

# SUSTAINABILITY STATEMENT

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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]

We present our FY2023 sustainability statement, outlining our sustainability journey which details ongoing initiatives and strategies we employ to progress towards achieving our sustainability goals. As we venture through volatile economic and geopolitical pressures, we at SENTRAL are mindful of the ever-evolving externalities as we continue to prioritise the economic, environmental, and social (“EES”) performance as an integral component of our enduring business strategy and success.

As a Real Estate Investment Trust (“REIT”), we commit to ensure business resilience by the sustainable management of our property portfolio while embracing environmental, social and governance (“ESG”) considerations. We believe that this approach not only positively impacts local communities in which we operate in, but also minimises impact towards the environment while maintaining our long-term financial well-being.

This report serves as a valuable resource for our stakeholders, providing information on our sustainability efforts and how we can collaborate towards improving our sustainability performance. It is also our aim to offer valuable insights into our sustainability practices, fostering trust and transparency in our operations.

### CEO'S MESSAGE



We are pleased to publish SENTRAL's seventh Sustainability Statement (“Statement”). This report encapsulates SENTRAL's policies, practices, objectives of all relevant sustainability matters and corresponding sustainability updates and performance for the period from 1 January 2023 to 31 December 2023.

The Board maintains overall responsibility for the oversight of SENTRAL's sustainability strategy and achievement of its long-term performance. In FY2023, SENTRAL's Sustainability Working Group comprising key management of SRM had assessed the 12 existing material sustainability matters for their continued relevance to SENTRAL's operating context. The Board in its oversight role, approved the recommendation on the key material sustainability matters vis-à-vis SENTRAL's strategic goals and priorities.

In conjunction with the introduction of Bursa Securities' Sustainability Reporting Guide 3rd Edition in September 2022, SENTRAL has further updated its reporting framework to align with the enhanced reporting requirements. Notably, SENTRAL is making progress in its disclosure of the following in its FY2023 Sustainability Report:

1. Data disclosure on emission management to include Scope 1, 2 and 3, where applicable. This also includes the development of SENTRAL's GHG inventory on Scope 3 emissions measurement;
2. Data disclosure on waste management and the development of SENTRAL's waste management policy; and
3. Initiation of SENTRAL's Task Force on Climate Related Financial Disclosures (“TCFD”) reporting disclosure and the development of SENTRAL's TCFD action plan which is mandatory from FYE 31 December 2025 onwards.

## SUSTAINABILITY STATEMENT

(cont'd)

There are no major changes in SENTRAL's strategic sustainability priorities. In building sustainable resilience, SENTRAL's portfolio management strategies will continue to focus on the following:

1. Capitalising on opportunities through prudent investment deals and opportunistic divestments to ensure a healthy portfolio mix of commercial properties. SENTRAL's investment mandate will provide added emphasis on the requirement of green accredited assets and assessment of the asset's carbon footprint and climate-related risks and opportunities.
2. Environmental sustainability by progressively increasing the percentage of green buildings in SENTRAL's existing portfolio. Efforts through green building accreditation gap analysis to ascertain the criteria to reach the desired green accreditation and collaborating with our tenants to deliver sustainable AEs to meet their operational requirements, is key. In the planning for green capital expenditure in asset plans, SENTRAL will strive to achieve a balance between greening assets and revenue generation.
3. Periodic assessments of environmental indicators such as energy, water and waste to improve SENTRAL's environment management approach. SENTRAL will also continuously monitor and evaluate climate change related risks at strategic business and operational levels.
4. SENTRAL will strive to adopt a proactive approach towards improving our climate-related disclosures with reference to the recommendations of TCFD and Bursa Securities, where practicable.
5. Enhanced governance processes by ensuring commitment to our ESG matters internally and across our value chain.

In FY2023, SENTRAL achieved stable financial and operational performance. With the continued support of our employees and various stakeholders, we are pleased to highlight the key sustainability initiatives implemented during this financial year, as follows:

1. Pursuant to the completion of SENTRAL's acquisition of Menara CelcomDigi on 11 December 2023, approximately 58% of our portfolio by lettable area are green-certified or with green features. Moving forward, we have put in place a strategic focus for the portfolio to be majority green-certified;
2. Continued to engage various stakeholder groups to raise awareness on ESG topics, with events such as Earth Hour, tree plantings, evacuation drills and sponsorship events focusing on the needs of underprivileged women and children. These events were attended by employees, tenants and the public.
3. Exceeded our target of 2% reduction in energy consumption by achieving a 4% reduction from FY2022.
4. As part of SRM's objective to enhance its corporate governance structure and to raise the performance of its Board, a board effectiveness evaluation ("BEE") was conducted as part of its periodic assessments of its Board's dynamics, performance and composition. Since the implementation of the Malaysian Code of Corporate Governance 2012 and 2017, as well as the Bursa Corporate Governance Guide 2013, SRM has conducted BEE exercises periodically every three (3) years with its inaugural BEE in year 2017.
5. As part of continued effort to improve SENTRAL's Quality of Assets and Services, SENTRAL successfully completed its planned enhancement works in Platinum Sentral and Menara Shell. These enhancements were executed with the aim of prioritising a safer and sustainable environment which are aligned with tenants' health, safety and environment goals.

SENTRAL recognises its duty to operate responsibly and therefore is committed to operating sustainably by managing the environmental impact from its business operations and supply chain with the support of its stakeholders. Together with employees, tenants, vendors, partners and communities, SENTRAL will continue to learn from the best sustainability practices to improve its sustainability performance and share SENTRAL's achievement in subsequent reporting. We trust that over time, our continued commitment will make positive strides towards the betterment of our community socially, economically, and environmentally.



# SUSTAINABILITY STATEMENT

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## 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 2023, SENTRAL owns 10 commercial properties in Malaysia with a combined value of RM2.521 billion. The locations of SENTRAL's commercial properties are illustrated in Figure 1.

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

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

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




Figure 1: Location of commercial properties

# SUSTAINABILITY STATEMENT

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## SUSTAINABILITY HIGHLIGHTS

ECONOMIC




**RM162.1 million**

Gross Revenue




**6.68 sen**

Distribution per unit



**RM1.1253**

Net Asset Value per unit




**RM2.521 billion**

Property value


ENVIRONMENTAL

GOVERNANCE AND REGULATORY COMPLIANCE




**4%**

Reduction in energy consumption




**Zero** fines pertaining non-compliance

SOCIAL




**Zero**

Breach in customer data or privacy




**RM2.84 million**

Invested in Asset Enhancement Initiatives ("AEI")



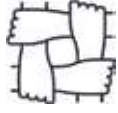
**RM197K**

Invested to the community



**36.2**

Average training hours



**91%**

Local procurement spending

# SUSTAINABILITY STATEMENT

(cont'd)

## UN SDG SCORECARD

To keep track of our commitments against the UN SDGs, we continue to incorporate the UN SDG scorecards to keep track of the performance of our initiatives against the UN SDGs. Our SDG scorecards presents our FY2023 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 seventh Statement for 1 January 2023 to 31 December 2023 ("FY2023") serves to communicate our sustainability efforts and performances for the financial year. This Statement covers all SENTRAL's operations in Malaysia for which we have direct managerial control. This excludes Menara CelcomDigi as the acquisition was completed on 11 December 2023, and 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 2023, we have initiated a proactive approach to uphold our sustainability commitments, ensuring their continued alignment with stakeholders' concerns. The term sustainability, as employed here, also references our climate change commitment. To meet this objective, we have commenced the process of climate disclosure in accordance with the recommendations set forth by the TCFD. This is also to meet Bursa Securities's mandate, stipulating that all Main Market issuers must report TCFD-aligned disclosures for financial years ending on or after 31 December 2025. As an initial step, we conducted a comprehensive gap analysis of our climate-related disclosure and embarked on a more comprehensive analysis of our carbon emissions. This exercise is pivotal, providing the foundation for our journey to enhance our climate-related disclosures.

We completed our routine annual assessment of materiality matters, evaluating our impact on ESG (Environmental, Social, and Governance) topics deemed most relevant to both our business and stakeholders. For each material matter, we continue to disclose our approach and initiatives over the reporting period, including our performance against defined targets and Key Performance Indicators ("KPI"). This assessment was conducted with reference to the updated GRI Standards of 2021 and Bursa Securities' Sustainability Reporting Guide (3rd edition).

Going forward, we remain dedicated to advancing our commitments in key sustainability areas, utilising the reporting standards and frameworks as guiding principles for shaping our decisions and actions in the forthcoming years.

### Reporting Framework

Our Statement has been prepared in accordance with the Global Reporting Initiatives ("GRI") Standards 2021, Bursa Securities' 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@sentralreit.com

# SUSTAINABILITY STATEMENT

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## SUSTAINABILITY GOVERNANCE

[GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17]

### Governance Structure

SENTRAL's dedication to sustainability is underpinned by our corporate governance framework.

Our strong corporate governance structure helps to ensure our business practices are aligned with the best interests of SENTRAL's 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.

#### Strengthening SENTRAL's Corporate Governance

As of December 2023, we have appointed 2 new independent directors, resulting in over half of our board being comprised of independent directors. Since FY2021, SENTRAL's Board of Directors ("Board") has 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 not limited to:

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

A comprehensive risk register is maintained detailing all possible risks that could affect SENTRAL and is periodically reviewed by the management to ensure the identified risk continue to be relevant as well as incorporating new risks, as changes to its business environment emerge. Based on the recommendations of SENTRAL's internal audits, the risk register will incorporate health and safety risk as an additional risk to be monitored and managed by SENTRAL.

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

The ARC chairman will also provide the Board quarterly risk assessment updates, including recommendations and findings.



# SUSTAINABILITY STATEMENT

(cont'd)

Kindly visit our website at <https://sentralreit.com> for our complete Corporate Governance Report and Corporate Governance Overview Statement from pages 72 to 88 of the Annual Report.

The Board considers the economic, environment, social 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 ARC 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

SENTRAL's Board stands as the highest decision-making authority, carrying the primary responsibility for integrating sustainability into our day-to-day business operations, ensuring the foundation for long-term growth. This pivotal role encompasses the vigilant oversight of EES risks and opportunities, affirming our commitment to responsible and forward-thinking business practices.

To keep abreast of the latest development and to continue upskilling our Board in the field of sustainability, the Board attended several trainings and seminars throughout the year. 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, investment, stakeholder engagement and management.

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 STATEMENT

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## Sustainability Governance Structure

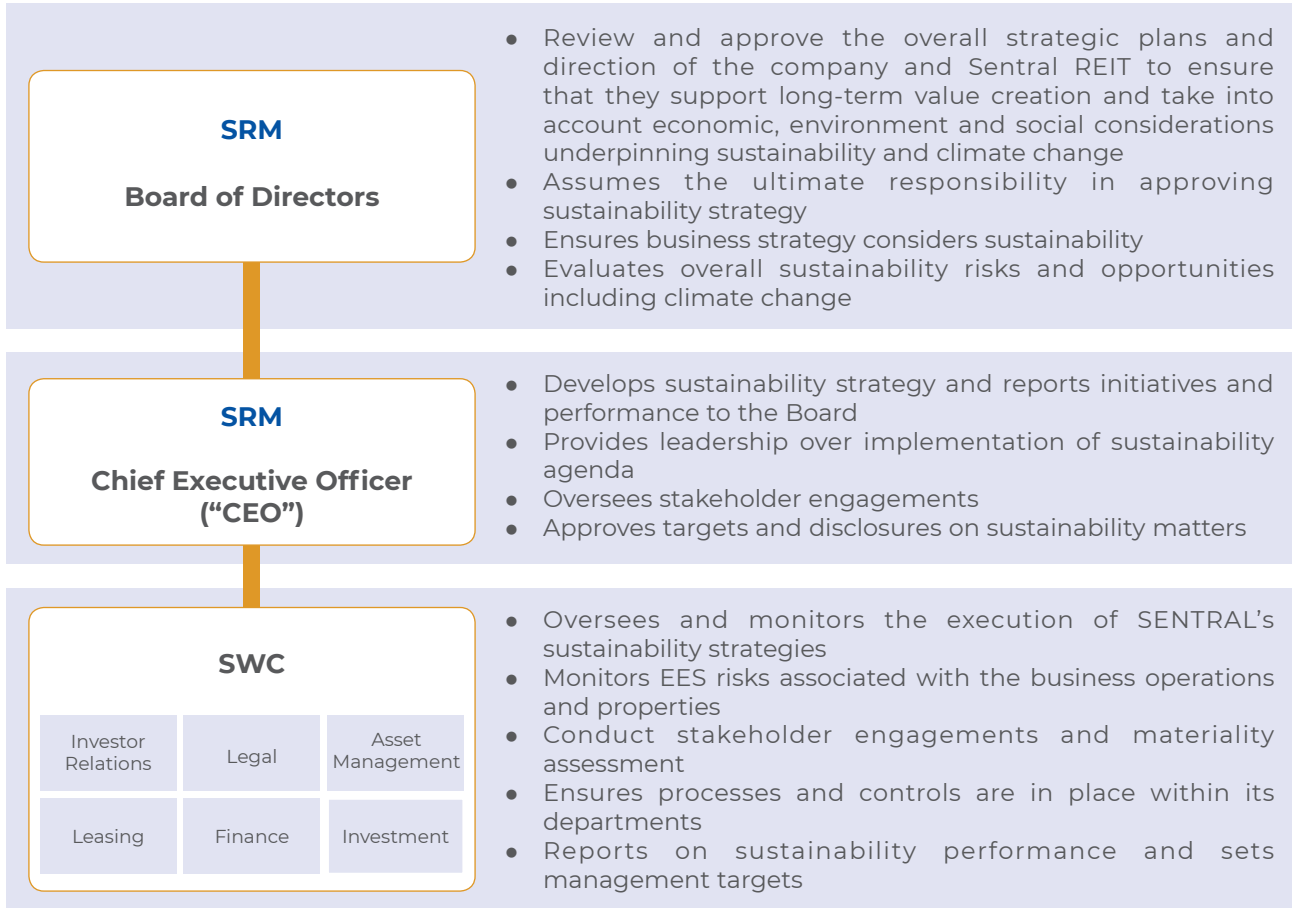


Figure 3: Sustainability Governance Structure

# SUSTAINABILITY STATEMENT

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## Business Ethics

[GRI 2-10, 2-16, 2-18, 2-19, 2-23, 2-24, 2-25, 2-26, 3-3, 205-2, 205-3; BURSA C1]

SENTRAL adheres to our foundational organizational values, as depicted in Figure 4, and is dedicated to conducting business responsibly and in a transparent manner. These values serve as the foundation for shaping our diverse policies and practices, ensuring the maintenance of the utmost standards in business ethics and professional conduct. Our employees are bound by the obligation to perform their duties in alignment with these values, emphasizing the importance of treating society with dignity and respect.



Since 1 June 2020, we have adopted the Anti-Bribery and Corruption Policy (“ABC Policy”), which underlines our commitment on anti-bribery and corruption, referencing the Guidelines on Adequate Procedures (“GAP”) as issued by the Prime Minister’s Department. Employees and property managers receive email reminders to maintain ongoing awareness of compliance. Property service providers are also required to sign declarations confirming their understanding of policy terms, committing to adhere to the stipulated 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 72 to 88 and our Corporate Governance Report FY2023 as well as policies on our website [<https://sentralreit.com/investor-relations/corporate-governance/>].

<p><b>Code of Business Ethics</b></p> 	<p>The code establishes clear guidelines for how we work and reinforces the notion that how we deliver is equally as important as what we deliver. It outlines regulatory and procedural compliance, conflict of interests, confidentiality and liability of employee, amongst others. All our employees and Directors are bound by the code which forms part of the employee’s Terms and Conditions of Service. This includes Policy of Giving and Receiving Gifts that states that our employees or any external party are prohibited from directly or indirectly receiving or providing gifts, kickbacks or gratuities in any form that may compromise their judgement, except for consumable gifts.</p>
<p><b>Anti-Bribery and Corruption Policy</b></p> 	<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 SENTRAL’s tenants and suppliers to reinforce high ethical behaviour across our supply chain.</p> <p>Our ABC policy is available on <a href="#">our website</a>.</p>

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<p><b>Whistleblowing Policy</b></p> 	<p>Our Whistleblowing Policy offers a secure and responsible channel for all employees and external parties to report unethical conduct within SENTRAL's operations.</p>
<p><b>Fit and Proper Policy</b></p> 	<p>Our Fit and Proper Policy for the Board and Senior Management was 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><b>Remuneration Policy for Non-Executive Directors</b></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

Employing a proactive strategy, we actively address corruption-related risks through periodic assessments of potential exposure to bribery or corruption risks. These assessments are conducted with a focus on potential impacts on SENTRAL's business, especially in response to changes in laws or business practices. We have assessed corruption-related risks for 100% of the operations under our management since FY2021. We regularly review and conduct routine evaluations to gauge control effectiveness. Compliance audits enforce strict adherence to the Anti-Bribery and Anti-Corruption (ABC) Policy.

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 panel, 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.

An email reporting channel [[whistleblowing@sentralreit.com](mailto:whistleblowing@sentralreit.com)] was established for employees, customers and vendors to 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 FY2023, we did not receive any concerns reported via these channels.

Annual trainings are provided to employees to strengthen their anti-bribery and corruption awareness. In FY2023, 100% of SRM employees have received e-Learning Awareness Programme 2023: Anti-fraud, Anti-bribery, and Anti-corruption. Since FY2020, we have ensured that all our employees have received these trainings, and we are committed to continuing these regular trainings. We are proud to disclose that no bribery or corruption incidents were encountered or reported through whistleblowing channels in FY2023, 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 95 to 97 and Corporate Governance Overview Statement on pages 72 to 88 of this report. These sections reference SENTRAL's Corporate Governance Report FY2023.

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## Regulatory Compliance

[GRI 2-23, 2-24, 2-27, 3-3]

SENTRAL is dedicated to responsible business practices, ensuring adherence to local laws, environmental standards, and international human rights standards. We vigilantly monitor and assess regulatory changes, proactively preventing breaches to maintain compliance and secure our operational license.

