

SUSTAINABILITY STATEMENT

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INTRODUCTION OF SUSTAINABILITY TO SENTRAL AND MESSAGE FROM THE CEO

At SENTRAL, we believe that economic, environmental and social (“EES”) performance is crucial for long-term business success. A focus on sustainability allows us to maintain our social license to operate, provides a competitive advantage, enhances business resilience through continuous review and improvement on our business strategy and internal processes. We continue to take a conscientious approach towards embedding EES considerations within our business operations as we believe that purpose versus profits should not be a choice but instead go hand-in-hand in creating value for all of our stakeholders.



“ CEO’s Message

We are pleased to publish SENTRAL’s fifth Sustainability Report. This report encapsulates our policies, practices, objectives of all sustainability matters and corresponding sustainability performance for the period from 1 January 2021 to 31 December 2021.

SENTRAL’s primary objective is to ensure that its asset portfolio provide Unitholders with long-term and sustainable distribution of income, achieving long-term growth in the net asset value per Unit. In line with this objective, we are focused on integrating sustainable practices into our business operations and consider salient sustainability issues as part of the formulation of our strategies. As we continue to pursue growth and improvements in SENTRAL’s performance, we will continue to ensure that a sustainable business that upholds strong corporate governance, embraces environment/green and social initiatives, and looks out for the best interests of our stakeholders.

The Board assumes overall responsibility on SENTRAL’s sustainability strategy and achievement of its long-term performance. The Board is also involved in the review and selection of environmental, social and governance (“ESG”) matters based on their significance to the business and its stakeholders. The material matters for SENTRAL’s FY2021 sustainability reporting are similar to the those disclosed in its FY2020’s sustainability reporting post validation process. We will continue to refine our sustainability framework annually to adapt to the even changing business landscape.

From its emergence in 2020, the COVID-19 pandemic has continued to disrupt global economies and impacted communities, changing the way businesses operate and individuals live, work and play, throughout FY2021. These impacts have further magnified the importance of imbedding sustainability goals in SENTRAL’s business operations. With this in mind, we will continuously address key sustainability risks and incorporate suitable strategies and policies to ensure that our day-to-day business operations remain robust.

Despite the pandemic, we are pleased that SENTRAL has continued to achieve stable financial and operational performance in 2021. With the continued support of our staff and various stakeholders, we are pleased to highlight the key sustainability initiatives implemented during this financial year, as follows:

- The health and safety of our employees, customers and the community during the pandemic remains our top priority. We implemented additional measures at our offices and facilities to keep our employees safe and ensure business continuity including periodic COVID-19 testing. Our working premises fully comply with the government’s regulations for safe distancing and contact tracing.
- Following the recommendations by the Ministry of Health, the Group has implemented split-team work arrangements and provided upgrades of technology and tools to facilitate employees working from home. Reminders to continue to remain vigilant and observe the current SOPs that were also in placed as part of efforts to promote health and safety and building a socially responsible community.
- Together with Kementerian Wilayah Persekutuan (KWP), Kementerian Kesihatan Malaysia (KKM) and Kementerian Sains, Teknologi dan Inovasi (MOSTI), the Group had successfully conducted the Mobile Vaccination Program for employees who wish to be vaccinated with the aim of achieving herd immunity against COVID-19. We are pleased to report that all SRM staff have been fully vaccinated.

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- To support the physical and mental well-being of our employees during the pandemic, the Group launched MRCB Wellbeing, a comprehensive and personalized employee assistance programme that can help improve staff physical and mental health.
- Achieved our targets of 2% reduction in energy and water consumption by achieving a reduction of 16% and 6.3% respectively from FY2020.
- We believe in doing our part for the community – be it in good or challenging times. As a responsible corporate citizen, we are committed to take care of and give back to the community in which we operate in. We have implemented community projects which focus on improving the lives of children and women from underprivileged background. This year, we have also extended our aid programmes to the B40 communities whose livelihoods have been affected by the pandemic.

Sustainability is an ongoing and long-term journey. Moving forward, we will continue to learn from the best sustainability practices to improve our sustainability performance, sharing our achievement in subsequent reporting. We hope that our commitment can contribute meaningfully towards the betterment of our community socially, economically, and environmentally.

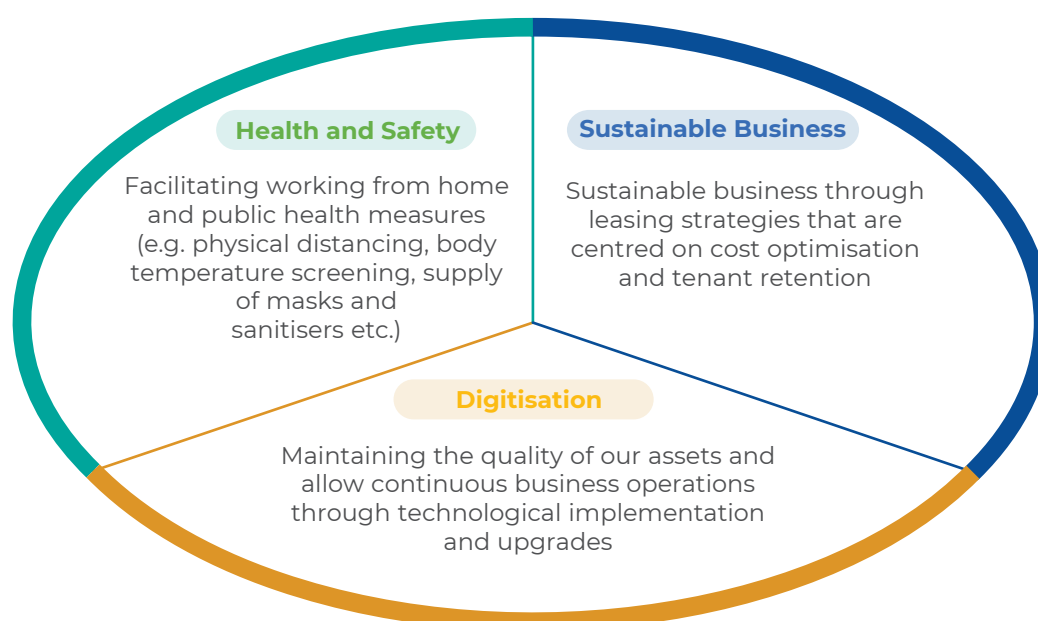


SENTRAL's Response to COVID-19

The COVID-19 pandemic created an unprecedented uncertainty and changed the world as we know it. Countless individuals, communities, businesses and economies have been impacted by it. Even so, global developments have been positive in FY2021, as the vaccination drive has led to the reopening of economies, creating business growth and opportunities, including for Malaysia.

While focusing on economic recovery, our responsibility and focus remains on our people's health. We have been proactively ensuring that our employees, tenants, visitors and communities are safe and healthy by adopting robust health and safety measures across our offices and buildings.

SENTRAL still maintains its Business Continuity Plan ("BCP") to ensure business viability and continual operations. SENTRAL's BCP focuses on the following key areas:



We are continuously closely monitor the pandemic situation and adhering to the Malaysian government's enforcements on public health measures. Further information of SENTRAL's response to the COVID-19 pandemic is available in the Management Discussion and Analysis section and respective material matter sections of this Annual Report.

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ABOUT SENTRAL

[GRI 2-28]

SENTRAL is a Real Estate Investment Trust ("REIT") incorporated in Malaysia and listed on the main board of Bursa Malaysia Securities Berhad ("Bursa Securities") in 2007. SENTRAL is managed by Sentral REIT Management Sdn Bhd ("we", "SRM" or the "Manager"), which has three shareholders, namely, Quill Resources Holding Sdn Bhd ("QRH"), a company within the Quill Group of Companies, Malaysian Resources Corporation Bhd ("MRCB") and Global Jejaka Sdn Bhd ("GJSB"). SENTRAL's investment objective is to acquire and invest in commercial properties primarily in Malaysia with a view to generate long-term growth and sustainable distribution of income to our unitholders.

As at 31 December 2021, SENTRAL owns 9 commercial properties in Malaysia with a combined value of RM2.081 billion. The locations of SENTRAL's commercial properties are illustrated in Figure 1.

SENTRAL is also a longstanding member of the Malaysian REIT Managers Association ("MRMA").

For more information on SENTRAL's structure, please refer to page 4 of this Annual Report.

For more information on SENTRAL's properties, please refer to pages 13 to 26 of this Annual Report.

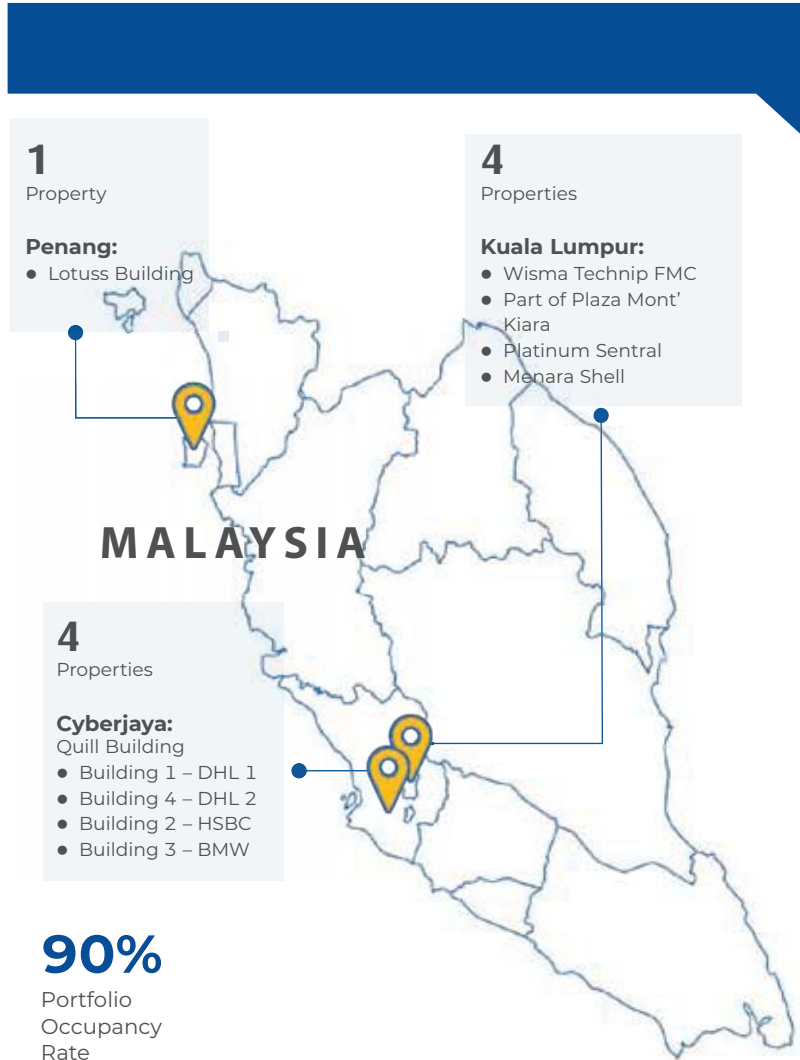
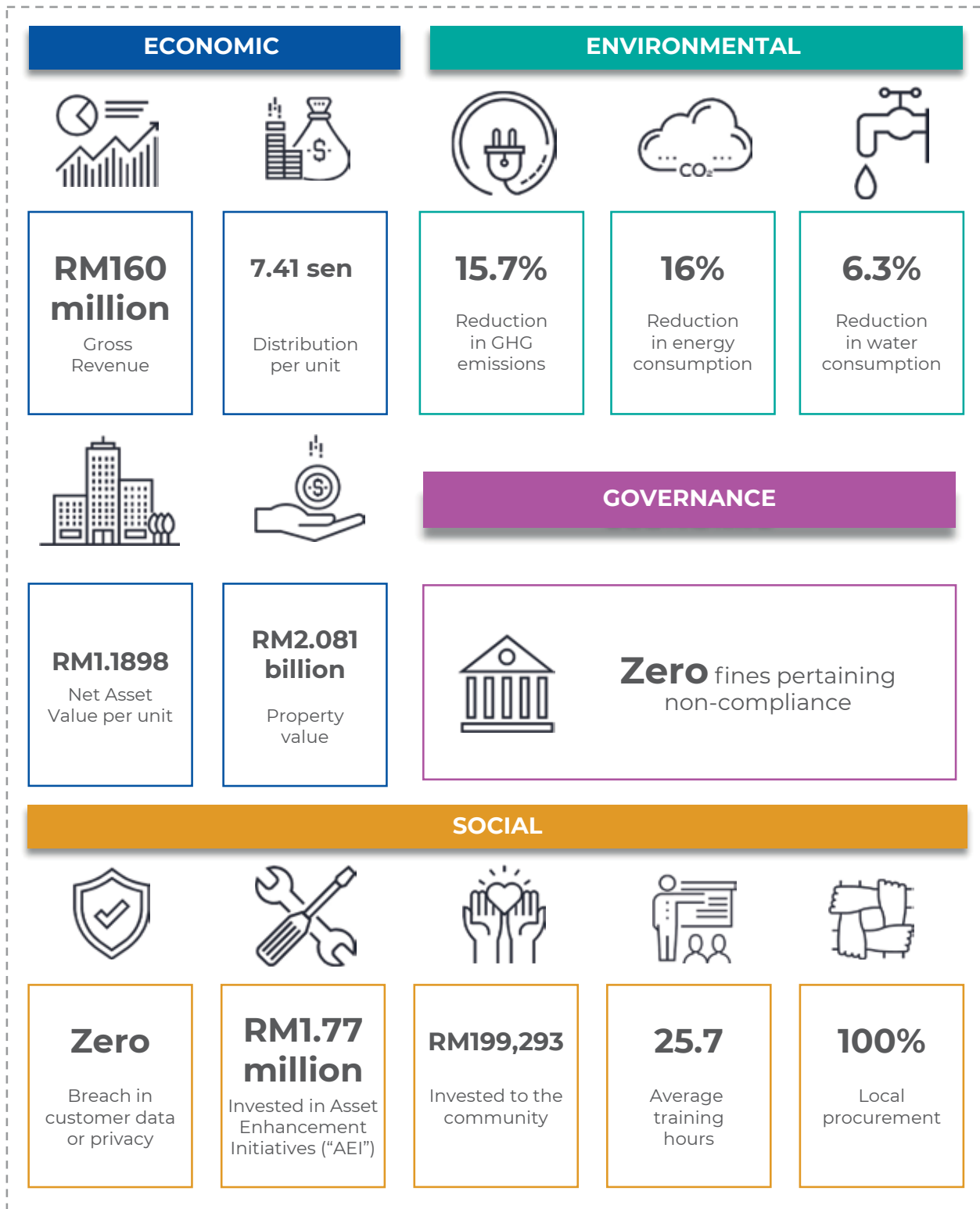


Figure 1: Location of commercial properties

SUSTAINABILITY STATEMENT

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SUSTAINABILITY HIGHLIGHTS



SUSTAINABILITY STATEMENT

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ABOUT THIS STATEMENT

[GRI 2-3, 2-5]

Our fifth Sustainability Statement ("Statement") for 1 January 2021 to 31 December 2021 ("FY2021") serves to communicate our sustainability initiatives and performance for the financial year and will be published on 28 February 2022. This Statement covers all SENTRAL's operations in Malaysia for which we have direct managerial control. This excludes Lotuss Building Penang which is fully self-managed by the tenant. Information reported about employees are referred to as the employees of the Manager.

For each material matter, we have included an overview of our approach and initiatives over the reporting period, including our performance against defined targets and KPIs. This is to give readers a clear understanding on how we are addressing our most material impacts.

In FY2021, we enhanced our narrative to include SENTRAL's value creation. SENTRAL's value creation accounts for value created for SENTRAL and our stakeholder groups through embarking on sustainability initiatives. This year, we have aligned our sustainability efforts to the global framework United Nations Sustainable Development Goals ("SDGs") to support Malaysia's commitment in implementing the 2030 Agenda for Sustainable Development.

Reporting Framework

Our Statement has been prepared in accordance with the Global Reporting Initiatives ("GRI") Standards: Core Option, Bursa Malaysia's Sustainability Reporting Guide (2nd edition) and Listing Requirements and the United Nations SDGs.

Independent Assurance

We have not sought any external assurance for this reporting period. We recognise the importance of independent verification and we intend to seek independent assurance on selected key sustainability indicators moving forward.

We value and welcome any feedback on our Sustainability Statement to continuously improve our reporting and sustainability practices. Please contact:

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SUSTAINABILITY GOVERNANCE

[GRI 2-9, 2-13, 2-14]

Governance Structure

Our approach to sustainability is supported by our corporate governance structure as this serves as the cornerstone for SENTRAL's long-term success. Here, a strong corporate governance structure is vital to SENTRAL's business performance and is necessary to preserve the unitholders' best interests. We ensure that our procedures and processes are aligned to the Malaysian Code on Corporate Governance ("MCCG") issued by Securities Commission Malaysia ("SC") through our corporate governance framework illustrated in Figure 2, supported by comprehensive guidelines, policies, procedures, effective training and communications.

