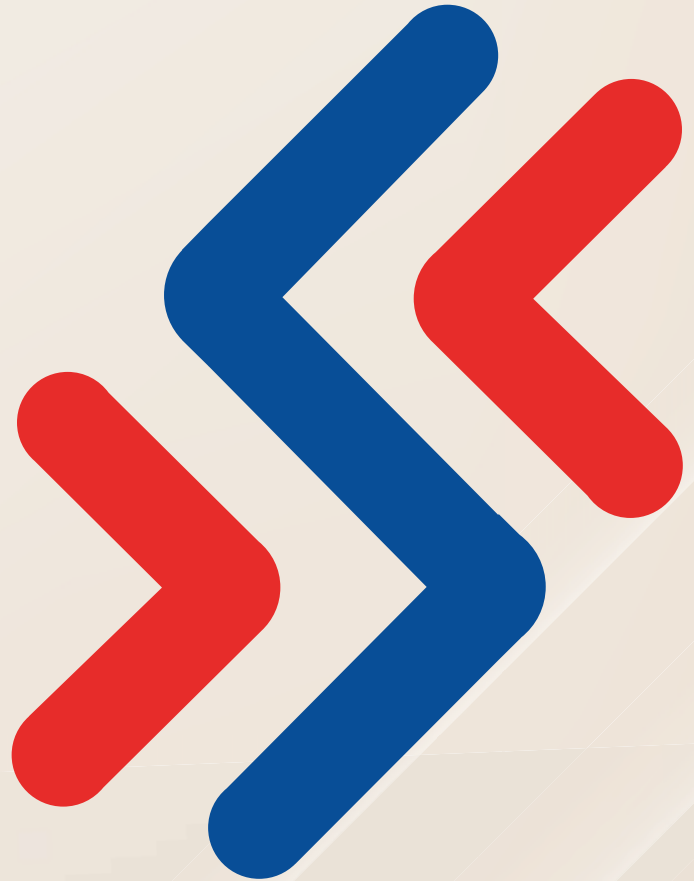


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# SUSTAINABILITY STATEMENT

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## INTRODUCTION OF SUSTAINABILITY TO SENTRAL REIT (“SENTRAL”) AND MESSAGE FROM THE CEO

**[GRI 2-22]**

At SENTRAL, we believe that economic, environmental and social (“EES”) performance is an integral part of our long-term business strategy and success. As a REIT, we are committed to operating our portfolio of properties in a sustainable manner while focusing on financial performance to ensure business resilience. We believe that this not only benefits the environment and the communities in which we operate, but it also helps to improve our financial performance in the long run.

In our FY2022 sustainability statement, we continue to provide information on our sustainability performance, which includes our ongoing sustainability initiatives, as well as how we will continue to progress towards our sustainability aspirations.

We hope that our report will continue to provide our stakeholders with valuable insights into our sustainability performance and help to build trust and transparency in our operations. We also believe that this report will be a valuable resource for our employees, business partners, vendors, and suppliers as it will provide them with information about our continued sustainability efforts and how they can contribute to these efforts through working with us.

### CEO’s Message



We are pleased to publish SENTRAL’s sixth Sustainability Report. This report encapsulates our policies, practices, objectives of all sustainability matters and corresponding sustainability performance for the period from 1 January 2022 to 31 December 2022.

The Board maintains overall responsibility on SENTRAL’s sustainability strategy and achievement of its long-term performance. The Board approves the selection of environmental, social and governance (“ESG”) matters based on the Sustainability Working Group’s recommendation of their significance to the business and its stakeholders. During the year, SENTRAL’s material sustainability matters were reassessed and redefined. One new material sustainability matter was added (to the existing eleven matters) to reflect matters of growing sustainability concerns from our stakeholders, as well as to be in line with Bursa Securities’ Common Sustainability Matters for REITs introduced on 26 September 2022.

From its emergence in 2020, the COVID-19 pandemic has changed the way businesses operate and how individuals live, work and play. Moving from this global crisis, SENTRAL’s strategic priorities will be to continue our focus on building resilience in our operations, financials and ESG matters. We will achieve this through:

1. Capitalising on opportunities through prudent investment deals and opportunistic divestments to ensure a healthy portfolio mix of commercial properties;
2. Collaborating with our tenants to deliver sustainable AELs to meet their requirements and needs as well as to ensure existing buildings meet quality standards, while maintaining capital discipline;
3. Ensuring an optimal and efficient capital structure, closely monitoring interest rate movements and prudent management of cash flows to ensure that SENTRAL has sufficient headroom for operational and expansion activities;
4. Environmental sustainability encompassing all physical assets by working towards achieving Green Building Standards and/or accreditation. We will also consider periodic assessments of environmental indicators such as energy, water and waste to improve our environment management approach. We will also continuously monitor and evaluate climate change related risks at strategic business and operational level; and
5. Governance by ensuring commitment to our ESG matters internally and across our value chain.

## SUSTAINABILITY STATEMENT

(cont'd)

Despite the lingering effects of the pandemic, we are pleased that SENTRAL has continued to achieve stable financial and operational performance in 2022. 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:

1. Rolled out the Fit and Proper Policy for the appointment and re-election of board of directors and senior management effective 1 July 2022. This policy sets out the Manager's approach in assessing the fitness and propriety of individuals who hold key positions, or who are to be appointed or elected and re-elected to the Board and Senior Management of the Manager.
2. Establishment of a transparent and robust remuneration framework for Non-Executive Directors ("NED") which includes documenting a Remuneration Policy. The Remuneration Policy will act as a guiding document for the NRC and Board to administer the remuneration of the NED, taking into account the demands, complexities and performance of the organisation as well as skills, experience, time commitment required and responsibilities reposed on the NED.
3. Exceeded our target of 2% reduction in energy consumption by achieving a 5% reduction from FY2021.
4. As part of our continued effort to improve SENTRAL's Quality of Assets and Services, a cloud-based facility management and tenant complaints platform was successfully launched and had gone-live on October 2022. This platform will facilitate a robust and proactive workflow order for tenant complaints for all buildings within SENTRAL's portfolio.
5. 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 taking care and giving 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. Further details can be found within the Community Partnership and Activities section of this report.

The increasing effects of climate change has propelled the need for listed corporations to start embracing and embedding climate change management within its operations. We have seen this ripple effect where capital market stakeholders are also demanding for transparent climate related disclosure. In line with the Bursa Securities' enhanced sustainability disclosure requirements, SENTRAL plans to make its inaugural disclosure of the Task Force on Climate-related Financial Disclosures ("TCFD") which includes disclosure of a basic plan to transition towards a low carbon economy in a dedicated section of the sustainability statement prior to the stipulated deadline i.e. FY2025. We believe that this is a step in the right direction, and this is expected to help us better identify and manage climate-related risks and opportunities.

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 and sharing our achievement in subsequent reporting. We hope that our commitment can contribute meaningfully towards the betterment of our community socially, economically, and environmentally.



# SUSTAINABILITY STATEMENT

(cont'd)

## ABOUT SENTRAL [GRI 2-1, 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 two shareholders, namely, 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 of 31 December 2022, SENTRAL owns 9 commercial properties in Malaysia with a combined value of RM2.0607 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 12 to 24 of this Annual Report.*

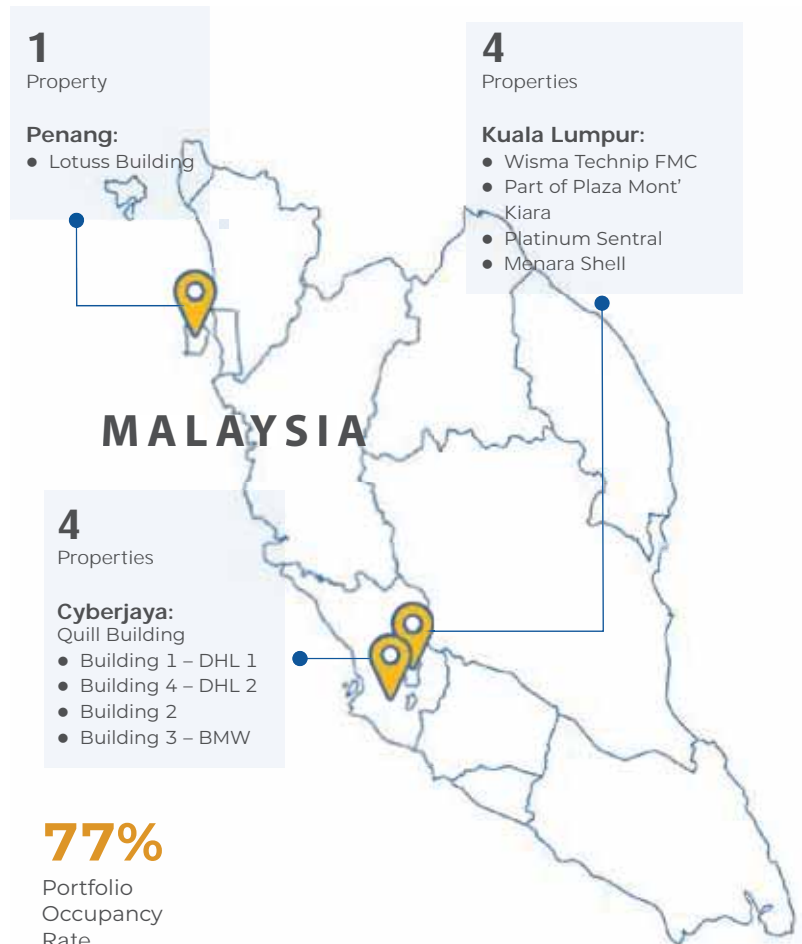
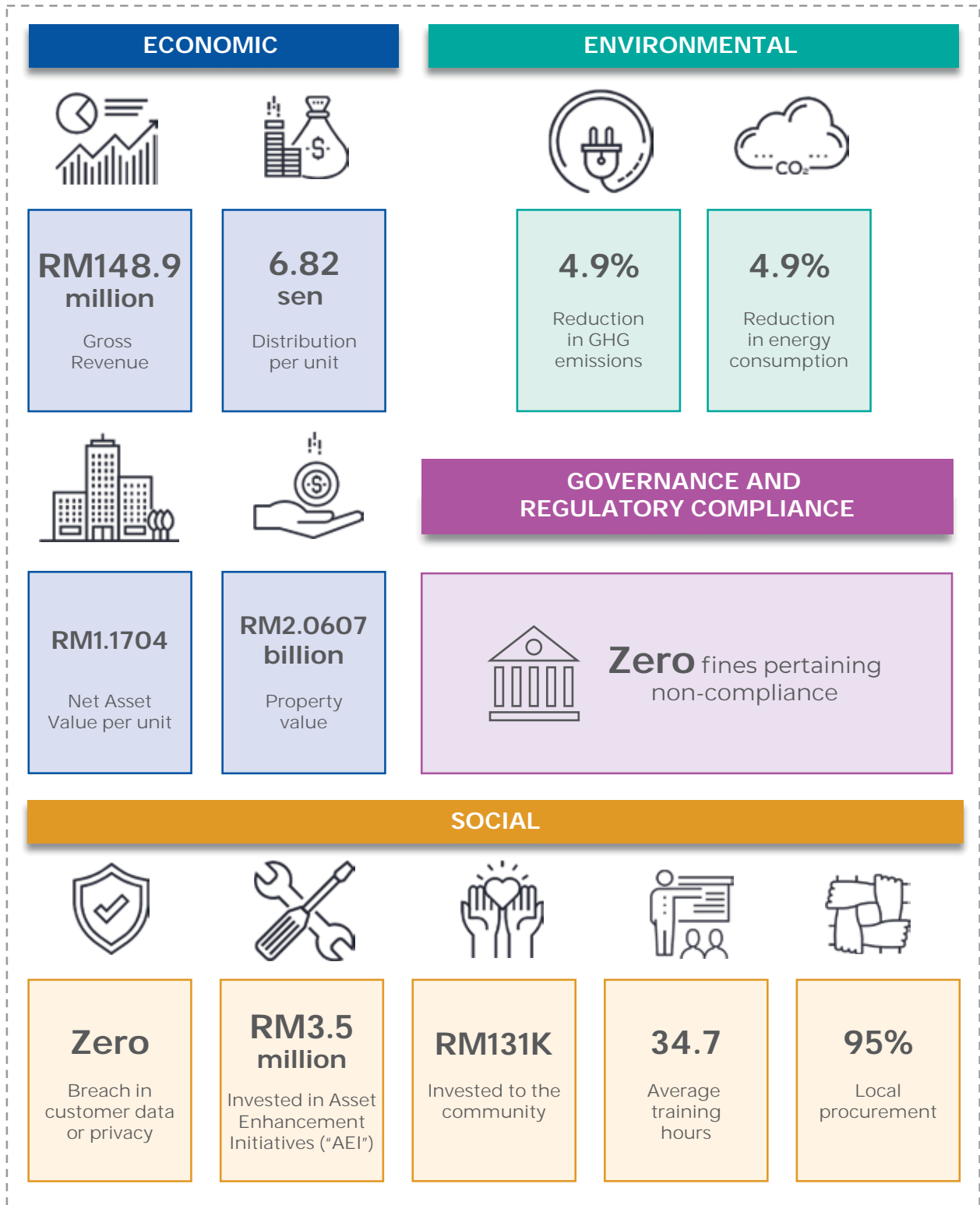


Figure 1: Location of commercial properties

# SUSTAINABILITY STATEMENT

(cont'd)

## SUSTAINABILITY HIGHLIGHTS



# SUSTAINABILITY STATEMENT

(cont'd)

## UN SDG SCORECARD

To keep track of our commitments against the UN SDGs, we incorporated UN SDG scorecard to keep track on how our initiatives are performing and contributing towards the UN SDGs. Our SDG scorecard presents our FY2022 progress towards the aligned SDGs where we can contribute most to.





# SUSTAINABILITY STATEMENT

(cont'd)

## ABOUT THIS STATEMENT

[GRI 2-2, 2-3, 2-5]

Our sixth Sustainability Statement ("Statement") for 1 January 2022 to 31 December 2022 ("FY2022") serves to communicate our sustainability initiatives and performance for the financial year. This Statement covers all SENTRAL's operations in Malaysia for which we have direct managerial control. This excludes Lotus Building Penang which is fully self-managed by the tenant. Information reported about employees are referred to as the employees of the Manager.

In 2022, to ensure our sustainability commitments continue to be relevant to stakeholders' concerns, we embarked on a refreshed materiality assessment exercise where we considered our impacts on ESG topics that are most material to our business and stakeholders, aligning in accordance with the updated GRI Standards 2021. We will continue to work toward our refreshed commitments in the key areas of sustainability to guide our decisions and actions in the next few years.

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 Key Performance Indicators ("KPI"). This is to provide our stakeholders with insight on how we are managing our most material impacts and to demonstrate our commitment to further drive progress across economic, environmental, and social areas. By focusing on managing the potential impacts of these material matters, we further strengthen the integration of sustainability into our business activities to ensure future resilience.

### Reporting Framework

Our Statement has been prepared in accordance with the Global Reporting Initiatives ("GRI") Standards 2021, Bursa Malaysia's Sustainability Reporting Guide (3rd edition) and Listing Requirements and the UN 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:

Ms. Joyce Loh  
Chief Investment Officer  
Phone : +603 2859 7175  
Email : joyce.loh@sentraltreit.com

## SUSTAINABILITY GOVERNANCE

[GRI 2-9, 2-13, 2-14, 2-17]

### Governance Structure

Our commitment to sustainability is supported by our robust corporate governance structure, which is essential for achieving long-term success. Our strong corporate governance structure helps to ensure our business practices are aligned with the best interests of our unitholders. 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.

## SUSTAINABILITY STATEMENT

(cont'd)

**Strengthening SENTRAL's Corporate Governance**

Beginning FY2021, SENTRAL's Board of Directors mandated the Audit and Risk Committee ("ARC") 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 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 committee 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 May 2021.

Kindly visit our website at <https://sentralreit.com> for our complete Corporate Governance Report and Corporate Governance Overview Statement on pages 62 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. Through trainings and seminars, the Board is able to be kept abreast of the latest development in the field of sustainability.

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

(cont'd)

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. SWC will prepare a report on the management of impacts on economy, environment and people on an annual basis for CEO’s review, and subsequently submit the report to the Board. Figure 3 illustrates the roles and duties of our sustainable governance in detail.

## Sustainability Governance Structure



Figure 3: Sustainability Governance Structure

# SUSTAINABILITY STATEMENT

(cont'd)

## Business Ethics

[GRI 2-10, 2-16, 2-23, 2-25, 2-26, 3-3, 205-2, 205-3, Bursa C1]

SENTRAL is guided by our core organisational values in Figure 4 and is committed to conducting business responsibly and in a transparent manner. These values shape our various policies and practices to uphold the highest standard of business ethics and work conduct. Our employees are obligated to carry out their duties in accordance with these values, as well as 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. Quarterly email reminders are sent to employees and property managers to ensure continuous compliance awareness. Property service providers are also required to sign declarations affirming that they have read and comprehended policy terms and will adhere to the policy’s requirements and provisions.