To assess the efficacy of internal controls, our Corporate Secretariat, Legal and Finance departments collaborate to reinforce and continuously enhance SENTRAL's compliance. In maintaining our commitment towards compliance, external consultants were appointed 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.

In order to create a culture of compliance within the company, compliance trainings and workshops for employees in supporting and preventing 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.

On human rights compliance, we adopt a comprehensive approach, integrating our principles and practices throughout the entirety of 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/lease/license 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	MACC (Amendment) Act 2018	Electricity Supply Act 1990 (PW4)	Income Tax Act 1967 and Public Rulings	Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007
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	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	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	Imposition of income tax that includes collection and recovery of tax, tax refund, offences and penalties, and exemptions, remissions and other relief	Prohibit in child labour, slavery, servitude and forced or compulsory labour and human trafficking
Malaysian Employment Act 1955	Children and Young Persons (Employment) Act 1966	Occupational Safety and Health Act 1994	Malaysian Employment (Amendment) Act 2022	
Prohibits exploitative labour practices	Prohibits the employment of children under the age of 14	Protects the safety, health and welfare of persons at work	Refers to a series of amendments in the Employment Act 1955	

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Personal Data Protection Act 2010	Environmental Quality Act 1974	Construction Industrial Development Board Act 1994	Drinking Water Quality Standards 1985
Regulates the processing of personal data in regard to commercial transactions	Relates to the prevention, abatement, control of pollution and enhancement of the environment	Minimum requirements for engaging contractors and sub-contractors on construction works contracts	Refers to the standards for drinking water quality


We are pleased to report that there were zero incidents of non-compliance with applicable laws and regulations in FY2023, and we intend to maintain compliance moving forward. Kindly refer to pages 72 to 88 of our Annual Report for more information of our Corporate Governance and compliance matters.

## STAKEHOLDER ENGAGEMENT

[GRI 2-29]




SENTRAL's key stakeholders include internal and external organisations, groups and individuals who have influence or are influenced by SENTRAL's decisions, policies, and goals. As 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. A summary of our stakeholder engagement outcome in FY2023 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 remote working as part of Health &amp; Safety measures</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 &amp; 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> <li>Tenant and landlord collaboration on ESG initiative (e.g. EV charger installation, solar panels and rain water harvesting system)</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> <li>Energy and carbon footprint</li> <li>Water management</li> <li>Waste management</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> <li>SENTRAL's business direction, growth prospects and strategy</li> <li>Industry's growth prospects</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>

# SUSTAINABILITY STATEMENT

(cont'd)

Stakeholder	Engagement Objectives	Engagement Method	Stakeholder's Interests and Concerns	SENTRAL's Response	Relevant Material Matter
<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 SENTRAL</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> <li>Compliance of reporting and disclosure matters regarding SENTRAL's ESG initiatives</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>
<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> <li>To provide information to media to allow for accurate updates on SENTRAL events and business performance to the general public</li> </ul>	<p><b>Analysts:</b></p> <ul style="list-style-type: none"> <li>▶ One-on-one meetings</li> <li>▶ Analyst briefing</li> <li>▶ Investor conferences</li> </ul> <p><b>Media:</b></p> <ul style="list-style-type: none"> <li>▶ Media briefings</li> <li>▶ New releases</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> <li>Industry's growth prospects</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> <li>SENTRAL's business direction, growth prospects and strategy</li> <li>Industry's growth prospects</li> <li>Reporting and disclosing SENTRAL's ESG initiatives</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> <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
<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>
<b>Local Community</b> 	<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 fund-raising 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 needed

# SUSTAINABILITY STATEMENT

(cont'd)

## MATERIALITY ASSESSMENT

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

### Materiality Assessment

SENTRAL performs routine annual materiality assessments which are vital to gain a deeper understanding on the key sustainability challenges and risks that impact our overall direction and sustainable growth strategy.

We diligently monitor 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 Securities' Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiative (GRI) Standards 2021 updates, we conducted a refreshed materiality assessment in FY2023 based on impact assessment, as well as stakeholders' perspectives and external environment analysis. 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

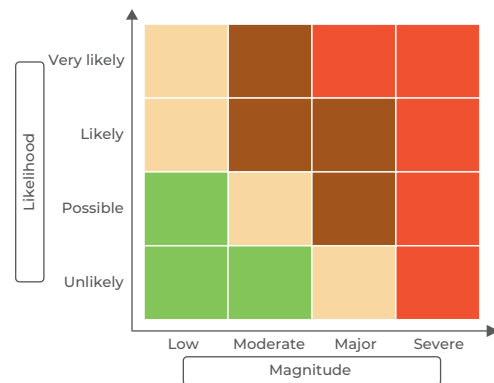
Material matters identified in FY2022 were reviewed by analysing both internal and external factors to ensure the material matters are still relevant to SENTRAL. This includes peer benchmarking, domestic and global business environment, sustainability and REIT industry trends, EES risk and opportunities in the REIT industry, stakeholder engagement outcomes, and media reviews. Our methodology is guided by Bursa Securities' Sustainability Reporting Guidelines (3rd edition), considering common material matters and sector-specific materials recommended Bursa Securities' Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiative (GRI) Standards 2021.

#### Prioritisation and impact assessment

The identified material matters were prioritised by taking the following into consideration:

- both our internal and external stakeholders' perspective based on their level of influence and dependence of 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

SENTRAL's updated FY2023 materiality matrix was developed 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.

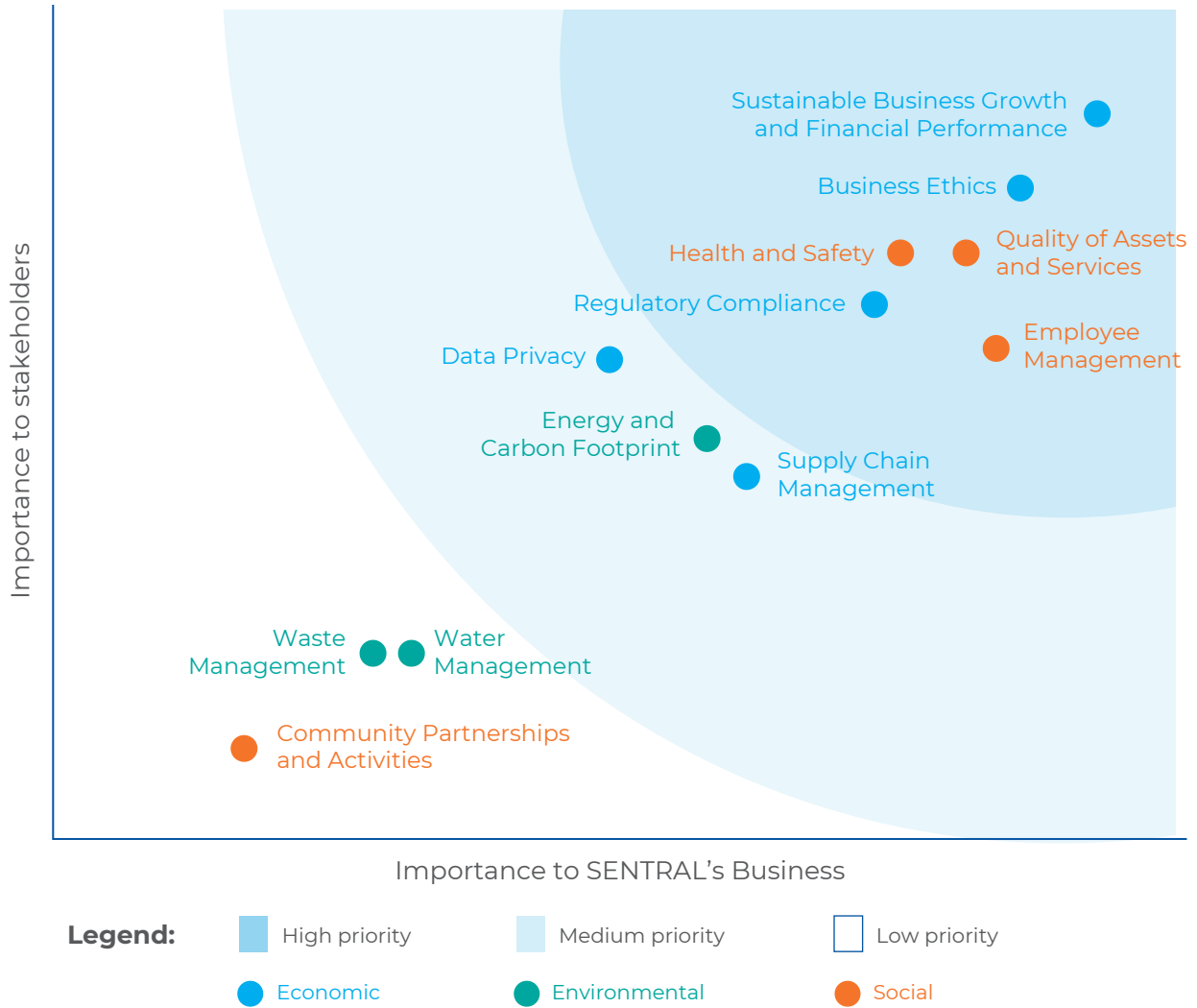
Figure 5: Materiality Assessment Process

# SUSTAINABILITY STATEMENT

(cont'd)

## Materiality Matrix

Based on the result of our refreshed materiality assessment review, the twelve material matters identified for FY2022 were maintained for FY2023 which formed the focus of our Sustainability Statement. The material matters are reflected in the matrix below.



# SUSTAINABILITY STATEMENT

(cont'd)

Definition of Material Matter	
1	<p><b>Sustainable Business Growth and Financial Performance</b></p> <p>Organisation's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels.</p>
2	<p><b>Business Ethics</b></p> <p>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.</p> <p><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></p>
3	<p><b>Quality of Assets and Services</b></p> <p>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.</p>
4	<p><b>Employee Management</b></p> <p>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.</p>
5	<p><b>Health and Safety</b></p> <p>Efforts to address and prevent health and safety risks for all employees, tenants and visitors to SENTRAL's properties.</p>
6	<p><b>Regulatory Compliance</b></p> <p>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.</p>
7	<p><b>Data Privacy</b></p> <p>Protection of all data, information and intellectual property against cyber security breaches including safeguarding the privacy of tenant, organisational and visitor's information.</p>
8	<p><b>Supply Chain Management</b></p> <p>Management of supply chain and procurement practices which considers the supply chain's social and environmental impacts, including local sourcing to support local economy.</p>
9	<p><b>Energy and Carbon Footprint</b></p> <p>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.</p>
10	<p><b>Water Management</b></p> <p>Consumption and efficiency of water usage for general purposes.</p>
11	<p><b>Waste Management</b></p> <p>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.</p>
12	<p><b>Community Partnership and Activities</b></p> <p>Financial or non-financial contributions to the communities in which SENTRAL operate and select partners with shared business' values for joint activities.</p>

Table 3: SENTRAL's Materiality Matters and Their Definitions

# SUSTAINABILITY STATEMENT

(cont'd)

## ALIGNMENT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGs”)

We are committed to consistently making meaningful contributions towards advancing the national and global sustainability agenda through our business activities. We believe that contributions to the UN SDGs will also benefit the good of society, the environment and lead to 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.













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: RM 938.5 million</li> <li>Total Borrowing: RM 1,165 million</li> <li>Investment Properties: RM 2.521 billion</li> <li>Equity: RM 1.35 billion</li> <li>Average Cost of Debt (%): 4.40 % 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>- 8 Commercial Buildings</li> <li>- 1 Office Building</li> <li>- 1 Commercial Lot including Car Parks</li> </ul> </li> <li>Total Asset Value: RM 2.616 billion</li> <li>Management services</li> <li>RM 2.84 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:               <ul style="list-style-type: none"> <li>- 21 employees</li> <li>- 27 workers</li> </ul> </li> <li>SENTRAL'S culture and value</li> <li>Approximately RM24K 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 and/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>111 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: RM 162.1 million</li> <li>Realised Net Income: RM 74.2 million</li> </ul>	<p><b>Unitholders and Investment Community</b></p> <ul style="list-style-type: none"> <li>Distribution Per Unit: 6.68 sen</li> <li>Economic Value Distributed: RM133.3 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>89 % Tenant Occupancy Rate</li> <li>Tenant Retention Rate: 82 % of Committed Net Lettable Area</li> <li>Approximately 133,000 sq. ft. of vacant spaces were successfully leased in 2023, resulted in an improvement in occupancy rate for KL Sentral buildings and 1 Cyberjaya building</li> <li>2 buildings with green ratings / green features<sup>1</sup></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> <p><b>Local Community</b></p> <ul style="list-style-type: none"> <li>4 outreach activities aimed to support children from rural /marginalised family/communities with non-profit organisations</li> <li>Positive impact to 189 beneficiaries</li> <li>Improved engagement and positive relationship with stakeholders</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>Vendors</b></p> <ul style="list-style-type: none"> <li>Promoting the development of the local ecosystem</li> </ul> <p><b>Environment</b></p> <ul style="list-style-type: none"> <li>Energy and emissions reduction by 4%</li> </ul>	
<ul style="list-style-type: none"> <li>Average training hours: 36.2 hours/employee</li> <li>Diverse, skilled and engaged workforce</li> <li>5 company-wide engagement activities held in 2023</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>	
<ul style="list-style-type: none"> <li>Local suppliers and contractors: 91% of total suppliers</li> <li>91% 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: RM 197,368.00</li> </ul>		
<ul style="list-style-type: none"> <li>Total energy consumption: 19.1 mil kWh</li> <li>Total energy intensity: 108.79 kWh/sqm</li> <li>Total carbon emissions: 21,333.4 tCO<sub>2</sub></li> <li>Total carbon intensity: 0.1 tCO<sub>2</sub>e/m<sup>2</sup></li> <li>Total water consumption: 131,571 m<sup>3</sup></li> <li>Total water use intensity: 0.75 m<sup>3</sup>/sqm</li> </ul>		

<sup>1</sup> Menara CelcomDigi is excluded from the reporting.

# SUSTAINABILITY STATEMENT

(cont'd)

## ECONOMIC

### SUSTAINABLE BUSINESS GROWTH AND FINANCIAL PERFORMANCE

[GRI 3-3, 201-1]

Following the economic recovery witnessed in 2022 after the aftermath of the pandemic, Malaysia's economic growth continued its upward trajectory in 2023, mainly driven by domestic demands. Concurrently, as Malaysia's economy forges ahead with this positive momentum, SENTRAL remains committed to cultivate long-term financial values as well as enriching stakeholder interests.

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

Our commitment to tenant retention and achieving a consistent occupancy rate throughout SENTRAL's portfolio remains a central focus in our leasing and asset management strategies. SENTRAL is actively engaged in enhancing the quality of its assets to uphold tenant satisfaction and maintain competitiveness in the market. As part of our efforts to manage costs effectively, SENTRAL's capital management approach emphasizes maintaining an optimal balance through active interest rate management, efficient cash flow handling, and exercising financial discipline. In order to sustain SENTRAL's long-term growth, we will persist in identifying yield enhancing acquisition opportunities while concurrently assessing and optimizing our portfolio mix to maximize returns for unitholders.

SENTRAL continues to maintain a dynamic stance in business growth by actively evaluating potential new portfolios. In 2023, SENTRAL completed the acquisition of Menara CelcomDigi for a purchase consideration of RM450 million. Kindly refer to our Portfolio Overview section on page 26 for more information on Menara CelcomDigi.

### 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 (including finance income) of RM163.7 million in FY2023. We attained a Distribution Per Unit of 6.68 sen this fiscal year which was 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 27 to 42 for further information on our economic performance.

In RM	FY2023	FY2022	FY2021	FY2020	FY2019
<b>Value Generated</b>					
<i>Revenue, finance income, gain on divestment of investment property</i>	163,668,083	150,906,023	166,461,106	167,980,858	164,687,987
<i>Less: Property operating expenses</i>	(28,941,832)	(24,275,211)	(28,523,531)	(29,456,543)	(30,769,769)
<i>Less: Other operating expenses</i>	(1,388,212)	(1,332,106)	(819,240)	(919,578)	(922,599)
<b>Total Value Generated</b>	<b>133,338,039</b>	<b>125,298,706</b>	<b>137,118,336</b>	<b>137,604,737</b>	<b>132,955,619</b>
<b>Reconciliation:</b>					
<i>Total realised income net of taxation</i>	74,221,484	73,625,238	84,485,957	80,954,941	72,107,547
<i>Add:</i>					
<i>Finance costs</i>	37,632,722	30,425,280	30,920,952	34,750,696	38,976,163
<i>Manager's fees</i>	12,532,231	12,220,533	12,616,534	12,796,372	12,760,955
<i>Trustee's fees</i>	654,678	649,354	664,577	665,681	676,287
<i>Quit rent and assessment</i>	8,296,924	8,378,301	8,430,316	8,437,047	8,474,667
<b>Total Value Generated</b>	<b>133,338,039</b>	<b>125,298,706</b>	<b>137,118,336</b>	<b>137,604,737</b>	<b>132,995,619</b>
<b>Payments to the Manager and Trustee</b>					
<i>Manager's fees</i>	12,532,231	12,220,533	12,616,534	12,796,372	12,760,955
<i>Trustees fees</i>	654,678	649,354	664,577	665,681	676,287
<b>Payments to Government</b>					
<i>Quit rent and assessment</i>	8,296,924	8,378,301	8,430,316	8,437,047	8,474,667
<b>Payments to Providers of Capital</b>					
<i>Income distribution</i>	72,436,401	73,095,601	79,419,121	75,882,237	72,881,244
<i>Finance costs</i>	37,632,722	30,425,280	30,920,952	34,750,696	38,976,163
<i>Economic value retained</i>	1,785,083	529,637	5,066,836	5,072,704	(773,697)
<b>Total Value Distributed</b>	<b>133,338,039</b>	<b>125,298,706</b>	<b>137,118,336</b>	<b>137,604,737</b>	<b>132,995,619</b>

Table 4: Direct Economic Value Generated and Distributed

## SUSTAINABILITY STATEMENT

(cont'd)

### DATA PRIVACY

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

The ever-evolving technological environment has compelled businesses and their operations to shift towards diverse online platforms, with a goal to cultivate efficient and collaborative workspace.