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Strengthening SENTRAL's Corporate Governance

Beginning FY2021, SENTRAL's Board of Directors has mandated the Audit and Risk Committee ("ARC") (formerly known as Audit Committee) to incorporate risk assessment and management as a quarterly Committee agenda. The quarterly risk assessment paper includes but is not limited to:

- Top 10 risk in terms of likelihood and gross risk
- Mitigation steps to minimise the risk
- Ranking or status of the risk i.e. under control, medium/can be improved or weak control

The ARC's purview now includes deliberation on risk matrices and recommendations for risk mitigation controls to be implemented by SENTRAL. Here, changes to the controls will be cascaded down to respective departments for further action. Mitigation controls recommendation and implementation updates will be reported to the ARC in subsequent meetings.

The ARC chairman will also provide the Board quarterly risk assessment updates, including recommendations and findings. The Committee was formally renamed to the ARC as of August 2021.

Kindly visit our website at <https://sentralreit.com> for our complete Corporate Governance Report and Corporate Governance Overview Statement on pages 63 to 77 of the Annual Report.

The Board considers the economic, environment and property industry risk, reviews and approves all investment decision.

The ARC manages risk, including assessment and recommending mitigation controls for management, in addition to addressing and acting on comments by the auditors of SENTRAL. The Committee reports to the Board.

The management regularly reviews operations of the Manager and SENTRAL to ensure appropriate controls are in place to manage risks. Such risks and controls are further monitored by the ARC and Board.

To mitigate the potential loss of value of unitholder's investments in SENTRAL all transactions are rigorously analysed prior to execution i.e. in understanding the risks involved and for relevant controls and measures to be implemented within the guidelines and parameters set by the Board.

Where significant risks are identified for a particular property investment, independent and specialised consultants are engaged to conduct comprehensive due diligence exercise.

It is a pre-requisite for all major investment proposals to include a detailed-risk assessment, and where appropriate, sensitivity analysis and management's proposed risk mitigation or control strategies.

Figure 2: Corporate Governance Framework

The Board is SENTRAL's highest decision-making body and is primarily responsible and accountable for incorporating sustainability into daily business operations to secure long-term growth. This includes monitoring of EES risks and opportunities.

During the quarterly Board meetings, the management will update the Board on the operations of the REIT on the organisation's impact. This covers all aspect of the business from leasing, asset enhancement initiatives, financing, risks, stakeholder engagement and management.

SUSTAINABILITY STATEMENT

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The Board delegates the responsibility of managing the organisation’s impacts on sustainability to SRM’s CEO and the CEO in turn delegates the work based on function. The CEO is responsible for implementing the sustainability agenda, formulating a sustainability strategy and updating the Board on the status of SENTRAL’s sustainability initiatives.

The Sustainability Working Committee (“SWC”) oversees and monitors the implementation of SENTRAL’s sustainability initiatives, sets management goals and updates on SENTRAL’s sustainability performance to the CEO. Executives from various departments assist the SWC, which allows for improved administration of sustainability efforts. Figure 3 illustrates the roles and duties of our sustainable governance in detail.

Sustainability Governance Structure



Figure 3: Sustainability Governance Structure

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Business Ethics

[GRI 2-23, 2-26, 3-3, 205-2, 205-3]

At SENTRAL, we are dedicated to conducting business in a responsible and transparent manner, aligned with our core organisational values illustrated in Figure 4 as we believe that a successful business relies on its good reputation. Our core organisational values shape our various policies and practices in relation to work conduct and the highest standard of business ethics. All our employees are required to work in accordance with these values and policies and to treat society with dignity and respect.

Our Anti-Bribery and Corruption Policy (“ABC Policy”), adopted on 1 June 2020 with reference to the Guidelines on Adequate Procedures (“GAP”) issued by the Prime Minister’s Department, underlines our commitment on anti-bribery and -corruption. This is further solidified by SENTRAL’s safeguards against breach of ethical business conduct through its Whistleblowing Policy. Concerns can be emailed to whistleblowing@sentralreit.com.



Figure 4: Organisational Values

For more information on our internal controls and processes relating to ethical business behaviour, kindly view our Corporate Governance Overview Statement on pages 63 to 77 and our Corporate Governance Report FY2021 as well as policies on our website [<https://sentralreit.com/investor-relations/corporate-governance/>].

Code of Business Ethics	ABC Policy	Whistleblowing Policy
The code establishes clear guidelines for how we work and reinforces the notion that how we deliver is equally as important as what we deliver. It outlines regulatory and procedural compliance, conflict of interests, confidentiality and liability of employee, amongst others. All our employees and Directors are bound by the code which forms part of the employee's Terms and Conditions of Service. This includes Policy of Giving and Receiving Gifts that states that our employees or any external party are prohibited from directly or indirectly receiving or providing gifts, kickbacks or gratuities in any form that may compromise their judgement, except for consumable gifts.	<p>Pursuant to our zero-tolerance against bribery and corruption, this policy directs all employees and business associates including external suppliers (sub-contractors, consultants, advisors, agents etc.), who conduct business on behalf of SENTRAL on methods to deal with improper solicitation, requests for bribes and other corrupt activities and issues that may arise in the course of the business.</p> <p>We also included standard anti-bribery and corruption clauses in the new tenancies, lease agreements, license agreements and service agreements with our tenants and suppliers to reinforce high ethical behaviour across our supply chain.</p> <p>Our ABC policy is available on our website.</p>	Our Whistleblowing Policy offers a secure and responsible channel for all employees and external parties to report unethical conduct within SENTRAL's operations.

Table 1: Policies Relating to Governance at SENTRAL

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FY2021 initiatives	
Anti-Bribery and Corruption	<ul style="list-style-type: none"> • Communication of ABC Policy and quarterly email reminders sent to employees and property managers to ensure constant awareness on compliance • Requested property service providers to sign declarations stating that they have read and understood Policy terms, and that they will abide by the requirements and provisions set out in the ABC Policy.
Due Diligence Assessment	<ul style="list-style-type: none"> • On-going yearly due diligence assessment including but not limited to document verification and interview with property business associates that have business engagement with SENTRAL. • Due diligence assessment is conducted on all property business associates before including into SRM's panelist.

In FY2020, we established an email reporting channel [whistleblowing@sentralreit.com] so that our employees, customers and vendors can anonymously report any information regarding violations of the ABC Policy and raise concerns in good faith and in confidence, without fear of reprisals. All concerns can be raised in writing directly to CEO and Chairman of SRM.

Owing to any change in law or business operation, we intend to continue periodically assess any exposure to bribery or corruption risks that may affect our business, review and when appropriate, update our anti-bribery and corruption objectives as well as undertake routine assessments on the effectiveness of our controls in attaining those objectives. Compliance audits are to be undertaken at SENTRAL to verify that ABC Policy is observed.

When any individuals or organisations bound by our policies fail to fulfil our standards, we take corrective actions where necessary, which may include dismissal or contract termination. We are pleased to report that there were no reported incidents pertaining to bribery and corruption, including whistleblowing, in FY2021.

For more insights on SENTRAL's risk assessment practices, kindly refer to our Statement on Risk Management and Internal Control on pages 82 to 85 and Corporate Governance Overview Statement on pages 63 to 77 of this report. These sections reference SENTRAL's Corporate Governance Report FY2021.

Regulatory Compliance

[GRI 2-23, 2-27, 3-3]

Responsible leadership also encompasses adherence measures for local laws and regulations on environmental and social matters. We constantly review and remain abreast of any changes in the regulatory environment to fulfil compliance and secure our license to operate. Our efforts are primarily focused on prevention of breaches from occurring in the first place.

Our Corporate Secretariat, Legal and Finance departments collaborate to assess the effectiveness of internal controls, reinforce and continuously enhance SENTRAL's compliance. In maintaining our commitment towards compliance, we also appointed external consultants as internal auditor to review our internal processes. Our internal compliance officer oversees and ensures that our business operations adhere to local laws and regulations including Securities Commission's Licensing Handbook and Listed REIT Guidelines, Listing Requirements and the Inland Revenue Board of Malaysia's General Tax Compliance, among others.

Trainings and workshops for employees play an important role in prevention of compliance infractions. Our employees are given the option to attend trainings organised by Bursa Securities, SC, Malaysian Institute of Accountants and renowned law firms to stay abreast with any changes in regulations.

SUSTAINABILITY STATEMENT

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SENTRAL's regulatory compliance considerations also extend to human rights, which feature principally in good labour practices. Our human rights risks are not restricted within our business operations and may occur anywhere along our value chain. We adopt a comprehensive approach at SENTRAL to manage implications of human rights risks throughout our value chain along with strengthening partnerships with key stakeholders who share our commitment to human rights. As part of our efforts, we have included the principles of anti-modern slavery in all our service agreements since 2019 in which both SENTRAL and service providers shall comply with local laws and regulations. In fourth quarter of 2021, we expanded our commitment to include this clause in all our new tenancy agreements.

The table below outlines the relevant laws and regulations we adhere to, but are not limited to the following:

<p>Malaysian Anti-Corruption Commission (MACC) Act 2009 Introduction of corporate liability for corruption offences that is applicable to Malaysian commercial organisations. Anti-Bribery and Corruption Policy in place since 1 June 2020 in line with the amendments to the MACC Amendment Act 2018.</p>
<p>MACC (Amendment) Act 2018 Refers to amendments under Section 17A of the MACC Act 2009, where commercial organisations are liable and can be punished if their employees are involved in corruption</p>
<p>Malaysian Employment Act 1955 Prohibits exploitative labour practices</p>
<p>Income Tax Act 1967 and Public Rulings Imposition of income tax that includes collection and recovery of tax, tax refund, offences and penalties, and exemptions, remissions and other relief</p>
<p>Children and Young Persons (Employment) Act 1966 Prohibits the employment of children under the age of 14</p>
<p>Occupational Safety and Health Act 1994 Protects the safety, health and welfare of persons at work</p>
<p>Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007 Prohibit in child labour, slavery, servitude and forced or compulsory labour and human trafficking</p>
<p>Personal Data Protection Act 2010 Regulates the processing of personal data in regard to commercial transactions</p>
<p>Environmental Quality Act 1974 Relates to the prevention, abatement, control of pollution and enhancement of the environment</p>
<p>Construction Industrial Development Board Act 1994 Minimum requirements for engaging contractors and sub-contractors on construction works contracts</p>
<p>Electricity Supply Act 1990 (PW4) Relates to the control of any electrical installation and equipment with respect to matters relating to the safety of persons and efficient use of electricity</p>
<p>Drinking Water Quality Standards 1985 Refers to the standards for drinking water quality</p>

We are delighted to report that there were zero incidences of non-compliance with relevant laws and regulations in FY2021. Kindly refer to pages 63 to 77 of our Annual Report for more information of our Corporate Governance and compliance matters.

SUSTAINABILITY STATEMENT

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STAKEHOLDER ENGAGEMENT

[GRI 2-12, 2-29, 2-30]

We believe regular proactive and meaningful stakeholder engagements allows us to obtain insights that helps to drive our business priorities and deliver long-term value to all our stakeholders. We are committed to continuously improve initiatives and services to better serve all our stakeholder groups.





Our key stakeholders are internal and external individuals, groups and organisations who have influence or are influenced by SENTRAL's decisions, policies and goals. A summary of our stakeholder engagement outcome in FY2021 is illustrated in Table 2:

Stakeholder Engagement Table

Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
Analysts and Media 	<ul style="list-style-type: none"> To proactively provide information to allow analysts to disseminate accurate information to the investment community 	<ul style="list-style-type: none"> One-on-one meetings Analyst briefing Investor conferences 	<ul style="list-style-type: none"> Profitability and financial health of SENTRAL SENTRAL's business direction and strategy Timely and transparent disclosure of information and announcements 	<ul style="list-style-type: none"> Improved responsiveness towards feedback and queries Timely update on SENTRAL's business activities and/or related matters through a dedicated Investor Relations ("IR") personnel 	<ul style="list-style-type: none"> Sustainable Business Growth and Financial Performance Regulatory Compliance
Employees 	<ul style="list-style-type: none"> To provide fair and equal opportunities To provide employee development and career progression 	<ul style="list-style-type: none"> Employee survey Annual employee appraisals One-on-one meetings Team meetings 	<ul style="list-style-type: none"> Career progression Employee welfare and benefits Profitability and financial health of SENTRAL Job security 	<ul style="list-style-type: none"> Transparent, open and consistent approach to appraisals Transparent communication on business performance and job security Training and team building Flexible work arrangement such as remote working as part of Health & Safe measures Open door policy to express concerns 	<ul style="list-style-type: none"> Sustainable Business Growth and Financial Performance Employee Management Health and Safety

SUSTAINABILITY STATEMENT

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Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
Tenants 	<ul style="list-style-type: none"> To engage existing customers to ensure tenant satisfaction and high retention rate To forge new relationships with potential tenants 	<ul style="list-style-type: none"> Direct feedback from tenants at all stages of the tenancy Regular meetings and discussions 	<ul style="list-style-type: none"> Health, safety and well-being Quick response by management to feedbacks Data privacy Quality of assets and services 	<ul style="list-style-type: none"> Scheduled maintenance for each property Established building procedures and measures including health and safety due to COVID-19 Timely response to tenant's queries 	<ul style="list-style-type: none"> Sustainable Business Growth and Financial Performance Health and Safety Quality of Assets and Services Data Privacy
Government, Regulators and Local Authorities 	<ul style="list-style-type: none"> To seek clarification on the guidelines under their purview To ensure compliance and proper administration of the legislations and local authorities' regulations affecting the operations of the REIT 	<ul style="list-style-type: none"> Consultation meetings together with consultants, advisors and industry associations Seminars and workshops 	<ul style="list-style-type: none"> Compliance to legislations and guidelines affecting the REIT industry including health and safety compliance for COVID-19 Refining and updating legislations through consultations with industry players 	<ul style="list-style-type: none"> Appointed professional consultants and advisors during consultations sessions Adherence and report on compliance Monitored compliance through internal assessment 	<ul style="list-style-type: none"> Regulatory Compliance Employee Management Health and Safety
Unitholders 	<ul style="list-style-type: none"> To proactively provide up to date disclosures and information to allow unitholders to make informed decisions on their investments 	<ul style="list-style-type: none"> Annual general meeting ("AGM") Annual reports SENTRAL's website Announcements on Bursa Securities Interactions with IR personnel 	<ul style="list-style-type: none"> Profitability and financial health of SENTRAL Timely and transparent disclosure of information and announcements Annual distribution payouts 	<ul style="list-style-type: none"> Sound investment and capital management strategy Robust corporate governance procedures Update on business strategies and direction 	<ul style="list-style-type: none"> Sustainable Business Growth and Financial Performance
Investment Community 	<ul style="list-style-type: none"> To engage existing and potential investors to provide information which allows these investors to make sound investment decisions concerning SENTRAL 	<ul style="list-style-type: none"> One-on-one meetings Investor conferences Annual reports SENTRAL's website 	<ul style="list-style-type: none"> Profitability and financial health of SENTRAL Timely and transparent disclosure of information and announcements Accessibility to management or IR team 	<ul style="list-style-type: none"> Improved responsiveness towards feedback and queries through a dedicated IR personnel 	<ul style="list-style-type: none"> Sustainable Business Growth and Financial Performance

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Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
Local Community 	<ul style="list-style-type: none"> To give back to the community in which we operate, specifically to improve the welfare of needy children To contribute funds to meet the immediate needs of at least one children's NGO To involve all staff in the fund-raising event 	<ul style="list-style-type: none"> Partnerships and collaborations with local communities through CSR programmes 	<ul style="list-style-type: none"> To provide sustained support after the completion of each CSR project Financial assistance to NGOs and those in needs 	<ul style="list-style-type: none"> Monetary contribution to the underserved community Adherence to SOPs on safety and hygiene during the MCO period 	<ul style="list-style-type: none"> Community Partnership and Activities
Industry Associations 	<ul style="list-style-type: none"> To be a contributing member to the industry sectors' professional objectives 	<ul style="list-style-type: none"> Consultation and feedback sessions 	<ul style="list-style-type: none"> Fair representation of industry's needs through consultation and lobbying with government authorities like SC and Bursa Securities 	<ul style="list-style-type: none"> Active membership involvement and contribution 	<ul style="list-style-type: none"> Regulatory Compliance
Vendors 	<ul style="list-style-type: none"> To have fair, proper and transparent dealings with vendors 	<ul style="list-style-type: none"> One-on-one meetings 	<ul style="list-style-type: none"> Fair and transparent selection of vendors Timely payment to vendors Potential business opportunities for vendors Competitive rates 	<ul style="list-style-type: none"> Professional approach in reviewing proposals from vendors Communication of ABC Policy Adhere to strict payment cycles and procedures 	<ul style="list-style-type: none"> Quality of Assets and Services Anti-corruption

Table 2: Stakeholder Engagement Table

Legend: Engagement frequency ■ Annually ■ Quarterly ■ As and when required

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MATERIALITY ASSESSMENT

[GRI 2-12, 3-1, 3-2]

Materiality Assessment

Understanding the current sustainability landscape and challenges that will impact SENTRAL's overall direction, strategy and value to our stakeholders is paramount to our business resilience and maintain competitive advantage. Our material matters are matters which are of the utmost importance to SENTRAL and our stakeholders.