Figure 4: Organisational Values

This is reinforced by SENTRAL’s Whistleblower Policy, which safeguards against breach of ethical business conduct. Employees, customers, and vendors can anonymously report violations of the ABC Policy and raise concerns without fear of retaliation by emailing [whistleblowing@sentralreit.com](mailto:whistleblowing@sentralreit.com). All concerns can be submitted in writing directly to the SRM CEO and Chairman.

For more information on our internal controls and processes relating to ethical business behaviour, kindly view our Corporate Governance Overview Statement on pages 62 to 77 and our Corporate Governance Report FY2022 as well as policies on our website [<https://sentralreit.com/investor-relations/corporate-governance/>].

Code of Business Ethics	Anti-Bribery and Corruption 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 compromises 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.

## SUSTAINABILITY STATEMENT

(cont'd)

Fit and Proper Policy	Remuneration Policy for Non-Executive Directors
<p>Our Fit and Proper Policy for the Board of Directors and Senior Management was newly implemented on 1 July 2022.</p> <p>The policy serves as the Board's approach to assess the fitness and propriety of individuals who hold, or who are to be appointed/ elected to the Board and Senior Management rank. The policy aims to establish baseline factors for fit and proper assessment criteria, outlining governance responsibilities, and setting the conditions to be observed in the assessment and appointment of the individuals to the Board and Senior Management.</p>	<p>SENTRAL has established a transparent and robust remuneration framework for Non-Executive Directors ("NED") which includes a Remuneration Policy that has been adopted since 10 November 2022.</p> <p>The Remuneration Policy acts as a guiding document for NRC and Board to administer the remuneration of NEDs by taking into account the organisation's demands, complexities and performance as well as the NEDs' skills, experience, time commitment required and responsibilities of the NEDs.</p>

Table 1: Policies Relating to Governance at SENTRAL

We take a proactive approach in managing corruption related risks. We periodically assess any exposure to bribery or corruption risks that may affect our business in the event of a change in law or business practise. Since FY2021, we have assessed 100% of our operations that are under our management for corruption related risk. When necessary, we will review and revise our anti-bribery and anti-corruption objectives and conduct routine evaluations of the effectiveness of our controls in achieving these goals. Compliance audits are conducted to ensure that the ABC Policy is complied.

On-going yearly due diligence assessments are conducted with property business partners with whom SENTRAL has a business relationship. Before being included into SRM's panellists, all property business associates are subjected to a due diligence assessment that includes document verification and interviews. When any individuals or organisations bound by our policies fail to comply with our standards, we take corrective actions where necessary, which may include dismissal or contract termination.

We established an email reporting channel [[whistleblowing@sentralreit.com](mailto: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 as we handle all concerns confidentially. All concerns can also be raised in writing directly to CEO and Chairman of SRM. In FY2022, we did not receive any concerns reported via these channels.

Our employees are required to receive annual training to strengthen their anti-bribery and corruption awareness. In FY2022, 100% of our Board and employees received anti-corruption training. Since FY2018, we have ensured that all our employees have received these trainings, and we are committed to continuing these annual trainings. We are proud to disclose that no bribery or corruption incidents were encountered or reported through whistleblowing channels in FY2022, and we are determined to maintain such performance in the future.

For more insights on SENTRAL's risk assessment practices, kindly refer to our Statement on Risk Management and Internal Control on pages 85 to 88 and Corporate Governance Overview Statement on pages 62 to 77 of this report. These sections reference SENTRAL's Corporate Governance Report FY2022.

## SUSTAINABILITY STATEMENT

(cont'd)

**Regulatory Compliance****[GRI 2-23, 2-27, 3-3]**

SENTRAL is committed to conducting business responsibly by adhering to local laws and regulations, including those pertaining to environmental and internationally recognised human rights. We constantly monitor and assess the changes in the regulatory landscape to fulfil compliance and secure our license to operate. SENTRAL remains proactive in preventing 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 SC's Licensing Handbook and Listed REIT Guidelines, Listing Requirements and the Inland Revenue Board of Malaysia's General Tax Compliance, among others.

Compliance trainings and workshops for employees play an important role in creating a culture of compliance within the company and support the prevention of compliance infractions. Our employees are given the option to attended trainings organised by Bursa Securities, SC, Malaysian Institute of Accountants and esteemed law firms to remain current with any regulatory changes.

At SENTRAL, we also believe that companies have a responsibility to respect human rights. We take a comprehensive approach to integrate our human rights principles and practices throughout our supply chain. Our business partners, vendors, and suppliers are also encouraged to adopt similar 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:

**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.*

**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*

**Malaysian Employment Act 1955**

*Prohibits exploitative labour practices*

**Malaysian Employment (Amendment) Act 2022**

*Refers to a series of amendments in the Employment Act 1955*

**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*

**Children and Young Persons (Employment) Act 1966**

*Prohibits the employment of children under the age of 14*

**Occupational Safety and Health Act 1994**

*Protects the safety, health and welfare of persons at work*

**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*

**Personal Data Protection Act 2010**

*Regulates the processing of personal data in regard to commercial transactions*

## SUSTAINABILITY STATEMENT

(cont'd)

### Environmental Quality Act 1974

*Relates to the prevention, abatement, control of pollution and enhancement of the environment*

### Construction Industrial Development Board Act 1994

*Minimum requirements for engaging contractors and sub-contractors on construction works contracts*

### 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*

### Drinking Water Quality Standards 1985

*Refers to the standards for drinking water quality*

We are delighted to report that there were zero incidences of non-compliance with applicable laws and regulations in FY2022, and we intend to maintain compliance moving forward. Kindly refer to pages 62 to 77 of our Annual Report for more information of our Corporate Governance and compliance matters.


## STAKEHOLDER ENGAGEMENT

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

Stakeholder expectations are constantly evolving in response to shifting trends and consumer behaviours. 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 FY2022 is illustrated in Table 2:

**Stakeholder Engagement Table**

Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
<b>Employees</b> 	<ul style="list-style-type: none"> <li>To provide fair and equal opportunities</li> <li>To provide employee development and career progression</li> <li>To ensure the overall welfare of the employees are addressed</li> </ul>	<ul style="list-style-type: none"> <li>Employee survey</li> <li>Annual employee appraisals</li> <li>One-on-one meetings</li> <li>Team meetings</li> </ul>	<ul style="list-style-type: none"> <li>Career progression</li> <li>Employee welfare and benefits</li> <li>Profitability and financial health of SENTRAL</li> <li>Job security</li> </ul>	<ul style="list-style-type: none"> <li>Transparent, open and consistent approach to appraisals</li> <li>Transparent communication on business performance and job security</li> <li>Training and team building</li> <li>Flexible work arrangement such as staggered working hours as part of Health &amp; Safety measure</li> <li>Open door policy to express concerns</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Business Growth and Financial Performance</li> <li>Employee Management</li> <li>Health and Safety</li> </ul>

# SUSTAINABILITY STATEMENT




(cont'd)

Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
<b>Tenants &amp; Business Partners</b> 	<ul style="list-style-type: none"> <li>To engage existing customers to ensure tenant satisfaction and high retention rate</li> <li>To forge new relationships with potential tenants</li> </ul>	<ul style="list-style-type: none"> <li>Direct feedback from tenants at all stages of the tenancy</li> <li>Regular meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety and well-being</li> <li>Quick response by management to feedbacks</li> <li>Data privacy</li> <li>Quality of assets and services</li> </ul>	<ul style="list-style-type: none"> <li>Scheduled maintenance for each property</li> <li>Established building procedures and measures including health and safety due to COVID-19</li> <li>Timely response to tenant's queries</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Business Growth and Financial Performance</li> <li>Health and Safety</li> <li>Quality of Assets and Services</li> <li>Data privacy</li> </ul>
<b>Shareholders &amp; Unitholders</b> 	<ul style="list-style-type: none"> <li>To proactively provide up to date disclosures and information to allow unitholders to make informed decisions on their investments</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting ("AGM")</li> <li>Annual reports</li> <li>SENTRAL's website</li> <li>Announcements on Bursa Securities</li> <li>Interactions with Investor Relations ("IR") personnel</li> </ul>	<ul style="list-style-type: none"> <li>Profitability and financial health of SENTRAL</li> <li>SENTRAL's ESG initiatives</li> <li>Timely and transparent disclosure of information and announcements</li> <li>Annual distribution payouts</li> </ul>	<ul style="list-style-type: none"> <li>Sound investment and capital management strategy</li> <li>Robust corporate governance procedures</li> <li>Update on business strategies and direction</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Business Growth and Financial Performance</li> </ul>
<b>Vendors</b> 	<ul style="list-style-type: none"> <li>To have fair, proper and transparent dealings with vendors</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one meetings</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent selection of vendors</li> <li>Timely payment to vendors</li> <li>Potential business opportunities for vendors</li> <li>Competitive rates</li> </ul>	<ul style="list-style-type: none"> <li>Professional approach in reviewing proposals from vendors</li> <li>Communication of ABC Policy</li> <li>Adhere to strict payment cycles and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Quality of Assets and Services</li> <li>Anti-corruption</li> <li>Supply chain management</li> </ul>
<b>Government, Regulators and Local Authorities</b> 	<ul style="list-style-type: none"> <li>To seek clarification on the guidelines under their purview</li> <li>To ensure compliance and proper administration of the legislations and local authorities' regulations effecting the operations of the REIT</li> </ul>	<ul style="list-style-type: none"> <li>Consultation meetings together with consultants, advisors and industry associations</li> <li>Seminars and workshops</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to legislations and guidelines affecting the REIT industry</li> <li>Refining and updating legislations through consultations with industry players</li> </ul>	<ul style="list-style-type: none"> <li>Appointed professional consultants and advisors during consultations sessions</li> <li>Adherence and report on compliance</li> <li>Monitored compliance through internal assessment</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Employee Management</li> <li>Health and Safety</li> </ul>



# SUSTAINABILITY STATEMENT

(cont'd)

Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
<b>Analysts and Media</b> 	<ul style="list-style-type: none"> <li>To proactively provide information to allow analysts to disseminate accurate information to the investment community</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one meetings</li> <li>Analyst briefing</li> <li>Investor conferences</li> </ul>	<ul style="list-style-type: none"> <li>Profitability and financial health of SENTRAL</li> <li>SENTRAL's business direction and strategy</li> <li>Timely and transparent disclosure of information and announcements</li> </ul>	<ul style="list-style-type: none"> <li>Improved responsiveness towards feedback and queries</li> <li>Timely update on SENTRAL's business activities and/or related matters through a dedicated IR personnel</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Business Growth and Financial Performance</li> <li>Regulatory Compliance</li> </ul>
<b>Investors/ Investment Community</b> 	<ul style="list-style-type: none"> <li>To engage existing and potential investors to provide information which allows these investors to make sound investment decisions concerning SENTRAL</li> </ul>	<ul style="list-style-type: none"> <li>One-on-one meetings</li> <li>Investor conferences</li> <li>Annual reports</li> <li>SENTRAL's website</li> </ul>	<ul style="list-style-type: none"> <li>Profitability and financial health of SENTRAL</li> <li>Timely and transparent disclosure of information and announcements</li> <li>Accessibility to management or IR team</li> </ul>	<ul style="list-style-type: none"> <li>Improved responsiveness towards feedback and queries through a dedicated IR personnel</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable Business Growth and Financial Performance</li> </ul>
<b>Industry Associations</b> 	<ul style="list-style-type: none"> <li>To be a contributing member to the industry sectors' professional objectives</li> </ul>	<ul style="list-style-type: none"> <li>Consultation and feedback sessions</li> </ul>	<ul style="list-style-type: none"> <li>Fair representation of industry's needs through consultation and lobbying with government authorities like SC and Bursa Securities</li> </ul>	<ul style="list-style-type: none"> <li>Active membership involvement and contribution</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> </ul>

# SUSTAINABILITY STATEMENT

(cont'd)


Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
<p><b>Local Community</b></p> 	<ul style="list-style-type: none"> <li>To give back to the community in which we operate, specifically to improve the welfare of needy children</li> <li>To contribute funds to meet the immediate needs of at least one children's NGO</li> <li>Raise staff awareness of SENTRAL's community engagements by involving all staff in community events</li> </ul>	<ul style="list-style-type: none"> <li>Partnerships and collaborations with local communities through CSR programmes</li> </ul>	<ul style="list-style-type: none"> <li>To provide sustained support after the completion of each CSR project</li> <li>Financial assistance to NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Monetary contribution to the underserved community</li> </ul>	<ul style="list-style-type: none"> <li>Community Partnership and Activities</li> </ul>

Table 2: Stakeholder Engagement Table

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

# SUSTAINABILITY STATEMENT

(cont'd)

## MATERIALITY ASSESSMENT

[GRI 2-12, 2-14, 3-1, 3-2]

### Materiality Assessment

We recognise that materiality assessments are vital to gain a deeper understanding on the key sustainability challenges and risks that impact SENTRAL's overall direction and sustainable growth strategy.

We have continuously monitored the relevance of our EES risks and trends affecting the REIT industry including new emerging trends, evolving customer demands and other challenges shaping our operating landscape. Guided by updated Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiative (GRI) Standards 2021 updates, we conducted a refreshed materiality assessment workshop in FY2022 based on impact assessment, as well as stakeholders' perspectives and business environment. The outcome of our materiality assessment was reviewed and validated with our CEO and Board. We undertake the following process in our materiality assessment as below (Figure 5):

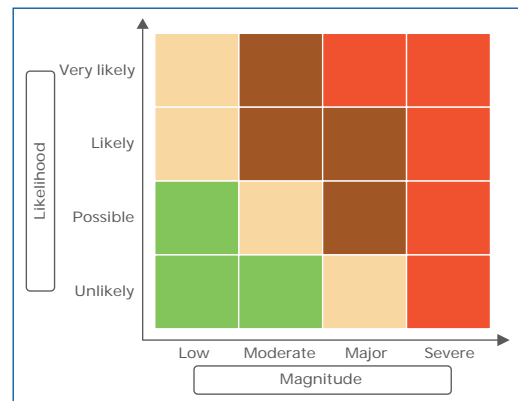
#### Identification

A survey was conducted with internal stakeholders to identify the relevant material matters for FY2022. Both internal and external factors were considered to ensure the material matters are still relevant to SENTRAL. This includes peer benchmarking, domestic and global business environment, sustainability and REIT industry trends, EES risk and opportunities in the REIT industry, stakeholder engagement outcomes, and media reviews. The identified material matters from the materiality survey were further consolidated and validated by internal stakeholders during the materiality workshop before the prioritisation process. Our methodology is guided by Bursa Securities' Sustainability Reporting Guidelines (3rd edition), considering common material matters and sector-specific materials recommended by Bursa Securities.

#### Prioritisation and impact assessment

The identified material matters were prioritised through a materiality workshop, which comprised Senior Management and Head of Departments, representing diverse functions of SENTRAL. The material matters were prioritised via voting during the workshop, by taking the following into consideration:

- both our internal and external stakeholders' perspective based on their level of influence and dependence on SENTRAL
- the magnitude and likelihood of SENTRAL's impact on the economy, environment, and people, guided by SENTRAL's risk assessment parameters
- the impact on SENTRAL's business operations



We developed SENTRAL's updated FY2022 materiality matrix based on the outcomes of the processes of identification and prioritisation.

#### Validation

The materiality matrix was validated by the CEO and approved by the Board.