In recent years, Malaysia has seen more frequent and severe cyber-attacks, peaking at approximately 10,000 incidents from 2019 to 2021, reflecting a growing trend of digital threats within the country. However, there is a shift in the trend, as reports from the Ministry of Communications and Multimedia Malaysia showed a decrease in cyber incidents in 2023. Despite this recent decline, SENTRAL acknowledges the clear and eminent risk of cybersecurity threats to its business as it pivots its business operations towards digital or cloud based platforms to achieve operational efficiencies, productivity and efficient use of resources. With the increasing dependence on online platforms by businesses, we foresee a heightened demand for pragmatic data and information privacy.

SENTRAL recognise its responsibilities and are dedicated to ensuring protection of stakeholders' personal data to uphold their trust, confidence and satisfaction. The management of SENTRAL's cybersecurity risk partly falls under the purview of the MRCB IT helpdesk. Here, cybersecurity matters are reported for furthering monitoring of 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 adheres to industry standards.

To remain current with emerging cybersecurity threats, we continually assess our Information Technology ("IT") controls, which includes efforts in maintaining and improving our existing cybersecurity measures. Our Information Security Policy, which is 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 FY2023:

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 and 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 must be included in all of SENTRAL's 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 MRCB IT helpdesk to alert employees on spam or phishing emails, potential cyber-attacks and periodic updates of passwords for all systems</li> <li>Perform regular system backups</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 MRCB 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 physical data are stored on premises in our data warehouse centre</li> <li>Adoption of comprehensive cloud-based digital data filing since beginning of FY2021, for better management of data and efficient use of resources and office space</li> <li>Adoption 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 data</li> <li>Introduction of Yardi for facility management process since 2022, integrating both facility management and accounting system processes onto a single platform. Beyond data security, this consolidation of data management is targeted at improving productivity and 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, 204-1, 308; Bursa C7, S6]

Efficient supply chain management is crucial for SENTRAL in effectively managing the operations of SENTRAL’s properties, contributing to decreased operational costs, minimised delays, and ensuring high-quality delivery of services. At SENTRAL, our commitment extends to manage our impacts across our value chain, with a significant portion involving our various suppliers and contractors.



Figure 7: SENTRAL's Value Chain

# SUSTAINABILITY STATEMENT

(cont'd)

Our suppliers and contractors are chosen not only for the quality and competitiveness of their services, but also for their best 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 the latest regulations and standards, we continued 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. 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 as well as possess the competencies 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 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.

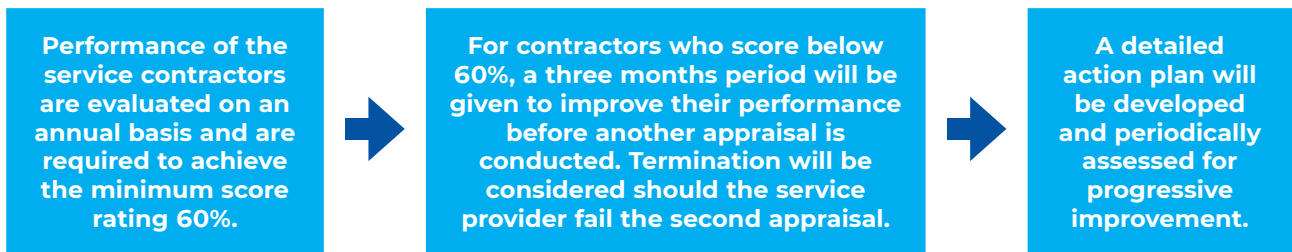


Figure 8: Standard Performance Appraisal

## SUSTAINABILITY STATEMENT

(cont'd)

	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Percentage of service providers underwent performance appraisal (%)	100%	100%	100%	100%	100%	100%
Percentage of service providers achieved higher than the minimum score rating of 60% (%)	100%	100%	100%	100%	99.9%	100%

*Table 5: Percentage of Service Provides Underwent Performance Appraisal and Achieved Higher Than Minimum 60% Score*

In alignment with our dedication to support local economic development in fostering the growth and resilience of Malaysia's economy, we place a high priority on sourcing from local suppliers and contractors where feasible. This approach allows us to contribute directly to the growth of local businesses but also serves as a strategic initiative to minimize our environmental footprint within the supply chain.

We define local suppliers and contractors as companies registered in Malaysia. In FY2023, we spent a total of RM9,838,478 on local suppliers and contractors, which is 91% of our procurement budget.

	FY2023	FY2022	FY2021	FY2020	FY2019
Local suppliers and contractors (%)	91%	95%	100%	76%	80%
Local Procurement expenditure (RM)	RM9,838,478	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 FY2024, 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 stewards of the built environment, we are dedicated to translating impactful environmental objectives into initiatives that 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.

### CLIMATE CHANGE

International Energy Agency reports that the operations of buildings account for 30% of global final energy consumption and 26% of global energy-related emissions (8% being direct emissions in buildings and 18% indirect emissions from the production of electricity and heat used in buildings). Direct emissions from the buildings sector decreased in 2022 compared to the year prior, despite extreme temperatures driving up heating-related emissions in certain regions. In 2022, buildings sector energy use increased by around 1%.<sup>1</sup>

Following the 28th Conference of the Parties (COP28), indications strongly suggested that the world is on track to surpass the perilous 1.5°C global warming limit. Despite the potential to still achieve the 1.5°C goal through advanced technologies and creative solutions, achieving a substantial reduction in global emissions will demand exceptional and unparalleled efforts.

It is crucial to duly acknowledge and monitor the various announcements, commitments, declarations, as well as the initiation and progression of collaborative climate initiatives to ensure their effective contribution to expediting the multilateral process in line with the objectives of the Paris Agreement. Conforming to the commitments made during COP28, continuous decarbonisation effort is imperative to mitigate rising average global temperatures that is caused by increased GHG emissions, and we are committed to reduce our carbon emissions, contributing to Malaysia's national goals of reducing carbon intensity (against GDP) by 45%.

This year, SENTRAL have embarked on our first TCFD reporting, underscoring our commitment towards reducing our climate impact. This report serves to communicate our climate change efforts with reference to the four TCFD pillars such as Governance, Strategy, Risk Management, and Metrics & Targets.

### Taskforce on Climate-Related Financial Disclosure

#### Governance

Similar to our Sustainability Governance Structure, SENTRAL's Board stands as the highest decision-making authority, carrying the primary responsibility for integrating climate initiatives into our day-to-day business operations, ensuring the foundation for long-term growth. This pivotal role encompasses the vigilant oversight of climate-related risks, opportunities and initiatives that drive climate mitigation and adaptation strategies. These include the materiality assessment, climate change scenario analysis studies and supply chain risk management study, which will be conducted in the following financial year.

<sup>1</sup> Buildings Tracking Report 2023 – Analysis - IEA

# SUSTAINABILITY STATEMENT

(cont'd)

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

The SWC oversees and monitors the implementation of SENTRAL’s climate-related strategies, sets climate goals and targets, and updates on SENTRAL’s climate performance to the CEO. Executives from various departments assist the SWC, which allows for improved administration of climate-related efforts. The SWC will prepare a report on the management of impacts on climate on an annual basis for CEO’s review, and subsequently submit the report to the Board. Figure 9 illustrates the roles and duties of our sustainable governance in detail.

### Climate Governance Structure

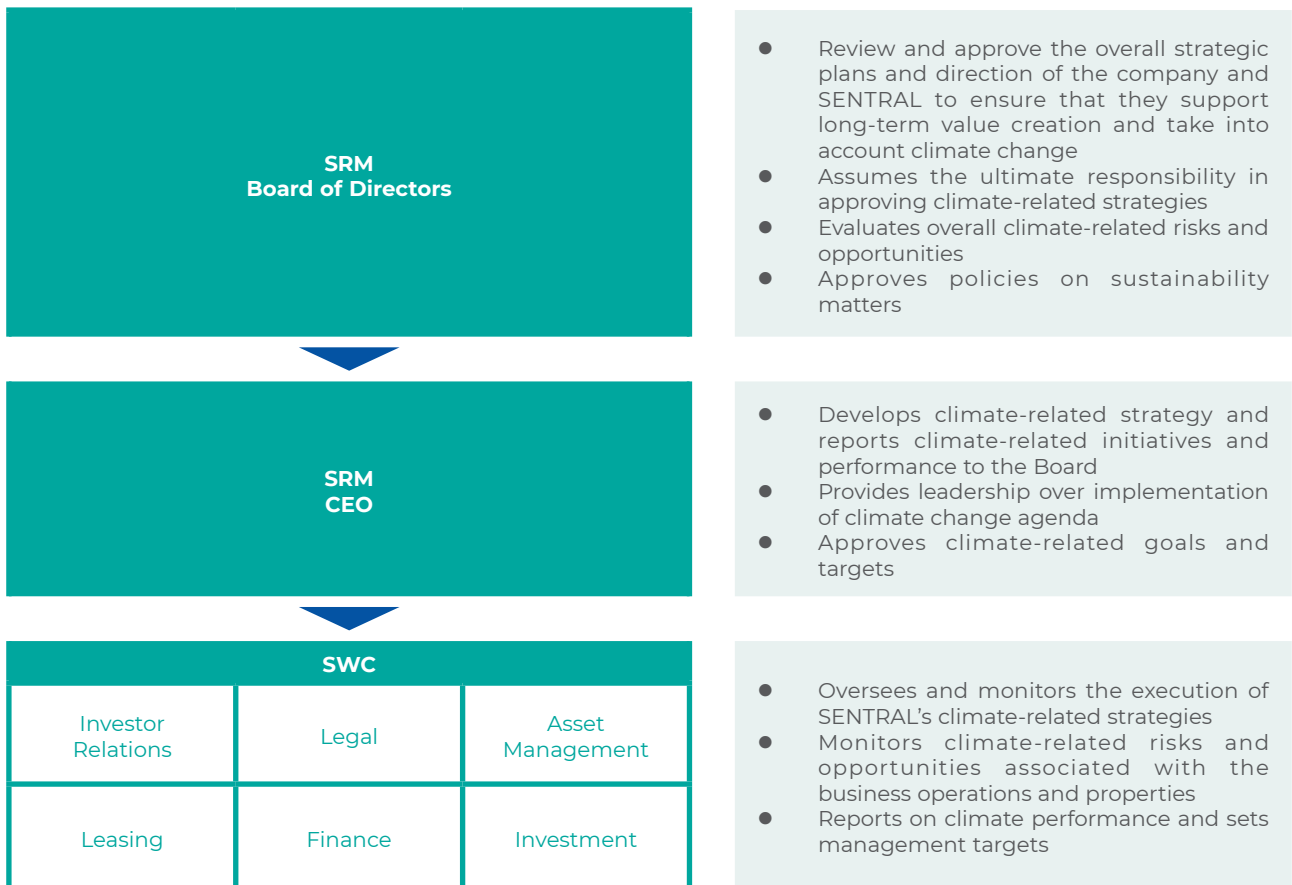


Figure 9: Climate Governance Structure

# SUSTAINABILITY STATEMENT

(cont'd)

## Strategy

SENTRAL's identified material ESG issues are determined to be highly relevant to SENTRAL's business, operations, and stakeholders. The selection of these issues is guided by SENTRAL's regular review, assessment, and feedback process concerning ESG topics. Within SENTRAL, energy and carbon footprint stand out as crucial ESG material matters, as affirmed by the latest SENTRAL ESG materiality review.

In addressing emissions, SENTRAL's carbon mitigation strategy has been astutely directed towards Scope 2 and 3 emissions, with a particular emphasis on electricity usage, which is identified as the largest source of emissions for the core operations, as shown in the 'Energy Management' section of the report. The commitment to maintaining good energy performance for existing portfolio buildings is demonstrated through robust resource management practices and continual asset upgrading and enhancement initiatives.

Looking ahead, SENTRAL is poised to elevate its sustainability reporting standards by aligning with the TCFD disclosures. This includes a proactive approach towards conducting a thorough scenario analysis on potential physical and transition risks. This forward-looking strategy aims to improve the identification of climate risks and opportunities throughout SENTRAL's operations. By developing comprehensive action plans, SENTRAL is committed to not only understanding the challenges posed by climate change but actively contributing to the development of a climate strategy that aligns with industry best practices and global sustainability standards.

## Risk Management

In a market that is increasingly intricate and continually evolving, it is essential to establish a robust yet adaptable risk management and internal control framework to anticipate and address disruptive forces inherent in SENTRAL's core business. The Board, with assistance from the ARC, conducts periodic reviews and closely oversees the resilience of the risk management and internal control framework to ensure its adequacy and effectiveness.

The existing risk management framework encompasses structures, policies, processes, and resources designed to identify, measure, assess, monitor, report, and manage or mitigate both internal and external sources of significant risks. Risk management is an integral part of SENTRAL's day-to-day operations, ingrained in its functional processes.

Moving forward, SENTRAL aims to incorporate ESG and climate-related risk into our Enterprise Risk Management Framework by conducting a thorough assessment in prioritizing material ESG and climate issues based on the likelihood and potential impact of the issues affecting business continuity and development. Notably, SENTRAL is cognizant of the risk posed by existing and emerging regulatory requirements with relation to climate change and will work towards disclosing a more comprehensive report that is aligned with TCFD disclosure requirements.



# SUSTAINABILITY STATEMENT

(cont'd)

## Metrics and Targets

### Emissions

[GRI 3-3, 305-1, 305-2, 305-3, 305-4; Bursa C11(a), C11(b), C11(c)]

SENTRAL's commitment to climate change has reached a significant milestone in the current fiscal year as we embark on a comprehensive approach to carbon emissions reporting. SENTRAL has adopted the Greenhouse Gas (GHG) Protocol to guide our carbon emissions calculation, utilising the operational control approach to determine our organizational and operational boundaries. SENTRAL has also updated the relevant emission factors to calculate Scope 1, 2 and 3 emissions by utilizing emission factor values from Suruhanjaya Tenaga, Department for Environment, Food and Rural Affairs (DEFRA), GHG Protocol's Cross-Sector Emission Factor Tools and the US Environmentally-Extended Input-Output (USEEIO) Model. Figure 10 below depicts information on Scopes 1, 2 and 3 carbon emissions using the operational control approach:

### TOTAL CO<sub>2</sub>e EMISSIONS IN 2023 (SCOPE 1, 2 AND 3)

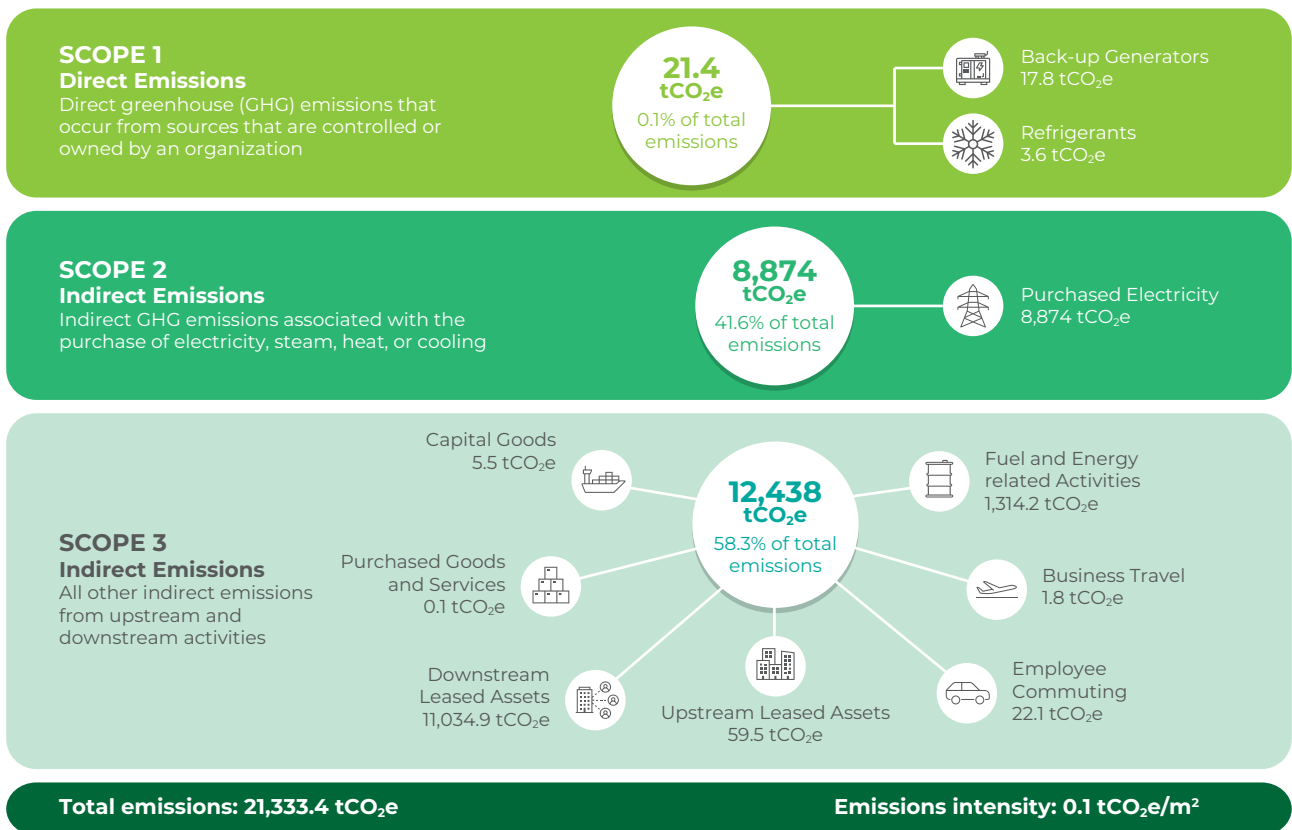


Figure 10: Total Scope 1, 2 and 3 emissions in FY2023

Notes:

