

Sustainability STATEMENT

TABLE OF CONTENT

47	About This Report	63	Environmental	74	Empowering Our People
48	Future-Proofing Sustainable Property	63	Environmental Management Programme	74	People Management
48	ESG Framework And Policies	63	Energy Consumption And Carbon Footprint	74	Diversity, Equity & Inclusion
50	ESG Awards	64	Renewable Energy	74	Occupational Health And Safety
50	Supporting A Multi-Stakeholder Universe	64	Green Leases	75	<i>Coverage Of Our Health, Hygiene And Safety Protocols</i>
52	Materiality Assessment	65	Water Management	75	<i>Mental Health Well-Being</i>
52	The Process	65	Sustainable Architecture	76	Employee Training, Career Development And Reviews
52	The Methodology	66	Green Procurement		
53	The Results	66	Waste Management		
56	Sustainability Performance Data	66	Climate Change Management	77	Upholding Human Rights
60	Economic Resilience	67	<i>Climate Change Investment Calculations</i>	77	Delivering Exceptional Value
60	On Track For Strong Growth	67	<i>Carbon Footprint Calculations</i>	77	Quality Of Assets And Services
60	Ethical Business Conduct	68	<i>Emissions Intensity</i>	78	Creating Places Where People Love To Shop, Dine And Play
61	<i>Whistle-Blowing</i>	68	Task Force On Climate-Related Financial Disclosures (TCFD)	78	Creating Places For Everyone
62	Sustainability Across The Supply Chain	70	Wildlife Conservation And Creating A Sustainable Future For Our Zoo	79	Tenant And Visitor Health, Safety And Security
63	Industry Association Participation	70	Highlights Of Environmental Initiatives Across Our Assets	79	Hektar REIT's Sustainable Path Forward
		71	Enriching Communities	80	GRI Content Index
		72	Advocating Children's Rights		
		72	Being A Community-Focused Real Estate Owner And Investor		
		73	Touching Lives, Making A Difference		

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

The Board of Directors of the Manager (the "Board") is pleased to present Hektar REIT's Sustainability Statement for the financial year ending 31 December 2022 ("FY2022"), which:

- Summarises Hektar REIT's environmental, social and governance ("ESG") performance in FY2022; and
- Demonstrates its commitment to managing its real estate portfolio sustainably.

Focusing on neighbourhood and regional shopping centres throughout Malaysia, Hektar REIT's vision is to own and manage world-class shopping centres for Malaysian consumers based on international best practices.

Hektar REIT embarked on ESG initiatives in 2017 and has since published its ESG journey in its Annual Report. An initial commitment addresses the global carbon footprint by embarking on various energy optimisation initiatives for all malls.

Our assets bring a sense of community and connection to stakeholders every day. This annual sustainability statement highlights our progress and strengthens accountability for goals and aspirations, which evolve with new information, innovation and essential lessons when we fall short. As we progress, we will be transparent in reporting short and long term progress against our goals. Today is a milestone for our business as we share our concerns and commit to our planet's future.

Reporting Period	1 January to 31 December 2022
Reporting Cycle	Annually
Reporting Scope and Boundary	<p>Unless otherwise stated, this Sustainability Statement includes the sustainability performance of all Hektar REIT's properties:</p> <ul style="list-style-type: none">• Subang Parade in Subang Jaya, Selangor• Mahkota Parade in Melaka• Central Square in Sungai Petani, Kedah• Kulim Central in Kulim, Kedah• Wetex Parade in Muar, Johor• Classic Hotel in Muar, Johor• Segamat Central in Segamat, Johor <p>Any references to the "Company", the "Group", "we" and "our" refer to Hektar REIT as a whole unless otherwise indicated in the text.</p>
Reporting Principles and Guidelines	<p>Principle Guideline : Global Reporting Initiative (GRI) Universal Standards</p> <p>Additional Guidelines :</p> <ul style="list-style-type: none">• Bursa Malaysia's Sustainability Reporting Guide• FTSE4Good Bursa Malaysia ESG Index• United Nations Sustainable Development Goals (UNSDGs)• International Organization for Standardisation (ISO) 26000:2010 Guidance on Social Responsibility
Feedback	<p>As Hektar REIT progresses on its sustainability journey, we welcome stakeholder support and any feedback for improvement. Please direct queries and comments to sustainability@hektarasset.com or at our address below:</p> <p>Hektar Asset Management Sdn. Bhd. ("HAMS B") D1-U3-10, Solaris Dutamas No 1, Jalan Dutamas 1, Sri Hartamas 50480 Kuala Lumpur Tel: +6 03 6205 5570 Fax: +6 03 6205 5571</p>

SUSTAINABILITY STATEMENT

FUTURE-PROOFING SUSTAINABLE PROPERTY

Embracing sustainability is no longer an option or an afterthought. Hektar REIT executes sustainability holistically, anchored on a clear sense of responsibility, commitment and sincerity.

Advancing sustainability in all facets, including environmental stewardship, social responsibility and good governance, is a core component of Hektar REIT's approach to driving return on investment for shareholders and ensuring long-term stakeholder value.



Our Purpose:
Creating The Places People Love, Striving Towards A Sustainable Future

ESG FRAMEWORK AND POLICIES

Hektar REIT pursues long-term sustainable development. Providing an overarching guideline facilitates the smooth integration of sustainability into all operations. The following framework, covering economic, governance, environmental and social aspects, illustrates the essential principles:

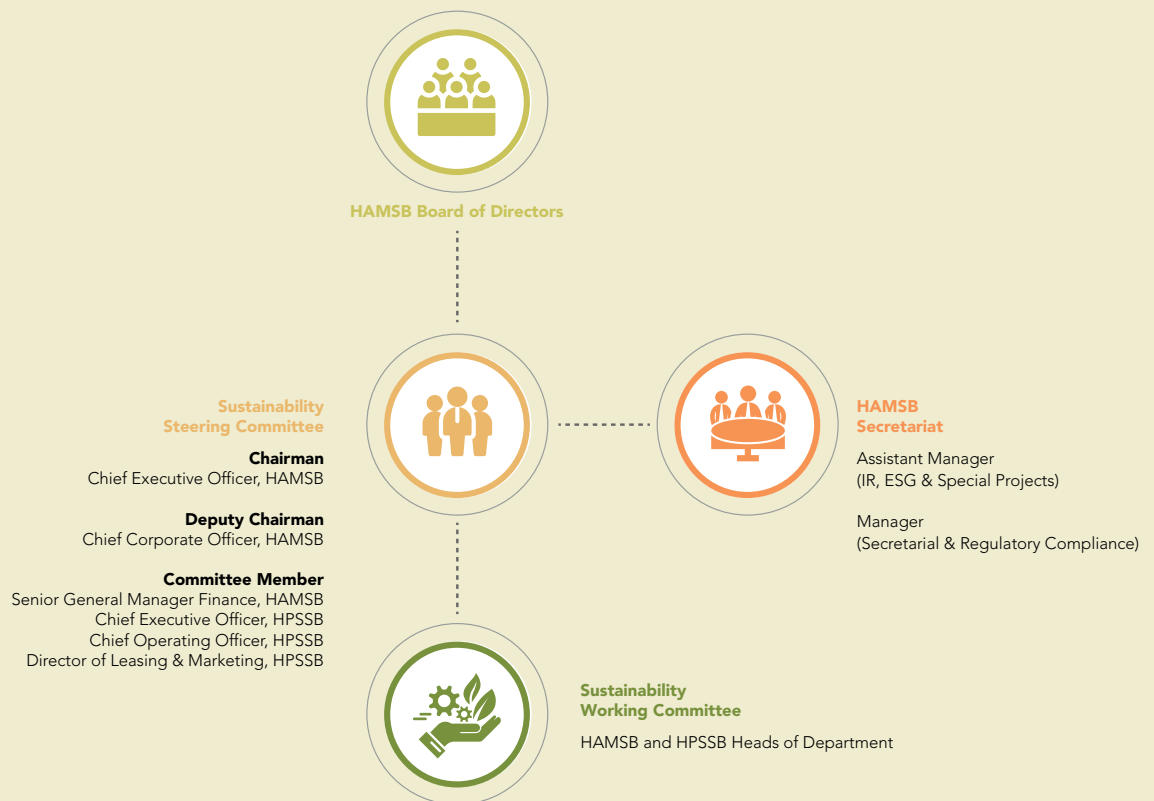


SUSTAINABILITY STATEMENT

Establishing this framework and principles formalises our commitment to maintaining a high standard of corporate governance. We surpass the minimum environmental protection and community contribution regulatory requirements to create value for the environment, community and business. The framework addresses all material risks and opportunities.

Hektar REIT's sustainability management is under the purview of the Board. The Board provides strategic direction and endorses the material matters relevant to Hektar REIT's business and stakeholders. The Board also provides strategic oversight and reviews Hektar REIT's sustainability performance from time to time.

Sustainability Governance Structure



Establishing a Sustainability Steering Committee (SSC) has provided greater accountability. The Chief Executive Officer (CEO) of our asset manager, HAMS, chairs the SSC with the support of our Chief Corporate Officer (CCO). HAMS's Senior General Manager of Finance and other executives from Hektar Property Services Sdn. Bhd (HPSSB), including the CEO, COO and Director of Leasing & Marketing, are also members.

We also formed a Sustainability Working Committee (SWC) comprising dedicated executives and senior managers from key departments.

The Board has delegated specific responsibilities to these committees to identify, set and deliver the objectives and targets associated with material ESG topics. Evaluating these committees against sustainability KPIs linked to Hektar REIT's ESG targets provides additional motivation and commitment. These committees meet quarterly to discuss sustainability matters and update the Board regularly.

Hektar REIT has recently introduced the "Fit and Proper Policy" as a guiding document to ensure directors and senior management possess the necessary traits and qualities to perform their duties.

SUSTAINABILITY STATEMENT



ESG AWARDS

Hektar REIT received two Silver awards at The Edge Malaysia ESG Awards 2022:

1. Most Improved Performance Award Over Three Years (for Market Cap below RM300M); and
2. Property & REIT Sector Award.

The awards recognise and honour Malaysian companies' commitment to developing and enhancing their business operations according to the Environmental, Social and Governance (ESG) principles.

SUPPORTING A MULTI-STAKEHOLDER UNIVERSE

Companies exist to serve societal needs, which grants each company its right to operate. Stakeholder engagement is vital for building a successful real estate portfolio and integral to its success. The Manager's stakeholder engagement has helped the company determine its strategy and engages with stakeholders across multiple platforms. The Manager's stakeholder engagement, across multiple platforms, has helped the company determine its strategy for its business.



Hektar REIT was awarded "Company of the Year for Stakeholder & Community Engagement Initiatives" at the Sustainability & CSR Malaysia Awards 2022 on 18 August 2022.