Figure 5: Materiality Assessment Process

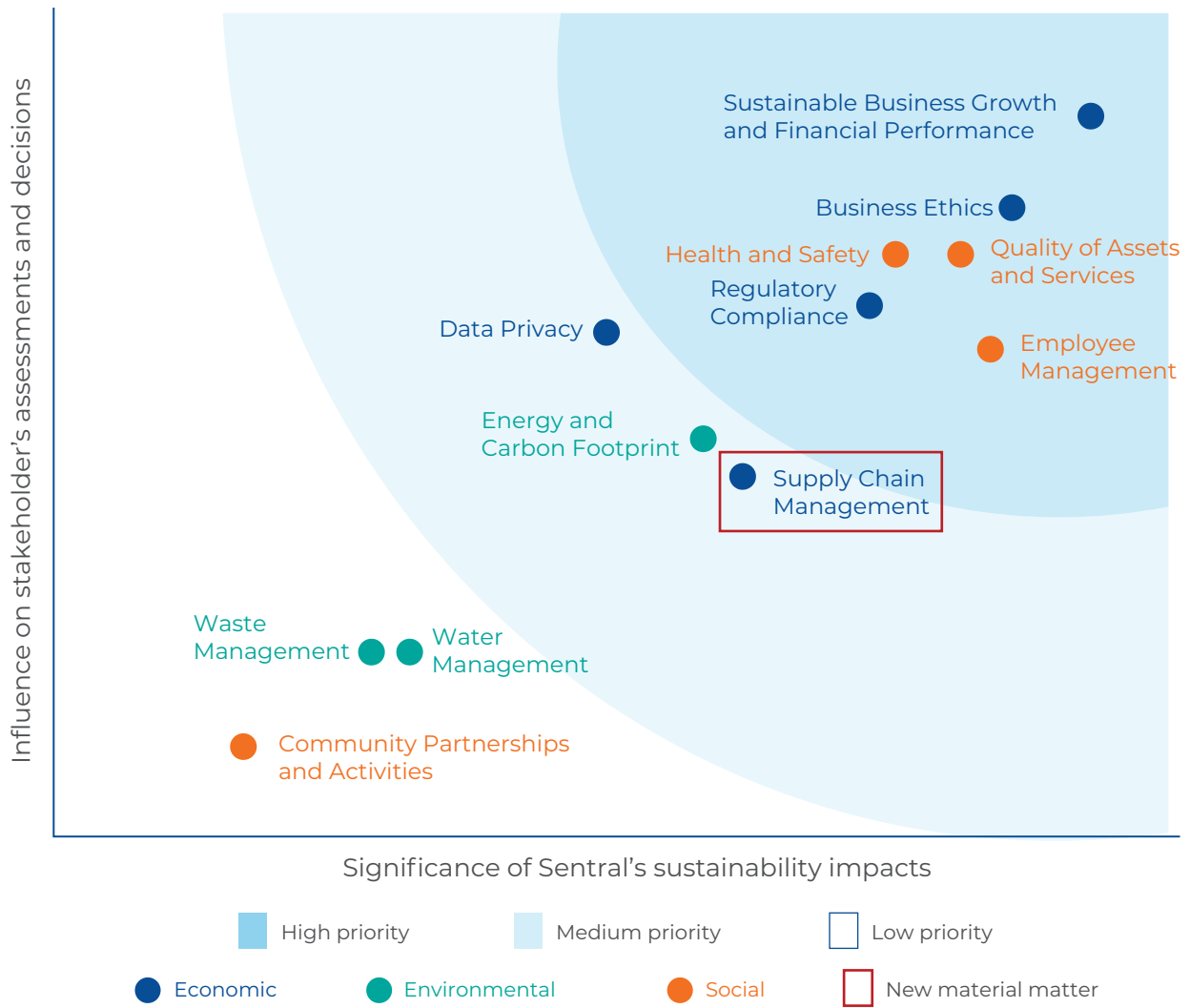
# SUSTAINABILITY STATEMENT

(cont'd)

## Materiality Matrix

Based on the result of our refreshed materiality assessment review, twelve material matters were identified for FY2022 which formed the focus of our Sustainability Statement.

Supply Chain Management was identified as a new material matter as SENTRAL recognises that our impacts extend beyond our company and encompass our entire supply chain. We are committed to ensuring that SENTRAL utilises high-quality suppliers to mitigate supply chain impacts, thereby ensuring business resilience and reputation.



# SUSTAINABILITY STATEMENT

(cont'd)

Material Matter		Definition
1	Sustainable Business Growth and Financial Performance	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>*Also 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
4	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
5	Health and Safety	Efforts to address and prevent health and safety risks for all employees, tenants and visitors to SENTRAL's properties
6	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.
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	Supply Chain Management	Management of supply chain and procurement practices which considers the supply chain's social and environmental impacts, including local sourcing to support local economy
9	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
10	Water Management	Consumption and efficiency of water usage for general purposes
11	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
12	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)

We aim to continuously 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.

Our sustainability initiatives and material matters contribute to the same five (5) UN SDGs where we believe we have the most impact in empowering business and societies, connecting to stakeholders, as well as combating climate change.

United Nations SDGs	<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 	<b>13</b> CLIMATE ACTION 	<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 
SENTRAL's FY2022 Material Matters	<ul style="list-style-type: none"> <li>● Energy and Carbon Footprint</li> </ul>	<ul style="list-style-type: none"> <li>● Sustainable Business Growth and Financial Performance</li> <li>● Supply Chain Management</li> <li>● Health and Safety</li> <li>● Quality of Assets and Services</li> <li>● Employee Management</li> <li>● Energy and Carbon Footprint</li> </ul>	<ul style="list-style-type: none"> <li>● Sustainable Business Growth and Financial Performance</li> </ul>	<ul style="list-style-type: none"> <li>● Energy and Carbon Footprint</li> </ul>	<ul style="list-style-type: none"> <li>● Business Ethics</li> <li>● Regulatory Compliance</li> <li>● Employee Management</li> <li>● Data Privacy</li> </ul>

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
<b>Financial capital</b> 	<ul style="list-style-type: none"> <li>Market Capitalisation: RM959.2 million</li> <li>Total Borrowing: RM804.5 million</li> <li>Investment Properties: RM2.0607 billion</li> <li>Equity: RM1.3 billion</li> <li>Average Cost of Debt (%): 3.62% p.a.</li> </ul>	 <p><b>Leasing Strategy</b> Proactive leasing strategies to ensure stabilisation of portfolio occupancy and income</p>
<b>Manufactured capital</b> 	<ul style="list-style-type: none"> <li>Diverse portfolio of high-quality assets:                             <ul style="list-style-type: none"> <li>- 7 Commercial Buildings</li> <li>- 1 Office Building</li> <li>- 1 Commercial Lot including Car Parks</li> </ul> </li> <li>Total Asset Value: RM2.15 billion</li> <li>Management services</li> <li>RM3,556 million spent on management services/building enhancement</li> </ul>	 <p><b>Capital Management Strategy</b> Ongoing cost management to ensure optimisation of SENTRAL'S overall weighted average cost of debt</p>
<b>Intellectual capital</b> 	<ul style="list-style-type: none"> <li>Management skills and expertise</li> <li>Cyber solutions for data protection</li> <li>Robust governance structures</li> <li>Rights and licenses for business operations</li> </ul>	 <p><b>Asset Management Strategy</b> Emphasis on quality of SENTRAL's products and services through embracing innovation and supply chain management which directly affect tenant's satisfaction</p>
<b>Human capital</b> 	<ul style="list-style-type: none"> <li>Total number of employees/workers: 20 employees/ 27workers</li> <li>SENTRAL's culture and value</li> <li>Approximately RM22K invested in learning and development, and employee engagements activities</li> </ul>	 <p><b>Acquisition Growth and Portfolio Management Strategy</b> Adjustment of the portfolio mix through acquisition or divestment with the objective of maximising total returns to unitholders</p>
<b>Social and relationship capital</b> 	<ul style="list-style-type: none"> <li>Strong relationships with key stakeholders</li> <li>108 vendors engaged</li> <li>Proactive engagements with stakeholders</li> </ul>	
<b>Natural capital</b> 	<ul style="list-style-type: none"> <li>Resource consumption:                             <ul style="list-style-type: none"> <li>- Energy consumption</li> <li>- Water management</li> <li>- Waste management</li> </ul> </li> <li>Green-certified buildings:                             <ul style="list-style-type: none"> <li>- Menara Shell is Leadership in Energy and Environmental Design (LEED) Platinum-certified</li> <li>- Platinum Sentral was Building and Construction Authority (BCA) Green Mark Platinum-certified</li> </ul> </li> </ul>	

# SUSTAINABILITY STATEMENT

(cont'd)

Output	Outcome	Contribution to SDG
<ul style="list-style-type: none"> <li>Gross Revenue: RM150 million</li> <li>Realised Net Income: RM73.6 million</li> </ul>	<p><b>Unitholders and Investment Community</b></p> <ul style="list-style-type: none"> <li>Distribution Per Unit: 6.82 sen</li> <li>Economic Value Distributed: RM125.3 million</li> </ul> <p><b>Tenants</b></p> <ul style="list-style-type: none"> <li>Enhanced tenants' experience</li> </ul>	
<ul style="list-style-type: none"> <li>77% Tenant Occupancy Rate</li> <li>Tenant Retention Rate: 41% of Committed Net Lettable Area</li> <li>Approximately 121,000 sq. ft. of vacant spaces were successfully leased in 2022, resulted in an improvement in occupancy rate for KL Sentral buildings</li> <li>2 buildings with green ratings / green features</li> </ul>	<p><b>Employees</b></p> <ul style="list-style-type: none"> <li>Zero complaints received from employees</li> <li>Comprehensive health and safety measures to safeguard employee's safety and wellbeing</li> </ul>	
<ul style="list-style-type: none"> <li>Fully comply with regulatory requirements</li> <li>Awards and Recognition</li> <li>Zero substantiated complaints concerning cybersecurity breaches and losses of customer data</li> </ul>	<p><b>Local Community</b></p> <ul style="list-style-type: none"> <li>3 outreach activities aimed to support children from rural /marginalised family/communities with non-profit organisations</li> <li>Positive impact to 1,056 beneficiaries</li> <li>Improved engagement and positive relationship with stakeholders</li> </ul>	
<ul style="list-style-type: none"> <li>Average training hours: 34.7 hours/employee</li> <li>Diverse, skilled and engaged workforce</li> <li>5 company-wide engagement activities held in 2022</li> </ul>	<p><b>Vendors</b></p> <ul style="list-style-type: none"> <li>Promoting the development of the local ecosystem</li> </ul>	
<ul style="list-style-type: none"> <li>Local suppliers and contractors: 95% of total suppliers</li> <li>95% of budget spent on local suppliers</li> <li>Percentage of service providers underwent performance appraisal: 100% of suppliers</li> <li>100% of suppliers achieved higher than minimum score rating of 60%</li> <li>Delivered social benefits through CSR activities</li> <li>Monetary contributions to communities: RM131,000</li> </ul>	<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Energy and emissions reduction by 4.9%</li> </ul>	
<ul style="list-style-type: none"> <li>Total energy consumption: 19.9 mil kWh</li> <li>Total energy intensity: 113 kWh/sqm</li> <li>Total carbon emissions: 11,632 tCO2</li> <li>Total carbon intensity: 0.07 tonnes/sqm</li> <li>Total water consumption: 160,556 m<sup>3</sup></li> <li>Total water use intensity: 0.92 m<sup>3</sup>/sqm</li> </ul>	<p><b>Industry Associations, Governments, Regulators and Local Authorities</b></p> <ul style="list-style-type: none"> <li>Compliance with relevant laws and regulations</li> </ul>	

# SUSTAINABILITY STATEMENT

(cont'd)



## ECONOMIC

### SUSTAINABLE BUSINESS GROWTH AND FINANCIAL PERFORMANCE

[GRI 3-3, 201-1]

Since the beginning of economic recovery in 2021 from the impacts of COVID-19 on businesses and economies, Malaysia's economy has shown a trend of economic recovery growth in 2022, supported by less stringent pandemic management strategies and policies. Along with the gradual economical growth, SENTRAL is focused on maintaining business resilience and strengthening stakeholder values.

We will continue to strive for long term sustainable income distribution, financial growth and value creation for our stakeholders through responsible business practices and strategies guided by our key strategic initiatives.

Our leasing and asset management strategies remains focused on tenant retention and maintaining a stable occupancy rate across our portfolio. SENTRAL remains proactive in improving the quality of our assets in order to maintain tenant satisfaction and to ensure our buildings remain competitive in the market. As part of our cost management initiatives, SENTRAL's capital management strategy focuses on balancing optimal gearing through active interest rate management, as well as managing cash flow efficiently and exercising financial discipline. To ensure SENTRAL's long-term growth, we will continue to look for yield-accretive acquisition opportunities as we concurrently review our portfolio mix to maximise unitholders' returns.

### SENTRAL's Four Key Strategic Initiatives



Figure 6: SENTRAL's Four Key Strategic Initiatives

## SUSTAINABILITY STATEMENT

(cont'd)

SENTRAL maintained its financial health and contributed a realised revenue of RM150.9 million in FY2022. We attained a Distribution Per Unit of 6.82 sen this fiscal year which was largely 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 25 to 36 for further information on our economic performance.

In RM	FY2022	FY2021	FY2020	FY2019	FY2018
<b>Value Generated</b>					
<i>Revenue, finance income, gain on divestment of investment property</i>	150,906,023	166,461,106	167,980,858	164,687,987	179,041,503
<i>Less: Property operating expenses</i>	(24,275,211)	(28,523,531)	(29,456,543)	(30,769,769)	(31,594,183)
<i>Less: Other operating expenses</i>	(1,332,106)	(1,219,240)	(919,578)	(922,599)	(948,463)
<b>Total Value Generated</b>	<b>125,298,706</b>	<b>136,718,336</b>	<b>137,604,737</b>	<b>132,955,619</b>	<b>146,498,857</b>
<b>Reconciliation:</b>					
<i>Total realised income net of taxation</i>	73,625,238	84,485,957	80,954,941	72,107,547	84,653,758
<i>Add:</i>					
<i>Finance costs</i>	30,425,280	30,520,952	34,750,696	38,976,163	39,774,798
<i>Manager's fees</i>	12,220,533	12,616,534	12,796,372	12,760,955	13,253,725
<i>Trustee's fees</i>	649,354	664,577	665,681	676,287	685,921
<i>Quit rent and assessment</i>	8,378,301	8,430,316	8,437,047	8,474,667	8,130,655
<b>Total Value Generated</b>	<b>125,298,706</b>	<b>136,718,336</b>	<b>137,604,737</b>	<b>132,995,619</b>	<b>146,498,857</b>
<b>Payments to the Manager and Trustee</b>					
<i>Manager's fees</i>	12,220,533	12,616,534	12,796,372	12,760,955	13,253,725
<i>Trustees fees</i>	649,354	664,577	665,681	676,287	685,921
<b>Payments to government</b>					
<i>Quit rent and assessment</i>	8,378,301	8,430,316	8,437,047	8,474,667	8,130,655
<b>Payments to providers of capital</b>					
<i>Income distribution</i>	73,095,601	79,419,121	75,882,237	72,881,244	86,600,067
<i>Finance costs</i>	30,425,280	30,520,952	34,750,696	38,976,163	39,774,798
<i>Economic value retained</i>	529,637	5,066,836	5,072,704	(773,697)	(1,946,309)
<b>Total Value Distributed</b>	<b>125,298,706</b>	<b>136,718,336</b>	<b>137,604,737</b>	<b>132,995,619</b>	<b>146,498,857</b>

Table 4: Direct Economic Value Generated and Distributed

## SUSTAINABILITY STATEMENT

(cont'd)

### DATA PRIVACY

[GRI 3-3, 418-1, Bursa C8]

The current technological landscape has driven businesses to shift their business operations to various online platforms for a more efficient, effective workplace and collaboration. We recognised that the risks of cybersecurity threats are increasing as more business pivot to digital platforms to capitalise on the advantages of the digitalised landscape. As businesses become more reliant on online platforms, we anticipate an increase in the demand for reasonable data and information privacy.

We recognise our duties and are committed to managing data information privacy and safeguarding the privacy of our stakeholders and their personal data to maintain their trust, confidence and satisfaction. 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.

To remain current with emerging cybersecurity 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 FY2022:

Ongoing initiatives	
Data Privacy Regulatory Compliance	<ul style="list-style-type: none"> <li>• 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</li> <li>• Third parties are required to read, understand and acknowledge a Non-Disclosure Agreement ("NDA") where there is sensitive information required from the other party</li> <li>• A standard personal data clause has been included in all of our tenancy and service agreements</li> <li>• Consent must be obtained prior to personal data collection and processing</li> </ul>
Data Protection Awareness	<ul style="list-style-type: none"> <li>• 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</li> <li>• Conducted online security awareness training for all employees. In FY2022, we have introduced mandatory self-paced e-learning Security Awareness Training ("SAT") Series for all employees</li> <li>• Perform regular system backups</li> <li>• Short video clips are played periodically at TVs located at the lift lobbies to remind all employees not to leave their laptops or computers unattended to avoid access by unauthorised personnel</li> <li>• MRCB's IT department will also quarantine suspicious email before releasing to staff</li> </ul>

# SUSTAINABILITY STATEMENT

(cont'd)

Ongoing initiatives	
Data Security Controls	<ul style="list-style-type: none"> <li>Keep abreast with the Antivirus software</li> <li>Set up user access rights for system usage and firewall by IT department</li> <li>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</li> </ul>
Physical Data Management	<ul style="list-style-type: none"> <li>All of our physical data are stored on premises and in our data warehouse centre</li> <li>We have shifted to more an operationally comprehensive cloud-based digital data filing since beginning of FY2021</li> <li>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 and agreements, acting as another source of backup of our physical data</li> <li>In FY2022, we implemented Yardi System for facility management, integrating both system facility management and accounting system. Beyond data security, this consolidation of data management is targeted at improving tenant satisfaction</li> </ul>

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

## SUPPLY CHAIN MANAGEMENT

[GRI 2-6, 204, 204-1, 308, 308-1, 308-2, 414, 414-1, 414-2; Bursa C7, S6]

Supply chain management is essential for SENTRAL to efficiently manage our properties, contributing to the reduction of operational costs, minimisation of delay, and quality delivery. At SENTRAL, we strive to manage our impacts across our value chain of asset management, a significant portion of which is comprised of our various suppliers and contractors.