- Figures stated may not add up due to rounding of decimals
- Total emissions and emissions intensity values include estimations of Menara NU2 and Lotuss Penang's electricity consumption values, using the average BEI of a typical office building in Malaysia of 210kWh/m<sup>2</sup> per year, stated by Suruhanjaya Tenaga

# SUSTAINABILITY STATEMENT

(cont'd)

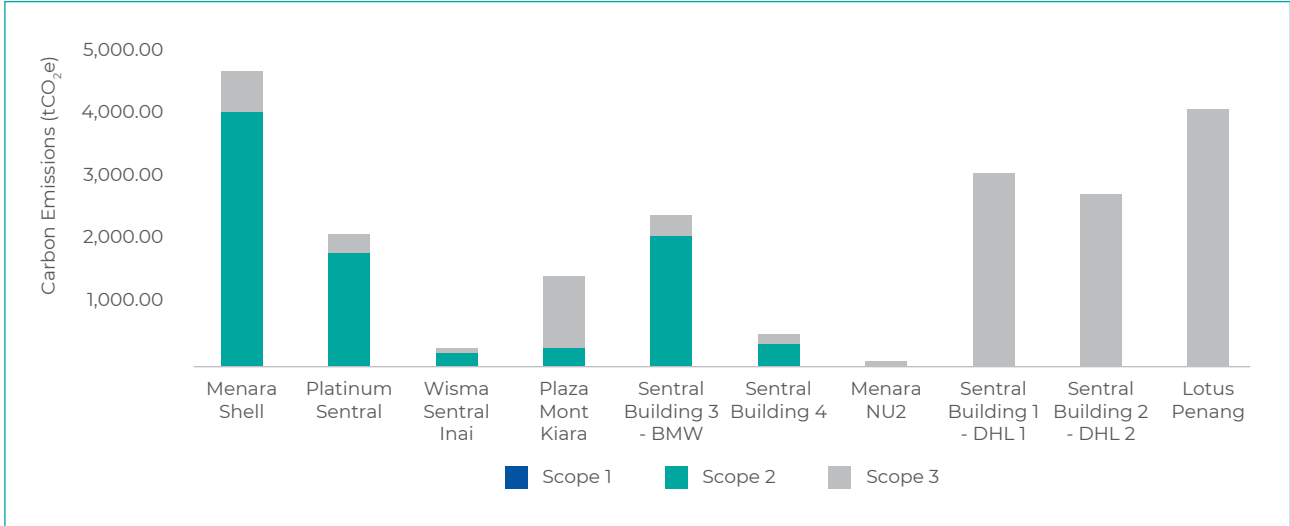


Chart 1: Total Carbon Emissions by Property for FY2023

Notes:

- Emissions values shown in the chart are in units of tCO<sub>2</sub>e
- Electricity consumption data from Menara NU2 and Lotuss Penang are estimated by using the average BEI of a typical office building in Malaysia which is 210kWh/m<sup>2</sup> per year, stated by Suruhanjaya Tenaga due to data unavailability
- Low emissions from Menara NU2 stem from SENTRAL vacating the premises in September 2023
- The scope 3 data and information provided utilised data assumptions and emission factors from third-party databases due to data unavailability. We will look to improve our data collection process further to further improve the accuracy of emissions value reported

In 2023, our downstream leased assets, which consist of emissions arising from tenants' purchased electricity for building operations of essential equipment and comfort of occupants, is SENTRAL's primary source of carbon emissions. However, the emissions values from Lotuss Penang and Menara NU2 were calculated based on estimations on the tenants' energy usage. Moving forward, we will work towards obtaining accurate and real-time data for Lotuss Penang to improve accuracy of our emissions profile. We will also review our historical data based on our updated methodology for improved tracking of reduction progress, aligning with GHG Protocol Standards.

## ENERGY MANAGEMENT

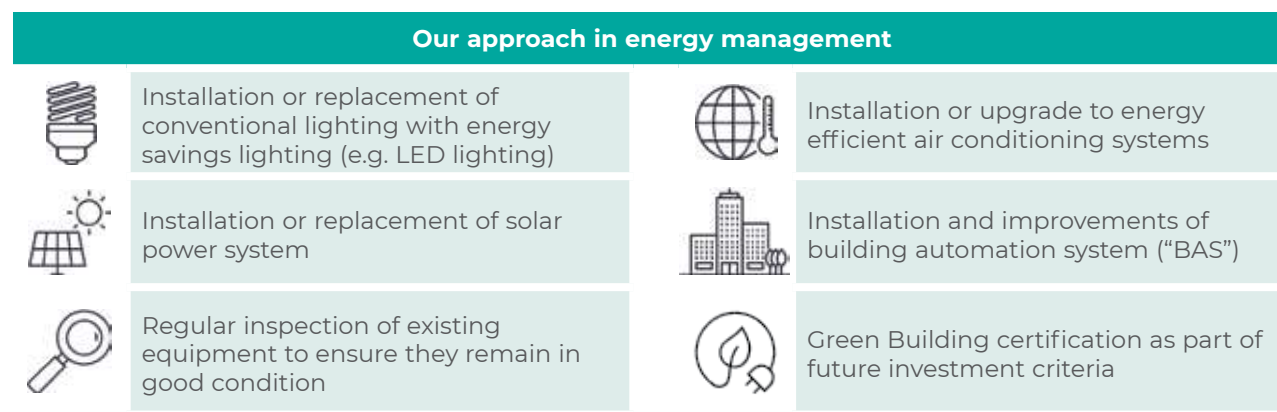
[GRI 3-3, 302-2, 302-3, 302-4; Bursa C4(a)]

As we continue to prioritize energy efficiency and sustainability, electricity remains the main source of energy for SENTRAL buildings, powering vital equipment and ensuring the well-being of our occupants. SENTRAL buildings prioritize dual power sources, backup generators, and energy-efficient systems to mitigate the impact of potential power outages on essential equipment and occupant comfort. We will continue to explore practical and affordable energy conservation opportunities to reduce our impact on the environment.

# SUSTAINABILITY STATEMENT

(cont'd)

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



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/buildings with green features, 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.

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 SENTRAL's buildings. We aim to establish our Energy Management Policy by 2024.

In FY2023, our key energy efficient initiatives are highlighted in Table 7 below:

No.	Building	Initiatives
1	Platinum Sentral	<ul style="list-style-type: none"> <li>Conducted due diligence and gap analysis by green building consultants to improve energy efficiency</li> <li>An Automatic Transfer Switch (ATS) was installed for the Electrical Switchboard to comply with MSC status and provide immediate changeover to an alternative electricity source when the main electrical feeders are not operational</li> </ul>
2	Sentral Building 3 - BMW	<ul style="list-style-type: none"> <li>Conducted due diligence and gap analysis by green Building consultants to improve energy efficiency</li> </ul>
3	Sentral Building 1 - DHL 1	<ul style="list-style-type: none"> <li>Changing over 1-unit ATS 4000 AMP and 2 units of 4000 AMP ACB to ensure efficient electricity usage</li> </ul>
4	Sentral Building 4	<ul style="list-style-type: none"> <li>One of the chillers' High-Speed Shaft was replaced to achieve energy-efficient chiller operation</li> </ul>
5	Plaza Mont' Kiara	<ul style="list-style-type: none"> <li>Lighting system upgraded to LED T8 lighting to reduce electricity consumption</li> <li>Air curtain at GF Block E was upgraded to minimize air conditioning coolness loss</li> </ul>

Table 7: FY2023 Energy Efficient Initiatives

# SUSTAINABILITY STATEMENT

(cont'd)

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.

While our goal was a 2% decrease from FY2022, we were able to achieve a 4% decrease in energy consumption in FY2023 for our portfolio buildings, reducing 793,354 kWh of energy consumption. The charts below show the energy consumption for each of our buildings:

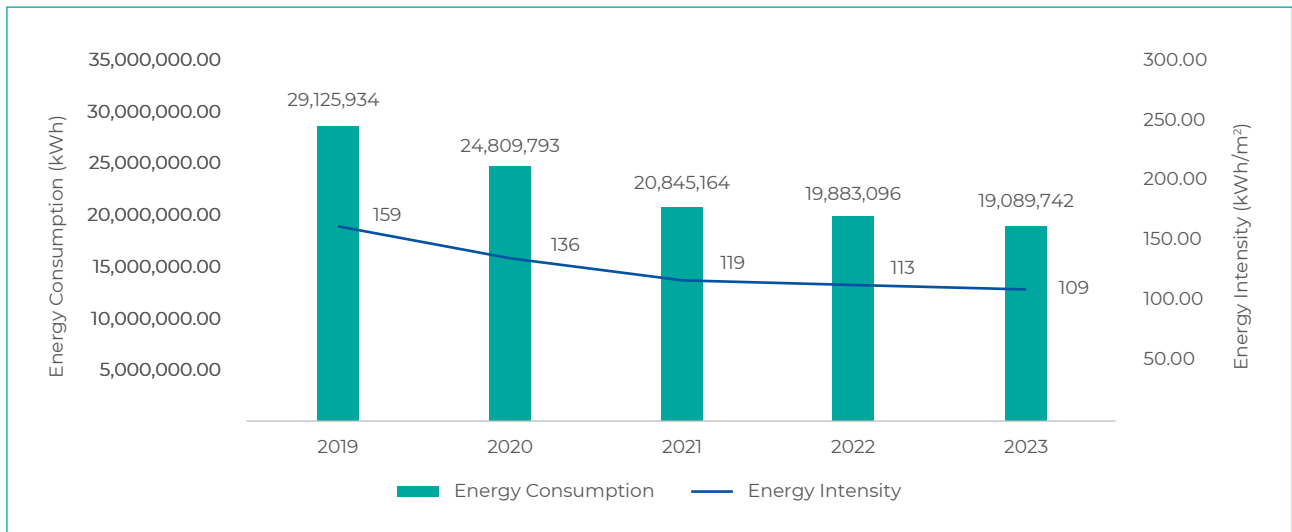


Chart 2: Total Energy Consumption and Intensity

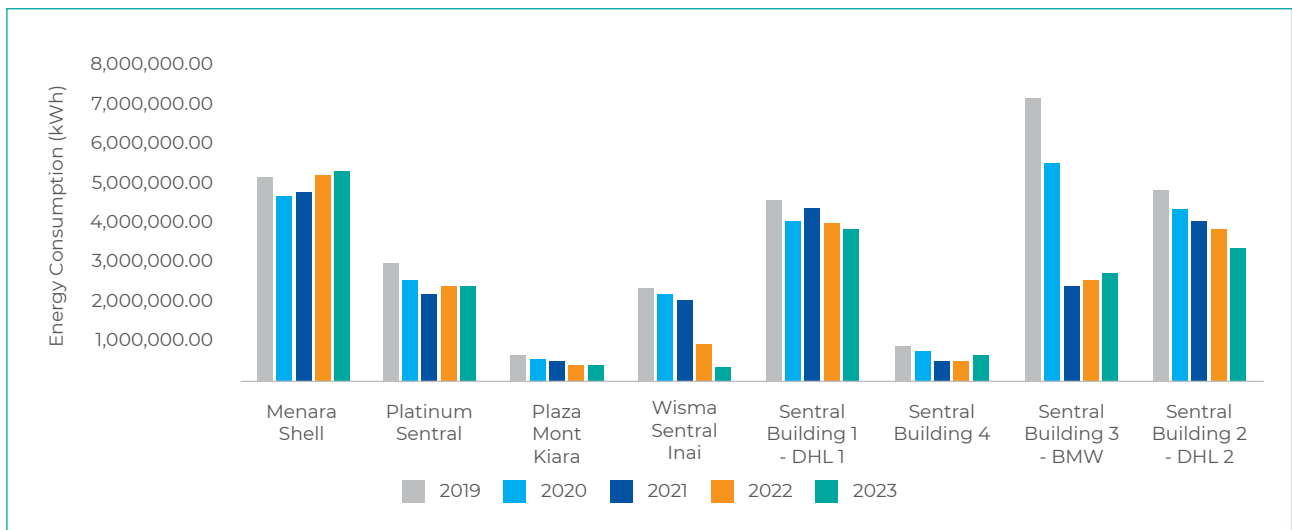


Chart 3: Total Energy Consumption by Property

# SUSTAINABILITY STATEMENT

(cont'd)

Moving forward, we continue to target a 2% reduction year-on-year through various measures in enhancing our energy efficiency across SENTRAL's buildings, while also developing a carbon reduction target in the medium- and long-term. Table 8 depicts our planned initiatives for FY2024 in-line with our firm commitment towards energy reduction.

No.	Building	FY2024 Initiatives
1	Platinum Sentral	<ul style="list-style-type: none"> <li>Based on the gap analysis findings, SENTRAL will embark on green building improvements works focusing on energy efficiency</li> </ul>
2	Sentral Building 3 - BMW	<ul style="list-style-type: none"> <li>Based on the gap analysis findings, SENTRAL will embark on green building improvements works focusing on energy efficiency</li> <li>Upgrade basement carpark light fittings with energy saving LED lights</li> </ul>

Table 8: FY2024 Energy Efficient Initiatives

## WATER MANAGEMENT

[GRI 3-3,303-1, 303-5; Bursa C9(a)]

A consistent and adequate supply of high-quality water is crucial for all of SENTRAL's portfolio buildings and business operations. Any interruptions in water supply would directly affect our daily activities, leading to inconveniences and dissatisfaction among tenants and stakeholders. These disruptions can arise from unforeseen factors beyond SENTRAL's control as a service subscriber, including pollution of raw water sources or service downtime. The current water supply challenges have had a significant impact at the state level in Malaysia.

Recognizing this risk, we acknowledge our responsibility in ensuring efficient water consumption and conservation. The management has implemented measures to monitor and enhance the intensity of water usage in buildings, following the guidelines outlined in our Water Management Policy 2020. This commitment contributes to sustainable water management practices. SENTRAL's Water Management Policy underscores our dedication to optimizing water usage through meaningful goal-setting and collaborative solutions with stakeholders to ensure compliance and fair utilization. Our approach in water management are illustrated in the figure below:

Our approach in water management

<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #e0f2f1; padding: 10px; border-radius: 5px;">Installation of rainwater harvesting system</div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #e0f2f1; padding: 10px; border-radius: 5px;">Regular inspection of piping systems and fittings to ensure functionality and efficiency is maintained</div> </div> <div style="display: flex; align-items: center;"> <div style="background-color: #e0f2f1; padding: 10px; border-radius: 5px;">Repair and replace old pipes, fittings and other equipment where necessary</div> </div>	<div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="background-color: #e0f2f1; padding: 10px; border-radius: 5px;">Regular inspection of air-conditioning systems to ensure they are operating at optimum levels (largest source of water consumption)</div> </div> <div style="display: flex; align-items: center;"> <div style="background-color: #e0f2f1; padding: 10px; border-radius: 5px;">Installation or replacement of conventional water fittings with water efficient fittings including sensor taps</div> </div>
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# SUSTAINABILITY STATEMENT

(cont'd)

In FY2023, our key initiatives are highlighted in the table below to achieve our year-to-year target of 2% water consumption reduction.

No.	Building	FY2023 Initiatives
1	Platinum Sentral	Appointed green building consultants to carry out due diligence study and gap analysis which covers the study on water efficiency
2	Sentral Building 3 - BMW	Appointed green building consultants to carry out due diligence study and gap analysis which covers the study on water efficiency
3	Sentral Building 4	Installed new water tank to mitigate leakage and water wastage due to wear and tear

Table 9: FY2023 Water Management Initiatives

In FY2023, water consumption decreased across all SENTRAL's buildings, except for Platinum Sentral and Sentral Building 3 - BMW. Due to our water saving practices in our day-to-day operations, we have succeeded in reducing SENTRAL's overall water consumption by 18%, which exceeds our year-to-year target of 2% water consumption reduction.