We have continuously monitored EES opportunities, risks and trends affecting the REIT industry and considered both internal and external factors shaping our business. In FY2020, we undertook a complete materiality assessment and will do so once every three years or when necessary if SENTRAL's operations or external operating landscape substantially changes. This year, we conducted our annual materiality review and validated the outcome with our CEO and Board. Our materiality assessment process is detailed in Figure 5.

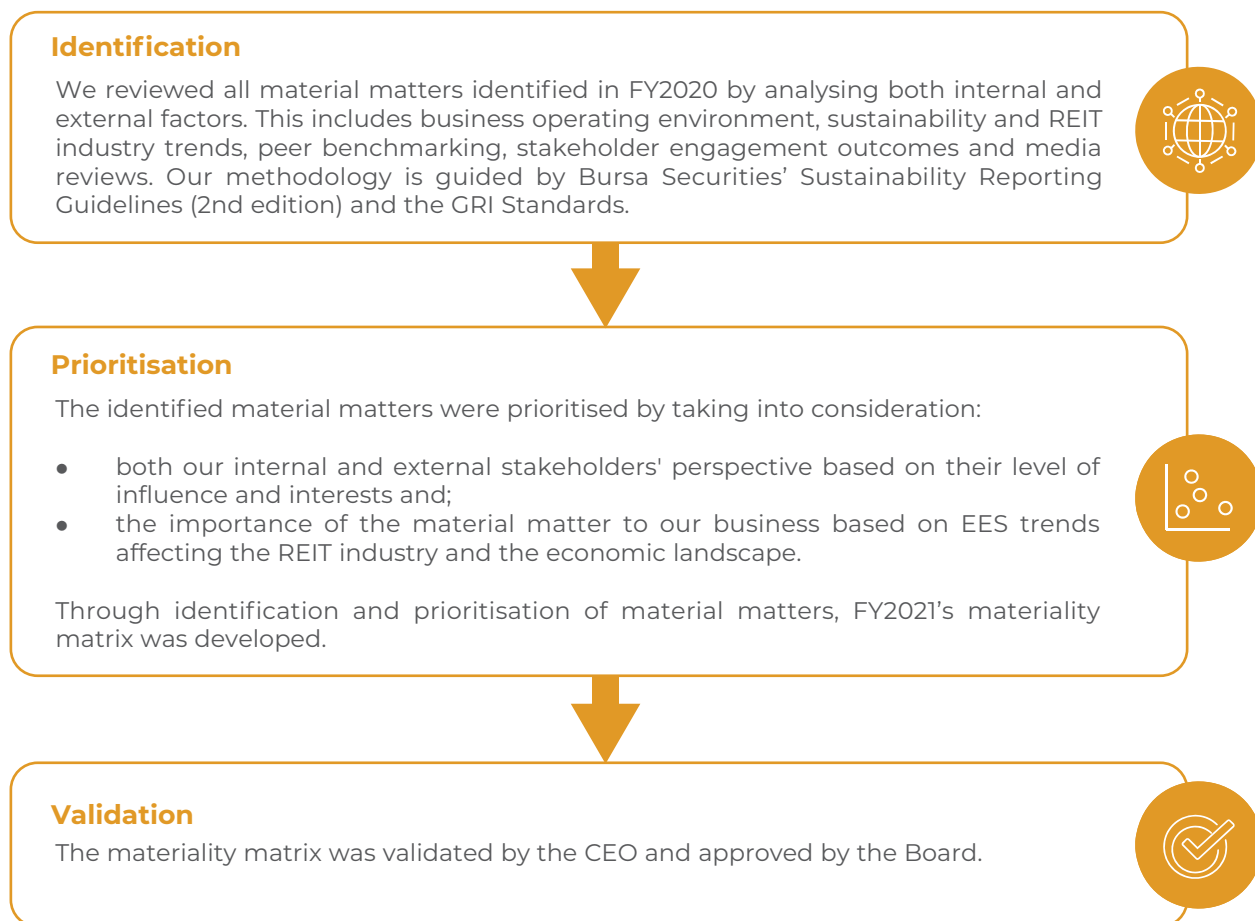


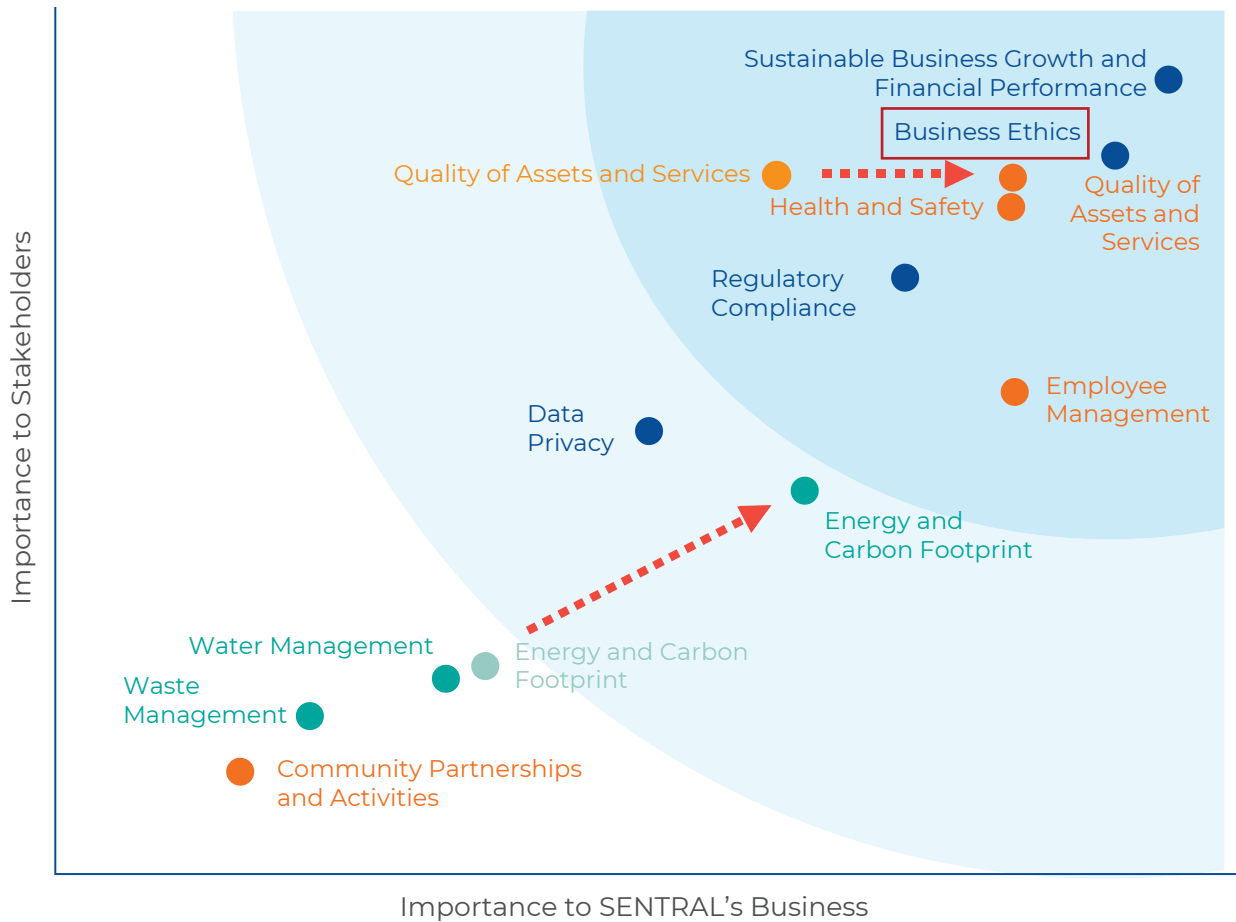
Figure 5: Materiality Assessment Process

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Materiality Matrix

Through our annual materiality assessment review, we have identified eleven material matters for FY2021 which formed the focus of our Sustainability Statement. The material matters remained the same as FY2020 and the changes are reflected in Table 3 below.



High priority
 Medium priority
 Low priority
 Economic
Environmental
Social
Name change

- - - - - ▶ Key changes in priority from FY2020 to FY2021

SUSTAINABILITY STATEMENT

(cont'd)

Material Matter	Definition
1 Sustainable Business Growth and Financial Performance	Concerns an organisation's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels
2 Business Ethics	Ethical and transparent business conduct and governance through robust frameworks as well as best practices. Continued practice of transparency, integrity and compliance to relevant laws and regulations such as those on corruption * <i>Previously known as anti-corruption. This was reclassified to include a broader definition of ethical business practices which encompasses anti-corruption, anti-bribery, Code of Business Ethics, whistleblowing and due diligence assessment</i>
3 Quality of Assets and Services	Attention to quality of SENTRAL's assets and services through innovative ideas, implementation of technology including digitalisation and management of supply chain which translate to tenant's satisfaction. Tenants can be assured that the properties are in a comfortable and safe environment throughout the tenancy period
4 Health and Safety	Efforts to address and prevent health and safety risks for all employees, tenants and visitors to SENTRAL's properties
5 Regulatory Compliance	Compliance to building, REITs and other regulatory requirements, such as environment, financial, human rights and labour practices, health and safety, listing rules, authority guidelines, public announcements, etc.
6 Employee Management	Involves all employee management aspects including fostering an engaged and vibrant workforce, retaining and attracting employees by providing remuneration, growth and training opportunities without any discrimination
7 Data Privacy	Protection of all data, information and intellectual property against cyber security breaches including safeguarding the privacy of tenant, organisational and visitor's information
8 Energy and Carbon Footprint	Minimise operational energy and carbon emissions and provide cost savings to SENTRAL and its tenants. This is through energy efficiency measures and use of renewables such as solar energy
9 Water Management	Consumption and efficiency of water usage for general purposes
10 Waste Management	Management or minimisation of waste generated in SENTRAL's and tenant's activities. For example, providing adequate facilities to tenants for proper storage of waste (e.g. general, hazardous, etc.) for further disposal and encourage reducing, recycling and reuse of waste
11 Community Partnership and Activities	Financial or non-financial contributions to the communities in which SENTRAL operate and select partners with shared business' values for joint activities

Table 3: SENTRAL's Materiality Matters and Their Definitions

SUSTAINABILITY STATEMENT

(cont'd)

Alignment to United Nations Sustainable Development Goals (UN SDGs)

This year, we enhanced our sustainability commitments by aligning our existing sustainability programmes to the UN SDGs. We aim to making valuable contributions to meeting the national and global sustainability agenda through our business. Contributing to the UN SDGs is also beneficial for the good of society, the environment and sustainable economic growth.

We identified five (5) UN SDGs through mapping our material matters and sustainability initiatives on where we believe we can have the most meaningful impact to our business and stakeholders.

United Nations SDGs	7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	11 SUSTAINABLE CITIES AND COMMUNITIES 	13 CLIMATE ACTION 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
SENTRAL's FY2021 Material Matters	<ul style="list-style-type: none"> ● Energy and Carbon Footprint 	<ul style="list-style-type: none"> ● Sustainable Business Growth and Financial Performance ● Health and Safety ● Quality of Assets and Services ● Employee Management ● Energy and Carbon Footprint 	<ul style="list-style-type: none"> ● Sustainable Business Growth and Financial Performance 	<ul style="list-style-type: none"> ● Energy and Carbon Footprint 	<ul style="list-style-type: none"> ● Business Ethics (previously Anti-Corruption) ● Regulatory Compliance ● Employee Management ● Data Privacy







Legend: ● Economic ● Environmental ● Social

SUSTAINABILITY STATEMENT

(cont'd)




SENTRAL's Value Creation Model

In 2021, SENTRAL developed our value creation model in line with our core values and strategic initiatives. Our value creation model was designed with reference to the International Integrated Reporting Council (IIRC)'s <IR> framework with the purpose of depicting the value creation process. Value creation is not limited to financial benefits for the company but economic, environment and social value for all of our stakeholders and society.

Capital	Input	Business Activities	Output	Outcome
Financial 	<ul style="list-style-type: none"> Market capitalisation: RM969.96 million Total Borrowing: RM805.65 million Investment Properties: RM2.081 billion Equity: RM1.32 billion Average cost of debt (%): 3.55% p.a. 	 <p>Leasing Strategy</p> <p>Proactive leasing strategies to ensure stabilisation of portfolio occupancy and income</p>	<ul style="list-style-type: none"> Gross Revenue: RM159.60 million Realised Net Income: RM84.49 million 	<p>Unitholders and Investment Community</p> <ul style="list-style-type: none"> Distribution Per Unit: 7.41 sen Economic Value Distributed: RM137.12 million <p>Tenants</p> <ul style="list-style-type: none"> Enhanced tenants' experience
Manufactured 	<ul style="list-style-type: none"> Diverse portfolio of high-quality assets: <ul style="list-style-type: none"> 7 Commercial Buildings 1 Office Building 1 Commercial Lot including Car Parks Total Asset Value: RM2.180 billion Management services RM1.77 million spent on management services / building enhancement 	 <p>Capital Management Strategy</p> <p>Ongoing cost management to ensure optimisation of SENTRAL'S overall weighted average cost of debt</p>	<ul style="list-style-type: none"> 90% tenant occupancy rate Tenant retention rate: 66% of Committed Net Lettable Area 2 buildings with green ratings 	<p>Employees</p> <ul style="list-style-type: none"> Zero complaints received from employees Comprehensive health and safety measures to safeguard employee's safety and wellbeing <p>Local Community</p> <ul style="list-style-type: none"> 5 outreach activities during MCO/ pandemic/ floods to support the B40 community vide food distribution initiatives with no-profit organisations Improved engagement and positive relationship with stakeholders
Intellectual 	<ul style="list-style-type: none"> Management skills and expertise Cyber solutions for data protection Robust governance structures Rights and licenses for business operations 	 <p>Asset Management Strategy</p> <p>Emphasis on quality of SENTRAL's products and services through embracing innovation and supply chain management which directly affect tenant's satisfaction</p>	<ul style="list-style-type: none"> Fully comply with regulatory requirements Awards and Recognition Zero substantiated complaints concerning cybersecurity breaches and losses of customer data 	<p>Vendors</p> <ul style="list-style-type: none"> Promoting the development of the local ecosystem


SUSTAINABILITY STATEMENT

(cont'd)

Capital	Input	Business Activities	Output	Outcome
Human 	<ul style="list-style-type: none"> Total number of employees/workers: 19 employees/30 workers SENTRAL's culture and value Approximately RM23,500 invested in learning and development, and employee engagements activities 	 <p>Acquisition Growth and Portfolio Management Strategy</p> <p>Adjustment of the portfolio mix through acquisition or sale with the objective of maximising total returns to unitholders</p>	<ul style="list-style-type: none"> Average training hours: 25.7 hours/employee Diverse, skilled and engaged workforce 2 company-wide engagement activities held virtually in 2021 2 Covid-19 infections 	<p>Environment</p> <ul style="list-style-type: none"> Energy and emissions reduction by 15.8% Water consumption reduce by 6.3% <p>Industry Associations, Governments, Regulators and Local Authorities</p> <ul style="list-style-type: none"> Compliance with relevant laws and regulations
Social and relationship 	<ul style="list-style-type: none"> Strong relationships with key stakeholders 93 vendors engaged Proactive engagements with stakeholders 		<ul style="list-style-type: none"> Retail tenant assistance: PMK – Average 3.25 months Platinum Sentral and Menara Shell (retail tenants only – Average 8.75 months) Local suppliers and contractors: 100% of total suppliers 100% of budget spent on local suppliers Percentage of service providers underwent performance appraisal: 100% of suppliers 100% of suppliers achieved higher than minimum score rating of 60% Delivered social benefits through CSR activities Monetary contributions to communities: RM199,293 Donated 1010 food packages for 630 families during Covid-19 	

SUSTAINABILITY STATEMENT

(cont'd)

Capital	Input	Business Activities	Output	Outcome
<p>Natural</p> 	<ul style="list-style-type: none"> • Resource consumption: <ul style="list-style-type: none"> - Energy consumption - Water management - Waste management • Green-certified buildings: <ul style="list-style-type: none"> - Menara Shell is Leadership in Energy and Environmental Design (LEED) Platinum-certified - Platinum Sentral is Building and Construction Authority (BCA) Green Mark Platinum-certified 		<ul style="list-style-type: none"> • Total energy consumption: 20.85 mil kWh • Total energy intensity: 118.80 kWh/sqm • Total carbon emissions: 12,232 tCO2 • Total carbon intensity: 0.07 tonnes/sqm • Total water consumption: 133,509 m³ • Total water use intensity: 0.76 m³/sqm 	

SUSTAINABILITY STATEMENT

(cont'd)



Sustainable Business Growth and Financial Performance

[GRI 3-3, 201-1]

While COVID-19 impacted businesses and economies in 2020, this year has seen the beginnings of recovery. Similarly, SENTRAL remains committed to creating sustained financial growth and value for stakeholders. We strive to provide our unitholders with a consistent distribution of income from our present and future portfolios, guided by our four core strategic initiatives as depicted in Figure 6.