Figure 7: SENTRAL's Value Chain



## SUSTAINABILITY STATEMENT

(cont'd)

Our suppliers are chosen not only for the quality and competitiveness of their services, but also for their adherence to social, ethical, and environmental principles and regulations. Our suppliers and contractors will only be appointed upon meeting a set of criteria guided by our Service Provider Pre-Qualification Policy and Services Contractor Evaluation Policy, indicated in Figure 8: Standard Performance Appraisal. 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.

Our property managers are responsible for selecting, appointing, and managing our suppliers, contractors and service providers. To ensure that we are in compliance with regulations and standards, we continue to conduct our annual online briefing session for all property managers on Pre-Qualification and Due Diligence Assessment on our Property Business Associates, also known as our suppliers and contractors in FY2022. These policies apply to all our properties except for Lotus's Penang as it is fully managed by the tenant.

### 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 8.

Performance of the service contractors are evaluated on an annual basis and are required to achieve the minimum score rating 60%.

For contractors who score below 60%, a three months period will be given to improve their performance before another appraisal is conducted. Termination will be considered should the service provider fail the second appraisal.

A detailed action plan will be developed and periodically assessed for progressive improvement.

Figure 8: Standard Performance Appraisal

## SUSTAINABILITY STATEMENT

(cont'd)

	FY2022	FY2021	FY2020	FY2019	FY2018
Percentage of service providers underwent performance appraisal (%)	100%	100%	100%	100%	100%
Percentage of service providers achieved higher than the minimum score rating of 60% (%)	100%	100%	100%	99.9%	100%

Table 5: Percentage of services providers underwent performance appraisal and achieved higher than minimum 60% score

As part of our commitment to supporting local economic development during Malaysia's economic recovery phase, we prioritise sourcing from local suppliers and contractors where feasible. This enables us to support local businesses and reduce our environmental impact from supply chain. We define local suppliers and contractors as companies registered in Malaysia. In FY2022, we spent a total of RM5,170,000 on local suppliers and contractors, which is 95% of our procurement budget.

	FY2022	FY2021	FY2020	FY2019
Local suppliers and contractors (%)	95%	100%	76%	80%
Local Procurement expenditure (RM)	RM5,170,000	RM2,386,183	RM8,539,554	RM8,629,868

Table 6: Percentage of local suppliers and contractor and local procurement expenditure

As we progress into FY2023, we strive to maintain a minimum of 75% of locally sourced products and services for our buildings. We are committed to continuously explore opportunities to strengthen our relationships with our supplier and service providers through meaningful engagements.

# SUSTAINABILITY STATEMENT

(cont'd)



## ENVIRONMENTAL

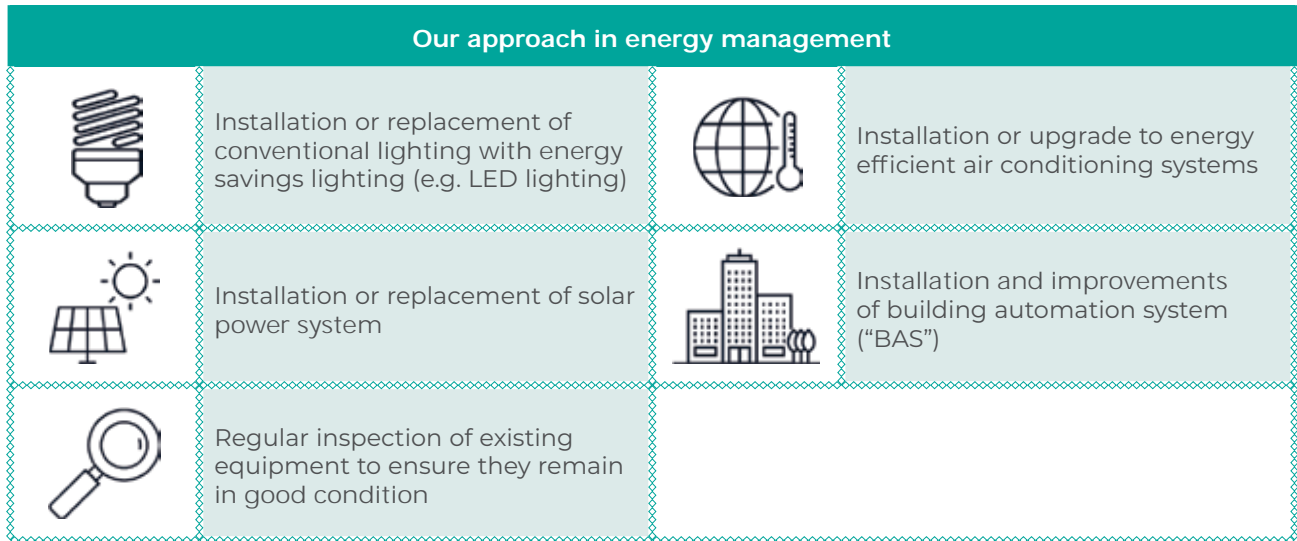
As custodians of the built environment, we believe setting effective environmental goals into action can contribute towards reducing environmental impact. The environmental management practices of SENTRAL are centered on minimising the environmental impacts of our consumption, activities, and investment portfolio.

### ENERGY AND CARBON FOOTPRINT

[GRI 3-3, 302-2, 302-3, 302-4, 305-2, 305-4, Bursa C4, C11]

International Energy Agency reports that the operations of buildings accounted for 30% of global final energy consumption in 2021. Following the drop in 2020 from COVID-19 restrictions, both energy consumption and greenhouse gas (GHG) emissions from buildings have rebounded to levels higher than in 2019<sup>1</sup>. Continuous decarbonisation effort is imperative to mitigate rising average global temperatures that is caused by increased GHG emissions, and we are committed to adopt efficient energy management practices to reduce our carbon emissions, contributing to Malaysia’s national goals of reducing carbon intensity (against GDP) by 45%.

Our approach in energy management is illustrated in the diagram below:



Purchased electricity for building operations of essential equipment and comfort of occupants 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. 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.

<sup>1</sup> Buildings Tracking Report 2022 – Analysis - IEA

# SUSTAINABILITY STATEMENT

(cont'd)

As we continue to increase our decarbonisation efforts, we are in the process of developing SENTRAL's Energy Management Policy which will serve as formal guidance for our energy conservation and management activities across our buildings. We aim to establish our Energy Management Policy by 2024.

While our goal was a 2% decrease from FY2021, we were able to achieve a 4.9% decrease in energy consumption in FY2022, reducing 1,025,001kWh of energy consumption.

Figures 9-12 below depicts information on energy consumption and intensity as well as carbon emissions.

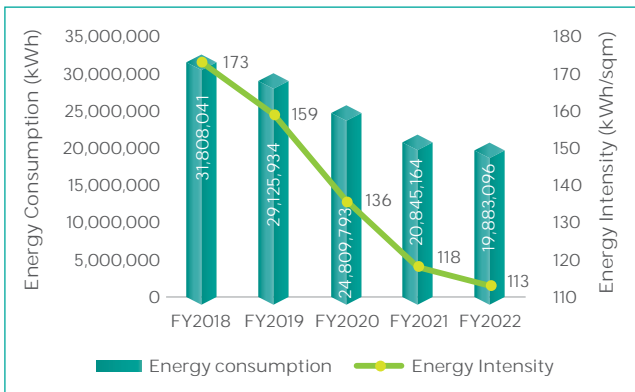


Figure 9: Total Energy Consumption and Intensity

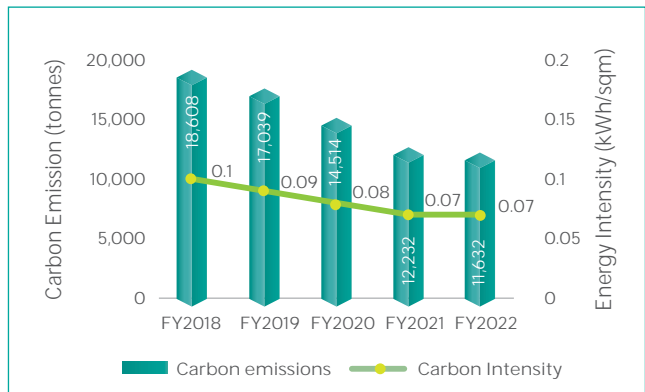


Figure 10: Total Carbon Emissions and Intensity

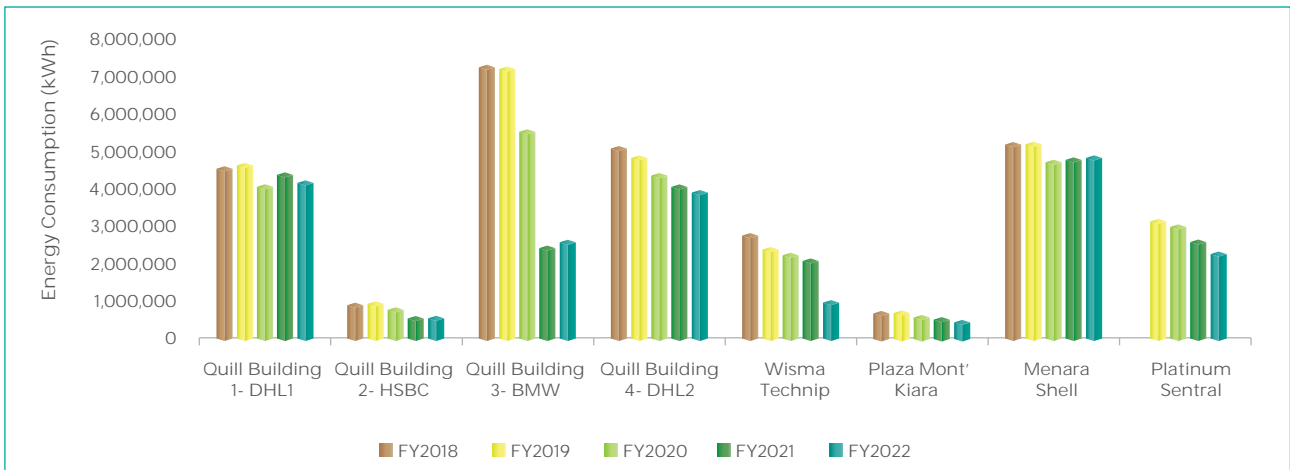


Figure 11: Total Energy Consumption by Property

## SUSTAINABILITY STATEMENT

(cont'd)

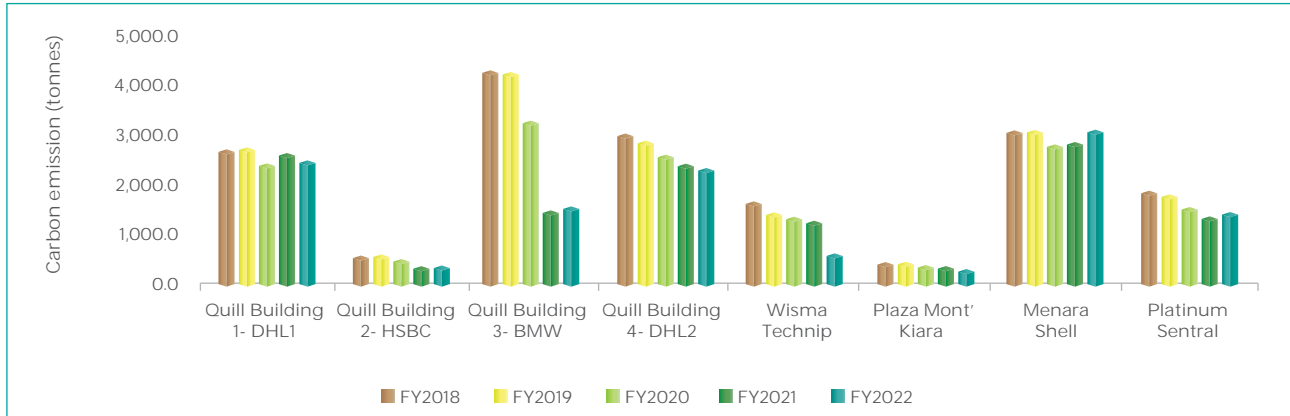


Figure 12: Total Carbon Emissions by Property

\* 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

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 7 depicts our planned initiatives for FY2023 in-line with our firm commitment towards energy reduction.

No.	Building	FY2023 Initiatives
1	Menara Shell	Upgrade air-condition system with efficient air-flow to reduce energy consumption.
2	Plaza Mont' Kiara	Upgrade car park lightings to LED to reduce energy consumption.

Table 7: FY2023 Energy Efficient Initiatives

### WATER MANAGEMENT

[GRI 3-3,303-1, 303-5, Bursa C9]

All water consumption from SENTRAL's building operations is water purchased from water service providers prior to discharge via the sewerage system.






A continuous and sufficient supply of quality water is vital for all SENTRAL's portfolio buildings and business continuity. Any water supply disruptions will ultimately impact our daily operations which would cause inconveniences and dissatisfaction to tenants and our stakeholders. Such disruptions are caused by factors unforeseen and beyond the control of SENTRAL as a service subscriber, which includes pollution of raw water sources or service downtime. Water supply disruption is one of the biggest challenges faced currently and has impacted Malaysia at state level.

In view of such risk, we recognise our role in ensuring efficient water distribution and conservation. The management have 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.

# SUSTAINABILITY STATEMENT

(cont'd)

Our approach in water management is 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 functionality and efficiency is maintained		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 FY2022, our key initiatives are highlighted in the table below to achieve our year-to-year target of 2% water consumption reduction.

No.	Building	FY2022 Initiatives
1	Platinum Sentral	Refurbish toilets with self-closing taps to conserve water usage
2	Menara Shell	Implement auto-sensor toilet flushing system

Table 8: FY2022 Water Management Initiatives

In FY2022, water consumption has decreased across our buildings, except for Menara Shell. With the relaxation of COVID-19 restrictions, tenants have returned to offices, contributing to the increase of water consumption. This contributed an overall increase of 23%.

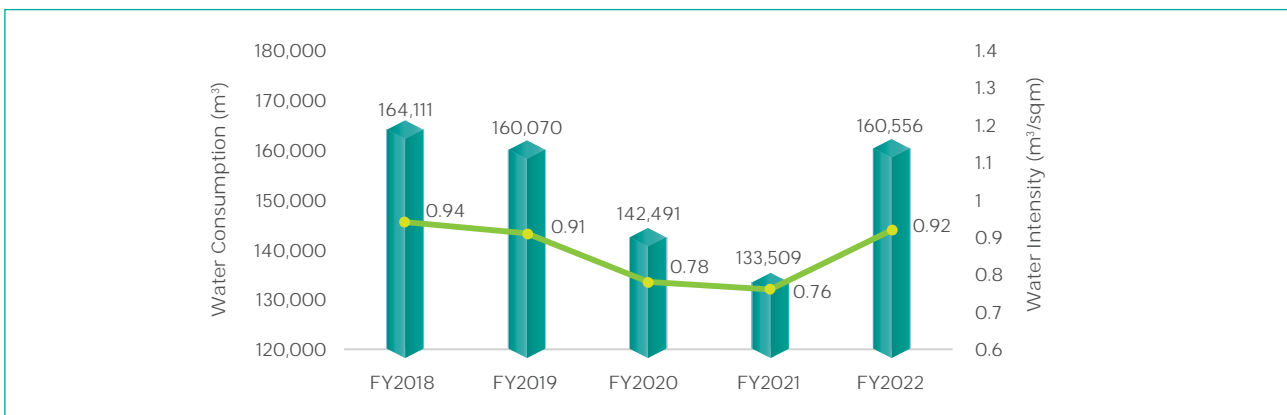


Figure 13: Total Water Consumption and Water Intensity

# SUSTAINABILITY STATEMENT

(cont'd)



Figure 14: Total Water Consumption by Property

Moving forward, followed by our efforts by continuously achieving 2% reduction in water consumption since FY2017, we intend to continue our efforts on water efficiency by maintaining our water consumption year-on-year. We will continue our water efficiency initiatives in FY2023 which will primarily involve toilet upgrades at Platinum Sentral.

## WASTE MANAGEMENT [GRI 3-3, 306-2, Bursa C10]

Given the current emphasis on circular economy, appropriate waste management and waste recovery is necessary for SENTRAL's commitment to sustainability and the communities we operate in. Improper waste management can lead to a wide range of negative impacts to the environment and society, and ultimately could affect our operating license and being exposed to reputational and legal risks.

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. At SENTRAL, we strive to provide a safe and comfortable environment for our tenants, where waste disposals are conducted in a safe and responsible manner to reduce health hazards to our tenants.



## SUSTAINABILITY STATEMENT

(cont'd)

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



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. We also adopt durable materials for our operations and maintenance work to allow longer building lifespan, thus reducing waste.