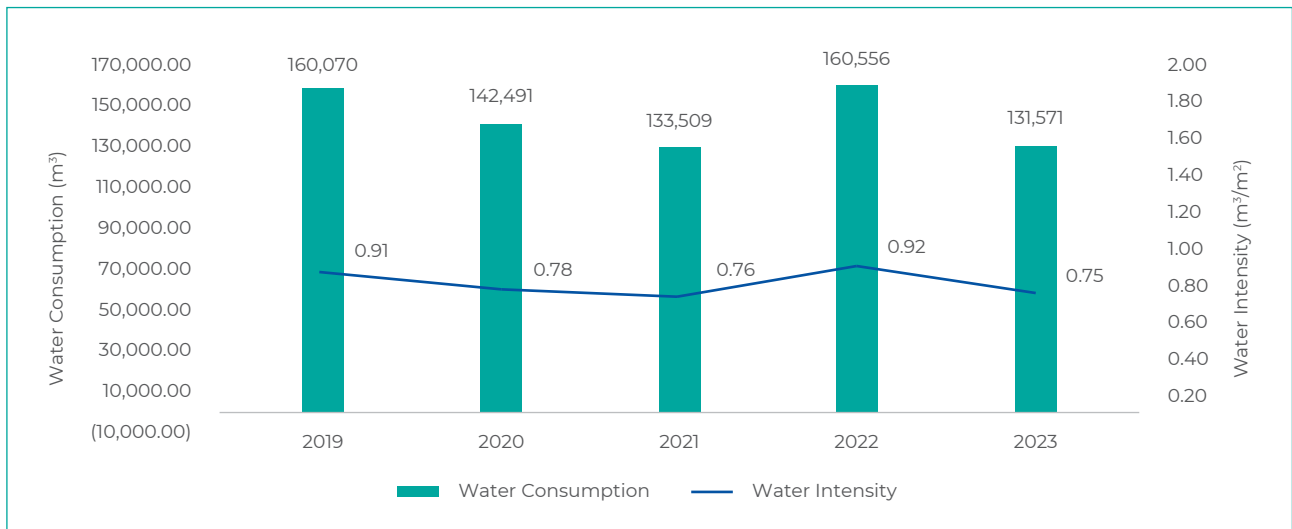


Chart 4: Total Water Consumption and Water Intensity

# SUSTAINABILITY STATEMENT

(cont'd)

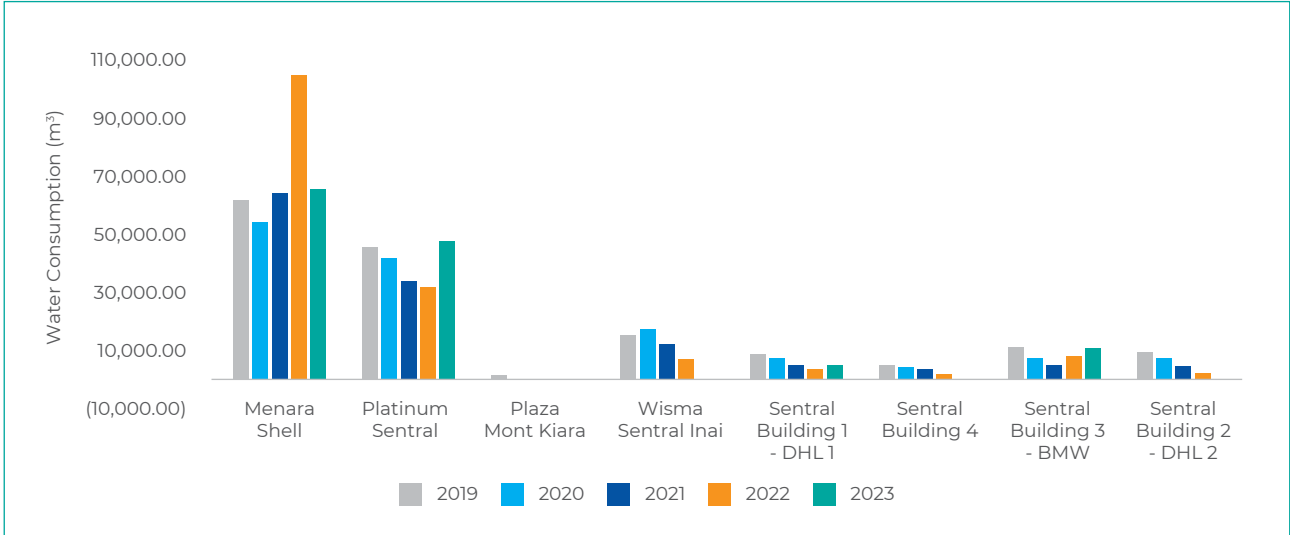


Chart 5: Total Water Consumption by Property

Moving forward, in tandem with our efforts to continuously achieve a 2% reduction in water consumption since FY2017, we will continue our efforts on water efficiency by maintaining our water consumptions year-on-year. Our commitments for FY2024 are illustrated in the table below:

No.	Building	FY2024 Initiatives
1	Platinum Sentral	<ul style="list-style-type: none"> <li>Based on the gap analysis findings, SENTRAL will embark on green building improvements works focusing on water efficiency</li> <li>Upgrade toilet with self-closing faucets</li> </ul>
2	Sentral Building 3 - BMW	<ul style="list-style-type: none"> <li>Based on the gap analysis findings, SENTRAL will embark on green building improvements works focusing on water efficiency</li> </ul>

Table 10: Future water management initiatives for FY2024

## WASTE MANAGEMENT

[GRI 3-3, 306-1, 306-2; Bursa C10]

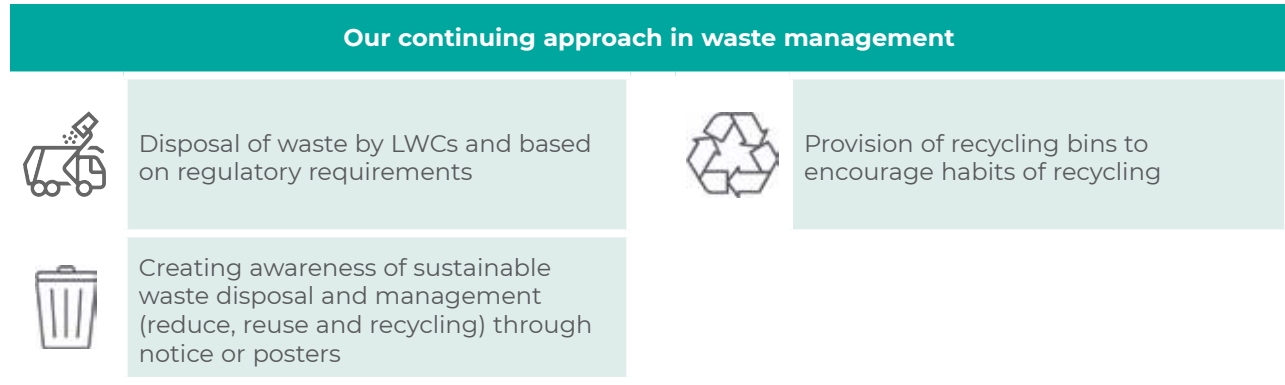
In light of the current focus on the circular economy, SENTRAL recognizes the importance of effective waste management and recovery as part of our commitment to sustainability and the communities we serve. Proper waste handling is crucial to avoid adverse impacts on the environment and society. It is also integral for maintaining our operating license and safeguarding against reputational and legal risks.

The primary source of waste from SENTRAL's operations stems from the food and beverage tenants ("F&B") within its premises. The property manager holds the responsibility of ensuring that waste is disposed of in compliance with legal regulations, and recyclables, such as paper waste, are collected by licensed waste contractors ("LWCs").

## SUSTAINABILITY STATEMENT

(cont'd)

LWCs conduct daily waste collection using centralized refuse chambers provided at each property in SENTRAL's portfolio, facilitating proper waste storage and segregation. At SENTRAL, our aim is to create a secure and pleasant environment for our tenants, emphasizing safe and responsible waste disposal practices to minimize health hazards. 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 at high-traffic areas within SENTRAL's portfolio of 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.

For our FY2023 waste management activities, we have appointed green building consultants, who have conducted a thorough due diligence study and gap analysis for Platinum Sentral and Sentral Building 3 - BMW, encompassing a study of current waste management practices and providing recommendations to enhance waste reduction, reuse, recycling, and compliance with Green Building Organization requirements. We also aim to implement these recommendations across our other properties in the future. To assess the effectiveness of the waste management strategy in improving SENTRAL's environment impact, SENTRAL will work with its LWCs to collect and track data for waste disposed at landfill and waste diverted from landfill.

For a holistic approach to SENTRAL's waste management efforts, we are in the process of developing SENTRAL's Waste Management Policy which will serve as formal guidance for proper waste management activities across all buildings within SENTRAL's portfolio. We aim to establish our Waste Management Policy by 2024.



# SUSTAINABILITY STATEMENT

(cont'd)



## SOCIAL

### HEALTH AND SAFETY

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

Since the emergence of COVID-19 pandemic, SENTRAL remains steadfast in its continuous support for its stakeholders. This includes SRM employees, tenants, contractors, visitors, and communities while on SENTRAL's premises. SENTRAL commits to remaining vigilant in monitoring and responding to unforeseen and unpredictable outbreaks as its stakeholders' safety, health, and well-being remain among SENTRAL's top priorities.

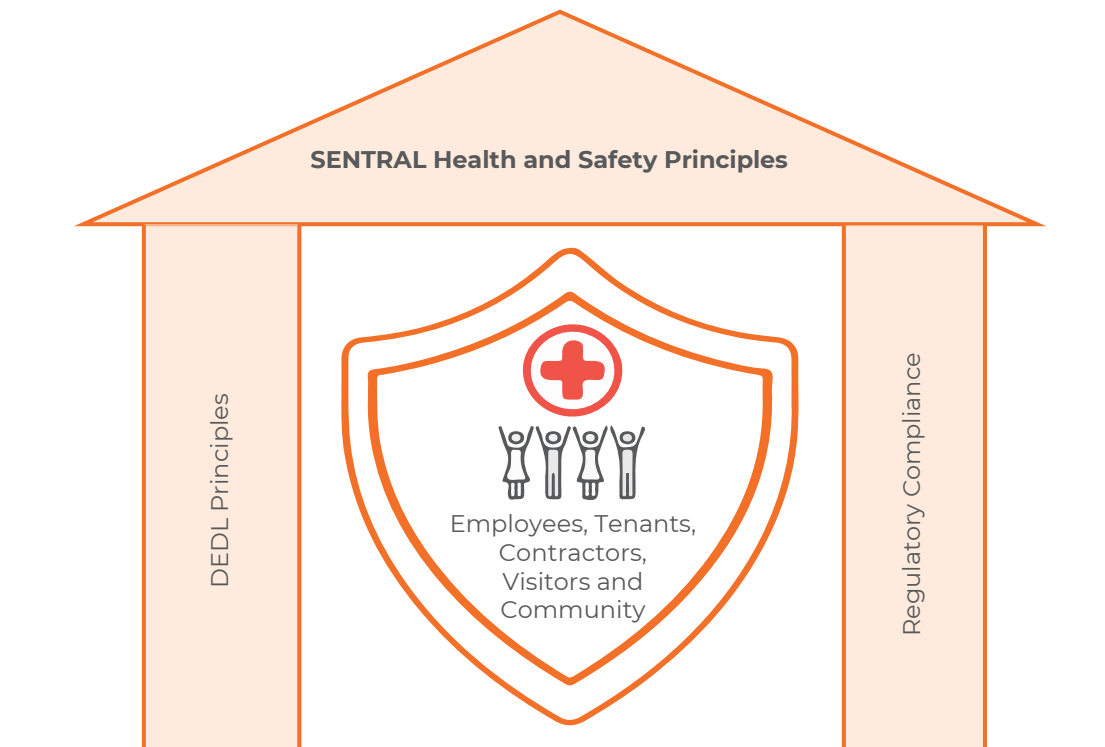


Figure 11: SENTRAL's Health and Safety Principles

SENTRAL's Health and Safety ("H&S") measures guide the management of all health and safety issues. Its H&S measures were developed based on our Develop, Engage, Deal, Lay ("DEDL") H&S Principles, referencing relevant laws and regulations such as the Occupational Safety and Health ("OSH") Act 1994 by the Department of Occupational Safety and Health ("DOSH"). All SRM employees, building management team and contractors are required to follow our H&S measures to mitigate or prevent H&S hazards.

Over and above, in FY2023 an internal control review by SENTRAL's internal audit team was conducted to ensure the adequacy of the internal controls and compliance with procedures of all H&S regulations and best practices. This review will be done periodically to ensure that potential areas for improvement in the effectiveness and efficiency of the processes can be identified so that SENTRAL will have effective H&S measures that is adhered to by all parties.

# SUSTAINABILITY STATEMENT

(cont'd)



Figure 12: CENTRAL's Health and Safety Principles

SENTRAL's approach to continually improve our H&S measures for all stakeholders is detailed in our DEDL H&S Principles, shown in Figure 12 above. Additionally, we ensure ongoing compliance with requirements set out by DOSH for commercial premises, including receiving periodic checks by DOSH representatives.

To ensure our people are abreast with the latest trends, knowledge and HSE regulations, we conduct periodic H&S training and refresher courses to all SRM employees.

	FY2023	FY2022	FY2021	FY2020
Number of employees trained on health and safety standards	0	19 <sup>1</sup>	0	0

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

In addition, additional training for Emergency Respond Team ("ERT") members for each building will be mandated. These trainings or drills will be in relation to riots/demonstrations, bomb or terrorist threats and earthquakes in addition to the current trainings or drills on fire evacuation, Malaysian Fire and Rescue Department Fire Safety Seminar and ERT training conducted by the Fire and Rescue Department of Malaysia ("BOMBA").

# SUSTAINABILITY STATEMENT

(cont'd)

## Managing risks and hazards in SENTRAL's buildings

To ensure the health and safety of occupants within SENTRAL's portfolio of buildings, we necessitate the participation from all stakeholders to minimise exposure to health and safety risks and hazards. Here, we work closely with the building management team, tenants, and contractors to ensure safety controls are in place to ensure the well-being of our building occupants.

Stakeholders	Safety controls
SENTRAL, building management team and contractors	<ul style="list-style-type: none"> <li>Regular fire risk assessments performed regularly to identify and manage potential risks and hazards</li> <li>Monitoring of safety certifications for fire extinguisher, gondola, lift and escalator to ensure timely renewal</li> <li>Regular maintenance and repairs to ensure compliance with safe operating standards implemented by BOMBA</li> <li>Clear safety signages during refurbishment to provide awareness to all parties</li> <li>Regular safety briefings, 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 to ensure that they are in adherence to social, ethical, and environmental principles and regulations. The property managers are responsible for on-going monitoring of work in progress by these contractors</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>
Tenants	<ul style="list-style-type: none"> <li>Establish ERTs trained in first aid and equipped with fire-fighting abilities to respond to health and safety incidents</li> <li>Conduct a risk assessment prior to any renovation and fit-out of the tenanted spaces</li> </ul>

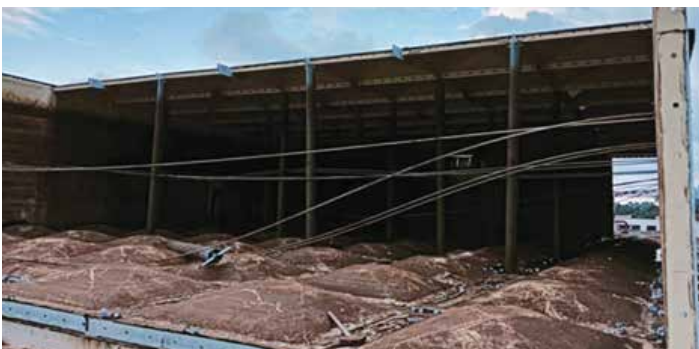


Figure 13, 14: Sentral Building 4 - Before HSE initiative

### Sentral Building 4

Installation of Fiberglass Reinforced Plastic (FRP) Water Tank for the purpose of preventing leaks and water wastage. Replacing a metal tank with an FRP tank also offers health benefits, as FRP is non-conductive, non-corrosive, and does not leave trace metal contamination.

# SUSTAINABILITY STATEMENT

(cont'd)



Figure 15: Sentral Building 4 – Finished installation works of new FRP Water Tank for HSE initiative



Figure 16: Platinum Sentral - After upgrading works

### Platinum Sentral

Upgrade of main entrance driveway leading to the building's main entrance lobby drop off to decrease the likelihood of accidents due to uneven road surface and water ponding.

## Health and safety grievances

In accordance with SENTRAL's H&S Principles, stakeholders are 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 listed in Table 11 below. No health and safety grievances were reported in FY2023.




Channel	Description
<b>Telephone</b> 	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
<b>Email</b> 	Grievances can be submitted in writing to the respective property manager's email which can be retrieved from the respective BMO
<b>Face-to-face Communication</b> 	We have physical point of contacts for stakeholders to escalate grievances directly to the property manager. We also have Auxiliary Police and security guard personnel on-duty for 24 hours at our main lobby counters to protect the property and prevent criminal activities

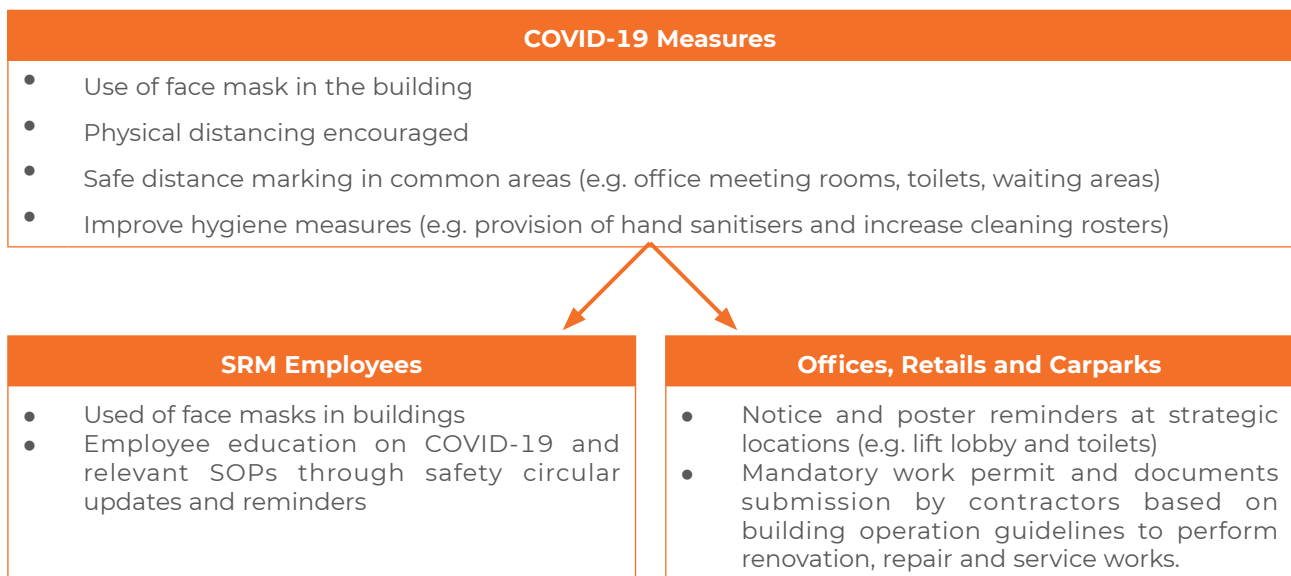
Table 11: Health and Safety Grievance Mechanisms

# SUSTAINABILITY STATEMENT

(cont'd)

## Ensuring Wellness Amid Uncertainty

At the end of 2023, Malaysia met with unanticipated spikes in Covid-19 outbreaks, coupled with other illnesses such as influenza. In light of this, we maintain our vigilance against potential outbreaks, concurrently navigating the path to economic recovery. We continue to uphold best practices regarding precautionary measures and controls to ensure the safety of SRM employees, tenants, visitors and communities. All our stakeholders are recommended to follow the latest Ministry of Health's COVID-19 SOP guidelines to mitigate any potential risk of exposure to COVID-19. Details of SENTRAL's COVID-19 measures which will be reactivated at the buildings if deemed necessary are illustrated below:



## Health and Safety initiatives in FY2023



### Emergency Response Team (ERT) Training for Property Management Staff

On 17<sup>th</sup> August 2023 ERT Training was conducted by BOMBA. The training program covered various aspects of emergency response, including but not limited to fire safety, evacuation procedures, fire aid, and crisis management. A total of 12 attendees from property management attended the training.