Our stakeholder engagement and materiality adhere to internationally recognised frameworks, such as the Global Reporting Initiative (GRI). The disclosure also considers the principles of stakeholder inclusiveness and the AA1000 Principles Standard, AA1000 Materiality Report guidelines and AA1000 Stakeholder Engagement Standard.

SUSTAINABILITY STATEMENT

Hektar REIT engages with its stakeholders on various sustainability issues through multiple channels as set out below :-

Key Stakeholder Groups	Interests and Areas of Focus	Our Commitment	Key Engagement Mode
Shoppers	<ul style="list-style-type: none"> • Quality of service and facilities • Safety • Accessibility • Connectivity • Comfortable shopping and stay experience 	To be the neighbourhood and regional shopping centres throughout Malaysia, providing shoppers with conducive retail environments based on international best practices	<ul style="list-style-type: none"> • Shoppers' survey • Focus group studies • Social media engagement • Regular shopper events • Feedback forms
Tenants and Prospects	<ul style="list-style-type: none"> • Maintaining high shopper traffic • Maintaining assets • Improving the sustainability of assets • Offering value for money in terms of rent • High occupier satisfaction • Safety and well-being • Excellent service and property management 	<ul style="list-style-type: none"> • Ongoing responsible upkeep of assets • Regular communication and engagement • Support for critical tenants' corporate milestone events • Responsiveness to tenants' feedback • Competitive rental rates and locations • On-site security practices 	<ul style="list-style-type: none"> • Joint events • Regular tenant feedback meetings • Direct meetings and email exchanges • Collaboration on marketing and promotional events
Property Manager	<ul style="list-style-type: none"> • Key Performance Indicators for property managers and centre management • Business and operations performance • Business strategy and outlook • Sustainability progress 	<ul style="list-style-type: none"> • Fair and equal employment opportunities • Learning, development and career progression • Safe and healthy working environment • Commitment to diversity and inclusion 	<ul style="list-style-type: none"> • Performance appraisals • Training programmes • Engagement and social activities • Sports and Recreational Club
Investment Community, including unitholders, banks and investors	<ul style="list-style-type: none"> • Stable and growing distributions and net asset value per asset over the long term • Long-term, sustainable and recurring distributions • Responsible asset and capital management • Total investment returns • Strategic outlook and growth prospects 	<ul style="list-style-type: none"> • Transparent and timely reporting with the issuance of quarterly and annual financial results, with interim updates between the results periods 	<ul style="list-style-type: none"> • Quarterly result announcements and analyst briefings • Annual reports • Annual General Meetings and Extraordinary General Meetings • Roadshows, online and offline communications
Industry	<ul style="list-style-type: none"> • REIT industry performance, potential and outlook • Policies by regulators 	<ul style="list-style-type: none"> • Active memberships in industry associations • Establishing a robust risk management framework 	<ul style="list-style-type: none"> • Meetings and dialogue • Social events and forums • REIT Managers' association meetings

SUSTAINABILITY STATEMENT

Key Stakeholder Groups	Interests and Areas of Focus	Our Commitment	Key Engagement Mode
Community	<ul style="list-style-type: none"> • Venue sponsors and donations • Philanthropic activities • Social events 	<ul style="list-style-type: none"> • Support in community development and activities • Creating employment opportunities • Responsible operations 	<ul style="list-style-type: none"> • Charity drives, sponsorships, donations and events • Festive and other get-together celebrations • Collaborations • Community engagement
Joint Management Body and Management Corporation	<ul style="list-style-type: none"> • Day to day operations, maintenance and management of common areas and facilities in strata buildings within Hektar REIT's asset portfolio. 	<ul style="list-style-type: none"> • Fair, transparent and healthy relationships that deliver value to customers 	<ul style="list-style-type: none"> • JMC and MC • Voting • Audited accounts and AGM minutes submission to Commissioner of Building

MATERIALITY ASSESSMENT

Regular materiality assessments are vital to understanding the environmental, social, economic and governance issues significant to Hektar REIT's business and its stakeholders.

THE PROCESS

In FY2021, Hektar REIT commissioned a detailed materiality assessment covering 17 material issues and grouped stakeholders into eight categories. The evaluation used a weighted-ranking process and defined the future priorities and focus areas for Hektar REIT.

In 2022, we reviewed these materiality results and found they are still relevant, given the similar operations and focus areas.

THE METHODOLOGY

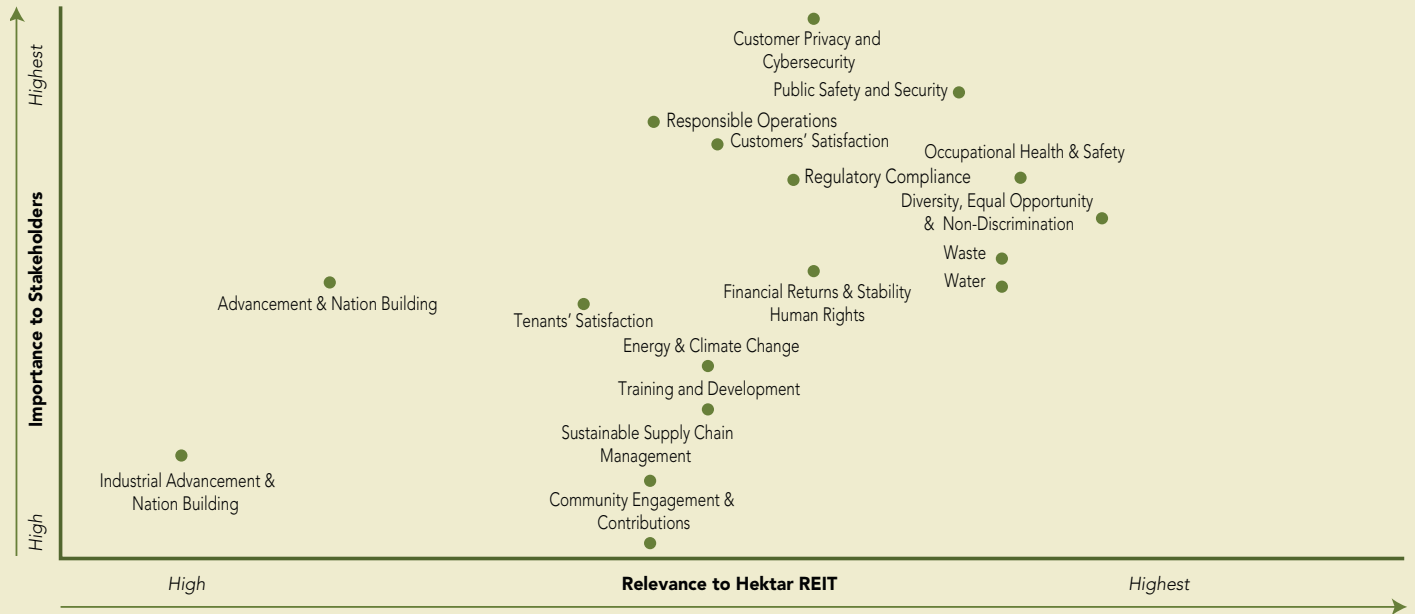
We commissioned an external consultant to comprehensively study the most material aspects of our sustainability programme in the last quarter of 2021. Selecting an impartial, external party helped secure the anonymity of the respondents. We sought feedback from representatives of all major stakeholder groups. Stakeholder Groups Included in the Materiality Study are as follow :-















SUSTAINABILITY STATEMENT

THE RESULTS

The following materiality matrix provides a graphical representation of the assessment results. The Manager will continue monitoring and managing all identified sustainability matters and reporting the action taken for each priority issue in this statement.



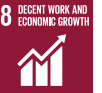






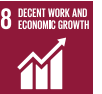
















Sustainability Areas Covered in the Materiality Assessment








Sustainability Pillars	Focus Areas	What does it mean to Hektar REIT	Boundaries	Corresponding UNSDGs
Economic	Financial Returns & Stability	Delivering healthy financial returns and growth potential for the benefit of unitholders	Shoppers, Tenants and prospects, Property manager, Investment community, Industry	 
	Regulatory Compliance	Ethical business conduct and complying with all applicable social and environmental regulations including anti-bribery and corruption	Tenants and prospects, Property manager, Investment community	
	Sustainable Supply Chain Management	Integrating social and environmental factors into the supply chain	Tenants and prospects	  
	Industrial Advancement & Nation Building	Advancing the real estate industry and contributing to economic growth through Hektar REIT's operations	Property manager, investment community and industry	     

SUSTAINABILITY STATEMENT

Sustainability Areas Covered in the Materiality Assessment

Sustainability Pillars	Focus Areas	What does it mean to Hektar REIT	Boundaries	Corresponding UNSDGs
Environment	Energy & Climate Change	Managing energy and greenhouse gases effectively to reduce them whenever possible	Tenants and prospects, Property manager, Joint Management Body and Management Corporation	      
	Waste	Minimising all types of waste and recycling whenever possible	Shoppers, Tenants and prospects, Property manager, Joint Management Body and Management Corporation	     
	Water	Using water efficiently	Shoppers, Tenants and prospects, Property manager, Joint Management Body and Management Corporation	 
Social	Diversity, Equal Opportunity & Non-Discrimination	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace	Employees	  
	Community Engagement and Contributions	Having a positive influence on local communities through charitable contributions and Corporate Social Responsibility initiatives while maintaining active engagements with them	Tenants and prospects, Property Manager, Community, Joint Management Body and Management Corporation	 
	Human Rights	Protecting all aspects of human rights including protecting staff welfare and ensuring no child or forced labour	Employees, Joint Management Body and Management Corporation	   

SUSTAINABILITY STATEMENT

Sustainability Pillars	Focus Areas	What does it mean to Hektar REIT	Boundaries	Corresponding UNSDGs
Social	Training and Development	Providing training and education to employees to expand their knowledge base for career development	Employees	     
	Occupational Health & Safety	Keeping all workers safe and free from injury and both non-communicable and infectious diseases	Property manager, Employees, Joint Management Body and Management Corporation	  
	Public Safety and Security	Enhancing security measures and monitoring infrastructure	Shoppers, Tenants and prospects, Property Manager, Community, Joint Management Body and Management Corporation	
	Tenants' Satisfaction	Ensuring high levels of tenants' satisfaction	Tenants and prospects	
	Customers' Satisfaction	Ensuring high levels of shoppers' satisfaction	Shoppers	
	Customer Privacy and Cybersecurity	Protecting customers' and tenants' privacy through safe data management	Shoppers	
	Responsible Operations	Being a responsible and considerate asset owner and manager by offering facilities such as disabled access, mothers' rooms and shuttle transportation services	Shoppers, Tenants and prospects, Property manager, Investment community, Community, Industry, Joint Management Body and Management Corporation	

