landfill). This unspecified landfill category likely includes a mix of materials that are not currently recyclable or that lack efficient recycling infrastructure. There is positive news on the recycling front: we are diverting 24.86% of our waste from landfill through recycling initiatives including composting. This signifies a growing commitment to a responsible waste management and resource recovery.

The dominance of operational solid waste (49%) and food waste (16%) in our waste type composition presents a significant opportunity to optimise our waste management practices and promote resource conservation.

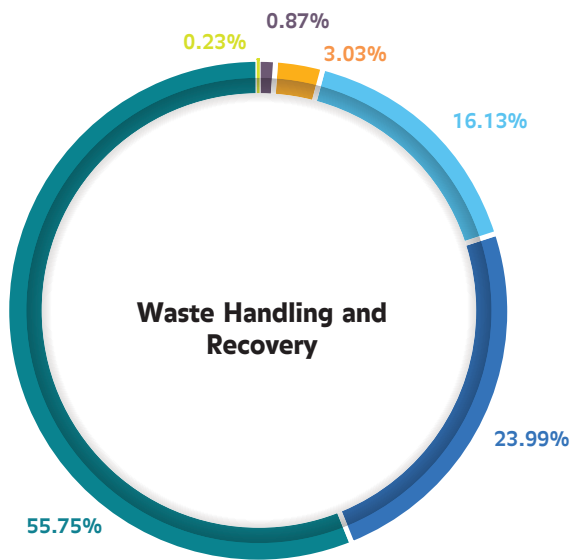


Figure 5.91: Waste Handling Recovery

- Incineration
- Composting
- Transfer Station
- Controlled Landfill
- Recycling
- Landfill (Unspecified)

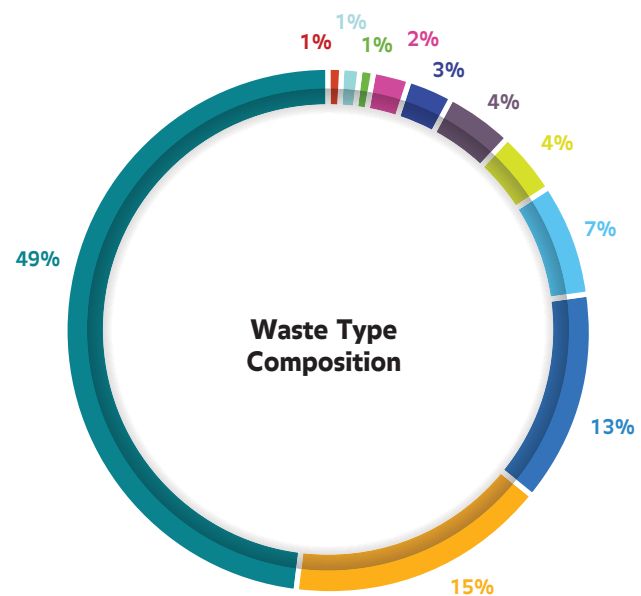


Figure 5.92: Waste Type Composition

- Green Waste
- Construction Cabin
- Aluminium
- Formwork
- Office waste
- Aggregate waste
- Timber
- Others Waste
- Metal
- Food Waste
- Business Process / Operational Solid Waste

**OUR OUTLOOK**

In 2024, our aim is to enhance our circularity efforts by concentrating on waste reduction, reuse, recycling and segregation throughout our operations. Our target is to divert 40% of our waste from landfills annually, aligning with Malaysia’s National Recycling Rate by the Ministry of Housing and Local Government (“KPKT”)’s Circular Economy Blueprint.

# Water Management



## › OUR COMMITMENT

We recognise the growing global concern about water issues and are dedicated to contributing to sustainable water management solutions. Our initiatives align with key international efforts, including Sustainable Development Goal 6 (Clean Water and Sanitation for All), the Water Action Decade (2018-2028) and the Water Action Agenda adopted at United Nations COP meetings. These efforts underscore the importance of collaboration to ensure water security, an issue we actively support.

By prioritising water management practices, we aim to contribute to both environmental sustainability and the economic well-being of the communities we serve. We are committed to responsible water stewardship within these communities, working to ensure a reliable water supply for all stakeholders.

## › OUR APPROACH

The Board sets the strategic direction for our water stewardship approach, prioritising efficient and sustainable water use in all operations and surrounding communities. This strategy focuses on responsible water management practices, with a key focus on:

### Sustainable Water Usage:

We prioritise potable treated water as the primary source, while leveraging surface and groundwater responsibly when necessary. This focus on responsible utilisation is exemplified in projects like Elmina City, strategically located between two crucial river basins in Selangor.

### Compliance and Best Practices:

Adhering to all relevant water regulations and industry best practices, especially Environmental Impact Assessment ("EIA") approval condition, Environmental Management Plan ("EMP") and other regulations stipulated in Environment Quality Act ("EQA") 1974.

### Resource Allocation and Risk Management:

The Board allocates resources for effective water management and actively identifies and mitigates potential water-related risks.

### Stakeholder Engagement:

Engaging with employees, investors and local communities on water management issues and encouraging their participation in sustainable practices.





We have established a comprehensive framework to manage water resources effectively. This framework incorporates:

**Internal Policies:**

Water management guideline to reduce water usage and to ensure the water supplied to facilities meets the required environmental and health standards.

**External Guidelines:**

Integrate the urban stormwater management manual (“MSMA”) into the design of Sime Darby Property’s development to safeguard local hydrological system.

**External certifications:**

GreenRE certification achieved through adherence to rigorous sustainability standards, including efficient water use and management practices.