In FY2023, SENTRAL reported no cases 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 if necessary and OSHA Act to safeguard our stakeholders' health and safety.

## QUALITY OF ASSETS AND SERVICES

[GRI 3-3]

As an office-focused REIT, the quality of SENTRAL's assets and accompanying services are core to its business. Tenant's satisfaction determines the success of SENTRAL's business and is also a key factor in attracting new tenants. As the Manager, we aim to provide attentive and customer-focused service that meets SENTRAL's tenants' needs and expectations.

## SUSTAINABILITY STATEMENT

(cont'd)

### Asset Enhancement

Our asset enhancement policy is centered on continual improvement, driving us to consistently elevate our buildings' functional and aesthetical characteristics, space planning and incorporating green features such as energy efficient fittings. Growing sentiment on incorporating green features into asset enhancement strategies is observed as tenants are increasingly conscious of their environmental impact.

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.

#### Menara Shell



- Leadership in Energy and Environmental Design ("LEED") Platinum-certified
- Some of the key LEED certified features include:
  1. Rainwater Harvesting System
  2. Building Automation System

#### Platinum Sentral



- Building and Construction Authority ("BCA") Green Mark Platinum-certified
- Some of the key certification features include:
  1. Rain Water Harvesting System
  2. Solar Panel System





Table 12: Portfolio Buildings with 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 in line with each building's Operations and Maintenance ("O&M") Manual.

# SUSTAINABILITY STATEMENT

(cont'd)

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

In FY2023, our AEs are illustrated below with a total of RM 2,840,217 invested. This translates to a 20.1% decrease from the previous year, this adjustment reflects a strategic optimization of our resource in asset enhancement. Majority of AEs in FY2023 were performed at Platinum Sentral which has been in operation for eleven (11) years. The execution of refurbishment and upgrading initiatives underscores SENTRAL’s unwavering commitment to maintain asset quality and ensure wellbeing and safety of our valued tenants.

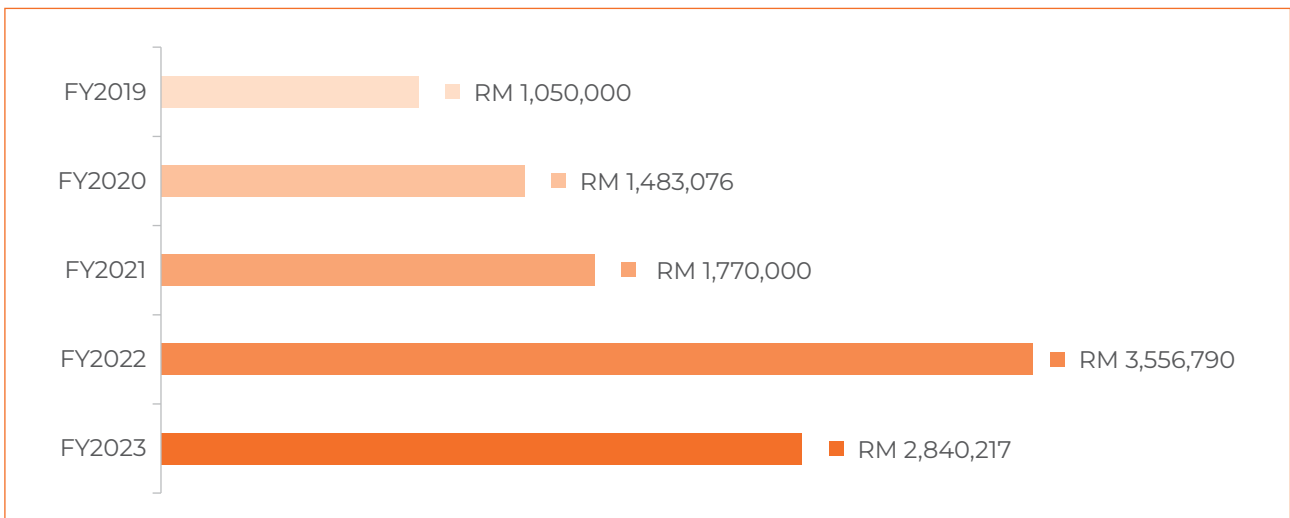


Chart 6: SENTRAL’s Asset Enhancement Investments

# SUSTAINABILITY STATEMENT

(cont'd)

## Platinum Sentral

1. Refurbishment and upgrade of landscape and external retail areas at West Courtyard.
2. Painting works of common area at Blocks B & C.
3. Upgrade of driveway leading to the building's main entrance lobby drop off.



Figure 17: Platinum Sentral - West Courtyard after upgrading works



Figure 18: Platinum Sentral - Blocks B & C - after upgrading works



Figure 19: Platinum Sentral - Main entrance lobby drop off - upgrading works in progress



# SUSTAINABILITY STATEMENT

(cont'd)

## Menara Shell

1. Level 5 external perimeter landscape area upgrading.



(Before upgrade)



(After upgrade)

Figure 20-22: Menara Shell - Level 5 upgrading of external perimeter landscape area

## SUSTAINABILITY STATEMENT

(cont'd)

### Plaza Mont' Kiara

1. Upgrade of basement carpark lighting from fluorescent to LED lights.
2. Installation of new air curtain system at Block E Ground Floor area.



(Before upgrade of car park lighting)




(After upgrade of car park lighting)

Figure 23-26: Plaza Mont' Kiara - Upgrade of basement car park lighting from fluorescent to LED lights.

# SUSTAINABILITY STATEMENT

(cont'd)

<p><b>Sentral Building 3</b></p> <p>1. Gap analysis for Green Building Certification</p>	N/A
<p><b>Sentral Building 4</b></p> <p>1. Installation of new FRP Water Tank</p>	 <p><i>Figure 27: Sentral Building 4 – Finished installation works of the new FRP Water tank</i></p>

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 FY2024 are as follows:

No.	Building	FY2024 Initiatives
1	Plaza Mont' Kiara	<ul style="list-style-type: none"> <li>• Installation of new directory signages</li> </ul>
2	Platinum Sentral	<ul style="list-style-type: none"> <li>• Upgrade of toilets located at tenants' premises</li> <li>• Modernization of lifts</li> <li>• Green building upgrade</li> </ul>
3	Sentral Building 1	<ul style="list-style-type: none"> <li>• Upgrade water features at ground floor lobby entrance</li> <li>• Road resurfacing works</li> </ul>
4	Sentral Building 3	<ul style="list-style-type: none"> <li>• Green building upgrade</li> </ul>
5	Menara Shell	<ul style="list-style-type: none"> <li>• New air-conditioning system at M&amp;E rooms</li> <li>• CCTV system upgrade</li> <li>• Repainting of carpark</li> </ul>

Table 13: Asset Enhancement Initiatives for FY2024

## Tenant Engagement and Satisfaction

To foster enduring and loyal tenancy relationships, as well as to cultivate new connections, we are dedicated to regular and meaningful engagements with SENTRAL's 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 since October 2022.

# SUSTAINABILITY STATEMENT

(cont'd)

As tenant satisfaction is SENTRAL’s top priority, we actively stay attuned to their needs and implemented our Tenant Complaints Policy. The policy outlines SENTRAL’s approach in managing tenant’s feedback and complaints with the aim to resolve feedbacks and complaints at the first point of contact. All complaints will also be brought up to the Asset Control Group (“ACG”) during monthly meetings on operational matters to improve tenant satisfaction. SENTRAL’s complaints management process is illustrated below:

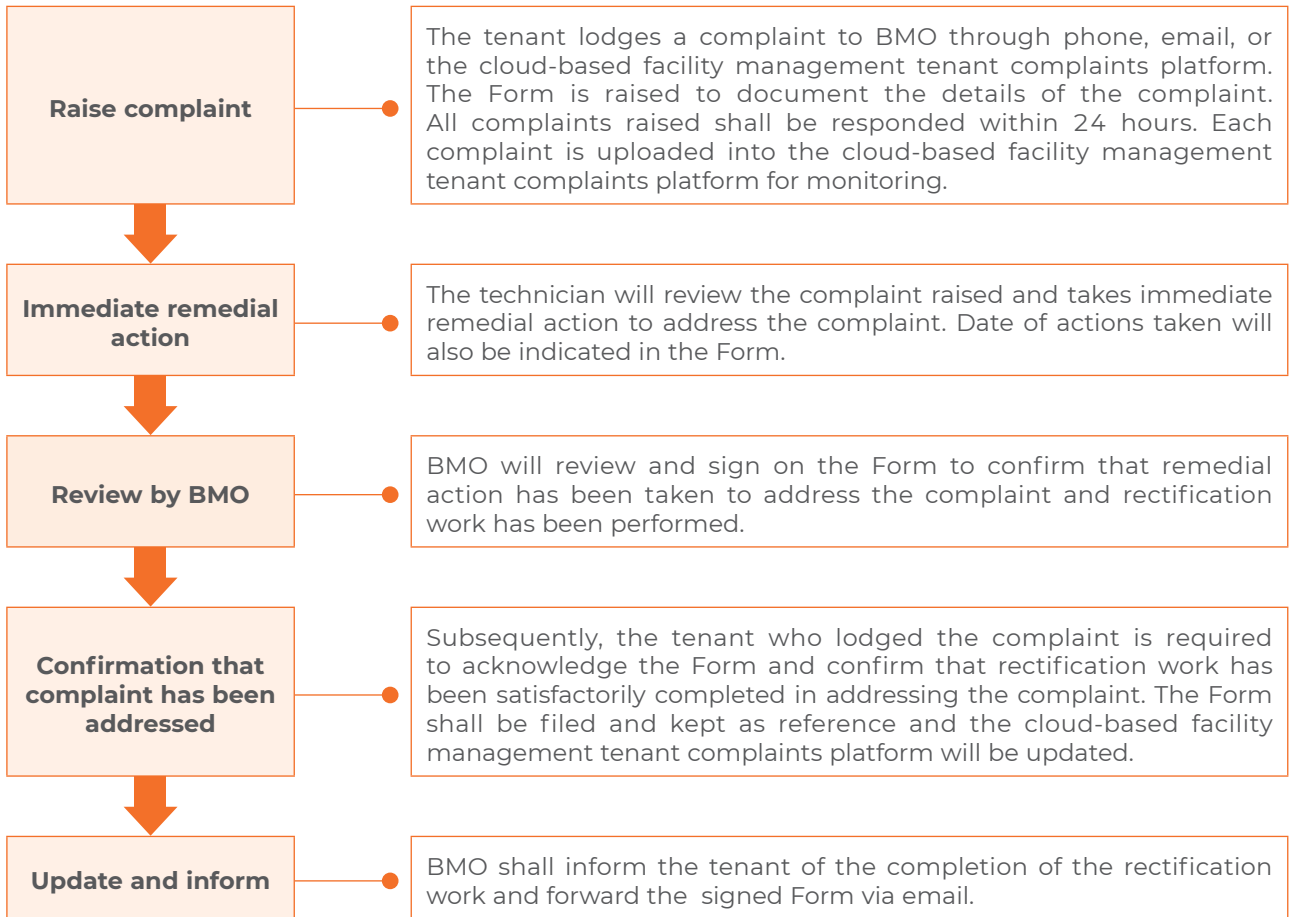


Figure 28: SENTRAL’s Complaint Management Process

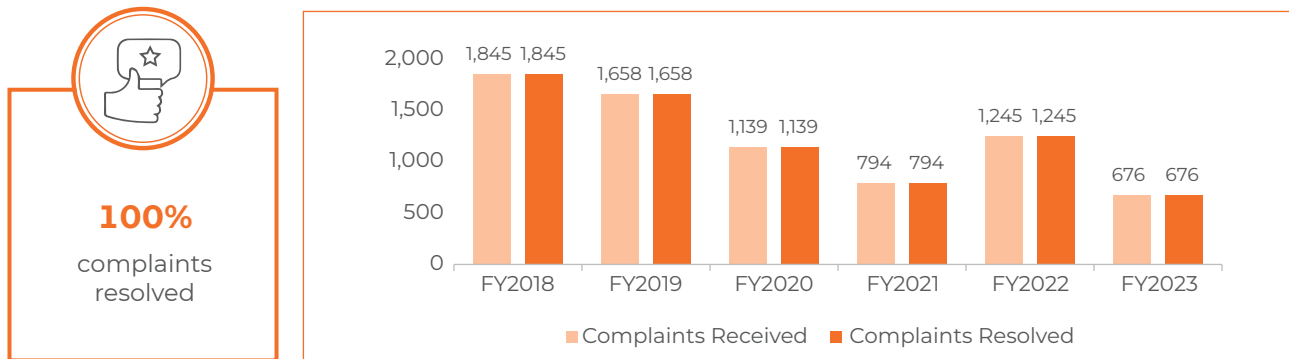


Chart 7: Number of Complaints Received and Resolved

# SUSTAINABILITY STATEMENT

(cont'd)

In FY2023, SENTRAL received a notable reduction of 45.7% in complaints, receiving 676 cases compares to the 1,245 recorded in FY2022. Additionally, we are pleased to announce the successful resolution of all complaints received during the financial year. Surpassing our FY2022 target of 3% reduction in complaints, we are proud to uphold our commitment to tenant satisfaction. Moving forward, we will maintain a proactive approach in our daily and weekly operational and maintenance activities to consistently deliver high-quality service.

## Embracing Innovation and Technology

As a REIT, we are open to adopting innovation and technology to navigate the dynamic real estate landscape. Recognizing the transformative potential of technological advancements, the new digital age necessitates leveraging on cutting-edge tools for enhanced operational efficiency to stay ahead of market trends and to gain competitive advantage.

We will continue to invest in technology to embrace innovation, increase operational efficiency, improve tenant experience and safety measures in FY2024.

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 pertinent 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 C3, C5, C6]

Our business thrives on the dedication, hard work and commitment of our employees. Their capabilities allow us to create value for our stakeholders, delivering exceptional services and the continual growth of the business. 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.



Figure 29: SRM Employees

# SUSTAINABILITY STATEMENT

(cont'd)

## Diversity and Equal Employment

At SRM, we are committed to fostering diversity and inclusion, ensuring a fair and non-discriminatory work environment for all. We believe that skills, talents, and innovation from a diverse perspective would enable SENTRAL to thrive to meet its business needs. We ensure this by nurturing a workplace environment where employees feel respected, valued, and supported regardless of backgrounds.

Our commitment to diversity, inclusiveness and equal opportunities is reflected in our General Policies, Code of Conduct of the Employee Handbook and Sexual Harassment Policy. In accordance with the policy, SRM's recruitment practices do not tolerate any harassment nor discrimination.

Indicators	FY2023	FY2022	FY2021	FY2020	FY2019
Total number of employees	21	20	19	18	18
Total number of workers	27	27	30	36	37
Number of new hires	5	5	1	1	1
Employee turnover	4	4	0	1	1

Table 14: 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 charts below illustrate SRM's employee distribution by gender, age group and category.

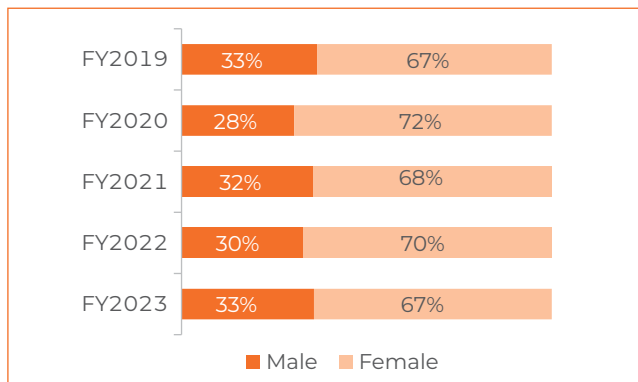


Chart 8: Employee Gender Diversity

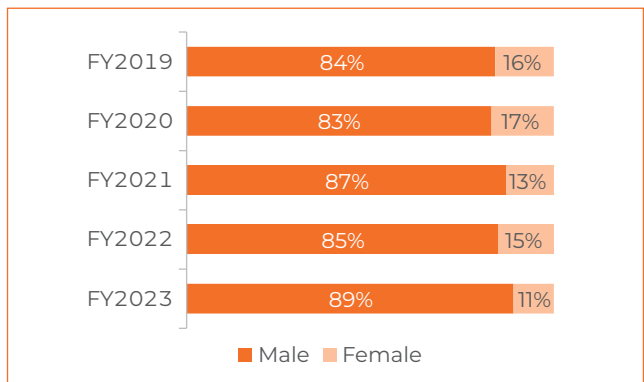


Chart 9: Worker Gender Diversity

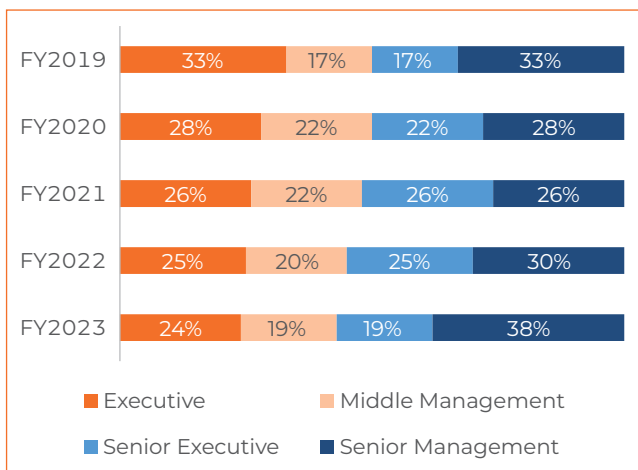


Chart 10: Employee Diversity Per Category

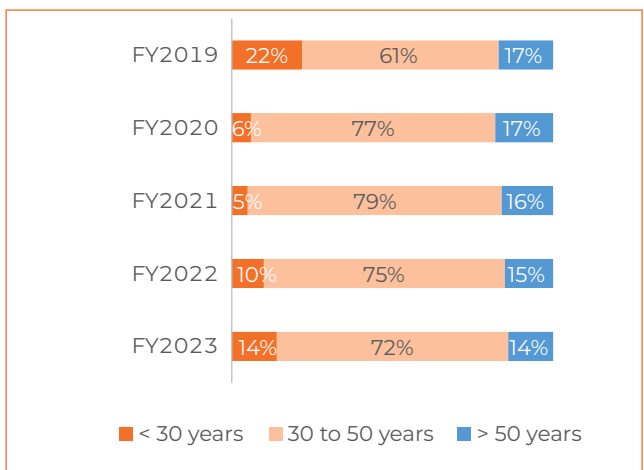


Chart 11: Employee Age Diversity

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

# SUSTAINABILITY STATEMENT

(cont'd)

For FY2023, there were no incidents reported on discrimination or harassment as we continue to achieve our target of zero grievance reported.