Figure 6: SENTRAL's Four Key Strategic Initiatives

SENTRAL charted a strong financial position and maintained its financial health in FY2021. In FY2021, we contributed a realised revenue of RM160.65 million in FY2021. We attained a Distribution Per Unit of 7.41 sen this fiscal year which was large due to value created by our business operations. Table 4 depicts the breakdown of direct economic value generated and distributed by SENTRAL.

Kindly refer to our Management Discussion and Analysis section from pages 12 to 46 for further information on our economic performance.

SUSTAINABILITY STATEMENT

(cont'd)

In RM	FY2021	FY2020	FY2019	FY2018
Value Generated				
<i>Revenue, finance income, gain on divestment of investment property</i>	166,461,106	167,980,858	164,687,987	179,041,503
<i>Less: Property operating expenses</i>	(28,523,531)	(29,456,543)	(30,769,769)	(31,594,183)
<i>Less: Other operating expenses</i>	(819,240)	(919,578)	(922,599)	(948,463)
Total Value Generated	137,118,336	137,604,737	132,955,619	146,498,857
Reconciliation:				
<i>Total realised income net of taxation</i>	84,485,957	80,954,941	72,107,547	84,653,758
<i>Add:</i>				
<i>Finance costs</i>	30,920,952	34,750,696	38,976,163	39,774,798
<i>Manager's fees</i>	12,616,534	12,796,372	12,760,955	13,253,725
<i>Trustee's fees</i>	664,577	665,681	676,287	685,921
<i>Quit rent and assessment</i>	8,430,316	8,437,047	8,474,667	8,130,655
Total Value Generated	137,118,336	137,604,737	132,995,619	146,498,857
Payments to the Manager and Trustee				
<i>Manager's fees</i>	12,616,534	12,796,372	12,760,955	13,253,725
<i>Trustees fees</i>	664,577	665,681	676,287	685,921
Payments to government				
<i>Quit rent and assessment</i>	8,430,316	8,437,047	8,474,667	8,130,655
Payments to providers of capital				
<i>Income distribution</i>	79,419,121	75,882,237	72,881,244	86,600,067
<i>Finance costs</i>	30,920,952	34,750,696	38,976,163	39,774,798
<i>Economic value retained</i>	5,066,836	5,072,704	(773,697)	(1,946,309)
Total Value Distributed	137,118,336	137,604,737	132,995,619	146,498,857

Table 4: Direct Economic Value Generated and Distributed

Data Privacy

[GRI 3-3, 418-1]

Digitalisation and connectivity has become a global imperative in light of COVID-19. Therefore, it is paramount that we have a secure network that protects such connections. Malicious hackers and online scammers have taken advantage of the COVID-19 pandemic situation whereby millions of people are ever more reliant on working online, leading to an upswing of cybercrime.

At SENTRAL, we are conscious of our duty to our stakeholders in securing our network and safeguarding their personal data which builds the foundation of their trust and confidence in us. SENTRAL's cybersecurity partly falls under the purview of the MRCB IT helpdesk. Here, cybersecurity matters are reported for furthering monitoring suspicious activity, followed by any required steps to manage issues.

Our Privacy Policy informs and assures that confidential data is handled in a compliant, ethical manner and follows industry standards.

SUSTAINABILITY STATEMENT

(cont'd)

To remain current with emerging security threats, we continually expand our Information Technology ("IT") controls including maintaining and improving our existing cybersecurity measures in place. Our Information Security Policy, part of our ICT System Manual, guides these controls and procedures which safeguards our information assets, mitigate the effects of improper control, instruct third parties on information security, informs our employees on security risks and arms them with tools to approach these risks.

All SENTRAL's employees, temporary workers, practical trainees and third parties who are engaged to work with or have access to SENTRAL's data are legally bound by this policy.

Table below depicts our data privacy initiatives for FY2021:

Ongoing initiatives	
Data Privacy Regulatory Compliance	<ul style="list-style-type: none"> • Our employees are subject to the Personal Data Protection Act 2010 ("PDPA") where they are required to sign a declaration to acknowledge to treat the personal and confidential information of others in a responsible manner at all times • Third parties are required to read, understand and acknowledge a Non-Disclosure Agreement ("NDA") where there is sensitive information required from the other party • A standard personal data clause has been included in all of our tenancy and service agreements • Consent must be obtained prior to personal data collection and processing
Data Protection Awareness	<ul style="list-style-type: none"> • Regular email reminders and monthly editorial messages are disseminated by our IT helpdesk to alert our employees on spam or phishing emails, potential cyber-attack and updates of passwords for all systems • Conducted online security awareness training for all employees • Perform regular system backups • Short video clips are play at TV located at lift lobby periodically to remind all employees must not leave their laptops or computers unattended to avoid access by unauthorised • MRCB's IT department will also quarantine suspicious email before releasing to staff
Data Security Controls	<ul style="list-style-type: none"> • Keep abreast with the Antivirus software • Set up user access rights for system usage and firewall by IT department • Perform cybersecurity and IT risk and control assessments to allow identification and timely response to information security threats, such as quarantining suspicious emails before releasing to staff
Physical Data Management	<ul style="list-style-type: none"> • All of our physical data are stored on premises in our data warehouse centre • We have shifted to more operationally comprehensive cloud-based digital filing of data since beginning of FY2021 • We have implemented the use of Yardi, a cloud-based accounting, finance and leasing system, which facilitates the uploading of soft copies of all documents, tenancies, agreements, acting as another source of backup of our physical data • Moving forward, we plan to implement Yardi System for facility management as well, integrating both system facility management and accounting system. Beyond data security, this consolidation of data management is targeted at improving tenant satisfaction

There were no substantiated complaints of cybersecurity breaches or customer data thefts in FY2021. Moving forward, we strive to maintain this outcome by enforcing rigorous compliance and continue to enhance our cybersecurity capabilities.

SUSTAINABILITY STATEMENT

(cont'd)



SENTRAL's environmental management practices are meant to manage our impacts created via consumption, organisational activities and investments. Our continued tracking and monitoring of our environmental impact is targeted at gauging the efficiency of our management initiatives to ensure minimisation of such negative impacts while in operation.

Energy and Carbon Footprint

[GRI 3-3, 302-2, 302-3, 302-4, 305-2, 305-4]

Climate change is an increasingly material global agenda, including in real estate. According to the International Energy Agency, it is estimated that 28% of global greenhouse gas (GHG) emissions come from building operations.¹ Increased GHG emissions lead to rising average global temperatures, in turn resulting impacting weather conditions in the long-term which can be extreme: heatwaves, heavy rainfall and drought, among others. In this regard, efforts to decarbonise and reduce emissions should, and is, seen as an investment in the future. At COP26, Malaysia updated its Nationally Determined Contributions to reduce economy-wide carbon intensity (against GDP) by 45% by 2030. The country is also committed to become a carbon-neutral nation by 2050. At SENTRAL, we reflect this global view through our commitment to energy management.

Our approach in energy management is illustrated in the diagram below

Our approach in energy management			
	Installation or replacement of conventional lighting with energy savings lighting (e.g. LED lighting)		Installation or upgrade to energy efficient air conditioning systems
	Installation or replacement of solar power system		Installation and improvements of building automation system ("BAS")
	Regular inspection of existing equipment to ensure they remain in good condition		

Purchased electricity for building operations is SENTRAL's primary source of carbon emissions. Our property managers are responsible for driving energy conservation via improvement plans for their respective buildings' mechanical and electrical systems. Each building's energy performances are monitored and reported monthly by the property managers to SRM through the Asset Control Group ("ACG") report.

Since 2019, SENTRAL has introduced multiple initiatives across our portfolio to minimise operational energy consumption and carbon emissions. These include carbon reduction and avoidance approaches consisting of energy efficiency measures and use of renewables such as solar energy respectively.

¹ Tracking Buildings 2020 – Analysis - IEA

SUSTAINABILITY STATEMENT

(cont'd)

Our two green buildings, Menara Shell and Platinum Sentral, also contribute to reducing our environmental footprint as they are built with better ventilation and natural lighting, resulting in lower energy consumption and water consumption. In FY2021, our key energy efficient initiatives are highlighted in Table 5 below.

No.	Building	FY2021 Initiatives
1	Menara Shell	<ul style="list-style-type: none"> - Improved Building Automation System algorithm programme to optimise the sequence functioning of building air-conditioning system to improve energy efficiency - Replaced LED lighting at toilets - Installed new rooftop Motorised Fire Damper (“MFD”) - Optimised cooling system through air-conditioning system upgrades: <ul style="list-style-type: none"> o Partial replacement of system’s motorised valves and cable networks o Maintenance and improvements of Primary Air Handling Unit (“PAHU”) o Reprogramming, recalibration and recommissioning of sensor and control systems o Full replacement of Air Handling Units pressure gauge manifolds
2	Plaza Mont Kiara	- Installed energy-saving LED lighting for car parks
3	Platinum Sentral	- Replaced LED lighting for Block D toilets

Table 5: FY2021 energy efficient initiatives

This year, we achieved our target of 2% energy consumption reduction by achieving a reduction of 16% from FY2020. This is mostly due to government’s MCO which necessitates working from home and cessation of building operations for a given amount of time.

Figures 7 to 10 below depicts information on energy consumption and intensity as well as carbon emissions.

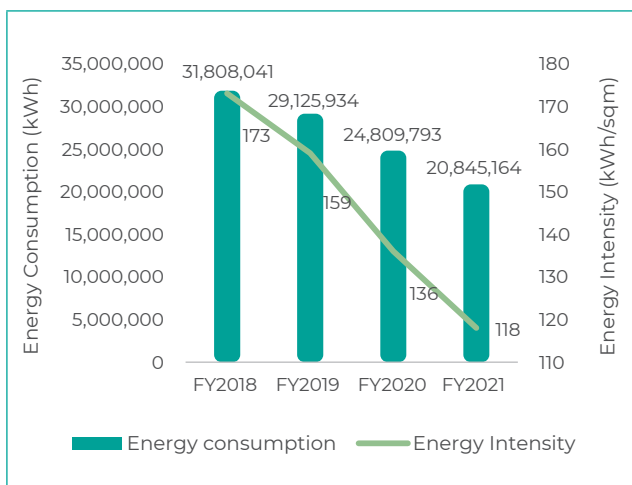


Figure 7: Total energy consumption and intensity

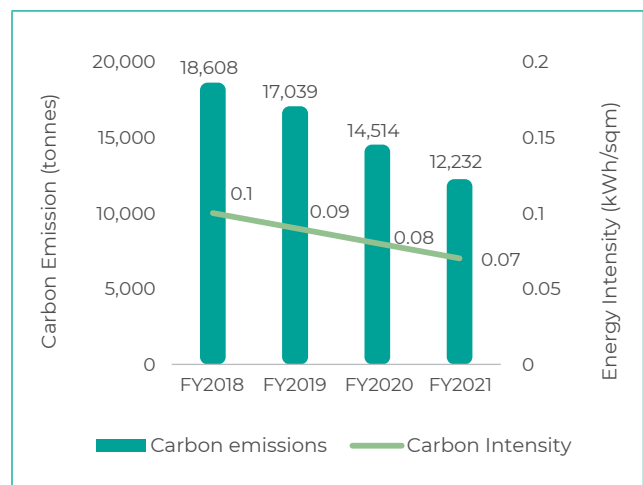


Figure 8: Total carbon emissions and intensity

SUSTAINABILITY STATEMENT (cont'd)

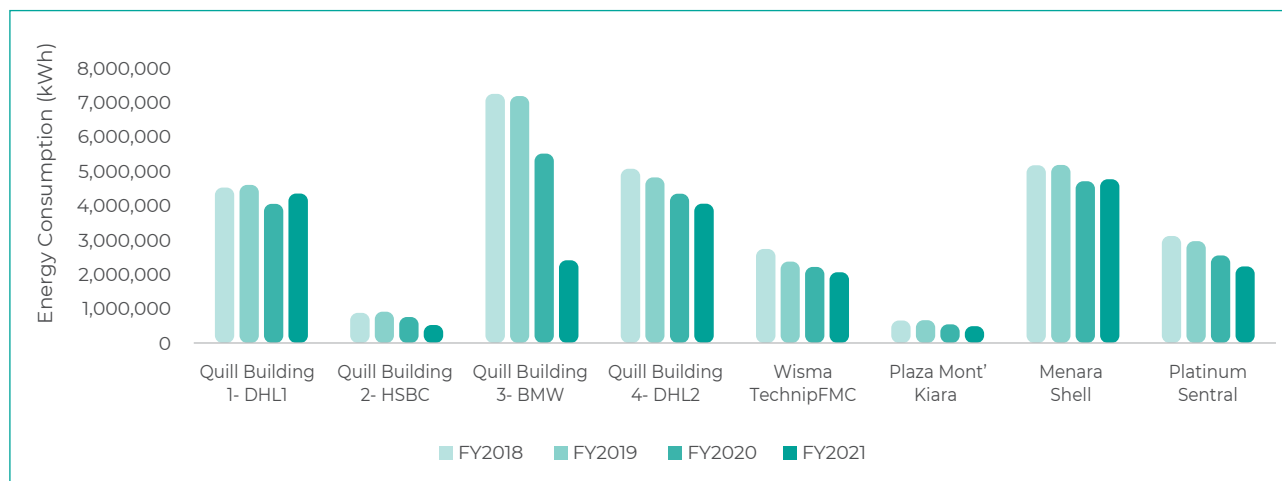


Figure 9: Total energy consumption by property

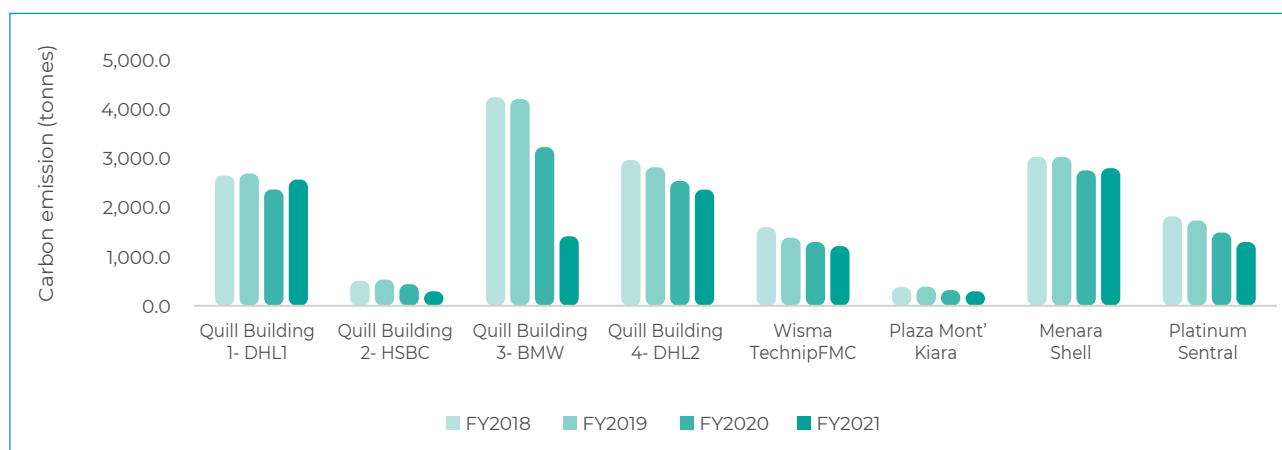


Figure 10: Total carbon emissions by property

* Carbon emission from purchased electricity (Scope 2) is calculated based on the emission factors from the 2017 CDM Electricity Baseline For Malaysia report by Malaysian Green Technology Corporation

We are in the midst of developing our Energy Management Policy to serve as the formal guidance for the execution of SENTRAL's energy conservation and management activities. We intend to roll out this Policy to all buildings by FY2022.