Since FY2021, we have placed recycling bins in high traffic areas of our portfolio buildings, such as lobbies to encourage recycling among our employees, tenants and visitors. In addition, tenants and visitors are encouraged to reduce, reuse and recycle waste through the display of environmental awareness notices and posters.

SENTRAL is committed to continuous improvement of our environmental impact. To assess the effectiveness of waste management strategy, SENTRAL will work with our waste contractors to collect and track data for waste disposed at landfill and waste diverted from landfill.

# SUSTAINABILITY STATEMENT

(cont'd)



## SOCIAL

### HEALTH AND SAFETY

[GRI 3-3, GRI 403-2, 403-5, 403-6, 403-9, 403-10, Bursa C5]

Despite the ease of COVID-19 restrictions and protocols, our stakeholders' safety, health, and well-being are still regarded as one of our top priorities. This includes our employees, tenants, contractors, visitors, and communities while on premises.

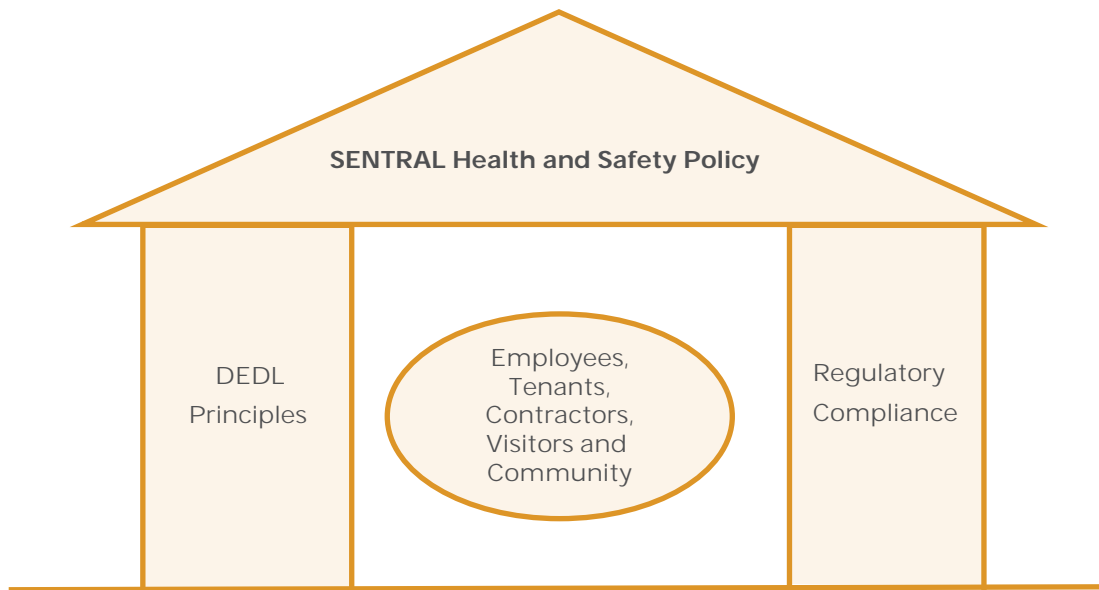


Figure 15: SENTRAL's Health and Safety Principles

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 on 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)

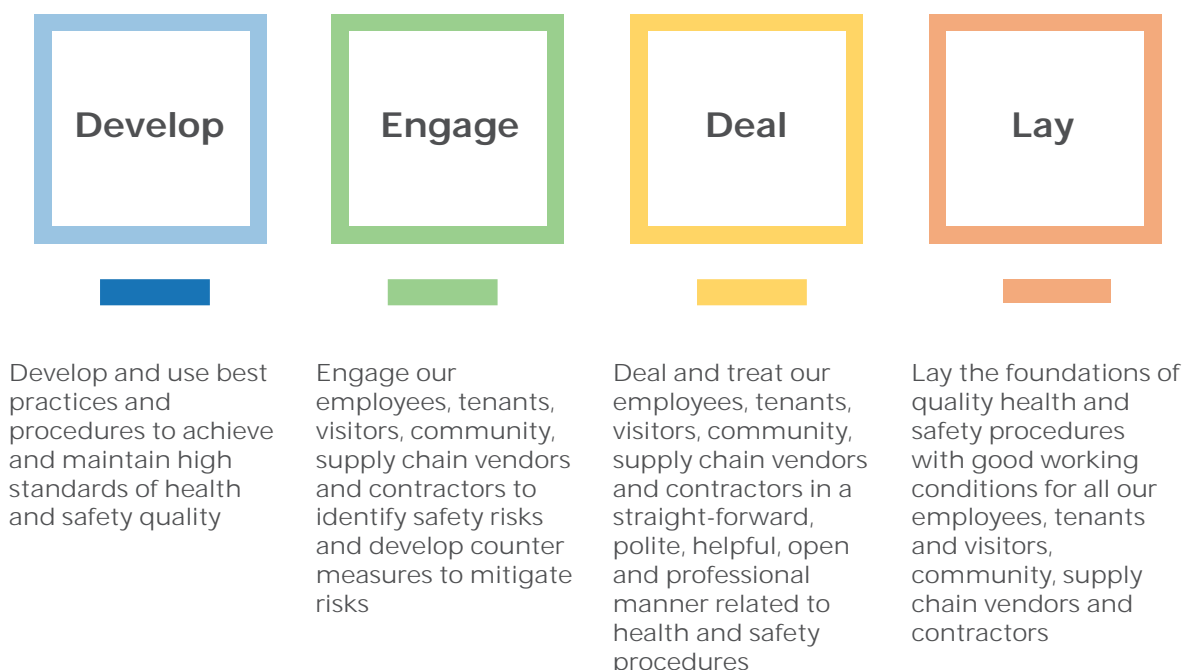


Figure 16: CENTRAL's Health and Safety Principles

Our DEDL Health and Safety Principles, shown in Figure 16 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.

To ensure our people are abreast with the latest trends, knowledge and HSE regulations, we conducted annual health and safety training and refresher courses to all our employees.

	FY2022	FY2021	FY2020	FY2019
Number of employees trained on health and safety standards	19 <sup>1</sup>	0	0	9 - First aid training 23 - Fire safety training

Table 9: Number of employees trained on health and safety standards

<sup>1</sup> Discrepancy with 2022's total employee data is due to employee changes after the annual training is conducted

### Managing risks and hazards in our buildings

As custodian of our buildings, we believe it is our responsibility to ensure the health and safety of all occupants. We require participation from all our stakeholders to minimise exposure to health and safety risks and hazards. Here, we work closely with our building management team, tenants, and contractors to ensure safety controls are in place to ensure the well-being of our building occupants.

# SUSTAINABILITY STATEMENT

(cont'd)

Stakeholders	Safety controls
<p>SENTRAL, building management team and contractors</p>	<ul style="list-style-type: none"> <li>• Regular fire risk assessments performed regularly to identify and manage potential risks and hazards</li> <li>• Monitoring safety certifications for fire, gondola, lift and escalator to ensure timely renewal.</li> <li>• Maintenance and repairs to ensure compliance with safe operating standards implemented by the Fire and Rescue Department of Malaysia (“BOMBA”).</li> <li>• Clear safety signage during refurbishment to provide awareness</li> <li>• 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.</li> <li>• Health and safety pre-qualification of contractors and on-going monitoring of work in progress.</li> <li>• 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.</li> </ul>
<p>Tenants</p>	<ul style="list-style-type: none"> <li>• Establish Emergency Response Teams trained in first aid and equipped with fire-fighting abilities to respond to health and safety risks</li> <li>• Tenants are also required to conduct a risk assessment prior to any renovation and fit-out of the tenanted spaces.</li> </ul>



Figure 17: Installation of perimeter anti-climb fencing at Quill Building 1 (DHL 1) & Quill Building 4 (DHL2)

Anti-theft perimeter fencing was constructed for Quill Building 1 - DHL 1 and Quill Building 4 - DHL 2 as safety enhancement measures.

# SUSTAINABILITY STATEMENT

(cont'd)

## Health and safety grievances

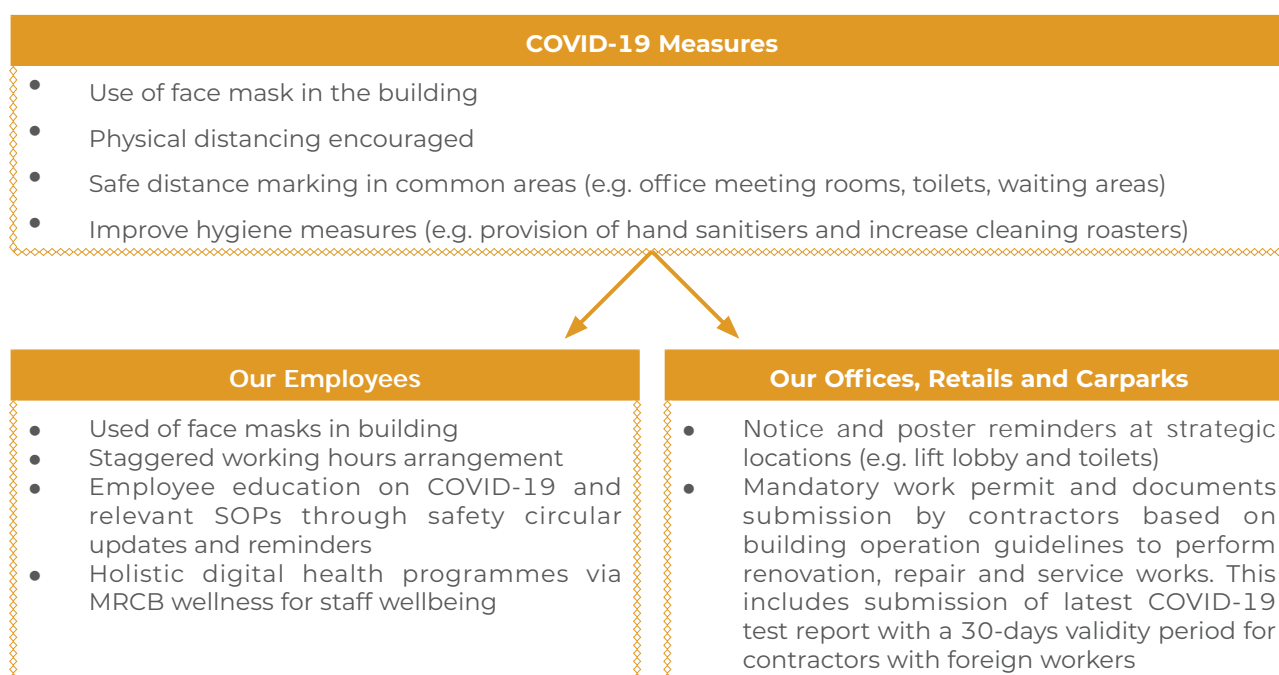
In adherence to our Health and Safety Principles, stakeholders are also provided channels to raise concerns regarding health, hygiene and safety protection matters to which effective responses are planned. Every incident will be acknowledged, reviewed, handled, and followed up to achieve closure or reach a suitable conclusion. Our grievance mechanisms are illustrated in Table 10 below. In FY2022, we received one safety grievances report in Platinum Sentral involving a tenant's staff injury as a result of stepping onto an unstable wood plank at the outdoor retail area. Measures to reinforce safety at the area are in progress with commencement of the asset enhancement initiative to upgrade the outdoor retail and landscape area.

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 and prevent criminal activities

Table 10: Health and Safety Grievance Mechanisms

## Protecting our people during the COVID-19 crisis

Malaysia's economy continues to recover from the effects of the COVID-19 pandemic, and we are committed to remaining vigilant against the COVID-19 outbreak. We continue to practice basic precautionary measures and controls to ensure the safety of our employees, tenants, visitors and communities. 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.



## SUSTAINABILITY STATEMENT

(cont'd)

### Health and Safety initiatives in FY2022

#### First Aid Training

On the 6<sup>th</sup> and 7<sup>th</sup> July 2022, First Aid training was provided to all employees of SENTRAL which was conducted by Hannel Consulting. The key objective of this training is to provide In-house First Aid and Basic Life Support CPR AED Training.



Figure 18-19: First Aid Training Conducted to All SENTRAL Employees

#### Menara Shell - Health and Safety Online Forum

*Safety Day 2022 – Starting Work is Not the First Step: Context Drives Behavior*

This health and safety initiative was organised by Shell Malaysia following from our 2021 HSSE forum held in FY2021. The online forum was organised on 11th May 2022 with the main aim to leverage a Learner Mindset to think about work through the lens of Human Performances, which will improve work safety.

This forum also provides an opportunity to understand what the common contexts are and how to contribute to the context of other people's work before we start our own.

Our commitment towards ensuring our people's health and safety and Menara Shell is demonstrated by our active involvement with our tenants' OSH Management Committees since April 2019, namely Shell and Am General. The committees are a platform for our tenants and management to collaborate and solve health and safety issues.

In FY2022, 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, Bursa C7, S6]

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 through continuous asset enhancement.

#### Asset Enhancement

Asset enhancement is a key driver for a REIT's success. Guided by our asset enhancement policy, we aim to continuously enhance our buildings' functional and aesthetical characteristics, space planning and incorporating green features such as energy efficient fittings. In recent years, there has been a growing focus on incorporating green features into asset enhancement strategies as tenants are increasingly conscious of their environmental impact.



## SUSTAINABILITY STATEMENT

(cont'd)

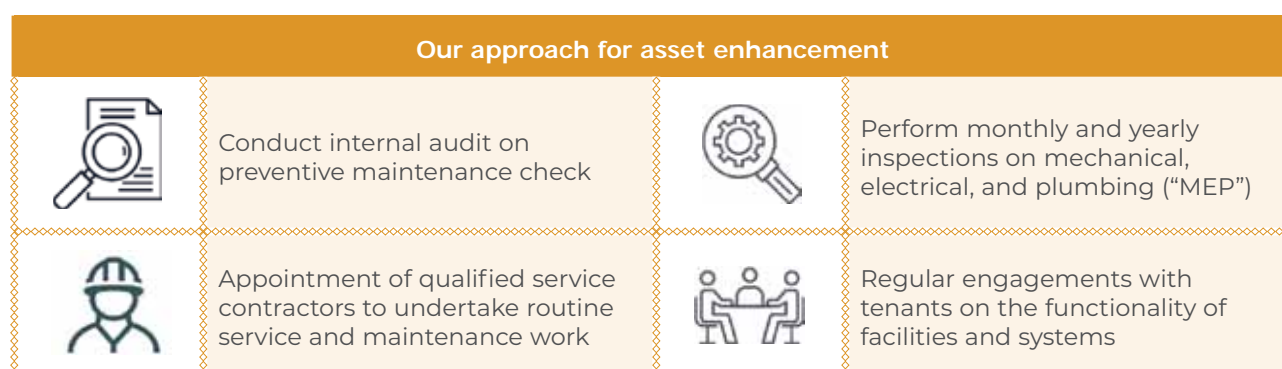
Menara Shell is Leadership in Energy and Environmental Design (“LEED”) Platinum-certified while Platinum Sentral was awarded the Building and Construction Authority (“BCA”) Green Mark Platinum certification in October 2014.

	2022	2021	2020	2019	2018
Percentage of properties certified against Green Building Certification (%)	12.5%	12.5%	12.5%	12.5%	12.5%

Table 11: Percentage of Properties Certified Against Green Building Certification

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.



Our AEIs for FY2022 are illustrated below with a total of RM3,566,790 invested, reflecting a 100% increase from FY2021. Majority of AEIs in FY2022 were performed at Platinum Sentral which has been in operation for ten (10) years. Refurbishment and upgrading works were performed to maintain the asset quality and our tenants’ health and safety.

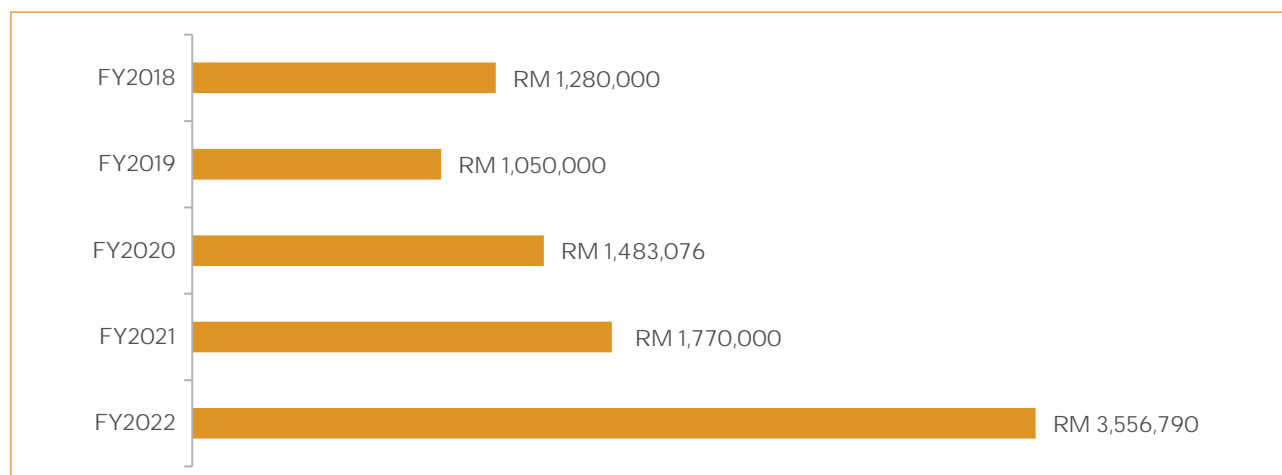


Figure 20: SENTRAL's Asset Enhancement Investments

## SUSTAINABILITY STATEMENT

(cont'd)

### Platinum Sentral

- Upgrading and completion of existing male, female and handicap toilet at Block A, Level 6, 7, 8 and 9.