## Employees' benefits and remuneration

SRM'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
Medical and 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> <li>Discount on Dental Charge for SENTRAL's staff in collaboration with Senyum Dental Clinic</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>
Payroll	<ul style="list-style-type: none"> <li>Mid-month payroll initiative</li> </ul>

Table 15: SRM'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 FY2023, none of our employees took the above-mentioned parental leaves.

Remuneration at SRM is also structured to be competitive, incentive-based and fair. Our compensation packages encompass bonuses beyond basic salaries to reward employee performance. Performance reviews are conducted annually to assess our employees' performance and achievements against set KPIs and to optimise our employees' potential if necessary. In FY2023, 100% of our permanent employees received their performance appraisal.

We are also committed to supporting employees who are identified to be underperforming during their performance appraisal. A performance improvement plan (PIP) was implemented aimed 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 FY2023.

## SUSTAINABILITY STATEMENT

(cont'd)

### Employee engagement

SRM practices an open-door policy to facilitate two-way dialogue between employees and management in efforts to foster an engaged and motivated workforce. Avenues for employees to escalate their concerns is further enshrined in our Grievance Procedure. Here, further investigations may be initiated and more importantly, issues will be handled promptly and resolved fully 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 SRM and 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") and Integrity Department ("IDD"). All communications at this junction in respect of HR policies, complaints, 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 IDD via [[whistleblowing@mrcb.com](mailto:whistleblowing@mrcb.com)] or [[whistleblowing@sentralreit.com](mailto:whistleblowing@sentralreit.com)]
6. For sexual harassment cases, staff may follow the procedures detailed in MRCB's Sexual Harassment Policy under the oversight of IDD
7. IDD has introduced new channel to access company policies electronically. This is a new form of communication initiated by the IDD to provide staff easy accessibility to updated policies or new guidelines

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

In FY2023, 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 staff 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. Collaboration between SBM Malaysia ("SBM") and SRM for SBM's Life Day Program. SBM partially sponsored the cost for purchasing trees for SENTRAL's landscape upgrade at Platinum Sentral's West Courtyard. A joint tree planting ceremony was held on 27 July 2023 for this collaborative green initiative between landlord and tenant
5. CSR Program collaborating with Good Shepherd Service for its Sponsor-A-Child Education Fund for rural indigenous children in Sabah and ENUMA Literacy Lab Project in Sabah



# SUSTAINABILITY STATEMENT

(cont'd)



Figure 30,31: Birthday Cake Cutting Gathering for Employees



Figure 32,33: Staff Recognition Farewell Luncheon



Figure 34,35: Festive Lunch/Dinner Celebrations



Figure 36,37: Collaboration with SBM Malaysia for their Life Day Program

# SUSTAINABILITY STATEMENT

(cont'd)



Figure 38,39: Staff participating in CSR Program event in collaboration with Good Shepherd Service

In addition, while there are no restrictions on large physical gatherings and office visits, we continue to emphasize the importance of prioritising online meetings when the need arises.

In FY2023, we report 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 ensure our employees are well-versed in the latest industry developments by investing in upskilling our employees. 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 and United Nations Global Compact (UNGC) Academy learning portal to improve and broaden the employees’ understanding of sustainability. MRCB group also introduced the new Group-wide Policy Acknowledgement Application (“PAP”), which serves as a single point for all employees to be informed and/or updated with the MRCB group’s policies. Under the PAP, each employee is also required to acknowledge that they have read the said policies accordingly.

As we transition to a digital era, we are committed to ensuring that our employees are equipped to embrace the continued growth of the digital age. In FY2023, we have resumed physical training in combination with online training as similar in FY2022.

Our training programmes conducted in FY2023 are illustrated below:

	Sustainability Learning for employees of all levels in collaboration with UNGC Academy.
	Integrity Awareness Program - "Integrity Begins with us"
	E-learning platform via e-LATih by HRD Corp.

Figure 40: Trainings Conducted in FY2023

# SUSTAINABILITY STATEMENT

(cont'd)



Figure 4.1: MRCB Group Training and Development Policies

Moreover, our management and staff actively participate in a diverse array of physical and online training programs provided by reputable training and consultancy organizations. These include courses from CKM Advisory Sdn Bhd, Securities Industry Development Corporation (SIDC), Malaysian Institute of Accountants (MIA) Online Training Course, Certified Public Accountant (CPA) Training Course as well as Market and Economic Updates by reputable financial institutions and banks. The goal is to empower our employees in advancing their technical and functional skills, facilitating the acquisition and maintenance of professional qualifications and relevant competencies.

We prioritize the well-being of our employees, demonstrating our commitment through the provision of health and well-being programs in partnership with our healthcare provider. Quarterly emails are disseminated to employees, furnishing them with information and updates on the program's features. This platform serves as an encouragement for staff to seek assistance when needed, covering various aspects, such as:

**Sexual Harassment Awareness:** Actively promoting awareness and education on sexual harassment to foster a safe and respectful workplace environment.

**Continuation of Health and Wellness Program with Medkad:** Collaboration with Medkad was steadfast, offering a comprehensive health and wellness program. Regular emails provide tips on controlling high-potential diseases and updates on effectively managing staff medical costs.

In FY2023, we have invested a total of approximately RM24,000 for training programmes and all employees underwent a total of 759.78 training hours which works out to an average of 36.2 training hours per employee. This marks a 9.4% increase from FY2022, attributed to a comprehensive multi-pronged training approach. This included mandatory sessions addressing sustainability issues aligned with the UN Global Impact, updates on company policies, and anti-fraud, bribery, and corruption protocols. With the uplift of COVID-19 restrictions, our employees were able to attend physical trainings and industry events which were longer durations, as opposed to online trainings in the prior year which were typically shorter duration. 100% 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.

# SUSTAINABILITY STATEMENT

(cont'd)

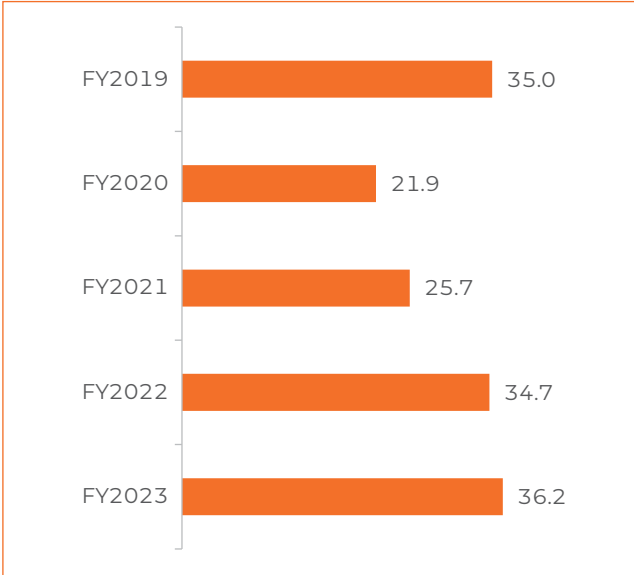


Chart 12: Average Hours of Training Per Employee

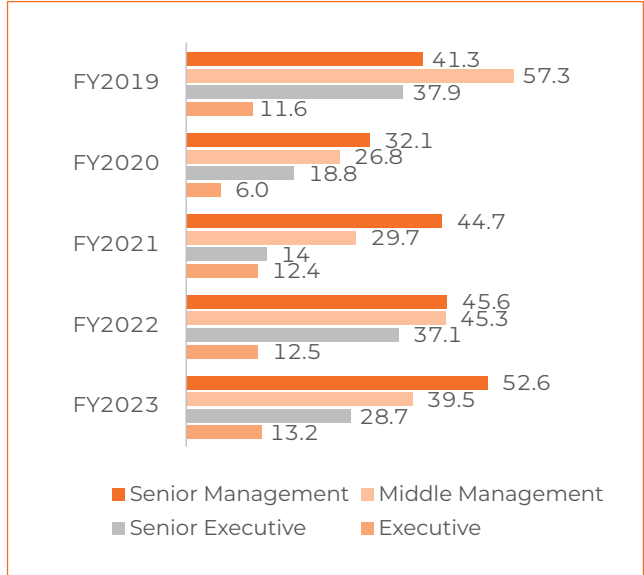


Chart 13: Average Hours of Training Per Employee Category

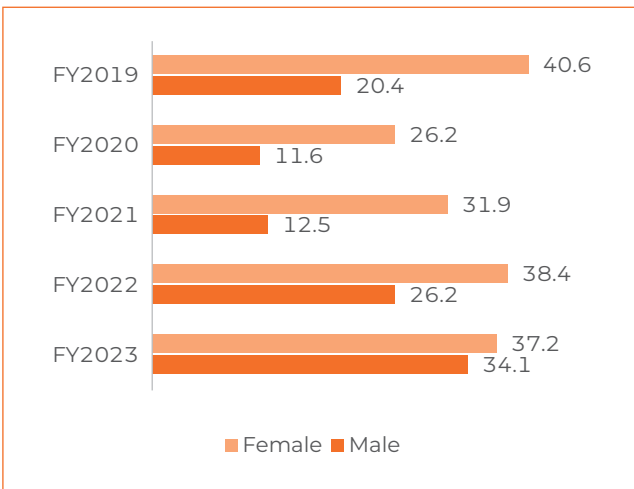


Chart 14: Average Hours of Training by Gender

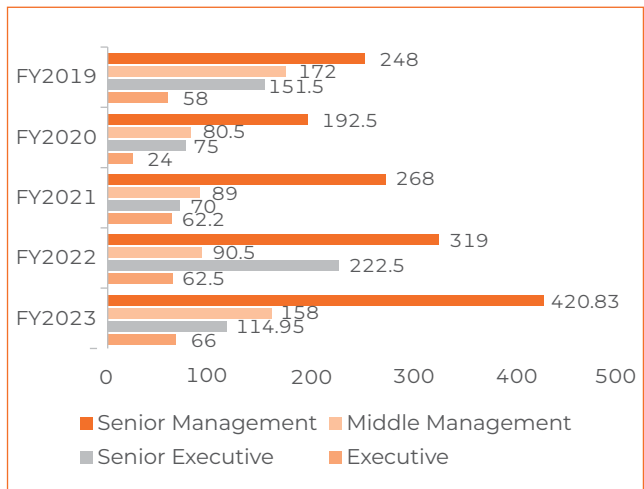


Chart 15: Total Hours of Training by Employee Category

## COMMUNITY PARTNERSHIP AND ACTIVITIES

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

SENTRAL's annual community partnership and activities are carried out by the Manager. At SRM, we embrace a commitment to the welfare and advancement of the community where we operate. We actively participate in initiatives that contribute to the community's well-being and growth. In line with our dedication to community service, our primary focus for FY2023 was to persist in our support and collaboration with welfare organizations and children's homes. Our efforts concentrated on education and empowerment projects, specifically designed to uplift children from lower-income families, marginalized backgrounds, and underprivileged communities.

In FY2023, we have collaborated with 3 non-profit organization on the following projects.

# SUSTAINABILITY STATEMENT

(cont'd)

Good Shepherd Services	Yayasan Ozanam	Persatuan Kebajikan Kanak-Kanak Kajang
<p><b>1. Sponsor-A-Child Education Fund:</b></p> <p>The financial aid will directly provide support to 51 students from rural indigenous communities located in the districts of Keningau, Telupid, Kota Marudu, Beluran, Ranau and Tawau in Sabah to enable the students access to education.</p> <p><b>2. ENUMA Literacy Lab Program</b></p> <p>To narrow the literacy gap among the rural indigenous children of Sabah, SRM provided a grant to Good Shepherd Services to set up ENUMA Literacy Lab using the ENUMA Digital Learning App. This program will run for 2 years at a primary school in Sook district, Keningau for students aged between 5 and 8 years to tackle learning challenges interactively. The project will benefit 92 students consisting of Pre-school, Primary 1, Primary 2 and Special Needs children.</p>  <p><i>Figure 42: Launching of ENUMA Literacy Program at a Primary School in Sook District, Keningau</i></p>	<p>Granted educational support to 6 students from the Children's Home under the Organization. These students are pursuing degree/diploma courses at local universities/colleges, with the grant intended to cover their tuition fees and living expenses.</p>	<p>SRM extended donation to Persatuan Kebajikan Kanak-Kanak Kajang, covering 12 months' worth of operational costs for the center. The facility currently serves 40 students aged 5 to 17, offering tuition services, along with the provision of complimentary meals once a day, before or after school.</p>  <p><i>Figure 43,44: Tuition Session for Students at PKKK</i></p>

## SUSTAINABILITY STATEMENT

(cont'd)

In FY2023, we have invested RM 197,095 in the community, which has positively impact 189 individuals. We remain committed to contributing to those in need and have aimed to allocate RM200,000 in FY2024.

	FY2023	FY2022	FY2021	FY2020	FY2019
Total amount invested in the community (RM)	197,368	131,000	200,000	186,512	197,368
Total number of beneficiaries	Approximately 189 individuals	1,056 individuals	Approximately 630 families 317 individuals	Approximately 230 families 180 individuals	136 individuals

Table 16: Total Amount Invested and Total Number of Beneficiaries in the Community

# SUSTAINABILITY STATEMENT

(cont'd)

## SUSTAINABILITY PERFORMANCE REPORT BASED ON BURSA SECURITIES' PRESCRIBED STANDARD FORMAT

Indicator	Measurement Unit	2019	2020	2021	2022	2023
<b>Bursa (Anti-corruption)</b>						
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category						
Senior Management	Percentage	100	100	100	100	100
Middle Management	Percentage	100	100	100	100	100
Senior Executive	Percentage	100	100	100	100	100
Executive	Percentage	100	100	100	100	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	-	100	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	0	0
<b>Bursa (Community/Society)</b>						
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	195,000	186,512	200,000	131,100	197,368
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	136	410	947	1056	189
<b>Bursa (Diversity)</b>						
Bursa C3(a) Percentage of employees by gender and age group, for each employee category						
Age Group by Employee Category						
Senior Management Under 30	Percentage	0	0	0	0	0
Senior Management Between 30-50	Percentage	80	80	80	83	87
Senior Management Above 50	Percentage	20	20	20	17	13
Middle Management Under 30	Percentage	0	0	0	0	0
Middle Management Between 30-50	Percentage	75	75	75	75	75
Middle Management Above 50	Percentage	25	25	25	25	25
Senior Executive Under 30	Percentage	0	0	0	0	0
Senior Executive Between 30-50	Percentage	100	100	100	100	100
Senior Executive Above 50	Percentage	0	0	0	0	0
Executive Under 30	Percentage	20	20	20	40	60
Executive Between 30-50	Percentage	60	60	60	40	20
Executive Above 50	Percentage	20	20	20	20	20
Gender Group by Employee Category						
Senior Management Male	Percentage	17	20	20	33	37
Senior Management Female	Percentage	83	80	80	67	63
Middle Management Male	Percentage	0	25	25	25	25
Middle Management Female	Percentage	100	75	75	75	75
Senior Executive Male	Percentage	0	0	20	20	25
Senior Executive Female	Percentage	100	100	80	80	75
Executive Male	Percentage	67	60	60	40	40
Executive Female	Percentage	33	40	40	60	60

# SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Measurement Unit	2019	2020	2021	2022	2023
<b>Bursa (Diversity)</b>						
Bursa C3(b) Percentage of directors by gender and age group						
Male	Percentage	87	75	75	75	87
Female	Percentage	13	25	25	25	13
Under 30	Percentage	0	0	0	0	0
Between 30-50	Percentage	25	13	13	13	13
Above 50	Percentage	75	87	87	87	87
<b>Bursa (Energy management)</b>						
Bursa C4(a) Total energy consumption	Megawatt (mWh)	29,125.93	24,809.79	20,845.16	19,886.1	19,089.74
<b>Bursa (Health and safety)</b>						
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	32	0	0	19	0
<b>Bursa (Labour practices and standards)</b>						
Bursa C6(a) Total hours of training by employee category						
Senior Management	Hours	248	193	268	319	421
Middle Management	Hours	172	81	89	91	158
Senior Executive	Hours	152	75	70	223	115
Executive	Hours	58	24	62	63	66
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	39	39	42	60	67
Bursa C6(c) Total number of employee turnover by employee category						
Senior Management	Number	0	0	0	1	1
Middle Management	Number	0	0	0	0	0
Senior Executive	Number	0	1	0	1	1
Executive	Number	1	0	0	2	2
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0	0
<b>Bursa (Supply chain management)</b>						
Bursa C7(a) Proportion of spending on local suppliers	Percentage	80	76	100	95	91
<b>Bursa (Data privacy and security)</b>						
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0	0
<b>Bursa (Water)</b>						
Bursa C9(a) Total volume of water used	Megalitres	160.07	142.491	133.509	160.556	131.571