Moving forward, we continue to target a 2% reduction year-on-year through our various measures in enhancing our energy efficiency across our buildings. Table 6 depicts our planned initiatives for FY2022 in-line with our firm commitment towards energy reduction.

No.	Building	FY2022 Initiatives
1	Platinum Sentral	- Installation of LED building lighting for Level 3 Atrium and Block D F&B Courtyard
2	Menara Shell	- Installation of LED lighting in toilets

Table 6: FY2022 energy efficient initiatives

SUSTAINABILITY STATEMENT

(cont'd)

Water Management






[GRI 3-3,303-1, 303-5]

SENTRAL consumes water for our building operations, sourcing purchased water from water service providers prior to discharge via the sewerage system.

Water management remains an important aspect of efficient operations. Our portfolio buildings could be affected by supply disruptions and causes inconveniences to stakeholders, including our tenants. Such disruptions are caused by factors beyond the control of SENTRAL as a service subscriber, which include pollution of raw water sources or service downtime.

In view of such impact, we employ measures to track and improve building water use intensity, as guided by our Water Management Policy 2020 for all buildings, thereby contributing to sustainable water management. SENTRAL's Water Management Policy underlines our commitment in optimising water use via meaningful goal-setting and solutions, in cooperation with our stakeholders, to ensure compliance and equitable use.

Our approach in water management are illustrated in the figure below

Our approach in water management			
	Installation of rainwater harvesting system		Regular inspection of air-conditioning systems to ensure they are operating at optimum levels (largest source of water consumption)
	Regular inspection of piping system and fittings to ensure they maintain in good condition		Installation or replacement of conventional water fittings with water efficient fittings including sensor taps
	Repair and replace old pipes, fittings and other equipment where necessary		

In FY2021, our key initiatives are highlighted in the table below and we have also achieved our target of 2% year-on-year reduction in overall water consumption by achieving 6.3% of reduction for FY2021.

No.	Building	FY2021 Initiatives
1	Menara Shell	- Currently implementing replacement of restroom water fittings with self-closing taps, water tap sensors and water flush valve systems, with a view to complete process by 2022

Table 7: FY2021 water management initiatives

SUSTAINABILITY STATEMENT

(cont'd)

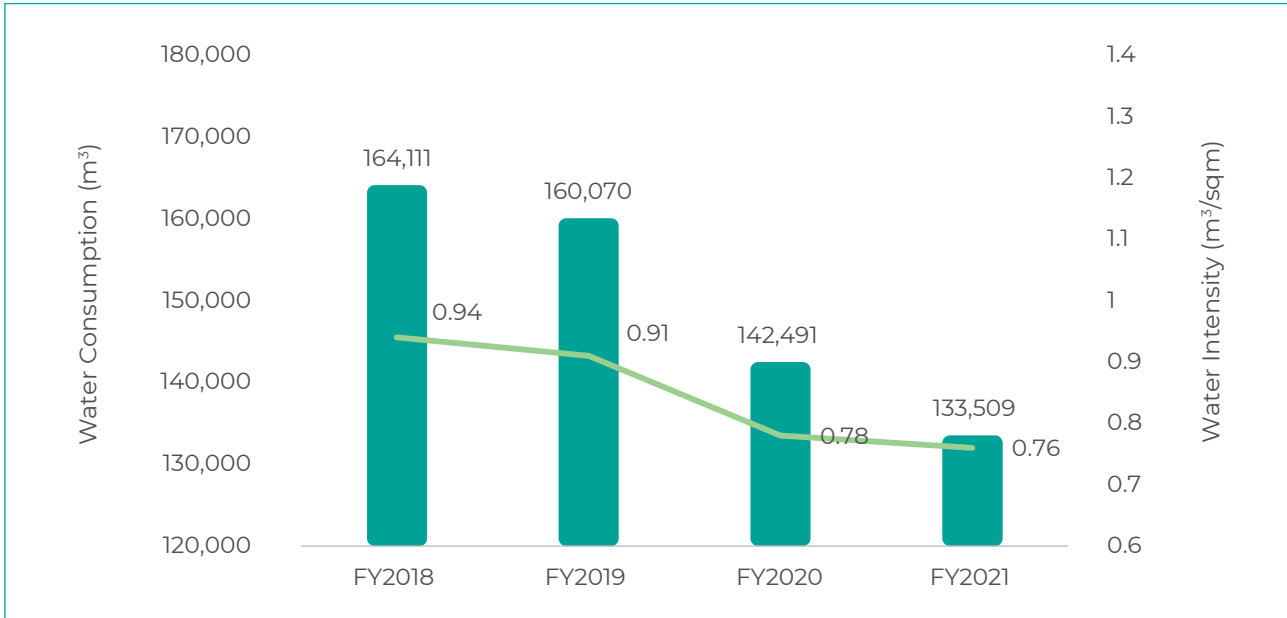


Figure 11: Total water consumption and water intensity

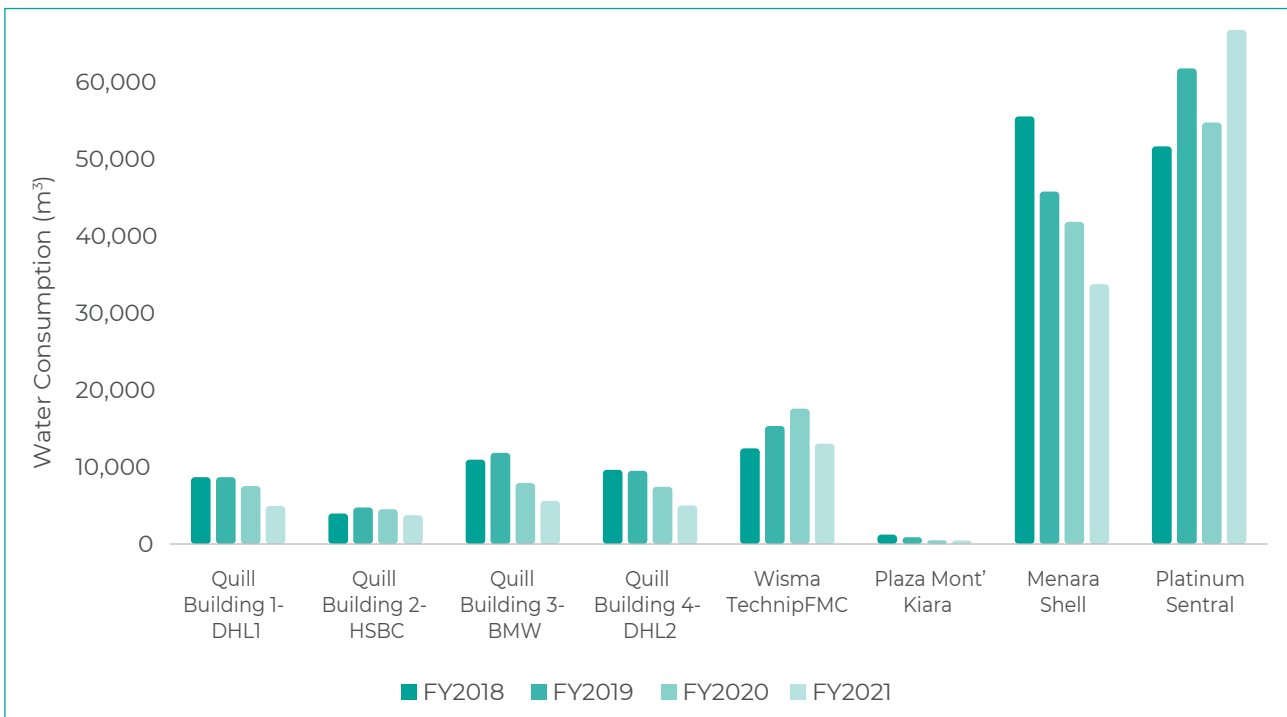


Figure 12: Total water consumption by property

The increase in water consumption for Wisma Technip FMC is due to faulty meter readings in FY2018 and FY2019 that contributed to lower water consumption reading in FY2018 and FY2019

SUSTAINABILITY STATEMENT

(cont'd)

Moving forward, we intend to continue our efforts in improving water efficiency across our buildings to achieve our target of 2% reduction year-on-year. Our commitments for FY2022 are illustrated in the table below.

No.	Building	FY2022 Initiatives
1	Platinum Sentral	Upgrading Roof Rainwater Drainage System at Atrium area
2	Quill Buildings 1 and 4	Installation of new water filtration systems to ensure clean water quality for consumption purposes.

Table 8: Future water management initiatives




Waste Management

[GRI 3-3, 306-2]

Waste produced by SENTRAL's operations are mainly generated by our food and beverage tenants' ("F&B") outlets. The property manager is responsible for ensuring the legally compliant disposal of waste as well as collection of recyclables, such as paper waste, by licensed waste contractors (LWCs).

Daily waste collection by LWCs is conducted through the use of centralised refuse chambers provided at every portfolio property to cater for waste storage and segregation.

Our approach to waste management is illustrated in the figure below.

Our continuing approach in waste management			
	Disposal of waste by licensed waste contractors and based on regulatory requirements		Provision of recycling bins to encourage habits of recycling
	Creating awareness of sustainable waste disposal and management through notice or posters		

We are also cautious in managing our food waste. Fats, oils and grease can contaminate local streams if not appropriately managed when washed down kitchen sinks, to the effect of compliance requirements as stipulated in Environmental Quality (Scheduled Wastes) Regulations 2005. Our F&B outlets in Plaza Mont' Kiara, Platinum Sentral and Menara Shell are equipped with rubbish and grease traps to filter grease and food solids before being discharged into the wastewater disposal system.

SUSTAINABILITY STATEMENT

(cont'd)



Figure 13: Recycling bin placed in Platinum Sentral

As part of awareness-raising on responsible waste management, recycling bins have been placed in common areas such as lift lobbies and high traffic areas to encourage recycling among employees, tenants and visitors. Environmental awareness notices and posters are also displayed to encourage tenants and visitors to reduce, reuse and recycle waste. Notices and posters are displayed in building washrooms to encourage lesser usage of paper hand towels. In addition to our ongoing initiatives, we installed automatic jet air hand dryers to replace paper hand towels at Menara Shell for FY2021, hence reducing waste generation.

SUSTAINABILITY STATEMENT

(cont'd)



Health and Safety

[GRI 3-3, GRI 403-2, 403-5, 403-6, 403-9, 403-10]

COVID-19 has created greater has necessitated measures to protect from exposure to spread of the pandemic, while raising stakeholder awareness on health and safety as a broader concern. Our stakeholders' safety, health and well-being still maintain as one of our top priority. This includes our employees, tenants, contractors, visitors and communities while on premises.

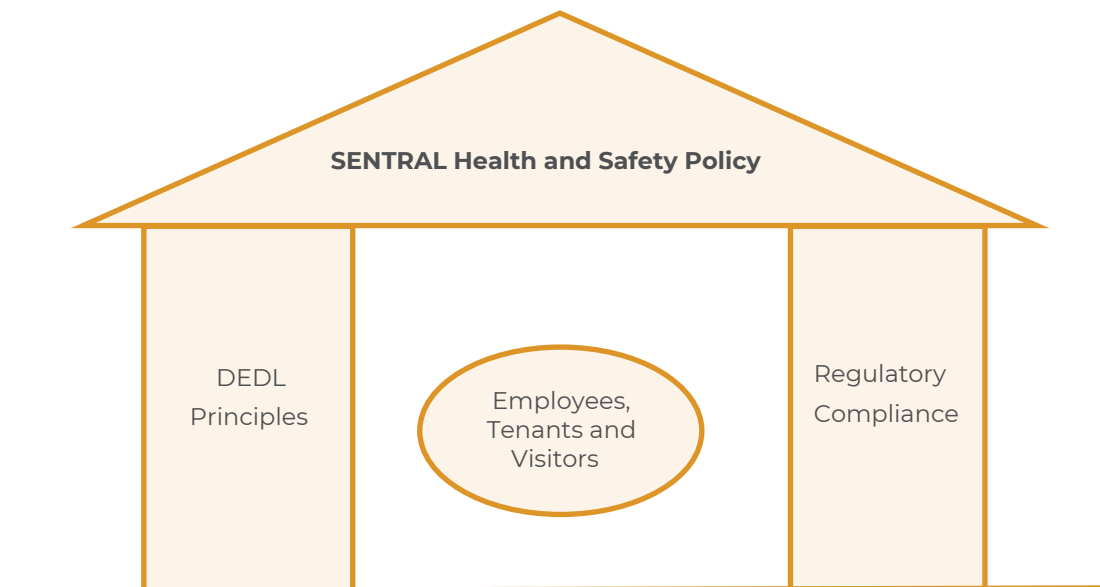


Figure 14: SENTRAL's Health and Safety Principles

Our Health and Safety ("H&S") Policy is designed based on our Develop, Engage, Deal, Lay ("DEDL") Health and Safety Principles, as well as relevant laws and regulations such as the Occupational Safety and Health ("OSH") Act 1994 by the Department of Occupational Safety and Health. SENTRAL's H&S Policy guides the management of all health and safety issues. All SRM employees, building management team and contractors are required to follow our H&S policy to ensure measures are in place to prevent health and safety hazards.

SUSTAINABILITY STATEMENT (cont'd)



Figure 15: SENTRAL's Health and Safety Principles

Our DEDL Health and Safety Principles, shown in Figure 15 above, details our approach to continually improve our approach to health and safety for all stakeholders. Additionally, we ensure ongoing compliance with requirements set out by the Department of Occupational Safety and Health ("DOSH") for offices, including receiving periodic checks by DOSH representatives.

Managing risks and hazards in our buildings

Health and safety risks as well as hazards in SENTRAL's operations are centred around occupant safety and health. In this regard, stakeholder participation is necessary in ensuring minimal exposure to such risk. Here, we work closely with our building management team, tenants and contractors to ensure safety controls are in place to safeguard the health and safety of our tenants, visitors and communities.

Stakeholders	Safety controls
SENTRAL, building management team and contractors	<ul style="list-style-type: none"> • Regular fire risk assessments performed regularly to identify and manage potential risks and hazards • Monitoring safety certifications for fire, lift and escalator to ensure timely renewal • Maintenance and repairs to ensure compliance with safe operating standards implemented by the Fire and Rescue Department of Malaysia ("BOMBA") • Clear safety signage during refurbishment to provide awareness • Regular on-site inspections or spot checks as well as risk mitigation, if required, by the property manager to ensure the building is well maintained in compliance with the OSH Act • Health and safety pre-qualification of contractors and on-going monitoring of work in progress • Yearly safety measures such as major service and maintenance work of high tension and low voltage electrical panel at the building to mitigate electrical and fire hazards by competent persons
Tenants	<ul style="list-style-type: none"> • Establish Emergency Response Teams trained in first aid and equipped with fire-fighting abilities to respond to health and safety risks • Tenants are also required to conduct a risk assessment prior to any renovation and fit-out of the tenanted spaces

SUSTAINABILITY STATEMENT

(cont'd)



Figure 16: Termite infestation prevention for landscaped garden



Figure 18: Major service and maintenance work of high tension and low voltage electrical panel at the building



Figure 17: Annual fire drill and evacuation exercise



Figure 19: Thermography scanning of all the electrical panels at the building

Health and safety grievances

In adherence to our Health and Safety Principles, stakeholders are also provided channels to raise concerns regarding health, hygiene and safety protection matters, to which effective responses are planned. Every incident will be acknowledged, reviewed, handled and followed up to achieve closure or reach a suitable conclusion. No health and safety grievances were reported were FY2021.

Our grievance mechanisms are illustrated in Table 9 below.

Channel	Description
Telephone	Stakeholders can lodge grievances to the Building Management Office (“BMO”) via a telephone hotline or request to speak to a stakeholder contact officer or obtain the contact details of the property manager in charge
Email	Grievances can be submitted in writing to the respective property manager’s email which can be retrieved from the respective BMO
Face-to-face Communication	We have physical point of contacts for stakeholders to escalate grievances directly to the property managers. We also have Auxiliary Police and security guard personnel on-duty for 24 hours at our main lobby counter to protect the property of and prevent criminal activities

Table 9: Health and Safety Grievance Mechanisms

SUSTAINABILITY STATEMENT

(cont'd)

Protecting our people during the COVID-19 crisis

Malaysia continues to remain exposed to the COVID-19 pandemic which began in 2020. In meeting government COVID-19 spread prevention and control measures, we have adopted various precautionary measures and controls to ensure the safety of our employees, tenants, visitors and communities while continuing to monitor developments around the pandemic.