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA

Economic	2020	2021	2022
Supply Chain			
Approximate number of local suppliers	340	385	421
Percentage of spending on local suppliers (%)	99%	99%	99%
Environment			
Energy *			
Direct Energy: Diesel (litres)	280	300	1788
Direct Energy: Diesel (MJ)	10,808	11,580	69,017
Indirect Energy: Electricity (MWh)	35,839	31,791	38,986
Indirect Energy: Electricity (TJ)	129	114	140
Building Energy Intensity (kWh per m ²)	7.70	6.83	8.38
Emissions (tonnes) *			
Scope 1 (gensets)	1	1 ***	5
Scope 2 (electricity)	20,966	18,598	22,807
Scope 3 (business travel from employee-owned vehicles)	307	185	248
Scope 3 (business travel from air travel)	-	-	2
Operational intensity (kgCO ₂ e per m ²)	4.50	4.00	4.90
Waste **			
Total solid waste disposal (tonnes)	2,291.68	2,204.27	2,277.97
Total waste diverted from disposal (tonnes)	0	0	0
Water *			
Water withdrawal and discharge (m ³)	556,226	520,122	639,815
Water use intensity (m ³ /ft ²)	0.120	0.112	0.137
Materials *			
Total Paper Ticket Used (million)	3.0	1.4	NA
Total Paper Ticket Reduction (million)	1.703	1.562	NA

* All operations (100% coverage)

** Excludes Classic Hotel (99% coverage by Gross Floor Area)

*** Restated due to improved data monitoring processes

SUSTAINABILITY STATEMENT

Social *	2020	2021	2022
Workforce strength			
Total Number of Employees	334	302	290
<i>By Gender</i>			
Female	151 (45.21%)	130 (43.05%)	125 (43.10%)
Male	183 (54.79%)	172 (56.95%)	165 (56.90%)
By age group			
<30	68 (20.36%)	54 (17.88%)	42 (14.48%)
30-50	213 (63.77%)	184 (60.93%)	187 (64.48%)
>50	53 (15.87%)	64 (21.19%)	61 (21.03%)
By Ethnicity			
Malay	257 (76.95%)	237 (78.48%)	236 (81.38%)
Indian	12 (3.59%)	15 (4.97%)	11 (3.79%)
Chinese	58 (17.37%)	45 (14.90%)	37 (12.76%)
Others	7 (2.10%)	5 (1.66%)	6 (2.07%)
By Nationality (number/%)			
Malaysian	333 (99.71%)	301 (99.70%)	289 (97.67%)
Non-Malaysian	1 (0.29%)	1 (0.30%)	1 (0.33%)
Directors by Age			
<30	0 (0.00%)	0 (0.00%)	0 (0.00%)
30-50	2 (25.00%)	4 (40.00%)	2 (20.00%)
>50	6 (75.00%)	6 (60%)	2 (80.00%)
Directors by Gender			
Female	4 (50.00%)	4 (40.00%)	4 (40.50%)
Male	4 (50.00%)	6 (60.00%)	6 (60%)
By Employee Category			
Management	15 (4.49%)	16 (5.30%)	17 (5.86%)
Executives	145 (43.41%)	136 (45.03%)	131 (45.17%)
Non-Executives	174 (52.10%)	150 (49.67%)	142 (48.97%)

SUSTAINABILITY STATEMENT

Social	2020	2021	2022
Employee Category By Gender			
Female (executive)	92 (57.50%)	86 (56.58%)	86 (58.11%)
Male (executive)	68 (42.50%)	66 (43.42%)	62 (41.89%)
Female (non-executive)	59 (33.91%)	44 (29.33%)	39 (27.46%)
Male (non-executive)	115 (66.09%)	106 (70.67%)	103 (72.54%)
Employee Category By Age Group			
<30 (non-executive)	42 (24.14%)	35 (23.33%)	26 (18.31%)
30-50 (non-executive)	97 (55.75%)	73 (48.67%)	80 (56.34%)
>50 (non-executive)	35 (20.11%)	42 (28.00%)	36 (25.35%)
<30 (executive)	26 (16.25%)	19 (12.50%)	16 (10.81%)
30-50 (executive)	116 (72.50%)	111 (73.03%)	107 (72.30%)
>50 (executive)	18 (11.25%)	22 (14.47%)	25 (16.89%)
By Contract			
Permanent	317 (94.91%)	260 (86.09%)	234 (80.69%)
Contractors/Temporary Staff	17 (5.09%)	42 (13.91%)	56 (19.31%)
By Union Membership			
Non-Union Members	0 (0%)	0 (0%)	0 (0%)
Disability (number/%)			
Disabled staff	0 (0%)	0 (0%)	0 (0%)
Employee Turnover (number/%)			
Total Turnover	47 (13.76%)	79 (24.84%)	84 (28.38%)
By Gender			
Female	21 (6.15%)	44 (13.84%)	37 (12.50%)
Male	26 (7.61%)	35 (11.01%)	47 (15.88%)
By Age Group			
<30 Years Old	15 (4.39%)	24 (7.55%)	27 (9.12%)
30-50 Years Old	26 (7.61%)	44 (13.84%)	43 (14.53%)
>50 Years Old	6 (1.76%)	11 (3.46%)	14 (4.73%)

SUSTAINABILITY STATEMENT

Social	2020	2021	2022
Management Composition (number/%)			
Females in Management	4 (26.67%)	5 (31.25%)	6 (35.29%)
Males in Management	11 (73.33%)	11 (68.75%)	11 (64.71%)
Females in Top Management	6.67%	6.25%	11.76%
Training			
Total training time (hours)	361	2,106	2,884
Average training hours per year per employee	1	7	10
Average training days per year per employee	0.14	0.87	1.24
Long-Service Awards (number/%)			
Below 2 years	78 (23.35%)	56 (18.54%)	79 (27.24%)
2 to 5 years	132 (39.52%)	131 (43.38%)	108 (37.24%)
6 to 9 years	54 (16.17%)	48 (15.89%)	40 (13.79%)
10 years and above	72 (21.56%)	67 (22.19%)	63 (21.72%)
Safety and Health			
Safety Statistics (Employees)			
Fatalities (cases)	0	0	0
High-consequence work-related injuries (cases)	3	1	0
Recordable work-related injuries (cases)	1	2	0
Number of days without accident (days)	2,551	2,552	2,338
Safety Statistics (Contractors)			
Fatalities (cases)	0	0	0
High-consequence work-related injuries (cases)	0	1	0
Recordable work-related injuries (cases)	0	1	0
Number of days without accident (days)	2,555	2,553	2,338
Human Rights			
Number of substantiated complaints concerning human rights violations	0	0	0
CSR			
Total Contributions to Non-Profit Organisations (RM)	70,614.80	170,177.91	292,949.00
Data Privacy and Security			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
* All operations (100% coverage)			

SUSTAINABILITY STATEMENT

ECONOMIC RESILIENCE

Hektar REIT generates stable and sustainable distributions and economic value to unitholders and other stakeholders. In doing so, the REIT drives excellence in its asset and portfolio management efforts while maintaining an optimal capital structure. Hektar REIT draws on its capital structure via drawing on its available pool of funds to invest in properties, capital structure via drawing on its available pool of funds to asset enhancements and redevelop properties to optimise unitholder value.

Incorporating ESG considerations into the corporate strategy and operations helps ensure sustainable business performance and accountability to Hektar REIT's investors, clients, workforce and communities. As the industry continues to evolve, ESG performance will play a more significant role in driving returns on investment. Increasingly, Hektar REIT will proactively integrate ESG practices to build resilience, manage risks and strengthen financial performance, including understanding the financial impacts of climate-related risks and opportunities on its assets and business.

ON TRACK FOR STRONG GROWTH

The retail landscape has been undergoing normalisation and early recovery phases after the Covid-19 pandemic. Hektar REIT's portfolio of malls experienced a 58% increase in visitor footfall and a 50% higher vehicle count annually, significantly improving tenant sales performance.

Despite this improved performance, the Manager has adopted a cautious outlook for the coming year due to inflationary pressure and an uncertain global outlook that may affect domestic economic activities. Business sustainability measures to ensure that our malls have stable occupancy include:

- Monitoring and reviewing our rental strategy
- Adopting prudent financial management
- Introducing cost optimisation initiatives
- Enhancing our asset efficiencies to help cushion the impact of increasing interest rates and inflation.

We will also increase our stakeholder engagement, including tenants, to offer them competitive rental rates to help their business recovery. The Manager is also enhancing existing facilities at its malls to deliver a better retail experience to shoppers and loyal patrons.



Hektar REIT has positioned its retail malls as preferred shopping destinations catering for essential and non-luxury goods. Neighbourhood-Focused Malls and a Hotel Positioning Strategy prioritise the primary trade area, providing the centre with a captive customer base. The appeal of our retail malls is primarily due to the value and convenience they provide shoppers.

We actively explore avenues for growth by ensuring a solid portfolio of retail brands in our malls that can optimise sustainable returns and defensible income through active tenancy remixing and rejuvenation of the centres. Our longer-term strategies to increase dividend yields include enhancing and improving our malls' visual appeal and condition and facilities.

ETHICAL BUSINESS CONDUCT

We maintain a zero-tolerance policy against all forms of corruption, including fraud and money laundering. All forms of bribery, such as monetary bribery and bribery by or of a public official, are strictly prohibited.

The Board of Directors oversees our compliance with anti-corruption policies and compliance, including anti-bribery. All employees are responsible for preventing and reporting corruption, bribery and other suspicious activity or wrongdoing that may lead to bribery through our whistle-blowing channels.

Integrity is a fundamental business philosophy deeply rooted in our corporate culture. All board members and employees have:

- Accepted the Company's integrity and delivery of the anti-corruption policy; and
- Received comprehensive anti-corruption education and training, including anti-bribery.

All employees must comply with our Code of Ethics and Conduct ("Code"), a comprehensive policy that communicates our stand on ethical business conduct and includes all elements of corruption and bribery. As part of the induction programme, all group directors and employees must familiarise themselves with the Code contents upon commencement of their service or employment with the Company. It is also part of the induction programme.

SUSTAINABILITY STATEMENT

A keen understanding of corruption risk exposure is the foundation of an effective anti-corruption compliance programme. Corruption and bribery risks are essential elements of the Group's risk register. This detailed understanding helps the Group:

- Design effective mitigation strategies; and
- Strategically deploy resources to combat potential instances of bribery, corruption and fraud, which is particularly important for operations deemed to be of high risk.

Hektar REIT conducts comprehensive corruption risk assessments on intermediaries, contractors and agents. Our anti-corruption policy is communicated clearly, concisely and timely to these intermediaries.