No Assurance  
(\*) Restated



# SUSTAINABILITY STATEMENT

(cont'd)

## SUSTAINABILITY KEY PERFORMANCE INDICATORS

### Economic

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Direct economic value generated and distributed</b>						
<b>Value generated</b>						
Revenue, finance income, gain on divestment of investment property	RM	164,687,987	167,980,858	166,461,106	150,906,023	163,668,083
Less: Property operating expenses	RM	(30,769,769)	(29,456,543)	(28,523,531)	(24,275,211)	(28,941,832)
Less: Other operating expenses	RM	(922,599)	(919,578)	(819,240)	(1,332,106)	(1,388,212)
Total Value Generated	RM	132,955,619	137,604,737	137,118,336	125,298,706	133,338,039
<b>Reconciliation:</b>						
Total realized income net of taxation	RM	72,107,547	80,954,941	84,485,957	73,625,238	74,221,484
Finance costs	RM	38,976,163	34,750,696	30,920,952	30,425,280	37,632,722
Manager's fees	RM	12,760,955	12,796,372	12,616,534	12,220,533	12,532,231
Trustee's fees	RM	676,287	665,681	664,577	649,354	654,678
Quit rent and assessment	RM	8,474,667	8,437,047	8,430,316	8,378,301	8,296,925
Total Value Generated	RM	132,995,619	137,604,737	137,118,336	125,298,706	133,338,039
<b>Payments to the Manager and Trustee</b>						
Manager's fees	RM	12,760,955	12,796,372	12,616,534	12,220,533	12,532,231
Trustees' fees	RM	676,287	665,681	664,577	649,354	654,678
<b>Payments to Government</b>						
Quit rent and assessment	RM	8,474,667	8,437,047	8,430,316	8,378,301	8,296,924
<b>Payments to Providers of Capital</b>						
Income distribution	RM	72,881,244	75,882,237	79,419,121	73,095,601	72,436,401
Finance costs	RM	38,976,163	34,750,696	30,920,952	30,425,280	37,632,722
Economic value retained	RM	(773,697)	5,072,704	5,066,836	529,637	1,785,083
Total Value Distributed	RM	132,955,619	137,604,737	137,118,336	125,298,706	133,338,039

# SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Business ethics</b>						
Percentage of operations under management assessed for corruption-related risks	%			100	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	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Supply chain management</b>						
Proportion of spending on local suppliers	%	80	76	100	95	91
Local procurement expenditure	RM	8,629,868	8,539,554	2,386,183	5,170,000	9,838,478
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%	%	99.9%	100%	100%	100%	100%

## Environmental

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Energy and Carbon Footprint</b>						
<b>Energy consumption outside of the organisation</b>						
Sentral Building 1 - DHL 1	kWh	4,595,957	4,042,295	4,377,662	4,006,600	3,857,102
Sentral Building 2 - DHL 2	kWh	4,815,665	4,338,986	4,029,696	3,851,905	3,387,960
Sentral Building 3 - BMW	kWh	7,181,163	5,508,689	2,405,305	2,551,113	2,745,928
Sentral Building 4	kWh	909,089	752,079	496,152	501,066	632,280
Wisma Sentral Inai	kWh	2,368,990	2,210,968	2,065,371	935,329	333,327
Plaza Mont Kiara	kWh	664,039	543,245	493,707	412,939	399,648
Menara Shell	kWh	5,176,661	4,699,918	4,771,616	5,206,562	5,323,017
Platinum Sentral	kWh	2,962,583	2,544,944	2,205,655	2,417,582	2,410,480
Total energy consumption	kWh	29,125,934	24,809,793	20,845,164	19,883,096	19,089,742
Energy intensity	kWh/m <sup>2</sup>	159	136	119	113	109
Reduction of energy consumption	kWh	2,682,107	4,316,141	3,964,629	1,025,001	793,354

# SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Energy and Carbon Footprint</b>						
<b>GHG Emissions</b>						
<b>Scope 2</b>						
Sentral Building 1 - DHL 1	tCO <sub>2</sub>	2,689	2,365	2,566	2,344	
Sentral Building 2 - DHL 2	tCO <sub>2</sub>	2,817	2,538	2,362	2,254	
Sentral Building 3 - BMW	tCO <sub>2</sub>	4,201	3,223	1,412	1,492	2,081
Sentral Building 4	tCO <sub>2</sub>	532	440	295	293	375
Wisma Sentral Inai	tCO <sub>2</sub>	1,386	1,293	1,213	547	253
Plaza Mont Kiara	tCO <sub>2</sub>	388	318	293	242	303
Menara Shell	tCO <sub>2</sub>	3,028	2,749	2,796	3,046	4,035
Platinum Sentral	tCO <sub>2</sub>	1,733	1,489	1,295	1,414	1,827
Total Scope 2	tCO <sub>2</sub>	17,039	14,514	12,232	11,632	8,874
GHG Intensity	tCO <sub>2</sub> e/ m <sup>2</sup>	0.09	0.08	0.07	0.07	0.06
<b>Water Management</b>						
<b>Water Consumption</b>						
Sentral Building 1 - DHL 1	m <sup>3</sup>	8,693	7,539	5,111	3,778	4,961
Sentral Building 2 - DHL 2	m <sup>3</sup>	9,506	7,453	5,189	2,319	258
Sentral Building 3 - BMW	m <sup>3</sup>	11,841	7,943	5,284	8,328	11,091
Sentral Building 4	m <sup>3</sup>	4,745	4,543	3,914	1,407	513
Wisma Sentral Inai	m <sup>3</sup>	15,350	17,625	12,597	7,205	517
Plaza Mont Kiara	m <sup>3</sup>	882	490	496	358	380
Menara Shell	m <sup>3</sup>	61,849	54,831	66,427	104,907	65,930
Platinum Sentral	m <sup>3</sup>	45,845	41,903	34,491	32,254	47,921
Total Water Consumption	m <sup>3</sup>	160,070	142,491	133,509	160,556	131,571
Water intensity	m <sup>3</sup> / sqm	0.91	0.78	0.76	0.92	0.75

## Social

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<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	0
Number of work-related fatalities		0	0	0	0	0
Lost time incident rate		0	0	0	0	0

## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<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	1,050,000	1,483,076	1,770,000	3,556,790	2,840,217
Number of complaints received		1,658	1,139	794	1,245	676
Number of complaints resolved		1,658	1,139	794	1,245	676
Percentage of complaints resolved	%	100	100	100	100	100
<b>Employee Management</b>						
<b>Employment Type</b>						
Employees		18	18	19	20	21
Workers		37	36	30	27	27
<b>Employee Type</b>						
Permanent		11	11	11	8	7
Contract		7	7	8	12	14
Permanent	%	61	61	58	40	33
Contract	%	39	39	42	60	67
<b>Employee count</b>						
Total number of employees		18	18	19	20	21
Number of new hires		1	1	1	5	5
Employee turnover		1	1	0	4	4
<b>Employee Turnover by Employee Category</b>						
Executive		1	0	0	2	2
Senior Executive		0	1	0	1	1
Middle Management		0	0	0	0	0
Senior Management		0	0	0	1	1
<b>Employee Gender Diversity by Employee Category</b>						
<b>Executive</b>						
Male		4	3	3	2	2
Female		2	2	2	3	3
Male	%	67	60	60	40	40
Female	%	33	40	40	60	60

# SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Employee Management</b>						
<b>Employee Gender Diversity by Employee Category</b>						
Senior Executive						
Male		0	0	1	1	1
Female		3	4	4	4	3
Male	%	0	0	20	20	25
Female	%	100	100	80	80	75
Middle Management						
Male		0	1	1	1	1
Female		3	3	3	3	3
Male	%	0	25	25	25	25
Female	%	100	75	75	75	75
Senior Management						
Male		1	1	1	2	3
Female		5	4	4	4	5
Male	%	17	20	20	33	37
Female	%	83	80	80	67	63
Total						
Male		6	5	6	6	7
Female		12	13	13	14	14
Male	%	33	28	32	30	33
Female	%	67	72	68	70	67
<b>Employee Age Diversity by Employee Category</b>						
Executive						
< 30 years old		1	1	1	2	3
30-50 years old		3	3	3	2	1
> 50 years old		1	1	1	1	1
< 30 years old	%	20	20	20	40	60
30-50 years old	%	60	60	60	40	20
> 50 years old	%	20	20	20	20	20
Senior Executive						
< 30 years old		0	0	0	0	0
30-50 years old		4	4	5	5	4
> 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

## SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Employee Management</b>						
<b>Employee Age Diversity by Employee Category</b>						
Middle Management						
< 30 years old		0	0	0	0	0
30-50 years old		3	3	3	3	3
> 50 years old		1	1	1	1	1
< 30 years old	%	0	0	0	0	0
30-50 years old	%	75	75	75	75	75
> 50 years old	%	25	25	25	25	25
Senior Management						
< 30 years old		0	0	0	0	0
30-50 years old		4	4	4	5	7
> 50 years old		1	1	1	1	1
< 30 years old	%	0	0	0	0	0
30-50 years old	%	80	80	80	83	87
> 50 years old	%	20	20	20	17	13
Total						
< 30 years old		4	1	1	2	3
30-50 years old		11	14	15	15	15
> 50 years old		3	3	3	3	3
< 30 years old	%	22	6	5	10	14
30-50 years old	%	61	77	79	75	72
> 50 years old	%	17	17	16	15	14
<b>Board Diversity by Gender</b>						
Male		7	6	6	6	7
Female		1	2	2	2	1
Male	%	87	75	75	75	87
Female	%	13	25	25	25	13
<b>Board diversity by Age group</b>						
30-50 years old		2	1	1	1	1
> 50 years old		6	7	7	7	7
30-50 years old	%	25	13	13	13	13
> 50 years old	%	75	87	87	87	87

# SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Employee Management</b>						
<b>Worker diversity - Gender</b>						
Male		31	30	26	23	24
Female		6	6	4	4	3
<b>Human Rights</b>						
Number of substantiated complaints concerning human rights violation		0	0	0	0	0
<b>Learning and development hours</b>						
Executive		58	24	62	62.5	66
Senior Executive		151.5	75	70	222.5	114.95
Middle Management		172	80.5	89	90.5	158
Senior Management		248	192.5	268	319	420.83
Total hours		629.2	372	489.2	694.5	759.78
<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	197,368
Total number of beneficiaries of the investment in communities		136 individuals	Approximately 230 families 180 individuals	Approximately 630 families 317 individuals	1,056 individuals	189 individuals



# SUSTAINABILITY STATEMENT

(cont'd)

## BURSA 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	110
		C1 (b)	Percentage of operations assessed for corruption-related risks	205-1	110
		C1 (c)	Confirmed incidence of corruption and action taken	205-3	110
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	160
		C2(b)	Total number of beneficiaries of the investment in communities	201-1	160
Diversity	Diversity and equal employment	C3(a)	Percentage of employees by gender, age group for each employee category	405-1 405-2	152
		C3(b)	Percentage of directors by gender and age group	405-1	74
Energy management	Energy and carbon footprint	C4(a)	Total energy consumption	302-1	134
Health and safety	Health and safety	C5(a)	Number of work-related fatalities	403-9	143
		C5(b)	Lost time incident rate	403-9	162,166
		C5(c)	Number of employees trained on health and safety standards	403-5 404-1	140,162,166
Labour practices and standards	Employee engagement	C6(a)	Total hours of training by employee category	404	157,158, 162,170
		C6(b)	Percentage of employees that are contractors or temporary staff	401	162,167
		C6(c)	Total number of employee turnover by employee category	401-1	152,167
		C6(d)	Number of substantiated complaints concerning human rights violation		156,162,170
Supply chain management	Supply chain management	C7(a)	Proportion of spending on local suppliers	204-1	127,162,165

# SUSTAINABILITY STATEMENT

(cont'd)

Bursa Sustainability Matters	Sentral's Material Matter	Bursa indicators	GRI	Location (Page)
<b>Common Sustainability Matters</b>				
Data privacy and security	Data privacy	C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1 125,164
Water	Water management	C9(a)	Total volume of water used	303-3 303-4 303-5 136, 162, 166
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	305-1 302-1 131
		C11(b)	Scope 2 emissions in tonnes of CO <sub>2</sub> e	305-2 302-1 131,166
		C11(c)	Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least on business travel and employee commuting)	305-3 131
<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	167
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 2023 to 31 December 2023
<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	3-5,102					
	2-2 Entities included in the organisation's sustainability reporting	105					
	2-3 Reporting period, frequency and contact point	105					
	2-4 Restatements of information	There is no restatements of information.					
	2-5 External assurance	105					
	<b>Activities and Workers</b>						
	2-6 Activities, value chain and other business relationships	125					
	2-7 Employees	151,152					
	2-8 Workers who are not employees	151,152					
	<b>Governance</b>						
	2-9 Governance structure and composition	106-108					
	2-10 Nomination and selection of the highest governance body	78,79, 106-108					
2-11 Chair of the highest governance body	106-108						
2-12 Role of the highest governance body in overseeing the management of impacts	106-108						
2-13 Delegation of responsibility for managing impacts	106-108						

# SUSTAINABILITY STATEMENT

(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.	
			Requirement(s) Omitted	Reason	Explanation		
GRI 2: General Disclosures (cont'd)	2-14 Role of the highest governance body in sustainability reporting	76, 106-108					
	2-15 Conflicts of interest	78,79,109					
	2-16 Communication of critical concerns	108					
	2-17 Collective knowledge of the highest governance body	6-9, 75, 81-83, 107					
	2-18 Evaluation of the performance of the highest governance body	80,110					
	2-19 Remuneration policies	83, 110					
	2-20 Process to determine remuneration	93					
	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	100-108					
2-23 Policy commitments	109-112						
2-24 Embedding policy commitments	109-112						
2-25 Processes to remediate negative impacts	109,110						
2-26 Mechanisms for seeking advice and raising concerns	109,110						
2-27 Compliance with laws and regulations	111,112						
2-28 Membership associations	102						
<b>Stakeholder Engagement</b>							
2-29 Approach to stakeholder engagement	112-115						
2-30 Collective bargaining agreements	152						

# 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	116				
	3-2 List of material topics	117,118				
<b>Material Topics: Economic</b>						
<b>GRI 201: Economic Performance</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	122				
<b>GRI 201: Economic Performance</b>	201-1 Direct economic value generated and distributed	123,163				
<b>GRI 204: Procurement Practices</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	125,126				
<b>GRI 204: Procurement Practices</b>	204-1 Proportion of spending on local suppliers	127,162, 165				
<b>GRI 205: Anti-corruption</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	109				
<b>GRI 205: Anti-Corruption</b>	205-2 Communication and training about anti-corruption policies and procedures	110,164				
	205-3 Confirmed incidents of corruption and actions taken	110, 161, 164				
<b>Material Topics: Environmental</b>						
<b>GRI 302: Energy</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	132-135				
<b>GRI 302: Energy</b>	302-1 Energy consumption within the organization	134, 162, 165				
	302-2 Energy consumption outside of the organisation	134,162, 165				
	302-3 Energy intensity	134,162, 165				
	302-4 Reduction of energy consumption	134,162, 165				

# 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	135-137				
<b>GRI 303: Water and Effluent</b>	303-1 Interactions with water as a shared resource	135				
	303-5 Water consumption	135, 162,166				
<b>GRI 305: Emissions</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	131				
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	131, 132, 166				
	305-2 Energy indirect (Scope 2) GHG emissions	131, 132, 166				
	305-3 Other indirect (Scope 3) GHG emissions	131, 132, 166				
	305-4 GHG emission intensity	131, 132, 166				
<b>GRI 306: Waste</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	137,138				
<b>GRI 306: Waste</b>	306-1 Waste generation and significant waste-related impacts	137,138				
	306-2 Management of significant waste-related impacts	137,138				
	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	125,127				
<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	151-158				
<b>GRI 401: Employment</b>	401-1 New employee hires and employee turnover	152, 162, 167				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	153				
	401-3 Parental leave	153,170				
<b>GRI 402: Labour/Management Relations</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	154				
<b>GRI 402: Labour/Management Relations</b>	402-1 Minimum notice periods regarding operational changes	154				
<b>GRI 403: Occupational Health and Safety</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	139-143				
<b>GRI 403: Occupational Health and Safety</b>	403-2 Hazard identification, risk assessment, and incident investigation	139-143				
	403-5 Worker training on occupational health and safety	140,162, 166				
	403-6 Promotion of worker health	142,143				
	403-9 Work-related injuries	143,162, 166				
	403-10 Work-related ill health	143,162, 166				
<b>GRI 404: Training and Education</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	156,157				
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee	158				
	404-2 Programs for upgrading employee skills and transition assistance programs	156,157				
	404-3 Percentage of employees receiving regular performance and career development reviews	153				

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(cont'd)

GRI Standard/ Other Source	Disclosure	Location (Page)	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>GRI 405: Diversity and Equal Opportunity</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	152				
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	73, 152, 161, 167-170				
<b>GRI 406: Non-Discrimination</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	152				
<b>GRI 406: Non-Discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	153				
<b>GRI 413: Local Communities</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	158-160				
<b>GRI 413: Local Communities</b>	413-1 Operations with local community engagement, impacts assessments, and development programs	159-160, 170				
<b>GRI 414: Supplier Social Assessment</b>						
<b>GRI 3: Material Topics</b>	3-3 Management of material topics	125-127				
<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	124,125				
<b>GRI 418: Customer privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	125,162, 164				