An Emergency Response Plan was established and communicated to all employees and tenants to facilitate operations and movement in times of crisis. All our stakeholders are required to follow the Ministry of Health's COVID-19 SOP guidelines to mitigate any potential risk of exposure to COVID-19. Details of our COVID-19 measures are illustrated below.

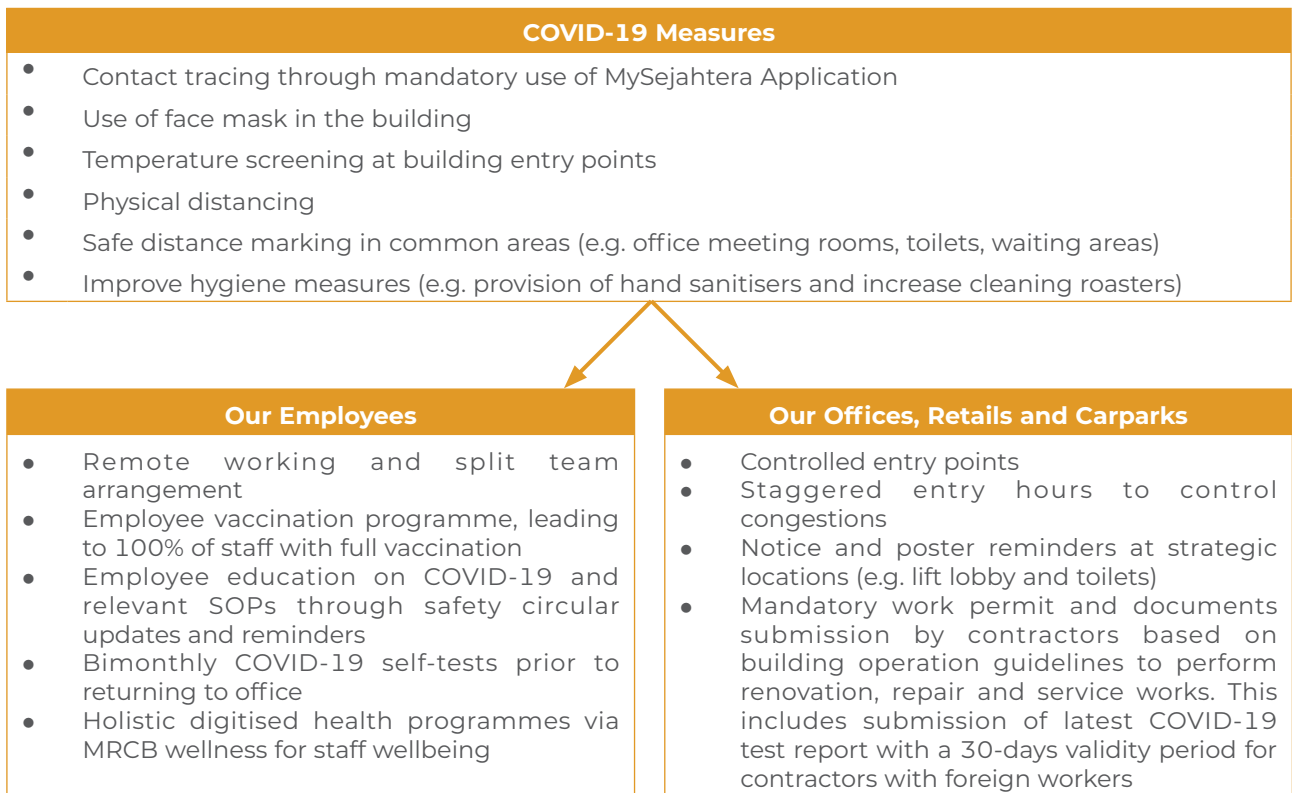


Figure 20: Provision of hand sanitisers and contact tracing using MySejahtera Application



Figure 21: Physical distancing measures in building lifts

SUSTAINABILITY STATEMENT

(cont'd)



Figure 22: Temperature screening at car park entrance at Platinum Sentral



Figure 23: Physical distancing measures in building lobby

Health and Safety initiatives in FY2021

International Fire Conference and Exhibition Malaysia

On 11 November to 13 November 2021, the triennial International Fire Conference and Exhibition Malaysia ("IFCEM") was held at Kuala Lumpur Convention Centre, with the theme of 'Fire Safety: Gateway to New Decade'. IFCEM is a regional conference and trade fair for stakeholders involved in fire and rescue services, civil protection, as well as safety and disaster management.

As building managers, SENTRAL employees' participation was not only educational professionally, but informative for SENTRAL on current developments of the aforementioned aspects.



Figure 24: International Fire Conference and Exhibition 2021

Menara Shell

Safety Day – Health, Safety, Security and Environment ("HSSE") Forum 2021

On 15 September 2021, Shell Malaysia organised a Health and Safety online forum to discuss unsafe working conditions at home and workplace, and steps to avoid and minimise hazards as a result of poor physical environment. The forum includes Shell Malaysia employees, business partners and safety partners (including SENTRAL).

Other key topics include addressing concerns during the onset of COVID-19 and taking sensible and effective measures to ensure workplace safety and improve morale and productivity.

Our commitment towards ensuring our people's health and safety at Menara Shell is underpinned by our involvement with tenants' OSH Management committees since April 2019, namely Shell and AmGeneral. The committees are a platform for our tenants and management to work together to solve health and safety issues.

SUSTAINABILITY STATEMENT

(cont'd)

Platinum Sentral

In FY2021, the management conducted a few hazard mitigation activities to ensure the wellbeing and safety of the building occupants. The activities include:

- *Termite prevention to reduce risk of termite infestation at landscape garden area. Activities conducted include scheduled professional inspections and installation of in-ground monitoring stations to detect termite presence.*
- *Routine cleaning of building perimeter pavement which includes removal of algae, clearing trash and other hazard from drains*
- *Conduct safety measures every 2 years to mitigate electrical and fire hazard by HSE officer*
- *Periodic service and maintenance work of high tension and low voltage electrical panels which includes thermography scanning of all the electrical panels at the building. This helps to detect heat losses and air leakage in building envelopes*

For FY 2021, SENTRAL reported no case of fatalities, work-related injuries and any incidence of non-compliance with regulations concerning health and safety . We will remain focused on complying with the COVID-19 SOP and OSHA Act to safeguard our stakeholders' health and safety.

Quality of Assets and Services

[GRI 3-3, 204-1]

As a commercial properties-focused REIT, the quality of our assets and accompanying services are core to our business. Our business success is directly impacted by our tenant 's satisfaction and is also a key factor in attracting new tenants.

As the Manager, we aim to provide value-adding services that meet our tenants' needs on the ground through: asset enhancement, innovative ideas, technology including digitalization, and management of supply chain.

Asset Enhancement

Guided by our asset enhancement policy, we aim to continuously enhance our buildings' functional and aesthetical characteristics, space planning and design with an awareness of environmental friendliness to ensure that our tenants are in a safe, secure, clean and comfortable environment.

Periodic asset enhancement initiatives ("AEIs") facilitate our delivery of quality spaces, good services as well as building facilities that can be enjoyed by our tenants during their occupancy. Our asset enhancement plan is presented yearly to the Board for approval.

We work closely with our property managers, suppliers and contractors in maintaining the quality of our buildings. Maintenance work is carried out as recommended by each building's Operations and Maintenance ("O&M") Manual.

SUSTAINABILITY STATEMENT

(cont'd)





Our approach for asset enhancement			
	Conduct internal audit on preventive maintenance check		Perform monthly and yearly inspections on mechanical, electrical and plumbing ("MEP")
	Appointment of qualified service contractors to undertake routine service and maintenance work		Regular engagements with tenants on the functionality of facilities and systems

Figure 25: SENTRAL's Asset Enhancement Initiatives

Our AEIs for FY2021 are illustrated below with a total of RM1,770,000 invested, reflecting a 19% increase from FY2020.

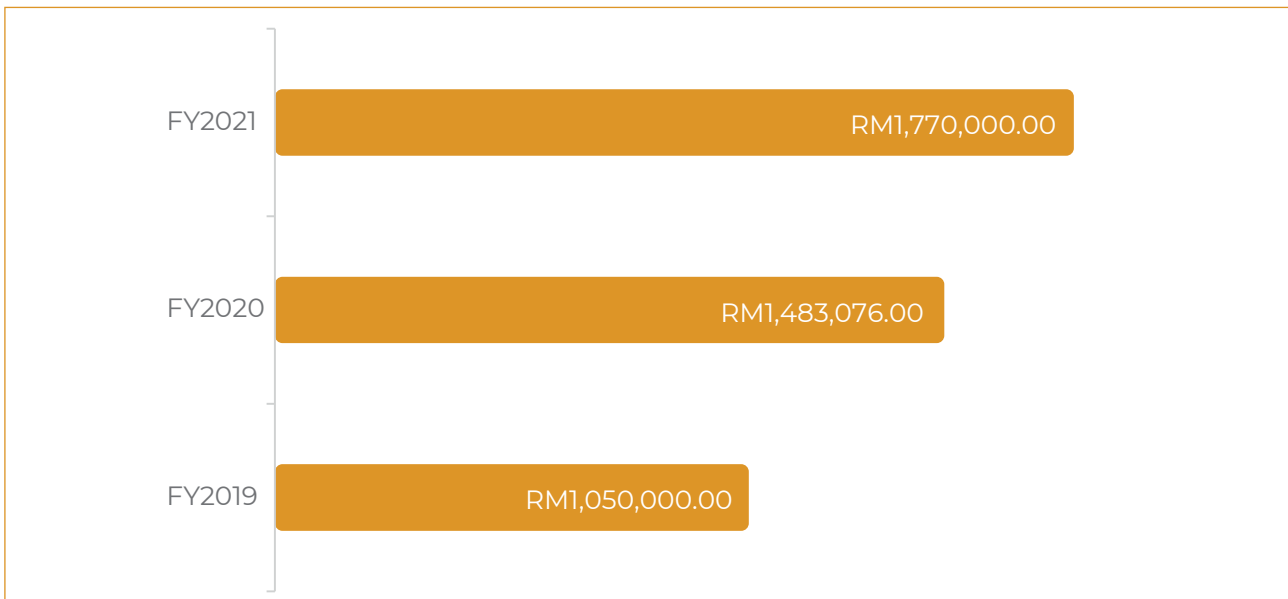


Figure 26: SENTRAL's Asset Enhancement Investments

SUSTAINABILITY STATEMENT

(cont'd)

Menara Shell

- Enhanced Air-Conditioning and Mechanical Ventilation (ACMV) into Building Automation System which helps to improve overall energy efficiency
- Upgraded Fan Assist Terminal inside tenant premises for energy efficient optimum air circulation
- Installed elevator lock device systems to improve safety



Figure 27: Implementation of fully cashless parking system



Figure 28: Installed energy efficient LED lighting

Plaza Mont Kiara

- Installed energy efficient LED lighting at the carparks for a brighter view and more energy efficient
- Implementation of fully cashless parking system to improve users' convenience and payment process efficiency



Figure 29: Upgrade staircase with anti-slip tiles



Figure 30: Replacement of underground domestic piping

Quill Buildings 1 and 4

- Upgrade main entrance staircases with anti-slip tiles to enhance safety
- Replacement of underground domestic piping



Figure 31: Upgrade of roof rainwater drainage system

Platinum Sentral

- Upgraded roof rainwater drainage system to be collected into Level 1 storage tanks



Figure 32: Upgrade of washroom in buildings

Menara Shell

- On-going improvement works for toilets

SUSTAINABILITY STATEMENT

(cont'd)

AEIs are continuously undertaken to deliver high quality solutions to enhance our buildings' atmosphere and improve the overall experience of our tenants and customers. Our AEI commitments for FY2022 are as follow:

No.	Building	FY2022 Initiatives
1	Quill Buildings 1 and 4	<ul style="list-style-type: none"> - Installation of anti-theft perimeter fencing to enhance the building's security features - Upgrading of LV room ATS 4000 Amp change over for MSB1/MSB2
2	Platinum Sentral	<ul style="list-style-type: none"> - Upgrading of timber flooring at courtyards B and D - Installation of new structure to replace the water feature at the main entrance - Repainting of the interior walls at Level 3 Atrium area
3	Menara Shell	<ul style="list-style-type: none"> - Replanting of trees at Level 5 terrace - Upgrading of flooring at main lobby and driveway area

Table 10: Asset Enhancement Initiatives for FY2022

Supply Chain Management

We maintain a strong relationship with our suppliers and contractors, also known as our Property Business Associates, to ensure compliance with local regulations and adhere to high quality, environmental, health and safety standards. Our property managers are responsible for selecting, appointing, and managing our suppliers, contractors and service providers.

Our suppliers and contractors are only appointed upon meeting a set of criteria guided by our Service Provider Pre-Qualification Policy and Services Contractor Evaluation Policy, indicated in Figure 33. The assessment criteria include financial capacity, technical experience and timely delivery, among others, as well as the level of bribery risks that a potential partner may pose to SENTRAL, in relation to the MACC Act 2009. All suppliers must conduct their businesses in accordance with the highest standards of ethical behavior.

In FY2021, an online training session was provided to all property managers, emphasising the Pre-Qualification and Due Diligence Assessment on our Property Business Associates. With effect from FY2022, online briefing will be conducted annually with property managers, and may include additional sessions for updates and ensuring compliance as deemed necessary.

These policies apply to all our properties except for Lotuss Building Penang as it is fully managed by the tenant.

Facility Manager Management

We are planning to roll out Facility Manager App in second quarter of 2022 for all SENTRAL properties, except Lotuss Building Penang for better real time monitoring of the operation and maintenance of each building, and to improve collaboration, efficiency, accountability and transparency between tenant, property manager and the Manager. The property manager will also be able to access to real time work status through the Facility Manager Mobile App which is very convenient for the property managers to perform a status check any time, anywhere.

SUSTAINABILITY STATEMENT

(cont'd)

Service Provider Pre-Qualification Policy

Pre-qualification and due diligence assessments are mandatory for all service providers to ensure the appointed service providers conduct their business in accordance with applicable laws and regulations and possess the competencies and to carry out the appointed task. The assessment criteria include:

- Relevant experience or track record in the intended work or project
- Financial stability and professional reputation
- Compliance with laws relevant to ethical behaviors (e.g. bribery and fraud)
- Knowledge and skills of personnel appointed to the project
- Experience and knowledge of the relevant authorities' regulations, policies and procedures
- Relevant licensing and registration with government, regulators and local authorities

Service Contractor Evaluation Policy

For existing and newly appointed suppliers and contractors, on-going evaluation and monitoring process is conducted to ensure the service quality meets our requirements and to identify opportunities for improvement such as delivery, quality, pricing etc. A standard performance appraisal is conducted annually to re-evaluate the performance of service contractors against a defined set of criteria. Details of our standard performance appraisal are illustrated in Figure 33.

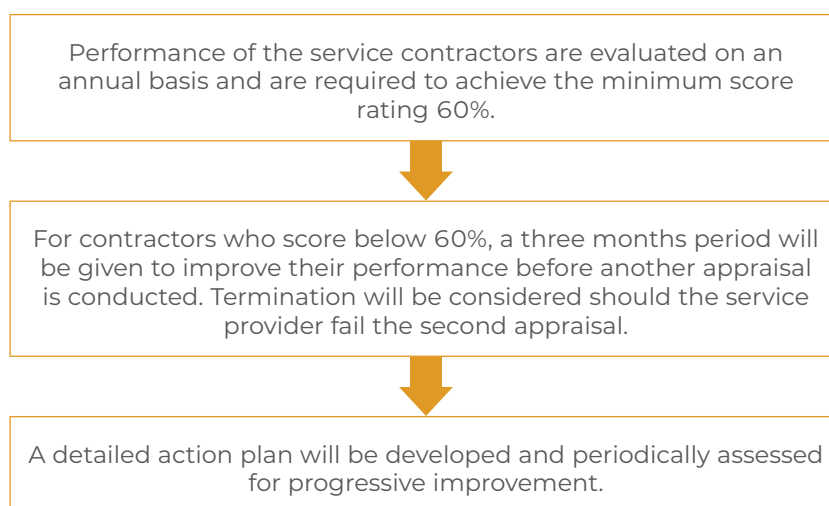


Figure 33: Standard Performance Appraisal

	FY2021	FY2020	FY2019	FY2018
Percentage of service providers underwent performance appraisal (%)	100%	100%	100%	100%
Percentage of service providers achieved higher than the minimum score rating of 60% (%)	100%	100%	99.9%	100%

Table 11: Percentage of services providers underwent performance appraisal and achieved higher than minimum 60% score

SUSTAINABILITY STATEMENT

(cont'd)

In line with the government's aim of developing economic opportunities, we prioritise sourcing from local suppliers and contractors where feasible. This allows us to contribute to supporting local businesses and minimise our environmental footprint. Local suppliers and contractors refer to companies registered in Malaysia. In FY2021, we spent a total of **RM2,386,183.80** on local suppliers and contractors, which is a total of 100% of our procurement budget. Therefore, while our overall expenditure decreased, it was fully spent on local suppliers, reflecting our sourcing priorities.