We encourage all key stakeholders, such as customers, suppliers, contractors and service providers, to refer to this document for guidance on their dealings with the Group. The Code is also integral to the Group's risk management strategy.

All contractors, subcontractors and third parties are subject to corruption and bribery risk assessments and must declare they are not involved in any misconduct or corrupt, unethical or illegal behaviour. The comprehensive screening of new and existing business partners for corruption and bribery is part of our due diligence in the context of Hektar REIT's compliance requirements.

We hold compliance awareness on anti-corruption and ethics for all employees to reinforce ethical conduct in business dealings. These sessions cover anti-corruption, the Code of Ethics and Conduct, conflict of interest, whistle-blowing, personal data protection, outsourcing arrangements and other crisis management. Previously, we invited officers from MACC to deliver anti-corruption training on Section 17A of the Corruption Offence of Commercial Organisation. All Leasing Application and Vendor/Supplier Registration forms now include clauses on anti-bribery and anti corruption. Employees, suppliers, contractors and business partners also receive regular awareness on the Malaysian Anti-Corruption Act 2009.

WHISTLE-BLOWING

Stakeholders can report alleged wrongdoings such as fraud, corruption, financial misappropriation and gross mismanagement in good faith and confidence.

Hektar REIT has developed a comprehensive Whistle-Blowing Policy, where employees and other persons can report any abuse or instances of unethical behaviour, actual or suspected corruption, bribery or fraud within the Company. The Human Resource Department has disseminated this policy throughout the organisation and briefed employees on its use and implementation.

Written disclosures specifying the Designated Recipient can be made through a Whistle-blowing Form and submitted via email to whistleblowing@hektarreit.com or in hardcopy in a sealed envelope.

Alternatively, the Reporting Person may call 016-9552543 and 016-4085974 and leave a message. These telephone numbers reach the two Board appointed whistleblower representatives. Subsequently, the Audit Committee may take corrective action based on the Group's best interest. Hektar REIT has trained its managers to handle reports and instances of bullying or harassment.

The Group protects the confidentiality and identity of persons making a report in good faith. Information is held in the strictest of confidence by both the Group and reporting persons to the extent legally permissible and reasonably practicable.

Our Ethical Performance Highlights

Number of staff disciplined or dismissed due to non-compliance with anti-corruption practices	None (0)
Number of corruption, bribery and other cases of unethical conduct reported	None (0)
Cost of fines, penalties or settlements concerning corruption	RM 0
Total political contributions made during the year	The Group made no contributions to any political parties or for any political reasons during the year (RM0).

SUSTAINABILITY STATEMENT

SUSTAINABILITY ACROSS THE SUPPLY CHAIN

Our commitment to promoting sustainability spans the supply chain. We identify and manage risks in our outsourcing and procurement practices, engaging with many active suppliers, including facility managers, maintenance service providers, contractors, professional consultants and financial institutions. Local and sustainable sourcing is part of the Company's ethos, allowing us to contribute to the local economy while minimising the footprint of business operations. Almost 100% of our suppliers and tenants are local. The Company engages one foreign supplier for its finance & leasing software solution as this offering contains proprietary features unavailable in the local market.

We implement appropriate sustainability measures across the value chain, such as risk management procedures for outsourcing and the procurement of goods and services to support our broader sustainability efforts. Key considerations include reputation, professional expertise, track record, pricing, financial standing and compliance with legal requirements in the supplier selection process. Our Procurement Department obtains a minimum of three quotes whenever applicable and feasible.

The policy for selecting, screening and managing contractors and supply chain partners, including sustainability criteria, is presented in the following diagram.

Hektar REIT Principles of Sustainable Supply Chain



We implement policies that facilitate sustainability throughout the supply chain, encouraging key suppliers to adopt the best sustainability practices, including implementing energy-efficient features in upcoming asset enhancement initiatives. We conduct random site visits and audits on our existing suppliers and contractors, especially during the registration or evaluation stage, to ensure their continued compliance with our terms of reference.

SUSTAINABILITY STATEMENT

INDUSTRY ASSOCIATION PARTICIPATION

As a collective approach can bring additional achievements to our actions to defend legitimate business interests, we collaborate directly with other companies and institutions and through different industry initiatives and associations.

This participation allows us to work with fellow industry partners to navigate change, find opportunities, and ultimately develop Malaysia's retail-focused REIT.

A non-exhaustive list of memberships held by the Management of HAMS and HPS is listed below.

List of memberships held by the Group and Management Team

- Malaysian REIT Managers Association (MRMA)
- Institute of Enterprise Risk Practitioners (IERP)
- Capital Markets Service Representatives' License (CMSRL)
- Institute of Corporate Directors of Malaysia (ICDM)
- Malaysian Institute of Corporate Governance (MICG)
- Board of Valuers, Appraisers, Estate Agents and Property Managers (BOVEAP)
- Institute of Industrial Engineers USA (IIE)
- Institute of Certified Sustainability Practitioners
- Global Reporting Initiative (GRI)
- Institute of Quality Malaysia (IQM)
- Malaysian Hotel Association (MAH)
- Malaysia Shopping Malls Association (PPK)
- Malaysia Retailers Association (MRA)
- Malaysia Retail Chain Association (MRCA)
- Bumiputera Retailers Organisation (MRO)
- Malaysian Association of Theme Park and Family Attractions (MAFTA)
- Malaysia Institute of Internal Auditor
- Malaysia Institute of Accountant

ENVIRONMENTAL

Hektar REIT is cognisant of its operations' environmental impact, given that commercial properties account for 11% of global emissions, according to the World Green Building Council. The Manager adopts a holistic approach to identifying and addressing climate change risk through mitigation and adaptation, focusing on improving energy performance and efficiency measures across its portfolio of properties.

For our energy data, please refer to the Sustainability Performance Data table on page 56-59.

Hektar REIT's sustainability policy reiterates its commitments to a wide range of environmental issues, including pollution prevention, minimising the impact on biodiversity, climate change adaptation, water and waste management, and energy consumption, including increasing renewable energy into the existing energy mix.



Driving down energy consumption in our operations



Minimising water use throughout our assets



Influencing suppliers and contractors to commit to environmental conservation



Minimising quantities of waste generated at our assets

ENVIRONMENTAL MANAGEMENT PROGRAMME

Some assets have introduced Environmental Management Programmes, such as the Building Management System (BMS). The MyHijau-certified Tracer System Controller is the central coordinator for all major Air-Conditioning and Mechanical Ventilation (ACMV) equipment.

This real-time environmental tracking tool, operating on a web and mobile app interface, allows the close monitoring and tracking of sustainability-related performance. We performed regular inspections and resolved lower-risk issues. We have seen improvements across selected assets with no further major environmental issues detected since adopting this system.

Building certifications reinforce the quality of assets and deliver increased value for unitholders. These building certifications are strongly correlated with positive returns on investment and high tenant satisfaction levels. Hektar REIT plans to achieve green certification for at least one of its assets by 2025.

ENERGY CONSUMPTION AND CARBON FOOTPRINT

As grid electricity is the primary energy source for our properties, higher electricity consumption results in higher carbon emissions. The Manager seeks to address energy-related issues by improving the efficiency of properties to reduce their carbon footprint and utility costs. While we do not have operational control over tenants' electricity consumption, property-level measures enhance the buildings' ecosystem, raise environmental awareness and foster energy conservation.

SUSTAINABILITY STATEMENT

Examples of Existing Energy-Efficient Features and Initiatives Implemented Across the Portfolio

LED lighting	Smart meters at Subang Parade
BMS control at Subang Parade and Central Square	EV Charging Stations at Hektar Malls
Controlling operating times	Regular cleaning, maintenance and upgrading
Installation of soft starters, demand control drives and inverters	Reconfiguration and fine-tuning of Air-Conditioning and Mechanical Ventilation (ACMV) equipment by setpoint adjustments, capacity capping and load balancing
Subscription to Off Peak Tariff Rider (OPTR) Scheme	Staggered phasing out of HCFC refrigerant and changing to ultra low GWP refrigerant
Conversion of Air Handling Units (AHUs)	Energy management device to control and optimise AHUs

We have audited the chiller plants in Subang Parade, Mahkota Parade and Central Square, whereby immediate remedial works and retrofits optimised the energy efficiency of the chiller plant and other ACMV components based on the findings.

Energy usage and savings are discussed regularly and are on the agenda of management meetings. During these meetings, the Sustainability Steering Committee updates the management team on energy usage and savings trends.

RENEWABLE ENERGY

Hektar REIT is planning to install a solar initiative. If viable, appointed vendor(s) will be responsible for procuring, installing and maintaining solar panels on the rooftop at selected malls. The photovoltaic (PV) system tracks the performance of the installed solar panels, and it allows real-time system data to be accessed and analysed, measuring the overall consumption of internal power and external energy.

GREEN LEASES

Green leases are lease contracts with specific clauses that oblige tenants and customers to provide sustainability data such as consumption to the landlord. We currently do not have any green leases in place but aim to increase the share of consumption data collected from tenants across our portfolio:

- For more comprehensive reporting; and
- As a basis for joint sustainability initiatives with tenants and customers.

Solar panels, tenant engagement and smart building systems are examples of possible joint sustainability initiatives.

ENERGY MINIMISATION EFFORTS

Chiller Plant System

- Replacing chillers with high-efficiency MyHijau-certified models, efficient new pumps, cooling towers with Variable Speed Drives (VSD), rigorous and detailed setpoints and configuring the Building Automated System (BAS)

Cooling Tower

- Installing Cooling Technology Institute (CTI), ASHRAE 90.1, LEEDS and ISO9001-certified cooling towers
- Designing the cooling towers to reduce the condenser water temperature with infill made of corrugated and ribbed design P.V.C., which maximises the air/water contact for optimal heat transfer efficiency
- Initiating and modulating the 15kW cooling tower VSD motors and controlling them to operate under 45Hz to deliver optimal efficiency at all times
- Syncing cooling towers with the BMS to work with all other chiller plant equipment

Air Handling Units (AHUs) and Fan Coil Units (FCUs)

- Servicing AHUs regularly to ensure their performance matches the energy-efficient chiller plant system equipment
- Adheres to bi-weekly water cleaning and a quarterly chemical cleaning programme

Lighting

- Retrofitting buildings with energy-efficient fixtures such as LED light fittings and timers to maximise energy savings

Indoor Air Quality

- Monitoring the Indoor Air Quality (IAQ) of buildings to ensure they are within the Department of Occupational Safety and Health (DOSH) standards

Envelope Design

- Painting exterior walls of malls with colours that reduce invisible solar rays by up to 80%, improving the ambient temperature of the buildings
- Reducing heat by using thick concrete walls with higher thermal rejection properties
- Introducing an overarching focus on energy efficiency and energy sustainability that is one of the boldest among our peers in Malaysia

SUSTAINABILITY STATEMENT

WATER MANAGEMENT

Due to global and national water resource trends, water consumption will be an increasingly material aspect in the property sector. We are committed to optimising water consumption for our properties and addressing water use. Reducing water use and improving efficiency ensures that Hektar REIT remains competitive as water becomes increasingly scarce.