#### Before



Figure 21-22: Platinum Sentral - toilets before upgrading

#### After



Figure 23-24: Platinum Sentral - toilets after upgrading

- Refurbish ceiling board replacement and raised floor painting at Block A, Level 6, 7, 8 and 9.

#### Before



#### After



Figure 25-26: Platinum Sentral - before and after ceiling board replacement

### Quill Building 1 (DHL1)

- Upgrading main entrance canopy metal gutter with new sealant for canopy composite cladding panel.

#### Before



#### After



Figure 27-28: Quill Building 1 - before and after upgrading of main entrance canopy

## SUSTAINABILITY STATEMENT

(cont'd)

### Plaza Mont' Kiara

- Installation of new floor tiles and painting of walls.

Before



After



Figure 29-30: Plaza Mont' Kiara before and after upgrading of new floor tiles

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 FY2023 are as follow:

No.	Building	FY2023 Initiatives
1	Quill Building 1	<ul style="list-style-type: none"> <li>■ Upgrade main entrance water fountain</li> </ul>
2	Quill Building 3	<ul style="list-style-type: none"> <li>■ Upgrade and refurbish new floor tiles at Ground Floor main lobby</li> </ul>
3	Quill Building 4	<ul style="list-style-type: none"> <li>■ Resurface driveway road pavement</li> </ul>
4	Plaza Mont' Kiara	<ul style="list-style-type: none"> <li>■ Upgrade car park - painting of directional signage and pedestrian walkway</li> <li>■ Upgrade Block E courtyard air-condition and flooring</li> </ul>
5	Platinum Sentral	<ul style="list-style-type: none"> <li>■ Refurbish clay wall at Level 3 Atrium</li> <li>■ Install new electrical Auto Transfer Switch at main electrical board</li> <li>■ Upgrade driveway and water feature</li> </ul>
6	Menara Shell	<ul style="list-style-type: none"> <li>■ Repaint two emergency staircases walls</li> <li>■ Replace Low Zone toilet with auto sensor for wash basin</li> </ul>

Table 11: Asset Enhancement Initiatives for FY2023

### Facility Manager Management

In FY2022, we rolled out the Facility Manager App, a cloud-based facility management platform in third quarter of 2022 for all SENTRAL REIT properties, except Lotus 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 facility management platform comes with mobile app that provides property managers and technicians with access to real-time work status, making it convenient for them to perform status checks anytime, anywhere. The Facility Manager App was fully implemented in October 2022 and replaces our Computerised Maintenance Monitor System ("CMMS").

## SUSTAINABILITY STATEMENT

(cont'd)

### Tenant Engagement and Satisfaction

We are committed to building strong tenant relationship through regular and meaningful engagements. Satisfied tenants are more likely to maintain the property, renew their leases and provide recommendations of their satisfactions to potential tenants. Tenants' feedbacks are collected through regular briefings, sharing sessions, informal communications and Tenant Feedback/Complaint forms ("Form"). As part of our continued effort to improve SENTRAL's Quality of Assets and Services, the cloud-based facility management tenant complaints platform was successfully launched and had gone-live on October 2022.

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:

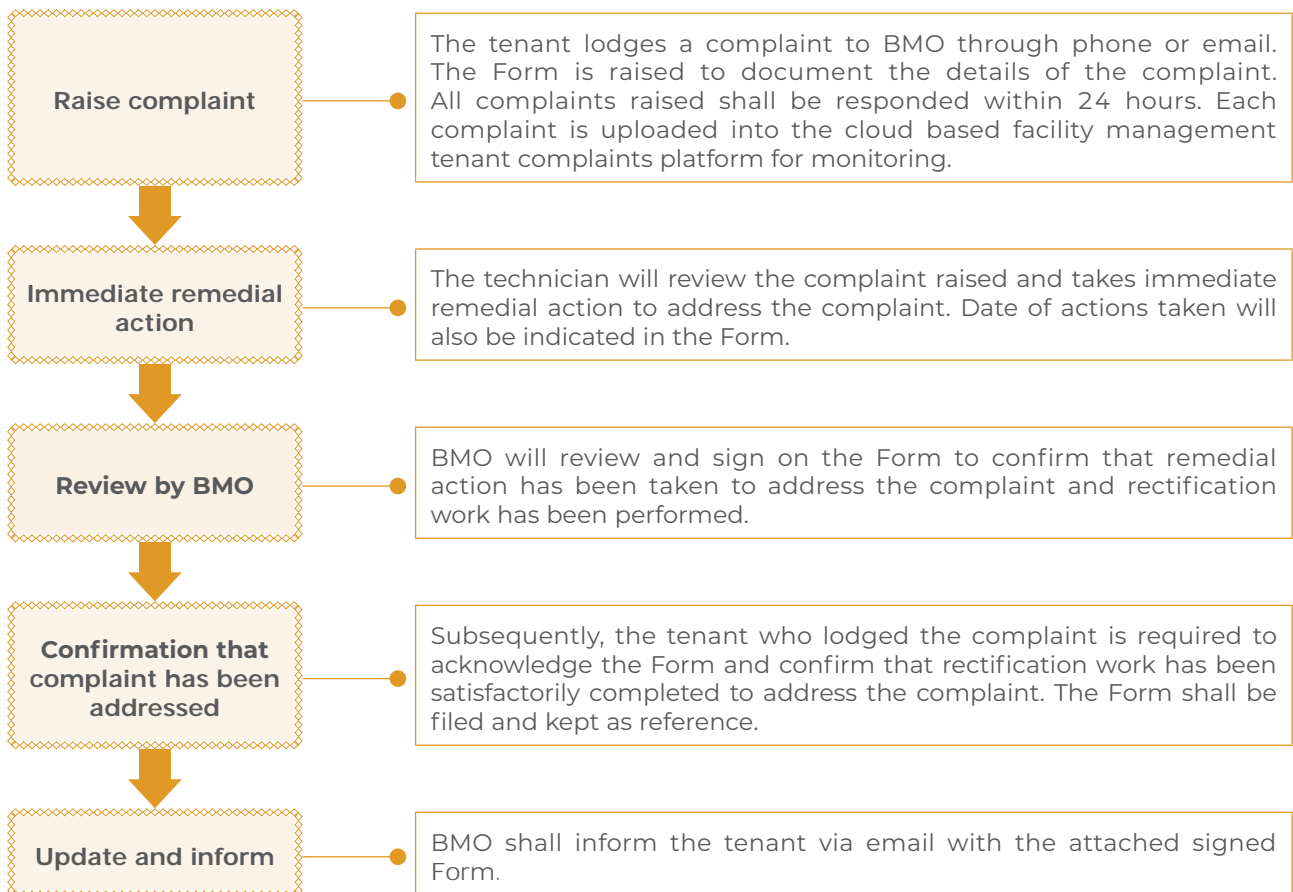


Figure 31: SENTRAL's Complaint Management Process

## SUSTAINABILITY STATEMENT

(cont'd)

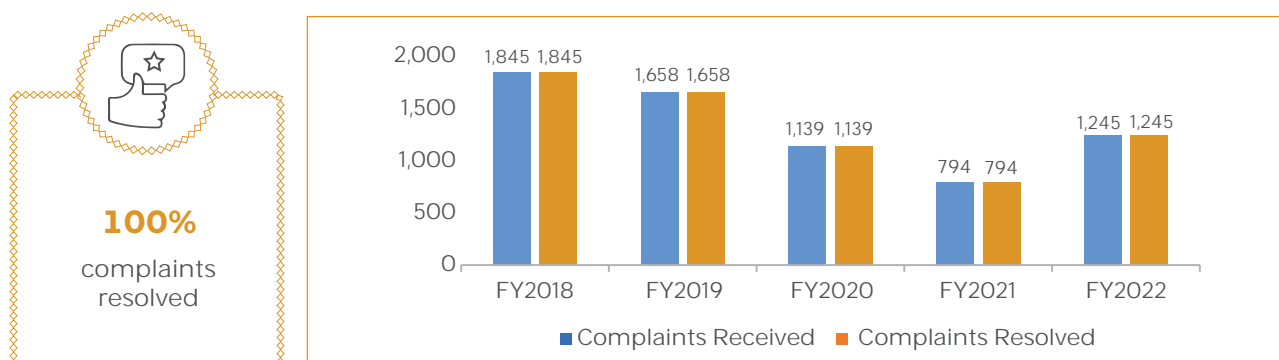


Figure 32: Number of Complaints Received and Resolved

In FY2022, we received an increase of 56% in complaints, 1,245 as compared to 794 in FY2021 as a result of more tenants returning to their offices for work. However, we successfully resolved all complaints we received during the financial year. We have set a target to reduce the number of complaints for Platinum Sentral properties by 3% in FY2023 as well as continuing to practice more proactive engagement to deliver tenant satisfaction in our daily and weekly operational and maintenance work.

### Embracing Innovation and Technology

The REIT industry continues to reinvent itself competitively towards a digital age, influenced by evolving customer preferences and growing demands for new technologies and data capabilities. COVID-19 has accelerated these trends which prompted a dynamic shift in consumers, employee, employer and organisation behaviors and norms.

We will continue to invest in technology to embrace innovation, increase operational efficiency, improve tenant experience and safety measures in 2022.

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, 402-1, 404-1, 404-2, 404-3, 405-1, 406-1, Bursa C5, Cf, C6]

Our employee is the foundation of our business. Our ability to create value for our stakeholders, delivering exceptional services and the continual growth of business ultimately depends upon the capacity our employees. SENTRAL recognises that it is vital to prioritise and support our people's needs, health and safety, culture, talent, and leadership development for the growth of our business organisation in the long-term.

### Diversity and Equal Employment

Diversity and inclusion are considered vital amongst the most important issues in SENTRAL to achieve our objectives. We believe that skills, talents, and innovation from a diverse perspective would enable SENTRAL to thrive to meet business needs by nurturing a workplace environment where employees feel respected, valued, and supported regardless of backgrounds.

# SUSTAINABILITY STATEMENT

(cont'd)

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 and we do not tolerate any harassment nor discrimination.

Indicators	FY2022	FY2021	FY2020	FY2019	FY2018
Total number of employees	20	19	18	18	18
Total number of workers	27	30	36	37	36
Number of new hires	5	1	1	1	1
Employee turnover	4	0	1	1	2

Table 12: SRM's Employee Data

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.

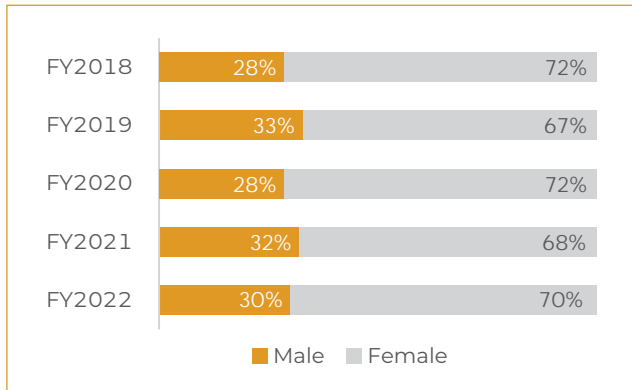


Figure 33: Employee Gender Diversity

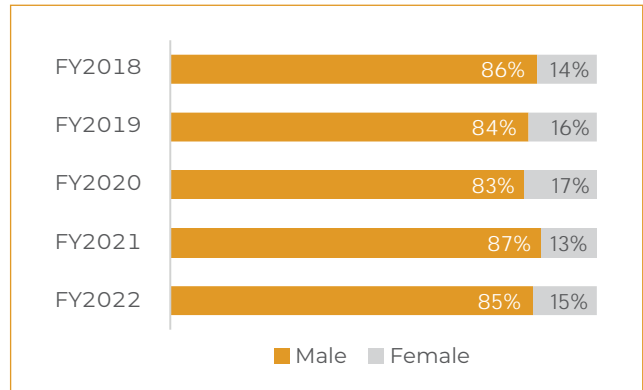


Figure 34: Worker Gender Diversity

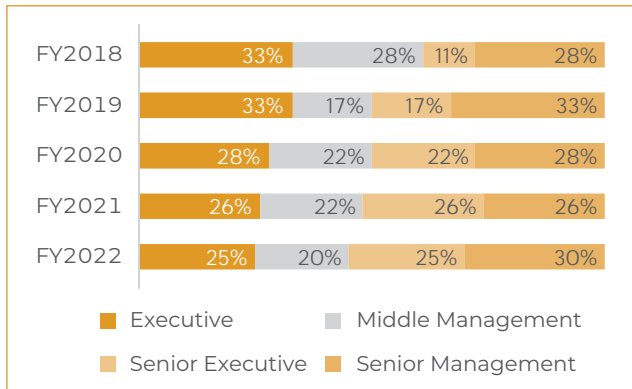


Figure 35: Employee Diversity by Employee Category

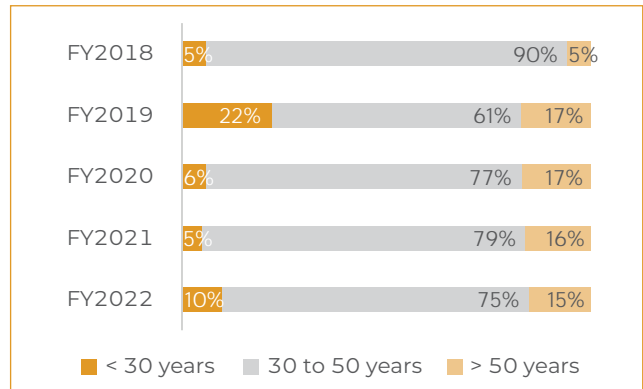


Figure 36: Employee Age Diversity

Note: There may be slight differences in historical percentages due to rounding.

For FY2022, there were no incidents reported on discrimination or harassment as we continue to achieve our target of zero grievance 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"> <li>• Group term life insurance (including dependent)</li> <li>• Disability and invalidity insurance</li> <li>• Surgical and hospitalisation insurance</li> </ul>
Leaves	<ul style="list-style-type: none"> <li>• Annual leave</li> <li>• Medical leave</li> <li>• Parental leave</li> <li>• Maternity leave</li> <li>• Compassionate leave</li> <li>• Prolonged illness leave</li> <li>• Family care leave</li> <li>• Examination leave</li> </ul>
Wellness	<ul style="list-style-type: none"> <li>• Outpatient and health screening</li> </ul>
Flexible work arrangement	<ul style="list-style-type: none"> <li>• Staggered working hours</li> <li>• Work from home ("WFH") arrangements on a weekly rotational basis during the pandemic</li> </ul>
Subsidy and reimbursement	<ul style="list-style-type: none"> <li>• Professional membership subsidy</li> <li>• Petrol subsidy (applicable to selected level/grade of employees only)</li> <li>• Parking subsidy</li> <li>• Mobile phone bill reimbursement</li> </ul>

Table 13: 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 FY2022, none of our employees took the above-mentioned parental 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 KPIs and optimise our employees' potential if necessary. In FY2022, 100% of our permanent employees receive their performance appraisal.

We are also committed to support employees who are identified to be underperforming during their performance appraisal. A performance improvement plan (PIP) implemented aims to help employees who are not meeting their job performance goals. Our PIP covers specific areas of performance deficiencies, identifies skills or training gaps, and sets clear expectations for an employee's future conduct in our organisation. We are pleased to report that none of our employees has been placed on a PIP in FY2022.

## 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 facilitate two-way dialogue between employer and employee. 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.

As a sign of respect for our employees, we are also committed to providing sufficient notice when communicating operational changes at SENTRAL. We believe that allowing employees time to adjust to the changes and minimising any disruption or inconvenience caused by the changes will ensure that they are prepared for the changes and can continue to perform their duties effectively. Employees and their representative are given a minimum of 1 to 2 weeks of calendar days' notice prior to the implementation of significant operational changes that could substantially affect them.