	FY2021	FY2020	FY2019
Local suppliers and contractors (%)	100%	76%	80%
Procurement expenditure (RM)	RM2,386,183	RM8,539,554	RM8,629,868

Table 12: Percentage of Local Hiring and Procurement Budget

As we progress into FY2022, we strive to maintain a minimum of 75% of locally sourced products and services for our buildings. We are committed to continue exploring ways to strengthen our supplier and service provider relationships through meaningful engagements.

Tenant Engagement and Satisfaction

Tenant satisfaction is key to sustaining our business performance and we are committed to building strong tenant relationship through regular and meaningful engagements. Tenants' feedbacks are collected through regular briefings, sharing sessions, informal communications and via our Tenant Feedback/Complaint forms ("Form").

Our Tenant Complaints Policy outlines our approach in managing tenant's feedback and complaints and we always aim to resolve feedbacks and complaints at the first point of contact. All complaints will also be brought up to the ACG during our monthly meetings on operational matters to improve tenant satisfaction. Our complaints management process is illustrated below:

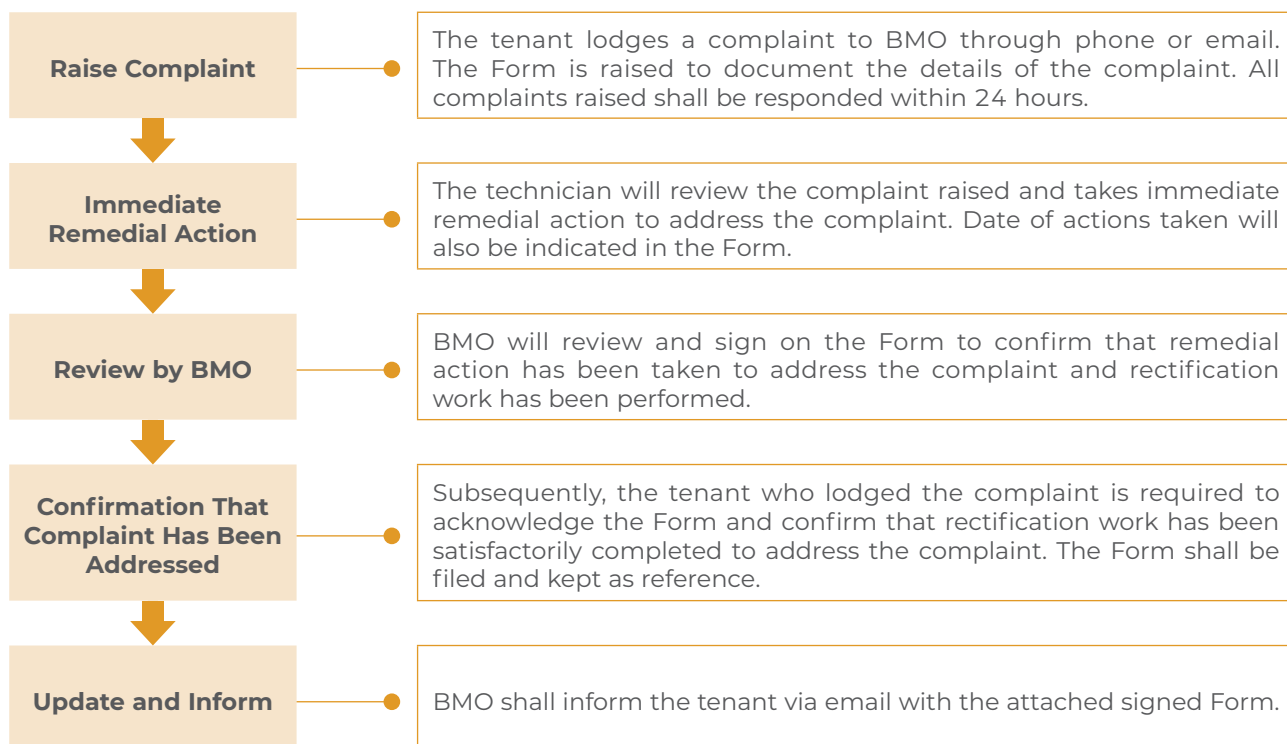


Figure 34: CENTRAL's Complaint Management Process

SUSTAINABILITY STATEMENT (cont'd)

To track complaints raised more efficiently, we have implemented the Computerised Maintenance Monitor System (“CMMS”) in Menara Shell since 2019. Benefits of the CMMS system are illustrated in Figure 35.

Benefits of CMMS system:

- Reduce downtime and repair costs
- Prevent duplication of rectification works through data that was previously inputted
- Track maintenance records of work orders
- Analyse data and detect recurring problems
- Manage work orders efficiently
- Eliminate paperwork
- User friendly and enhance productivity

Figure 35: Benefits of CMMS system

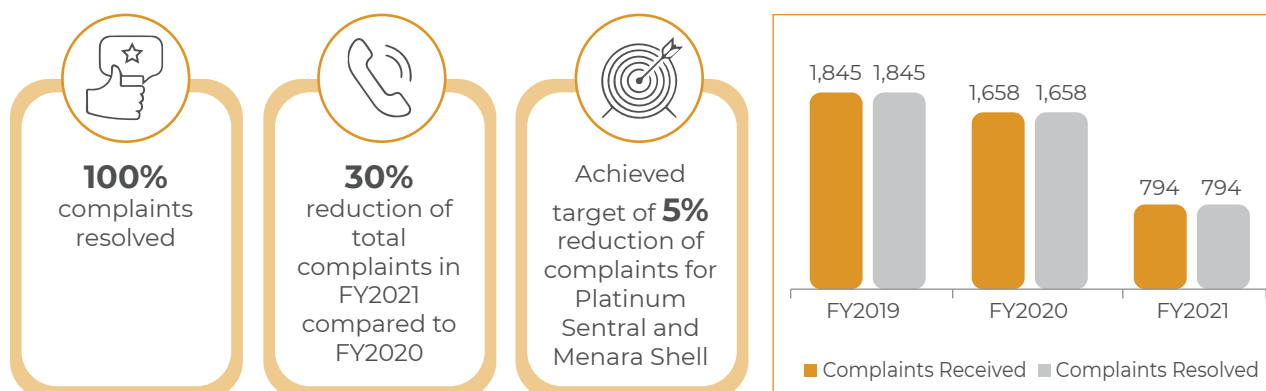


Figure 36: Number of Complaints Received and Resolved

In FY2021, we received a 30% reduction in complaints, 794 as compared to 1,139 in FY2021. We successfully resolved all complaints received during the financial year. We are also proud to achieve our target to reduce 5% of complaints for Platinum Sentral by achieving a 28% reduction.

Menara Shell recorded a 40% decrease in complaints received for FY2021, also meeting the 5% reduction target set. We aim to further reduce the number of complaints for Platinum Sentral by 5% and will continue to practice more proactive engagement to deliver on tenant satisfaction in our daily and weekly operational and maintenance work.

Embracing Innovation and Technology

With our competitive environment increasingly influenced by technological change and the challenges caused by COVID-19, we invested in technology to embrace innovation, increase operational efficiency, improve tenant experience and safety measures since FY2020.

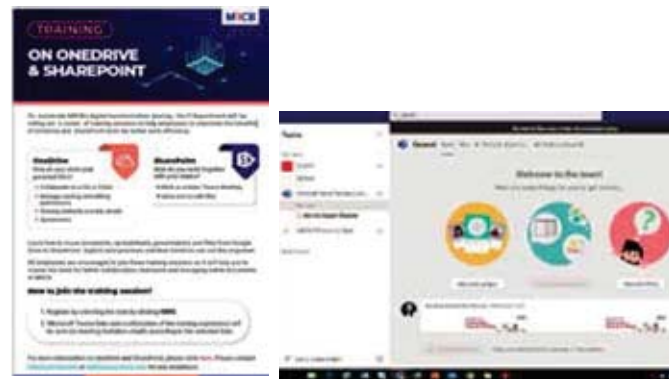
SUSTAINABILITY STATEMENT

(cont'd)



Temperature screening technology

Installation of Facial Recognition Reader with temperature screening and infrared temperature screening in Menara Shell's and Platinum Sentral's key entrances to ensure any personnel with a fever (37.4°C or more) are restricted from entry into the buildings. This provides assurance to our tenants and visitors that strict operating procedures are in place to safeguard building occupants' safety.



Workplace technology

During the COVID-19 lockdown, we have undergone trainings to utilise cloud technology, communication and video conferencing tools such as Microsoft Teams and ShareDrive to support the transition towards remote work environments. These platforms enable continuous communication and engagement among employees to conduct daily business operations.

In anticipating future challenges, we aim to explore options to support digitalisation and automation of processes and functions within our buildings, where suitable. We aim to keep abreast with the latest technologies to serve our stakeholders' ever-changing needs better and remain resilient in the industry.

Employee Management

[GRI 2-7, 2-30, 3-3, 401-1, 401-2, 401-3, 404-1, 404-2, 404-3, 405-1, 406-1]

SENTRAL is supported by its employees. The delivery of our services and continued growth of our business is dependent upon the capacity of our employees. In turn, SENTRAL supports the culture, talent and leadership development, as well as fulfillment of employees' needs in order to deliver on our strategic priorities.

Diversity and Equal Employment

We believe that diversity and inclusion can be key to achieving our objectives, as we seek to attract the right skills and talents to meet the business needs of SENTRAL. Additionally, a diverse and inclusive company can help create a work environment where employees feel respected, valued and supported regardless of backgrounds.

Our support for diversity, inclusiveness and equal opportunities is reflected in our General Policies, Code of Conduct of the Employee Handbook and Sexual Harassment Policy. As per policy, SENTRAL's recruitment practices strive to be fair; we do not tolerate any harassment nor discrimination.

SUSTAINABILITY STATEMENT

(cont'd)

Indicators	FY2021	FY2020*	FY2019	FY2018
Total number of employees	19	18	18	18
Total number of workers	30	36	37	36
Number of new hires	1	1	1	1
Employee turnover	5	1	1	2

Table 13: SRM's Employee Data

* Data for FY2020 was misstated as 17 total number of employees and no new hires. Amendment was made this year to reflect the immediate replacement of one employee that resigned.

Due to the nature of our business, our employees are not covered by the collective bargaining agreement and their working conditions and terms of employment are not influenced or determined based on other collective bargaining agreements. The graphs below illustrate SRM's employee distribution by gender, age group and category.

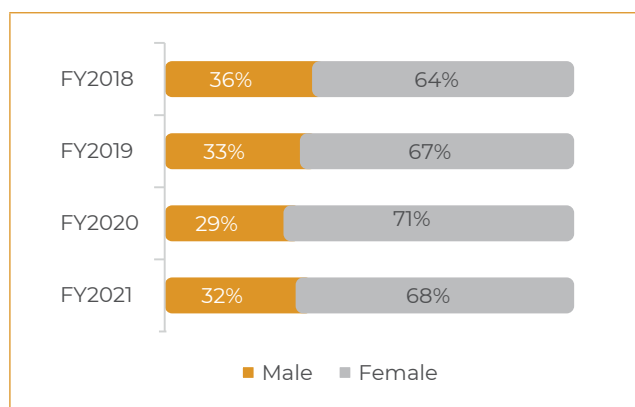


Figure 37: Employee Gender Diversity

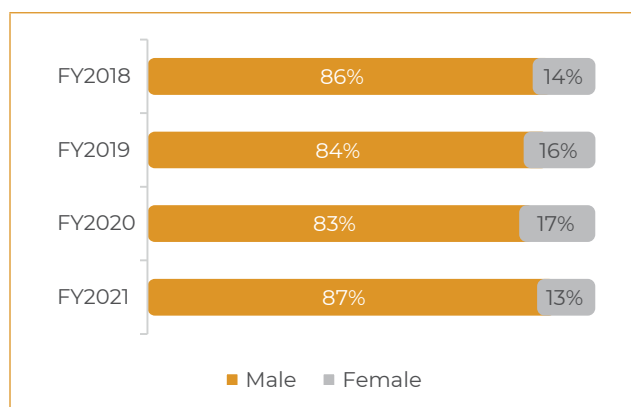


Figure 38: Worker Gender Diversity

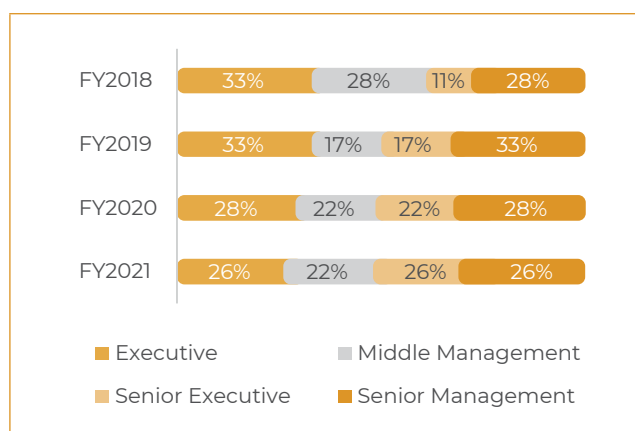


Figure 39: Employee Diversity Per Category*

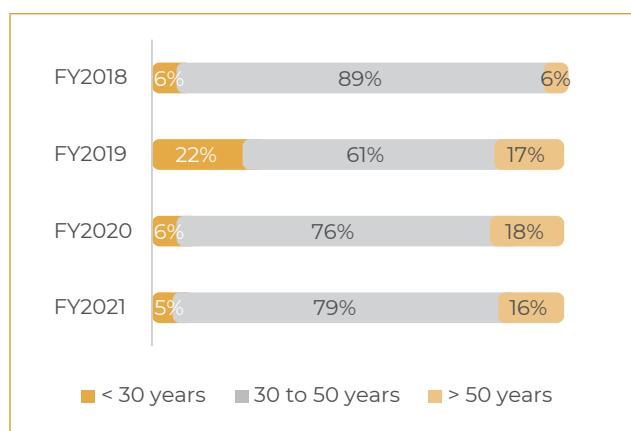


Figure 40: Employee Age Diversity

* Data was mislabeled for FY2018 and misstated for FY2020. Legend has been amended to reflect correct labeling for FY2018, while data disclosure has been corrected for FY2020.

For FY2021, no incident on discrimination or harassment was reported.

SUSTAINABILITY STATEMENT

(cont'd)

Employees' benefits and remuneration

SENTRAL's provision of essential compensation and benefits programmes forms part of our focus on creating a supportive environment for employees. Key benefits offered are listed in the table below, but not limited to:

Types of benefits	Detail of benefits
Insurance	<ul style="list-style-type: none"> Group term life insurance (including dependent) Disability and invalidity insurance Surgical and hospitalisation insurance
Leaves	<ul style="list-style-type: none"> Annual leave Parental leave Maternity leave Compassionate leave Prolonged illness leave Family care leave Examination leave
Wellness	<ul style="list-style-type: none"> Outpatient and health screening
Flexible work arrangement	<ul style="list-style-type: none"> Staggered working hours Work from home ("WFH") arrangements on a weekly rotational basis during the pandemic
Subsidy and reimbursement	<ul style="list-style-type: none"> Professional membership subsidy Petrol subsidy (applicable to selected level/grade of employees only) Parking subsidy Mobile phone bill reimbursement

Table 14: SENTRAL's Employee Benefit Schemes

In support of working parents, we provide the flexibility of shorter working hours for pregnant employees with 90 days paid maternity leave and five days paid paternity leave to promote work-life balance of dual-earner families.

In FY2021, none of our employees took the aforementioned leaves.

Types of Family Leave	FY2021	FY2020	FY2019
Maternity Leave	0	0	0
Paternity Leave	0	0	0

Table 15: Number of Employees Who Took Family Leaves

Remuneration at SENTRAL is also structured to be competitive, incentive-based and fair. Our compensation packages encompass bonuses and equity-based plans (only applicable to selected grade/level of employees only) beyond basic salaries to reward employee performance. Performance reviews are conducted annually to assess our employees' performance and achievements against set key performance indicators and optimise our employees' potential if necessary. In FY2021, 100% of our permanent employees receive their performance appraisal.

SUSTAINABILITY STATEMENT

(cont'd)

Employee engagement

Communication at work is critical to fostering an engaged and motivated workforce.

SENTRAL practices an open doors policy to allow room for conversations to take place. Avenues for employees to escalate their concerns is further enshrined in our Grievance Policy and Procedure. Here, further investigations may be initiated and more importantly, issues will be handled promptly and resolved to the fullest extent possible to maintain a harmonious employer-employee relationship. In FY2021, we report no validated cases of non-compliance with employment regulations or acts concerning employee rights, as well as no unresolved grievance cases requiring escalation to the CEO or chairman.