Typically, we source water and discharge it using municipal water utilities. We track water consumption and analyse usage patterns to identify opportunities to improve water efficiency. Hektar REIT does not have any properties or operations at water-stressed sites.



Hektar REIT installed water-efficient push taps in bathrooms across all properties to reduce water use. Reducing the litres per flush in toilets from 14 to eight litres resulted in an estimated 24% total water savings. In 2022, the Group invested RM24,000 in repairing and upgrading Wetex Parade, such as replacing toilet facilities in Wetex Parade.

As part of our water conservation strategy, we continue to measure and evaluate the long-term sustainability of our water performance data and identify new water-efficiency opportunities within our portfolio and recent developments. We will continue to assess our property portfolio for potential improvement works that will increase water savings and reduce consumption. Our property managers check our water supply systems regularly to prevent water leakage. Our short-term agenda involves installing rainwater harvesting, a storage system for irrigation and cleaning, and toilet and tap sensors.

Meanwhile, our hotel property only provides extra linen upon request; we practise a one-to-one exchange to minimise water waste, as laundry machines are one of the largest sources of water consumption in hotels.

Working with property managers, we educate tenants and raise awareness of its conservation as they consume most water.

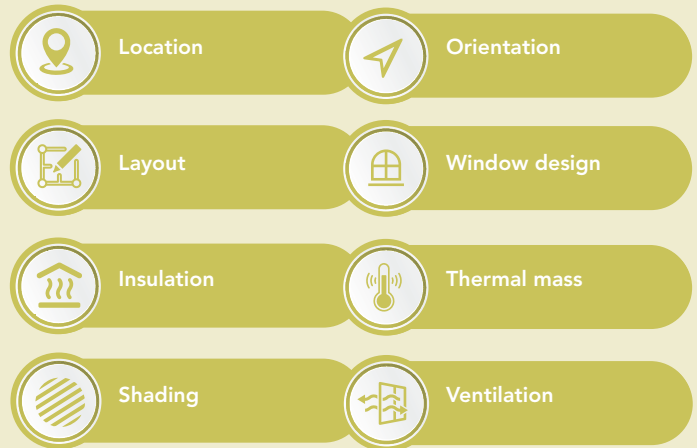
As none of our properties operates in water-stressed sites, Hektar REIT does not engage with stakeholders on this topic.

SUSTAINABLE ARCHITECTURE

Cost is a primary consideration for building planners. Hektar REIT's upfront spending on sustainable strategies delivers significant long-term savings while improving air quality and well-being.

Sustainability architecture consists of design strategies that minimise the negative environmental impact of a built environment. We consider sustainability throughout the design, planning and construction of properties to construct buildings with the lowest environmental impact possible. Continuously redesigned over time, these buildings undergo various enhancement initiatives. Responding to the local climate and site conditions maximises users' comfort, health and resource efficiency.

Key Elements of Passive Design Incorporated in Buildings



All passive design elements work together holistically to achieve comfortable conditions and good indoor air quality.

Since its inception, Subang Parade has had improvement works and facelifts, comprising structural improvements and interior design works. Our overarching focus on energy efficiency and energy sustainability is one of the boldest among our peers in Malaysia.

For our water data, please refer to the Sustainability Performance Data table on page 56-59.

SUSTAINABILITY STATEMENT

GREEN PROCUREMENT

We practise green procurement across all properties as part of Hektar REIT's pollution prevention principles and activities. Environmentally-friendly products and services consider environmental criteria and standards to protect natural resources. All malls are encouraged to use green products for daily cleaning and maintenance.

Hektar REIT has introduced paperless parking at some malls to reduce paper wastage. The cashless and ticketless parking experience allows visitors to pay their parking fees with Visa PayWave and participating e-wallets such as Touch N' Go. The total paper ticket used/purchased has reduced since enforcing a paperless parking system in stages across all malls.

WASTE MANAGEMENT

Hektar REIT's business operations inevitably produce significant waste. Tenants, customers, guests, visitors and the general public generate the majority of waste at operational properties. Most waste generated at our malls and hotel is domestic waste from day-to-day activities.

As our portfolio grows, waste management is vital for mitigating operations' environmental and ecosystem impact. We identify opportunities to improve environmental management efforts and enhance resource conservation and efficiency.

Some waste minimisation efforts done at our assets include:

- Raising awareness of waste recycling through campaigns throughout our properties, such as #JomKitaRecycle
- Reminding hotel guests to be environmentally and socially conscious during their stay in welcome notes
- Encouraging tenants to minimise waste sent to landfills
- Placing recycling bins at our properties
- Planning the most sustainable waste management with third-party contractors

Hektar REIT, through Subang Parade, continued its partnership with Kloth Cares and DRB-HICOM in the fabric recycling movement. We invite shoppers and visitors to recycle unwanted clothes and fabrics by depositing them in the Kloth Bin in the basement car park.

The Manager also runs an e-waste recycling programme at its malls, exchanging old electronics with cash. This programme is currently running at Subang Parade. All collected e-waste is sent to licensed recovery factories to minimise the adverse environmental impact.

INTRODUCING THE ALL-NEW REVERSE VENDING MACHINE AT SUBANG PARADE

In collaboration with Janz Technologies Sdn Bhd, the Manager placed its first reverse vending machine on the Lower Ground Floor of Subang Parade. The KLEAN app and KLEAN operating system operate KLEAN AI-Powered Smart Reverse Vending Machine technology. The machine issues reward points in exchange for plastic water bottles and aluminium cans that are redeemable for goods and services.



CLIMATE CHANGE MANAGEMENT

Hektar REIT is committed to mitigating and addressing climate change risks. We recognise the devastating effects and associated short- and long-term business risks of climate change. Our firm commitment to this issue includes avoiding climate change's impact by improving operations' efficiency. Our climate change strategy includes working with employees and supply chain partners on energy-saving processes and a complete climate change risk assessment.

Hektar REIT has integrated climate-related risk management into the Group-wide risk scorecard. It is the foundation for formulating our business strategy and deciding on future R&D and technology investments. Specifically, the Group's climate risk management process includes mitigation efforts to reduce greenhouse emissions, climate engineering and expanding climate system knowledge.

For our paper ticket data, please refer to the Sustainability Performance Data table on page 56-59.

For our waste data, please refer to the Sustainability Performance Data table on page 56-59.

SUSTAINABILITY STATEMENT

Inevitably, climate change affects operating costs (OPEX) and capital expenditure (CAPEX). Efficiency, output and performance of assets and equipment can decrease due to changing climate conditions. The Manager may require additional CAPEX due to asset damage or decreased asset performance. Complying with environmental regulations also requires additional CAPEX for upgrading facilities or equipment to cope with increased pollution risks.

We are committed to addressing the issue of climate change and improving efficiency through adaptation by adopting new and green technology in development and implementing fuel efficiency measures. Specifically, we have adopted a tracking system for emissions, energy use, water use and waste in our properties.

Environmental sustainability is a core consideration of MREITs. As one of the MREITs, we collaborate with industry peers to address increasingly diverse challenges around environmental performance, compliance and efficiency in the real estate industry. Our role and involvement in this membership include:

- Identifying pressing environmental issues in climate change, water and waste; and
- Collaborating on solutions that drive improvement within Hektar REIT and our supply chains.

We are consistent between our climate change policy and the position we advocate in the trade associations of which we are members. When opinions contradict, we identify gaps and initiate a process that alerts us to new areas of good business practice.

Our Sustainability Steering Working Committee, overseen by Encik Johari Shukri Jamil (Executive Director & Chief Executive Officer) with the support of our Chief Corporate Officer devises strategies to manage and minimise our environmental footprint. Progress reports and proposals on energy management, climate change and pollution reduction, supported by financial indicators and Return on Investment (ROI) calculations are presented.

CLIMATE CHANGE INVESTMENT

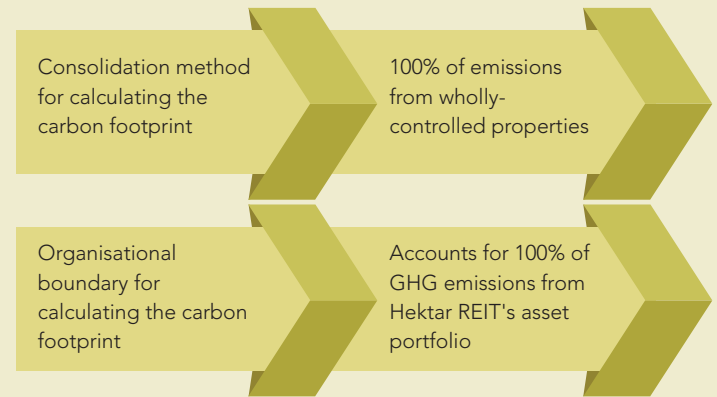
Climate change is reshaping the investment context at Hektar REIT. Given the urgency and magnitude of climate change implications, the Manager redefined its sustainable investment strategy to include a more targeted and holistic approach to climate change. Strategically managing climate-related risks and opportunities lowers our competitive risk while transitioning to a low-carbon, climate-resilient economy.

Hektar REIT has invested more than RM10 million in various climate change-related initiatives over the past five years. We invested heavily in R&D, advancing the building and facilities, machinery and automation, such as installing chillers and replacing existing lighting with energy-saving LEDs. We also embarked on renewable energy initiatives, pursued energy-efficiency ambitions, especially on AHU energy saving and consumption, repaired the cooling towers, retrofitted air-conditioning and mechanical ventilation, installed cold water systems and performed refurbishment and audits.



IN 2022, SEGAMAT CENTRAL REALISED A TOTAL SAVINGS OF RM12,000 BY REPLACING TRADITIONAL BULBS WITH ENERGY-SAVING LEDS.

CARBON FOOTPRINT CALCULATIONS



SCOPE 1 **COVERAGE: ENTIRE GROUP (100%)**

Hektar REIT uses small amounts of diesel to run generators on its properties. CO₂ emissions from diesel consumption were derived from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

SUSTAINABILITY STATEMENT

SCOPE 2

COVERAGE: ENTIRE GROUP (100%)

CO₂ emissions from electricity use were derived using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid.

SCOPE 3

COVERAGE: ENTIRE GROUP (100%)

GHG emissions resulting from business travel employee-owned vehicles consisted of both fuel and mileage claims:

- Mileage claims for company-owned vehicles were calculated using the World Resources Institute GHG Protocol tool for mobile combustion. Version 2.6.
- Petrol claims were calculated using the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories.