**Continuous Monitoring and Research:**

Water assessment is carried out to monitor and maintain the water balance and quality, subject to the conditions change or project being implemented.

**On-site implementation:**

Erosion Sediment Control Practices (“ESCP”) for monitoring wastewater and effluent quality, further strengthening our commitment to responsible water management.

# Water Management

## › OUR VALUE CREATION IN 2023

We have actively pursued a range of water management initiatives in 2023.

### Key Focus Areas

### What We Did

<p>Championing Infrastructure and Innovation</p>	<ul style="list-style-type: none"> <li>Invested over RM100 million in upgrading the Integrated Water Supply Scheme ("IWSS") to enhance water efficiency in the Northern Corridor (Southern Line).</li> <li>Developed water-efficient product designs as part of the Minimum Sustainability Element framework.</li> </ul>
<p>Fostering Resource Stewardship in Development</p>	<ul style="list-style-type: none"> <li>Monitored the use of water-saving fittings and managed water usage in alignment with the 2030 Sustainable Goals.</li> <li>Optimised operations to lessen the frequency and volume of water usage, revising processes for greater efficiency.</li> </ul>
<p>Optimising Operational Efficiency and Compliance</p>	<ul style="list-style-type: none"> <li>Consistently monitored water quality in accordance with the Department of Environment's Environmental Management Plans ("EMPs").</li> <li>Ensured that the discharge of wastewater and effluents met the regulatory requirements and the latest limits stipulated in the EIA Approval Conditions.</li> </ul>
<p>Promoting Sustainable Urban and Infrastructure Planning</p>	<ul style="list-style-type: none"> <li>Integrated the Urban Stormwater Management Manual for Malaysia ("MSMA") into the design of Sime Darby Property's developments to safeguard local hydrological systems.</li> <li>Established a target to equip 30,000 units with of low water use fittings accredited by the Water Efficiency Labelling Scheme ("WELS")/Water Efficient Products Labelling Scheme ("WEPLS") by 2030.</li> <li>Implemented rainwater harvesting systems in high-rise developments to utilise Malaysia's abundant rainfall.</li> </ul>
<p>Implementing Internal Water Conservation Practices</p>	<ul style="list-style-type: none"> <li>Reduced cleaning frequency or adjusted water use per activity to conserve water through efficient cleaning practices.</li> <li>Eliminated or combined water-using processes to streamline operations and minimise reliance on water.</li> <li>Implemented water-efficient process changes to optimise operations for water efficiency.</li> <li>Maximised non-potable water use for suitable processes to diversify water sources and prioritise non-potable water where feasible.</li> <li>Conducted periodic water pipe checks to prevent water loss through proactive leak detection and repair.</li> </ul>

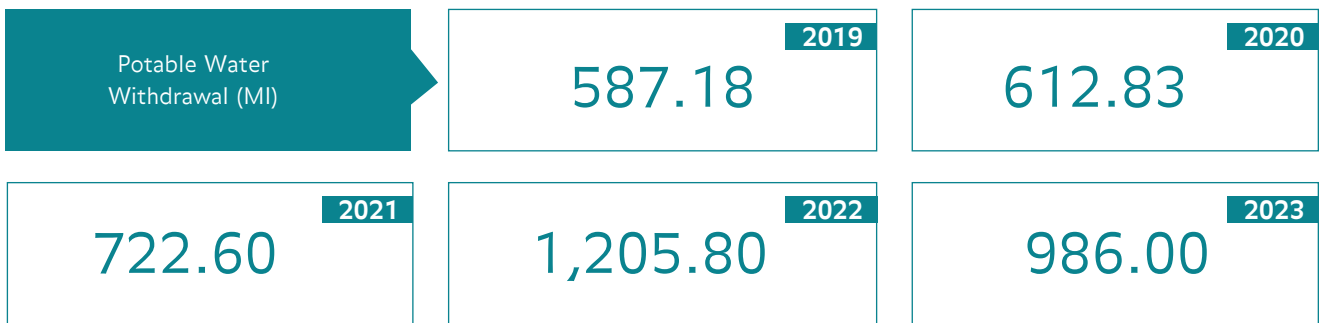
These efforts reflect Sime Darby Property's commitment to comprehensive water management, emphasising infrastructure development, on-site best practices, consumption monitoring, quality management and sustainable planning.

**► OUR IMPACT AND ACHIEVEMENTS**

**1. Performance Data**

This year witnessed an 18.23% reduction in potable water withdrawal from the previous year, attributed to the increased use of non-potable water sources like rainwater harvesting.

Currently, we are in the process of developing a system for the measurement and analysis of non-potable water data. This endeavour involves refining our methods for processing this data, aimed at enhancing the accuracy and reliability of our measurements. Due to the ongoing development of this system, non-potable water data will not be disclosed this year.



**► OUR OUTLOOK**

Sime Darby Property is dedicated to achieving a 30% reduction in operational water intensity by 2030, focusing primarily on decreasing consumption and enhancing efficiency.

This vision will be realised through:

**Comprehensive Value Chain Assessment:**

A comprehensive analysis of water risks across our entire value chain is currently underway. This assessment will inform the development of a targeted action plan within the next three years, further strengthening our water management practices.

**Implementation of WASH Service Plan:**

We are planning to launch a Water, Sanitation and Hygiene (“WASH”) service plan within the next two years. This plan will enhance access to clean water and sanitation facilities within the communities we serve, contributing to improved health and well-being.

**Emissions Tracking and Reduction:**

We are developing an initiative to track and aim to reduce the carbon emissions from our water usage, planning to quantify these in terms of tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).