Employee and management relations is under the purview of MRCB's Group Human Resource ("HR"). All communications at this junction in respect of HR policies, requirements and processes are communicated through the following avenues:

1. Formal letter to employees on matters mainly on employment details, salary, bonuses, promotions, reprimands
2. Email blast to all staff via the general email on matters such as general notices on HR policies, general HR reminders and public holidays announcements
3. Town hall on any major operational changes within the group that affects all staff
4. General counselling by HR on any matters that require clarification by any staff
5. For employee grievances with regards to HR matters, staff may also write in to the Disciplinary and Integrity Department via [whistleblowing@mrcb.com](mailto:whistleblowing@mrcb.com) or [whistleblowing@sentraltreit.com](mailto:whistleblowing@sentraltreit.com)

Furthermore, all our staff have been kept abreast with HR initiatives via the communications highlighted above.

In FY2022, we have resumed physical employee engagements and social activities, including involving the participation of our employees in our Corporate Social Responsibility ("CSR") programmes.

#### List of employee social events

1. Quarterly lunch and cake cutting gathering
2. Festive lunch/dinner celebration for Chinese New Year, Hari Raya Aidilfitri and Christmas
3. Farewell luncheon to recognise staff for their contribution to the company
4. Staff participating in MRCB Group CSR Program organised for the Community Engagement with Orang Asli at Sg Kejar & Sg. Tiang in Royal Belum Forest, Grik Perak
5. CSR Program in Sabah collaborating with Good Shepherd Service for the Education Fund for rural indigenous Children and Pilot Project for menstrual Hygiene Management for Girls in interior division of Sabah



Figure 37-38: Employee cake cutting gathering

# SUSTAINABILITY STATEMENT

(cont'd)



Figure 39-40: Hari Raya Aidilfitri festive celebration



Figure 41: Christmas festive celebration



Figure 42-43: Staff recognition farewell luncheon



Figure 44-45: Staff participating in MRCB Group CSR Program at Kg Orang Asli in Sg Kejar & Sg. Tiang in Royal Belum Forest, Grik Perak



# SUSTAINABILITY STATEMENT

(cont'd)

In addition, we continue to provide email reminders on the adherence to COVID-19 SOP and social distancing in the office. Large physical meetings and visitors at the office are not restricted. However, online meetings are encouraged.

In FY2022, we reported no validated cases of non-compliance with employment regulations, acts concerning employee rights and human rights, as well as no unresolved grievance cases requiring escalation to the CEO or Chairman.

## Training and Education

At SENTRAL, we believe in investing in the development of our employees as it helps them to gain the necessary skill sets and knowledge to meet evolving 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 and e-LATih programme by government agency HRD Corp, which lists more than 300 courses.

COVID-19 has accelerated the adoption of digital tools, and we anticipate that digitalisation will continue to play an important role in the future. We are committed to ensuring that our employees are equipped to embrace the continued growth of the digital age, which aligns with our desire to cultivate workforce of the future. In FY2022, with the easing of COVID-19 restrictions, we have resumed physical training in combination with online training.

Our training programmes conducted in FY2022 are illustrated below:






	Empowering MRCB with Microsoft Teams, 11 module courses
	Microsoft Teams: What's New in Team
	Microsoft Excel Dashboard Program
	MRCB Wellness Programme
	Free Medical Screening collaboration with Clinic QCity & Surgery

Figure 46: Trainings Conducted in FY2022

<p><b>General Policy on Training and Development</b></p> <p>Guides the administration of internal training and development programmes that are coordinated by the HR Department for MRCB Group and its subsidiaries. This policy also applies to trainings conducted by external parties.</p>	<p><b>Training and Development Policy Guidelines (Internal In-House Training Programme)</b></p> <p>Outlines policies relating to the eligibility and procedures for nominating in-house training.</p>	<p><b>Training and Development Policy Guidelines (External In-House Training Programme)</b></p> <p>Provides guidance on the eligibility and procedures for the application of practical training programmes.</p>
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Figure 47: MRCB Group Training and Development Policies

## SUSTAINABILITY STATEMENT

(cont'd)

Additionally, our management and employees are also enrolled into various physical and online training courses developed by a variety of reputable training or consultancy organisation including CKM Advisory Sdn Bhd, Securities Industry Development Corporation (“SIDC”), Malaysian Institute of Accountants (“MIA”) Online Training Course, and Certified Public Accountant (“CPA”) Training Course. This is to enable our employees to further their technical and functional skills development to obtain and/or maintain professional qualifications and relevant competencies. In FY2022, we have resumed our compulsory health and safety trainings which includes first aid training and Cardiopulmonary Resuscitation (“CPR”) training.

We value the wellness of our employees, and we support them by offering health and wellbeing programme in collaboration with our healthcare provider. Emails are sent out quarterly to provide employees with information and updated features of the programme and as a platform to encourage staff to seek help if needed.

In FY2022, we have invested a total of approximately RM22,000 for training programmes and all employees underwent a total of 694.5 training hours which works out to an average of 34.7 training hours per employee, a 35% increased from FY2021. With the uplift of COVID-19 restrictions, our employees were able to attend physical training and industry events which were longer durations, as opposed to online trainings in the prior year which were typically shorter duration. 85% of SENTRAL 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.

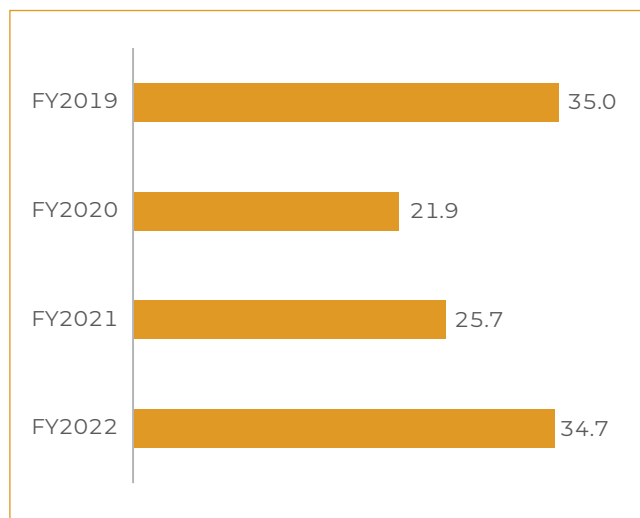


Figure 48: Average Hours of Training Per Employee

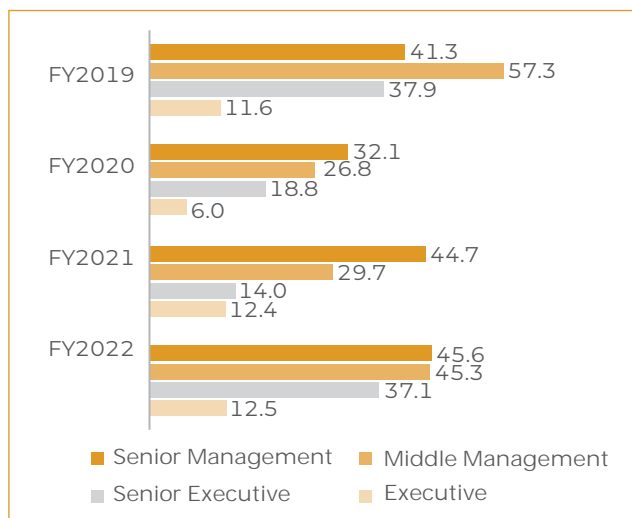


Figure 49: Average Hours of Training Per Employee Category

# SUSTAINABILITY STATEMENT

(cont'd)

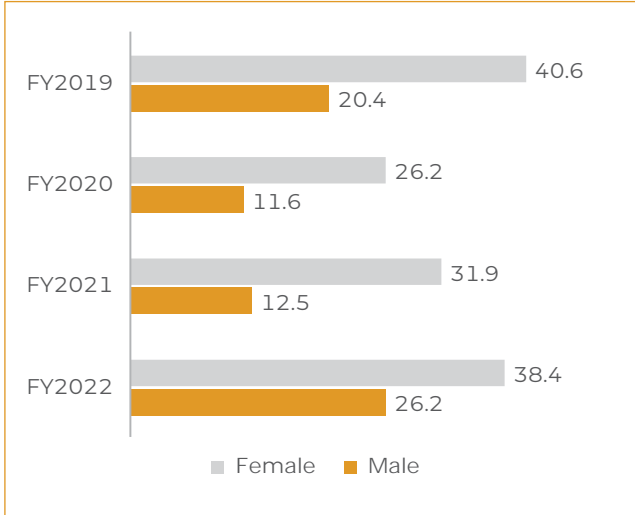


Figure 50: Average Hours of Training by Gender

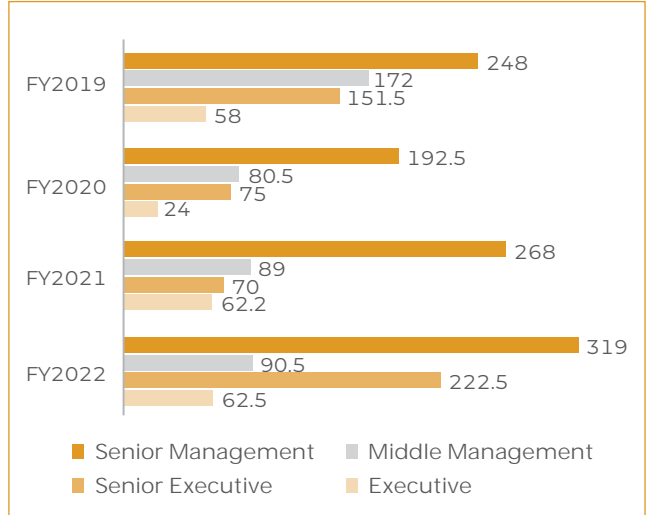


Figure 51: Total Hours of Training by Employee Category

## COMMUNITY PARTNERSHIP AND ACTIVITIES

[GRI 3-3, 413-1, Bursa C2]

At SENTRAL, we believe that our success is directly linked to the well-being of the communities where we operate, and we strive to make a positive impact on society and the environment. In the spirit of giving back to the community, our focus for FY2022 is to continue our support and work in partnership with the welfare organisations and children’s homes on education and empowerment projects, aimed at uplifting the children from poor and marginalised families and communities. We provided financial aid via education grants to the following groups:

- i. Rural indigenous children in Sabah
- ii. Students from children’s home in Klang Valley



# SUSTAINABILITY STATEMENT

(cont'd)

In FY2022, we have collaborated with Good Shepherd Services and Yayasan Ozanam on the following projects.

Good Shepherd Services	Yayasan Ozanam
<p data-bbox="245 566 494 618"><b>Sponsor-A-Child for Education Fund</b></p> <p data-bbox="169 636 571 981">In rural areas in Sabah, there is a heavy reliance on school hostels to enable students from rural indigenous communities to attend school regularly. Due to poverty, children from these communities have limited to no access to schools and education as most families are unable to afford or secure a place in school hostel, as well as the transportation costs to ferry.</p> <p data-bbox="169 1010 571 1294">SENTRAL has contributed RM72,000 to the Sponsor-A-Child Education Fund. The financial aid will directly support <b>51 students in Sabah</b> to meet their schooling expenses which include hostel fees, transportation costs, academic materials, and other operational costs.</p>   <p data-bbox="185 1845 555 1948"><i>Figure 52-53: The education fund supports the students' hostel fees, which enables them to attend school regularly</i></p>	<p data-bbox="632 566 967 618"><b>Menstrual Hygiene Health Education program</b></p> <p data-bbox="600 636 1002 1037">SENTRAL has contributed RM36,000 to this Menstrual Hygiene Health Education Program. This project is a capacity building workshop conducted in 5 different secondary school aiming to increase awareness on personal menstrual health management. <b>1,000 hygiene kits</b> (3 pcs of washable pads in each kit) are distributed in rural areas where disposal sanitary napkins are difficult to obtain.</p>   <p data-bbox="608 1585 994 1637"><i>Figure 54-55: Personal hygiene kits distributed to secondary schools</i></p>
	<p data-bbox="1121 521 1342 551"><b>Yayasan Ozanam</b></p> <p data-bbox="1121 577 1337 607"><b>Education Grant</b></p> <p data-bbox="1027 636 1430 723">SENTRAL has contributed RM23,000 to the Yayasan Ozanam Education Grant.</p> <p data-bbox="1027 752 1430 1010">This financial aid has supported <b>5 students</b> from the children's home under the organisation who is undertaking their degree or diploma courses from local universities. The financial aid is able to cover their tuition fees, transport costs and other expenses.</p>  <p data-bbox="1043 1299 1407 1373"><i>Figure 56: 5 students from children's home received financial aid from the grant</i></p>

In FY2022, we have invested RM131,000 in the community, which has positively impact 1,056 individuals. We remain committed to contributing to those in need and have aimed to allocate RM200,000 in FY2023.

**SUSTAINABILITY STATEMENT**

(cont'd)

	FY2022	FY2021	FY2020	FY2019
Total amount invested in the community (RM)	131,000	200,000	186,512	195,000
Total number of beneficiaries	1,056 individuals	Approximately 630 families 317 individuals	Approximately 230 families 180 individuals	136 individuals

*Table 14: Total amount invested and total number of beneficiaries in the community*

## SUSTAINABILITY STATEMENT

(cont'd)

## SUSTAINABILITY KEY PERFORMANCE INDICATORS

## Economic

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Direct economic value generated and distributed</b>						
<b>Value generated</b>						
Revenue, finance income, gain on divestment of investment property	RM	179,941,503	164,687,987	167,980,858	166,461,106	150,906,023
Less: Property operating expenses	RM	(31,594,183)	(30,769,769)	(29,456,543)	(28,523,531)	(24,275,211)
Less: Other operating expenses	RM	(948,463)	(922,599)	(919,578)	(1,219,240)	(1,332,106)
Total Value Generated	RM	146,498,857	132,955,619	137,604,737	136,718,336	125,298,706
<b>Reconciliation:</b>						
Total realized income net of taxation	RM	84,653,758	72,107,547	80,954,941	84,485,957	73,625,238
Finance costs	RM	39,774,798	38,976,163	34,750,696	30,520,952	30,425,280
Manager's fees	RM	13,253,725	12,760,955	12,796,372	12,616,534	12,220,533
Trustee's fees	RM	685,921	676,287	665,681	664,577	649,354
Quit rent and assessment	RM	8,130,655	8,474,667	8,437,047	8,430,316	8,378,301
Total Value Generated	RM	146,498,857	132,995,619	137,604,737	136,718,336	125,298,706
<b>Payments to the Manager and Trustee</b>						
Manager's fees	RM	13,253,725	12,760,955	12,796,372	12,616,534	12,220,533
Trustees' fees	RM	685,921	676,287	665,681	664,577	649,354
<b>Payments to government</b>						
Quit rent and assessment	RM	8,130,655	8,474,667	8,437,047	8,430,316	8,378,301
<b>Payments to providers of capital</b>						
Income distribution	RM	86,600,067	72,881,244	75,882,237	79,419,121	73,095,601
Finance costs	RM	39,774,798	38,976,163	34,750,696	30,520,952	30,425,280
Economic value retained	RM	(1,946,309)	(773,697)	5,072,704	5,066,836	529,637
Total Value Distributed	RM	146,498,857	132,955,619	137,604,737	136,718,336	125,298,706

## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Business ethics</b>						
Percentage of operations assessed for corruption-related risks	%				100	100
Percentage of employees who have received training on anti-bribery and corruption	%	100	100	100	100	100
Confirmed incidents of corruption and action taken		0	0	0	0	0
<b>Percentage of employees who have received training on anti-corruption by employee category</b>						
Senior Executive	%	100	100	100	100	100
Senior Management	%	100	100	100	100	100
Middle Management	%	100	100	100	100	100
Executive	%	100	100	100	100	100
Total percentage of employees who have received training on anti-corruption	%	100	100	100	100	100
Confirmed incidents of corruption and action taken		0	0	0	0	0
<b>Regulatory Compliance</b>						
Incidences of non-compliance to relevant laws and regulations		0	0	0	0	0
<b>Data privacy</b>						
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		0	0	0	0	0

## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Supply chain management</b>						
Proportion of spending on local suppliers	%		80	76	100	95
Local procurement expenditure	RM		8,629,868	8,539,554	2,386,183	5,170,000
Percentage of service providers underwent performance appraisal	%	100	100	100	100	100
Percentage of service providers achieved higher than the minimum score rating of 60%	%	100	99.9	100	100	100

**Environmental**

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Energy and Carbon Footprint</b>						
<b>Energy consumption outside of the organisation</b>						
Quill Building 1	kWh	4,519,207	4,595,957	4,042,295	4,377,662	4,006,600
Quill Building 2	kWh	873,146	909,089	752,079	496,152	501,066
Quill Building 3	kWh	7,242,719	7,181,163	5,508,689	2,405,305	2,551,113
Quill Building 4	kWh	5,062,322	4,815,665	4,338,986	4,029,696	3,851,905
Wisma TechnipFMC	kWh	2,733,335	2,368,990	2,210,968	2,065,371	935,329
Plaza Mont' Kiara	kWh	652,179	664,039	543,245	493,707	412,939
Menara Shell	kWh	5,168,693	5,176,661	4,699,918	4,771,616	5,206,562
Platinum Sentral	kWh	3,112,525	2,962,583	2,544,944	2,205,655	2,417,582
Total energy consumption	kWh	31,808,041	29,125,934	24,809,793	20,845,164	19,883,096

# SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Energy and Carbon Footprint</b>						
<b>Energy consumption outside of the organisation</b>						
Energy intensity	kWh/m <sup>2</sup>	173	159	136	118	113
Reduction of energy consumption	kWh	3,376,574	2,682,107	4,316,141	3,964,629	1,025,001
<b>GHG Emissions</b>						
<b>Scope 2</b>						
Quill Building 1	tCO <sub>2</sub>	2,644	2,689	2,365	2,566	2,344
Quill Building 2	tCO <sub>2</sub>	511	532	440	295	293
Quill Building 3	tCO <sub>2</sub>	4,237	4,201	3,223	1,412	1,492
Quill Building 4	tCO <sub>2</sub>	2,961	2,817	2,538	2,362	2,254
Wisma TechnipFMC	tCO <sub>2</sub>	1,599	1,386	1,293	1,213	547
Plaza Mont' Kiara	tCO <sub>2</sub>	382	388	318	293	242
Menara Shell	tCO <sub>2</sub>	3,024	3,028	2,749	2,796	3,046
Platinum Sentral	tCO <sub>2</sub>	1,821	1,733	1,489	1,295	1,414
Total Scope 2	tCO <sub>2</sub>	18,608	17,039	14,514	12,232	11,632
GHG Intensity	Tonnes/m <sup>2</sup>	0.10	0.09	0.08	0.07	0.07
<b>Water Management</b>						
<b>Water Consumption</b>						
Quill Building 1	m <sup>3</sup>	8,691	8,693	7,539	5,111	3,778
Quill Building 2	m <sup>3</sup>	3,960	4,745	4,543	3,914	1,407
Quill Building 3	m <sup>3</sup>	10,975	11,841	7,943	5,284	8,328
Quill Building 4	m <sup>3</sup>	9,642	9,506	7,453	5,189	2,319
Wisma TechnipFMC	m <sup>3</sup>	12,454	15,350	17,625	12,597	7,205
Plaza Mont' Kiara	m <sup>3</sup>	1,228	882	490	496	358
Menara Shell	m <sup>3</sup>	51,724	61,849	54,831	66,427	104,907
Platinum Sentral	m <sup>3</sup>	55,595	45,845	41,903	34,491	32,254
Total Water Consumption	m <sup>3</sup>	164,111	160,070	142,491	133,509	160,556
Water intensity	m <sup>3</sup> /sqm	0.94	0.91	0.78	0.76	0.92

## SUSTAINABILITY STATEMENT

(cont'd)

### Social

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Health and Safety</b>						
Number of employees trained on health and safety standards			9 - First Aid Training 23 - Fire Safety Training	0	0	19
Number of work-related fatalities		0	0	0	0	0
Lost time incident rate		0	0	0	0	0
<b>Quality of Assets and Services</b>						
Percentage of properties certified against Green Building Certification (%)	%	12.5	12.5	12.5	12.5	12.5
Asset enhancement investments	RM	1,280,000	1,050,000	1,483,076	1,770,000	3,556,790
Number of complaints received		1,845	1,658	1,139	794	1,245
Number of complaints resolved		1,845	1,658	1,139	794	1,245
Percentage of complaints resolved	%	100	100	100	100	100
<b>Employee Management</b>						
<b>Employment Type</b>						
Employees		18	18	18	19	20
Workers		36	37	36	30	27
<b>Employee Type</b>						
Permanent		12	11	11	11	8
Contract		6	7	7	8	12
Permanent	%	67	61	61	58	40
Contract	%	33	39	39	42	60
<b>Employee count</b>						
Total number of employees		18	18	18	19	20
Number of new hires		1	1	1	1	5
Employee turnover		2	1	1	0	4



## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Employee Management</b>						
<b>Employee Turnover by Employee Category</b>						
Executive		2	1	0	0	2
Senior Executive		0	0	1	0	1
Middle Management		0	0	0	0	0
Senior Management		0	0	0	0	1
<b>Employee Gender Diversity by Employee Category</b>						
Executive						
Male		0	4	3	3	2
Female		6	2	2	2	3
Male	%	0	67	60	60	40
Female	%	100	33	40	40	60
Senior Executive						
Male		2	0	0	1	1
Female		0	3	4	4	4
Male	%	100	0	0	20	20
Female	%	0	100	100	80	80
Middle Management						
Male		2	0	1	1	1
Female		3	3	3	3	3
Male	%	40	0	25	25	25
Female	%	60	100	75	75	75
Senior Management						
Male		1	1	1	1	2
Female		4	5	4	4	4
Male	%	20	17	20	20	33
Female	%	80	83	80	80	67
Total						
Male		5	6	5	6	6
Female		13	12	13	13	14
Male	%	28	33	28	32	30
Female	%	72	67	72	68	70
<b>Employee Age Diversity by Employee Category</b>						
Executive						
< 30 years old		4	1	1	1	2
30-50 years old		1	3	3	3	2
> 50 years old		1	1	1	1	1
< 30 years old	%	66	20	20	20	40
30-50 years old	%	17	60	60	60	40
> 50 years old	%	17	20	20	20	20

## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Employee Management</b>						
<b>Employee Age Diversity by Employee Category</b>						
Senior Executive						
< 30 years old		0	0	0	0	0
30-50 years old		3	4	4	5	5
> 50 years old		0	0	0	0	0
< 30 years old	%	0	0	0	0	0
30-50 years old	%	100	100	100	100	100
> 50 years old	%	0	0	0	0	0
Middle Management						
< 30 years old		0	0	0	0	0
30-50 years old		2	3	3	3	3
> 50 years old		1	1	1	1	1
< 30 years old	%	0	0	0	0	0
30-50 years old	%	67	75	75	75	75
> 50 years old	%	33	25	25	25	25
Senior Management						
< 30 years old		0	0	0	0	0
30-50 years old		5	4	4	4	5
> 50 years old		1	1	1	1	1
< 30 years old	%	0	0	0	0	0
30-50 years old	%	83	80	80	80	83
> 50 years old	%	17	20	20	20	17
Total						
< 30 years old		1	4	1	1	2
30-50 years old		16	11	14	15	15
> 50 years old		1	3	3	3	3
< 30 years old	%	5	22	6	5	10
30-50 years old	%	90	61	77	79	75
> 50 years old	%	5	17	17	16	15
<b>Board Diversity by Gender</b>						
Male		7	7	6	6	6
Female		1	1	2	2	2
Male	%	87	87	75	75	75
Female	%	13	13	25	25	25

## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Employee Management</b>						
<b>Board diversity by Age group</b>						
30-50 years old		3	2	1	1	1
> 50 years old		5	6	7	7	7
30-50 years old	%	38	25	13	13	13
> 50 years old	%	62	75	87	87	87
<b>Worker diversity - Gender</b>						
Male		31	31	30	26	23
Female		5	6	6	4	4
<b>Human Rights</b>						
Number of substantiated complaints concerning human rights violation		0	0	0	0	0
<b>Learning and development hours</b>						
Executive		73	58	24	62	62.5
Senior Executive		56	151.15	75	56	222.5
Middle Management		123	172	80.5	118.8	90.5
Senior Management		178	248	192.5	223.5	319
Total hours		430	629.15	372	460.3	694.5
<b>Parental Leaves Utilisation</b>						
Maternity Leave		0	0	0	0	0
Paternity Leave		0	0	0	0	0
<b>Community Partnership and Activities</b>						
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM		195,000	186,512	200,000	131,100
Total number of beneficiaries of the investment in communities			136 individuals	Approximately 630 families 317 individuals	Approximately 230 families 180 individuals	1,056

# SUSTAINABILITY STATEMENT

(cont'd)

## BURSA SUSTAINABILITY REPORTING GUIDE 3<sup>RD</sup> EDITION CONTENT INDEX

Bursa Sustainability Matters	Sentral's Material Matter	Bursa indicators		GRI	Location (Page)
<b>Common Sustainability Matters</b>					
Anti-corruption	Business ethics	C1 (a)	Percentage of employees that have received training on anti-corruption by employee category	205-2	100, 144
		C1 (b)	Percentage of operations assessed for corruption-related risks	205-1	100, 144
		C1 (c)	Confirmed incidence of corruption and action taken	205-3	100, 144
Community/ Society	Community partnership and activities	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	201-1	141, 150
		C2 (b)	Total number of beneficiaries of the investment in communities	201-1	141, 150
Diversity	Diversity and equal employment	C3 (a)	Percentage of employees by gender, age group for each employee category	405-1 405-2	134, 148-149
		C3 (b)	Percentage of directors by gender and age group	405-1	64, 149-150
Energy management	Energy and carbon footprint	C4 (a)	Total energy consumption	302-1	119, 145
Health and safety	Health and safety	C5 (a)	Number of work-related fatalities	403-9	128, 147
		C5 (b)	Lost time incident rate	403-9	147
		C5 (c)	Number of employees trained on health and safety standards	403-5 404-1	125, 147
Labour practices and standards	Employee engagement	C6 (a)	(a) Total hours of training by employee category	404	139, 150
		C6 (b)	(b) Percentage of employees that are contractors or temporary staff	401	147
		C6 (c)	(c) Total number of employee turnover by employee category	401-1	139, 147
		C6 (d)	(d) Number of substantiated complaints concerning human rights violation		138

# SUSTAINABILITY STATEMENT

(cont'd)

Bursa Sustainability Matters	Sentral's Material Matter	Bursa indicators		GRI	Location (Page)
<b>Common Sustainability Matters</b>					
Supply chain management	Supply chain management	C7 (a)	Proportion of spending on local suppliers	204-1	117, 145
Data privacy and security	Data privacy	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	115, 144
Water	Water management	C9 (a)	Total volume of water used	303-3 303-4 303-5	121, 146
Waste management	Waste management	C10 (a)	Total waste generated, and a breakdown of the following: (i) Total waste diverted from disposal (ii) Total waste directed to disposal	306-3 306-4	
Emissions management	Energy and carbon footprint	C11 (a)	Scope 1 emissions in tonnes of CO <sub>2</sub> e	305-1 302-1	
		C11 (b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e	305-2 302-1	119, 146
		C11 (c)	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least on business travel and employee commuting)	305-3	
<b>Sector Specific Sustainability Matters</b>					
Supply chain (Environmental)/ Supplier environmental assessment	Supply chain management	S6 (a)	Percentage of new suppliers that were screened using environmental criteria	308-1	
		S6 (b)	Number of suppliers assessed for environmental impacts	308-2	
		S6 (c)	Percentage of the company's total property portfolio certified to a recognised building management standard for property		129, 147
Supply Chain (Social)/Supplier Social Assessment	Supply chain management	S7 (a)	Percentage of new suppliers that were screened using social criteria	414-1	
		S7 (b)	Number of suppliers assessed for social impacts	414-2	

## SUSTAINABILITY STATEMENT

(cont'd)

<b>Statement of use</b>	Sentral REIT has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.	
			Requirement(s) Omitted	Reason	Explanation		
<b>General Disclosures</b>							
<b>GRI 2: General Disclosures</b>	<b>The Organization and its Reporting Practices</b>						
	2-1 Organisational details	3-5, 93					
	2-2 Entities included in the organisation's sustainability reporting	96					
	2-3 Reporting period, frequency and contact point	96					
	2-4 Restatements of information	There is no restatements of information.					
	2-5 External assurance	96					
	<b>Activities and Workers</b>						
	2-6 Activities, value chain and other business relationships	115					
	2-7 Employees	133-134					
	2-8 Workers who are not employees	133-134					
	<b>Governance</b>						
	2-9 Governance structure and composition	96-98					
	2-10 Nomination and selection of the highest governance body	69, 98					
2-11 Chair of the highest governance body	98						
2-12 Role of the highest governance body in overseeing the management of impacts	96-98						
2-13 Delegation of responsibility for managing impacts	98						



# SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.		
			Requirement(s) Omitted	Reason	Explanation			
<b>GRI 2: General Disclosures</b> (cont'd)	2-14 Role of the highest governance body in sustainability reporting	96-98						
	2-15 Conflicts of interest	68, 99						
	2-16 Communication of critical concerns	98						
	2-17 Collective knowledge of the highest governance body	70-71, 97						
	2-18 Evaluation of the performance of the highest governance body	69, 100						
	2-19 Remuneration policies	72						
	2-20 Process to determine remuneration	72, 100						
	2-21 Annual total compensation ratio	Information not disclosed due to confidentiality constraints.						
	<b>Strategy, Policies and Practices</b>							
	2-22 Statement on sustainable development strategy	91-97						
2-23 Policy commitments	99-102							
2-24 Embedding policy commitments	99-102							
2-25 Processes to remediate negative impacts	99-100							
2-26 Mechanisms for seeking advice and raising concerns	99-100							
2-27 Compliance with laws and regulations	101-102							
2-28 Membership associations	93							
<b>Stakeholder Engagement</b>								
2-29 Approach to stakeholder engagement	102-105							
2-30 Collective bargaining agreements	134							

# SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Material Topics</b>						
<b>GRI 3: Material Topics</b>	3-1 Process to determine material topics	106				
	3-2 List of material topics	107-108				
<b>Material Topics: Economic</b>						
<b>GRI 201: Economic Performance</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	112				
<b>GRI 201: Economic Performance</b>	201-1 Direct economic value generated and distributed	113				
<b>GRI 204: Procurement Practices</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	115-116				
<b>GRI 204: Procurement Practices</b>	204-1 Proportion of spending on local suppliers	117				
<b>GRI 205: Anti-corruption</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	95-100				
<b>GRI 205: Anti-Corruption</b>	205-2 Communication and training about anti-corruption policies and procedures	100, 144				
	205-3 Confirmed incidents of corruption and actions taken	100, 144				
<b>Material Topics: Environmental</b>						
<b>GRI 302: Energy</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	118-119				
<b>GRI 302: Energy</b>	302-2 Energy consumption outside of the organisation	119, 145-146				
	302-3 Energy intensity	119, 145-146				
	302-4 Reduction of energy consumption	119, 146				

# SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>GRI 303: Water and Effluent</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	120				
<b>GRI 303: Water and Effluent</b>	303-1 Interactions with water as a shared resource	120-121				
	303-5 Water consumption	121-122, 146				
<b>GRI 305: Emissions</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	118-119				
<b>GRI 305: Emissions</b>	305-2 Energy indirect (Scope 2) GHG emissions	119-120, 146				
	305-4 GHG emission intensity	119, 146				
<b>GRI 306: Waste</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	122-123				
<b>GRI 306: Waste</b>	306-1 Waste generation and significant waste-related impacts	122-123				
	306-2 Management of significant waste-related impacts	122-123				
	306-3 Waste generated	Information unavailable. Steps are being taken to obtain the information to be included in report.				
	306-4 Waste diverted from disposal					
	306-5 Waste directed to disposal					
<b>GRI 308: Supplier Environmental Assessment</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	115				
<b>GRI 308: Supplier Environmental Assessment</b>	308-1 New suppliers that were screened using environmental criteria	Information unavailable. Steps are being taken to obtain the information to be included in report.				
	308-2 Negative environmental impacts in the supply chain and actions					

# SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Material Topics: Social</b>						
<b>GRI 401: Employment</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	133-140				
<b>GRI 401: Employment</b>	401-1 New employee hires and employee turnover	134, 147-148				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	135				
	401-3 Parental leave	135, 150				
<b>GRI 402: Labour/Management Relations</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	136				
<b>GRI 402: Labour/Management Relations</b>	402-1 Minimum notice periods regarding operational changes	136				
<b>GRI 403: Occupational Health and Safety</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	124-128				
<b>GRI 403: Occupational Health and Safety</b>	403-2 Hazard identification, risk assessment, and incident investigation	124-128				
	403-5 Worker training on occupational health and safety	125, 147				
	403-6 Promotion of worker health	127-128				
	403-9 Work-related injuries	128, 147				
	403-10 Work-related ill health	128, 147				
<b>GRI 404: Training and Education</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	138-139				
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee	139				
	404-2 Programs for upgrading employee skills and transition assistance programs	138				

# SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	404-3 Percentage of employees receiving regular performance and career development reviews	135				
<b>GRI 405: Diversity and Equal Opportunity</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	133-134				
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	134, 148-150				
<b>GRI 406: Non-Discrimination</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	133-134				
<b>GRI 406: Non-Discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	134				
<b>GRI 413: Local Communities</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	140-142				
<b>GRI 413: Local Communities</b>	413-1 Operations with local community engagement, impacts assessments, and development programs	141-142, 150				
<b>GRI 414: Supplier Social Assessment</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	115-117				
<b>GRI 414: Supplier Social Assessment</b>	414-1 New Suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken		Information unavailable. Steps are being taken to obtain the information to be included in report.			
<b>GRI 418: Customer Privacy</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	114-115				
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	115, 144				