Hektar REIT also calculates GHG emissions from point-to-point air travel, considering the number of onboard employees and distance travelled. Performing separate calculations for business and economy class flights, Hektar REIT uses online tools derived from the WRI Greenhouse Gas Protocol to calculate the CO₂ emissions from air travel.

EMISSIONS INTENSITY

Emissions intensity, or carbon intensity, is a better measure of the emissions efficiency of our assets. At Hektar REIT, we express emissions intensity as the amount of CO₂e emitted per gross floor area (kgCO₂e/sq.ft.).

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Climate change is more than an environmental issue; it significantly influences social and industrial structures and greatly impacts business activities. We must evaluate the risks and opportunities that climate change presents and reflect them in our operational policies and asset management to maintain long-term sustainable and stable earnings and overcome the wave of oncoming changes stemming from climate change.

This year, Hektar REIT began aligning its climate-related disclosures with the TCFD recommendations in four key areas: governance, strategy, risk management and metric and targets.

For our carbon emissions data, please refer to the Sustainability Performance Data table on page 56-59.

SUSTAINABILITY STATEMENT

Our Approach

Hektar REIT has started taking steps to integrate the recommendations of the TCFD and will continue enhancing its implementation of TCFD recommendations and reporting.

Key Area	Hektar REIT's Approach
Governing Climate-related Risks and Strategy	<ul style="list-style-type: none"> • The Board considers sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees their management and monitoring. • The Board sets Hektar REIT's risk appetite, which determines the nature and extent of material risks the Manager is willing to take to achieve its strategic and business objectives. • The Board has highlighted climate change as a material risk issue and regularly reviews related risks as part of the Manager's Enterprise Risk Management (ERM) Framework. • The Board is updated on relevant performance metrics, including carbon emissions performance, progress on the reduction targets, renewable energy usage, green building certification, stakeholders' expectations and regulatory requirements on climate change during the annual Board strategy, business plan meetings and other scheduled Board meetings. • Hektar REIT's Sustainability Committee is tasked with developing, overseeing and implementing sustainability objectives and strategies.
Strategy	<ul style="list-style-type: none"> • Climate change risk has been identified as a key risk as part of the ERM Framework and includes physical and transitional risks. • Our strategy in addressing these climate-related risks and opportunities spans all areas of the real estate life cycle, from the earliest stage of the investment process to design, procurement, construction, operations and redevelopment or divestment. • All new investments in operational assets and development projects undergo the EHS Impact Assessment during due diligence to identify any environmental (including climate change) risks and opportunities related to the asset or project site and its surroundings. • Hektar REIT develops guidelines for buildings to be more energy efficient, such as setting targets and specifying minimum equipment efficiency • As part of an annual review of its portfolio, Hektar REIT strives to identify assets suitable for redevelopment or AEI to deliver end-to-end premium quality real estate solutions for its tenants and a unique shopping experience for its shoppers.
Risk Management	<ul style="list-style-type: none"> • The Manager conducts an annual risk assessment exercise to identify, assess and document material risks, including relevant ESG risks, key controls and mitigating measures. • The management reviews the consolidated material risks and associated controls before presenting them to the Audit & Risk Management Committee and Board. • The Manager is considering conducting a scenario assessment study based on the likelihood and potential impact of the issues affecting business continuity and development.
Metrics and Targets	<ul style="list-style-type: none"> • Hektar REIT has tracked and reduced the carbon emissions of its managed and owned operational properties via its Environmental Tracking System. Hektar REIT has been disclosing scope 1, 2 and 3 GHG emissions of its global portfolio and is currently looking at carbon reduction targets. For more information, please refer to page 56-59 of this Annual Report. • The Manager continues exploring new metrics to measure climate-related risks and opportunities, which it will access and adopt where possible.

SUSTAINABILITY STATEMENT

WILDLIFE CONSERVATION AND CREATING A SUSTAINABLE FUTURE FOR OUR ZOO

Opened in 1963 and managed by the Malaysian Zoological Society, Zoo Negara needs RM1 million a month to operate and care for over 4,000 animals.

As part of the Company's support of flora and fauna conservation and rehabilitation, HAMS B is proud to be one of the corporate sponsors for Zoo Negara's Corporate Social Responsibility (CSR) programme. The objective of the programme was to:

- Increase awareness and understanding on how we play a role in our ecological system
- Increase appreciation and encouraging responsibility towards community
- Increase awareness on animal conservation
- Team building and bonding session

A total of RM 3,750 was spent for the Green Project, which covered the clean-up of exhibition area, animal care and food preparation as well as behavioral enrichment activities of which 30 of our employees participated in. Through this CSR programme, our employees were able to experience a day in the zookeepers' lives which led to a sense of appreciation and deepened interest in animal conservation.



On top of that, Hektar also donated several marble terazzo benches worth RM 1,440 for the comfort of the zoo patrons. In return, Zoo Negara presented the company with a certificate of appreciation.

HIGHLIGHTS OF ENVIRONMENTAL INITIATIVES ACROSS OUR ASSETS

- Recycling station at Segamat Central, Wetex Parade, Mahkota Parade, Central Square and Kulim Central to separate items such as paper, plastic bottles and cans



Recycling water bottles and toiletries bottles at Classic Hotel



Cashless Parking System at all the malls



Charging Station at Subang Parade, Mahkota Parade, Wetex Parade and Kulim Central

SUSTAINABILITY STATEMENT



Gotong-royong and other environmental programmes championed by our employees



Malaysia Day CSR Programme 'Walk & Clean' by Central Square employees at Gunung Jerai



ENRICHING COMMUNITIES

Hektar REIT contributes positively to society through various community initiatives and philanthropy. Hektar REIT aligned its community investment principles with the focus areas of building well-being and developing local communities. Closely aligning the business strategy with community investment produces better company and local communities outcomes.

We also support the local community through local hiring. Providing local jobs develops the local economy and enhances their living standards. Our hiring practices consider employing underprivileged groups, such as those from deprived backgrounds. Hektar REIT also offers apprenticeships and graduate placement programmes to address youth unemployment.

The Sustainability & CSR Malaysia 2022 Awards recognised Hektar REIT's Sustainability and CSR initiatives by awarding Company of the Year for Stakeholder & Community Engagement. The Sustainability & CSR Malaysia Awards 2022 were organised by CSR Malaysia and officiated by the Minister of Rural Development, by the then Minister YB Dato' Seri Mahdzir bin Khalid.

In 2022, Hektar REIT spent RM292,949 on donations and community investments to registered not-for-profit organisations. These contributions included support for various causes, including education, sports, health, culture, the disabled and societies affected by the pandemic. Hektar REIT also sponsored festivals, events and sports, donated to the underprivileged community, and extended other philanthropy and in-kind contributions to the poor community.

For our community data, please refer to the Sustainability Performance Data table on page 56-59.



Hektar REIT invites its employees to be part of its community programmes. As employee volunteerism recognised and encouraged, we are examining formalising the integration of our employees' volunteerism and performance evaluation.

SUSTAINABILITY STATEMENT

ADVOCATING CHILDREN'S RIGHTS

Children have the same rights as adults in society. Children have the right to live, be safe and have a say in the formation of their lives. All children have the right to education and innovation, which offers insight into the world and allows them to explore their full potential. Hektar REIT supports children's rights to education through sponsorship, in-kind donation and collaboration with schools. We channelled a significant portion of our community contributions to learning institutions and supporting various educational causes.

BEING A COMMUNITY-FOCUSED REAL ESTATE OWNER AND INVESTOR

Hektar REIT's portfolio comprises six well-established community-focused shopping centres in various parts of Peninsular Malaysia. As a REIT, we continue to partner with various community organisations by providing free space to host their events.

In 2022, we allowed organisations to host their events at our assets for free. These benefits-in-kind reflect Hektar REIT's support of these good causes.

 <p>Mahkota Parade</p> <ul style="list-style-type: none"> • Kempen 1 Jam Setiap Sabtu Cari dan Musnah Tempat Pembiakan Aedes by Pejabat Pengarah Kesihatan Negeri Melaka • National Blood Donation Drive by Universiti Malaya • Hari Raya CSR by MBMB • JCI MCE Little Boss Carnival by Junior Chamber International Malacca City Entrepreneur • MTA-PDRM Crime Awareness Campaign & Panic Button Launch by Melaka Tourism Association & Polis Diraja Malaysia • Kempen Anti-Scammer Bersama Dato' Awie • HS Shazlicious Trading & Jabatan Siasatan Jenayah Komersil PDRM • Majlis Pelancaran Minggu Promosi Kesihatan Pergigian Tahun 2022 by Dental Health Division, Melaka State Department • Blood donation by the Lion Club of Malacca & Lion Club Tanjung Bidara • World Sight Day CSR Programme by Hospital Besar Melaka Eye-Clinic and Lions Club Melaka • Free health check-ups for shoppers by Klinik Kesihatan Jln Gereja Melaka 	 <p>Wetex Parade</p> <ul style="list-style-type: none"> • A Roaring Lunar Year, Breast and Colon Cancer Awareness Talk 2022 by Muar Cancer Support Association and Pusat Rawatan Onkologi Yayasan Tunku Laksamana, Hospital Sultanah Fatimah Muar and Wetex Parade also donated one RM3,800 oxygen concentrator machine to Muar • Blood donation by Blood Bank of Hospital Pakar Sultanah Fatimah Muar  <p>Segamat Central</p> <p>Blood donation by various organisations, including Lions Club Bukit Siput, St John Ambulance, Pertubuhan Bistari Kesejahteraan Sosial, Rakan Muda Segamat, JCI Bandar Segamat, Akademi Memandu Wadah Mutiara and Hospital Segamat</p>	 <p>Central Square</p> <ul style="list-style-type: none"> • Blood donation campaign by Hospital Sultan Abd Halim • CNY Movie Treat for disabled children in collaboration with GSC Cinema.  <p>Kulim Central</p> <ul style="list-style-type: none"> • Blood donation by Kulim General Hospital  <p>Subang Parade</p> <ul style="list-style-type: none"> • Down syndrome awareness campaign by Persatuan Kebajikan Anak-Anak Istimewa Selangor • Professional blind foot massage by Persatuan Orang-Orang Cacat Penglihatan Islam Malaysia • Fundraising campaign by the Lost Animal Soul Shelter
--	--	--

SUSTAINABILITY STATEMENT

TOUCHING LIVES, MAKING A DIFFERENCE

Hektar REIT complements being a venue sponsor to various community and charity events by participating in various corporate responsibility events, including but not limited to the following :-



- Mahkota Parade collaborated with Pusat Penjagaan Kanak Terencat Akal Bukit Baru Melaka & Pusat Jagaan Kanak-kanak Ceria Bukit Baru Melaka in hosting a Chinese New Year celebration. The mall sponsored groceries and *angpow* for all children of the home.
- Central Square sponsored the purchase of groceries such as rice, biscuits, cooking oil and toiletries in conjunction with the Program Sumbangan Makanan together with Persatuan Pendidikan Kanak-kanak Khas (PEKAKA).
- Segamat Central collaborated with University Kuala Lumpur - Malaysian Spanish Institute for the Books & Toys Recycling initiative. The mall also invited its shoppers to participate in the 1Food 1Love programme to help those in need. During the year, Segamat Central also shared the joy of Ramadhan with the underprivileged communities during:
 - Program Ziarah Ramadhan with disabled children in collaboration with Pejabat Pendidikan Segamat & BOMBA; and
 - Jamuan Raya Bersama Anak-anak Yatim in collaboration with The Chicken Rice Shop.
- Classic Hotel hosted food aid distribution to Rumah Sinar Kasih during the Ramadhan period.