In view of COVID-19 and the requirements to comply with SOPs as well as physical distancing measures, employee social activities were not organised for FY2021. We aim to continue our efforts in our employee participation in our Corporate Social Responsibility (“CSR”) programmes in FY2022 or when permissible under local regulations. This includes our English Programme for the children of Rumah Ozanam Klang St. Bernadette’s Home and Rumah SVP Klang Home and food aid distribution to the B40 community.

During the MCO period where WFH arrangements were implemented, we conducted regular engagements through various methods to allow our employees to express their issues and concerns, enabling the management to provide an appropriate response in addressing their needs. This includes individual or group counselling services provided by MRCB Group, email communications and WhatsApp Chat Groups.

Training and Education

Talent development at SENTRAL is requisite to meeting our business needs. Our training and development plans are guided by MRCB Group’s training and development policies. Employees are provided access to MRCB Group’s diverse training platforms and programme including e-Learning, which presents a great opportunity for our employees to develop skills. For FY2021, online training was expanded via employee exposure to e-LATih programme by government agency HRD Corp, which lists more than 300 courses.

Digitalisation is now both an imperative and an opportunity in the wake of COVID-19. We are committed to ensure our employees are equipped to embrace the new digital age, which aligns with our aspiration to nurture a workforce of the future. In FY2021, all our trainings continued to be conducted online and focused on providing the know-how to employees on the available technology, applications and software rolled out by the Group to facilitate remote working arrangements due to the imposition of the MCO. Our training programmes conducted in FY2021 are illustrated below:

	Microsoft Teams: Power User Training
	OneDrive and SharePoint Online Training
	Corporate and Directors' Liability under the Malaysian Anti-Corruption Commission Act 2009 and SRM's Anti-Corruption Policy
	Environment, Safety & Health Online Training
	MRCB Wellbeing Programme – Educational features of this online holistic health programme by MRCB Group comprise employee guidance on caring for physical and mental well-being via assistance by coaches while pursuing personalised health plans.

Figure 41: Trainings Conducted in FY2021

SUSTAINABILITY STATEMENT

(cont'd)

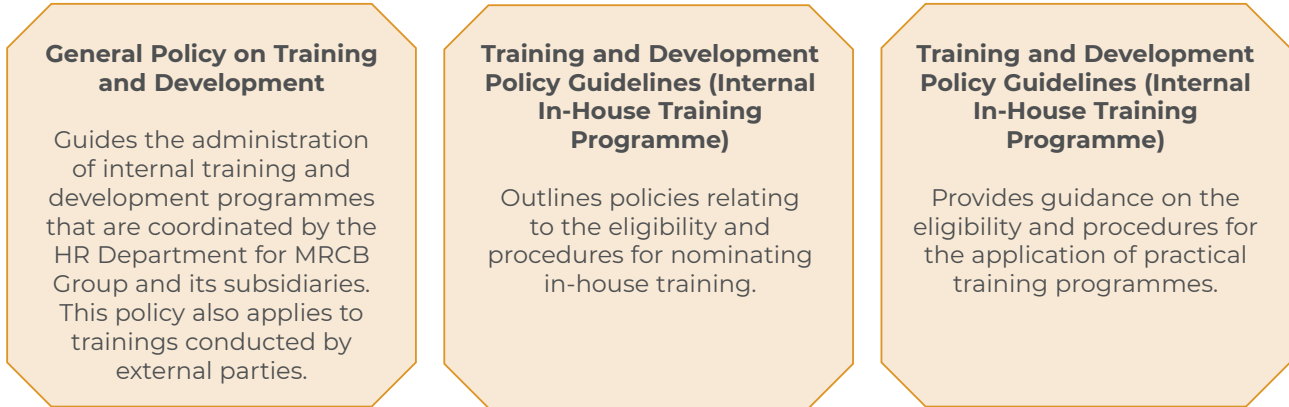


Figure 42: MRCB Group Training and Development Policies

Furthermore, employees are also encouraged to enroll into online training courses developed by various reputable training or consultancy organisation including CKM Advisory Sdn Bhd, Securities Industry Development Corporation (“SIDC”), Malaysian Institute of Accountants (“MIA”) Online Training Course, Certified Public Accountant (“CPA”) Training Course and others. This is to empower our employees to extend their learning of technical and functional skills to obtain and/or maintain professional qualifications and relevant competencies. Due to the pandemic, we have to put on hold our yearly compulsory health and safety trainings which includes first aid training and Cardiopulmonary Resuscitation (“CPR”) training.

In FY2021, we have invested a total of approximately RM23,500 for training programmes and all employees underwent a total of 489.2 training hours which works out to an average of 25.7 training hours per employee. 88% of the employees have achieved the company-wide target of 20 hours of training and all Capital Markets and Services Representative License Holders have achieved the 20 Continuing Professional Education (“CPE”) points requirement. The decrease in training hours is mainly due to the impact of COVID-19 where physical trainings were put on hold.

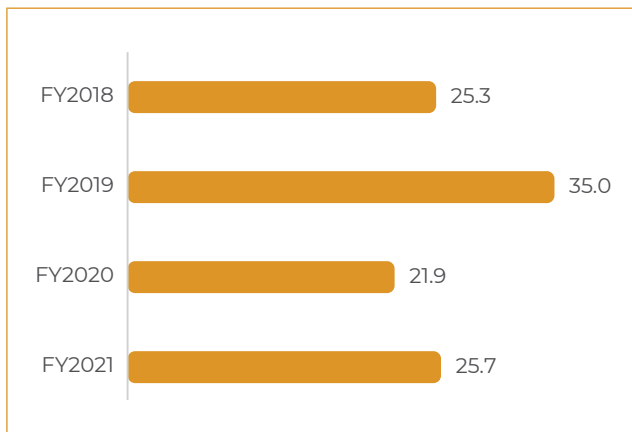


Figure 43: Average Hours of Training Per Employee

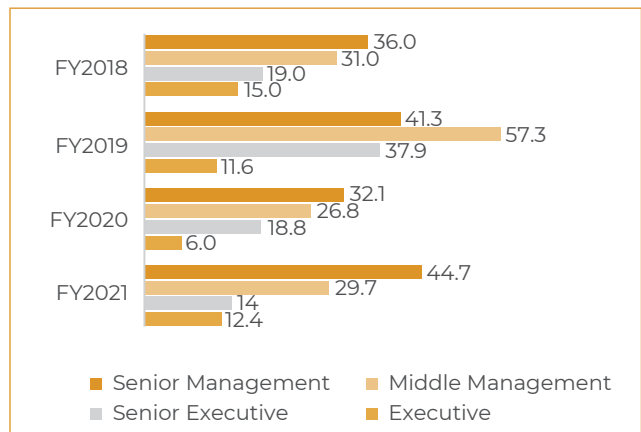


Figure 44: Average Hours of Training Per Employee Category

SUSTAINABILITY STATEMENT

(cont'd)

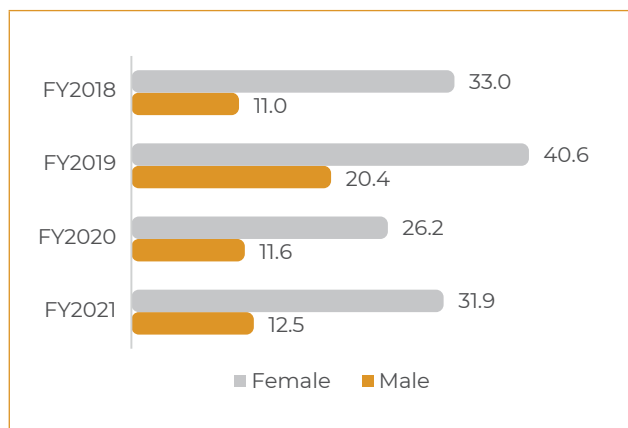


Figure 45: Average Hours of Training by Gender

Community Partnership and Activities

[GRI 3-3, 413-1]

In the spirit of giving back to the community, our CSR programmes for FY2021 mainly target to aid children's welfare, women's empowerment, and support for B40 families through charity, employee volunteerism and partnerships.

We focused on channeling financial donations to support children's learning as well as food distribution to lower income communities. We collaborated with several welfare providers and community to deliver on the sponsorship themes.

"We would like to thank you for the support for the past 3 years, which has helped us reach out to many children in this area."

Persatuan Kebajikan Kanak Kanak Kajang

"We expressed our heartfelt thanks and gratitude to SENTRAL for the continuous support of Grace in assisting the underprivileged. We are greatly honored to be in partnership with SENTRAL in caring for them."

Grace Community Services

"Over the past few years, our partnership with SENTRAL has enabled us to reach out to the marginalised more effectively. With the support of SENTRAL, we pushed ahead on empowerment efforts, the best way to beat the poverty cycle: education is an important aspect of empowerment."

Yayasan Ozanam

SUSTAINABILITY STATEMENT

(cont'd)

Our support for children's learning in FY2021



Figure 46: Computers provided to Kajang Children's Welfare Centre

- **RM45,000** contributed to Kajang Children's Welfare Centre (*Persatuan Kebajikan Kanak-kanak Kajang*) to fund the centre's operational costs for 6 months.
- Bought 6 computers to enable children access to online classes.

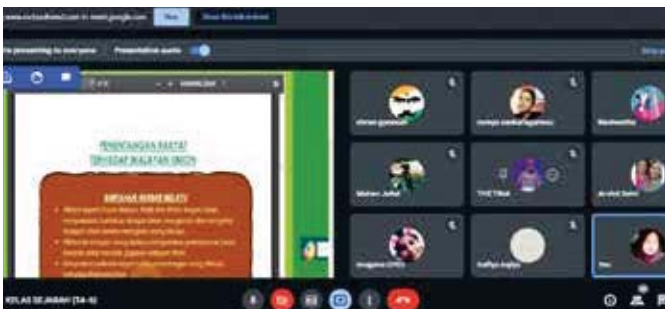


Figure 47: Provision of internet subscription to lower income students for online learning

- **RM40,000** contributed to Ozanam Service Centre Taman Sentosa for new computers.
- 8 months' internet subscription for 36 students from lower income communities to enable access to online learning.

Our support for food distribution to lower income communities in FY2021



Figure 48: Food baskets for community centre in Lembah Pantai



Figure 49: Box meals for community centre in Batu

- **RM50,000** to support the Grace Community Services Food Aid programme in buying essential groceries for 230 B40 families for 3 months.
- **RM21,400** to buy 400 food baskets as well as 900 boxed meals in total for community centres in Lembah Pantai and Batu, aiding lower income families affected by the pandemic.

SUSTAINABILITY STATEMENT

(cont'd)

- As part of the Pitstop Community Café initiative, purchased **RM41,360** in bakery and vegetable produce to be used in food packs for community centres for 7 months.
- Total 11,400 buns was distributed under this program to the street community and other community facilities.
- Donated 110 bento set meal to residents at Pusat Penjagaan Kanak-Kanak Cacat Taman Megah worth **RM1,533**.



Figure 50: Vegetables and bakery goods for community centres



Figure 51: Donation of meals to residents at Pusat Penjagaan Kanak-kanak Cacat Taman Megah

While employee volunteering was delayed for FY2021, we met our target of allocating and utilising RM200,000 for community aid. We have set the same target for FY2022 and aim to continue with our volunteering programmes, depending on COVID-19 developments, as we remain committed to contributing to those in need.

SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.	
			Requirement(s) Omitted	Reason	Explanation		
General Disclosures							
GRI 2: General Disclosures	The Organization and its Reporting Practices					Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI	
	2-1 Organisational details	2, 4, 13-24, 90					
	2-2 Entities included in the organisation's sustainability reporting	90, 92					
	2-3 Reporting period, frequency and contact point	92					
	2-4 statements of information	131					
	2-5 External assurance	External assurance was not obtained					
	Activities and Workers						
	2-6 Activities, value chain and other business relationships	90				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI	
	2-7 Employees	90, 131					
	2-8 Workers who are not employees	131					
	Governance						
	2-9 Governance structure and composition	93-94				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI	
	2-10 Nomination and selection of the highest governance body	93-94					
	2-11 Chair of the highest governance body	Information unavailable					
2-12 Role of the highest governance body in overseeing the management of impacts	93-94						
2-13 Delegation of responsibility for managing impacts	94						
2-14 Role of the highest governance body in sustainability reporting	94						

SUSTAINABILITY STATEMENT

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GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.	
			Requirement(s) Omitted	Reason	Explanation		
GRI 2: General Disclosures (cont'd)	2-15 Conflicts of interest	70					
	2-16 communication of critical concerns	74, 96					
	2-17 Collective knowledge of the highest governance body	71-72					
	2-18 Evaluation of the performance of the highest governance body	70					
	2-19 Remuneration policies	73					
	2-20 Process to determine remuneration	73, 132					
	2-21 Annual total compensation ratio	132					
	Strategy, Policies and Practices						
	2-22 Statement on sustainable development strategy	88-89				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI	
	2-23 Policy commitments	96 - 97					
	2-24 Embedding policy commitments	93, 95-97					
	2-25 Processes to remediate negative impacts	74, 93,96, 98-100					
	2-26 Mechanisms for seeking advice and raising concerns	96					
	2-27 Compliance with laws and regulations	96 - 97					
	2-28 Membership associations	90					
Stakeholder Engagement							
2-29 Approach to stakeholder engagement	98-100				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI		
2-30 Collective bargaining agreements	131						

SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Material Topics						
GRI 3: Material Topics	3-1 Process to determine material topics	101-102				
	3-2 List of material topics	102-103				
Material Topics: Economic						
GRI 201: Economic Performance						
GRI 3: Material Topics	3-3 Management of material topics	108				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	108-109				
GRI 204: Procurement Practices						
GRI 3: Material Topics	3-3 Management of material topics	123				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	123-130				
GRI 205: Anti-corruption						
GRI 3: Material Topics	3-3 Management of material topics	95				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 205: Anti-Corruption	205-2 communication and training about anti-corruption policies and procedures	95-96				
	205-3 Confirmed incidents of corruption and actions taken	95-96				
Material Topics: Environmental						
GRI 302: Energy						
GRI 3: Material Topics	3-3 Management of material topics	111-113				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 302: Energy	302-2 Energy consumption outside of the organisation	112, 113				
	302-3 Energy intensity	112				
	302-4 Reduction of energy consumption	112				

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GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 303: Water and Effluent						
GRI 3: Material Topics	3-3 Management of material topics	114, 116				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 303: Water and Effluent	303-1 Interactions with water as a shared resource	114				
	303-5 Water consumption	115				
GRI 305: Emissions						
GRI 3: Material Topics	3-3 Management of material topics	111-113				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 305: Emissions	305-2 Energy indirect (Scope 2) GHG emissions	112, 113				
	305-4 GHG emission intensity	112				
GRI 306: Waste						
GRI 3: Material Topics	3-3 Management of material topics	116-117				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	116				
	306-2 Management of significant waste-related impacts	117				
	306-3 Waste generated		Information unavailable. Steps are being taken to obtain the information to be included in report by FY2022.			
	306-4 Waste diverted from disposal					
	306-5 Waste directed to disposal					
Material Topics: Social						
GRI 401: Employment						
GRI 3: Material Topics	3-3 Management of material topics	130				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 401: Employment	401-1 New employee hires and employee turnover	131				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	132				
	401-3 Parental leave	132				

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(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety						
GRI 3: Material Topics	3-3 Management of material topics	118				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 403: Occupational Health and Safety	403-2 Hazard identification, risk assessment, and incident investigation	118-123				
	403-5 Worker training on occupational health and safety	122				
	403-6 Promotion of worker health	132				
	403-9 Work-related injuries	123				
	403-10 Work-related ill health	123				
GRI 404: Training and Education						
GRI 3: Material Topics	3-3 Management of material topics	133				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 404: Training and Education	404-1 Average hours of training per year per employee	134 - 135				
	404-2 Programs for upgrading employee skills and transition assistance programs	133				
	404-3 Percentage of employees receiving regular performance and career development reviews	132				
GRI 405: Diversity and Equal Opportunity						
GRI 3: Material Topics	3-3 Management of material topics	130				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	131				
GRI 406: Non-Discrimination						
GRI 3: Material Topics	3-3 Management of material topics	130				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 406: Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	131				

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GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 413: Local Communities						
GRI 3: Material Topics	3-3 Management of material topics	135, 137				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 413: Local Communities	413-1 Operations with local community engagement, impacts assessments, and development programs	136-137				
GRI 418: Customer Privacy						
GRI 3: Material Topics	3-3 Management of material topics	109-110				Not applicable as of report publishing date, only sector standards for oil and gas has been launched by GRI
GRI 418: Customer privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	110				