EMPOWERING OUR PEOPLE

Hektar REIT is committed to empowering and developing its people to be their best. Accordingly, our human resource policies promote a fair, inclusive and safe working environment. The corporate mission - to develop excellent employees - reflects our people-centric business philosophy.



PEOPLE MANAGEMENT

Hektar REIT strives to shape a conducive and healthy workplace culture. We are committed to providing equal opportunities and do not condone discriminatory practices. Our Human Resources function manages human resources and capitalises on employees' talent. We communicate the expectations of our employees' work ethics and labour standards through the Code of Conduct and the Company's policies and procedures. We share these documents globally with all employees in English and translate them into Bahasa Malaysia.

We maintain a positive market presence and enhance human capital by supporting the local workforce. The Manager is currently finalising an agreement with Universiti Tun Hussein Onn Malaysia (UTHM) on potential collaboration by offering internship opportunities to its students and engagement in ESG-related programmes.

We adhere to local labour laws during recruitment, with preference given to hiring locally to help boost the nation's economy and address youth unemployment. Practically all Group employees are Malaysians, with only one being a foreigner.

Being a Trust structure, Hektar REIT does not engage any officers and employees directly but is externally administered by the REIT Manager who appoints professionally qualified and experienced personnel to manage its day-to-day operations and the properties are managed by the Property Manager, Hektar Property Services Sdn Bhd. Hektar REIT offers a competitive remuneration package in line with industry standards, including comprehensive medical coverage, parental leave and all mandatory leave, retirement contributions, allowances, memberships (club and professional memberships) and long-service awards. Executive level employees

are entitled to monthly club subscription reimbursement. Hektar REIT's policy supports the right to a minimum or living wage, with benefits and compensation packages exceeding Malaysian employment law standards. The Group practices the equal pay for equal work principle according to local regulations on fair remuneration.

There were no reported cases of non-compliance with labour standards during the year.

DIVERSITY, EQUITY AND INCLUSION

Our human resource policies promote diversity, equity and inclusion in the workplace. With a diverse portfolio of properties across Malaysia, we consider cultural diversity a strength. As of 31 December 2022, the Manager has 24 employees, all of whom are in Malaysia.

Hektar REIT maintains a zero-tolerance stance on any form of workplace discrimination. We do not tolerate discrimination and will continue to take action to improve workforce diversity and equal opportunities or reduce discrimination based on race, gender, age, sexual orientation, religion, caste, marital status, nationality or disability. This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation and training. Hektar REIT does not discriminate in its hiring process. None of our employees are categorised as disabled as at the end of 2022.



OCCUPATIONAL HEALTH AND SAFETY

Hektar REIT protects its stakeholders' individual and collective safety and well-being by implementing all necessary measures on health, hygiene, safety and security in its workplace and properties. Our safety policy guides this health and safety approach. It details a rigorous process of identifying and reviewing health and safety hazards, ensuring accountability, developing action plans and engaging with various stakeholders.



As Malaysia's first retail-focused REIT, we ensure tenants, customers, shoppers, guests, visitors and contractors enjoy a healthy and productive environment.

For detailed human resources data, please refer to the Sustainability Performance Data table on page 56-59.

SUSTAINABILITY STATEMENT

COVERAGE OF OUR HEALTH, HYGIENE AND SAFETY PROTOCOLS

- Emergency preparedness
- Public health management (common areas)
- Safety training and awareness campaign
- Safety risk assessment
- Incident reporting and investigation
- Safety performance monitoring
- First aid and personal protective equipment

Every asset has a dedicated Occupational Safety and Health Committee responsible for reviewing and developing safety and health standards and procedures at the property.

Composition of Our Occupational Safety and Health Committees

Property	Chairman	Secretary	Employer Representatives	Employee Representatives
Corporate (Group)	1	1	7	7
Subang Parade	1	1	5	5
Mahkota Parade	1	1	4	5
Wetex Parade	1	1	5	5
Central Square	1	1	3	3
Kulim Central	1	1	2	3
Segamat Central	1	1	3	6
Classic Hotel	1	1	3	3

Examples of Regular Safety, Health and Hygiene Programmes Held

- Indoor air quality monitoring
- Air ventilation duct cleaning
- Fire drills and evacuation exercises
- Safety and health workplace inspection
- Cleaning and sanitation
- Pest control

Examples of Regular Safety and Health Training Held

- Hazard Identification, Risk Assessment and Risk Control Training
- First Aid Training
- Environment, Safety and Governance Training
- Safety and Health Induction Training

MENTAL HEALTH WELL-BEING

Mental health in the workplace is everyone's business. Creating a mentally healthy workplace has clear positives for all employees, including reduced job stress and an improved work-life balance. Various initiatives promoting a positive workplace culture aim to minimise workplace risks related to mental health, such as mental health awareness and flexible work hours. Hektar REIT has a principle with targets to reduce excessive working hours and addresses the maximum overtime allowed, aligned with local laws.

For detailed safety data, please refer to the Sustainability Performance Data table on page 56-59.

AN ENGAGED WORKFORCE

Getting all employees personally engaged in the company's activities is key to creating a vibrant and sustainable company. Hektar REIT has a formal structure to facilitate employee engagement. Organising various engagement events and get-togethers strengthened employees' mental well-being and emotional connection with their work, their teams and the Company.



Majlis Berbuka Puasa



Management Team dinner



EMPLOYEES' VOICE AND FEEDBACK

Being attentive to employees' concerns is paramount in retaining talent and instilling a sense of belonging. We leverage various communication channels, such as the employee satisfaction survey and well-being assessment, to understand their needs and expectations. It was noted that 88% of the employees responded to the Employee Satisfaction Survey conducted in 2022 and 59% responded positively which is above the Global Average of 54%. The data collected are vital for shaping and refining our focus on building a rewarding work environment.

EMPLOYEE TRAINING, CAREER DEVELOPMENT AND REVIEWS

The Manager has an internal talent management process to:

- Assess and develop its employees' strengths and potential; and
- Allocate resources for regular training, career development and performance reviews.

For training data, please refer to the Sustainability Performance Data table on page 56-59.

We provide all employees with mobility and career development opportunities to assist in their personal development and career advancement. Examples of training programmes organised for our employees during this reporting period include:

- A strata management seminar
- Sustainability strategies in a competitive environment
- Improvisations, renovations and effective space management of common property
- Land development procedures, land dealings and land transactions
- Sukuk: principle, application and challenges in the capital markets
- Anti-Money Laundering Law (AMLA)
- Strategy and budgeting masterclass

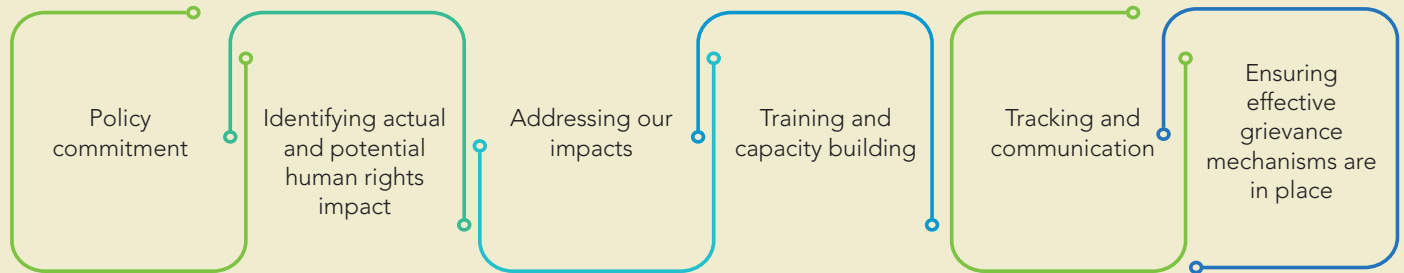
The Manager also encourages its employees to develop their skills by learning from peers and experts by sponsoring subscriptions to professional associations relevant to their job function.

Guided by our human resources processes, we conducted annual performance appraisal exercises for all employees based on merit, providing them with valuable feedback for personal and career advancement. We achieved a 100% rate of conducting career development and performance reviews for all our employees during the reporting period.

SUSTAINABILITY STATEMENT

UPHOLDING HUMAN RIGHTS

Hektar REIT is committed to upholding human rights. We integrate human rights due diligence into our business processes to mitigate the risk of human rights violations at our properties and throughout the supply chain. Our approach to human rights due diligence encompasses the following components.



- ✓ All business operations comply with the Industrial Act 1967 and all relevant laws in the context of the International Labour Organisation (ILO) standards
- ✓ All employees are free to join unions of their choice; however, none are currently members of any trade union organisations (0%)
- ✓ Zero cases report on child, forced and compulsory labour at our properties and value chain
- ✓ Zero discrimination and harassment cases reported during the year

DELIVERING EXCEPTIONAL VALUE

Our values and expectations are at the heart of everything we do. We are determined to ensure that we act with integrity across all our assets and operations, in line with our commitment to transform the shopping experience by creating places where people love to shop, dine and play.

QUALITY OF ASSETS AND SERVICES

High-quality assets attract good tenants and high footfall into the properties, delivering greater returns to unitholders. We considered sustainable design and planning during the decision-making process for asset enhancement of the properties, where feasible. We also conducted rigorous environmental and technical assessments on structural safety, mechanical and electrical, and energy efficiencies, striving to maintain or improve our properties' environmental and energy efficiency ratings.

The Manager works closely with property managers to optimise the sustainability performance of all properties. Technology helps monitor system performance and fine-tune operations to improve the efficiencies of facilities. Additionally, strict management during renovation and upgrading works ensures high fit-out standards, which increase the assets' overall performance. Maintaining the highest standard of assets is the key impetus behind the commitment to quality and business excellence to increase tenant satisfaction and retention. Regular engagement with tenants and shoppers ensures their ongoing needs are met.

In recent years, Hektar REIT engaged external consultants to study areas such as cleanliness, convenience, indoor air quality, thermal comfort and availability of natural light. These engagements helped Hektar REIT tailor its efforts to meet the needs of tenants and shoppers.

SUSTAINABILITY STATEMENT


We also seek to improve our properties through proactive asset management and asset enhancement initiatives (AEIs). Regular AEIs complement ongoing maintenance in improving the overall quality of assets and include:

- Refurbishing the Air Conditioning and Mechanical Ventilation System (ACMV);
- Implementing energy efficiency initiatives
- Enhancing existing Net Lettable Areas (NLA)
- Refurbishing toilets and other public facilities
- Improving ingress and egress roads
- Enhancing the facades.

CREATING PLACES WHERE PEOPLE LOVE TO SHOP, DINE AND PLAY

Hektar REIT's strategy is creating lifestyle places where people love shopping, dining and playing. Active leasing, aligning the tenancy mix to the needs of the target shoppers, helps achieve this.

Many new stores opened at our malls throughout 2022. These new retail offerings spanned home furnishing, fashion, leisure and entertainment, beauty and wellness, department stores, kid's fashion, IT, gadget, and services.

 **Examples of New Stores Opening in 2022**

- | | |
|----------------------|-------------------|
| 1. Switch | 11. McDonalds |
| 2. Kenny Rogers | 12. Samsung |
| 3. GSC | 13. Zone Mobility |
| 4. KS Mart Signature | 14. Lazo Diamond |
| 5. Mi Store | 15. Big Apple |
| 6. CHK | 16. Wonderlab |
| 7. Siam Restaurant | 17. Felancy |
| 8. Honor | 18. Vivo |
| 9. V2 Opticare | 19. Pierre Cardin |
| 10. Tealive | |

 **Examples of Exciting Events Held During the Year**

- | | |
|--|---|
| 1. Malaysia Day at Kulim Central | 5. Art Exhibition by Pei Hwa High School at Wetex Parade |
| 2. Merdeka Fashion Show at Subang Parade | 6. Kejohanan Karate-Do at Central Square |
| 3. Ethnic Dance Competition at Segamat Central | 7. Activities for family including football fever, orchestra and marathon |
| 4. Abang Long Fadil 3 Meet & Greet at Mahkota Parade | |

Consumers want more than a place to eat and shop – they want experiences. Hektar REIT continues to dedicate spaces and hold events that entertain.

Engaging with customers ahead of the festive season sparks the spirit of vitality prevalent among the masses. Festivals' vibrant and novel nature is an ideal time to connect with the local sentiment and reiterate the mall experience through nostalgia. *Hari Raya* is one of the most important festivals celebrated in Malaysia. Activities held in our malls included giving away Raya cookies at Central Square and *bubur lambuk* at Kulim Central and Segamat Central.

CREATING PLACES FOR EVERYONE

Hektar REIT supports the community by creating places where people can shop, dine and play. We aim to provide them with an inclusive and comfortable shopping experience.

We also considered easy access to public transport during all our properties' design and development stages, ensuring our malls are within easy reach from all main highways or roads.

In addition, our malls are family friendly, from playgrounds and cinemas to kids-friendly eateries, school holiday activities and other family-friendly things our patrons can do on their fun day-out.

SUSTAINABILITY STATEMENT



Family-Friendly Facilities at Our Malls

1. Diaper changing facilities
2. Mother's nursing room
3. Designated family parking
4. Ramp for strollers
5. Play areas
6. Kid-friendly eateries, shops and enrichment centres
7. Baby strollers rental

Our properties also provide disabled-friendly amenities as we welcome people with impairments or movement restrictions to visit our malls. Some examples of these amenities include:

- Wheelchairs for customers
- Dedicated disabled parking bays
- OKU toilets
- Ramps to improve wheelchair accessibility

TENANT AND VISITOR HEALTH, SAFETY AND SECURITY

Hektar REIT recognises its responsibilities for ensuring its stakeholders' health, safety and security, developing a "safety first mindset" throughout operations.

The Manager ensures the safety and security of properties by installing security access control systems and closed-circuit television, physically deploying security personnel and introducing measures to comply with health and safety advisories directed by the authorities. The property managers perform regular inspections to ensure a safe environment at the properties.

- ✓ Panic buttons at car parks
- ✓ Designated ladies-only parking spaces
- ✓ CCTVs throughout the malls, which are monitored 24-hours
- ✓ Emergency safety buttons inside lifts and on escalators

The property managers equip tenants and visitors with the necessary knowledge and suggested actions to take in an emergency by conducting frequent fire drills and evacuation exercises. Our property managers also perform all fitting-out works safely and socially responsibly based on approved drawings that comply with regulations and guidelines. Regular on-site meetings and inspections with the tenants also improved safety and compliance.

The Manager met its perpetual target of zero validated cases of non-compliance with relevant regulations and voluntary codes concerning health and safety across all properties in FY2022.

HEKTAR REIT'S SUSTAINABLE PATH FORWARD

Sustainability is not a trend but a responsibility for the entire value chain. Consequently, Hektar REIT takes responsibility for integrating environmental, social and governance (ESG) factors into investment decisions and operational processes. Continued commitment to high ESG standards is the best way for shareholders and unitholders to achieve their investment goals while benefiting the environment and communities. However, collective efforts are essential for accomplishing this. We invite our business partners, tenants and customers to join us on this journey.

With increased ESG awareness, we witness more and more tenants implementing sustainability in their strategy. Some examples include:

- Zero Waste Refill Station and Say No to Single-Use Plastic Bags by Village Grocer
- Bring Your Own Bag by Watsons
- Refill Scheme to save plastic by Body Shop
- #SaveOurOceans by Coffee Bean & Tea Leaf
- Go Green with Eco-friendly Bags by Guardian
- 10% sales donation to underprivileged children by Popular Bookstore
- Bring your own Starbucks Tumbler by Starbucks Malaysia
- No Chuckin' Our Chicken by Nandos
- Eco Strawless Cup by Tealive
- Recycling empty merchandise bottles by L'Occitane
- The Lost Food Project and No Plastic Day on Weekend by GIANT

As we grow, we look forward to accelerating our journey toward a resilient, sustainable future. We are excited to share our ongoing essential transformation and journey towards being a responsible corporation that emphasises people, the planet and performance in the following annual reports.

SUSTAINABILITY STATEMENT

GRI CONTENT INDEX

Statement of use Hektar REIT has reported the information cited in this GRI content index for the period of FY2023 with reference to the GRI Standards. The GRI content index lists all GRI disclosures in the report, including references to their placement. The GRI standards have been used as a main reference in preparing this Sustainability Statement.

GRI Framework Used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	4,5
	2-2 Entities included in the organization's sustainability reporting	82
	2-3 Reporting period, frequency and contact point	47
	2-4 Restatements of information	56
	2-5 External assurance	Nil
	2-6 Activities, value chain and other business relationships	28-30
	2-7 Employees	57-59
	2-8 Workers who are not employees	58
	2-9 Governance structure and composition	83, 111
	2-10 Nomination and selection of the highest governance body	83
	2-11 Chair of the highest governance body	83, 111
	2-12 Role of the highest governance body in overseeing the management of impacts	111
	2-13 Delegation of responsibility for managing impacts	49
	2-14 Role of the highest governance body in sustainability reporting	49
	2-15 Conflicts of interest	108
	2-16 Communication of critical concerns	50-54
	2-17 Collective knowledge of the highest governance body	84-93
	2-18 Evaluation of the performance of the highest governance body	115-116
	2-19 Remuneration policies	115-116
	2-20 Process to determine remuneration	115-116
	2-21 Annual total compensation ratio	115-116
	2-22 Statement on sustainable development strategy	48-49
	2-23 Policy commitments	48-49
	2-24 Embedding policy commitments	48-49
	2-25 Processes to remediate negative impacts	52-55
	2-26 Mechanisms for seeking advice and raising concerns	51-52
	2-27 Compliance with laws and regulations	62
	2-28 Membership associations	63
	2-29 Approach to stakeholder engagement	51-52
	2-30 Collective bargaining agreements	48, 58

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	52-55
	3-2 List of material topics	52-55
	3-3 Management of material topics	52-55
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	134
	201-2 Financial implications and other risks and opportunities due to climate change	68-69
	201-3 Defined benefit plan obligations and other retirement plans	74
	201-4 Financial assistance received from government	Nil
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	1:1
GRI 203: Indirect Economic Impacts 2016 supported	203-1 Infrastructure investments and services	59
	203-2 Significant indirect economic impacts	71-73
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	56
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	60-61
	205-2 Communication and training about anti-corruption policies and procedures	60-61
	205-3 Confirmed incidents of corruption and actions taken	60-61
GRI 302: Energy 2016	302-1 Energy consumption within the organization	56
	302-3 Energy intensity	56
	302-4 Reduction of energy consumption	56, 63-64
	303-2 Management of water discharge-related impacts	65
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	56, 65
	303-4 Water discharge	56, 65
	303-5 Water consumption	56, 65
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	56
	305-2 Energy indirect (Scope 2) GHG emissions	56
	305-3 Other indirect (Scope 3) GHG emissions	56
	305-4 GHG emissions intensity	56
	305-5 Reduction of GHG emissions	56

SUSTAINABILITY STATEMENT

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	66
	306-3 Waste generated	56, 66
	306-4 Waste diverted from disposal	56
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	62
	308-2 Negative environmental impacts in the supply chain and actions taken	62
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	58
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	74
	401-3 Parental leave	74
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	74-75
	403-2 Hazard identification, risk assessment, and incident investigation	75
	403-3 Occupational health services	75
	403-4 Worker participation, consultation, and communication on occupational health and safety	75, 76
	403-5 Worker training on occupational health and safety	75
	403-6 Promotion of worker health	75-76
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	75-76
	403-8 Workers covered by an occupational health and safety management system	75-76
	403-9 Work-related injuries	59
	403-10 Work-related ill health	59
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59
	404-2 Programs for upgrading employee skills and transition assistance programs	76
	404-3 Percentage of employees receiving regular performance and career development reviews	76
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	57-58
	405-2 Ratio of basic salary and remuneration of women to men	1:1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	74
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	77

GRI STANDARD	DISCLOSURE	LOCATION
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	77
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	71-73
	413-2 Operations with significant actual and potential negative impacts on local communities	71-73
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	62
	414-2 Negative social impacts in the supply chain and actions taken	62
GRI 415: Public Policy 2016	415-1 Political contributions	61
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	77-78
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	77-78
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	78
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	59